

Vietnam Electrical Equipment Joint Stock Corporation

Interim consolidated financial statements

30 June 2017



Vietnam Electrical Equipment Joint Stock Corporation

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Vietnam Electrical Equipment Joint Stock Corporation

GENERAL INFORMATION

THE COMPANY

Vietnam Electrical Equipment Joint Stock Corporation ("the Corporation") was previously known as Vietnam Electrical Engineering Equipment Joint Stock Corporation, a state-owned corporation which was established in accordance with Decision No. 1120/QD-TCCBDT dated 10 July 1990 issued by the Ministry of Heavy Industry of Vietnam (currently known as Ministry and Industry and Trade of Vietnam). The Corporation was equitised in pursuant with the Decision No. 1422/QD-TTg dated 10 August 2010 issued by Prime Minister of Vietnam and the first business license No. 0100100512 issued by Hanoi Department of Planning and Investment on 1 December 2010. The Corporation was also granted subsequent amended business registration certificates, with the latest being the 7th dated 24 July 2017.

The current principal activities of the Corporation are capital management; trading of electrical equipment for industry, agriculture and civil use; trading of single-phase and three-phase electric measurement instrument (direct-current and alternative-current electricity) at low voltage, medium voltage and high voltage up to 220 KV; trading of real-estates; provision of hospitality and tourism services; leasing of office, house, factory and warehouse; trading, import and export of electrical materials, equipment and spare-parts.

The Corporation's head office is located at No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi.

BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

Mr Nguyen Hoa Cuong	Chairman
Mr Nguyen Trong Tieu	Member
Ms Nguyen Thi Bich Ngoc	Member
Mr Vo Anh Linh	Member
Mr Nguyen Van Tuan	Member

BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

Ms Nguyen Thi Thanh Yen	Head	
Ms Pham Thi Minh Cuc	Member	Appointed on 25 April 2017
Ms Pham Thi My Ha	Member	Appointed on 25 April 2017
Mr Pham The Ngoc	Member	Resigned on 4 April 2017

MANAGEMENT

Members of the Management during the period and at the date of this report are:

Mr Nguyen Van Tuan	General Director
Mr Nguyen Dinh Hung	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Corporation during the period and at the date of this report is Mr Nguyen Van Tuan, General Director.

AUDITOR

The auditor of the Corporation is Ernst & Young Vietnam Limited.

Vietnam Electrical Equipment Joint Stock Corporation

REPORT OF MANAGEMENT

Management of Vietnam Electrical Equipment Joint Stock Corporation (“the Corporation”) is pleased to present this report and the interim consolidated financial statements of the Corporation and its subsidiaries (collectively referred to as “the Group”) for the six-month period ended 30 June 2017.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim consolidated financial statements, the management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- ▶ prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It 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.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY THE MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2017 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.



General Director
Nguyen Van Tuan

Hanoi, Vietnam

28 August 2017



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Reference: 61355749/19516923-HN/LR

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: **The Shareholders of Vietnam Electrical Equipment Joint Stock Corporation**

We have reviewed the accompanying interim consolidated financial statements of Vietnam Electrical Equipment Joint Stock Corporation ("the Corporation") and its subsidiaries (collectively referred to as "the Group"), as prepared on 28 August 2017 and as set out on pages 5 to 79 which comprise the interim consolidated balance sheet as at 30 June 2017, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

The Corporation's management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements, and for such internal control as the Management of the Corporation determines is necessary to enable the preparation and presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2017 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

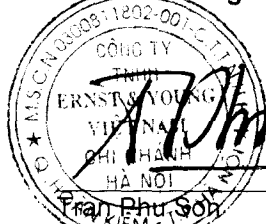


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Other Matter

The interim consolidated financial statements of the Group for the six-month period ended 30 June 2016 were reviewed by another audit firm which expressed an unmodified conclusion on those interim consolidated statements on 26 August 2016. This audit firm also audited the consolidated financial statements of the Group for the year ended 31 December 2016 and expressed an unqualified opinion on those consolidated statements on 30 March 2017.

Ernst & Young Vietnam Limited



Phan Phu Son
Deputy General Director
Audit Practising Registration
Certificate No: 0637-2013-004-1

Hanoi, Viet Nam

28 August 2017

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2017

Currency: VND

Code	ASSETS	Notes	30 June 2017	31 December 2016 (Restated)
100	A. CURRENT ASSETS		8,211,067,285,711	6,375,260,768,165
110	I. Cash and cash equivalents	5	1,077,504,002,160	2,912,224,131,908
111	1. Cash		434,162,439,634	551,676,131,908
112	2. Cash equivalents		643,341,562,526	2,360,548,000,000
120	II. Short-term investments	6	1,538,924,147,597	353,394,502,790
121	1. Held-for-trading securities		845,971,138,255	197,046,708,523
122	2. Provision for held-for-trading securities		(22,550,185,849)	-
123	3. Held-to-maturity investments		715,503,195,191	156,347,794,267
130	III. Current accounts receivable		3,542,779,814,408	1,477,255,794,577
131	1. Short-term trade receivables	7.1	2,119,706,467,555	1,223,696,625,485
132	2. Short-term advances to suppliers	7.2	136,017,151,383	40,031,806,525
135	3. Short-term loan receivables	8	54,340,000,000	6,000,000,000
136	4. Other short-term receivables	9	1,327,753,263,129	244,605,334,365
137	5. Provision for doubtful short-term receivables	7	(95,820,704,807)	(37,077,971,798)
139	6. Shortage of assets waiting for resolution		783,637,148	-
140	IV. Inventories	10	2,005,484,923,681	1,599,320,549,702
141	1. Inventories		2,009,166,336,212	1,605,320,276,853
149	2. Provision for obsolete inventories		(3,681,412,531)	(5,999,727,151)
150	V. Other current assets		46,374,397,865	33,065,789,188
151	1. Short-term prepaid expenses	16	15,429,409,333	3,500,945,005
152	2. Value-added tax deductible		29,647,345,687	25,951,710,367
153	3. Tax and other receivables from the State		1,297,642,845	3,613,133,816

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2017

Currency: VND

Code	ASSETS	Notes	30 June 2017	31 December 2016 (Restated)
200	B. NON-CURRENT ASSETS		5,497,166,845,898	2,455,829,770,802
210	I. Long-term receivables		80,586,329,570	431,000,000
211	1. Long-term trade receivables	7.1	76,417,752,200	-
212	2. Long-term advance to suppliers		1,528,500,000	-
216	3. Other long-term receivables		2,640,077,370	431,000,000
220	II. Fixed assets		2,877,082,896,332	896,768,403,860
221	1. Tangible fixed assets	11	2,718,151,004,868	849,608,232,527
222	Cost		4,707,558,820,324	1,776,437,667,014
223	Accumulated depreciation		(1,989,407,815,456)	(926,829,434,487)
227	2. Intangible fixed assets	12	158,931,891,464	47,160,171,333
228	Cost		198,079,639,428	58,439,178,735
229	Accumulated amortisation		(39,147,747,964)	(11,279,007,402)
230	III. Investment properties	13	140,068,192,865	126,271,840,991
231	1. Cost		154,011,908,274	135,324,654,546
232	2. Accumulated depreciation		(13,943,715,409)	(9,052,813,555)
240	IV. Long-term assets in progress	14	308,625,123,250	233,426,742,295
242	1. Construction in progress		308,625,123,250	233,426,742,295
250	V. Long-term investments	15	1,076,890,032,499	1,003,976,347,979
252	1. Investments in associates, jointly controlled entities		765,980,368,059	1,000,267,658,228
253	2. Investment in other entities		4,864,805,940	3,495,681,301
254	3. Provision for long-term investments		(232,841,500)	(386,991,550)
255	4. Held-to-maturity investments		306,277,700,000	600,000,000
260	VI. Other long-term assets		1,013,914,271,382	194,955,435,677
261	1. Long-term prepaid expenses	16	207,238,584,621	189,278,626,743
262	2. Deferred tax assets	32.3	10,992,362,273	5,676,808,934
269	3. Goodwill	17	795,683,324,488	-
270	TOTAL ASSETS		13,708,234,131,609	8,831,090,538,967

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2017

Currency: VND

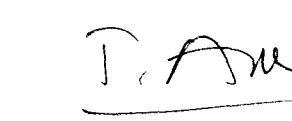
Code	RESOURCES	Notes	30 June 2017	31 December 2016 (Restated)
300	C. LIABILITIES		7,724,845,230,141	5,554,347,800,979
310	I. Current liabilities		4,105,291,473,822	3,420,162,929,722
311	1. Short-term trade payables	18.1	786,176,800,031	618,097,889,769
312	2. Short-term advances from customers	18.2	69,093,656,143	38,263,732,896
313	3. Statutory obligations	19	81,939,828,306	57,562,288,051
314	4. Payables to employees		110,423,310,848	124,492,002,513
315	5. Short-term accrued expenses	20	36,767,530,190	38,300,478,430
318	6. Short-term unearned revenue	21	42,515,910,927	20,332,886,290
319	7. Other short-term payables	22	551,293,416,559	324,415,731,261
320	8. Short-term loans	23	2,152,992,467,226	1,998,916,461,904
321	9. Short-term provisions	24	149,635,838,962	154,974,905,223
322	10. Bonus and welfare fund	25	124,452,714,630	44,806,553,385
330	II. Non-current liabilities		3,619,553,756,319	2,134,184,871,257
331	1. Long-term trade payables	18.1	56,495,273,005	-
336	2. Long-term unearned revenues	21	46,390,329,854	46,945,637,558
337	3. Other long-term liabilities	22	138,491,798,895	99,062,274,095
338	4. Long-term loans	23	3,270,035,705,878	1,890,468,227,369
341	5. Deferred tax liabilities	32.3	17,092,299,361	-
342	6. Long-term provisions	24	57,847,100,649	57,337,130,033
343	7. Scientific and technological development fund		33,201,248,677	40,371,602,202
400	D. OWNERS' EQUITY		5,983,388,901,468	3,276,742,737,988
410	I. Capital	26	5,977,838,596,669	3,272,769,249,866
411	1. Share capital		2,320,000,000,000	1,550,000,000,000
411a	- Shares with voting rights		2,320,000,000,000	1,550,000,000,000
412	2. Share premium		688,715,724,760	66,378,000,000
414	3. Other owners' capital		77,388,963,577	77,388,963,577
415	4. Treasury shares		-	(5,026,115,259)
417	5. Foreign exchange differences reserve		35,975,000	83,604,392
418	6. Investment and development fund		216,738,210,746	208,668,128,206
421	7. Undistributed earnings		749,411,993,595	677,140,203,246
421a	- Undistributed earnings by the end of prior year		325,200,352,770	215,405,554,558
421b	- Undistributed earnings of the period		424,211,640,825	461,734,648,688
429	8. Non-controlling interests		1,925,547,728,991	698,136,465,704
430	II. Other funds		5,550,304,799	3,973,488,122
431	1. Subsidised fund		1,755,477,009	(25,923,000)
432	2. Fund for fixed assets in use		3,794,827,790	3,999,411,122
440	TOTAL LIABILITIES AND OWNERS' EQUITY		13,708,234,131,609	8,831,090,538,967



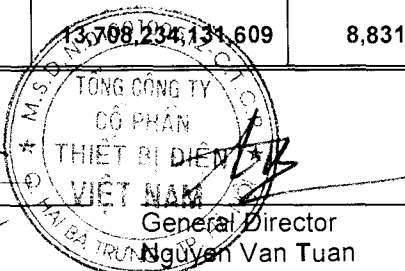
Preparer
Duong Viet Nga

Hanoi, Vietnam

28 August 2017



Chief Accountant
Pham Tuan Anh



General Director
Nguyen Van Tuan

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2017

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016 (Restated)
01	1. Revenue from sale of goods and rendering of services	27.1	5,737,030,116,093	3,685,973,926,849
02	2. Deductions	27.1	(46,598,841,728)	(50,821,472,436)
10	3. Net revenue from sale of goods and rendering of services	27.1	5,690,431,274,365	3,635,152,454,413
11	4. Cost of goods sold and services rendered	28	(4,768,457,970,416)	(3,167,092,400,656)
20	5. Gross profit from sale of goods and rendering of services		921,973,303,949	468,060,053,757
21	6. Finance income	27.2	678,585,120,774	150,767,616,961
22	7. Finance expenses	29	(199,889,042,886)	(24,851,796,417)
23	<i>In which: Interest expenses</i>		(178,662,039,110)	(23,027,137,533)
24	8. Shares of loss of joint-venture		(20,345,255,198)	(38,752,053,895)
25	9. Selling expenses	30	(127,760,879,597)	(77,964,902,067)
26	10. General and administrative expenses	30	(239,050,757,627)	(109,338,951,572)
30	11. Operating profit		1,013,512,489,415	367,919,966,767
31	12. Other income		3,180,134,959	4,788,256,475
32	13. Other expenses		(4,134,256,587)	(7,631,444,721)
40	14. Other loss		(954,121,628)	(2,843,188,246)
50	15. Accounting profit before tax		1,012,558,367,787	365,076,778,521
51	16. Current corporate income tax expenses	32.1	(207,573,312,973)	(53,308,492,646)
52	17. Deferred tax expenses	32.3	(4,224,192,106)	(4,091,988,168)
60	18. Net profit after tax		800,760,862,708	307,676,297,707
61	19. Net profit after tax attributable to shareholders of the parent		424,211,640,825	243,818,583,199
62	20. Net profit after tax attributable to non-controlling interests	26.1	376,549,221,883	63,857,714,508

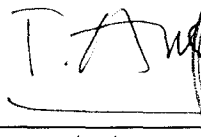
INTERIM CONSOLIDATED INCOME STATEMENT (continued)
for the six-month period ended 30 June 2017

Currency: VND

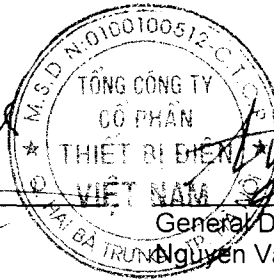
Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016 (Restated)
70	21. Basic earnings per share	34	1,650	1,047
71	22. Diluted earnings per share	34	1,222	709



Preparer
Duong Viet Nga



Chief Accountant
Pham Tuan Anh




General Director
Nguyen Van Tuan

Hanoi, Vietnam

28 August 2017

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2017

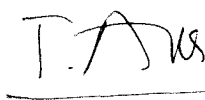
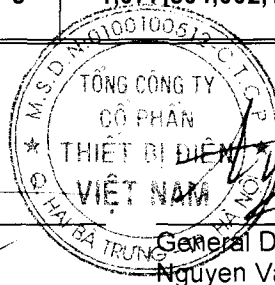
Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		1,012,558,367,787	365,076,778,521
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and amortisation of intangible fixed assets (including amortization of goodwill)		143,160,591,979	52,762,052,707
03	Provisions/(reversal of provisions)		24,331,994,006	(7,785,471,950)
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency		748,533,070	314,776,749
05	Profits from investing activities		(661,229,210,789)	(97,293,551,853)
06	Interest expenses	29	178,662,039,110	23,027,137,533
08	Operating profit before changes in working capital		698,232,315,163	336,101,721,707
09	Increase in receivables		(424,697,434,995)	(122,518,832,383)
10	Decrease/(increase) in inventories		(357,450,244,896)	324,807,838,705
11	Decrease in payables		(77,347,998,063)	(365,154,941,159)
12	Increase in prepaid expenses		(5,092,711,759)	(25,563,934,415)
13	Increase in held-for-trading securities		(646,334,157,174)	(40,000,000,000)
14	Interest paid		(192,090,877,477)	(22,053,691,071)
15	Corporate income tax paid	19	(194,856,586,678)	(43,264,234,155)
16	Other cash inflows from operating activities		5,329,946,811	1,307,906,814
17	Other cash outflows for operating activities		(42,392,004,631)	(171,966,694,080)
20	Net cash flows used in operating activities		(1,236,699,753,699)	(128,304,860,037)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets and other long-term assets		(128,304,713,324)	(205,842,336,619)
22	Proceeds from disposals of fixed assets and other long-term assets		4,672,909,141	838,418,620
23	Loans to other entities and payments for purchase of debt instruments of other entities		(1,330,259,462,584)	(267,155,377,778)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		462,051,171,841	129,300,672,000
25	Payments for investments in other entities		(1,468,354,554,384)	-
26	Proceeds from sale of investments in other entities		855,248,603,736	10,893,542,810
27	Interest and dividends received		53,382,292,892	117,272,930,435
30	Net cash flows used in investing activities		(1,551,563,752,682)	(214,692,150,532)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2017

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		1,542,601,110,019	-
33	Drawdown of borrowings		4,484,331,495,726	1,125,539,887,526
34	Repayment of borrowings		(4,653,244,815,402)	(797,622,506,040)
36	Dividends paid to equity holders <i>In which:</i>		(420,389,540,504)	(228,980,401,400)
	<i>Dividends paid to shareholders of the parent</i>		(231,811,825,000)	(154,352,610,000)
	<i>Dividends paid to non-controlling interest</i>		(188,577,715,504)	(74,627,791,400)
40	Net cash flows from financing activities		953,298,249,839	98,936,980,086
50	Net decrease in cash and cash equivalents for the period		(1,834,965,256,542)	(244,060,030,483)
60	Cash and cash equivalents at the beginning of the period		2,912,224,131,908	518,493,494,834
61	Impact of exchange rate fluctuation		245,126,794	(349,440,269)
70	Cash and cash equivalents at the end of the period	5	1,077,504,002,160	274,084,024,082


Preparer
Duong Viet Nga

Chief Accountant
Pham Tuan Anh


General Director
Nguyen Van Tuan

Hanoi, Vietnam

28 August 2017

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2017 and for the six-month period then ended

1. CORPORATE INFORMATION

Vietnam Electrical Equipment Joint Stock Corporation ("the Corporation") was previously known as Vietnam Electrical Engineering Equipment Joint Stock Corporation, a state-owned corporation which was established in accordance with Decision No. 1120/QD-TCCBDT dated 10 July 1990 issued by the Ministry of Heavy Industry of Vietnam (currently known as Ministry and Industry and Trade of Vietnam). The Corporation was equitised in pursuant with the Decision No. 1422/QD-TTg dated 10 August 2010 issued by Prime Minister of Vietnam and the first business license No. 0100100512 issued by Hanoi Department of Planning and Investment on 1 December 2010. The Corporation was also granted subsequent amended business registration certificates, with the latest being the 7th dated 24 July 2017.

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The Corporation's normal course of business cycle is 12 months.

The Corporation's head office is located at No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi.

The number of the Group's employees as at 30 June 2017 is 4,218 (31 December 2016: 2,990).

Corporate structure

As at 30 June 2017, the Corporation directly owns subsidiaries with detailed information as follows:

No.	Name	% equity share	% voting rights	Address	Principal activities
1	Vietnam Electric Cable Corporation ("Cadivi")	74.73%	74.73%	No. 70-72 Nam Ky Khoi Nghia Street, District 1, Ho Chi Minh City	Manufacture and trade electrical wires and cables
2	Hanoi Eletromechanical Manufacturing JSC ("HEM")	65.88%	65.88%	Km 12 Cau Dien Road, Phuc Dien Ward, Bac Tu Liem District, Hanoi	Manufacture and trade electrical motors and equipment
3	GELEX Energy One-member Limited Liability Company ("GELEX Energy")	100%	100%	No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Manage investments in energy industry
4	GELEX Cambodia Limited Liability Company ("GELEX Cambodia")	100%	100%	No. 4B, 564 Street, Phnom Penh, Cambodia	Trade and distribute electrical equipment
5	Electrical Equipment JSC ("Thibidi")	70.79%	70.79%	Road No. 09, Bien Hoa 1 Industrial Zone, Dong Nai Province	Manufacture and trade electrical equipment

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

<i>No.</i>	<i>Name</i>	<i>% equity share</i>	<i>% voting rights</i>	<i>Address</i>	<i>Principal activities</i>
6	Electric Measuring Instrument Limited Liability Company ("EMIC")	100%	100%	No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Manufacture electric measuring instruments
7	Vietnam Electrical Equipment I JSC ("Vinakip")	72.15%	72.15%	Huu Nghi Street, Xuan Khanh Ward, Son Tay District, Hanoi	Manufacture and trade electrical equipment
8	South Logistics JSC ("Sotrans")	51.03%	51.03%	No. 1B Hoang Dieu Street, Ward 4, District 4, Ho Chi Minh City	Provide warehouse rental, operating and management services

In addition, the subsidiaries (which are directly owned by the Corporation) also own other subsidiaries, with detailed information as follows:

Cadivi:

<i>No.</i>	<i>Name</i>	<i>% equity share</i>	<i>% voting rights</i>	<i>Address</i>	<i>Principal activities</i>
1	Cadivi Dong Nai Company Limited ("Cadivi Dong Nai")	100%	100%	Road No. 1, Long Thanh Industrial Zone, Tam An Ward, Long Thanh District, Dong Nai Province	Manufacture and trade electrical wires and cables
2	Cadivi Mien Bac Company Limited ("Cadivi Mien Bac")	100%	100%	No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Trade electrical wires and cables

HEM:

<i>No.</i>	<i>Name</i>	<i>% equity share</i>	<i>% voting rights</i>	<i>Address</i>	<i>Principal activities</i>
1	Hanoi Electrical Mechanical Equipment JSC ("HECO")	70.02%	70.02%	Lot J12, Road No. 10, Le Minh Xuan Industrial Zone, Binh Chanh District, Ho Chi Minh City	Manufacturing and trading electrical products
2	Hanoi Vocational College of High Technology	51.35%	51.35%	Km 12 – 32 Highway, Phu Dien Ward, Tu Liem District, Hanoi	College and vocational education

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

GELEX Energy:

<i>No.</i>	<i>Name</i>	<i>% equity share</i>	<i>% voting rights</i>	<i>Address</i>	<i>Principal activities</i>
1	Phu Thanh My JSC ("Phu Thanh My")	65%	65%	Commune 9, Thanh My 2 Village, Thanh My Town, Nam Giang District, Quang Nam Province	Hydropower electricity generating
2	GELEX Investment and Construction JSC ("GELEC ICC")	81.25%	81.25%	No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Civil and industrial construction

Sotrans:

<i>No.</i>	<i>Name</i>	<i>% equity share</i>	<i>% voting rights</i>	<i>Address</i>	<i>Principal activities</i>
1	South Port JSC ("South Port")	51%	51%	No 9 Hanoi Highway, Truong Tho Ward, Thu Duc District, Ho Chi Minh City	Provide multimodal transportations and cargo handling services
2	Sotrans Infrastructure Investment One Member Company Limited ("SII")	100%	100%	No. 1B Hoang Dieu Street, Ward 13, District 4, Ho Chi Minh City	Provide support services related to transportation
3	Southern Waterborne Transport Corporation ("Sowatco")	75.01%	75.01%	No. 298 Huynh Tan Phat Street, Tan Thuan Tay Ward, District 7, Ho Chi Minh City	Provide shipbuilding, transportation and logistics service.
4	Sotrans Ha Tinh JSC ("Sotrans Hà Tĩnh")	100%	100%	Mr. Trinh Thien Chien's house, Do Go Commune, Ky Thinh Ward, Ky Anh City, Ha Tinh Province	Provide cargo ground transportation services
5	Vietranstimex Multimodal Transport Holding Company ("VTX")	82.65%	82.65%	No. 80-82 Bach Dang Street, Hai Chau I Ward, Hai Chau District, Da Nang District	Multimodal transportation, cargo handling services and support services related to ground, railway and water transportation
6	Engineering Construction JSC ("ECCO")	86.15%	86.15%	No. 202 Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City	Civil construction
7	Can Tho Shipyard JSC ("Can Tho Shipyard")	70%	70%	No. 77B Tran Phu Street, Cai Khe Ward, Ninh Kieu District, Can Tho City	Ship building and float structure fabrication
8	Southern Waterway Mechanic And Engineering Services JSC ("SOWATMES")	51%	51%	No. 59 Pham Ngoc Thach Street, District 3, Ho Chi Minh City	Civil construction

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The interim consolidated financial statements of the Corporation and its subsidiaries expressed in Vietnam dong ("VND") are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

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

2.2 Applied accounting documentation system

The Group's applied accounting documentation system is General Journal System.

2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The interim consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.5 Basis of consolidation

The interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiaries for the six-month period ended 30 June 2017.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The interim financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company interim balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

2. BASIS OF PREPARATION (continued)

2.5 *Basis of consolidation* (continued)

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Cost includes its purchase price and any directly relevant costs to bring the inventory to its present location and condition.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

- | | | |
|---|---|---|
| Raw materials, tools and supplies, merchandises | - | cost of purchase on a weighted average basis. |
| Finished goods and work-in process | - | cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis. |

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials and other inventories owned by the Group, based on appropriate evidence of impairment available at the reporting date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim consolidated income statement.

3.3 *Receivables*

Receivables are presented in the interim consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the reporting date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim consolidated income statement.

3.5 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Rentals under operating leases are charged to the interim consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's fixed assets in the interim consolidated balance sheet.

Lease income is recognised in the interim consolidated income statement on a straight-line basis over the lease term.

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible fixed assets* (continued)

Land use rights

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

3.7 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	20 - 50 years
Machinery and equipment	3 - 15 years
Means of transportation	6 - 10 years
Office equipment	3 - 10 years
Computer software	3 - 8 years
Land use right with definite term	45 - 50 years
Land use right with indefinite term	No amortisation

3.8 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	50 years
Machinery and equipment	5 - 15 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim consolidated income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the period in which they are incurred.

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim consolidated income statement:

- ▶ Prepaid rental of infrastructure;
- ▶ Tools, with significant value, issued into production and can be used for more than one year;
- ▶ Substantial expenditure of fixed asset overhaul; and
- ▶ Others.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with lease contracts for a period from 39 years to 50 years. Such prepaid rental is classified as long-term prepaid expenses for allocation to the interim consolidated income statement over the remaining lease period, according to Circular 45.

3.11 *Business combinations and goodwill*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortised over 10-year period on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Investments

Investments in associates

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investments in joint ventures

The Group's investment in joint ventures in which the Group has jointly control right is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the joint venture. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the joint venture.

The share of profit/(loss) of joint ventures is presented on face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from joint venture reduces the carrying amount of the investment.

The financial statements of the joint venture are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Investments* (continued)

Provision for held-for-trading securities and investments in entities

Provision is made for any diminution in value of the held-for-trading securities and investments in other entities at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the interim consolidated income statement and deducted against the value of such investments.

3.13 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.14 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the interim consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3.15 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the reporting dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred during the period and arisen from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim consolidated income statement.

3.17 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3.18 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Charter of the Corporation and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

Investment development fund

This fund is set aside for use in the Group's expansion of its operation or of in-depth investment.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the interim consolidated balance sheet.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion. Stage of completion is measured by reference to the service implemented to reporting date for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease.

3.20 Construction contract

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the interim consolidated balance sheet date, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Difference between the cumulative revenue of a construction contract recognised to date and the cumulative amount of progress billings of that contract is presented as construction contract receivable/payable based on agreed progress billings in the interim consolidated balance sheet.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the reporting date.

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount in interim consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries, associates and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 *Taxation* (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date.

Deferred tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Corporation intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.22 *Segment information*

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), that is subject to risks and returns that are different from those of other segments.

Group's business segment is derived mainly from production and trading of electric equipment; transportation and logistics services; electricity generating; and others.

4. BUSINESS COMBINATIONS

4.1 *Acquisition of Phu Thanh My JSC*

On 27 February 2017, GELEX Energy One-member Limited Liability Company, a subsidiary owned 100% by the Corporation, acquired 65% of the voting shares of Phu Thanh My Joint Stock Company ("Phu Thanh My"). Accordingly, Phu Thanh My JSC became a subsidiary of the Group as of this date.

Phu Thanh My is a joint stock company incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Registration Certificate No. 4000455251 issued by the Department of Planning and Investment of Quang Nam Province on 17 January 2007 and subsequent amended business registration certificates, with the latest being 5th amendment dated 12 January 2017.

The principal activities of Phu Thanh My are to generate and sell electricity (of Song Bung 4A Project). The Group acquired shares from Phu Thanh My JSC for the purpose of developing its energy segment.

As at 30 June 2017, the Group was in progress of determining fair value of the identifiable assets, liabilities or contingent liabilities of Phu Thanh My as at the acquisition date, and applied a temporary accounting method to consolidate Phu Thanh My. The fair value of the identifiable assets and liabilities as at the acquisition date were determined temporarily as follows:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

4. BUSINESS COMBINATIONS (continued)

4.1 Acquisition of Phu Thanh My JSC (continued)

	<i>Currency: VND</i>
	<i>Estimated value recognised at acquisition date</i>
Assets	
Cash and cash equivalents	233,187,871,450
Short-term receivables	53,465,944,265
Other short-term assets	2,143,514,440
Tangible fixed assets	1,374,153,850,116
Other long-term assets	5,770,760,336
	1,668,721,940,607
Liabilities	
Trade payables	116,238,105,048
Loans and finance leases	1,011,777,823,000
Other payables	50,586,329,285
	1,178,602,257,333
Total identifiable net assets at fair value	490,119,683,274
Non-controlling interests	(171,541,889,146)
Value of investment previously purchased	(294,221,335,650)
Goodwill arising on acquisition (<i>Note 17</i>)	88,929,741,522
Purchase consideration transferred	113,286,200,000
Cash flow on acquisition	
Net cash acquired with the subsidiary	233,187,871,450
Cash paid	(113,286,200,000)
Net cash flow on acquisition	119,901,671,450

From the date of acquisition, Phu Thanh My has added VND 28,948,239,703 to the net profit before tax of the Group.

Revenue and net profit before tax of Phu Thanh My from the beginning of current period to the acquisition date are VND 48,788,190,435 and VND 15,375,203,571, respectively.

4.2 Acquisition of additional interest in South Logistics JSC

On 24 March 2017, the Corporation acquired additional 26.01% equity interest of South Logistics JSC ("Sotrans"), increasing its ownership in this company to 51.03%. Accordingly, as of this date, Sotrans became a subsidiary of the Corporation.

Sotrans is a joint stock company incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Registration Certificate No. 4106000166 issued by the Ho Chi Minh Department of Planning and Investment on 22 May 2006 and subsequent amended business registration certificates, with the latest being the 11th Amendment dated 13 December 2016. The principal activities of Sotrans are to provide water domestic transportation of merchandise; warehousing services; merchandise loading & discharge and freight forwarding services.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

4. BUSINESS COMBINATIONS (continued)

4.2 Acquisition of additional interest in South Logistics JSC (continued)

As at 24 March 2017, Sotrans directly owns 4 subsidiaries, including:

- South Port Joint Stock Company;
- Sotrans Infrastructure Investment One Member Company Limited (*);
- Sotrans Ha Tinh Joint Stock Corporation; and
- Vietranstimex Multimodal Transport Holding Company.

(* The subsidiary owns Southern Waterborne Transport Corporation, a company which owns other 3 subsidiaries and 3 associates.

In addition, Sotrans has 4 investments into joint venturers and associates, including:

- SORECO Real Estate Development Company Limited;
- The Pier Real Estate Development Corporation;
- Gefco-Sotrans Logistics Company Limited; and
- MHC Joint Stock Company.

Information about the percentage of ownership, voting right and business activities of Sotrans and its subsidiaries, joint ventures, associates is presented at Note 1 and Note 15.

The Corporation has acquired Sotrans for the purpose of developing the Group's logistics segment.

As at 30 June 2017, the Group was in the progress of determining the fair value of the identifiable assets, liabilities or contingent liabilities of Sotrans as at the date of acquisition, and applied a temporary accounting method to consolidate Sotrans.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

4. BUSINESS COMBINATIONS (continued)

4.2 Acquisition of additional interest in South Logistics JSC (continued)

The fair value of the identifiable assets and liabilities of Sotrans on the acquisition date as at the date of acquisition were determined temporarily as follows:

	<i>Currency: VND</i>
	<i>Estimated value recognised at acquisition</i>
Assets	
Cash and cash equivalents	468,963,768,204
Short-term investments	40,340,032,081
Other short-term receivables	298,090,847,066
Other short-term assets	35,904,463,030
Fixed assets	511,655,489,132
Construction in progress	131,638,500,464
Investments in joint ventures, associates	406,525,887,910
Investments in other entities	321,813,266,614
Other long-term assets	19,424,864,653
	<u>2,234,357,119,154</u>
Liabilities	
Trade payables	93,203,487,028
Loans and borrowings	694,674,606,914
Other short-term payables	274,434,685,928
	<u>1,062,312,779,870</u>
Total identifiable net assets at fair value	<u>1,172,044,339,284</u>
Non-controlling interests	(757,143,239,721)
Fair value of investment purchased before	(562,770,981,067)
Goodwill arising on acquisition (<i>Note 17</i>)	728,047,319,239
	<u>580,177,437,735</u>
Purchase consideration transferred	
Cash flow on acquisition	
Net cash acquired with the subsidiary	468,963,768,204
Cash paid	(580,177,437,735)
	<u>(111,213,669,531)</u>

From the date of acquisition, Sotrans has added VND 541,608,793,932 to the net profit before tax of the Group.

Revenue and net profit before tax of Sotrans from the beginning of current period to the acquisition date are VND 320,553,688,378 and VND 37,886,558,143, respectively.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

4. BUSINESS COMBINATIONS (continued)

4.3 Acquisition of additional interest in Vietnam Electrical Equipment I JSC

On 19 May 2017, the Corporation acquired additional 22.91% equity interest of Vietnam Electrical Equipment I JSC ("Vinakip") through private share offering of Vinakip, increasing its ownership to 72.15%. Accordingly, as of this date, Vinakip became a subsidiary of the Corporation.

Vinakip is a joint stock company privatised from a state-owned company in accordance with Decision No. 247/2003/QĐ-BCN dated 31 December 2003 by the Ministry of Industry. This company is incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Registration Certificate No. 0303000160 issued by the Department of Planning and Investment of Ha Tay Province dated 12 April 2004 and subsequent amendments with the latest being the 6th amended Business Registration Certificate No. 0500447942 dated 18 January 2016. The principal activities of Vinakip are to manufacture and trade electricity switch, controlling and protecting devices.

The Corporation has acquired Vinakip for the purpose of developing its electric equipment production and trading segment.

As at 30 June 2017, the Group is on the progress of fair value determination for the identifiable assets, liabilities or contingent liabilities of Vinakip as at the acquisition date, and applied temporary accounting method to consolidate Vinakip. Fair value of the identifiable assets and liabilities of Vinakip on the acquisition date as at the date of acquisition were determined temporarily as follows:

	<i>Currency: VND</i>
	<i>Estimated value recognised at acquisition</i>
Assets	
Cash and cash equivalents	21,184,202,902
Short-term investments	25,910,006,124
Other short-term receivables	28,575,137,931
Inventory	21,123,929,521
Fixed assets	31,101,148,183
Other long-term assets	852,209,856
	<u>128,746,634,517</u>
Liabilities	
Trade payables	21,865,157,256
Other payables	14,083,858,390
	<u>35,949,015,646</u>
Total identifiable net assets at fair value	92,797,618,871
Non-controlling interests	(25,851,841,154)
Fair value of existing investment in Vinakip	(45,734,307,087)
Goodwill arising on acquisition (<i>Note 17</i>)	5,988,738,575
	<u>27,200,209,205</u>
Purchase consideration transferred	
Cash flow on acquisition	
Net cash acquired with the subsidiary	21,184,202,902
Cash paid	(27,200,209,205)
	<u>(6,016,006,303)</u>
Net cash flow on acquisition	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

4. BUSINESS COMBINATIONS (continued)

4.3 Acquisition of additional interest in Vietnam Electrical Equipment I JSC (continued)

From the date of acquisition, Vinakip has added VND 1,472,849,251 to the net profit before tax of the Group.

Revenue and net profit before tax of Vinakip from the beginning of current period to the acquisition date are VND 127,999,246,661 and VND 6,228,342,719, respectively.

5. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Cash on hand	13,569,233,167	3,618,795,858
Cash at banks	420,593,206,467	548,057,336,050
Cash equivalents (*)	<u>643,341,562,526</u>	<u>2,360,548,000,000</u>
TOTAL	<u>1,077,504,002,160</u>	<u>2,912,224,131,908</u>

(*) Cash equivalents represent bank deposits in VND with term of less than 3 months, earning interest rate from 4.3% to 5.3 % per annum.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

6. SHORT-TERM INVESTMENTS

6.1 Held-for-trading securities

Currency: VND

	30 June 2017			31 December 2016 (Restated)		
	Cost	Fair value	Provision	Cost	Fair value	Provision
- Bonds (i)	653,000,000,000	653,000,000,000	-	197,046,708,523	197,046,708,523	-
- Fund certificate (ii)	50,000,000,000	50,000,000,000	-	-	-	-
- Trust investment (iii)	140,380,865,697	118,877,308,016	(21,503,557,681)	-	-	-
- Listed stock	2,590,272,558	1,543,644,390	(1,046,628,168)	-	-	-
TOTAL	845,971,138,255	823,420,952,406	(22,550,185,849)	197,046,708,523	197,046,708,523	-

(i) Details for bonds investment are as follows:

Issuer	30 June 2017 VND	Principal and interest prepayment term	Interest rate (% p.a)	Collaterals
IB Securities JSC	500,000,000,000	2 years, principal and interest due on 21 February 2019	9.5%	Unsecured
Hai An Technology and Education Investment JSC	100,000,000,000	3 years, interest receivable on annual basis. Principal is due on 31 May 2020	9.5%	Unsecured
Lam Dong Tourism JSC	53,000,000,000	4 years, interest receivable on bi-annual basis. Principal is due on 4 May 2021	10%	Unsecured
	653,000,000,000			

The Group classified the bonds as held-for-trading securities (short-term) based on its plan (approved by the Management) to divest before maturity date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

6. SHORT-TERM INVESTMENTS (continued)

6.1 Held-for-trading securities (continued)

(ii) Details for investments in fund certificate are as follows:

<i>Content</i>	<i>30 June 2017</i>		<i>Term</i>	<i>Collaterals</i>
	<i>Cost</i>	<i>Provision</i>		
Vietinbank Value Discovery Investment Fund	50,000,000,000	-	12 months	Unsecured
	50,000,000,000	-		

(iii) Details for trust investment are as follows:

<i>Content</i>	<i>30 June 2017</i>		<i>Term/Purpose</i>	<i>Collaterals</i>
	<i>Cost</i>	<i>Provision</i>		
Vietnam Fortune Fund Management JSC	110,380,865,697	(21,503,557,681)	12 months, for the purpose of investment in stocks and other valuable notes	Unsecured
Vietinbank Fund Management One Member Company Limited	30,000,000,000	-	12 months from 19 January 2017, for the purpose of investment in stock	Unsecured
	140,380,865,697	(21,503,557,681)		

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

6. SHORT-TERM INVESTMENTS (continued)

6.2 Held-to-maturity investments

Currency: VND

	30 June 2017			31 December 2016 (Restated)		
	Cost	Carrying value	Provision	Cost	Carrying value	Provision
- Time deposits at bank (i)	300,003,195,191	300,003,195,191	-	156,347,794,267	156,347,794,267	-
- Trust investment (ii)	415,500,000,000	415,500,000,000	-	-	-	-
TOTAL	715,503,195,191	715,503,195,191	-	156,347,794,267	156,347,794,267	-

(i) Time deposit comprises bank deposits in VND with term of more than 6 months and which earn interest from 6.3% to 6.9% per annum.

(ii) This is trust investment in Vietinbank Fund Management Co., Ltd with term of less than 12 months, and purpose of short-term investment in bonds.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 Trade receivables

	Currency: VND	
	30 June 2017	31 December 2016 (Restated)
Short-term		
Trade receivables from other parties	2,107,977,107,773	1,223,696,625,485
- Southern Power Corporation	242,831,785,504	48,006,417,479
- Duc Tuong Group JSC	154,580,338,690	88,333,399,058
- Northern Power Corporation	119,525,632,600	-
- Quy Dan Electric Equipment Co., Ltd	110,026,994,005	95,321,690,364
- Thibidi Campuchia Co., Ltd	90,342,986,031	7,521,558,427
- Ho Chi Minh City Machinery Electronics JSC	63,841,943,666	49,378,466,578
- Other customers	1,326,827,427,277	935,135,093,579
Trade receivables from related parties (Note 33)	11,729,359,782	-
TOTAL	<u>2,119,706,467,555</u>	<u>1,223,696,625,485</u>
Provision for doubtful receivables	(88,347,470,215)	(32,267,650,971)
Long-term		
Trade receivables from other parties	76,417,752,200	-
- Hung Yen Power Company	11,493,682,200	-
- Vinh Phuc Power Company	10,385,927,200	-
- Thanh Hoa Power Company	8,226,971,500	-
- Other customers	46,311,171,300	-
TOTAL	<u>76,417,752,200</u>	<u>-</u>

7.2 Short-term advances to suppliers

	Currency: VND	
	30 June 2017	31 December 2016
Long Duc Investment Co., Ltd	27,338,123,103	-
Indee International Trading Co., Ltd	13,395,883,352	420,934,784
Upcast Oy Co.,Ltd	11,705,855,408	11,050,119,208
RMM Metallhandel GMBH	7,473,234,592	6,871,886,896
Other suppliers	76,104,054,928	21,688,865,637
TOTAL	<u>136,017,151,383</u>	<u>40,031,806,525</u>
Provision for doubtful advance	(7,473,234,592)	(4,810,320,827)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

8. SHORT-TERM LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Hanoi Construction Materials JSC (*)	4,000,000,000	4,000,000,000
Post and Telecommunication Construction JSC (**)	50,000,000,000	-
Others	340,000,000	2,000,000,000
TOTAL	54,340,000,000	6,000,000,000

(*) This is unsecured loan receivable with 6-month term (due on 31 December 2017), earning interest rate of 6% per annum.

(**) This is unsecured loan receivable with 6-month term (due on 16 September 2017), earning interest rate of 7% per annum.

9. OTHER RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i> <i>(Restated)</i>
Deposit for share purchase (i)	1,147,321,750,000	213,286,200,000
Dividends receivables	46,189,152,000	-
Advances to employees	41,771,108,096	11,466,484,760
Interest receivables	40,220,918,934	5,800,265,279
Deposits	6,221,892,729	5,877,244,574
Others	46,028,441,370	8,175,139,752
TOTAL	1,327,753,263,129	244,605,334,365

In which:

<i>Other short-term receivables from related parties (Note 33)</i>	<i>114,059,580,870</i>	<i>-</i>
<i>Others</i>	<i>1,213,693,682,259</i>	<i>244,605,334,365</i>

(i) Deposit for share purchase as at 30 June 2017 of the Group comprises:

- A deposit of VND 65,550,000,000 to acquire additional of 5.7 billion shares of Vietnam – Hungari Electric Machinery Manufacturing JSC (“VIHEM”) – an associate of the Group as at 30 June 2017 through private offering by VIHEM (see also Note 38).
- A deposit of VND 882,873,000,000 to an entity to acquire shares of a company operating in water service business in accordance with deposit agreement dated 20 February 2017.
- A deposit of VND 148,898,750,000 to individuals to acquire shares of a company operating in electrical equipment manufacturing and trading business, in accordance with Business cooperation contract signed in 2017.
- A deposit of VND 50,000,000,000 to an entity to acquire shares of a company operating in power generation and transmission business, in accordance with Share transfer agreement dated 20 June 2017.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

10. INVENTORIES

Currency: VND

	30 June 2017		31 December 2016 (Restated)	
	Cost	Provision	Cost	Provision
Goods in transit	106,017,685,562	-	64,971,150,980	-
Raw materials and spare parts	804,107,991,373	(477,015,584)	473,637,539,103	-
Tools and supplies	4,746,138,441	-	1,569,486,230	-
Work in process	267,817,408,582	-	287,851,646,496	-
Finished goods	818,248,636,794	(2,922,139,944)	773,459,768,508	(5,999,727,151)
Merchandise	7,051,004,800	(282,257,003)	3,830,685,536	-
Goods on consignment	1,177,470,660	-	-	-
TOTAL	2,009,166,336,212	(3,681,412,531)	1,605,320,276,853	(5,999,727,151)

As at 30 June 2017, certain inventories are pledged as collaterals for the Group's loans and bonds as disclosed in Note 23.

Movements of provision for inventories:

	Currency: VND	
	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Beginning balance	5,999,727,151	5,443,789,845
Add: Provision made during the period	759,272,587	723,740,777
Less: Utilisation and reversal of provision during the period	(3,077,587,207)	(5,443,789,845)
Ending balance	3,681,412,531	723,740,777

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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11. TANGIBLE FIXED ASSETS

Currency: VND

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
Cost:					
As at 31 December 2016 (Restated)	644,102,823,754	943,369,788,725	119,638,043,561	69,327,010,974	1,776,437,667,014
- New purchase	-	60,835,785,106	12,227,755,620	591,922,504	73,655,463,230
- Transfer from construction in progress	120,422,620,155	-	-	-	120,422,620,155
- Increase from business combination	1,292,532,518,234	777,388,007,744	684,346,462,230	5,534,984,264	2,759,801,972,472
- Reclassification	124,944,777	475,055,223	(600,000,000)	-	-
- Disposal	-	(1,097,230,557)	(2,974,418,261)	-	(4,071,648,818)
- Transfer to investment properties (Note 13)	(11,766,456,488)	(1,449,202,992)	-	(5,471,594,249)	(18,687,253,729)
As at 30 June 2017	<u>2,045,416,450,432</u>	<u>1,779,522,203,249</u>	<u>812,637,843,150</u>	<u>69,982,323,493</u>	<u>4,707,558,820,324</u>
<i>In which:</i>					
<i>Fully depreciated</i>	134,770,674,800	348,889,759,966	240,966,872,407	11,083,123,826	735,710,430,999
Accumulated depreciation:					
As at 31 December 2016 (Restated)	274,296,666,411	566,676,077,341	66,847,848,172	19,008,842,563	926,829,434,487
- Depreciation for the period	28,072,463,281	50,555,562,099	23,753,244,149	3,269,618,402	105,650,887,931
- Increase from business combination	253,605,012,494	229,205,539,077	474,717,980,640	4,789,765,557	962,318,297,768
- Reclassification	62,472,396	69,194,268	(131,666,664)	-	-
- Disposal	-	(914,676,209)	(2,806,805,864)	-	(3,721,482,073)
- Transfer to investment properties (Note 13)	(548,107,531)	(140,616,067)	-	(980,599,059)	(1,669,322,657)
As at 30 June 2017	<u>555,488,507,051</u>	<u>845,451,080,509</u>	<u>562,380,600,433</u>	<u>26,087,627,463</u>	<u>1,989,407,815,456</u>
Net carrying amount:					
As at 31 December 2016 (Restated)	<u>369,806,157,343</u>	<u>376,693,711,384</u>	<u>52,790,195,389</u>	<u>50,318,168,411</u>	<u>849,608,232,527</u>
As at 30 June 2017	<u>1,489,927,943,381</u>	<u>934,071,122,740</u>	<u>250,257,242,717</u>	<u>43,894,696,030</u>	<u>2,718,151,004,868</u>

As at 30 June 2017, certain tangible fixed assets are pledged as collaterals for the Group's loans and bonds as disclosed in Note 23.

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12. INTANGIBLE FIXED ASSETS

	<i>Currency: VND</i>		
Cost	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
As at 31 December 2016	54,116,285,959	4,322,892,776	58,439,178,735
- New purchase	-	2,912,202,192	2,912,202,192
- Increase from business combination	133,101,133,386	3,627,125,115	136,728,258,501
As at 30 June 2017	<u>187,217,419,345</u>	<u>10,862,220,083</u>	<u>198,079,639,428</u>
<i>In which:</i>			
<i>Fully amortised</i>	-	2,411,070,719	2,411,070,719
Accumulated amortisation:			
As at 31 December 2016	8,858,319,553	2,420,687,849	11,279,007,402
- Amortisation for the period	6,521,873,285	466,295,589	6,988,168,874
- Increase from business combination	18,092,694,935	2,787,876,753	20,880,571,688
As at 30 June 2017	<u>33,472,887,773</u>	<u>5,674,860,191</u>	<u>39,147,747,964</u>
Net carrying amount:			
As at 31 December 2016	<u>45,257,966,406</u>	<u>1,902,204,927</u>	<u>47,160,171,333</u>
As at 30 June 2017	<u>153,744,531,572</u>	<u>5,187,359,892</u>	<u>158,931,891,464</u>

As at 30 June 2017, certain intangible fixed assets are pledged as collaterals for loans of the Group as disclosed in Note 23.

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as at 30 June 2017 and for the six-month period then ended

13. INVESTMENT PROPERTIES

Currency: VND

	<i>Buildings</i>	<i>Machinery and equipment (*)</i>	<i>Total</i>
Cost:			
As at 31 December 2016 (Restated)	86,633,065,746	48,691,588,800	135,324,654,546
Transfer from tangible fixed assets (Note 11)	<u>11,766,456,488</u>	<u>6,920,797,240</u>	<u>18,687,253,728</u>
As at 30 June 2017	<u>98,399,522,234</u>	<u>55,612,386,040</u>	<u>154,011,908,274</u>
Accumulated depreciation:			
As at 31 December 2016 (Restated)	3,164,841,306	5,887,972,249	9,052,813,555
- Depreciation for the period	865,348,470	2,356,230,727	3,221,579,197
- Transfer from tangible fixed assets (Note 11)	<u>548,107,531</u>	<u>1,121,215,126</u>	<u>1,669,322,657</u>
As at 30 June 2017	<u>4,578,297,307</u>	<u>9,365,418,102</u>	<u>13,943,715,409</u>
Net carrying amount:			
As at 31 December 2016 (Restated)	<u>83,468,224,440</u>	<u>42,803,616,551</u>	<u>126,271,840,991</u>
As at 30 June 2017	<u>93,821,224,927</u>	<u>46,246,967,938</u>	<u>140,068,192,865</u>

(*) These are machinery and equipment associated with Gelex Tower Building at No 52, Le Dai Hanh Street, Hanoi.

The Group has not yet determined fair value of the investment properties due to lack of reference information on market value as at the reporting date.

The investment property of Gelex Tower Building at No 52, Le Dai Hanh Street (estimated on the percentage of area used for leasing over total commercial area), are pledged as collaterals for the Group's bonds as disclosed in Note 23.

14. CONSTRUCTION IN PROGRESS

Currency: VND

	<i>30 June 2017</i>	<i>31 December 2016</i>
Project of premium office and commerce center at No. 799 Kinh Duong Vuong street (*)	127,243,482,364	127,243,482,364
Project of electric cable and wire factory at Tan Phu Trung	98,739,194,843	87,341,965,142
Machinery and vehicles in installation process	68,052,698,594	10,428,649,025
Project of hotel and office at No. 10 Tran Nguyen Han street	4,138,214,910	4,138,214,910
Others	<u>10,451,532,539</u>	<u>4,274,430,854</u>
TOTAL	<u>308,625,123,250</u>	<u>233,426,742,295</u>

(*) This is land rental fee for the area of 5,092 m² at Kinh Duong Vuong Street, ward 12, district 6, Ho Chi Minh City which Vietnam Electric Cable Corporation, a subsidiary of the Corporation, prepaid to State Budget.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

15. LONG-TERM INVESTMENTS

Currency: VND

	30 June 2017			31 December 2016		
	Costs	Provision	Fair value	Costs	Provision	Fair value
Investments in associates, joint ventures (Note 15.1)	765,980,368,059	-	765,980,368,059	1,000,267,658,228	-	1,000,267,658,228
Other long-term investments	4,864,805,940	(232,841,500)	4,631,964,440	3,495,681,301	(386,991,550)	3,108,689,751
Long-term held-to-maturity investments (Note 15.2)	306,277,700,000	-	306,277,700,000	600,000,000	-	600,000,000
TOTAL	1,077,122,873,999	(232,841,500)	1,076,890,032,499	1,004,363,339,529	(386,991,550)	1,003,976,347,979

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

15. LONG-TERM INVESTMENTS (continued)

15.1 Investments in joint ventures, associates

	30 June 2017		31 December 2016	
	Equity share (%)	Voting right (%)	Equity share (%)	Voting right (%)
CFT Vina Cooper Co., Ltd (i)	45.00	36.35	45.00	36.35
Vietnam – Hungari Electric Machinery Manufacturing JSC (ii)	34.27	34.27	34.27	34.27
SORECO Real Estate Development Company Limited (iii)	(*) 25.52	50.00	-	-
The Pier Real Estate Development Corporation (iv)	(*) 25.52	50.00	-	-
SAS CTAMAD Co., Ltd (v)	23.14	35.00	23.14	35.00
747 Engineering Construction and Trading JSC (Sowatco-Eco 747) (vi)	(*) 18.76	49.00	-	-
First Logistics Development Joint Venture Company (VICT) (vii)	(*) 14.16	37.00	-	-
Phuc Hung Tin JSC (viii)	(*) 13.00	20.00	-	-
Gefco-Sotrans Logistics Co., Ltd (ix)	(*) 12.50	24.50	-	-
MHC JSC (x)	(*) 11.74	23.00	-	-
Southern Waterways General Services JSC (Sowatcoser) (xi)	(*) 10.06	26.27	-	-
Vietnam Electrical Equipment I JSC (KIP) (xii)	-	-	49.24	49.24
EMIC Production and Trading JSC (xiii)	-	-	25.50	25.50
South Logistics JSC (STG) (xiv)	-	-	24.93	24.93

(*) This is indirect interest percentage which the Corporation holds through its subsidiaries (which are not 100% owned by the Corporation). Accordingly, the equity share is different to the voting right at these joint ventures and associates.

Details about the Group's joint ventures and associates as follows:

- (i) CFT Vina Cooper Co., Ltd is limited liability company with above 2 members, established in accordance with Investment License No. 1576/GPĐT granted by Head of Management Board of Industrial Zones in Dong Nai on 20 August 2002. The head office of this company is located at Road No. 9, Bien Hoa 1 Industrial Zone, Dong Nai province, Vietnam. The current principal activities of this company are manufacturing materials used for production of electric cable, electronic wires and telecommunication cables. In accordance with its Investment license, the Corporation's interest in CFT Vina Cooper Co., Ltd increases from 36.65% to 45% from 2016 to the expired date of the joint venture (in 2026), even though the Corporation's capital contribution remains the same.
- (ii) Vietnam – Hungari Electric Machinery Manufacturing JSC is a joint stock company incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Registration Certificate No. 0100101925 issued by the Hanoi Department of Planning and Investment on 22 January 2007 and the subsequent amendments. The head office of this company is located at Commune 24, Dong Anh town, Dong Anh district, Hanoi. The current principal activities of this company are manufacturing and trading electric motors.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

15. LONG-TERM INVESTMENTS (continued)

15.1 Investments in joint ventures, associates (continued)

- (iii) SORECO Real Estate Development Company Limited is a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No 0312576215 issued by the Department of Planning and Investment of Ho Chi Minh City on 5 December 2013 and subsequent amendments. The head office of this company is located at 16th Floor, Sailing Tower, 111A Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. The current principal activities of this company is real-estate trading.
- (iv) The Pier Real Estate Development Corporation is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0313877800 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 June 2016. The head office of this company is located at Room 1606, Floor 16, Sailing Tower, 111A Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. The current principal activities of this company is real-estate trading.
- (v) S.A.S.-Ctamad Company Limited is a joint venture incorporated under the Law on Foreign Investment in pursuant to the Investment License No.1018/GP issued by the Ministry of Planning and Investment on 25 October 1994 and the amended Investment License No 1018/GCNĐC3-BKH dated 23 August 2006. The head office of this company is located at No. 44B, Ly Thuong Kiet street, Hai Ba Trung district, Hanoi city, Vietnam. The current principal activities of this company are to operate hotel, office building and gaming club.
- (vi) 747 Engineering Construction and Trading JSC is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 2900751997 issued by Department of Planning and Investment of Nghe An province on 7 June 2006 and subsequent amendments. The head office of this company is located at No. 161/1 Truong Chinh street, Vinh city, Nghe An province. The current principal activities of this company are railway and highway construction.
- (vii) First Logistics Development Joint Venture Company is a joint venture company incorporated under the Law on Foreign Investment in Vietnam and prevailing Law on Investment pursuant to the Investment Licence No. 996/GP issued by the Ministry of Planning and Investment on 22 September 1994, and subsequent amendments. The head office of this company is located at A5 Street, Hamlet 5, Tan Thuan Dong ward, District 7, Ho Chi Minh City. The current principal activities of this company are to provide services of freight forwarding and container transportation at port.
- (viii) Phuc Hung Tin JSC is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 4000969881 issued by Department of Planning and Investment of Quang Nam province on 16 January 2014. The head office of this company is located at Dai Loc district, Quang Nam province. The current principal activities of this company are to generate, transmit and distribute electricity.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

15. LONG-TERM INVESTMENTS (continued)

15.1 Investments in joint ventures, associates (continued)

- (ix) Gefco – Sotrans Logistics Company Limited is a limited liability company with two or more members incorporated in accordance with the Investment Certificate No. 411022000830 issued by the People's Committee of Ho Chi Minh City on 5 June 2015. The head office of this company is located at No. 55-57 Nguyen Van Giai, Da Kao ward, District 1, Ho Chi Minh City, Vietnam. The current principal activities of this company are to provide ground transportation services.
- (x) MHC JSC is a joint stock company incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Register Certificate No. 0100793715 issued by the Hanoi Department of Planning and Investment on 19 November 1998, and the 19th amendment granted Department of Planning and Investment of on 1 April 2015. The head office of this company is located at 7th Floor, Hai An Building, Km2, Dinh Vu road, Dong Hai ward, Hai An district, Hai Phong city. The current principal activities of this company are to provide services supporting for ground & domestic waterway cargo transport and cargo handling services.
- (xi) Southern Waterways General Services JSC is a joint stock company incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Register Certificate No. 0303215396 issued by Department of Planning and Investment of Ho Chi Minh city on 1 April 2004 and subsequent amendments. The head office of this company is located at No 38, Ton That Thuyet street, Ward 15, District 4, Ho Chi Minh city. The current principal activities of this company are to provide services supporting for transportation.
- (xii) Refer to Note 4.
- (xiii) Fully divested in 2017.
- (xiv) Refer to Note 4.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

15. LONG-TERM INVESTMENTS (continued)

15.1 Investments in joint ventures, associates (continued)

Details of investments in joint ventures, associates as follows:

Currency: VND

	<i>As at 31 December 2016</i>	<i>Transform to subsidiaries</i>	<i>Divest during the period</i>	<i>Increase from business combination (*)</i>	<i>Share of profit/(loss) from associates</i>	<i>Dividends income during the period</i>	<i>As at 30 June 2017</i>
First Logistics Development Joint Venture Company	-	-	-	287,328,419,304	3,019,894,942	-	290,348,314,246
SAS CTAMAD Co., Ltd	279,388,313,061	-	-	-	17,181,557,932	(48,006,000,000)	248,563,870,993
CFT Vina Cooper Co., Ltd	108,275,111,882	-	-	-	5,271,213,304	(10,244,480,513)	103,301,844,673
MHC JSC	-	-	-	95,788,097,450	-	-	95,788,097,450
The Pier Real Estate Development Corporation	-	-	-	9,981,382,984	(733,454)	-	9,980,649,530
SORECO Real Estate Development Company Limited	-	-	-	9,956,735,704	(2,806,778)	-	9,953,928,926
Southern Waterways General Services JSC	-	-	-	3,167,377,305	(9,780,049)	-	3,157,597,256
Vietnam – Hungari Electric Machinery Manufacturing JSC	985,827,730	-	-	-	2,069,275,283	-	3,055,103,013

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

15. LONG-TERM INVESTMENTS (continued)

15.1 Investments in joint ventures, associates (continued)

Details of investments in joint ventures, associates as follows: (continued)

	Currency: VND						
	As at 31 December 2016	Transform to subsidiaries	Divest during the period	Increase from business combination (*)	Share of profit/(loss) from associates	Dividends income during the period	As at 30 June 2017
Phuc Hung Tin JSC	-	-	-	1,572,500,000	-	-	1,572,500,000
Gefco – Sotrans Logistics Company	-	-	-	303,875,163	(45,413,191)	-	258,461,972
Phu Dai Loc JSC	-	-	(1,372,500,000)	1,372,500,000	-	-	-
South Logistics JSC	554,292,836,363	(562,770,981,067)	-	-	8,478,144,704	-	-
Vietnam Electrical Equipment I JSC	49,506,970,116	(45,734,307,087)	-	-	718,026,971	(4,490,690,000)	-
Electric Measuring Instrument Limited Liability Company	7,818,599,076	-	(7,818,599,076)	-	-	-	-
Phu Thanh My JSC	-	(5,716,535,650)	-	-	5,716,535,650	-	-
TOTAL	1,000,267,658,228	(614,221,823,804)	(9,191,099,076)	409,470,887,910	42,395,915,314	(62,741,170,513)	765,980,368,059

(*) During the period, the Corporation acquired certain new subsidiaries as disclosed at Note 4. Accordingly, the Corporation indirectly owned investments in joint ventures, associates hold by these subsidiaries.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

15. LONG-TERM INVESTMENTS (continued)

15.2 Held-to-maturity investments

Currency: VND

	30 June 2017		31 December 2016	
	Cost	Carrying value	Cost	Carrying value
Term deposits (*)	6,277,700,000	6,277,700,000	600,000,000	600,000,000
Bond (**)	300,000,000,000	300,000,000,000	-	-
TOTAL	306,277,700,000	306,277,700,000	600,000,000	600,000,000

(*) These are bank deposits in VND with term of more than 12 months, earning interest rate ranging from 6.5% to 6.7% per annum.

(**) These are investments in bonds of below companies:

- West Lake Real Estate JSC with term of 2 years, due on 6 January 2019, earning interest rate of 11% per annum (which is payable on bi-annual basis) and secured by 23,500,000 shares of Tay Dai Duong Invest JSC held by West Lake Real Estate JSC.
- IB Securities JSC with term of 2 years, due on 6 January 2019, earning interest rate of 11% per annum (which is payable on bi-annual basis) and unsecured.

16. PREPAID EXPENSES

Currency: VND

	30 June 2017		31 December 2016	
	Cost	Carrying value	Cost	Carrying value
Short-term				
Tools and supplies cost		4,397,117,023		1,094,142,272
Others		11,032,292,310		2,406,802,733
TOTAL		15,429,409,333		3,500,945,005
Long-term				
Prepaid land rental		142,823,484,361		139,326,117,592
Infrastructure construction and site clearance expenditures		12,988,337,660		12,743,034,340
Overhaul expense		12,139,819,456		8,926,571,530
Tools and supplies cost		11,680,126,750		11,176,235,188
Office renovation		8,646,895,414		8,466,491,146
Others		18,959,920,980		8,640,176,947
TOTAL		207,238,584,621		189,278,626,743

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

17. GOODWILL

	<i>Currency: VND</i>			
	<i>Sotrans</i>	<i>Phu Thanh My</i>	<i>Vinakip</i>	<i>Total</i>
Cost:				
As at 31 December 2016	-	-	-	-
Addition (<i>Note 4</i>)	728,047,319,239	88,929,741,522	5,988,738,575	822,965,799,336
As at 30 June 2017	728,047,319,239	88,929,741,522	5,988,738,575	822,965,799,336
Accumulated amortization:				
As at 31 December 2016	-	-	-	-
Amortization for the period	(24,268,243,975)	(2,964,324,718)	(49,906,155)	(27,282,474,848)
As at 30 June 2017	(24,268,243,975)	(2,964,324,718)	(49,906,155)	(27,282,474,848)
Net carrying amount:				
As at 31 December 2016	-	-	-	-
As at 30 June 2017	703,779,075,264	85,965,416,804	5,938,832,420	795,683,324,488

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

18. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

18.1 Trade payables

Currency: VND

	30 June 2017		31 December 2016 (Restated)	
	Balance	Amount payable	Balance	Amount payable
Short-term				
Trade payables to other parties	739,028,980,857	739,028,980,857	556,069,733,586	556,069,733,586
- LS Nikko Cooper Inc	105,248,452,060	105,248,452,060	240,900,940,245	240,900,940,245
- Other suppliers	633,780,528,797	633,780,528,797	315,168,793,341	315,168,793,341
Trade payables to related parties (Note 33)	47,147,819,174	47,147,819,174	62,028,156,183	62,028,156,183
TOTAL	786,176,800,031	786,176,800,031	618,097,889,769	618,097,889,769
Long-term				
Trade payables to other parties	56,495,273,005	56,495,273,005	-	-
- Hydraulic Construction Corporation No.4	30,970,062,561	30,970,062,561	-	-
- 47 Construction JSC	20,404,335,927	20,404,335,927	-	-
- Other suppliers	5,120,874,517	5,120,874,517	-	-
TOTAL	56,495,273,005	56,495,273,005	-	-

18.2 Short-term advances from customers

Currency: VND

	30 June 2017		31 December 2016	
Southern Vietnam Power Project Management Board – Branch of National Power Transmission Corporation	16,766,759,627		8,820,677,122	
Others	52,326,896,516		29,443,055,774	
TOTAL	69,093,656,143		38,263,732,896	

19. STATUTORY OBLIGATIONS

Currency: VND

	31 December 2016		Decrease	30 June 2017
		Increase		
Value added tax	10,880,125,261	355,539,189,632	(346,129,248,301)	20,290,066,592
Corporate income tax	41,320,131,626	207,573,312,973	(194,856,586,678)	54,036,857,921
Personal income tax	3,039,970,083	36,303,288,261	(36,648,031,950)	2,695,226,394
Land rental fee	1,337,018,090	4,586,347,805	(5,918,132,245)	5,233,650
Other taxes	985,042,991	18,802,231,164	(14,874,830,406)	4,912,443,749
TOTAL	57,562,288,051	622,804,369,835	(598,426,829,580)	81,939,828,306

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

20. SHORT TERM ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016 (Restated)</i>
Interest expenses	17,945,711,846	12,526,486,606
Others	18,821,818,344	25,773,991,824
TOTAL	<u>36,767,530,190</u>	<u>38,300,478,430</u>

21. UNEARNED REVENUE

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Short-term		
Office rental	6,465,312,563	8,964,986,290
Unrealised profit of compensation for site relocation from associate (*)	36,050,598,364	-
Sale of goods	-	11,367,900,000
TOTAL	<u>42,515,910,927</u>	<u>20,332,886,290</u>
Long-term		
Office rental	46,390,329,854	46,945,637,558
TOTAL	<u>46,390,329,854</u>	<u>46,945,637,558</u>

(*) This is unearned profit of compensation for site relocation (recorded in 2016) with total amount of VND 73 billion from SORECO Real Estate Development Co. Ltd, an associate of the Group, in accordance with Agreement on site relocation assistance of land lot at Km9, Hanoi highway, Truong Tho ward, Thu Duc district, Ho Chi Minh city.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

22. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016 (Restated)</i>
Short-term		
Deposits from customers (i)	322,091,043,193	282,574,926,965
Advances of site relocation compensation (ii)	63,126,256,380	-
Advances of investment disposal (iii)	39,940,000,000	-
Dividend payables	33,330,740,483	9,863,439,719
Deposits from labour export service (v)	25,302,560,151	-
Deposits for project implementation (vi)	20,000,000,000	20,000,000,000
Current portion of interest-free loans (iv)	8,080,089,500	-
Trade union fee, social insurance, unemployment insurance payables	6,265,059,107	3,225,624,594
Others	33,157,667,745	8,751,739,983
TOTAL	<u>551,293,416,559</u>	<u>324,415,731,261</u>
Long-term		
Share warrant (vii)	90,000,000,000	90,000,000,000
Interest-free loans (iv)	24,494,968,500	-
Deposits from customers	22,381,329,395	9,062,274,095
Others	1,615,501,000	-
TOTAL	<u>138,491,798,895</u>	<u>99,062,274,095</u>

In which:

<i>Other payables to related parties (Note 33)</i>	40,816,000,000	-
<i>Other payables to third parties</i>	648,969,215,454	423,478,005,356

(i) These are short-term deposits from customers, bearing interest rate of 9.6% per annum.

(ii) Including:

- Advances of site relocation compensation amounting to VND 40 billion from SORECO Company, an associate of the Group, in accordance with Site Relocation Compensation Agreement relating to site clearance and handover of land lot at Km9, Hanoi Highway, Truong Tho Ward, Thu Duc District, Ho Chi Minh City.
- Advances of site relocation compensation from People's Committee of Can Tho city, amounting to VND 23.1 billion in accordance with Decision No. 4352/QD-UBND dated 6 December 2006 of People's Committee of Can Tho city. This compensation is for factory relocation of Can Tho Shipyard Building Company at Lot 77B, Tran Phu Street, Ninh Kieu District, Can Tho City as part of Can Tho Public Security's head office expansion project.

(iii) This is advance from R.C Real Estate Development and Finance Corporation in accordance with investment cooperation agreement No. 01/2016/HĐHT/REFICO&SOTRANS and No. 02/2016/HĐHT/REFICO&SOTRANS for the transfer of shares of The Pier Real Estate Development Corporation and SORECO, which are joint venture and associate of the Group.

(iv) The loans from suppliers to replenish working capital of Phu Thanh My JSC, a subsidiary of the Group. The loans are unsecured, interest-free and due from 31 December 2017 to 31 December 2019.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

22. OTHER PAYABLES (continued)

- (v) These are deposits from workers under labour export services in accordance with agreement with Southern Waterborne Transport Corporation to secure the commitment from the workers.
- (vi) These are deposits from a company and an individual to implement real-estate project at No. 10, Tran Nguyen Han Street, Hanoi.
- (vii) These are amounts from IB Securities JSC to purchase share warrants issued by the Corporation in accordance with Contract No. 20161206/HD/IBSC-GEX dated 6 December 2016 and Contract No. 20161212/HD/IBSC-GEX dated 12 December 2016. Accordingly, IB Securities JSC purchased 1,800 share warrants of the Company at price of VND 50 million per each. Each share warrant is equivalent to a call option of 50,000 shares of the Corporation at the price of VND 20,000 per share. The share purchase price will be determined based on anti-dilution clause when the call option is exercised but would not be smaller than 10,000 VND per share. The share warrants will be exercised no later than 30 June 2019. The share warrant issuance was approved by shareholders of the Corporation in accordance with Resolution No. 27/TBDVN/NQ-DHCD dated 1 August 2016.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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23. LOANS

Currency: VND

	Note	31 December 2016		Increase from business combination	Movement during the period		30 June 2017	
		Balance	Payable amount		Increase	Decrease	Balance	Payable amount
Short-term								
Loans from banks	23.1	1,966,640,639,904	1,966,640,639,904	35,352,775,664	4,456,627,636,731	(4,360,343,256,628)	2,098,277,795,671	2,098,277,795,671
Loans from others	23.3	18,083,133,000	18,083,133,000	7,098,689,000	14,330,450,000	(17,607,000,000)	21,905,272,000	21,905,272,000
Current portion of long term loans	23.2	14,192,689,000	14,192,689,000	19,857,882,439	16,579,695,526	(17,820,867,410)	32,809,399,555	32,809,399,555
TOTAL		1,998,916,461,904	1,998,916,461,904	62,309,347,103	4,487,537,782,257	(4,395,771,124,038)	2,152,992,467,226	2,152,992,467,226
Long-term								
Loans from banks	23.2	96,754,591,005	96,754,591,005	1,039,201,756,613	14,926,007,892	(20,739,750,526)	1,130,142,604,984	1,130,142,604,984
Bonds	23.4	1,793,713,636,364	1,793,713,636,364	596,335,555,561	3,157,545,333	(253,313,636,364)	2,139,893,100,894	2,139,893,100,894
TOTAL		1,890,468,227,369	1,890,468,227,369	1,635,537,312,174	18,083,553,225	(274,053,386,890)	3,270,035,705,878	3,270,035,705,878

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

23. **LOANS** (continued)

23.1 **Short-term loans from banks**

Details of the short-term loans from banks are as follows:

<i>Bank</i>	<i>30 June 2017 VND</i>	<i>Principal and interest repayment term</i>	<i>Interest rate (% p.a)</i>	<i>Description of collateral</i>
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch	617,700,161,904	06 months, interest payable on monthly basis. Last installment is due on 12 December 2017	5.0% - 5.2%	Trade receivables and inventory of the Corporation
Vietnam Joint Stock Commercial Bank for Industry and Trade – Hanoi Branch	374,555,939,629	From 03 months to 06 months, interest payable on monthly basis. Last installment is due on 29 November 2017	4.8% - 5.2%	Right of assets arising from economic contracts and inventory of the Corporation
Vietnam Joint Stock Commercial Bank for Industry and Trade - Bien Hoa Industrial Zone Branch – Dong Nai Province	333,005,140,066	06 months, interest payable on monthly basis. Last installment is due on 30 December 2017	5.0% - 5.5%	Inventory and fixed assets of Electrical Equipment JSC
Vietnam Joint Stock Commercial Bank for Foreign Trade – Ho Chi Minh City Branch	277,698,686,399	From 03 months to 04 months, interest payable on monthly basis. Last installment is due on 27 October 2017	5%	Unsecured
Vietnam Export Import Bank	256,821,287,449	From 03 months to 04 months, interest payable on monthly basis. Last installment is due on 27 September 2017	4.8%	Unsecured
Vietnam Joint Stock Commercial Bank for Industry and Trade – Tay Hanoi Branch	53,195,273,953	08 months, interest payable on monthly basis. Last installment is due on 01 January 2018	5.0% - 5.2%	Fixed assets of Hanoi Electro-mechanical Manufacturing JSC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

23. LOANS (continued)

23.1 Short-term loans from banks (continued)

Details of the short-term loans from banks are as follows: (continued)

<i>Bank</i>	<i>30 June 2017 VND</i>	<i>Principal and interest repayment term</i>	<i>Interest rate (% p.a)</i>	<i>Description of collateral</i>
Vietnam Joint Stock Commercial Bank for Industry and Trade – Long Bien Branch	55,000,000,000	06 months, interest payable on monthly basis. Last installment is due on 30 September 2017	5%	Unsecured
Vietnam International Bank – Ba Dinh Branch	25,540,070,011	06 months, interest payable on monthly basis. Last installment is due on 27 October 2017	5.0% - 5.1%	Trade receivables and inventory of the Corporation
Military Commercial Joint Stock Bank – My Dinh Branch	19,694,735,782	06 months, interest payable on monthly basis. Last installment is due on 9 August 2017	5.5%	Fixed assets of Hanoi Electromechanical Manufacturing JSC
Vietnam Joint Stock Commercial Bank for Foreign Trade – Da Nang Branch	18,039,015,724	09 months, interest payable on monthly basis. Last installment is due on 25 September 2017	5.4% - 5.5%	Land use right, ownership of buildings and means of transportations of Vietranstimex Multimodal Transport Holding Company
ANZ Bank	17,842,741,326	From 03 months to 06 months, interest payable on monthly basis. Last installment is due on 28 September 2017	4.85%	Inventory and trade receivables of Vietnam Electric Cable Corporation
Vietnam Investment and Development Joint Stock Bank	7,000,000,000	03 months, interest payable on monthly basis. Last installment is due on 24 July 2017	5%	Deposit contract of Vietnam Electric Cable Corporation (valued VND 45 billion)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

23. LOANS (continued)

23.1 Short-term loans from banks (continued)

Details of the short-term loans from banks are as follows: (continued)

Bank	30 June 2017 VND	Principal and interest repayment term	Interest rate (% p.a)	Description of collateral
Vietnam Joint Stock Commercial Bank for Foreign Trade – Dong Nai Branch	13,324,449,160	From 04 months to 06 months, interest payable on monthly basis. Last installment is due on 13 September 2017	5.0% - 5.5%	Unsecured
Vietnam Joint Stock Commercial Bank for Industry and Trade – Nhon Trach Branch	10,000,000,000	03 months, interest payable on monthly basis. Last installment is due on 27 September 2017	4.9%	Unsecured
Shinhan Bank Vietnam Limited – Hanoi Branch	9,011,652,746	04 months, interest payable on monthly basis. Last installment is due on 13 July 2017	4.65%	Unsecured
Vietnam Joint Stock Commercial Bank for Foreign Trade – Transaction Center II	6,412,386,748	03 months, interest payable on monthly basis. Last installment is due on 28 July 2017	5%	Unsecured
An Binh Commercial Joint Stock Bank – Da Nang Branch	2,263,000,000	From 05 months to 12 months, interest payable on monthly basis. Last installment is due on 3 November 2017	9.45% - 9.66%	Deposit Certificates of Phu Thanh My JSC, with amount of VND 1.5 billion and VND 763 million
Military Commercial Joint Stock Bank – Da Nang Branch	1,173,254,774	06 months, interest payable on monthly basis. Last installment is due on 27 September 2017	5.6%	Machineries of Vietranstimex Multimodal Transport Holding Company
TOTAL	<u>2,098,277,795,671</u>			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

23. LOANS (continued)

23.2 Long-term loans from banks

Details of the long-term loans from banks are as follows:

<i>Bank</i>	<i>30 June 2017 VND</i>	<i>Original currency USD</i>	<i>Principal and interest repayment term</i>	<i>Interest rate (% p.a)</i>	<i>Description of collateral</i>
Vietnam Development Bank – Quang Nam Branch	626,043,118,500	-	Last installment is due on 24 November 2028. Interest payable on monthly basis	6.9%	Song Bung 4A hydropower plant of Phu Thanh My JSC
Vietnam Development Bank – Quang Nam Branch	240,421,704,500	-	Last installment is due on 24 November 2028. Interest payable on monthly basis	10% - 11%	Song Bung 4A hydropower plant of Phu Thanh My JSC
Vietnam Investment and Development Joint Stock Bank – Quang Nam Branch	132,850,000,000	-	Last installment is due on 25 July 2023. Interest payable on monthly basis	9.8% - 10.5%	Assets funded by the loans and corresponding owner's equity, total balance of bank deposit account, water surface use right, natural resource exploitation right of Phu Thanh My JSC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

23. LOANS (continued)

23.2 Long-term loans from banks (continued)

Details of the long-term loans from banks are as follows: (continued)

<i>Bank</i>	<i>30 June 2017 VND</i>	<i>Original currency USD</i>	<i>Principal and interest repayment term</i>	<i>Interest rate (% p.a)</i>	<i>Description of collateral</i>
Vietnam Joint Stock Commercial Bank for Foreign Trade – Ho Chi Minh City Branch	89,967,945,000	-	Last installment is due on 2 January 2023. Interest payable on quarterly basis	7%	Buildings associated with land, machinery funded by the loan and Drum Twister machine of Project “Cable Manufacturing Factory” of Vietnam Electric Cable Corporation
CTBC Bank Co., Ltd – Ho Chi Minh City Branch	16,000,000,000	-	Last installment is due on 15 March 2019. Interest payable on half-year basis	6.65%	Land use right certificate, assets associated with land and merchandises of Vietnam Electric Cable Corporation
Vietnam Development Bank – Transaction Center II (Extraordinary operation loan agreement - OCR Loan)	50,842,858,849	2,232,888	Last installment is due on 15 November 2034. Interest payable on monthly basis	0.68%	Means of transportation (with amount of VND 15 billion) and deposit certificate (with amount of VND 50 billion) of Southern Waterborne Transport Corporation
Vietnam Development Bank – Transaction Center II (Extraordinary operation loan agreement - ADF Loan)	6,826,377,690	299,797	Last installment is due on 15 November 2041. Interest payable on monthly basis	1%	
TOTAL	<u>1,162,952,004,539</u>				
<i>In which:</i>					
<i>Current portion</i>	<i>32,809,399,555</i>				
<i>Long-term</i>	<i>1,130,142,604,984</i>				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

23. LOANS (continued)

23.2 Long-term loans from others

Details of the short-term loans from others are as follows:

<i>Lender</i>	<i>30 June 2017 VND</i>	<i>Principal and interest repayment term</i>	<i>Interest rate (% p.a)</i>	<i>Description of collateral</i>
Trade Union of Hanoi Electromechanical Manufacturing JSC	3,064,550,000	On demand	5.5%	Unsecured
Employees of Hanoi Electromechanical Manufacturing JSC	11,742,033,000	On demand	5.5%	Unsecured
State Capital and Investment Corporation	7,098,689,000	Last installment is due on 20 December 2017. Interest payable on monthly basis	9.15%	Land use right and ownership of assets associated with Land lot No. 70-72 Nam Ky of Vietnam Electric Cable Corporation
TOTAL	<u>21,905,272,000</u>			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

23. LOANS (continued)

23.4 Bonds

	30 June 2017			31 December 2016		
	Value (VND)	Interest rate (% p.a)	Maturity date	Value (VND)	Interest rate (% p.a)	Maturity date
Issued at par value (*)	1,800,000,000,000	8.5%	December 2019	1,800,000,000,000	8.5%	December 2019
Issued at par value (**)	350,000,000,000	10.08% - 10.3%	June 2019	-	-	-
Bonds issuance costs	(10,106,899,106)			(6,286,363,636)		
TOTAL	2,139,893,100,894			1,793,713,636,364		

(*) Including 2 bonds issuance contracts as follows:

- (i) Bonds issuance contract No. 01.2016/HDDM/TPBANK-GELEX signed between the Corporation and Tien Phong Commercial Joint Stock Bank: On 12 December 2016, the Corporation issued 800 inconvertible bonds, with total par value of VND 800 billion.

Collaterals for the bonds are:

- ▶ Gelex Tower Building at No. 52, Le Dai Hanh Street, Hanoi;
- ▶ 10,946,969 shares of Electrical Equipment JSC ("Thibidi"); 24,242,245 shares of Hanoi Electromechanical Manufacturing JSC (HEM); 23,600,000 restricted-transfer shares of Thibidi held by the Corporation and the Corporation's investment in GELEX Energy Company Limited which is funded by the issued bonds.

- (ii) Bonds contract No. 612/2016/HDDM.TP/VIB-GELEX signed between the Corporation and Vietnam International Commercial Joint Stock Bank – Ba Dinh Branch: On 6 December 2016, the Corporation issued 1,000 inconvertible bonds with total par value of VND 1,000 billion.

Collaterals for the bonds include:

- ▶ 41,000,000 common shares of Vietnam Electric Cable Corporation;
- ▶ The Corporation's investment in GELEX Land One-member Limited Liability Company (established on 12 July 2017).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

23. LOANS (continued)

23.4 Bonds (continued)

(**) Including 3 bonds issuance contracts as below:

- (i) Bonds issuance contract No. 01/2015/DM/VIETINBANK.HCM-SOTRANS signed between Sotrans and Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh Branch: On 23 December 2015, Sotrans issued 400 non-convertible bonds, with total par value of VND 400 billion. In the period, Sotrans repurchased 250 non-convertible bonds, with amount of VND 250 billion.

Collaterals of the bonds include 39,905,000 shares of Southern Waterborne Transport Corporation (“Sowatco”), a subsidiary of the Group.

- (ii) Bonds issuance contract No. 328/HD/STG-VFC signed between Sotrans and Viet Cat Fund Management Joint Stock Company: On 19 April 2016, Sotrans issued 130 non-convertible bonds with total par value of VND 130 billion.

Collaterals of the bonds include:

- ▶ 7,218,806 shares of Vietranstimex Multimodal Transport Holding Company (“VTX”), a subsidiary of the Group;
- ▶ 98,374 shares of VTX, a subsidiary of the Group; and
- ▶ 3,279,317 shares of Sowatco, a subsidiary of the Group.

- (iii) Bonds issuance contract No. 20160622/HD/STG-VTBC signed between Sotrans and Insurance Company Limited of Bank of Industry and Trade of Vietnam: On 22 June 2016, Sotrans issued 70 non-convertible bonds, with total par value of VND 70 billion.

Collaterals of the bonds include:

- ▶ 4,500,000 shares of VTX, a subsidiary of the Group; and
- ▶ 5,000,000 shares of Sowatco, a subsidiary of the Group.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

24. PROVISIONS

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016 (Restated)</i>
Short-term		
Provision for warranty (*)	149,635,838,962	154,974,905,223
TOTAL	149,635,838,962	154,974,905,223
Long-term		
Provision for severance allowance	13,923,849,620	8,900,936,787
Provision for warranty (*)	43,923,251,029	48,436,193,246
TOTAL	57,847,100,649	57,337,130,033

(*) Provision for warranty were estimated and made based on products that the Group produced and sold in previous years, in accordance with contract term on warranty and warranty duration committed to customers (i.e. from 1 year to 6 years).

25. BONUS AND WELFARE FUND

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Beginning balance	44,806,553,385	27,900,672,783
Increase from business combination	9,277,383,301	-
Addition	112,867,178,985	49,988,583,590
Utilisation during the period	(42,498,401,041)	(33,553,886,324)
Ending balance	<u>124,452,714,630</u>	<u>44,335,370,049</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

26. OWNERS' EQUITY

26.1 Increase and decrease in owners' equity

Currency: VND

	Share capital	Share premium	Other owner's capital	Treasury shares	Foreign exchange differences reserve	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
For the six-month period ended 30 June 2016									
As at 1 January 2016	1,550,000,000,000	66,378,000,000	47,050,714,170	(5,025,000,000)	84,376,333	123,438,566,724	744,300,401,229	455,332,932,118	2,981,559,990,574
- Net profit for the period	-	-	-	-	-	-	243,818,583,199	63,857,714,508	307,676,297,707
- Appropriation to investment and development fund	-	-	-	-	-	94,344,781,743	(94,344,781,743)	-	-
- Appropriation to bonus and welfare fund	-	-	-	-	-	-	(38,594,585,796)	(11,393,997,794)	(49,988,583,590)
- Dividends declared	-	-	-	-	-	-	(154,500,000,000)	(49,992,716,259)	(204,492,716,259)
- Disposal of subsidiaries	-	-	-	-	-	(9,117,465,668)	(72,789,169,117)	(49,750,137,908)	(131,656,772,693)
- Bonus shares announced by subsidiaries	-	-	30,227,226,490	-	-	-	-	7,728,056,041	37,955,282,531
- Other increase/ (decreases)	-	-	-	(635,745)	77,568,555	1,279,977	(197,302,888)	(217,152,787)	(336,242,888)
As at 30 June 2016	<u>1,550,000,000,000</u>	<u>66,378,000,000</u>	<u>77,277,940,660</u>	<u>(5,025,635,745)</u>	<u>161,944,888</u>	<u>208,667,162,776</u>	<u>627,693,144,884</u>	<u>415,564,697,919</u>	<u>2,940,717,255,382</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

26. OWNERS' EQUITY (continued)

26.1 Increase and decrease in owners' equity (continued)

Currency: VND

	Share capital	Share premium	Other owner's capital	Treasury shares	Foreign exchange differences reserve	Invest-ment and development fund	Undistributed earnings	Non-controlling interest	Total
For the six-month period ended 30 June 2017									
As at 1 January 2017	1,550,000,000,000	66,378,000,000	77,388,963,577	(5,026,115,259)	83,604,392	208,668,128,206	677,140,203,246	698,136,465,704	3,272,769,249,866
- Increase in capital (*)	770,000,000,000	615,729,724,760	-	-	-	-	-	145,237,270,000	1,530,966,994,760
- Net profit for the period	-	-	-	-	-	-	424,211,640,825	376,549,221,883	800,760,862,708
- Dividends declared (**)	-	-	-	-	-	-	(232,000,000,000)	(211,856,841,268)	(443,856,841,268)
- Appropriation to investment and development fund (**)	-	-	-	-	-	8,070,082,540	(8,070,082,540)	-	-
- Appropriation to bonus and welfare fund (**)	-	-	-	-	-	-	(86,483,336,016)	(26,383,842,969)	(112,867,178,985)
- Remuneration of Board of Directors	-	-	-	-	-	-	(148,143,600)	(238,856,400)	(387,000,000)
- Acquisition of non-controlling interests	-	-	-	-	-	-	(25,008,274,421)	(10,191,725,579)	(35,200,000,000)
- Acquisition of new subsidiaries	-	-	-	-	-	-	-	954,536,970,021	954,536,970,021
- Selling treasury shares	-	6,608,000,000	-	5,026,115,259	-	-	-	-	11,634,115,259
- Other decrease	-	-	-	-	(47,629,392)	-	(230,013,899)	(240,932,401)	(518,575,692)
As at 30 June 2017	<u>2,320,000,000,000</u>	<u>688,715,724,760</u>	<u>77,388,963,577</u>	<u>-</u>	<u>35,975,000</u>	<u>216,738,210,746</u>	<u>749,411,993,595</u>	<u>1,925,547,728,991</u>	<u>5,977,838,596,669</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

26. OWNERS' EQUITY (continued)

26.1 Increase and decrease in owners' equity (continued)

(*) In accordance with the strategy approved in Resolution of Extraordinary Shareholders Meeting No. 27/TBDVN/NQ-DHCD dated 1 August 2016, the Corporation increased its chartered capital by issuing additional shares for existing shareholders and Board of Directors issued Resolution No. 06/2017/GELEX/NQ-HDQT dated 23 January 2017 for approval of the share issuance result. Accordingly, the additional shares have been fully contributed in 2017 and in circulation from 23 January 2017.

(**) In accordance with the Resolution of Annual Shareholders Meeting No. 21/GELEX/NQ-DHCD dated 25 April 2017 of the Corporation and other Resolutions of Annual Shareholders Meeting of subsidiaries, the Group apportioned its earnings to investment and development fund, bonus and welfare fund and paid dividends in cash during the period.

26.2 Dividends

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Dividends declared and paid during the period		
<i>Dividends on ordinary shares</i>		
Dividends for 2015: 1,000 VND/share	-	154,500,000,000
Dividends for 2016: 1,000 VND/share	232,000,000,000	-
Dividends declared after the date of reporting period and not yet recognized as liability as at 30 June 2017 (*)		
	-	-

(*) The Corporation issued 34,800,000 bonus shares on 17 July 2017 (refer to Note 38).

26.3 Shares

	<i>Quantity</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Authorized shares	232,000,000	155,000,000
Issued shares	232,000,000	155,000,000
Ordinary shares	232,000,000	155,000,000
Preferred shares	-	-
Treasury shares	-	500,000
Ordinary shares	-	500,000
Preferred shares	-	-
Shares in circulation	232,000,000	154,500,000
Ordinary shares	232,000,000	154,500,000
Preferred shares	-	-

Par value of outstanding share: VND 10,000.

Shares of the Corporation are listed on UPCOM, under ticker of GEX.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

27. REVENUES

27.1 Revenue from sale of goods and rendering of services

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Gross revenue	5,737,030,116,093	3,685,973,926,849
<i>In which:</i>		
Sale of electric equipment	5,191,869,358,935	3,609,784,862,849
Revenue from rendering of logistics services	335,862,023,076	-
Revenue from electricity generation	88,630,287,429	-
Other sales	120,668,446,653	76,189,064,000
Less		
Trade discounts	(40,823,467,202)	(46,570,970,046)
Sales return	(5,775,374,526)	(4,250,502,390)
Net revenue	5,690,431,274,365	3,635,152,454,413
<i>In which:</i>		
Sale of electric equipment	5,145,270,517,207	3,558,963,390,413
Revenue from rendering of logistics services	335,862,023,076	-
Revenue from electricity generation	88,630,287,429	-
Other	120,668,446,653	76,189,064,000
<i>In which:</i>		
Sales to others	5,512,635,323,666	3,533,741,696,543
Sales to related parties (Note 33)	177,795,950,699	101,410,757,870

27.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016 (Restated)</i>
Gains from disposal of investments (*)	539,533,466,791	31,434,860,094
Interest income	72,083,169,707	7,092,315,066
Dividends income	64,288,581,858	111,216,053,384
Foreign exchange gains	2,679,902,418	1,024,388,417
TOTAL	678,585,120,774	150,767,616,961

(*) Including gains from sale of investment in Keppel Land Watco IV Co., Ltd, amounting to VND 525 billion.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

28. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Cost of electric equipment sold	4,385,067,164,150	3,114,549,387,625
Cost of rendering of logistics services	283,571,284,981	-
Cost of electricity generation	30,460,730,755	
Others	69,358,790,530	52,543,013,031
TOTAL	<u>4,768,457,970,416</u>	<u>3,167,092,400,656</u>

29. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016 (Restated)</i>
Loan and bonds interest	167,467,591,766	11,645,997,785
Deposit interest	11,194,447,344	11,381,139,748
Bonds issuance cost	2,520,439,337	-
Foreign exchange losses	4,466,163,993	1,255,563,756
Provision/(reversal of provision) for investments	13,714,929,625	(127,289,200)
Other finance expenses	525,470,821	696,384,328
TOTAL	<u>199,889,042,886</u>	<u>24,851,796,417</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

30. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Selling expenses		
- Materials cost	1,316,102,340	1,875,481,650
- Labour cost	40,619,350,475	8,285,303,975
- Depreciation and amortisation	1,220,312,781	267,959,421
- Warranty cost	(10,035,692,439)	14,457,942,659
- Expenses for external services	41,297,602,347	30,816,655,122
- Others	53,343,204,093	22,261,559,240
TOTAL	127,760,879,597	77,964,902,067
General and administrative expenses		
- Materials cost	8,058,876,735	4,498,782,516
- Labour cost	94,328,773,443	49,583,205,160
- Depreciation and amortisation	9,349,527,773	4,500,876,204
- Taxes and fees	7,612,831,630	2,207,802,396
- Provision/(reversal of provision)	24,392,680,579	(259,066,412)
- Goodwill amortisation	27,282,474,847	2,600,000,000
- Expenses for external services	24,073,130,907	15,619,044,042
- Others	43,952,461,713	30,588,307,666
TOTAL	239,050,757,627	109,338,951,572

31. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Raw materials and merchandises cost	4,166,235,654,442	2,801,266,653,733
Labour costs	334,303,335,485	170,598,136,256
Depreciation and amortisation	143,160,591,979	46,589,082,817
Expenses for external services	330,216,983,682	81,844,709,019
Others	186,107,672,424	76,509,068,521
TOTAL	5,160,024,238,012	3,176,807,650,346

32. CORPORATE INCOME TAX

The current statutory corporate income tax ("CIT") rate applicable to the Corporation and its subsidiaries is 20% of taxable profit, except for Phu Thanh My JSC.

In accordance with Investment Certificate No 06/CN-UBND issued by the Quang Nam Department of Planning and Investment on 8 February 2010, Phu Thanh My JSC is eligible for CIT rate of 10% of taxable profits within 15 years commencing from the first year of earning revenue from main business activity. Phu Thanh My JSC is also entitled to an exemption from CIT for 4 years from the first year earning taxable profit (i.e. 2016), and a 50% reduction of CIT in the following 9 years. For the six-month period ended 30 June 2017, the CIT rate applicable to Phu Thanh My JSC is 5% of taxable profit.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

32. CORPORATE INCOME TAX (continued)

The tax returns filed by the Corporation and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

32.1 CIT expenses

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Current CIT expenses	206,566,170,300	53,308,492,646
Adjustment for under accrual of CIT from prior years	1,007,142,673	-
Deferred tax expenses	4,224,192,106	4,091,988,168
TOTAL	<u>211,797,505,079</u>	<u>57,400,480,814</u>

The reconciliation between CIT expense and the accounting profit multiplied by applicable CIT rate is presented below:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Accounting profit before tax	1,012,558,367,787	365,076,778,521
At CIT rate applicable to the Group	199,616,849,587	57,233,821,367
<i>Adjustment:</i>		
Taxable loss of the Corporation	9,525,969,618	-
Non-deductible expenses	5,898,491,409	462,459,447
Adjustment for under accrual of CIT from prior years following result of tax inspection	1,007,142,673	-
Dividends income	(51,678,000)	(295,800,000)
Tax loss carried forward	(4,199,270,208)	-
CIT expenses	<u>211,797,505,079</u>	<u>57,400,480,814</u>

The current CIT payable is based on taxable profit for the current period. The taxable profit of the Corporation and its subsidiaries for the period differs from the profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Corporation and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the reporting date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

32. CORPORATE INCOME TAX (continued)

32.3 Deferred tax

Currency: VND

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2017</i>	<i>31 December 2016 (Restated)</i>	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Deferred tax assets				
Unearned profit from site relocation compensation in joint venture	7,210,119,673	-	-	-
Provision for severance allowance	2,086,515,449	1,780,187,357	(657,019,592)	-
Accruals	831,243,713	2,427,653,299	(2,438,435,179)	(584,773,739)
Others	864,483,438	1,468,968,278	180,607,251	-
	10,992,362,273	5,676,808,934		
Deferred tax liabilities				
Asset revaluation arising from business combination	(16,005,977,301)	-	-	-
Provision for long-term investments	(712,269,880)	-	-	(3,507,214,429)
Others	(374,052,180)	-	(1,309,344,586)	-
	(17,092,299,361)	-		
Net deferred tax charged to interim consolidated income statement			(4,224,192,106)	(4,091,988,168)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

32. CORPORATE INCOME TAX (continued)

32.3 Deferred tax (continued)

Tax losses carried forward

The Corporation and Phu Thanh My JSC are entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss incurred. At the interim consolidated balance sheet date, the Corporation and Phu Thanh My JSC had aggregated accumulated tax losses of VND 143,628,622,027 available for offset against future taxable profits. Details are as follows:

Currency: VND

Originating year	Can be utilized up to	Tax loss amount (*)	Utilized up to 30 June 2017	Forfeited	Unutilized at 30 June 2017
2014	2019	129,938,019,826	(47,538,151,018)	-	82,399,868,808
2015	2020	13,598,905,129	-	-	13,598,905,129
2017	2022	47,629,848,090	-	-	47,629,848,090
TOTAL		<u>191,166,773,045</u>	<u>(47,538,151,018)</u>	<u>-</u>	<u>143,628,622,027</u>

(*) These are estimated tax loss amounts of the Corporation and Phu Thanh My JSC which have not been finalised by the tax authority at of the date of the interim consolidated financial statements.

The Corporation and Phu Thanh My JSC have not recognized deferred tax assets related to these accumulated losses because future taxable profit cannot be ascertained at this stage.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

33. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties for the six-month period ended 30 June 2017 and 30 June 2016 were as follows:

Related parties	Relationship	Transactions	Currency: VND	
			For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
CFT Vina Cooper Co., Ltd	Joint venture	Purchase of raw materials	264,879,898,951	244,079,026,147
		Dividends income	10,244,480,513	24,378,127,500
		Revenue from rendering services	495,709,050	487,090,869
EMIC Production and Trading JSC	Associate (up to March 2017)	Sale of merchandises	162,687,930,378	57,261,109,529
		Purchase of merchandises and raw materials	162,880,751,658	73,585,539,212
		Interest income	-	480,000,000
		Dividends income	-	1,020,000,000
Vietnam – Hungari Electric Machinery Manufacturing JSC	Associate	Deposits for shares purchase	65,550,000,000	-
		Interest income	150,002,507	371,553,600
S.A.S.-Ctamad Company Limited	Joint venture	Dividends income	46,070,652,000	-
Electrical Equipment JSC	Subsidiary (from December 2016)	Sale of goods	-	39,915,153,716
		Purchase of goods	-	13,225,000
		Dividends income	-	31,277,056,000
Vietnam Electrical Equipment I JSC	Subsidiary (from May 2017)	Dividends income	4,490,690,000	3,470,080,000
		Sale of goods	-	1,626,419,000
First Logistics Development Joint Venture Company	Joint venture	Sale of goods and rendering services	14,612,311,271	-
Hanoi Construction Material JSC	Associate (up to August 2016)	Sale of goods	-	2,120,984,756
		Interest income	-	135,000,000

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

33. TRANSACTIONS WITH RELATED PARTIES (continued)

Terms and conditions of transactions with related parties

The Group purchases and sells goods and services with related parties on the basis of contract negotiation.

Outstanding balances at 30 June 2017 are unsecured, interest-free and will be settled in cash. For the six-month period ended 30 June 2017, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (as at 31 December 2016: nil). This assessment is undertaken each financial period through the examination of the financial position of the related party and the market in which the related party operates.

Amounts due to and due from related parties as at interim consolidated balance sheet dates were as follows:

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2017</i>	<i>31 December 2016</i>
<i>Trade receivables</i> (Note 7.1)				
747 Engineering Construction and Trading JSC	Associate	Sale of goods and rendering services	6,463,918,325	-
First Logistics Development Joint Venture Company	Joint venture	Sale of goods and rendering services	4,738,755,518	-
Southern Waterways General Services Joint Stock Company	Associate	Sale of goods and rendering services	526,685,939	-
			11,729,359,782	-
<i>Other receivables</i> (Note 9)				
Vietnam – Hungari Electric Machinery Manufacturing JSC	Associate	Deposits for shares purchase	65,550,000,000	-
		Interest receivables	2,438,928,870	-
S.A.S.-Ctamad Company Limited	Joint venture	Dividends receivables	46,070,652,000	-
			114,059,580,870	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended**33. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties as at interim consolidated balance sheet dates were as follows: (continued)

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2017</i>	<i>31 December 2016</i>
<i>Trade payables (Note 18.1)</i>				
CFT Vina Cooper Co., Ltd	Joint venture	Purchase of goods and services	47,147,819,174	62,028,156,183
			<u>47,147,819,174</u>	<u>62,028,156,183</u>
<i>Other payables (Note 22)</i>				
SORECO Real Estate Development Co., Ltd	Joint venture	Advance of site relocation compensation	40,000,000,000	-
BNX Vietranstimex Co., Ltd.	Affiliate	Miscellaneous payables	816,000,000	-
			<u>40,816,000,000</u>	<u>-</u>

Transactions with other related parties

Remuneration to members of the Board of Directors and management of the Corporation:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Remuneration	8,189,246,175	4,808,000,000
TOTAL	<u>8,189,246,175</u>	<u>4,808,000,000</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

34. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Corporation (after adjusting bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Corporation by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016 (Restated)</i>
Net profit after tax attributable to ordinary shareholders	424,211,640,825	243,818,583,199
Distribution to bonus and welfare fund (*)	-	(45,667,451,030)
Net profit attributable to ordinary shareholders adjusted for basic earnings	<u>424,211,640,825</u>	<u>198,151,132,169</u>
Weighted average number of ordinary shares for basic earnings per share (**)	257,062,431	189,300,000
Effect of dilution (***)	<u>90,000,000</u>	<u>90,000,000</u>
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>347,062,431</u>	<u>279,300,000</u>
Earnings per share		
- <i>Basic earnings per share</i>	<i>1,650</i>	<i>1,047</i>
- <i>Diluted earnings per share</i>	<i>1,222</i>	<i>709</i>

(*) Net profit used to compute earnings per share for the six-month period ended 30 June 2016 was restated following the profit appropriation to bonus and welfare funds as approved in the 2016 Annual Shareholders Meeting's Resolutions of the Corporation and subsidiaries.

Net profit used to compute earnings per share for the six-month period ended 30 June 2017 was not adjusted for the profit appropriation to bonus and welfare funds as the Shareholders Meeting's Resolution is not yet available.

(**) Including 34,800,000 bonus shares for ordinary shareholders announced in accordance with Annual Shareholder Meeting's Resolution No. 21/GELEX/NQ-ĐHCĐ dated 25 April 2017 and Board of Directors' Resolution No. 26/2017/GELEX/NQ-HĐQT dated 2 June 2017 (refer to Note 38).

(***) These are shares which will be issued in the future as committed in the share warrant contracts (refer to Note 22).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

35. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group comprises business segments as follows:

- ▶ Manufacturing and trading of electric equipment;
- ▶ Transport and logistics services;
- ▶ Electricity generation; and
- ▶ Others.

The Group does not disclose information on geographical segment because the management determines that the Group currently operates in only one geographical segment – Vietnam territory.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in preparation of the interim consolidated financial statements.

For the six-month period ended 30 June 2016, over 90% operating activity of the Group is manufacturing and trading electric equipment; therefore, the Group did not prepare segment information disclosure.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

35. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segments:

Currency: VND

	Manufacturing and trading electric equipment	Logistics services	Electricity production	Others	Elimination	Total
As at 30 June 2017 and for the six-month period ended						
Revenue						
Sales to external customers	5,145,270,517,207	335,862,023,076	88,630,287,429	120,668,446,653	-	5,690,431,274,365
Inter-segment sales	1,275,397,376,787	17,975,338,848	-	17,710,865,733	(1,311,083,581,368)	-
Results						
Segment profit before tax	760,203,353,057	52,290,738,095	58,169,556,675	51,309,656,122	-	921,973,303,949
Unallocated income/(expenses)						90,585,063,838
(*)						1,012,558,367,787
Net profit before CIT						(211,797,505,079)
CIT expenses						
						800,760,862,708
Net profit for the period						
Assets and liabilities						
Segment assets	4,715,342,194,170	858,810,307,680	1,421,518,601,619	209,302,762,750	-	7,204,973,866,219
Unallocated assets (*)						6,503,260,265,390
						13,708,234,131,609
Total assets						
Segment liabilities	3,247,180,724,156	505,565,917,498	1,056,764,545,832	64,915,324,643	-	4,874,426,512,129
Unallocated liabilities (*)						2,850,418,718,012
						7,724,845,230,141
Total liabilities						
Other segment information						
Capital expenditure (**)	100,660,761,683	165,541,093,768	5,951,811,081	35,000,000	-	272,188,666,532
Tangible fixed assets	97,748,559,491	165,541,093,768	5,951,811,081	35,000,000	-	269,276,464,340
Intangible fixed assets	2,912,202,192	-	-	-	-	2,912,202,192
Depreciation	56,767,577,406	26,264,739,240	20,508,620,807	5,331,529,675	-	108,872,467,128
Amortisation	911,862,727	6,076,306,147	-	-	-	6,988,168,874

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

35. SEGMENT INFORMATION (continued)

(*) Unallocated income/(expenses) mainly comprise finance income, finance expenses, general and administrative expense, selling expense and other income, other expense.

Unallocated assets comprise cash and cash equivalents, short term and long-term investments, other receivables and other long-term assets.

Unallocated liabilities comprise issued bonds and other payables.

(**) Comprise construction in progress which has not yet transferred into fixed assets.

36. COMMITMENTS

Operating lease commitment

The Group leases machineries and land under operating lease arrangements. The minimum lease commitment as at the reporting dates under the operating lease agreements are as follows:

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Less than 1 year	27,611,643,997	1,629,968,344
From 1 - 5 years	43,380,110,672	7,222,056,930
More than 5 years	114,304,326,962	49,073,683,353
TOTAL	<u>185,296,081,631</u>	<u>57,925,708,627</u>

Operating lease commitment

The Group lets out its office and warehouses under operating lease arrangements. The future minimum rental receivable as at the reporting dates under the operating lease agreements is as follows:

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Less than 1 year	86,670,713,978	27,244,235,607
From 1 - 5 years	123,942,312,840	60,652,301,927
More than 5 years	88,426,929,002	80,312,420,916
TOTAL	<u>299,039,955,820</u>	<u>168,208,958,450</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

37. RESTATEMENT OF PRIOR PERIOD'S INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Certain corresponding figures on the consolidated financial statements as at 31 December 2016 and the interim consolidated financial statements for the six-month period ended 30 June 2016 have been restated to conform with the presentation of the current period's interim consolidated financial statements. Details are as follows:

<i>Description</i>	<i>Currency: VND</i>		
	<i>31 December 2016 (previously presented)</i>	<i>Restatement</i>	<i>31 December 2016 (restated)</i>
CONSOLIDATED BALANCE SHEET			
Held-for-trading securities (i)	-	197,046,708,523	197,046,708,523
Held-to-maturity investments (i)	353,394,502,790	(197,046,708,523)	156,347,794,267
Short-term trade receivables	1,235,953,581,919	(12,256,956,434)	1,223,696,625,485
Other short-term receivables	244,595,334,365	10,000,000	244,605,334,365
Inventories (ii)	1,546,458,431,143	58,861,845,710	1,605,320,276,853
Other long-term receivables	441,000,000	(10,000,000)	431,000,000
Cost of tangible fixed assets (iii)	1,911,762,321,559	(135,324,654,545)	1,776,437,667,014
Accumulated depreciation of tangible fixed assets (iii)	(935,882,248,041)	9,052,813,554	(926,829,434,487)
Cost of investment properties (iii)	-	135,324,654,546	135,324,654,546
Accumulated depreciation of investment properties (iii)	-	(9,052,813,555)	(9,052,813,555)
Deferred tax assets	6,337,025,329	(660,216,395)	5,676,808,934
Short-term trade payables (ii)	559,236,044,059	58,861,845,710	618,097,889,769
Short-term accrued expenses	49,531,866,288	(11,231,387,858)	38,300,478,430
Other short-term payables	321,691,299,837	2,724,431,424	324,415,731,261
Short-term provisions (iv)	171,927,161,506	(16,952,256,283)	154,974,905,223
Other long-term payables	102,812,274,095	(3,750,000,000)	99,062,274,095
Deferred tax liabilities	660,216,395	(660,216,395)	-
Long-term provisions (iv)	40,384,873,750	16,952,256,283	57,337,130,033
	<i>For the six month period ended 30 June 2016 (previously presented)</i>	<i>Restatement</i>	<i>For the six month period ended 30 June 2016 (restated)</i>
INTERIM CONSOLIDATED INCOME STATEMENT			
Finance income	150,910,464,545	(142,847,584)	150,767,616,961
Finance expense	(24,994,644,001)	142,847,584	(24,851,796,417)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

37. RESTATEMENT OF PRIOR PERIOD'S INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

- (i) Reclassification of short-term held-for-trading bonds following the investment policy of the Corporation.
- (ii) Retrospective adjustment to increase inventory and trade payable of Vietnam Electric Cable Corporation as at 31 December 2016, with the same amount of VND 58,861,845,710 to record goods in transit as at this date.
- (iii) Reclassification of Gelex Tower Building at No 52, Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi City, of the Corporation from tangible fixed assets to investment properties, based on the proportionated areas for external leasing and for internal use.
- (iv) Reclassification of short-term provision of Vietnam Electric Cable Corporation as at 31 December 2016 to long-term provision following warranty policy of related sale contracts.

38. EVENTS AFTER THE BALANCE SHEET DATE

On 12 July 2017, Board of Directors of the Corporation approved Resolution No. 30/2017/GELEX/QD-HDQT on establishment of GELEX Land One-member Co., Ltd, with charter capital of VND 50 billion. The principal activities of this subsidiary are trading of real-estates and land use right; provision of real-estate consulting, broker and auction services.

On 17 July 2017, the Group purchased 5,700,000 shares of Vietnam – Hungari Electric Machinery Manufacturing JSC ("VIHEM") through private offering of VIHEM. Accordingly, the Corporation owned total 7,190,700 shares of VIHEM (equivalent to 65.37% charter capital) and VIHEM became a subsidiary of the Corporation from this date.

On 17 July 2017, the Corporation completed bonus share issuance following the strategy as approved by Annual Shareholders' Meeting's Resolution No. 21/GELEX/NQ-DHCD dated on 25 April 2017 and Resolution No. 26/2017/GELEX/NQ-HDQT of Board of Directors dated on 2 June 2017. Accordingly, the Corporation issued 34,800,000 bonus shares to its existing shareholders, using sources of share premium, investment and development fund and undistributed earnings. Therefore, the charter capital of the Corporation increased to VND 2,668 billion.

There is no other significant matter or circumstance that has arisen since the interim consolidated balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Group.



Preparer
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Hanoi, Viet Nam

28 August 2017