

**Vietnam Electrical Equipment Joint Stock
Corporation**

Interim separate financial statements

30 June 2017

Vietnam Electrical Equipment Joint Stock Corporation

GENERAL INFORMATION

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Vietnam Electrical Equipment Joint Stock Corporation

GENERAL INFORMATION

THE CORPORATION

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/QĐ-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/QĐ-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 six-month 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 separate financial statements of the Corporation for the six-month period ended 30 June 2017.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

Management is responsible for the interim separate financial statements of each financial period which give a true and fair view of the interim separate financial position of the Corporation and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim separate financial statements, 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 separate financial statements; and
- ▶ prepare the separate 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 financial position of the Corporation and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Corporation 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 separate financial statements.

STATEMENT BY MANAGEMENT

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

Users of the interim separate financial statements should read them together with the interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Corporation and its subsidiaries.



General Director
Nguyen Van Tuan

Hanoi, Vietnam

28 August 2017



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Reference: 61355749/19516923/LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the accompanying separate financial statements of Vietnam Electrical Equipment Joint Stock Corporation ("the Corporation"), as prepared on 28 August 2017 and as set out on pages 5 to 46 which comprise the interim separate balance sheet as at 30 June 2017, the interim separate income statement and the interim separate 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 the interim separate 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 separate financial statements, and for such internal control as the Management of the Corporation determines is necessary to enable the preparation and presentation of interim separate 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 separate 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 separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Corporation as at 30 June 2017, and of the interim separate results of its operations and its interim separate 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 separate financial statements.



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Emphasis of matter

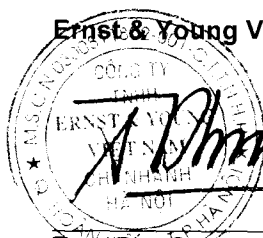
We draw attention to Note 2.1 of the interim separate financial statements. The Corporation prepared the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2017 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have audited these interim consolidated financial statements and our auditor's report dated 28 August 2017 has expressed an unqualified conclusion.

Our review conclusion on the interim separate financial statement is not modified in respect of this matter.

Other matter

The interim separate financial statements of the Corporation for the six-month period ended 30 June 2016 were reviewed by another audit firm which expressed an unmodified conclusion on those interim separate financial statements on 26 August 2016. This audit firm also audited the separate financial statements of the Corporation for the year ended 31 December 2016 and expressed an unqualified opinion on those separate financial statements on 17 February 2017.

Ernst & Young Vietnam Limited



Trần Phú Sơn
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2013-004-1

Hanoi, Vietnam

28 August 2017

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2017


Currency: VND

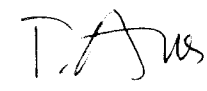
Code	ASSETS	Notes	30 June 2017	31 December 2016 (Restated)
100	A. CURRENT ASSETS		1,471,689,984,480	2,387,487,256,005
110	I. Cash and cash equivalents	5	290,490,978,202	1,952,418,381,205
111	1. Cash		148,990,978,202	307,418,381,205
112	2. Cash equivalents		141,500,000,000	1,645,000,000,000
120	II. Short-term investments	6	630,000,000,000	242,046,708,523
121	1. Held-for-trading securities		630,000,000,000	197,046,708,523
123	2. Held-to-maturity investments		-	45,000,000,000
130	III. Current accounts receivable		466,932,268,798	182,141,870,759
131	1. Short-term trade receivables	7	245,705,991,736	163,450,273,240
132	2. Short-term advances to suppliers		1,846,642,413	1,636,721,863
135	3. Short-term loan receivables	8	4,000,000,000	6,000,000,000
136	4. Other short-term receivables	9	219,953,325,355	11,054,875,656
137	5. Provision for doubtful short-term receivables	7	(4,573,690,706)	-
140	IV. Inventories	10	75,169,936,720	326,486,935
141	1. Inventories		75,169,936,720	326,486,935
150	V. Other current assets		9,096,800,760	10,553,808,583
151	1. Short-term prepaid expenses		78,136,319	99,327,985
152	2. Value-added tax deductible		9,005,052,223	10,444,847,648
153	3. Tax and other receivables from the State		13,612,218	9,632,950
200	B. NON-CURRENT ASSETS		5,109,472,559,226	3,027,652,236,271
220	I. Fixed assets		178,093,366,530	214,620,593,551
221	1. Tangible fixed assets	11	178,093,366,530	214,620,593,551
222	Cost		286,085,847,438	319,258,326,957
223	Accumulated depreciation		(107,992,480,908)	(104,637,733,406)
227	2. Intangible fixed assets		-	-
228	Cost		60,000,000	60,000,000
229	Accumulated amortisation		(60,000,000)	(60,000,000)
230	II. Investment properties	12	167,088,695,221	138,705,542,050
231	1. Cost		183,722,287,521	148,649,765,571
232	2. Accumulated depreciation		(16,633,592,300)	(9,944,223,521)
240	III. Long-term assets in progress		4,138,214,910	4,455,651,410
242	1. Construction in progress	13	4,138,214,910	4,455,651,410
250	V. Long-term investments	14	4,729,378,189,585	2,638,243,819,355
251	1. Investments in subsidiaries		4,655,651,813,915	1,971,025,617,177
252	2. Investments in associates, jointly controlled entities		86,062,555,604	681,940,062,485
254	3. Provision for diminution in value of long-term investments		(12,336,179,934)	(14,721,860,307)
260	VI. Other long-term assets		30,774,092,980	31,626,629,905
261	1. Long-term prepaid expenses	15	30,774,092,980	31,626,629,905
270	TOTAL ASSETS		6,581,162,543,706	5,415,139,492,276

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

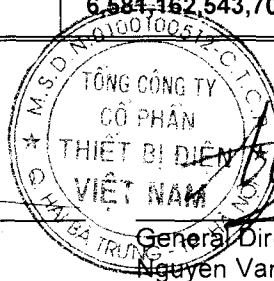
Currency: VND

Code	RESOURCES	Notes	30 June 2017	31 December 2016
300	A. LIABILITIES		3,187,450,978,851	3,326,735,731,050
310	I. Current liabilities		1,233,212,945,731	1,352,260,147,189
311	1. Short-term trade payables	16	151,887,275,032	125,201,617,399
312	2. Short-term advances from customers		478,178,368	331,910,950
313	3. Statutory obligations	17	214,641,000	10,110,354,020
314	4. Payables to employees		3,753,895,284	6,987,068,362
315	5. Short-term accrued expenses	18	9,374,755,713	11,877,743,290
318	6. Short-term unearned revenues	19	3,252,326,552	3,192,367,948
319	7. Other short-term payables	20	21,534,434,026	22,202,719,816
320	8. Short-term loan and finance lease	21	1,017,796,171,544	1,152,533,365,523
321	9. Short-term provisions	22	20,343,848,691	18,517,030,360
322	10. Bonus and welfare fund		4,577,419,521	1,305,969,521
330	II. Non-current liabilities		1,954,238,033,120	1,974,475,583,861
336	1. Long-term unearned revenues	19	46,390,329,854	46,945,637,558
337	2. Other long-term liabilities	20	99,428,029,395	99,062,274,095
338	3. Long-term loans	21	1,792,000,000,002	1,793,713,636,364
342	4. Long-term provisions	22	14,938,298,879	25,640,119,184
343	5. Scientific and technological development fund		1,481,374,990	9,113,916,660
400	B. OWNERS' EQUITY		3,393,711,564,855	2,088,403,761,226
410	I. Capital	23	3,391,407,778,748	2,086,022,491,785
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
415	3. Treasury shares		-	(5,025,000,000)
418	4. Investment and development fund		139,656,441,276	139,656,441,276
421	5. Undistributed earnings		243,035,612,712	335,013,050,509
421a	- Undistributed earnings by the end of prior period		90,902,919,509	29,506,521,349
421b	- Undistributed earnings of the period		152,132,693,203	305,506,529,160
430	II. Other funds		2,303,786,107	2,381,269,441
432	1. Fund for fixed assets in use		2,303,786,107	2,381,269,441
440	TOTAL LIABILITIES AND OWNERS' EQUITY		6,581,162,543,706	5,415,139,492,276


Preparer
Duong Viet Nga


Chief Accountant
Pham Tuan Anh


General Director
Nguyen Van Tuan



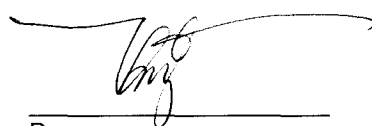
Hanoi, Vietnam

28 August 2017

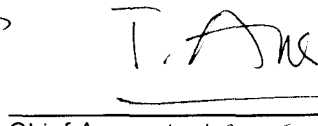
INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2017

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
01	1. Revenue from sale of goods and rendering of services	24.1	1,244,163,237,360	732,227,822,687
02	2. Deductions	24.1	-	(201,188,000)
10	3. Net revenue from sale of goods and rendering of services	24.1	1,244,163,237,360	732,026,634,687
11	4. Cost of goods sold and services rendered	25	(1,217,619,028,915)	(619,451,997,442)
20	5. Gross profit from sale of goods and rendering of services		26,544,208,445	112,574,637,245
21	6. Finance income	24.2	243,806,986,992	182,242,946,641
22	7. Finance expenses	26	(98,358,123,443)	(18,321,654,100)
23	<i>In which: Interest expenses</i>		(98,810,047,807)	(565,668,584)
25	8. Selling expenses	27	6,763,710,205	(12,861,654,417)
26	9. General and administrative expenses	27	(25,575,346,464)	(19,809,899,044)
30	10. Operating profit		153,181,435,735	243,824,376,325
31	11. Other income		150,000	80,688,757
32	12. Other expenses		(1,048,892,532)	(225,688,433)
40	13. Other loss		(1,048,742,532)	(144,999,676)
50	14. Accounting profit before tax		152,132,693,203	243,679,376,649
51	15. Current corporate income tax expense	29.1	-	(17,962,929,933)
60	16. Net profit after tax		152,132,693,203	225,716,446,716



Preparer
Duong Viet Nga



Chief Accountant
Pham Tuan Anh



General Director
Nguyen Van Tuan

Hanoi, Vietnam

28 August 2017

INTERIM SEPARATE 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		152,132,693,203	243,679,376,649
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets		9,924,307,945	18,076,694,682
03	(Reversal of provisions)/provisions		(6,686,991,641)	22,681,466,719
04	Foreign exchange (gains)/losses arising from revaluation of monetary accounts denominated in foreign currency		(1,805,859)	334,860,134
05	Profits from investing activities		(226,545,730,559)	(182,205,698,993)
06	Interest expenses	26	98,810,047,807	565,668,584
08	Operating profit before changes in working capital		27,632,520,896	103,132,367,775
09	Increase in receivables		(76,161,878,749)	(91,165,258,715)
10	(Increase)/decrease in inventories		(74,843,449,785)	27,693,745,613
11	Increase/(decrease) in payables		6,460,440,165	(112,246,559,202)
12	Decrease/(increase) in prepaid expenses		873,728,591	(633,432,384)
13	Increase in held-for-trading securities		(432,953,291,477)	(40,000,000,000)
14	Interest paid		(100,402,351,029)	(565,668,584)
15	Corporate income tax paid	17	(6,918,948,141)	(9,099,399,393)
17	Other cash outflows for operating activities		(8,838,681,000)	(13,309,614,000)
20	Net cash flows used in operating activities		(665,151,910,529)	(136,193,818,890)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets and other long-term assets		(4,093,577,965)	(43,048,013,957)
22	Proceeds from disposals of fixed assets and other long-term assets		-	35,001,600
23	Loans to other entities and payments for purchase of debt instruments of other entities		-	(250,000,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		47,000,000,000	181,000,000,000
25	Payments for investments in other entities		(2,432,262,876,940)	(19,123,660,000)
26	Proceeds from sale of investments in other entities		26,700,707,486	47,175,835,400
27	Interest and dividends received		335,532,130,845	162,384,041,411
30	Net cash flows (used in)/from investing activities		(2,027,123,616,574)	78,423,204,454

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

Currency: VND

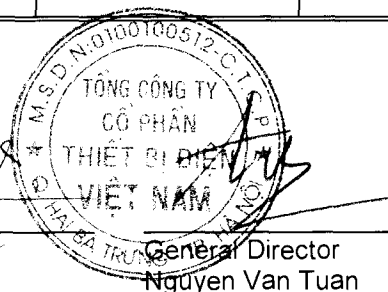
Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		1,396,895,970,000	-
33	Drawdown of borrowings		2,085,852,008,468	272,851,582,575
34	Repayment of borrowings		(2,220,589,202,447)	(37,290,000,000)
36	Dividends paid to equity holders		(231,811,825,000)	(154,352,610,000)
40	Net cash flows from financing activities		1,030,346,951,021	81,208,972,575
50	Net (decrease)/increase in cash for the period		(1,661,928,576,082)	23,438,358,139
60	Cash and cash equivalents at beginning of the period		1,952,418,381,205	121,223,651,001
61	Impact of exchange rate fluctuation		1,173,079	(1,715,149)
70	Cash and cash equivalents at end of the period	5	290,490,978,202	144,660,293,991



Preparer
Duong Viet Nga



Chief Accountant
Pham Tuan Anh



General Director
Nguyen Van Tuan

Hanoi, Vietnam

28 August 2017

NOTES TO THE INTERIM SEPARATE 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 of 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 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 Corporation's employees as at 30 June 2017 is 83 (31 December 2016: 79).

Corporate structure

As at 30 June 2017, the Corporation directly owns subsidiaries with following details:

<i>No.</i>	<i>Name</i>	<i>% equity share</i>	<i>% voting rights</i>	<i>Address</i>	<i>Principal activities</i>
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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

No.	Name	% equity share	% voting rights	Address	Principal activities
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:

No.	Name	% equity share	% voting rights	Address	Principal activities
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:

No.	Name	% equity share	% voting rights	Address	Principal activities
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

GELEX Energy:

No.	Name	% equity share	% voting rights	Address	Principal activities
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

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

1. **CORPORATE INFORMATION** (continued)

Corporate structure (continued)

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 services.
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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

2. BASIS OF PREPARATION

2.1 Purpose of preparing the interim separate financial statements

The Corporation has subsidiaries as disclosed in Note 1 and Note 14. The Corporation prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Corporation has also prepared the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2017 dated 28 August 2017.

Users of the interim separate financial statements should read them together with the interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Corporation and its subsidiaries.

2.2 Accounting standards and system

The interim separate financial statements of the Corporation, which are 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 separate 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.

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at 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 - cost of purchase 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, finished goods, and other inventories owned by the Corporation, 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 separate income statement.

3.3 *Receivables*

Receivables are presented in the interim separate 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 separate income statement.

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 separate income statement as incurred.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible 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 separate 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 separate income statement.

3.6 *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 Corporation is the lessee

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

Where the Corporation is the lessor

Assets subject to operating leases are included as the Corporation's fixed assets in the interim separate balance sheet. Lease income is recognised in the interim separate income statement on a straight-line basis over the lease term.

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	5 - 10 years
Office equipment	3 - 10 years
Computer software	3 years

3.8 *Investment properties*

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

Subsequent expenditure relating to an investment property that has already been recognized 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 Corporation.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investment properties* (continued)

Depreciation and amortisation 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 separate 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.

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 separate 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 separate income statement:

- ▶ Prepaid land rental;
- ▶ 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 contract signed in 2004 for a period of 50 years. Such prepaid rental is classified as long-term prepaid expenses for allocation to the interim separate income statement over the remaining lease period, according to Circular 45.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments

Investments in subsidiaries

Investments in subsidiaries over which the Corporation has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in associates

Investments in associates over which the Corporation has significant influence are carried at cost.

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised in the interim income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in joint ventures

Investments in joint ventures over which the Corporation has joint control are carried at cost.

Distributions from accumulated net profits of the joint ventures arising subsequent to the date of acquisition are recognised in the interim income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Held-for-trading securities and investments in other entities

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

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 separate income statement and deducted against the value of such investments.

Provision for diminution in value of held-for-trading securities and other investments

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of 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 separate income statement.

3.12 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 Corporation.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Provisions

Provisions are recognised when the Corporation 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.

3.14 Foreign currency transactions

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

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

All foreign exchange differences incurred during the period and arisen from the translation of monetary accounts denominated in foreign currency at the interim balance sheet date are taken to the interim separate income statement.

3.15 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 Corporation's own equity instruments

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

Investment and development fund

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

NOTES TO THE INTERIM SEPARATE 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 *Appropriation of net profits* (continued)

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 separate balance sheet.

3.17 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation 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 which is determined by the percentage of work done.

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.

Rental income

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

Dividends

Income is recognised when the Corporation's entitlement as an investor to receive the dividends is established.

3.18 *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 separate 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Current income tax (continued)

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Corporation to set off current tax assets against current tax liabilities and when the Corporation 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 separate balance sheet date between the tax base of assets and liabilities and their carrying amount in separate 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 jointly controlled entity 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.

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

Deferred tax is charged or credited to the separate 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Corporation 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.

4. SIGNIFICANT TRANSACTIONS OF ACQUISITION DURING THE PERIOD

4.1 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.

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.

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

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

4. SIGNIFICANT TRANSACTIONS OF ACQUISITION DURING THE PERIOD (continued)

4.2 Acquisition of additional interest in Vietnam Electrical Equipment I JSC

On 31 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.

5. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Cash on hand	4,511,203,792	1,163,674,666
Cash at banks	144,479,774,410	306,254,706,539
Cash equivalents (*)	<u>141,500,000,000</u>	<u>1,645,000,000,000</u>
TOTAL	<u>290,490,978,202</u>	<u>1,952,418,381,205</u>

(*) Cash equivalents represent bank deposits in VND with term of less than 3 months, earning interest rate from 5.2% to 5.3% per annum.

NOTES TO THE INTERIM SEPARATE 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)	600,000,000,000	600,000,000,000	-	197,046,708,523	197,046,708,523	-
Trust investment (ii)	30,000,000,000	30,000,000,000	-	-	-	-
TOTAL	630,000,000,000	630,000,000,000	-	197,046,708,523	197,046,708,523	-

(i) Details for bonds investment are as follows:

Issuer	30 June 2017 VND	Principal and interest repayment term	Interest rate (% p.a)	Description of collateral
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
	600,000,000,000			

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

(ii) This is the Trust investment in Vietinbank Fund Management Co., Ltd in accordance with Portfolio Management Contract No. 01/2016/HĐQLDMĐT/VTBC-GELEX dated 19 January 2017, in order to invest in securities (unspecified portfolio) in one year from the contract date.

6.2 Held-to-maturity investments

Currency: VND

	30 June 2017		31 December 2016	
	Cost	Carrying value	Cost	Carrying value
Time-deposits at bank	-	-	45,000,000,000	45,000,000,000
TOTAL	-	-	45,000,000,000	45,000,000,000

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

7. SHORT-TERM TRADE RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Short-term trade receivables from other parties	45,892,299,661	70,791,784,176
- Ho Chi Minh City Power Corporation	22,821,750,000	-
- Hanoi Transformer Manufacturing and Electric Material JSC	5,763,936,875	5,763,936,875
- Dong Nai Power Co., Ltd	4,190,579,833	1,486,823,745
- Others	13,116,032,953	63,541,023,556
Trade receivables from related parties (Note 30)	199,813,692,075	92,658,489,064
TOTAL	<u>245,705,991,736</u>	<u>163,450,273,240</u>
Provision for doubtful receivables	(4,573,690,706)	-

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
Short-term loan receivables from related parties (Note 30)	-	2,000,000,000
TOTAL	<u>4,000,000,000</u>	<u>6,000,000,000</u>

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

9. OTHER SHORT-TERM RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Deposit for share purchase (i)	214,448,750,000	-
Dividends, deposit and loan interest receivables	4,604,203,870	2,741,704,141
Capital receivables due from GELEX Cambodia upon capital withdrawal	-	4,957,327,000
Interim bonus payables to Board of Directors and the Management	-	3,000,000,000
Advances to employees	819,110,000	149,000,000
Others	81,261,485	206,844,515
TOTAL	<u>219,953,325,355</u>	<u>11,054,875,656</u>
<i>In which:</i>		
Other receivables from related parties (Note 30)	69,988,928,870	7,246,253,363
Others	149,964,396,485	3,808,622,293

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

9. OTHER SHORT-TERM RECEIVABLES (continued)

(i) Deposit for share purchase as at 30 June 2017 of the Corporation 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 Corporation as at 30 June 2017 through private offering by VIHEM. The transaction was completed on 17 July 2017 (refer to Note 33).
- 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.

10. INVENTORIES

Currency: VND

	<i>30 June 2017</i>		<i>31 December 2016</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Goods in transit	75,025,457,839	-	-	-
Raw materials	144,478,881	-	326,486,935	-
TOTAL	75,169,936,720	-	326,486,935	-

As at 30 June 2017, certain inventories are pledged as collaterals for the Corporation's loans and bonds as disclosed in Note 21.2.

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

11. TANGIBLE FIXED ASSETS

	<i>Currency: VND</i>				
	<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)	218,151,651,278	39,195,985,380	9,996,540,909	51,914,149,390	319,258,326,957
- New purchase	500,000,000	1,310,296,976		89,745,455	1,900,042,431
- Transfer to investment properties (Note 12)	(22,236,812,073)	(2,531,181,706)	-	(10,304,528,171)	(35,072,521,950)
As at 30 June 2017	196,414,839,205	37,975,100,650	9,996,540,909	41,699,366,674	286,085,847,438
<i>In which:</i>					
<i>Fully depreciated</i>	29,609,226,398	20,334,538,338	3,734,250,000	422,929,864	54,100,944,600
Accumulated depreciation:					
As at 31 December 2016 (Restated)	68,864,959,054	23,977,807,879	4,621,891,416	7,173,075,057	104,637,733,406
- Depreciation for the period	2,648,990,647	759,301,040	521,857,578	2,575,166,240	6,505,315,505
- Transfer to investment properties (Note 12)	(1,034,461,518)	(265,389,367)	-	(1,850,717,118)	(3,150,568,003)
As at 30 June 2017	70,479,488,183	24,471,719,552	5,143,748,994	7,897,524,179	107,992,480,908
Net carrying amount:					
As at 31 December 2016 (Restated)	149,286,692,224	15,218,177,501	5,374,649,493	44,741,074,333	214,620,593,551
As at 30 June 2017	125,935,351,022	13,503,381,098	4,852,791,915	33,801,842,495	178,093,366,530

As at 30 June 2017, certain tangible fixed assets include Gelex Tower Building at No 52, Le Dai Hanh Street (areas for internal usage) are pledged as collaterals for the Corporation's loans and bonds as disclosed in Note 21.2.

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

12. INVESTMENT PROPERTIES

	<i>Currency: VND</i>		
	<i>Buildings</i>	<i>Machinery and equipment (*)</i>	<i>Total</i>
Cost:			
As at 31 December 2016 (Restated)	95,163,626,739	53,486,138,832	148,649,765,571
- Transfer from tangible fixed assets (<i>Note 11</i>)	<u>22,236,812,074</u>	<u>12,835,709,876</u>	<u>35,072,521,950</u>
As at 30 June 2017	<u>117,400,438,813</u>	<u>66,321,848,708</u>	<u>183,722,287,521</u>
Accumulated depreciation:			
As at 31 December 2016 (Restated)	3,476,476,033	6,467,747,488	9,944,223,521
- Depreciation for the period	950,557,367	2,588,243,409	3,538,800,776
- Transfer from tangible fixed assets (<i>Note 11</i>)	<u>1,034,461,518</u>	<u>2,116,106,485</u>	<u>3,150,568,003</u>
As at 30 June 2017	<u>5,461,494,918</u>	<u>11,172,097,382</u>	<u>16,633,592,300</u>
Net carrying amount:			
As at 31 December 2016 (Restated)	<u>91,687,150,706</u>	<u>47,018,391,344</u>	<u>138,705,542,050</u>
As at 30 June 2017	<u>111,938,943,895</u>	<u>55,149,751,326</u>	<u>167,088,695,221</u>

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

The Corporation 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 Corporation's bonds as disclosed in Note 21.2.

13. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 Decemer 2016</i>
Project of hotel and office at No. 10 Tran Nguyen Han street	4,138,214,910	4,138,214,910
Others	-	317,436,500
TOTAL	<u>4,138,214,910</u>	<u>4,455,651,410</u>

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

14. LONG-TERM INVESTMENTS

Currency: VND

	30 June 2017				31 December 2016			
	Ownership	Costs	Provision	Fair value	Ownership	Costs	Provision	Fair value
Investment in subsidiaries		4,655,651,813,915	-	7,510,292,606,000		1,971,025,617,177	-	2,821,085,860,322
GELEX Energy One-member Limited Liability Company (*)	100%	1,400,000,000,000	-	1,400,000,000,000	100%	220,000,000,000	-	220,000,000,000
South Logistics JSC	51.03%	1,134,470,274,098	-	1,133,599,558,000	(i)	-	-	-
Vietnam Electric Cable Corporation	74.93%	898,925,841,841	-	2,475,009,760,000	74.93%	484,822,695,174	-	1,085,865,792,000
Electrical Equipment JSC	70.79%	576,262,038,822	-	1,710,074,965,500	70.79%	670,662,038,822	-	(*) 670,662,038,822
Electric Measuring Instrument Limited Liability Company (*)	100%	368,000,000,000	-	368,000,000,000	100%	368,000,000,000	-	368,000,000,000
Hanoi Electromechanical Manufacturing JSC	65.88%	214,009,733,181	-	341,815,654,500	65.88%	214,009,733,181	-	463,026,879,500
Vietnam Electrical Equipment I JSC	72.15%	63,452,775,973	-	81,261,518,000	(ii)	-	-	-
GELEX Cambodia Limited Liability Company (*)	100%	531,150,000	-	531,150,000	100%	531,150,000	-	531,150,000
Gelex Investment and Construction JSC (*)	-	-	-	-	81.25%	13,000,000,000	-	13,000,000,000
Investment in associates and joint ventures		86,062,555,604	(12,336,179,934)	80,316,567,977		681,940,062,485	(14,721,860,307)	668,239,296,727
CFT Vina Cooper Co., Ltd (*)	36.35%	69,285,387,977	-	69,285,387,977	36.35%	69,285,387,977	-	69,285,387,977
Vietnam – Hungari Electric Machinery Manufacturing JSC	34.27%	16,777,167,627	(12,336,179,934)	11,031,180,000	34.27%	16,777,167,627	(14,721,860,307)	16,099,560,000
EMIC Production and Trading JSC (*) (**)	-	-	-	-	25.50%	5,332,103,750	-	5,332,103,750
Vietnam Electrical Equipment I JSC	(ii)	-	-	-	49.24%	36,252,566,768	-	47,152,245,000
South Logistics JSC	(i)	-	-	-	24.93%	554,292,836,363	-	530,370,000,000
TOTAL		4,741,714,369,519	(12,336,179,934)	7,590,609,173,977		2,652,965,679,662	(14,721,860,307)	3,489,325,157,049

(*) Because the shares of these companies are not listed on the stock market, the Corporation presents the fair value at book value of the investment.

(**) Fully divested in 2017.

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

14. LONG-TERM INVESTMENTS (continued)

- (i) As presented in Note 4, on 24 March 2017, the Corporation acquired additional 26.01% equity interest of South Logistics JSC ("Sotrans"). Accordingly, as of this date, Sotrans became a subsidiary of the Corporation.
- (ii) As presented in Note 4, on 31 May 2017, the Corporation acquired additional 22.91% equity interest of Vietnam Electrical Equipment I JSC ("Vinakip"). Accordingly, as of this date, Vinakip became a subsidiary of the Corporation.

Details about the Corporation's subsidiaries are presented in Note 1.

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

- (a) 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, with the latest being the 4th dated 21 July 2015. 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.
- (b) 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.

15. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Long-term		
Infrastructure construction and site clearance expenditures (*)	12,476,222,758	12,743,034,340
Office renovation	8,646,895,414	8,466,491,146
Prepaid land rental (*)	7,293,743,262	7,392,210,744
Overhaul expense	1,570,551,023	1,862,116,454
Tools and supplies cost	592,106,706	526,509,896
Others	194,573,817	636,267,325
TOTAL	<u>30,774,092,980</u>	<u>31,626,629,905</u>

- (*) Prepaid land rental, infrastructure construction and site clearance expenditures are related to the land in Dai Dong Industrial Zone, Tien Du district, Bac Ninh province. The land is currently leased to Electric Measuring Instrument Limited Liability Company, the Corporation's subsidiary.

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

16. SHORT-TERM TRADE PAYABLES

Currency: VND

	<i>30 June 2017</i>		<i>31 December 2016</i>	
	<i>Balance</i>	<i>Payable amount</i>	<i>Balance</i>	<i>Payable amount</i>
Trade payables to suppliers	83,374,810,522	83,374,810,522	6,255,393,883	6,255,393,883
- <i>LS Nikko Cooper Inc.</i>	66,046,244,752	66,046,244,752	-	-
- <i>NSSB Saigon Steel Center Co., Ltd</i>	6,638,804,123	6,638,804,123	-	-
- <i>Other suppliers</i>	10,689,761,647	10,689,761,647	6,255,393,883	6,255,393,883
Trade payables to related parties (Note 30)	68,512,464,510	68,512,464,510	118,946,223,516	118,946,223,516
TOTAL	151,887,275,032	151,887,275,032	125,201,617,399	125,201,617,399

17. STATUTORY OBLIGATIONS

Currency: VND

	<i>31 December 2016</i>	<i>Payable for the period</i>	<i>Payment/Net off in the period</i>	<i>30 June 2017</i>
Value added tax	-	124,363,284,763	(124,363,284,763)	-
Corporate income tax	6,918,948,141	-	(6,918,948,141)	-
Personal income tax	1,024,975,267	7,433,717,861	(8,244,052,128)	214,641,000
Land rental fee	1,331,784,440	4,586,347,805	(5,918,132,245)	-
Other taxes	834,646,172	26,997,887	(861,644,059)	-
TOTAL	10,110,354,020	136,410,348,316	(146,306,061,336)	214,641,000

18. SHORT-TERM ACCRUED EXPENSES

Currency: VND

	<i>30 June 2017</i>	<i>31 December 2016</i>
Interest expenses	8,982,755,713	10,575,058,935
Others	392,000,000	1,302,684,355
TOTAL	9,374,755,713	11,877,743,290

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

19. UNEARNED REVENUE

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Short-term		
Office rental	3,252,326,552	3,192,367,948
TOTAL	<u>3,252,326,552</u>	<u>3,192,367,948</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>

20. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Short-term		
Deposits for project implementation (*)	20,000,000,000	20,000,000,000
Others	1,534,434,026	2,202,719,816
TOTAL	<u>21,534,434,026</u>	<u>22,202,719,816</u>
Long-term		
Share warrant (**)	90,000,000,000	90,000,000,000
Deposits from customers	9,428,029,395	9,062,274,095
TOTAL	<u>99,428,029,395</u>	<u>99,062,274,095</u>

(*) These are deposits from a company and an individual to implement real-estate project at No. 10, Tran Nguyen Han Street, Hanoi.

(**) 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 Corporation 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-dillusion 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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

21. LOANS

Currency: VND

	Notes	31 December 2016		Movement during the period		30 June 2017	
		Amount	Payable amount	Increase	Decrease	Amount	Payable amount
Short-term							
Loans from banks	21.1	1,152,533,365,523	1,152,533,365,523	2,085,852,008,468	(2,220,589,202,447)	1,017,796,171,544	1,017,796,171,544
TOTAL		1,152,533,365,523	1,152,533,365,523	2,085,852,008,468	(2,220,589,202,447)	1,017,796,171,544	1,017,796,171,544
Long-term							
Bonds	21.2	1,793,713,636,364	1,793,713,636,364	1,600,000,002	(3,313,636,364)	1,792,000,000,002	1,792,000,000,002
TOTAL		1,793,713,636,364	1,793,713,636,364	1,600,000,002	(3,313,636,364)	1,792,000,000,002	1,792,000,000,002

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

21. LOANS (continued)

21.1 Short-term loans from banks

<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 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
TOTAL	<u>1,017,796,171,544</u>			

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

21. LOANS (continued)

21.2 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
Bonds issuance costs	(7,999,999,998)			(6,286,363,636)		
TOTAL	<u>1,792,000,000,002</u>			<u>1,793,713,636,364</u>		

(*) 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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

22. PROVISIONS

	<i>Currency: VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Short-term		
Provision for warranty	20,343,848,691	18,517,030,360
TOTAL	<u>20,343,848,691</u>	<u>18,517,030,360</u>
Long-term		
Provision for warranty	14,938,298,879	25,640,119,184
TOTAL	<u>14,938,298,879</u>	<u>25,640,119,184</u>

Provision for warranty were estimated and made based on products that the Corporation 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). As the Corporation transferred electrical equipment manufacturing and trading activities to its subsidiary - Electric Measuring Instrument Limited Liability Company in 2016, the Corporation do not make any additional provision for warranty in 2017.

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

23. OWNERS' EQUITY

23.1 Increase and decrease in owners' equity

						Currency: VND	
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total	
For the six-month period ended 30 June 2016							
As at 31 December 2015	1,550,000,000,000	66,378,000,000	(5,025,000,000)	62,000,000,000	279,157,962,625	1,952,510,962,625	
- Net profit for the period	-	-	-	-	225,716,446,716	225,716,446,716	
- Dividends declared	-	-	-	-	(154,500,000,000)	(154,500,000,000)	
- Appropriation to investment and development fund	-	-	-	77,656,441,276	(77,656,441,276)	-	
- Appropriation to bonus and welfare fund	-	-	-	-	(17,495,000,000)	(17,495,000,000)	
As at 30 June 2016	<u>1,550,000,000,000</u>	<u>66,378,000,000</u>	<u>(5,025,000,000)</u>	<u>139,656,441,276</u>	<u>255,222,968,065</u>	<u>2,006,232,409,341</u>	
For the six-month period ended 30 June 2017							
As at 31 December 2016	1,550,000,000,000	66,378,000,000	(5,025,000,000)	139,656,441,276	335,013,050,509	2,086,022,491,785	
- Increase in capital (*)	770,000,000,000	615,729,724,760	-	-	-	1,385,729,724,760	
- Selling treasury shares	-	6,608,000,000	5,025,000,000	-	-	11,633,000,000	
- Net profit for the period	-	-	-	-	152,132,693,203	152,132,693,203	
- Dividends declared (**)	-	-	-	-	(232,000,000,000)	(232,000,000,000)	
- Appropriation to bonus and welfare fund (**)	-	-	-	-	(12,110,131,000)	(12,110,131,000)	
As at 30 June 2017	<u>2,320,000,000,000</u>	<u>688,715,724,760</u>	<u>-</u>	<u>139,656,441,276</u>	<u>243,035,612,712</u>	<u>3,391,407,778,748</u>	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended**23. OWNERS' EQUITY** (continued)**23.1 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, the Corporation apportioned its earnings to bonus and welfare fund and paid dividends in cash on 19 May 2017.

23.2 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 33).

23.3 Shares

	<i>Amount</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
Preference shares	-	-
Treasury shares	-	500,000
Ordinary shares	-	500,000
Preference shares	-	-
Shares in circulation	232,000,000	154,500,000
Ordinary shares	232,000,000	154,500,000
Preference 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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

24. REVENUES

24.1 Revenue from sales 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	1,244,163,237,360	732,227,822,687
<i>In which:</i>		
<i>Sale of finished goods (*)</i>	-	508,611,745,676
<i>Sale of merchandise</i>	1,212,256,245,934	200,466,254,771
<i>Rendering of services</i>	31,906,991,426	23,149,822,240
Deductions	-	(201,188,000)
Net revenue	1,244,163,237,360	732,026,634,687
<i>Of which:</i>		
<i>Sale of finished goods (*)</i>	-	508,410,557,676
<i>Sale of merchandise</i>	1,212,256,245,934	200,466,254,771
<i>Rendering of services</i>	31,906,991,426	23,149,822,240
<i>Of which:</i>		
<i>Sales to others</i>	86,832,093,820	488,588,251,921
<i>Sales to related parties (Note 30)</i>	1,157,331,143,540	243,438,382,766

(*) As disclosed in Note 22, the Corporation transferred all activities of manufacturing and trading of electrical equipments to its subsidiary - Electric Measuring Instrument Limited Liability Company in 2016. Therefore, there is no longer sale of finished goods at the Corporation in 2017.

24.2 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</i>
Interest income	19,882,395,061	7,237,898,897
Gains from disposal of investment	16,620,604,092	19,842,550,996
Dividends income	206,780,002,180	155,090,247,500
Foreign exchange gains	523,985,659	72,249,248
TOTAL	243,806,986,992	182,242,946,641

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

25. COST OF GOODS SOLD AND SERVICE 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 finished goods sold	-	406,622,722,465
Cost of merchandise sold	1,201,079,717,325	197,757,005,189
Cost of services rendered	16,539,311,590	15,072,269,788
TOTAL	<u>1,217,619,028,915</u>	<u>619,451,997,442</u>

26. 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</i>
Loan interest	98,810,047,807	565,668,584
Bonds issuance cost	1,600,000,002	-
Loss from disposal of investments (Reversal of provision)/provision for investments	116,666,682 (2,385,680,373)	374,219,604 17,381,765,912
Other finance expenses	217,089,325	-
TOTAL	<u>98,358,123,443</u>	<u>18,321,654,100</u>

27. 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	-	1,361,572,763
Labour cost	-	612,290,941
Expenses for external services	2,103,041,769	5,275,187,902
Warranty expense (*)	(8,875,001,974)	4,428,871,561
Others	8,250,000	1,183,731,250
TOTAL	<u>(6,763,710,205)</u>	<u>12,861,654,417</u>
General and administrative expenses		
Materials cost	3,108,139,574	1,570,849,478
Labour cost	10,995,146,258	7,952,973,316
Depreciation and amortisation	3,992,848,857	350,770,066
Expenses for external services	899,821,440	5,795,069,722
Others	6,579,390,335	4,140,236,462
TOTAL	<u>25,575,346,464</u>	<u>19,809,899,044</u>

(*) The warranty expense is negative due to the reversal of provision for warranty during the period.

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

28. 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	1,205,240,764,399	586,048,785,925
Labour costs	14,100,324,244	19,946,557,683
Depreciation and amortization	9,924,307,945	18,076,694,682
Expenses for external services	6,795,319,052	17,725,852,971
Reversal of provision	(11,863,311,268)	(669,310,419)
Others	12,233,260,802	10,994,970,061
TOTAL	<u>1,236,430,665,174</u>	<u>652,123,550,903</u>

29. CORPORATE INCOME TAX

The CIT rate applicable to the Corporation is 20% of the taxable profits.

The tax returns filed by the Corporation 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 separate financial statements could change at a later date upon final determination by the tax authorities.

29.1 CIT expenses

The reconciliation between CIT expenses 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	152,132,693,203	243,679,376,649
At CIT rate of 20% applicable to the Corporation	30,426,538,641	48,735,875,330
<i>Adjustment:</i>		
Expenses without eligible supporting documents	488,988,652	184,583,315
Foreign exchange losses from revaluation of monetary assets	-	60,958,320
Provision for doubtful receivables	914,738,141	-
Unregconised deferred tax assets	9,525,969,618	-
Dividends income	(41,356,000,436)	(31,018,049,500)
Foreign exchange gains from revaluation of monetary assets	(234,616)	(437,532)
CIT expenses	<u>-</u>	<u>17,962,929,933</u>

29.2 Current tax

The current CIT payable is based on taxable profit for the current period. The taxable profit of the Corporation for the period differs from the profit as reported in the separate 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's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

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

29. CORPORATE INCOME TAX (continued)

29.3 Unrecognised deferred tax assets

Tax losses carried forward

The Corporation is entitled to carry tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. As at 30 June 2017, the Corporation had aggregated accumulated tax losses of VND 47,629,848,090 available for offset against future taxable profits. Details are as follows:

Currency: VND

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Estimated tax losses (*)</i>	<i>Utilized up to 31 December 2016</i>	<i>Forfeited</i>	<i>Unutilized at 30 June 2017</i>
2017	2022	47,629,848,090	-	-	47,629,848,090
TOTAL		47,629,848,090	-	-	47,629,848,090

(*) These are estimated tax loss amounts of the Corporation which have not been finalised by the tax authority at of the date of the seperate financial statements.

The Corporation has not recorgnized deferred tax assets related to these accumulated losses because future taxable profit cannot be ascertained at this stage.

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

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the period 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
Vietnam Electric Cable Corporation	Subsidiary	Sale of goods	786,084,313,990	195,358,655,892
		Dividends income	150,652,768,000	56,165,472,000
CFT Vina Cooper Co., Ltd	Joint venture	Purchase of materials	247,486,628,271	168,577,849,718
		Dividends income	10,244,480,513	24,378,127,500
		Revenue from rendering of services	495,709,050	487,090,869
Electrical Equipment JSC	Subsidiary	Sale of goods	204,309,189,246	10,093,604,630
		Dividends income	103,640,907,000	31,277,056,000
EMIC Production and Trading JSC	Associate (until March 2017)	Sale of goods	162,687,930,378	26,094,744,355
		Interest income	-	480,000,000
		Dividends income	-	1,020,000,000
Vietnam – Hungari Electric Machinery Manufacturing JSC	Joint venture	Deposits for shares purchase	65,550,000,000	-
		Interest income	150,002,507	371,553,600
Hanoi Eletromechanical Manufacturing JSC	Subsidiary	Dividends income	48,483,390,000	36,088,875,000
		Sale of goods	362,430,870	3,146,267,100
Vietnam Electrical Equipment I JSC	Subsidiary	Purchase additional shares	27,200,209,205	-
		Dividends income	2,490,690,000	3,470,080,000
		Sale of goods	-	1,626,419,000
Electric Measuring Instrument Limited Liability Company	Subsidiary	Office leasing	2,032,462,278	-
		Sale of goods	1,266,000,000	-
GELEX Investment and Construction JSC	Subsidiary	Sale of goods	93,107,728	108,678,454
GELEX Cambodia Limited Liability Company	Subsidiary	Sale of goods	-	5,559,222,966
Hanoi Construction Materials JSC	Associate (until August 2016)	Sale of goods	-	963,699,500

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

30. TRANSACTIONS WITH RELATED PARTIES (continued)

Terms and conditions of transactions with related parties

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

Except for interest-bearing borrowing and loan receivables, outstanding balances due from/to related parties at 30 June 2017 are unsecured, interest-free and will be settled in cash. For the year ended 30 June 2017, the Corporation 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 separate 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>
Short-term trade receivables (Note 7)				
Vietnam Electric Cable Corporation	Subsidiary	Sale of goods	116,648,488,465	81,430,811,033
Electrical Equipment JSC	Subsidiary	Sale of goods	83,158,942,487	-
Cadivi Mien Bac Company Limited	Subsidiary	Sale of goods	3,840,452	-
GELEX Energy One-member Limited Liability Company	Subsidiary	Sale of goods	1,505,042	-
Hanoi Eletromechanical Manufacturing JSC	Subsidiary	Sale of goods	915,629	485,617
GELEX Cambodia Limited Liability Company	Subsidiary	Sale of goods	-	10,881,605,862
GELEX Investment and Construction JSC	Subsidiary	Sale of goods	-	297,221,650
Electric Measuring Instrument Limited Liability Company	Subsidiary	Sale of goods	-	48,364,902
			199,813,692,075	92,658,489,064
Short-term loan receivables (Note 8)				
Vietnam – Hungari Electric Machinery Manufacturing JSC	Associate	Short-term loans	-	2,000,000,000
			-	2,000,000,000

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

30. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the reporting date were as follows: (continued)

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2017</i>	<i>31 December 2016</i>
<i>Other short-term receivables (Note 9)</i>				
Vietnam – Hungari Electric Machinery Manufacturing JSC	Associate	Deposits for share purchase	65,550,000,000	-
		Interest receivables	2,438,928,870	2,288,926,363
Vietnam Electrical Equipment I JSC	Subsidiary	Dividends receivables	2,000,000,000	-
Gelex Cambodia Limited Liability Company	Subsidiary	Capital receivables	-	4,957,327,000
			69,988,928,870	7,246,253,363
<i>Short-term trade payables (Note 16)</i>				
CFT Vina Cooper Co., Ltd	Joint venture	Purchase of goods	43,880,674,762	43,365,078,051
Electric Measuring Instrument Limited Liability Company	Subsidiary	Purchase of goods	24,015,440,199	74,981,795,916
Hanoi Eletromechanical Manufacturing JSC	Subsidiary	Purchase of goods	599,349,549	599,349,549
Cadivi Mien Bac Company Limited	Subsidiary	Purchase of goods	17,000,000	-
			68,512,464,510	118,946,223,516

Transactions with other related parties

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

Currency: VND

	<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	8,189,246,175	4,808,000,000

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

31. COMMITMENTS

Operating lease commitment

The Corporation lets out its office 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	37,712,593,864	19,082,981,062
From 1 – 5 years	116,112,312,840	60,076,301,927
More than 5 years	88,426,929,002	80,312,420,916
TOTAL	<u>242,251,835,706</u>	<u>159,471,703,905</u>

Operating lease commitment

The Corporation leases 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	1,299,386,088	702,183,555
From 1 – 5 years	6,496,930,440	3,510,917,775
More than 5 years	49,391,337,620	21,890,859,979
TOTAL	<u>57,187,654,148</u>	<u>26,103,961,309</u>

32. RESTATEMENT OF PRIOR PERIOD'S INTERIM SEPARATE FINANCIAL STATEMENTS

Certain corresponding figures on the separate financial statements as at 31 December 2016 have been restated to conform with the presentation of the current period's interim separate financial statements. Details are as follows:

		<i>Currency: VND</i>		
<i>Code</i>	<i>Description</i>	<i>31 December 2016 (previously presented)</i>	<i>Restatement</i>	<i>31 December 2016 (restated)</i>
SEPARATE BALANCE SHEET				
121	Held-for-trading securities (i)	-	197,046,708,523	197,046,708,523
123	Held-to-maturity investments (i)	242,046,708,523	(197,046,708,523)	45,000,000,000
222	Cost of tangible fixed assets (ii)	467,908,092,528	(148,649,765,571)	319,258,326,957
223	Accumulated depreciation of tangible fixed assets (ii)	(114,581,956,927)	9,944,223,521	(104,637,733,406)
231	Cost of investment properties (ii)	-	148,649,765,571	148,649,765,571
232	Accumulated depreciation of investment properties (ii)	-	(9,944,223,521)	(9,944,223,521)

(i) Reclassification of short-term held-for-trading bonds following the investment policy of the Corporation.

(ii) 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.

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

33. 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.

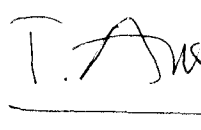

On 17 July 2017, the Corporation purchased 5,700,000 shares of Vietnam – Hungari Electric Machinery Manufacturing JSC ("VIHEM") through private offering of VIHEM. Accordingly, the Corporation owned total 7,190,700 shares of VIHEM (equivalent to 65.37% charter capital) and VIHEM became a subsidiary of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

On 17 July 2017, the Corporation completed bonus share issuance following the strategy 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 matter or circumstance that has arisen since the interim separate balance sheet date that requires adjustment or disclosure in the separate financial statements of the Corporation.



Preparer
Duong Viet Nga

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General Director
Nguyen Van Tuan

Hanoi, Vietnam

28 August 2017