

Vietnam Electrical Equipment Joint Stock Corporation

Interim separate financial statements

30 June 2018



Vietnam Electrical Equipment Joint Stock Corporation

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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/QD-TCCBDT dated 10 July 1990 issued by the Ministry of Heavy Industry of Vietnam (currently known as Ministry and Industry and Trade of Vietnam). The Corporation was equitised in pursuant with the Decision No. 1422/QD-TTg dated 10 August 2010 issued by Prime Minister of Vietnam and the first business license No. 0100100512 issued by Hanoi Department of Planning and Investment on 1 December 2010. The Corporation was also granted subsequent amended business registration certificates, with the latest being the 8th dated 23 July 2018.

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.

The Corporation's shares are listed and exchanged officially on Ho Chi Minh Stock Exchange (HOSE) under ticker of GEX since 18 January 2018.

BOARD OF DIRECTORS

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

Mr Nguyen Van Tuan	Chairman	Appointed on 4 January 2018
	Member	Resigned on 4 January 2018
Mr Nguyen Hoa Cuong	Member	Appointed on 4 January 2018
	Chairman	Resigned on 4 January 2018
Mr Nguyen Trong Tieu	Member	
Ms Nguyen Thi Bich Ngoc	Member	
Mr Vo Anh Linh	Member	
Ms Do Thi Phuong Lan	Member	Appointed on 27 April 2018

BOARD OF SUPERVISION

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

Ms Le Thi Hong Linh	Head	Appointed on 11 May 2018
	Member	Appointed on 27 April 2018
Ms Nguyen Thi Thanh Yen	Head	Resigned on 27 April 2018
Ms Pham Thi Minh Cuc	Member	
Ms Pham Thi My Ha	Member	

MANAGEMENT

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

Mr Nguyen Van Tuan	General Director	
Mr Nguyen Trong Tieu	Chief Operations Officer	Appointed on 8 March 2018

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 2018.

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 interim 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 interrim 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 2018 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.

The Coporation has subsidiaries as disclosed in the interim separate financial statements. 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 Company has also prepared the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2018, dated 29 August 2018.

Vietnam Electrical Equipment Joint Stock Corporation

REPORT OF MANAGEMENT (continued)

STATEMENT BY MANAGEMENT (continued)

Users of the interim separate financial statements should read them together with the said 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.



Nguyen Van Tuan
General Director

Hanoi, Vietnam

29 August 2018

2018/08/29



**Building a better
working world**

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Reference: 61355749/20161018/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 29 August 2018 and as set out on pages 6 to 48 which comprise the interim separate balance sheet as at 30 June 2018, 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 management 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 2018, 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 2018 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 reviewed these interim consolidated financial statements and our auditor's report dated 29 August 2018 has expressed an unqualified conclusion.

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

Ernst & Young Vietnam Limited



Trần Phú Sơn
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2018-004-1

Hanoi, Vietnam

29 August 2018

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2018

Currency: VND

Code	ASSETS	Notes	30 June 2018	31 December 2017
100	A. CURRENT ASSETS		2,531,037,678,544	1,138,781,640,369
110	I. Cash	4	1,054,499,014,365	131,524,793,836
111	1. Cash		1,054,499,014,365	131,524,793,836
120	II. Short-term investments	5	487,890,708,781	278,177,363,847
121	1. Held-for-trading securities		505,307,171,781	282,274,722,247
122	2. Provision for diminution in value of held-for-trading securities		(17,416,463,000)	(4,097,358,400)
130	III. Current accounts receivable		953,545,119,353	703,475,846,579
131	1. Short-term trade receivables	6	291,683,898,686	248,917,093,713
132	2. Short-term advances to suppliers		2,762,769,143	2,011,540,693
135	3. Short-term loan receivables	7	274,000,000,000	359,000,000,000
136	4. Other short-term receivables	8	395,483,753,907	103,932,514,556
137	5. Provision for doubtful short-term receivables	6,7,8	(10,385,302,383)	(10,385,302,383)
140	IV. Inventories	10	26,325,809,936	16,425,519,542
141	1. Inventories		26,325,809,936	16,425,519,542
150	V. Other current assets		8,777,026,109	9,178,116,565
151	1. Short-term prepaid expenses		4,518,861,043	702,002,083
152	2. Value-added tax deductible		4,147,505,985	8,466,481,532
153	3. Tax and other receivables from the State		110,659,081	9,632,950
200	B. NON-CURRENT ASSETS		6,360,581,753,645	5,468,161,781,863
220	I. Fixed assets		73,438,456,776	104,913,296,329
221	1. Tangible fixed assets	11	73,438,456,776	104,913,296,329
222	Cost		177,842,633,645	209,731,903,459
223	Accumulated depreciation		(104,404,176,869)	(104,818,607,130)
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	254,198,959,979	233,036,881,965
231	1. Cost		294,967,913,005	263,078,643,191
232	2. Accumulated depreciation		(40,768,953,026)	(30,041,761,226)
240	III. Long-term assets in progress		8,556,296,995	4,919,124,001
242	1. Construction in progress		8,556,296,995	4,919,124,001
250	V. Long-term investments	13	6,002,696,449,535	5,098,212,303,521
251	1. Investments in subsidiaries		5,942,632,140,092	5,042,632,140,092
252	2. Investments in associates, jointly controlled entities		69,285,387,977	69,285,387,977
254	3. Provision for diminution in value of long-term investments		(9,221,078,534)	(13,705,224,548)
260	VI. Other long-term assets		21,691,590,360	27,080,176,047
261	1. Long-term prepaid expenses	14	21,691,590,360	27,080,176,047
270	TOTAL ASSETS		8,891,619,432,189	6,606,943,422,232

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2018

Currency: VND

Code	RESOURCES	Notes	30 June 2018	31 December 2017
300	A. LIABILITIES		3,919,678,131,494	2,996,133,685,201
310	I. Current liabilities		2,094,946,367,993	1,761,766,527,281
311	1. Short-term trade payables	15	431,383,274,113	215,908,129,840
312	2. Short-term advances from customers		394,945,957	270,439,957
313	3. Statutory obligations	16	158,195,727	47,987,000
314	4. Payables to employees		2,655,090,003	8,837,350,895
315	5. Short-term accrued expenses	17	21,705,106,600	12,383,080,654
318	6. Short-term unearned revenues	18	3,994,471,471	3,371,224,080
319	7. Other short-term payables	19	83,964,525,770	65,549,838,565
320	8. Short-term loan	20	1,536,088,589,687	1,440,283,959,094
321	9. Short-term provisions		4,471,704,700	12,594,597,675
322	10. Bonus and welfare fund		10,130,463,965	2,519,919,521
330	II. Non-current liabilities		1,824,731,763,501	1,234,367,157,920
336	1. Long-term unearned revenues	18	45,279,714,446	45,835,022,150
337	2. Other long-term liabilities	19	14,219,135,370	101,090,733,507
338	3. Long-term loans	20	1,755,328,465,927	1,073,600,000,004
342	4. Long-term provisions		9,904,447,758	13,841,402,259
400	B. OWNERS' EQUITY		4,971,941,300,695	3,610,809,737,031
410	I. Capital	21	4,969,792,481,256	3,608,583,434,258
411	1. Share capital		3,388,000,000,000	2,668,000,000,000
411a	- Shares with voting rights		3,388,000,000,000	2,668,000,000,000
412	2. Share premium		1,169,449,724,760	622,337,724,760
421	3. Undistributed earnings		412,342,756,496	318,245,709,498
421a	- Undistributed earnings by the end of prior period		308,645,709,498	-
421b	- Undistributed earnings of the period		103,697,046,998	318,245,709,498
430	II. Other funds		2,148,819,439	2,226,302,773
432	1. Fund for fixed assets in use		2,148,819,439	2,226,302,773
440	TOTAL LIABILITIES AND OWNERS' EQUITY		8,891,619,432,189	6,606,943,422,232


Duong Viet Nga
Preparer


Pham Tuan Anh
Chief Accountant


Nguyen Van Tuan
General Director

29 August 2018

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2018

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
01	1. Revenue from sale of goods and rendering of services	22.1	1,404,679,435,912	1,244,163,237,360
02	2. Deductions	22.1	-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	1,404,679,435,912	1,244,163,237,360
11	4. Cost of goods sold and services rendered	23	(1,373,043,622,835)	(1,217,619,028,915)
20	5. Gross profit from sale of goods and rendering of services		31,635,813,077	26,544,208,445
21	6. Finance income	22.2	219,333,371,972	243,806,986,992
22	7. Finance expenses	24	(133,522,180,769)	(98,358,123,443)
23	<i>In which: Interest expenses</i>		(119,785,564,373)	(98,810,047,807)
25	8. Selling expenses	25	10,915,230,771	6,763,710,205
26	9. General and administrative expenses	25	(23,500,294,218)	(25,575,346,464)
30	10. Operating profit		104,861,940,833	153,181,435,735
31	11. Other income		106,060,138	150,000
32	12. Other expenses		(1,270,953,973)	(1,048,892,532)
40	13. Other loss		(1,164,893,835)	(1,048,742,532)
50	14. Accounting profit before tax		103,697,046,998	152,132,693,203
51	15. Current corporate income tax expense	27.1	-	-
60	16. Net profit after tax		103,697,046,998	152,132,693,203


Duong Viet Nga
Preparer

Pham Tuan Anh
Chief Accountant

Nguyen Van Tuan
General Director

29 August 2018

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2018

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		103,697,046,998	152,132,693,203
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets		10,235,278,205	9,924,307,945
03	Provisions		(3,224,888,890)	(6,686,991,641)
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency		-	(1,805,859)
05	Profits from investing activities		(218,751,350,688)	(226,545,730,559)
06	Interest expenses	24	119,785,564,373	98,810,047,807
08	Operating profit before changes in working capital		11,741,649,998	27,632,520,896
09	Increase in receivables		(39,743,556,696)	(76,161,878,749)
10	Increase in inventories		(9,900,290,394)	(74,843,449,785)
11	Increase in payables		216,831,076,347	6,460,440,165
12	Decrease in prepaid expenses		1,571,726,727	873,728,591
13	Increase in held-for-trading securities		(223,032,449,534)	(432,953,291,477)
14	Interest paid		(109,813,642,452)	(100,402,351,029)
15	Corporate income tax paid	16	(826,829,447)	(6,918,948,141)
16	Other cash inflows from operating activities		2,600,000	-
17	Other cash outflows for operating activities		(1,992,055,556)	(8,838,681,000)
20	Net cash flows used in operating activities		(155,161,771,007)	(665,151,910,529)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets and other long-term assets		(3,637,172,994)	(4,093,577,965)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(748,000,000,000)	-
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		77,000,000,000	47,000,000,000
25	Payments for investments in other entities		(468,000,000,000)	(2,432,262,876,940)
26	Proceeds from sale of investments in other entities		93,000,000,000	26,700,707,486
27	Interest and dividends received		158,643,584,026	335,532,130,845
30	Net cash flows used in investing activities		(890,993,588,968)	(2,027,123,616,574)

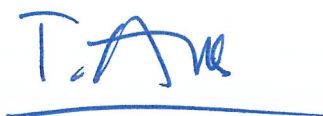
INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2018

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		1,195,112,000,000	1,396,895,970,000
33	Drawdown of borrowings		1,791,692,168,882	2,085,852,008,468
34	Repayment of borrowings		(1,017,629,108,378)	(2,220,589,202,447)
36	Dividends paid to equity holders		(45,480,000)	(231,811,825,000)
40	Net cash flows from financing activities		1,969,129,580,504	1,030,346,951,021
50	Net increase/(decrease) in cash for the period		922,974,220,529	(1,661,928,576,082)
60	Cash at beginning of the period		131,524,793,836	1,952,418,381,205
61	Impact of exchange rate fluctuation		-	1,173,079
70	Cash at end of the period	4	1,054,499,014,365	290,490,978,202



 Duong Viet Nga
Preparer



 Pham Tuan Anh
Chief Accountant



 Nguyen Van Tuan
General Director

29 August 2018

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 June 2018 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/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 8th dated 23 July 2018.

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 Corporation's shares are listed and exchanged officially on Ho Chi Minh Stock Exchange (HOSE) under ticker of GEX since 18 January 2018.

The number of the Corporation's employees as at 30 June 2018 is 74 (31 December 2017: 83).

Corporate structure

As at 30 June 2018, the Corporation directly owns subsidiaries with following details:

No.	Name	% equity share	% voting rights	Address	Principal activities
1	Vietnam Electric Cable Corporation ("Cadivi")	79.76%	79.76%	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 Co., Ltd ("GELEX Energy")	100%	100%	No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Manage investments in energy and water supply
4	GELEX Cambodia Co., Ltd ("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
6	GELEX Electric Equipment Co., Ltd ("GELEX ELECTRIC") [previously known as Electrical Measuring Instruments Co., Ltd]	100%	100%	No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Manufacture electric measuring instruments
7	K.I.P Vietnam JSC ("K.I.P Vietnam")	72.40%	72.40%	Huu Nghi Street, Xuan Khanh Ward, Son Tay District, Hanoi	Manufacture and trade electrical equipment

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

No.	Name	% equity share	% voting rights	Address	Principal activities
8	South Logistics JSC ("Sotrans")	54.78%	54.78%	No. 1B Hoang Dieu Street, Ward 4, District 4, Ho Chi Minh City	Provide warehouse rental, warehousing and management services
9	Vietnam-Hungari electric machinery manufacturing JSC ("VIHEM")	65.37%	65.37%	Group 24, Dong Anh Town, Dong Anh District, Hanoi	Manufacture and trade electric motor
10	GELEX Land Co., Ltd ("GELEX Land")	100%	100%	No. 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Real estate business

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%	Lot D1-3, Dai Dong Industrial Zone, Hoan Son Ward, Tien Du District, Bac Ninh Province	Trade electrical wires and cables
3	Hanoi Plastics JSC (*)	51.86%	51.86%	Group 12, Phuc Loi Ward, Long Bien District, Hanoi	Manufacture and trade industrial plastic products
4	VIEXIM Export Import Development and Investment Co., Ltd	51.86%	100%	Hao Village, Lieu Xa Ward, Yen My District, Hung Yen Province	Manufacture and trade industrial plastic products

(*) Cadivi Dong Nai controls Hanoi Plastics JSC with 51.86% voting rights.

HEM:

No.	Name	% equity share	% voting rights	Address	Principal activities
1	Hanoi Electrical Mechanical Equipment JSC ("HECO")	99.82%	99.82%	Lot J12, Road No. 10, Le Minh Xuan Industrial Zone, Binh Chanh District, Ho Chi Minh City	Manufacture and trade electrical products
2	Hanoi Vocational College of High Technology	100%	100%	Km 12 – 32 Highway, Phu Dien Ward, Tu Liem District, Hanoi	College and vocational education

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

GELEX Energy:

No.	Name	% equity share	% voting rights	Address	Principal activities
1	Phu Thanh My JSC ("Phu Thanh My")	68.74%	68.74%	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
3	GELEX Ninh Thuan Co., Ltd ("GELEX Ninh Thuan") (i)	100%	100%	No. 126, 16/4 Street, My Hai ward, Phan Rang – Thap Cham city, Ninh Thuan province	Solar power generating
4	GELEX Binh Thuan JSC ("GELEX Binh Thuan") (i)	86.79%	90%	Sunny Villa, Hon Rom, Mui Ne ward, Phan Thiet city, Binh Thuan province	Solar power generating
5	Song Da Water Investment JSC ("Viwasupco")	58.76%	58.76%	Vat Lai village, Phu Minh ward, Ky Son district, Hoa Binh province, Vietnam	Water supply

(i) These subsidiaries have not started commercial operation as they are still at project development stage as at the reporting date.

Sotrans:

No.	Name	% equity share	% voting rights	Address	Principal activities
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 Co., Ltd ("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")	84.39%	84.39%	No. 298 Huynh Tan Phat street, Tan Thuan Tay ward, District 7, Ho Chi Minh city	Commercial trading, shipbuilding, logistics services
4	Sotrans Ha Tinh Co., Ltd ("Sotrans Ha Tinh")	100%	100%	Ky Thinh ward, Ky Anh city, Ha Tinh province	Provide ground cargo transportation services

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

Sotrans (continued):

<i>No.</i>	<i>Name</i>	<i>% equity share</i>	<i>% voting rights</i>	<i>Address</i>	<i>Principal activities</i>
5	Vietranstimex Multimodal Transport Holding Company ("VTX")	84%	84%	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

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 13. 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 2018 dated 29 August 2018.

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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

2. BASIS OF PREPARATION (continued)

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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprises cash on hand, cash at banks.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and merchandises - 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 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 2018 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. Initial direct costs incurred in negotiating an operating lease are recognised in the interim consolidated income statement as incurred.

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 interim 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 2018 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 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.

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 reporting 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 2018 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;
- ▶ 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 reporting date, 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 reporting 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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Capital increase through exercising share warrants

Capital increase, through exercising share warrants (previously issued by the Corporation) upon their holders' request, is made by cash and recorded at actual amount, including:

- ▶ Share capital increase = number of shares issued (X) par value of each share.
In which:
 - The number of shares issued corresponds with the number of share warrants exercised.
 - Par value is VND 10,000 per share.
- ▶ Share premium includes:
 - The surplus of share issuance price when exercising share warrants (under terms of the warrant issue contract) over the share par value;
 - Proceeds previously received when issuing share warrants; and
 - Share issuance costs are recorded as deductions of share premium.

3.17 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 Vietnamese 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.

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.

3.18 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Revenue recognition (continued)

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.

3.19 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.

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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

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 interim 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 reporting date.

Deferred 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 deferred tax is also dealt with in the equity account.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *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.

3.20 *Related parties*

Parties are considered to be related parties of the Corporation if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Corporation and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH

Currency: VND

30 June 2018 31 December 2017

Cash on hand	1,300,945,272	914,464,456
Cash at banks	<u>1,053,198,069,093</u>	<u>130,610,329,380</u>
TOTAL	<u>1,054,499,014,365</u>	<u>131,524,793,836</u>

All cash at financial institutions are pledged for the Corporation's short-term loans as disclosed in Note 20.1.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

5. SHORT-TERM INVESTMENTS

Currency: VND

	30 June 2018			31 December 2017		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Bonds (i)	460,180,561,650	460,180,561,650	-	233,000,000,000	233,000,000,000	-
Shares	-	-	-	4,870,895,400	4,870,895,400	(271,895,400)
Trust investment (ii)	45,126,610,131	45,126,610,131	(17,416,463,000)	44,403,826,847	44,403,826,847	(3,825,463,000)
TOTAL	505,307,171,781	505,307,171,781	(17,416,463,000)	282,274,722,247	282,274,722,247	(4,097,358,400)

(i) Details for bonds investment are as follows:

Issuer	30 June 2018 VND	Principal and interest repayment term	Interest rate (% p.a)	Description of collateral
IB Securities JSC	104,297,000,000	2 years, interest receivable on semi-annual basis. Principal is due on 9 January 2019.	10.73%	Unsecured
IB Securities JSC	102,747,260,300	2 years, interest receivable on semi-annual basis. Principal is due on 21 February 2019.	9.70%	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.	9.50%	(*)
Hai An Technology and Education Investment JSC	153,136,301,350	3 years, interest receivable on annual basis. Principal is due on 29 August 2020.	9.50%	(*)
	460,180,561,650			

(*) These bonds are secured by shares held by issuers or third parties.

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 Vletinbank Fund Management Co., Ltd in accordance with Portfolio Management Contract No. 01/2016/HĐQLDMĐT/VTBC-GELEX dated 19 January 2017 and subsequent appendices, in order to invest in securities.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

6. SHORT-TERM TRADE RECEIVABLES

	30 June 2018	31 December 2017
	<i>Currency: VND</i>	
Short-term trade receivables	16,099,107,256	14,476,932,890
- Hanoi Transformer Manufacturing and Electric Material JSC	5,763,936,875	5,763,936,875
- Hanoi Construction Materials JSC	3,287,884,200	3,287,884,200
- Thien Son Investment and Tourism JSC	2,190,950,411	110,932,556
- Others	4,856,335,770	5,314,179,259
Trade receivables from related parties (Note 28)	<u>275,584,791,430</u>	<u>234,440,160,823</u>
TOTAL	<u>291,683,898,686</u>	<u>248,917,093,713</u>
Provision for doubtful receivables	(8,317,802,383)	(8,317,802,383)

Rights to collect trade receivables are pledged for the Corporation's short-term loans as disclosed in Note 20.1

7. SHORT-TERM LOAN RECEIVABLES

	30 June 2018		31 December 2017	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Hanoi Construction Materials JSC (*)	4,000,000,000	(2,000,000,000)	4,000,000,000	(2,000,000,000)
Short-term loan receivables from related parties (Note 28)	<u>270,000,000,000</u>	<u>-</u>	<u>355,000,000,000</u>	<u>-</u>
TOTAL	<u>274,000,000,000</u>	<u>(2,000,000,000)</u>	<u>359,000,000,000</u>	<u>(2,000,000,000)</u>

(*) This is unsecured loan receivable with 6-month term, earning interest at the rate of 6% per annum.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

8. OTHER SHORT-TERM RECEIVABLES

	Currency: VND			
	30 June 2018		31 December 2017	
	Cost	Provision	Cost	Provision
Deposit for share purchase (i)	324,000,000,000	-	93,000,000,000	-
Dividends, deposit and loan interest receivables	70,791,072,218	(67,500,000)	10,683,305,556	(67,500,000)
Advances to employees	441,000,000	-	206,000,000	-
Deposits	22,470,000	-	22,470,000	-
Others	229,211,689	-	20,739,000	-
TOTAL	395,483,753,907	(67,500,000)	103,932,514,556	(67,500,000)
<i>In which:</i>				
Other receivables from related parties (Note 28)	59,527,630,057	-	1,089,861,112	-
Others	335,956,123,850	(67,500,000)	102,842,653,444	(67,500,000)

- (i) There are deposits to individuals to acquire shares of a company operating in electrical equipment manufacturing segment, a company operating in transportation support services segment and a joint stock commercial bank in accordance with Business cooperation contracts signed with these individuals in 2018.

9. BAD DEBTS

	Currency: VND			
	30 June 2018		31 December 2017	
	Cost	Recoverable amount	Cost	Recoverable amount
Hanoi Transformer Manufacturing and Electric Material JSC	5,763,936,875	1,725,103,815	5,763,936,875	1,725,103,815
Hanoi Construction Materials JSC	7,422,884,200	3,466,278,580	7,422,884,200	3,466,278,580
Nghe An Power Co., Ltd.	1,016,134,480	-	1,016,134,480	-
Others	1,373,729,223	-	1,373,729,223	-
TOTAL	15,576,684,778	5,191,382,395	15,576,684,778	5,191,382,395

10. INVENTORIES

	Currency: VND			
	30 June 2018		31 December 2017	
	Cost	Provision	Cost	Provision
Goods in transit	26,212,049,666	-	16,297,725,156	-
Raw materials	113,760,270	-	127,794,386	-
TOTAL	26,325,809,936	-	16,425,519,542	-

Vietnam Electrical Equipment Joint Stock Corporation

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

11. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Cost:					Currency: VND
As at 31 December 2017	146,071,732,732	32,772,777,846	12,293,260,909	18,594,131,972	209,731,903,459
- Transfer to investment properties (Note 12)	(19,867,126,145)	(2,783,909,017)	-	(9,238,234,652)	(31,889,269,814)
As at 30 June 2018	126,204,606,587	29,988,868,829	12,293,260,909	9,355,897,320	177,842,633,645
<i>In which:</i>					
Fully depreciated	38,259,479,779	21,166,449,247	3,734,250,000	422,929,864	63,583,108,890
Accumulated depreciation:					
As at 31 December 2017	70,062,028,307	24,336,444,101	5,793,202,128	4,626,932,594	104,818,607,130
- Depreciation for the period	1,841,445,527	422,055,374	713,250,912	770,996,198	3,747,748,011
- Transfer to investment properties (Note 12)	(1,255,393,153)	(485,053,503)	-	(2,421,731,616)	(4,162,178,272)
As at 30 June 2018	70,648,080,681	24,273,445,972	6,506,453,040	2,976,197,176	104,404,176,869
Net carrying amount:					
As at 31 December 2017	76,009,704,425	8,436,333,745	6,500,058,781	13,967,199,378	104,913,296,329
As at 30 June 2018	55,556,525,906	5,715,422,857	5,786,807,869	6,379,700,144	73,438,456,776

As at 30 June 2018, certain tangible fixed assets including Gelex Tower Building at No 52, Le Dai Hanh Street (areas for internal usage) are pledged for the Corporation's loans and bonds as disclosed in Note 20.2.

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12. INVESTMENT PROPERTIES

	<i>Currency: VND</i>		
	<i>Buildings and structures</i>	<i>Others (*)</i>	<i>Total</i>
Cost:			
As at 31 December 2017	167,743,545,285	95,335,097,906	263,078,643,191
- Transfer from tangible fixed assets (<i>Note 11</i>)	<u>19,867,126,145</u>	<u>12,022,143,669</u>	<u>31,889,269,814</u>
As at 30 June 2018	<u>187,610,671,430</u>	<u>107,357,241,575</u>	<u>294,967,913,005</u>
Accumulated depreciation:			
As at 31 December 2017	9,481,162,380	20,560,598,846	30,041,761,226
- Depreciation for the period	1,743,928,770	4,821,084,758	6,565,013,528
- Transfer from tangible fixed assets (<i>Note 11</i>)	<u>1,255,393,153</u>	<u>2,906,785,119</u>	<u>4,162,178,272</u>
As at 30 June 2018	<u>12,480,484,303</u>	<u>28,288,468,723</u>	<u>40,768,953,026</u>
Giá trị còn lại:			
As at 31 December 2017	<u>158,262,382,905</u>	<u>74,774,499,060</u>	<u>233,036,881,965</u>
As at 30 June 2018	<u>175,130,187,127</u>	<u>79,068,772,852</u>	<u>254,198,959,979</u>

(*) These are infrastructures 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 (based on leasing area over total commercial area), are pledged for the Corporation's bonds as disclosed in Note 20.2.

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13. LONG-TERM INVESTMENTS

Currency: VND

	30 June 2018				31 December 2017			
	Ownership	Cost	Provision	Fair value	Ownership	Cost	Provision	Fair value
Investment in subsidiaries		5,942,632,140,092	(9,221,078,534)	7,678,395,919,630		5,042,632,140,092	(13,705,224,548)	6,948,945,397,972
GELEX Energy Co., Ltd (*) (i)	100%	2,300,000,000,000	-	2,300,000,000,000	100%	1,400,000,000,000	-	1,400,000,000,000
(iii)								
South Logistics JSC (i)	54.78%	1,207,900,254,098	-	884,519,678,700	54.78%	1,207,900,254,098	-	968,759,648,100
Vietnam Electric Cable Corporation (i)	79.76%	1,060,409,404,391	-	2,297,182,400,000	79.76%	1,060,409,404,391	-	2,389,069,696,000
Electrical Equipment JSC (i)	70.79%	576,262,038,822	-	1,198,779,824,300	70.79%	576,262,038,822	-	1,276,510,504,550
GELEX Electric Equipment Co., Ltd (*)	100%	368,000,000,000	-	368,000,000,000	100%	368,000,000,000	-	368,000,000,000
Hanoi Electromechanical Manufacturing JSC (i)	65.88%	214,009,733,181	-	339,391,430,000	65.88%	214,009,733,181	-	368,482,124,000
K.I.P. Vietnam JSC (ii)	72.40%	83,192,391,973	-	156,272,112,000	72.40%	83,192,391,973	-	65,798,784,000
Vietnam – Hungari Electric Machinery Manufacturing JSC (**)	65.37%	82,327,167,627	(6,652,003,164)	86,288,400,000	65.37%	82,327,167,627	(12,939,625,870)	62,559,090,000
GELEX Land Co., Ltd (*) (i)	100%	50,000,000,000	(2,569,075,370)	47,430,924,630	100%	50,000,000,000	(765,598,678)	49,234,401,322
GELEX Cambodia Co., Ltd (*)	100%	531,150,000	-	531,150,000	100%	531,150,000	-	531,150,000
Investment in associates		69,285,387,977	-	69,285,387,977		69,285,387,977	-	69,285,387,977
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
TOTAL		6,011,917,528,069	(9,221,078,534)	7,747,681,307,607		5,111,917,528,069	(13,705,224,548)	7,018,230,785,949

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14. SHORT-TERM INVESTMENTS (continued)

- (i) Part of shares of these companies are pledged for the Corporation's bonds as disclosed in Note 20.
- (ii) In accordance with Decision 08/2018/GELEX/QĐ-HĐQT dated 8 March 2018, the Corporation's Board of Directors has approved the divestment of investment in K.I.P Vietnam JSC. As at 30 June 2018, this divestment has not been completed.
- (iii) The Corporation contributed an additional capital amounting to VND 900 billion into GELEX Energy during the period.
- (*) As shares of these companies are not listed on the stock market, the Corporation presents the fair value at book value of the investment.
- (**) The Company made provision in accordance with Circular 89/2013/TT-BTC and Circular 228/2009/TT-BTC. Fair value of this investment is market value as at 30 June 2018.

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

Details of the Corporation's associate are as follows:

CFT Vina Cooper Co., Ltd is limited liability company with more than 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 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.

14. LONG-TERM PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Infrastructure construction and site clearance expenditures (*)	11,942,599,594	12,209,411,176
Office renovation	227,779,282	5,086,514,073
Prepaid land rental (*)	7,096,808,298	7,195,275,780
Overhaul expense	1,033,984,549	1,725,240,243
Tools and supplies in use	263,971,849	450,082,364
Others	1,126,446,788	413,652,411
TOTAL	<u>21,691,590,360</u>	<u>27,080,176,047</u>

- (*) Infrastructure construction and site clearance expenditures and prepaid land rental are related to the land in Dai Dong Industrial Zone, Tien Du district, Bac Ninh province. The land is leased to GELEX Electric, the Corporation's subsidiary.

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15. SHORT-TERM TRADE PAYABLES

	Currency: VND			
	30 June 2018		31 December 2017	
	Balance	Payable amount	Balance	Payable amount
Trade payables to suppliers	431,121,867,619	431,121,867,619	161,442,662,209	161,442,662,209
- LS-Nikko Copper Inc.	322,228,851,114	322,228,851,114	76,560,415,519	76,560,415,519
- NSSB Saigon Steel Center Co., Ltd	7,804,789,976	7,804,789,976	19,171,913,203	19,171,913,203
- Thai Son Import-export and Construction JSC	24,912,921,892	24,912,921,892	15,296,989,553	15,296,989,553
- SOFIA MED	24,768,628,905	24,768,628,905	10,620,519,617	10,620,519,617
- Others	51,406,675,732	51,406,675,732	39,792,824,317	39,792,824,317
Trade payables to related parties (Note 28)	261,406,494	261,406,494	54,465,467,631	54,465,467,631
TOTAL	431,383,274,113	431,383,274,113	215,908,129,840	215,908,129,840

16. STATUTORY OBLIGATIONS

	Currency: VND			
	31 December 2017	Payable for the period	Payment made in the period	30 June 2018
Value added tax	-	39,602,976,690	(39,602,976,690)	-
Import tax	-	1,845,545,850	(1,845,545,850)	-
Corporate income tax	-	826,829,447	(826,829,447)	-
Personal income tax	47,987,000	1,245,043,163	(1,134,834,436)	158,195,727
Land rental fee	-	4,221,054,508	(4,221,054,508)	-
Other taxes	-	1,789,701,902	(1,789,701,902)	-
TOTAL	47,987,000	49,531,151,560	(49,420,942,833)	158,195,727

17. SHORT-TERM ACCRUED EXPENSES

	Currency: VND	
	30 June 2018	31 December 2017
Interest expenses	21,672,106,600	11,700,184,679
Others	33,000,000	682,895,975
TOTAL	21,705,106,600	12,383,080,654

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18. UNEARNED REVENUE

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Short-term		
Office rental	3,994,471,471	3,371,224,080
TOTAL	<u>3,994,471,471</u>	<u>3,371,224,080</u>
Long-term		
Office rental	45,279,714,446	45,835,022,150
TOTAL	<u>45,279,714,446</u>	<u>45,835,022,150</u>

19. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Short-term		
Deposits for project implementation at No. 10 Tran Nguyen Han Street (*)	20,000,000,000	20,000,000,000
Share warrant (**)	18,000,000,000	-
Dividends payable	101,490,000	146,970,000
Social insurance, health insurance, trade union fee	38,736,647	17,320,058
Others	525,835,394	251,218,720
Other payables to related parties (Note 28)	45,298,463,729	45,134,329,787
TỔNG CỘNG	<u>83,964,525,770</u>	<u>65,549,838,565</u>
Long-term		
Share warrant (**)	-	90,000,000,000
Deposits from customers	14,219,135,370	11,090,733,507
TOTAL	<u>14,219,135,370</u>	<u>101,090,733,507</u>

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

(**) In accordance with Resolution No 27/TBĐVN/NQ-DHCD dated 1 August 2016 of the General Shareholders, in 2016, the Corporation issued 1,800 share warrants; each warrant has a right to purchase 50,000 shares issued by the Corporation, with total amount of VND 90 billion. The share issue price upon exercising share warrants will be determined in accordance with anti-dilution clause but would not be lower than VND 10,000 per share. The share warrants will be exercised no later than 30 June 2019. During the period, the share warrant holders exercised 1,440 share warrants at the price of VND 16,600 per share (As disclosed in Note 21)

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as at 30 June 2018 and for the six-month period then ended

20. LOANS

Notes	31 December 2017		Movement during the period		30 June 2018	
	Amount	Payable amount	Increase	Decrease	Amount	Payable amount
Short-term						
Loans from banks	747,330,626,702	747,330,626,702	1,112,978,738,973	(983,841,609,319)	876,467,756,356	876,467,756,356
Bonds	299,165,833,333	299,165,833,333	454,999,998	-	299,620,833,331	299,620,833,331
Current portion of bonds	360,000,000,000	360,000,000,000	-	-	360,000,000,000	360,000,000,000
Loan from other parties	33,787,499,059	33,787,499,059	-	(33,787,499,059)	-	-
TOTAL	1,440,283,959,094	1,440,283,959,094	1,113,433,738,971	(1,017,629,108,378)	1,536,088,589,687	1,536,088,589,687
Long-term						
Bonds	1,073,600,000,004	1,073,600,000,004	681,728,465,923	-	1,755,328,465,927	1,755,328,465,927
TOTAL	1,073,600,000,004	1,073,600,000,004	681,728,465,923	-	1,755,328,465,927	1,755,328,465,927

Currency: VND

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20. LOANS (continued)

20.1 Short-term loans from banks

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

Banks	30 June 2018	Principal and interest repayment term	Interest rate (% p.a)	Description of collateral
	VND			
Bank for Investment and Development of Vietnam – Transaction Center I	425,890,155,291	3 - 6 months, interest payable on monthly basis. Last installment is due on 15 December 2018.	5.25% - 5.6%	Rights to collect trade receivables of the Corporation
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch	403,588,748,818	4 - 6 months, interest payable on monthly basis. Last installment is due on 21 October 2018.	5.8%	All deposit balances at financial institutions, trade receivables and other assets.
Vietnam Joint Stock Commercial Bank for Industry and Trade – Hanoi Branch	46,988,852,247	6 months, interest payable on monthly basis. Last installment is due on 13 September 2018.	5.8%	All deposit balances at financial institutions, trade receivables and other assets.
TOTAL	876,467,756,356			

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	30 June 2018			31 December 2017		
	Value (VND)	Interest rate (%/ p.a)	Maturity date	Value (VND)	Interest rate (%/ p.a)	Maturity date
20. LOANS (continued)						
20.2 Bonds						
Short-term						
Issued at par value (*)	300,000,000,000	10.5%	November 2018	300,000,000,000	10.5%	November 2018
Bonds issuance cost	(379,166,669)			(834,166,667)		
TOTAL	299,620,833,331			299,165,833,333		
Long-term						
Issued at par value (**)	300,000,000,000	9.50%	April 2020	-	-	-
Issued at par value (**)	400,000,000,000	6.5% - 9.5%	May 2020	-	-	-
Issued at par value (**)	1,440,000,000,000	9.25% - 9.5%	December 2019	1,440,000,000,000	9.3% - 9.5%	December 2019
Bonds issuance cost	(24,671,534,073)			(6,399,999,996)		
TOTAL	2,115,328,465,927			1,433,600,000,004		
In which:						
Current portion	360,000,000,000			360,000,000,000		
Long-term	1,755,328,465,927			1,073,600,000,004		

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20 LOANS (continued)

20.2 Bonds (continued)

(*) Including 2 bonds issuance contracts as follows:

- (i) Bonds issuance contract No. 29112017/HĐĐMTP/GELEX-MIC between the Corporation and Military Insurance Corporation signed on 29 November 2017; accordingly, the Corporation issued 155 inconvertible bonds, with total par value of VND 155 billion.
- (ii) Bonds issuance contract No. 20171130/HĐĐMTP/GELEX-MBCAPITAL between the Corporation and MB Capital Management Joint Stock Company signed on 30 November 2017; accordingly, the Corporation issued 145 inconvertible bonds with total par value of VND 145 billion.
The collaterals for these bonds include: 9,000,000 transferrable shares of Cadivi held by the Corporation and the benefits directly related to these shares.

(**) Including bonds issuance contracts as follows:

- (i) Bonds issuance contract No. 01/2018/HĐĐMTP/GELEX-HAIAN and No 02/2018/HĐĐMTP/GELEX-HAIAN between the Corporation and Hai An Technology and Education Investment JSC signed on 2 April 2018; accordingly, the Corporation issued 200 inconvertible bonds with total par value of VND 200 billion.
The collaterals for the bonds include 12,000,000 shares of Viwasupco owned by GELEX Energy Co., Ltd, a subsidiary of the Corporation.
- (ii) Bonds issuance contract No. 01/2018/HĐĐM/GELEX-DC and No 02/2018/HĐĐM/GELEX-DC between the Corporation and Vietnam Debt Fund SPC signed on 11 April 2018; accordingly, the Corporation issued 100 inconvertible bonds with total par value of VND 100 billion.
The collaterals for the bonds include 6,000,000 shares of Viwasupco owned by GELEX Energy Co., Ltd, a subsidiary of the Corporation.

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20. LOANS (continued)

20.2 Bonds (continued)

(**) Including bonds issuance contracts as follows (continued):

- (iii) Bonds issuance contract No. 005/2018/GELEX-SHBVN between the Corporation and Shinhan Bank Vietnam Ltd., signed on 15 May 2018; accordingly, the Corporation issued 200 inconvertible bonds with total par value of VND 200 billion.
Bonds issuance contract No. 004/2018/GELEX-HANABANK between the Corporation and Keb Hana Bank signed on 15 May 2018; accordingly, the Corporation issued 100 inconvertible bonds with total par value of VND 100 billion.
Bonds issuance contract No. 006/2018/GELEX-SSV between the Corporation and Shinhan Securities Vietnam Co., Ltd signed on 15 May 2018; accordingly, the Corporation issued 100 inconvertible bonds with total par value of VND 100 billion.

The collaterals for the bonds include 41,670,000 shares of Sotrans owned by the Corporation.

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

The collaterals for the bonds include:

- ▶ Gelex Tower Building at No. 52, Le Dai Hanh Street, Hanoi; and
- ▶ 10,946,969 shares THI (Thibidi), 24,242,245 shares of HEM owned by the Corporation and the Corporation's investment in GELEX Energy Co., Ltd funded from the issued bonds.

- (v) Bonds issuance contract No. 612/2016/HĐM.TPMIB-GELEX between the Corporation and Vietnam International Commercial Joint Stock Bank – Ba Dinh Branch signed on 6 December 2016; accordingly, the Corporation issued 1,000 inconvertible bonds with total par value of VND 1,000 billion.

The collaterals for the bonds include:

- ▶ 29,000,000 common shares of Cadivi owned by the Corporation; and
- ▶ The Corporation's investment in GELEX Land.

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21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
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	2,320,000,000,000	688,715,724,760	-	139,656,441,276	243,035,612,712	3,391,407,778,748
For the six-month period ended 30 June 2018						
As at 31 December 2017	2,668,000,000,000	622,337,724,760	-	-	318,245,709,498	3,608,583,434,258
- Increase in capital (*)	720,000,000,000	547,112,000,000	-	-	-	1,267,112,000,000
- Net profit for the period	-	-	-	-	103,697,046,998	103,697,046,998
- Appropriation to bonus and welfare fund, salary and bonus of board of directors (**)	-	-	-	-	(9,600,000,000)	(9,600,000,000)
As at 30 June 2018	3,388,000,000,000	1,169,449,724,760	-	-	412,342,756,496	4,969,792,481,256

Currency: VND

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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21. OWNERS' EQUITY (continued)

21.1 Increase and decrease in owners' equity (continued)

(*) In accordance with Resolution No. 14/2018/GELEX/NQ-HDQT of the Board of Directors dated 28 June 2018, the Corporation approved the result of the exercise of the first batch of share warrants; accordingly, the total number of additional shares issued upon exercising 1,440 share warrants was 72,000,000 shares at the price of VND 16,600 per share. The proceeds of VND 72 billion from share warrants issuance (which the Corporation had previously received) was included in share premium.

(**) In accordance with Resolution of Annual General Shareholders Meeting No. 08/GELEX/NQ-ĐHĐCĐ dated 27 April 2018 and Resolution of Annual General Shareholders Meeting of subsidiaries, the Corporation apportioned its earnings to bonus and welfare fund, remuneration of Board of Directors and cash dividends during the period.

21.2 Dividends

	Currency: VND	
	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
Dividends declared and paid during the period		
<i>Dividends on ordinary shares</i>		
Dividends for 2016: 1,000 VND/share	-	232,000,000,000
Dividends for 2017: 1,000 VND/share	-	-
Dividends declared after the reporting date and not yet recognized as liability as at 30 June 2018 (*)	338,800,000,000	-

(*) See Note 30.

21.3 Shares

	30 June 2018		31 December 2017	
	Quantity	Amount VND	Quantity	Amount VND
Authorized shares	338,800,000	3,388,000,000,000	266,800,000	2,668,000,000,000
Issued shares	338,800,000	3,388,000,000,000	266,800,000	2,668,000,000,000
Ordinary shares	338,800,000	3,388,000,000,000	266,800,000	2,668,000,000,000
Preference shares	-	-	-	-
Treasury shares	-	-	-	-
Ordinary shares	-	-	-	-
Preference shares	-	-	-	-
Shares in circulation	338,800,000	3,388,000,000,000	266,800,000	2,668,000,000,000
Ordinary shares	338,800,000	3,388,000,000,000	266,800,000	2,668,000,000,000
Preference shares	-	-	-	-

Par value of outstanding share: VND 10,000. The Corporation's share is listed and exchanged officially on Ho Chi Minh Stock Exchange (HOSE) under ticker of GEX since 18 January 2018.

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22. REVENUES**22.1 Revenue from sales of goods and rendering of services**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Gross revenue	1,404,679,435,912	1,244,163,237,360
<i>In which:</i>		
<i>Sale of merchandises</i>	1,363,796,637,364	1,212,256,245,934
<i>Leasing revenue</i>	22,527,228,461	17,685,805,464
<i>Rendering of services</i>	18,355,570,087	14,221,185,962
Deductions	-	-
Net revenue	1,404,679,435,912	1,244,163,237,360
<i>In which:</i>		
<i>Sale of merchandise</i>	1,363,796,637,364	1,212,256,245,934
<i>Leasing revenue</i>	22,527,228,461	17,685,805,464
<i>Rendering of services</i>	18,355,570,087	14,221,185,962
<i>In which:</i>		
<i>Sale to others</i>	43,871,625,210	249,435,837,708
<i>Sale to related parties</i>	1,360,807,810,702	994,727,399,652

22.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Dividends income	183,393,324,000	206,780,002,180
Interest income	35,358,026,688	19,882,395,061
Gains from disposal of investment	547,104,600	16,620,604,092
Foreign exchange gains	34,916,684	523,985,659
TOTAL	219,333,371,972	243,806,986,992

22.3 Revenue and expense relating to investment properties

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Rental income from investment properties	22,527,228,461	17,685,805,464
Direct operating expenses of investment properties that generated rental income during the period	(14,083,223,579)	(9,449,276,483)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

23. COST OF GOODS SOLD AND SERVICE RENDERED

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Cost of merchandise sold	1,351,158,439,572	1,201,079,717,325
Cost of leasing activities	14,083,223,579	9,449,276,483
Cost of services rendered	7,801,959,684	7,090,035,107
TOTAL	<u>1,373,043,622,835</u>	<u>1,217,619,028,915</u>

24. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Loan interest	119,785,564,373	98,810,047,807
Bonds issuance cost	3,470,036,012	1,600,000,002
Provision/(reversal of provision) for investments	8,834,958,586	(2,385,680,373)
Other finance expenses	1,431,621,798	333,756,007
TOTAL	<u>133,522,180,769</u>	<u>98,358,123,443</u>

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Selling expenses		
Expenses for external services	1,144,616,705	2,111,291,769
Reversal of provision for warranty	(12,059,847,476)	(8,875,001,974)
TOTAL	<u>(10,915,230,771)</u>	<u>(6,763,710,205)</u>
General and administrative expenses		
Labour cost	5,240,349,576	10,995,146,258
Depreciation and amortization	2,019,263,330	3,992,848,857
Expenses for external services	6,476,962,358	4,007,961,014
Others	9,763,718,954	6,579,390,335
TOTAL	<u>23,500,294,218</u>	<u>25,575,346,464</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

26. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Raw material and merchandise costs	1,351,857,309,611	1,205,240,764,399
Labour costs	8,373,120,569	14,100,324,244
Depreciation and amortization	10,235,278,205	9,924,307,945
Expenses for external services	13,754,131,924	6,795,319,052
Others	1,408,845,973	369,949,534
TOTAL	<u>1,385,628,686,282</u>	<u>1,236,430,665,174</u>

27. 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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

27.1 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 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Accounting profit before tax	103,697,046,998	152,132,693,203
At CIT rate of 20% applicable to the Corporation	20,739,409,400	30,426,538,641
<i>Adjustment:</i>		
Expenses without eligible supporting documents	356,895,872	488,988,652
Non-deductible interest expenses	14,561,801,538	-
Provision for doubtful receivables	-	914,738,141
Unrecognised deferred tax assets on tax losses carried forwards	1,486,741,975	9,525,969,618
Dividends income	(36,678,664,800)	(41,356,000,436)
Reimbursement of warranty according to tax inspection minutes	(466,183,985)	-
Foreign exchange losses from revaluation of monetary assets	-	(234,616)
CIT expenses	<u>-</u>	<u>-</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended**27. CORPORATE INCOME TAX** (continued)**27.2 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 interim separate income statement because it excludes items of income or expense that are taxable or deductible in other years 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.

27.3 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 2018, the Corporation had aggregated accumulated tax losses of VND 64,256,168,259 available for offset against future taxable profits. Details are as follows:

Currency: VND					
Originating year	Can be utilized up to	Estimated tax losses	Utilized up to 30 June 2018	Forfeited	Unutilized at 30 June 2018
2017	2022 (*)	56,822,458,386	-	-	56,822,458,386
2018	2023 (**)	7,433,709,870	-	-	7,433,709,870
TOTAL		64,256,168,256	-	-	64,256,168,256

(*) This tax loss was finalized by the local tax authority in accordance with the Tax Inspection Minutes dated 31 May 2018.

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

28. 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 2018	For the six-month period ended 30 June 2017
Cadivi	Subsidiary	Sale of goods	965,040,173,461	786,084,313,990
		Dividends income	68,915,472,000	150,652,768,000
CFT Vina Cooper Co., Ltd	Associate	Purchase of merchandise	639,978,078,816	247,486,628,271
Thibidi	Subsidiary	Sale of goods	359,549,558,481	204,309,189,246
		Dividends income	17,273,484,500	103,640,907,000
GELEX Energy	Subsidiary	Transfer of loans to capital	756,000,000,000	-
		Loan	748,000,000,000	-
		Capital contribution	144,000,000,000	-
		Collection of loan	77,000,000,000	-
		Interest income	22,074,401,445	-
VIHEM	Subsidiary	Sale of goods	3,361,726,704	-
HEM	Subsidiary	Dividends income	36,363,367,500	48,483,390,000
		Sales of goods and revenue from rendering of services	9,176,589,830	362,430,870
GELEX ELECTRIC	Subsidiary	Dividends income	60,000,000,000	-
		Sales of goods and revenue from rendering of services	22,142,365,992	-
		Purchase of goods	10,705,564,000	-
IB Securities JSC	Executives are family members	Investment in bonds	207,044,260,300	-

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 the loan receivable from GELEX Energy, outstanding balances due from/to related parties at 30 June 2018 are unsecured, interest-free and will be settled in cash. For the 6-month period ended 30 June 2018, the Corporation has not made any provision for doubtful debts relating to amounts owed by related parties (as at 31 December 2017: nil). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

28. TRANSACTIONS WITH RELATED PARTIES (continued)

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

			Currency: VND	
Related parties	Relationship	Transactions	30 June 2018	31 December 2017
Held-for-trading securities				
IB Securities JSC	Executives are family members	Held-for-trading securities	207,044,260,300	-
			<u>207,044,260,300</u>	<u>-</u>
Short-term trade receivables (Note 6)				
Cadivi	Subsidiary	Sale of goods	176,915,670,355	132,654,183,494
Thibidi	Subsidiary	Sale of goods	76,299,800,059	100,478,204,961
GELEX ELECTRIC	Subsidiary	Sales of goods and revenue from rendering of services	13,345,471,106	696,238,993
Cadivi Mien Bac	Subsidiary	Rendering of services	354,750,000	608,919,940
HEM	Subsidiary	Sales of goods and revenue from rendering of services	7,526,714,727	-
VIHEM	Subsidiary	Sale of goods	1,136,713,506	-
GELEX Energy	Subsidiary	Rendering of services	2,876,599	1,278,915
Hai Duong Pump Manufacturing JSC	Same member of Board of Directors	Rendering of services	2,795,078	1,334,520
			<u>275,584,791,430</u>	<u>234,440,160,823</u>
Short-term loan receivables (Note 7)				
GELEX Energy	Subsidiary	Loan receivable	270,000,000,000	355,000,000,000
			<u>270,000,000,000</u>	<u>355,000,000,000</u>
Other short-term receivables (Note 9)				
GELEX Energy	Subsidiary	Interest receivables	23,164,262,557	1,089,861,112
HEM	Subsidiary	Dividend receivables	36,363,367,500	-
			<u>59,527,630,057</u>	<u>1,089,861,112</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

28. TRANSACTIONS WITH RELATED PARTIES (continued)

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

			Currency: VND	
Related parties	Relationship	Transactions	30 June 2018	31 December 2017
Short-term trade payables (Note 15)				
CFT Vina Cooper Co., Ltd	Associate	Purchase of goods	6,206,494	53,602,059,595
GELEX Land	Subsidiary	Purchase of services	-	550,000,000
HEM	Subsidiary	Purchase of goods	-	201,758,036
Sotrans	Subsidiary	Transportation expense	255,200,000	111,650,000
			<u>261,406,494</u>	<u>54,465,467,631</u>
Other payables (Note 19)				
GELEX Land	Subsidiary	Deposit	45,000,000,000	45,000,000,000
Sotrans	Subsidiary	Payment on behalf	298,463,729	134,329,787
			<u>45,298,463,729</u>	<u>45,134,329,787</u>

Transactions with other related parties

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

	Currency: VND	
	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
Remuneration	2,590,000,000	8,189,246,175
TOTAL	<u>2,590,000,000</u>	<u>8,189,246,175</u>

29. COMMITMENTS

Operating lease commitment (as lessor)

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:

	Currency: VND	
	30 June 2018	31 December 2017
Less than 1 year	47,899,597,283	36,932,857,129
From 1 to 5 years	102,883,812,747	55,593,835,614
Above 5 years	90,740,990,780	90,851,901,852
TOTAL	<u>241,524,400,810</u>	<u>183,378,594,595</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period then ended

29. COMMITMENTS (continued)

Operating lease commitment (as lessee)

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:

	Currency: VND	
	30 June 2018	31 December 2017
Less than 1 year	1,353,217,428	1,353,217,427
From 1 to 5 years	6,766,087,140	6,766,087,135
Above 5 years	46,382,900,003	47,053,947,546
TOTAL	<u>54,502,204,571</u>	<u>55,173,252,108</u>

30. EVENTS AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

On 13 July 2018, the Corporation completed the transfer of entire shares in subsidiaries (including Cadivi, Thibidi, HEM) to GELEX Electric as a capital contribution into GELEX Electric.

In accordance with the Resolution No. 17/2018/GELEX/NQ-HĐQT dated 17 July 2018, the Corporation's Board of Directors have approved the plan of share issuance to increase share capital from owners' equity (share premium and undistributed earnings) for existing shareholders with a 5:1 issuance ratio (shareholders who own 5 shares will receive 1 additional share).

In accordance with the Resolution No. 21/2018/GELEX/NQ-HĐQT dated 7 August 2018, the Corporation's Board of Directors has approved the plan to pay 2017 dividends in cash at the dividends rate of 10% par value (which amount to VND 338.8 billion in total) with the shareholder list finalization date being 17 August 2018. At the same time, the Corporation's Board of Directors approved the shareholder list finalization date for additional share issuance from owners' equity (mentioned above) to be 17 August 2018. On 22 August 2018, the Corporation completed the issuance of additional 67,760,000 common shares from share premium and undistributed earnings, which increased the Corporation's share capital to VND 4,065,600,000,000.

On 24 August 2018, the Corporation disposed a majority of shares in K.I.P Vietnam JSC (ticker of KIP), a subsidiary of the Corporation. The remaining number of KIP shares held by the Corporation is 72,000 shares and therefore, K.I.P Vietnam JSC has not been a subsidiary of the Corporation since this date.

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



Duong Viet Nga
Preparer



Pham Tuan Anh
Chief Accountant



Nguyen Van Tuan
General Director

29 August 2018