PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

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TABLE OF CONTENTS **PAGE**

Corporate information	1
Statement by the Chairman	2
Report on review of interim consolidated financial information	3
Interim consolidated balance sheet (Form B 01a – DN/HN)	5
Interim consolidated income statement (Form B 02a – DN/HN)	8
Interim consolidated cash flow statement (Form B 03a – DN/HN)	9
Notes to the interim consolidated financial statements (Form B 09a – DN/HN)	10

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

CORPORATE INFORMATION

Business Registration Certificate	No. 4103005338 dated 29 September 2006 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 18th amendment dated 23 May 2016.	
Board of Management	Mr. Phung Tuan Ha	Chairman
	Ms. Le Thi Chien	Member
	Mr. Vu Tien Duong	Member
	Ms. Pham Thi Hong Diep	Member
	Mr. Kim Kang Ho	Member (Appointed on 27 April 2018)
Board of Supervision	Mr. Phan Khac Vinh	Chief Supervisor
	Mr. Le Anh Quoc	Member
	Ms. Nguyen Thi My Dung	Member
Board of Directors	Mr. Vu Tien Duong	General Director
	Mr. Ho Minh Viet	Deputy General Director
	Ms. Pham Thi Hong Diep	Deputy General Director
	Mr. Nguyen Thanh Tu	Deputy General Director
	Mr. Phan Quang Tuan Anh	Deputy General Director (Resigned on 1 January 2018)
Legal representative	Mr. Phung Tuan Ha	Chairman
Registered office	6th Floor, PetroVietnam Tower, No. 1 - 5 Le Duan Street Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

STATEMENT OF THE RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of the Board of Management ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Parent Company") is responsible for preparing the interim consolidated financial statements of the Parent Company and its subsidiaries (collectively known as "the Corporation") which give a true and fair view of the financial position of the Corporation as at 30 June 2018, and the results of its operations and its cash flows for the six-month period then ended. In preparing these interim consolidated financial statements, the Chairman is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the interim consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Chairman is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable the interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim consolidated financial statements. The Chairman 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.

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying interim consolidated financial statements as set out on pages 5 to 51 which give a true and fair view of the financial position of the Corporation as at 30 June 2018 and of the results of its operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ
QUẬN 1 TP. HỒ CHÍ MINH

Phung Tuan Ha
Chairman

Ho Chi Minh City, SR Vietnam
23 August 2018

pwc

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS AND BOARD OF MANAGEMENT OF PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

We have reviewed the accompanying interim consolidated financial statements of PetroVietnam General Services Joint Stock Company (the Parent company) and its subsidiaries (collectively known as "the Corporation") which were prepared on 30 June 2018 and approved by the Chairman on 23 August 2018. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2018, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended, and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 10 to 51.

The Chairman's Responsibility to the Interim Consolidated Financial Statements

The Chairman is responsible for the preparation and the true and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements and for such internal control which the Chairman determines is necessary to enable the preparation and fair presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on this interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity."*

A review of interim consolidated financial statements 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.

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Conclusion

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

Other Matter

The report on review of interim consolidated financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited

Mai Viet Hung Tran
Audit Practising Licence No. 0048-2018-006-1
Authorised signatory

Report reference number: HCM7449
Ho Chi Minh City, 23 August 2018

As indicated in Note 2.1 to the interim consolidated financial statements, the accompanying interim consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01a – DN/HN

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 30.6.2018 VND	As at 31.12.2017 VND
100	**CURRENT ASSETS**		**4,444,799,509,969**	**4,786,143,044,848**
110	**Cash and cash equivalents**	3	**1,384,793,961,344**	**1,342,345,339,986**
111	Cash		252,207,089,429	338,508,337,541
112	Cash equivalents		1,132,586,871,915	1,003,837,002,445
120	**Short-term investment**		**28,304,800,000**	**28,244,800,000**
123	Investments held to maturity	4(a)	28,304,800,000	28,244,800,000
130	**Short-term receivables**		**1,902,087,015,589**	**2,229,463,525,562**
131	Short-term trade accounts receivable	5	1,449,545,275,850	1,684,907,681,145
132	Short-term prepayments to suppliers	6	392,254,461,707	431,103,266,432
136	Other short-term receivables	7	182,746,341,233	211,045,807,038
137	Provision for doubtful debts - short term	8	(123,121,344,840)	(98,255,510,692)
139	Shortage of assets awaiting resolution		662,281,639	662,281,639
140	**Inventories**	9	**734,819,276,430**	**774,605,298,993**
141	Inventories		759,480,056,215	790,864,877,778
149	Provision for decline in value of inventories		(24,660,779,785)	(16,259,578,785)
150	**Other current assets**		**394,794,456,606**	**411,484,080,307**
151	Short-term prepaid expenses		8,092,975,985	10,140,752,223
152	Value Added Tax to be reclaimed		385,231,351,362	400,131,863,898
153	Other taxes receivable	10	1,470,129,259	1,211,464,186

The notes on pages 10 to 51 are an integral part of these interim consolidated financial statements.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01a – DN/HN

INTERIM CONSOLIDATED BALANCE SHEET (continued)

Code	ASSETS (continued)	Note	As at 30.6.2018 VND	As at 31.12.2017 VND
200	**LONG-TERM ASSETS**		**1,315,175,605,931**	**1,386,636,201,219**
210	**Long-term receivable**		**40,489,440,223**	**8,361,270,031**
216	Other long-term receivables	7(b)	40,489,440,223	8,361,270,031
220	**Fixed assets**		**197,913,399,653**	**203,600,840,740**
221	Tangible fixed assets	11(a)	95,309,715,678	100,747,708,067
222	Historical cost		329,183,051,517	327,870,252,182
223	Accumulated depreciation		(233,873,335,839)	(227,122,544,115)
227	Intangible fixed assets	11(b)	102,603,683,975	102,853,132,673
228	Historical cost		107,082,807,737	107,082,807,737
229	Accumulated amortisation		(4,479,123,762)	(4,229,675,064)
230	**Investment properties**	12	**779,140,792,902**	**802,740,513,854**
231	Historical cost		858,194,158,578	861,998,984,242
232	Accumulated depreciation		(79,053,365,676)	(59,258,470,388)
240	**Long-term asset in progress**		**38,935,421,000**	**102,728,014,308**
242	Construction in progress	13	38,935,421,000	102,728,014,308
250	**Long-term investments**		**40,826,212,936**	**42,001,621,150**
252	Investments in associates	4(b)	17,433,829,253	17,294,889,230
253	Investments in other entities	4(c)	27,560,000,000	27,560,000,000
254	Provision for long-term investments		(4,648,564,104)	(2,853,268,080)
255	Investments held to maturity		480,947,787	-
260	**Other long-term assets**		**217,870,339,217**	**227,203,941,136**
261	Long-term prepaid expenses	14	204,862,087,967	213,430,498,636
269	Goodwill	15	13,008,251,250	13,773,442,500
270	**TOTAL ASSETS**		**5,759,975,115,900**	**6,172,779,246,067**

The notes on pages 10 to 51 are an integral part of these interim consolidated financial statements.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01a – DN/HN

INTERIM CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 30.6.201818 VND	31.12.2017 VND
300	**LIABILITIES**		**4,149,539,888,842**	**4,512,198,485,463**
310	**Short-term liabilities**		**3,745,373,452,935**	**4,099,088,566,592**
311	Short-term trade accounts payable	16	1,241,473,404,104	1,375,987,881,476
312	Short-term advances from customers	17	343,915,605,791	304,168,612,427
313	Taxes and other payables to the State Budget	10	26,363,200,650	31,400,887,211
314	Payable to employees		62,181,421,668	86,684,642,775
315	Short-term accrued expenses	18	36,874,762,764	22,227,978,586
318	Short-term unearned revenue	19(a)	28,581,382,266	35,076,695,490
319	Other short-term payables	20	115,893,913,939	144,946,961,090
320	Short-term borrowings	21(a)	1,816,574,814,128	2,031,170,448,265
322	Bonus and welfare fund		73,514,947,625	67,424,459,272
330	**Long-term liabilities**		**404,166,435,907**	**413,109,918,871**
336	Long-term unearned revenue	19(b)	61,554,243,046	75,077,806,678
337	Other long-term payables	22	55,959,212,260	55,850,108,311
338	Long-term borrowings	21(b)	283,352,980,601	278,882,003,882
341	Deferred income tax liabilities	23	3,300,000,000	3,300,000,000
400	**OWNERS' EQUITY**		**1,610,435,227,058**	**1,660,580,760,604**
410	**Capital and reserves**		**1,610,435,227,058**	**1,660,580,760,604**
411	Owners' capital	24, 25	866,001,240,000	866,001,240,000
411a	*- Ordinary shares with voting rights*		*866,001,240,000*	*866,001,240,000*
412	Share premium	25	133,918,052,614	133,918,052,614
414	Owners' other capital	25	56,740,087,775	56,740,087,775
415	Treasury shares	25	(37,400,138,744)	(35,523,322,342)
418	Investment and development fund	25	172,453,174,126	172,453,174,126
421	Undistributed earnings	25	251,073,177,457	303,178,676,162
421a	*- Undistributed post-tax profits of previous years*		*189,726,756,524*	*171,816,089,358*
421b	*- Post-tax profit of the current period/year*		*61,346,420,933*	*131,362,586,804*
429	Non-controlling interests	26	167,649,633,830	163,812,852,269
440	**TOTAL RESOURCES**		**5,759,975,115,900**	**6,172,779,246,067**

TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ
S.Đ.K.K.D: 0300452060-C.T.C.P
QUẬN 1 TP. HỒ CHÍ MINH

Ha Van Phuong Preparer	Nguyen Thi Thanh Chief Accountant	Phung Tuan Ha Chairman 23 August 2018

The notes on pages 10 to 51 are an integral part of these interim consolidated financial statements.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 02a – DN/HN

INTERIM CONSOLIDATED INCOME STATEMENT

Code		Note	For the six-month period ended 30 June 2018 VND	2017 VND
01	**Revenue from sale of goods and rendering of services**		**4,925,045,414,239**	**4,750,628,901,118**
02	Less deductions		(70,375,906,868)	(53,943,713,566)
10	**Net revenue from sale of goods and rendering of services**	30	**4,854,669,507,371**	**4,696,685,187,552**
11	**Cost of goods sold and services rendered**	31	**(4,531,474,055,917)**	**(4,340,941,649,706)**
20	**Gross profit**		**323,195,451,454**	**355,743,537,846**
21	Financial income	32	36,743,550,361	29,703,094,718
22	Financial expenses	33	(51,633,017,725)	(53,527,642,187)
23	*- Including: Interest expense*		*(47,608,710,774)*	*(49,849,271,347)*
24	Share of profit/(loss) from investments in associates	4(b)	138,940,023	(1,133,615,856)
25	Selling expenses	34	(122,617,484,599)	(120,982,453,502)
26	General and administration expenses	35	(92,588,199,602)	(93,742,861,960)
30	**Net operating profit**		**93,239,239,912**	**116,060,059,059**
31	Other income		4,842,176,487	8,640,378,627
32	Other expenses		(2,283,748,812)	(3,649,258,503)
40	**Net other income**	36	**2,558,427,675**	**4,991,120,124**
50	**Net accounting profit before tax**		**95,797,667,587**	**121,051,179,183**
51	Business income tax – current	37	(25,521,652,034)	(24,433,920,805)
60	**Net profit after tax**		**70,276,015,553**	**96,617,258,378**
	Attributable to:			
61	**Shareholders of the Parent Company**		**61,346,420,933**	**77,883,058,243**
62	**Non-controlling interests**		**8,929,594,620**	**18,734,200,135**
70	**Earnings per share**	29	**693**	**884**

TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ

Ha Van Phuong Preparer	Nguyen Thi Thanh Chief Accountant	Phung Tuan Ha Chairman 23 August 2018

The notes on pages 10 to 51 are an integral part of these interim consolidated financial statements.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 03a – DN/HN

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code		Note	For the six-month period ended 30 June 2018 VND	2017 VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net accounting profit before tax**		**95,797,667,587**	**121,051,179,183**
	Adjustments for:			
02	Depreciation, amortisation and goodwill allocation		33,959,887,796	38,734,254,079
03	Provisions		35,062,331,172	1,091,083,079
04	Unrealised foreign exchange losses		667,833,997	-
05	Profits from investing activities		(35,013,769,929)	(27,072,240,192)
06	Interest expense	33	47,608,710,774	49,849,271,347
08	**Operating profit before changes in working capital**		**178,082,661,397**	**183,653,547,496**
09	Decrease/(increase) in receivables		289,299,803,473	(94,049,165,420)
10	Decrease in inventories		127,854,937,361	201,257,130,728
11	Decrease in payables		(140,674,357,216)	(489,244,410,257)
12	Decrease/(increase) in prepaid expenses		10,616,186,907	(4,948,094,763)
14	Interest paid		(46,177,614,972)	(53,582,344,517)
15	Business income tax paid	10	(34,327,782,643)	(27,551,806,956)
17	Other payments on operating activities		(5,500,708,300)	(9,473,271,145)
20	**Net cash inflows/(outflows) from operating activities**		**379,173,126,007**	**(293,938,414,834)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases and construction of fixed assets and other long-term assets		(35,698,849,747)	(27,572,679,803)
22	Proceeds from disposals of fixed assets and other long-term assets		1,970,682,755	475,257,565
23	Loans granted, purchases of debt instruments of other entities		(28,785,747,787)	-
24	Collection of loans, proceeds from sales of debt instruments of other entities		28,244,800,000	6,000,000,000
27	Dividends and interest income received		33,880,055,009	-
30	**Net cash outflows from investing activities**		**(389,059,770)**	**(21,097,422,238)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuance of shares		-	1,589,773,000
32	Payments for share repurchases	25	(1,876,816,402)	-
33	Proceeds from borrowings	40(c)	3,276,221,781,273	2,997,129,106,977
34	Repayments of borrowings	40(d)	(3,486,346,438,691)	(3,102,596,201,321)
36	Dividends paid	27	(124,596,349,245)	(9,262,281,797)
40	**Net cash outflows from financing activities**		**(336,597,823,065)**	**(113,139,603,141)**
50	**Net increase/(decrease) in cash and cash equivalents**		**42,186,243,172**	**(428,175,440,213)**
60	**Cash and cash equivalents at beginning of period**	3	**1,342,345,339,986**	**1,694,402,253,760**
61	Effect of foreign exchange differences		262,378,186	-
70	**Cash and cash equivalents at end of period**	3	**1,384,793,961,344**	**1,266,226,813,547**

TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ

Ha Van Phuong Preparer	Nguyen Thi Thanh Chief Accountant	Phung Tuan Ha Chairman 23 August 2018

The notes on pages 10 to 51 are an integral part of these interim consolidated financial statements.

1 GENERAL INFORMATION

PetroVietnam General Services Joint Stock Company ("the Parent Company") was established in SR Vietnam pursuant to Business Registration Certificate No. 4103005338 dated 29 September 2006 and the 18th amendment dated 23 May 2016 which were issued by the Department of Planning and Investment Department of Ho Chi Minh City. The Parent Company was transformed from PetroVietnam Tourism and Services Company, a wholly State-owned subsidiary of Vietnam Oil and Gas Corporation (the "Group" or "PVN").

The Parent Company's shares were officially listed on Ho Chi Minh City Stock Exchange ("HOSE") on 12 September 2007 with stock symbol "PET" pursuant to Decision No. 94/QD-SGDHCM issued by the General Director of the HOSE on 13 August 2007.

The principal activities of the Parent Company and its subsidiaries ("the Corporation") include:

- Trading plastic resins, textile fibers, and cassava;
- Support and management services and human resources services;
- Lease of warehouse, workshops, premises and office;
- Wholesale of computers and equipment;
- Trading of telecommunication equipment;
- Supply of specialised materials and equipment in oil and gas industry;
- Heavy transportation and lifting services;
- Catering services and commodities for oil and gas industry;
- LPG trading and distributing, gas filling;
- Real estate trading and management;
- Property management (offices, hotels, residential etc.); and
- Processing electronic components, IT and communications equipment.

The normal business cycle of the Corporation is within 12 months.

As at 30 June 2018, the Corporation had 2,459 employees (31 December 2017: 2,396 employees).

As at 30 June 2018, the Corporation had 12 direct subsidiaries, 3 indirect subsidiaries, 1 direct associate and 1 indirect associate as follows:

No	Name	Principal activities	Place of incorporation and operation	Total % of voting right	Total % of ownership
I.	**Direct subsidiaries**				
1	Petroleum General Distribution Services Joint Stock Company ("PSD")	Distribution of telecom and electronic equipment	Ho Chi Minh City	80.02%	80.02%
2	Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering of services	Ho Chi Minh City	60%	60%
3	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering of services	Vung Tau	70%	70%

1 GENERAL INFORMATION (continued)

No	Name	Principal activity	Place of incorporation and operation	Total % of voting right	Total % of ownership
I.	**Direct subsidiaries (continued)**				
4	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai	99.79%	99.79%
5	PetroVietnam Assets Management Joint Stock Company ("PSA")	Operating in property management and services	Ha Noi	78.61%	78.61%
6	Petrosetco SSG Company Limited ("PSSSG")	Real estate trading	Ho Chi Minh City	51%	51%
7	Smart Convergence Joint Stock Company ("Smartcom")	Distributing equipment, electronic, components, peripheral devices and software	Ho Chi Minh City	55%	55%
8	Petrosetco Retail Services Joint Stock Company ("PSR")	Mobile phones retailing	Ho Chi Minh City	75%	72.75%
9	Petroleum Logistics Service Joint Stock Company ("PSL") (*)	Transportation service	Ho Chi Minh City	67%	44%
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distributing equipment, electronic components and peripheral devices	Ho Chi Minh City	51%	51%
11	Petroleum Trading Services Company Limited ("PST") (**)	Stopped operations and on liquidation process	Ho Chi Minh City	100%	100%
12	Petroleum Saigon General Services Company Limited ("PSG") (**)	Stopped operations and on liquidation process	Ho Chi Minh City	100%	100%
II.	**Indirect subsidiaries**				
1	Binh Minh Electronics Refrigeration Joint Stock Company (formerly known as Binh Minh Electronics Refrigeration Company Limited) ("Binh Minh")	Trading in electronic devices, refrigeration appliances and electronic household appliances	Ho Chi Minh City	51%	40.81%

1 GENERAL INFORMATION (continued)

No	Name	Principal activity	Place of incorporation and operation	Total % of voting rights	Total % of ownership
II.	**Indirect subsidiaries (continued)**				
2	Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Wholesale of solid, liquid and gaseous fuels and related products	Nha Trang	100%	99.79%
3	Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale")	Providing heavy transportation and lifting services	HCMC	51%	22.44%
III.	**Direct associate**				
1	Petro Tower Limited Company	Office leasing service	Ba Ria - Vung Tau	24%	24%
IV.	**Indirect associate**				
1	Vietecom Digital Trade and Investment Joint Stock Company (***)	Trading electronic components, information technology, technology transfer services and delivery services	Ha Noi	20%	16%

(*) As at 30 June 2018, although the Parent Company's ownership percentage in PSL was only 44%, the Parent Company still had the authority to exercise its power over the financial and operational policies of PSL via its representatives in the Board of Directors of PSL. Accordingly, the Parent Company controlled PSL and PSL has been classified and presented as a subsidiary of the Parent Company for the consolidation purpose.

(**) According to Decision No. 313/QD-DVTHDK-HDQT and 314/QD-DVTHDK-HDQT dated 26 December 2011, the Parent Company's Board of Management decided to dissolve PST and PSG from 1 January 2012. Currently, PST and PSG are under tax finalisation with the tax authorities for the dissolution purposes. From 2013 to the date of these consolidated financial statements, the two companies have had no business activities incurred.

(***) Vietecom is in liquidation progress.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

The interim consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention.

The accompanying interim consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Fiscal year

The Corporation's fiscal year is from 1 January to 31 December. The interim consolidated financial statements are prepared for the period from 1 January to 30 June.

2.3 Currency

The consolidated financial statements are measured and presented using Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank where the Corporation regularly trades. The Corporation ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate. The average transfer exchange rate is determined monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the transfer rate at the balance sheet date of the commercial bank where the Corporation regularly trades. The transfer rate is the buying rate or selling rate of the commercial bank. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

2.4 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Corporation controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Corporation. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Corporation's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between Corporation companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

Non-controlling transactions and interests

The Corporation applies a policy of treating transactions with non-controlling interests ("NCI") as transactions with parties external to the Corporation.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

Non-controlling transactions and interests (continued)

Changes in the Corporation's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Corporation's share of net assets of the subsidiary and any consideration paid or received is recorded directly in the undistributed earnings under equity.

Associates

Associates are all entities over which the Corporation has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Corporation's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Corporation's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Corporation's share of losses in an associate equals or exceeds its interest in the associate, the Corporation does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

Unrealised gains and losses on transactions between the Corporation and its associates are eliminated to the extent of the Corporation's interest in the associates. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

2.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Corporation's share of the net identifiable assets of the acquired subsidiary/ associate at the date of acquisition as accordance with current accounting requirements. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit but not exceed 10 years.

Goodwill on acquisitions of investments in associates is included in the carrying amount of the investments at the date of acquisition. The Corporation does not amortise this goodwill.

On disposal of the investments in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Corporation records the impairment immediately in the accounting period.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Chairman of all outstanding amounts at the year end. Bad debts are written off when identified.

2.8 Inventories

Inventories are mainly merchandises and real estate inventories being constructed for sale under the ordinary course of business, rather than to be held for rental or capital appreciation and other inventories. Inventories are stated at the lower of cost and net realisable value. Cost of real estate inventories includes land costs and construction costs of infrastructure, other direct and overhead expenses incurred in bringing the inventories to their present location and condition. Cost of other inventories is determined by the specific identification method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Provision is made, where necessary, for obsolete, slow-moving, defective inventory items and where cost is higher than net realisable values.

2.9 Investments

(a) Investments held-to-maturity

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

Investments held-to-maturity include bank term deposits and other held-to-maturity investments. Those investments are accounted for at cost less provision.

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

(b) Investments in equity of other entities

Investments in equity of other entity is investments in equity instruments of other entity without controlling rights or co-controlling rights, or without significant influence over the investee. This investments is initially recorded at cost. Provision for diminution in value of this investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2.10 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Fixed assets (continued)

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Plants and buildings	2% - 20%
Machinery	5% - 33%
Motor vehicles	10% - 33%
Office equipment	20% - 33%
Computer software	12.5% - 33%

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

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the consolidated income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.11 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

2.12 Investment properties

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

Depreciation

Investment properties are depreciated using the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rate used is:

Land use rights	10%
Buildings	2% - 20%
Equipment	14% - 33%

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognised as income or expense in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the balance sheet and are mainly prepaid office rental and prepaid warehouse rental. Prepaid expenses are recorded at historical cost and allocated to expenses using the straight line method over the allocation period.

The cost of Liquefied Petroleum Gas ("LPG") cylinders is allocated into the consolidated income statement on a straight-line basis over 10 years in accordance with Circular No. 118/2010/TT-BTC dated 10 August 2010 of the Ministry of Finance governing the Financial and Taxation regimes with regard to entities trading LPG cylinders.

2.14 Payables

Classifications of payables are based on their nature as follows:

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

Payables are classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.15 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.16 Accrued expenses

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

2.17 Provisions

Provisions are recognised when: the Corporation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

2.18 Unearned revenue

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for asset leases. The Corporation records unearned revenue for the future obligations that the Corporation has to conduct.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Owners' equity

(a) Ordinary shares

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

(b) Share premium

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

(c) Treasury shares

Treasury shares are shares issued by the Parent Company and bought-back by itself, but these are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

(d) Undistributed earnings

Undistributed earnings record the Corporation's accumulated results after business income tax at the reporting date.

(e) Other capital

Other capital shall be recorded in owners' other capital at the reporting date.

2.20 Appropriation of net profit

Net profit after income tax could be distribute to shareholders after approval at General Meeting, and after appropriation to other funds in accordance with the Corporation's charter and Vietnamese regulations.

The Corporation's funds and dividend distribution are as below:

(a) Investment and development fund

Investment and development fund is appropriated from net profit of the Corporation and approved by shareholders at the General Meeting. This fund is used for expanding and developing the business of the Corporation.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Corporation's net profit and subject to shareholders' approval at the General Meeting. This fund is used for rewarding and encouraging, enhancing the physical and mental well-being of the employees.

(c) Dividend distribution

Dividend of the Corporation is recognised as a liability in the Corporation's interim separate financial statements based on the date before ex-dividend date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition

(a) Sales of goods

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

- The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on principle of "substance over form" and allocated to each sales obligation. In case that the Corporation gives promotional goods to customers associated with customers' purchase, the Corporation allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the consolidated income statement.

(b) Rendering of services

Revenue from rendering of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Lease income

Lease income from operating leases where the Corporation is a lessor is recognised in the consolidated income statement on a straight-line basis over the lease term.

(d) Interest income

Interest income is recognised on an earned basis, and is determined based on the amount of deposits and their interest rates.

(e) Dividend income

Income from dividend is recognised when the Corporation has established the receiving right from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

(f) Allocation of LPG cylinders deposits

LPG cylinders deposits received from customers are allocated into the consolidated income statement on a straight-line basis over 10 years, which is in line with allocation of LPG cylinders cost (Note 2.13).

2.22 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for the products, goods or services which are sold in the year, but are incurred after the balance sheet date but before the issuance of the consolidated financial statements are recorded as deduction of revenue of the period.

2.23 Cost of sales

Cost of goods sold or cost of services are cost of finished goods, merchandises, materials sold or services provided during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.24 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses or losses relating to financial investment activity, expenses of lending and borrowing, costs of capital contributed to associates, losses from short-term securities trading, losses from securities selling transactions; provision for diminution in value of trading securities, provision for diminution in value of investments in other entities, losses incurred when selling foreign currencies, losses from foreign exchange differences and payment discounts.

2.25 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include publicity, display, promotions, advertising expenses, maintenance charges, packaging, and transportation.

2.26 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances, etc.); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staffs, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration, land rental, licence tax, provision for bad debts, outside services and other cash expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.28 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Corporation, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Corporation. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Corporation that gives them significant influence over the Corporation, key management personnel, including Chairman, directors of the Corporation and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Corporation considers the substance of the relationship not merely the legal form.

2.29 Segment reporting

A segment is a component which can be separated by the Corporation engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Corporation's business segment.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 Accounting estimates

The preparation of interim consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Chairman and the Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Chairman and the Board of Directors' best knowledge, actual results may differ from those estimates.

3 CASH AND CASH EQUIVALENTS

	30.6.2018 VND	31.12.2017 VND
Cash on hand	12,510,122,344	7,250,188,703
Cash at banks	239,696,967,085	331,258,148,838
Cash equivalents (*)	1,132,586,871,915	1,003,837,002,445
	1,384,793,961,344	1,342,345,339,986

(*) Cash equivalents includes bank term deposits with an original maturity of three months or less.

4 INVESTMENTS

(a) Investments held-to-maturity

Short-term

	30.6.2018		31.12.2017	
	Cost VND	Book Value VND	Cost VND	Book Value VND
Term deposits	28,304,800,000	28,304,800,000	28,244,800,000	28,244,800,000

As at 30 June 2018, a term deposit amounting to VND10 billion at a commercial bank has been pledged with a commercial bank as a collateral asset for borrowings granted to Smart Convergence Joint Stock Company, a subsidiary of the Corporation. (Note 40(b)).

4 INVESTMENTS (continued)

(b) Investments in associates

	30.6.2018			31.12.2017		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Petro Tower Limited Company	16,580,561,173	(*)	-	16,441,621,150	(*)	-
Vietecom Digital Trade and Investment Joint Stock Company	853,268,080	(*)	(853,268,080)	853,268,080	(*)	(853,268,080)
	17,433,829,253		(853,268,080)	17,294,889,230		(853,268,080)

Details of the Corporation's associates as at 30 June 2018 are presented in Note 1.

(*) At the date of these interim consolidated financial statements, the fair value of these investments in associates was not available as these entities are not listed on the Stock Exchange.

Movements in investment in associates are as follows:

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	17,294,889,230	16,903,714,702
Share of profit for the period/year	138,940,023	391,174,528
End of period/year	17,433,829,253	17,294,889,230

4 INVESTMENTS (continued)

(c) Investments in other entities

	30.6.2018			31.12.2017		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
PetroVietnam Central Biofuels Joint Stock Company	2,000,000,000	(*)	(2,000,000,000)	2,000,000,000	(*)	(2,000,000,000)
Vietnam Coolpad Co., Ltd	20,160,000,000	(*)	(1,795,296,024)	20,160,000,000	(*)	-
Vietnam - Korea Petroleum Industrial Gas Joint Stock Company	5,400,000,000	(*)	-	5,400,000,000	(*)	-
	27,560,000,000		(3,795,296,024)	27,560,000,000		(2,000,000,000)

(*) At the date of these interim consolidated financial statements, the fair value of these investments in other entities was not available as these entities are not listed on the Stock Exchange.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2018 VND	31.12.2017 VND
Third parties		
Mobile World Joint Stock Company	*109,131,028,607*	*202,772,207,964*
Icool Technology Company Limited	*72,210,248,974*	*72,210,248,974*
Viettronics Corporation	*61,955,462,953*	*133,225,047,545*
Coolpad Viet Nam Company Limited	*52,286,083,402*	*64,773,758,615*
Others	*945,626,275,632*	*1,102,962,522,899*
	1,241,209,099,568	1,575,943,785,997
Related parties (Note 41(b)(i))		
Joint Venture "Vietsopetro"	*59,783,472,409*	*31,621,779,201*
Nghi Son Refinery and Petrochemical Company Limited	*43,828,854,944*	*31,909,312,911*
Others	*104,723,848,929*	*45,432,803,036*
	208,336,176,282	108,963,895,148
	1,449,545,275,850	1,684,907,681,145

The Corporation has pledged a part of short-term trade accounts receivable with a commercial bank as a collateral asset for its short-term borrowings (Note 21(a)).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2018 VND	31.12.2017 VND
Third parties		
Global Consulting and Mechanical Services LLC (*)	*191,081,344,379*	*201,462,439,669*
Rosemount Technology Limited (*)	*83,172,979,566*	*82,247,625,736*
Tan Lien Phat Investment and Construction Joint Stock Company	*42,662,223,802*	*42,662,223,802*
Itel Mobile Limited	*9,721,367,352*	*34,109,668,290*
Cuong Thinh Construction and Trading Joint Stock Company	*6,137,565,485*	*20,059,023,213*
Others	*59,478,981,123*	*50,562,285,722*
	392,254,461,707	431,103,266,432

(*) These balances represent prepayments made from POTS, a subsidiary of the Corporation, to suppliers including Global Consulting and Mechanical Services LLC and Rosemount Technology Limited, in relation to the contract in which POTS received an advance of VND251 billion from Nghi Son Refinery and Petrochemical Company Limited (Note 17). These contracts have been implementing from year 2017 to year 2022.

7 OTHER SHORT-TERM RECEIVABLES

(a) Short-term

	30.6.2018 VND	31.12.2017 VND
Trade discounts receivable	78,245,575,271	77,929,081,416
Others receivables from suppliers	60,963,189,811	71,950,709,329
Interest income receivable	2,777,738,340	2,825,578,761
Deposits	1,496,309,788	27,359,900,443
Others	39,263,528,023	30,980,537,089
	182,746,341,233	211,045,807,038

(b) Long-term

	30.6.2018 VND	31.12.2017 VND
Deposits	40,162,269,409	7,532,000,195
Others	327,170,814	829,269,836
	40,489,440,223	8,361,270,031

8 PROVISION FOR DOUBTFUL DEBTS

	30.6.2018			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days
Total receivables that are past due	207,523,495,416	84,402,150,576	(123,121,344,840)	Over 6 months and under 5 years

	31.12.2017			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days
Total receivables that are past due	195,074,080,813	96,818,570,121	(98,255,510,692)	Over 6 months and under 5 years

9 INVENTORIES

	30.6.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Properties and real estate for sales (*)	96,470,115,798	-	-	-
Goods in transit	19,700,422,054	-	64,496,621,718	-
Raw materials	2,485,739,351	-	1,637,344,682	-
Tools and supplies	439,779,538	-	2,796,581,843	-
Work in progress	439,158,002	-	449,417,522	-
Merchandises	621,037,747,012	(24,660,779,785)	682,996,947,436	(16,259,578,785)
Finished goods	193,468,630	-	37,140,025	-
Goods on consignment	18,713,625,830	-	38,450,824,552	-
	759,480,056,215	(24,660,779,785)	790,864,877,778	(16,259,578,785)

(*) This balance represents the costs directly attributable to the residential areas of the 41D Vung Tau Project at 41D, 30/4 Street, Ward 9, Vung Tau City (" the 41D Vung Tau Project") (Note 13).

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

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	16,259,578,785	16,100,446,541
Increase (Note 31, 38)	8,401,201,000	4,430,546,901
Reversal of provision (Note 31, 38)	-	(4,271,414,657)
End of period/year	24,660,779,785	16,259,578,785

10 TAXES RECEIVABLE FROM AND PAYABLE TO THE STATE BUDGET

(a) Taxes receivable from the State Budget

	30.6.2018 VND	31.12.2017 VND
Personal income tax	632,013,792	432,613,901
Overpaid value-added tax	579,285,435	190,237,056
Other taxes	258,830,032	588,613,229
	1,470,129,259	1,211,464,186

(b) Taxes payable to the State Budget

	30.6.2018 VND	31.12.2017 VND
Business income tax	10,712,761,995	19,518,892,604
Output value-added tax	8,125,834,542	8,130,155,785
Personal income tax	7,436,197,033	3,751,838,822
Other taxes	88,407,080	-
	26,363,200,650	31,400,887,211

10 TAXES RECEIVABLE FROM AND PAYABLE TO THE STATE BUDGET (continued)

Movements of taxes receivable from the State Budget during the period are as follows:

	As at 1.1.2018	During the period				As at 30.6.2018
	Receivable VND	Incurred VND	Settled VND	Net-off VND	Reclassification VND	Receivable VND
Personal income tax	432,613,901	-	-	(432,613,901)	632,013,792	632,013,792
Overpaid value-added tax	190,237,056	-	-	-	389,048,379	579,285,435
Other taxes	588,613,229	-	-	(588,613,229)	258,830,032	258,830,032
	1,211,464,186	-	-	(1,021,227,130)	1,279,892,203	1,470,129,259

Movements of taxes payable to the State Budget during the period are as follows:

	As at 1.1.2018	During the period				As at 30.6.2018
	Payable VND	Incurred VND	Settled VND	Net-off VND	Reclassification VND	Payable VND
Business income tax	19,518,892,604	25,521,652,034	(34,327,782,643)	-	-	10,712,761,995
Output value-added tax	8,130,155,785	481,937,270,905	(168,987,091,634)	(313,343,548,893)	389,048,379	8,125,834,542
Personal income tax	3,751,838,822	23,705,989,196	(20,221,030,876)	(432,613,901)	632,013,792	7,436,197,033
Other taxes	-	20,093,564,732	(19,675,374,455)	(588,613,229)	258,830,032	88,407,080
	31,400,887,211	551,258,476,867	(243,211,279,608)	(314,364,776,023)	1,279,892,203	26,363,200,650

11 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
At as 1 January 2018	98,983,158,607	91,894,322,246	122,837,534,029	14,155,237,300	**327,870,252,182**
New purchases	1,149,436,818	393,876,136	5,998,484,660	85,211,360	**7,627,008,974**
Disposals	(93,855,885)	(2,373,007,295)	(3,677,678,914)	(169,667,545)	**(6,314,209,639)**
Reclassification	66,000,000	(786,750,000)	720,750,000	-	**-**
At as 30 June 2018	100,104,739,540	89,128,441,087	125,879,089,775	14,070,781,115	**329,183,051,517**
Accumulated depreciation					
At as 1 January 2018	57,025,703,592	70,251,932,006	86,382,908,868	13,461,999,649	**227,122,544,115**
Charge for the period	1,987,588,644	3,581,665,422	6,007,631,279	560,048,581	**12,136,933,926**
Disposals	(10,253,332)	(2,373,007,295)	(2,833,214,030)	(169,667,545)	**(5,386,142,202)**
Reclassification	33,448,866	(754,198,866)	720,750,000	-	**-**
At as 30 June 2018	59,036,487,770	70,706,391,267	90,278,076,117	13,852,380,685	**233,873,335,839**
Net book value					
At as 1 January 2018	41,957,455,015	21,642,390,240	36,454,625,161	693,237,651	**100,747,708,067**
At as 30 June 2018	41,068,251,770	18,422,049,820	35,601,013,658	218,400,430	**95,309,715,678**

Cost of fully depreciated tangible fixed assets but still be in use as at 30 June 2018 was VND116.2 billion (as at 31 December 2017: VND117.1 billion).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights with indefinite useful life VND	Software VND	Total VND
Historical cost			
At as 1 January 2018 and at as 30 June 2018	101,988,494,434	5,094,313,303	**107,082,807,737**
Accumulated amortisation			
At as 1 January 2018	-	4,229,675,064	**4,229,675,064**
Charge for the period	-	249,448,698	**249,448,698**
At as 30 June 2018	-	4,479,123,762	**4,479,123,762**
Net book value			
At as 1 January 2018	101,988,494,434	864,638,239	**102,853,132,673**
At as 30 June 2018	101,988,494,434	615,189,541	**102,603,683,975**

Cost of fully amortised intangible fixed assets but still be in use as at 30 June 2018 was VND3.1 billion (as at 31 December 2017: VND2.7 billion).

12 INVESTMENT PROPERTIES

	Land use rights VND	Buildings and structures VND	Equipment VND	Total VND
Historical cost				
As at 1 January 2018	6,120,000,000	800,475,204,933	55,403,779,309	**861,998,984,242**
New purchases	-	699,257,155	-	**699,257,155**
Disposal	-	-	(4,504,082,819)	**(4,504,082,819)**
As at 30 June 2018	6,120,000,000	801,174,462,088	50,899,696,490	**858,194,158,578**
Accumulated depreciation				
As at 1 January 2018	1,586,213,790	48,052,554,514	9,619,702,084	**59,258,470,388**
Charge for the period	306,000,000	19,131,397,028	1,370,916,894	**20,808,313,922**
Disposal	-	-	(1,013,418,634)	**(1,013,418,634)**
As at 30 June 2018	1,892,213,790	67,183,951,542	9,977,200,344	**79,053,365,676**
Net book value				
As at 1 January 2018	4,533,786,210	752,422,650,419	45,784,077,225	**802,740,513,854**
As at 30 June 2018	4,227,786,210	733,990,510,546	40,922,496,146	**779,140,792,902**

12 INVESTMENT PROPERTIES (continued)

Investment properties mainly include:

- The buildings, structure and other equipment related to the living quarters of Nghi Son Refinery and Petrochemical Complex project ("Nghi Son Project") being constructed and held for lease by the Parent Company.

- Land use right related to PSMT's lands being held for lease.

The Corporation was unable to gather information about similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 30 June 2018 has not been disclosed in the interim consolidated financial statements.

As at 30 June 2018, Investment properties related to Nghi Son Project has been pledged with a commercial bank as a collateral asset for borrowings granted to the Corporation (Note 21).

13 CONSTRUCTION IN PROGRESS

Details of construction in progress are presented as follows:

	30.6.2018 VND	31.12.2017 VND
41D Vung Tau Project (Note 9)	-	64,546,743,156
Cape Pearl Project	37,503,254,078	37,202,219,052
Other projects	1,432,166,922	979,052,100
	38,935,421,000	102,728,014,308

Movements of construction in progress during the period/year are as follows:

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	102,728,014,308	77,085,251,139
Construction during period/year	32,677,522,490	25,642,763,169
Reclassification to inventory (Note 9)	(96,470,115,798)	-
End of period/year	38,935,421,000	102,728,014,308

14 LONG-TERM PREPAID EXPENSES

Details of long-term prepaid expenses are as follows:

	30.6.2018 VND	31.12.2017 VND
Office rental (*)	124,315,126,898	126,359,903,609
Cost of gas cylinders	51,527,566,221	56,718,116,343
Tools and supplies	23,940,391,808	26,893,678,447
Others	5,079,003,040	3,458,800,237
	204,862,087,967	213,430,498,636

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

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	213,430,498,636	201,267,567,590
Addition	5,158,627,878	17,186,236,698
Allocation for period/year	(13,727,038,547)	(18,282,177,036)
Reclassified from investment properties	-	13,258,871,384
End of period/year	204,862,087,967	213,430,498,636

(*) The amount includes the prepayment to PVN for office leasing. This office rental prepaid expense is allocated to the income statement on a straight-line basis over a period of 50 years from 2010.

15 GOODWILL

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of year/period	13,773,442,500	15,415,319,894
Allocation during the period/year (Note 35, 38)	(765,191,250)	(1,641,877,394)
End of period/year	13,008,251,250	13,773,442,500

Details of goodwill balance from acquisition of subsidiary are presented as follows:

	30.6.2018 VND	31.12.2017 VND
Binh Minh	13,008,251,250	13,773,442,500

16 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2018 VND	31.12.2017 VND
Third parties		
Samsung Electronics Vietnam Thai Nguyen Company Limited	*299,283,032,400*	*250,308,282,400*
Microsoft Regional Sales Corporation	*92,713,977,331*	*70,779,044,651*
Shenzhen Sang Fei Consumer Communication Company Limited	*14,763,655,586*	*70,813,364,481*
Dell Global B.V. (Singapore Branch)	*29,202,999,200*	*60,427,356,500*
Industry Construction Corporation	*21,238,331,905*	*42,854,273,564*
Others	*324,005,184,820*	*372,470,921,933*
	781,207,181,242	867,653,243,529
Related parties (Note 41(b)(ii))		
PVN	*297,527,618,625*	*288,362,356,866*
Binh Son Refining and Petrochemical Company Limited	*162,350,853,450*	*214,854,136,911*
Others	*387,750,787*	*5,118,144,170*
	460,266,222,862	508,334,637,947
	1,241,473,404,104	1,375,987,881,476

The Corporation has no doubt on its ability to fully repay the payables when they fall due.

As at 30 June 2018 and 31 December 2017, there was no balance of short-term trade accounts payable which is past due.

17 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2018 VND	31.12.2017 VND
Third parties		
41D Vung Tau Project (Note 9)	*79,697,388,250*	*51,324,598,300*
Others	*12,523,767,509*	*20,532,978,377*
	92,221,155,759	71,857,576,677
Related party (Note 41(b)(iv))		
Nghi Son Refinery and Petrochemical Company Limited (*)	*251,694,450,032*	*232,311,035,750*
	343,915,605,791	304,168,612,427

(*) The balance represents the advance received for the service contract as disclosed in Note 6.

18 SHORT-TERM ACCRUED EXPENSES

	30.6.2018 VND	31.12.2017 VND
Interest expense	8,585,043,719	7,153,947,917
Allowance	7,775,166,977	4,238,052,915
Warehouse rental and transportation	7,270,009,618	2,814,459,673
Management fee	2,300,000,000	-
Others	10,944,542,450	8,021,518,081
	36,874,762,764	22,227,978,586

19 UNEARNED REVENUE

(a) Short-term

	30.6.2018 VND	31.12.2017 VND
Rental advance received (Note 41(b)(v)) (*)	27,272,727,273	27,272,727,273
Others	1,308,654,993	7,803,968,217
	28,581,382,266	35,076,695,490

(b) Long-term

	30.6.2018 VND	31.12.2017 VND
Rental advance received (Note 41(b)(vi)) (*)	61,363,636,379	75,000,000,011
Others	190,606,667	77,806,667
	61,554,243,046	75,077,806,678

(*) The balance represents the advance payment received from Nghi Son Refinery and Petrochemical Company Limited for leasing of living quarters and provision of other services to Nghi Son Project (Note 12).

20 OTHER SHORT-TERM PAYABLES

	30.6.2018 VND	31.12.2017 VND
Payables to agents and customers	39,605,622,697	61,169,602,857
Payables to related parties (Note 41(b)(iii))	1,108,248,372	4,075,406,016
Dividends payable (Note 27)	5,134,941,833	22,777,755,034
Others	70,045,101,037	56,924,197,183
	115,893,913,939	144,946,961,090

21 BORROWINGS

(a) Short-term borrowings

		During the period			
	As at 1.1.2018 VND	Drawdowns VND	Repayments VND	Reclassification from long-term borrowings VND	As at 30.6.2018 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	404,546,716,363	319,472,178,946	(588,174,429,989)	-	135,844,465,320
ANZ Bank Vietnam Limited	454,122,231,897	502,449,201,182	(699,626,261,474)	-	256,945,171,605
Military Commercial Joint Stock Bank	201,987,644,397	439,105,022,534	(316,280,837,480)	-	324,811,829,451
Joint Stock Commercial Bank for Foreign Trade of Vietnam	215,770,426,436	742,938,614,243	(681,295,641,818)	-	277,413,398,861
HSBC Bank Vietnam Limited	294,569,087,375	523,120,499,695	(433,980,168,805)	-	383,709,418,265
Vietnam Technological and Commercial Joint Stock Bank	47,000,000,000	160,000,000,000	(127,000,000,000)	-	80,000,000,000
Tien Phong Commercial Joint Stock Bank	23,204,013,888	7,763,087,120	(24,341,013,888)	-	6,626,087,120
Vietnam Export Import Commercial Joint Stock Bank	54,110,839,284	-	(54,110,839,284)	-	-
An Binh Commercial Joint Stock Bank	19,896,763,719	-	(19,896,763,719)	-	-
Asia Commercial Joint Stock Bank (Note 21(b)) (*)	21,787,573,927	-	(9,525,388,815)	14,464,823,281	26,727,008,393
Standard Chartered Bank (Vietnam) Limited	263,291,698,939	404,482,989,028	(459,195,071,755)	-	208,579,616,212
Vietnam Public Joint Stock Commercial Bank	6,672,722,500	30,554,558,200	(21,390,095,000)	-	15,837,185,700
Vietnam Prosperity Joint Stock Commercial Bank	24,210,729,540	127,399,830,325	(51,529,926,664)	-	100,080,633,201
	2,031,170,448,265	3,257,285,981,273	(3,486,346,438,691)	14,464,823,281	1,816,574,814,128

The balance comprises loans from commercial banks in the forms of short-term loans, credit terms or letter of credit. As at 30 June 2018, the Corporation had non-cancellable guarantee commitment for its subsidiaries' loans with commercial banks for the total amount of VND4,139.9 billion and USD33 million (Note 42(b)). A part of receivables and short-term deposits (Note 4(a) and 5) were pledged as collateral assets for the loans. The interest rates are determined at the withdrawal dates or are adjustable from time to time by the banks.

21 BORROWINGS (continued)

(b) Long-term borrowings

		During the period			
	As at 1.1.2018 VND	Drawdowns VND	Repayments VND	Reclassification to short-term borrowings VND	As at 30.6.2018 VND
Asia Commercial Bank (*)	278,882,003,882	18,935,800,000	-	(14,464,823,281)	283,352,980,601
	278,882,003,882	18,935,800,000	-	(14,464,823,281)	283,352,980,601

(*) The loans from Asia Commercial Bank have an overall credit limit of VND377 billion, the drawdowns will expire on 31 July 2018 and the loans bear interest at the interest rate adjustable from time to time by the Bank. The purpose of loans is to finance the construction of Nghi Son Project (Note 12). The loans have a term of 9 years and are secured by assets which are formed from Nghi Son Project; rights arising from land rental contract; receivables and other rights arising from the Nghi Son Project Lease Agreement and 5,345,200 shares of PSA owned by the Parent Company.

Interest expense relating to Nghi Son Project before the completion of the Project had been capitalised in the value of the investment properties. From October 2016, since the Project was put into operations, interest expense is refunded by Nghi Son Refinery and Petrochemical Company Limited, the lessee of the Project.

22 OTHER LONG-TERM PAYABLES

	30.6.2018 VND	31.12.2017 VND
Gas cylinders deposits	30,790,105,788	34,821,597,036
Long-term deposits	17,310,160,918	13,582,583,990
Payable to the Ba Ria - Vung Tau Province State Treasury (*)	7,030,627,285	7,030,627,285
Others	828,318,269	415,300,000
	55,959,212,260	55,850,108,311

(*) The balance represents rental fee payable to the Ba Ria - Vung Tau Province State Treasury relating to a land rental contract No.14/HDTD dated 25 January 1996 for lots No. 8 and No. 9, Hoang Dieu Street, Vung Tau City. The annual rental fee payable is based on the notification of the Ba Ria – Vung Tau Province State Treasury.

23 DEFERRED TAX

(a) Deferred tax assets

Deferred income tax assets and liabilities are offsetting when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Deferred income tax assets	-	189,110,129
Deferred income tax liabilities	(3,300,000,000)	-
Beginning of period/year	(3,300,000,000)	189,110,129
Income statement charge	-	(3,489,110,129)
End of period/year	(3,300,000,000)	(3,300,000,000)
In which:		
Deferred income tax assets	-	-
Deferred income tax liabilities (*)	(3,300,000,000)	(3,300,000,000)

(*) Deferred income tax liabilities arise from provision for long-term investments which have been eliminated when consolidation.

The Corporation uses tax rate of 20% in year 2018 (2017: 20%) for determining deferred tax assets and deferred tax liabilities.

23 DEFERRED TAX (continued)

(b) Tax losses for which no deferred income tax asset was recognised

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tax losses of the Corporation's subsidiaries can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. However, the Corporation did not recognise deferred tax asset as the realisation of the related tax benefit through its subsidiaries' future taxable income currently cannot be assessed as probable.

24 OWNERS' CAPITAL

(a) Number of shares

	30.6.2018		31.12.2017	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	86,600,124	-	86,600,124	-
Number of shares repurchased (Note 25)	(200,000)	-	-	-
Number of existing shares in circulation	86,400,124	-	86,600,124	-

The Parent Company has only one class of ordinary shares with the par value of VND10,000/share. The shareholders of ordinary shares are entitled to receive dividends as declared and entitled to one vote per share at the Parent Company's shareholders' meetings.

(b) Details of owners' shareholding

Pursuant to the 18th amended Business Registration Certificate dated 23 May 2016, charter capital of the Parent Company is VND866,001,240,000.

Details of owners' shareholding of the Parent Company are as follows:

	30.6.2018		31.12.2017	
	VND	%	VND	%
PVN	209,738,510,000	24.22	209,738,510,000	24.22
Other shareholders	656,262,730,000	75.78	656,262,730,000	75.78
	866,001,240,000	100	866,001,240,000	100

24 OWNERS' CAPITAL (continued)

(c) Movement of share capital

	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2017 and as at 31 December 2017	866,001,240,000	-	866,001,240,000
As at 30 June 2018	866,001,240,000	-	866,001,240,000

Par value per share: VND10,000.

25 MOVEMENTS IN OWNERS' EQUITY

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Other capital VND	Undistributed earnings VND	Total VND
As at 1 January 2017	866,001,240,000	133,918,052,614	(35,523,322,342)	172,453,174,126	56,740,087,775	270,142,492,969	**1,463,731,725,142**
Net profit for the year	-	-	-	-	-	131,362,586,804	**131,362,586,804**
Appropriations to funds of 2017	-	-	-	-	-	(13,354,140,938)	**(13,354,140,938)**
Final dividend of 2016	-	-	-	-	-	(84,972,262,673)	**(84,972,262,673)**
As at 31 December 2017	866,001,240,000	133,918,052,614	(35,523,322,342)	172,453,174,126	56,740,087,775	303,178,676,162	**1,496,767,908,335**
Net profit for the period	-	-	-	-	-	61,346,420,933	**61,346,420,933**
Repurchases of treasury shares (*)	-	-	(1,876,816,402)	-	-	-	**(1,876,816,402)**
Dividend of 2017 (**)	-	-	-	-	-	(101,856,890,213)	**(101,856,890,213)**
Appropriation to bonus and welfare fund (***)	-	-	-	-	-	(10,990,349,970)	**(10,990,349,970)**
Change in ownership of subsidiaries (Note 26)	-	-	-	-	-	(604,679,455)	**(604,679,455)**
As at 30 June 2018	866,001,240,000	133,918,052,614	(37,400,138,744)	172,453,174,126	56,740,087,775	251,073,177,457	**1,442,785,593,228**

(*) According to the Resolution No. 13/NQ-DVTHDK-DHDCD dated 27 April 2018, the Parent Company's General Shareholders approved to repurchase a maximum number of 10% of existing shares in circulation as treasury shares. As at 30 June 2018, number of treasury shares registered was 3,000,000 shares, number of shares repurchased was 200,000 shares (Note 24(a)) at the average transaction price of VND9,384 per share.

(**) According to the Resolution No. 13/NQ-DVTHDK-DHDCD dated 27 April 2018, the Parent Company's General Shareholders approved the dividend by cash of 2017 at the rate 12% of the charter capital and the date before ex-dividend date was on 31 May 2018.

(***) The 2017 bonus and welfare fund of the Corporation was approved and appropriated with an amount of VND10,990,349,970. According to the Resolution No. 13/NQ-DVTHDK-DHDCD dated 27 April 2018, bonus and welfare fund for employees of Parent Company and management of Parent Company were appropriated with the respective amounts of VND6,555,686 and VND2,452,288,116.

26 NON-CONTROLLING INTERESTS

Details of non-controlling interests are as follows:

	30.6.2018 VND	31.12.2017 VND
Share capital	171,665,773,000	171,665,773,000
Other capital	14,238,490,000	14,238,490,000
Treasury shares	(1,170,000,000)	(1,170,000,000)
Investment and development fund	7,080,808,161	7,080,808,161
Undistributed earnings	(24,165,437,331)	(28,002,218,892)
	167,649,633,830	163,812,852,269

Movements in non-controlling interests are as follows:

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	163,812,852,269	180,726,846,470
Capital increased during the period/year	-	2,352,773,000
Share of net profit for the period/year	8,929,594,620	12,456,679,160
Appropriations to bonus and welfare fund	(600,846,683)	(2,265,754,034)
Dividends declared	(5,096,645,831)	(29,457,692,327)
Increase due to change ownership percentage (*)	604,679,455	-
End of period/year	167,649,633,830	163,812,852,269

(*) According to the Share Transfer Agreement No. 01/2018/PETROSETCO-ALE dated 2 February 2018, the Corporation transferred its entire share capital of Petrosetco - Ale amounting to VND5.1 billion to PSL at a transfer value of VND5.1 billion. Accordingly, the Corporation's ownership percentage in Petrosetco – Ale decreased from 51% to 22.44%.

27 DIVIDENDS PAYABLE

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	22,777,755,034	20,833,461,631
Dividends payable during the period/year	106,953,536,044	114,429,955,000
Dividends paid by cash during the period/year	(124,596,349,245)	(112,485,661,597)
End of period/year (Note 20)	5,134,941,833	22,777,755,034

28 OFF BALANCE SHEET ITEMS

	30.6.2018	31.12.2017
Foreign currencies:		
- USD	336,866	335,251
- EUR	267	273

Total bad debts written off within 10 years from write-off date in 2014 is VND17,918,448,762. During the years 2017 and 2018, there is no additional bad debt written off.

29 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Corporation and held as treasury shares:

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Net profit after tax attributable to the shareholders of the Parent Company	61,346,420,933	77,883,058,242
Less expected temporary appropriation to bonus and welfare fund (*)	(1,299,614,709)	(1,357,100,319)
Net profit for the year attributable to the shareholders of the Parent Company	60,046,806,224	76,525,957,923
Weighted average number of ordinary shares in issue (shares)	86,596,809	86,600,124
Basic earnings per share	693	884

(*) According to the Resolution No.13/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2018, bonus and welfare fund of 2018 was appropriated at the rate of 6% of the 2018 profit after tax based on the interim separate financial statements of the Parent Company.

The Corporation did not have potential share which diluted earnings per share.

30 REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Revenue		
Sales of goods	4,144,079,747,466	4,109,102,009,240
Rendering of services	780,965,666,773	641,526,891,878
	4,925,045,414,239	4,750,628,901,118
Sales deductions		
Trade discounts	(36,800,655,732)	(33,858,101,211)
Sales allowances	(7,390,595,595)	(9,151,360,977)
Sales returns	(26,184,655,541)	(10,934,251,378)
	(70,375,906,868)	(53,943,713,566)
Net revenue		
Net sales from sales of goods	4,074,425,664,404	4,055,158,295,674
Net sales from rendering of services	780,243,842,967	641,526,891,878
	4,854,669,507,371	4,696,685,187,552

31 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Cost of merchandises sold	3,948,580,802,031	3,793,141,764,513
Cost of services rendered (*)	574,492,052,886	547,811,768,736
Provision/(reversal of provision) for decline in value of inventory (Note 9)	8,401,201,000	(11,883,543)
	4,531,474,055,917	4,340,941,649,706

(*) Included in the cost of services rendered is the interest expense relating to Nghi Son Project, amounting to VND14.3 billion (Note 38), and being refunded by Nghi Son Refinery and Petrochemical Company Limited after the Project was put into operation.

32 FINANCIAL INCOME

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Interest income from deposits and lending	33,832,214,588	26,613,149,283
Late payment charge, payment discount	1,476,231,411	-
Realised foreign exchange gains	1,253,434,941	2,778,057,631
Others	181,669,421	311,887,804
	36,743,550,361	29,703,094,718

33 FINANCIAL EXPENSES

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Interest expense	47,608,710,774	49,849,271,347
Provision for diminution in value of investments	1,795,296,024	-
Net loss from foreign currency translation at period-end	667,833,997	-
Realised foreign exchange losses	600,058,136	1,332,644,734
Others	961,118,794	2,345,726,106
	51,633,017,725	53,527,642,187

34 SELLING EXPENSES

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Staff costs	38,133,094,557	43,348,705,070
Outside services	27,687,206,527	21,169,028,732
Transportation	13,746,066,990	8,423,132,063
Warehouse rentals	10,020,344,037	5,944,696,463
Marketing	5,183,713,163	1,195,592,636
Depreciation	1,321,305,669	976,630,408
Others	26,525,753,656	39,924,668,130
	122,617,484,599	120,982,453,502

35 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Staff costs	36,654,202,624	38,885,578,923
Outside services	11,648,288,677	16,616,550,534
Depreciation and amortisation	4,396,755,902	4,226,477,336
Management fees (Note 41(a)(iv))	2,601,629,136	2,641,029,483
Provision for doubtful debts	24,865,834,148	1,102,966,622
Goodwill allocation (Note 15)	765,191,250	876,686,144
Others	11,656,297,865	29,393,572,918
	92,588,199,602	93,742,861,960

36 NET OTHER INCOME

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Other income		
Allocation of LPG cylinders deposits	2,939,231,874	2,932,760,189
Net gains on disposal of fixed assets	1,042,615,318	459,090,909
Contractual fines received	118,789,743	6,018,068
Sundry income	741,539,552	5,242,509,461
	4,842,176,487	8,640,378,627
Other expenses		
Contractual fines	613,405,210	1,410,367,883
Tax penalty	277,568,081	1,678,692,819
Sundry expenses	1,392,775,521	560,197,801
	2,283,748,812	3,649,258,503
Net other income	2,558,427,675	4,991,120,124

37 BUSINESS INCOME TAX

Business income tax ("BIT") on the Corporation's profit before tax differs from the theoretical amount that would arise by using the applicable tax rate of 20% as under current tax regulation as follows:

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Net accounting profit before tax	95,797,667,587	121,051,179,183
Tax calculated at a rate of 20%	19,159,533,517	24,210,235,837
Effect of:		
Income not subject to tax	(1,679,725,383)	(1,803,165,854)
Expenses not deductible for tax purposes	193,762,262	911,203,804
Tax losses for which no deferred income tax asset was recognised	6,290,801,575	1,175,338,866
Under/(over)-provision in previous year	1,557,280,063	(59,691,848)
BIT charge (*)	25,521,652,034	24,433,920,805
Charged to interim consolidated income statement:		
BIT – current	25,521,652,034	24,433,920,805
BIT – deferred	-	-

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

38 COST OF OPERATIONS BY FACTOR

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Raw materials and merchandises	4,084,564,751,267	3,990,711,222,374
Outside services	290,545,497,465	222,951,466,917
Labour costs	251,866,619,386	189,002,855,109
Depreciation and amortisation	33,194,696,546	37,857,567,935
Interest expense (Note 31)	14,293,897,535	13,636,834,876
Provision for doubtful debts	24,865,834,148	1,102,966,622
Provision/(reversal of provision) for decline in value of inventory (Note 9)	8,401,201,000	(11,883,543)
Goodwill allocation (Note 15)	765,191,250	876,686,144
Others	38,182,051,521	99,539,248,734
	4,746,679,740,118	4,555,666,965,168

39 SEGMENT REPORTING

Geographical segments

The Corporation does not have any operation outside the territory of Vietnam. Therefore, no geographical business segment is presented.

Business activity segments

Information of revenue and cost of sales segment based on the activities of the Corporation is as follows:

	For the 6-month period ended 30 June 2018				
	Electronic products and home appliances VND	**Petroleum and energy materials supplies VND**	**Plastic resins, textile fibers and gas distribution VND**	**Other services VND**	**Total VND**
Net revenue	2,983,373,517,993	263,134,533,108	827,426,484,497	780,734,971,773	**4,854,669,507,371**
Cost of goods sold and services rendered	(2,804,908,778,744)	(225,658,949,238)	(794,378,815,167)	(706,527,512,768)	**(4,531,474,055,917)**
Gross profit	178,464,739,249	37,475,583,870	33,047,669,330	74,207,459,005	**323,195,451,454**

	For the 6-month period ended 30 June 2017				
	Electronic products and home appliances VND	**Petroleum and energy materials supplies VND**	**Plastic resins, textile fibers and gas distribution VND**	**Other services VND**	**Total VND**
Net revenue	3,214,071,043,786	236,292,149,914	616,995,949,752	629,326,044,100	**4,696,685,187,552**
Cost of goods sold and services rendered	(3,013,589,998,486)	(179,843,127,898)	(600,681,413,399)	(546,827,109,923)	**(4,340,941,649,706)**
Gross profit	200,481,045,300	56,449,022,016	16,314,536,353	82,498,934,177	**355,743,537,846**

40 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT

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

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Reclassification from construction in progress to inventory (Note 13)	96,470,115,798	-

(b) Cash held by the Corporation but restricted to use

A term deposit amounting to VND10 billion of the Corporation at commercial banks was pledged as a collateral asset for a guarantee agreement as disclosed in Notes 4(a).

(c) Amount of loan actually withdrawn during the year

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Proceeds from borrowings following normal borrowing contracts	3,276,221,781,273	2,997,129,106,977

(d) Amount of loan principal actually paid during the year

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Repayments for borrowings following normal borrowing contracts	3,486,346,438,691	3,102,596,201,321

41 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN, who owns 24.22% of share capital of the Corporation (Note 24(b)).

(a) Related party transactions

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

	For the six-month period ended 30 June	
	2018 VND	**2017 VND**
i) Sales of goods and services		
PVN	64,723,713,243	64,426,425,383
Related parties of PVN	107,112,499,187	26,841,630,615
Affiliates	343,971,500,591	72,101,477,799
	515,807,713,021	163,369,533,797
ii) Purchases of goods and services		
PVN	10,338,826,400	8,131,038,696
Related parties of PVN	737,243,306,450	581,513,485,846
Affiliates	3,142,922,006	89,333,682
	750,725,054,856	589,733,858,224
iii) Compensation of key management		
Gross salaries and other benefits	3,178,552,585	2,329,934,432
iv) Others		
Dividend paid to PVN	25,169,460,039	-
Management fee paid to PVN (Note 35)	2,601,629,136	2,641,029,483

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

	30.6.2018 VND	**31.12.2017 VND**
i) Short-term trade accounts receivable (Note 5)		
PVN	13,028,207,800	13,539,327,316
Related parties of PVN	195,307,968,482	95,424,567,832
	208,336,176,282	108,963,895,148

41 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2018 VND	31.12.2017 VND
ii) Short-term trade accounts payable (Note 16)		
PVN	297,527,618,625	288,362,356,866
Related parties of PVN	162,738,604,237	219,972,281,081
	460,266,222,862	508,334,637,947
iii) Other short-term payables (Note 20)		
PVN	1,108,248,372	4,075,406,016
iv) Short-term advances from customers (Note 17)		
Related parties of PVN	251,694,450,032	232,311,035,750
v) Short-term unearned revenue (Note 19(a))		
Related parties of PVN	27,272,727,273	27,272,727,273
vi) Long-term unearned revenue (Note 19(b))		
Related parties of PVN	61,363,636,379	75,000,000,011

42 COMMITMENTS

(a) Commitments under operating leases

The Parent Company is the lessee

The Parent Company signed the land lease agreement over the period of 70 years from the year 2009 with the Management Board of Nghi Son Economic Zone. Accordingly, the Parent Company is exempted from land use fees until 2022. As at 30 June 2018, the future minimum lease payments under operating leases are as follows:

	30.6.2018 VND	31.12.2017 VND
Over five years	54,191,290,810	54,191,290,810

42 COMMITMENTS (continued)

(a) Commitments under operating leases (continued)

The Parent Company is the lessor

The Parent Company signed the operating lease contract related to Nghi Son Project. As at 30 June 2018, the future minimum lease receivables under non-cancellable operating leases are as follows:

	30.6.2018 VND	31.12.2017 VND
Within one year	90,066,591,292	89,933,899,546
Between one and five years	360,266,365,168	359,735,598,184
Over five years	292,716,421,699	337,252,123,298
	743,049,378,159	786,921,621,028

(b) Commitment of credit guarantee

As at 30 June 2018, the Corporation has non-cancellable guarantee commitments for loans with commercial banks granted to the Corporation's subsidiaries with the total amount of VND4,139.9 billion and USD33 million (Note 21(a)), and has non-cancellable guarantee commitments for suppliers with the total amount of USD7 million (referred to as "lenders"). Accordingly, the Corporation is responsible for repayments of principals, interests, guarantee costs and other underwriting expenses to lenders in case the guaranteed parties are not able to repay or repay not on a timely manner.

(c) Other commitments

As at 30 June 2018, the Parent Company has a guarantee contract amounting to VND150 billion with a commercial bank to guarantee the repayment with regards to the advance payment received from Nghi Son Refinery and Petrochemical Company Limited (Note 19) by offsetting against monthly revenue from the Nghi Son Project. The contract was guaranteed by 17,040,000 shares of PSD owned by the Parent Company.

The interim consolidated financial statements were approved by the Chairman on 23 August 2018.

Ha Van Phuong Preparer	Nguyen Thi Thanh Chief Accountant	Phung Tuan Ha Chairman

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