

Mobile World Investment Corporation

Interim consolidated financial statements

30 September 2015



Mobile World Investment Corporation

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Mobile World Investment Corporation

GENERAL INFORMATION

THE COMPANY

Mobile World Investment Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103012275 issued by the Department of Planning and Investment of Binh Duong Province on 16 January 2009, as amended.

The Company’s head office is located at 222 Yersin Street, Phu Cuong Ward, Thu Dau Mot Town, Binh Duong Province, Vietnam and its operating office is located at 6th Floor, Etown 2, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

The Company has two subsidiaries namely The Gioi Di Dong Joint Stock Company and Electronic World Trade Corporation (“the Group”). As at 30 September 2015, the Company holds 99.95% equity share in The Gioi Di Dong Joint Stock Company and 99.95% equity share in Electronic World Trade Corporation.

The current principal activities of the Group are trading, providing repair and maintenance services of phones, information technology equipment and accessories, cameras, digital equipment, electronic equipment; household appliances and related accessories.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange with trade code “MWG” in accordance with the Decision No. 253/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 July 2014.

BOARD OF DIRECTORS

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

Mr Nguyen Duc Tai	Chairman
Mr Tran Le Quan	Member
Mr Dieu Chinh Hai Trieu	Member
Mr Chris Freund	Member
Mr Thomas Lanyi	Member
Mr Tran Kinh Doanh	Member
Mr Robert Willet	Member
Mr Dang Minh Luom	Member

BOARD OF SUPERVISION

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

Mr Tran Huy Thanh Tung	Head
Mr Hoang Xuan Thang	Member
Ms Nguyen Khanh Van	Member

MANAGEMENT

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

Mr Nguyen Duc Tai	General Director
Mr Dieu Chinh Hai Trieu	Technology Director
Mr Vu Dang Linh	Finance Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Nguyen Duc Tai.

AUDITORS

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

Mobile World Investment Corporation

REPORT OF MANAGEMENT

Management of Mobile World Investment Corporation ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the nine-month period ended 30 September 2015.

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

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 September 2015 and of the interim consolidated results of its operations and its interim consolidated cash flows for the nine-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



Nguyen Duc Tai
General Director

6 November 2015



**Building a better
working world**

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders and the Board of Directors of Mobile World Investment Corporation

We have reviewed the interim consolidated financial statements of Mobile World Investment Corporation ("the Company") and its subsidiaries ("the Group"), as prepared on 6 November 2015 and set out on pages 4 to 32 which comprise the interim consolidated balance sheet as at 30 September 2015, and the interim consolidated income statement and interim consolidated cash flow statement for the nine-month period then ended and the notes thereto.

The preparation and presentation of these interim consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 September 2015, and of the interim consolidated results of its operations and its interim consolidated cash flows for the nine-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

Ernst & Young Vietnam Limited




Mai Viet Hung Tran
Deputy General Director
Audit Practicing Registration Certificate
No. 0048-2013-004-1



Nguyen Thanh Sang
Auditor
Audit Practicing Registration Certificate
No. 1541-2013-004-1

Ho Chi Minh City, Vietnam

6 November 2015

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 September 2015

VND


Code	ASSETS	Notes	30 September 2015	31 December 2014
100	A. CURRENT ASSETS		3,930,699,462,259	2,837,686,622,393
110	I. Cash and cash equivalents	4	468,563,472,336	212,920,620,191
111	1. Cash		466,604,692,659	210,211,076,663
112	2. Cash equivalents		1,958,779,677	2,709,543,528
130	II. Current accounts receivable		427,145,637,514	301,952,738,787
131	1. Short-term trade receivables		60,429,928,183	44,481,521,771
132	2. Short-term advances to suppliers		61,602,636,841	90,846,398,087
136	3. Other short-term receivables	5	305,113,072,490	166,624,818,929
140	III. Inventories	6	2,910,928,264,760	2,195,306,348,135
141	1. Inventories		2,985,874,011,945	2,253,516,929,935
149	2. Provision for obsolete inventories		(74,945,747,185)	(58,210,581,800)
150	IV. Other current assets		124,062,087,649	127,506,915,280
151	1. Short-term prepaid expenses	7	97,350,252,093	77,713,718,762
152	2. Value-added tax deductible		26,710,335,556	49,618,196,518
153	3. Tax and other receivables from the State		1,500,000	175,000,000
200	B. NON-CURRENT ASSETS		883,177,985,933	569,512,868,791
210	I. Long-term receivable		105,276,217,668	74,281,249,525
216	1. Other long-term receivables	8	105,276,217,668	74,281,249,525
220	II. Fixed assets		671,692,171,138	411,358,537,322
221	1. Tangible fixed assets	9	649,342,614,950	388,331,224,087
222	Cost		946,597,770,630	558,482,010,906
223	Accumulated depreciation		(297,255,155,680)	(170,150,786,819)
227	2. Intangible assets	10	22,349,556,188	23,027,313,235
228	Cost		26,203,355,944	26,151,751,644
229	Accumulated amortisation		(3,853,799,756)	(3,124,438,409)
240	III. Long-term assets in progress		36,683,980,074	23,060,724,276
242	1. Construction in progress	11	36,683,980,074	23,060,724,276
260	IV. Other long-term assets		69,525,617,053	60,812,357,668
261	1. Long-term prepaid expenses	12	38,006,519,831	25,459,480,409
262	2. Deferred tax assets	22.2	16,488,064,381	12,806,327,995
269	3. Goodwill	13	15,031,032,841	22,546,549,264
270	TOTAL ASSETS		4,813,877,448,192	3,407,199,491,184


INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 September 2015

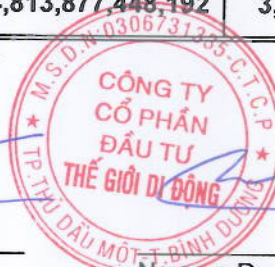
VND

Code	RESOURCES	Notes	30 September 2015	31 December 2014
300	A. LIABILITIES		2,662,214,748,395	1,923,190,326,673
310	I. Current liabilities		2,662,214,748,395	1,923,190,326,673
311	1. Short-term trade payables		1,247,618,913,000	981,794,284,232
312	2. Short-term advances from customers		12,227,630,634	8,353,792,068
313	3. Statutory obligations	14	93,409,217,684	57,948,259,321
314	4. Payables to employees		47,613,907,685	344,502,084
315	5. Short-term accrued expenses	15	215,673,988,787	191,807,973,852
319	6. Other short-term payables	16	138,387,292,375	48,482,430,642
320	7. Short-term loans	17	883,318,955,828	618,690,305,273
321	8. Short-term provision		19,014,842,402	10,818,779,201
322	9. Bonus and welfare fund		4,950,000,000	4,950,000,000
400	B. OWNERS' EQUITY		2,151,662,699,797	1,484,009,164,511
410	I. Capital		2,151,662,699,797	1,484,009,164,511
411	1. Share capital	18.1	1,399,039,760,000	1,119,567,790,000
411a	- Shares with voting rights		1,399,039,760,000	1,119,567,790,000
412	2. Share premium	18.1	36,717,698,286	36,717,698,286
414	3. Other capital	18.1	1,130,494,084	1,130,494,084
415	4. Treasury shares	18.1	(2,307,694,500)	(300,394,500)
421	5. Undistributed earnings	18.1	715,627,884,561	317,840,559,767
421a	- Undistributed earnings up to the end of prior period		38,368,589,767	51,744,017,935
421b	- Undistributed earnings of current period		677,259,294,794	266,096,541,832
429	6. Non-controlling interests		1,454,557,366	9,053,016,874
440	TOTAL LIABILITIES AND OWNERS' EQUITY		4,813,877,448,192	3,407,199,491,184


Ly Tran Kim Ngan
Preparer


Vu Dang Linh
Finance Director


Nguyen Duc Tai
General Director



6 November 2015

INTERIM CONSOLIDATED INCOME STATEMENT
for the nine-month period ended 30 September 2015

VND

Code	ITEMS	Notes	For the three-month period ended 30 September 2015	For the three-month period ended 30 September 2014	For the nine-month period ended 30 September 2015	For the nine-month period ended 30 September 2014
01	1. Revenue from sale of goods and rendering of services	19.1	6,680,844,678,434	3,965,553,364,843	17,599,227,164,408	10,976,822,856,677
02	2. Deductions	19.1	(34,123,771,059)	(20,430,857,516)	(92,754,506,428)	(56,812,662,561)
10	3. Net revenue from sale of goods and rendering of services	19.1	6,646,720,907,375	3,945,122,507,327	17,506,472,657,980	10,920,010,194,116
11	4. Cost of goods sold and services rendered	20	(5,622,848,300,006)	(3,311,179,822,494)	(14,868,581,970,115)	(9,214,593,937,132)
20	5. Gross profit from sale of goods and rendering of services		1,023,872,607,369	633,942,684,833	2,637,890,687,865	1,705,416,256,984
21	6. Finance income	19.2	24,450,598,084	20,994,310,621	56,107,665,422	45,000,911,474
22	7. Finance expenses	21	(6,629,472,417)	(5,095,365,880)	(28,914,847,985)	(15,846,724,476)
23	- In which: Interest expense		(6,137,689,256)	(5,084,574,236)	(27,071,944,328)	(15,817,207,173)
25	8. Selling expenses	20	(614,546,804,647)	(356,161,732,856)	(1,562,345,959,231)	(932,248,951,543)
26	9. General and administrative expenses	20	(66,202,613,082)	(71,619,432,832)	(162,654,108,324)	(182,574,368,743)
30	10. Operating profit		360,944,315,307	222,060,463,886	940,083,437,747	619,747,123,696
31	11. Other income		10,801,327,736	5,446,735,439	19,306,238,447	10,838,670,373
32	12. Other expenses		(711,308,803)	(219,355,138)	(1,391,968,054)	(3,034,136,306)
40	13. Other profit		10,090,018,933	5,227,380,301	17,914,270,393	7,804,534,067

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
for the nine-month period ended 30 September 2015

VND

Code	ITEMS	Notes	For the three-month period ended 30 September 2015	For the three-month period ended 30 September 2014	For the nine-month period ended 30 September 2015	For the nine-month period ended 30 September 2014
50	14. Accounting profit before tax		371,034,334,240	227,287,844,187	957,997,708,140	627,551,657,763
51	15. Current corporate income tax expense	22.1	(88,984,504,389)	(50,409,158,218)	(217,944,803,612)	(146,603,977,152)
52	16. Deferred income tax (expense) income	22.2	5,958,015,356	(508,886,559)	3,681,736,386	7,136,573,555
60	17. Net profit after tax		288,007,845,207	176,369,799,410	743,734,640,914	488,084,254,166
61	18. Net profit after tax attributable to shareholders of the parent		287,299,192,383	175,231,381,483	740,041,228,160	483,628,163,756
62	19. Net profit after tax attributable to non-controlling interests		708,652,824	1,138,417,927	3,693,412,754	4,456,090,410
70	20. Basic earnings per share	23	2,056	1,253	5,295	3,462
71	21. Diluted earnings per share	23	2,056	1,253	5,295	3,462

Ly Tran Kim Ngan
Preparer

Vu Dang Linh
Finance Director

Nguyen Duc Tai
General Director



6 November 2015

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the nine-month period ended 30 September 2015

VND

Code	ITEMS	Notes	For the nine-month period ended 30 September 2015	For the nine-month period ended 30 September 2014
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		957,997,708,140	627,551,657,763
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets (including amortisation of goodwill)	9,10,13	135,833,915,663	81,575,912,595
03	Provisions		24,931,228,586	39,086,854,834
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency		246,952,242	-
05	Profits from investing activities		(575,793,804)	(4,758,953,166)
06	Interest expense	21	27,071,944,328	15,817,207,173
08	Operating profit before changes in working capital		1,145,505,955,155	759,272,679,199
09	Increase in receivables		(178,392,002,377)	(89,037,629,060)
10	Increase in inventories		(732,357,082,010)	(368,914,036,854)
11	Increase in payables		478,274,913,223	240,130,457,109
12	Increase in prepaid expenses		(32,183,572,753)	(30,425,553,209)
14	Interest paid		(26,898,114,546)	(16,178,668,922)
15	Corporate income tax paid	22.1	(185,155,294,424)	(156,557,855,369)
20	Net cash flows from operating activities		468,794,802,268	338,289,392,894
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(402,332,534,110)	(92,199,564,360)
22	Proceeds from disposals of fixed assets		-	1,447,928,974
25	Payment for acquisition of a part of ownership in a subsidiary		(72,239,580,000)	(50,000,000,000)
27	Interest received	19.2	633,039,060	3,902,228,864
30	Net cash flows used in investing activities		(473,939,075,050)	(136,849,406,522)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Share issuance		-	11,866,630,000
	Capital contribution from non-controlling interests		-	2,297,060,000
32	Shares repurchased		(2,007,300,000)	(300,394,500)
33	Drawdown of borrowings		4,562,492,633,098	2,753,208,448,793
34	Repayments of borrowings		(4,297,863,982,543)	(2,852,072,378,233)
36	Dividends paid		(1,834,225,628)	(2,617,511,835)
40	Net cash flows from (used in) financing activities		260,787,124,927	(87,618,145,775)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the nine-month period ended 30 September 2015

VND

Code	ITEMS	Notes	For the nine-month period ended 30 September 2015	For the nine-month period ended 30 September 2014
50	Net increase in cash and cash equivalents		255,642,852,145	113,821,840,597
60	Cash and cash equivalents at beginning of period		212,920,620,191	304,733,768,468
70	Cash and cash equivalents at end of period	4	468,563,472,336	418,555,609,065



Ly Tran Kim Ngan
Ly Tran Kim Ngan
Preparer

Vu Dang Linh
Vu Dang Linh
Finance Director

Nguyen Duc Tai
Nguyen Duc Tai
General Director

6 November 2015

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at and for the nine-month period ended 30 September 2015

1. CORPORATE INFORMATION

Mobile World Investment Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103012275 issued by the Department of Planning and Investment of Binh Duong Province on 16 January 2009, as amended.

The Company's head office is located at 222 Yersin Street, Phu Cuong Ward, Thu Dau Mot Town, Binh Duong Province, Vietnam and operating office is located at 6th Floor, Etown 2, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

The current principal activities of the Company and its subsidiaries ("the Group") are trading, providing repair and maintenance services of phones, information technology equipment, cameras, digital equipment, electronic equipment; household appliances and related accessories.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange with trade code "MWG" in accordance with the Decision No. 253/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 July 2014.

The number of the Group's employees as at 30 September 2015 was 12,457 (31 December 2014: 9,503).

Corporate structure

The Company's corporate structure includes 2 subsidiaries:

- The Gioi Di Dong Joint Stock Company ("TGDD") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103005841 issued by the Department of the Planning and Investment of Ho Chi Minh City on 2 January 2007. The head office of TGDD is located at 130 Tran Quang Khai Street, Tan Dinh Ward, District 1, Ho Chi Minh City. As at 30 September 2015, the Company holds a 99.95% equity share in this subsidiary.
- Electronic World Trade Corporation ("EWT") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0310471746 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 November 2010. The head office of EWT is located at 130 Tran Quang Khai Street, Tan Dinh Ward, District 1, Ho Chi Minh City, Vietnam. As at 30 September 2015, the Company holds a 99.95% equity share in this subsidiary.

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

2. BASIS OF PREPARATION (continued)

2.1 Accounting standards and system (continued)

Accordingly, the accompanying interim consolidated financial statement and related notes, 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 interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group's applied accounting documentation system is the Journal Voucher system.

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries for the nine-month period ended 30 September 2015.

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

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policy and disclosure*

3.1.1 *Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system*

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial year beginning on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group's interim consolidated financial statements are applied on a prospective basis as Circular 200 does not required for retrospective application. The Group also reclassifies certain corresponding figures of prior period to conform with the presentation of the current period's interim consolidated financial statements in accordance with Circular 200 as disclosed in Note 28.

3.1.2 *Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements*

On 22 December 2014, the Ministry of Finance issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on a prospective as this Circular does not require for retrospective application. However, this change does not have material impact on the Group's interim consolidated financial statements for the nine-month period ended 30 September 2015 as a whole.

3.2 *Cash and cash equivalents*

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

3.3 *Receivables*

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

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

3.4 *Inventories*

Inventories are stated at the lower of cost which comprises all costs of purchase and other direct costs incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value 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.

Mobile phones and laptops	-	actual cost on a specific identification basis
Digital and electronic equipment	-	actual cost on a specific identification basis
Accessories	-	actual cost on a weighted average basis
Household appliances	-	actual cost on a weighted average basis
Others	-	actual cost on a weighted average basis

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Inventories* (continued)

Provision for obsolete inventories

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

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

3.5 *Prepaid expenses*

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

3.6 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the interim consolidated balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.

3.7 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

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

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

When intangible assets are sold or retired, their costs and accumulated amortisation are removed from the interim consolidated the balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.

3.8 *Depreciation and amortisation*

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

Building and structures	5 years
Computer software	4 years
Means of transportation	6 years
Office equipment	3 - 8 years
Goodwill	3 - 10 years
Land use rights	indefinite useful life

3.9 *Borrowing costs*

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

3.10 *Payables and accruals*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Accrual for severance pay*

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

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

3.12 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the period-end, monetary assets and liabilities denominated in foreign currencies are retranslated at buying exchange rate announced by the commercial bank where the Group maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the interim consolidated income statement.

3.13 *Treasury shares*

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

3.14 *Appropriation of net profits*

Net profit after tax (excluding unrealised exchange gains as at the balance sheet date) is available for appropriation to shareholders after getting approval by the shareholders in the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

3.15 *Revenue recognition*

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

Sale of goods

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

Rendering of services

Revenues are recognized upon the completion of the services provided.

Interest

Revenue is recognised as the interest accrues unless collectability is in doubt.

Dividends

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Operating leases*

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

3.17 *Earnings per share*

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary equity holders of the Company before any appropriation of bonus and welfare fund by the weighted average number of ordinary shares outstanding during the period.

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

3.18 *Taxation*

Current income tax

Current income tax assets and liabilities for the current and prior period 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 balance sheet date.

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

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

Deferred income tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

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.

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred income tax (continued)

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet 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.

3.19 *Financial instruments*

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009, providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the interim consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Group's financial assets include cash and short-term deposits, trade and other receivables.

Financial instruments – initial recognition and presentation (continued)

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the interim consolidated financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Financial instrument – subsequent re-measurement

There is currently no guidance in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the interim consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Group's revenue and profit are derived mainly from trading, providing repair and maintenance services of phones, information technology equipment, cameras, digital equipment, electronic equipment; household appliances and related accessories business in Vietnam while other sources of revenue are not material as a whole, management accordingly believed that the Group operates in a sole business segment of trading, providing repair and maintenance services of phones, information technology equipment, cameras, digital equipment, electronic equipment; household appliances and related accessories. Geographical segment of the Company is in Vietnam only.

4. CASH AND CASH EQUIVALENTS

	VND	
	30 September 2015	31 December 2014
Cash on hand	124,602,168,875	82,487,162,647
Cash in banks	335,131,151,955	121,348,089,485
Cash in transit	6,871,371,829	6,375,824,531
Cash equivalents	1,958,779,677	2,709,543,528
TOTAL	<u>468,563,472,336</u>	<u>212,920,620,191</u>

Cash equivalents represent term deposits with maturity terms of less than three months and earn interest at the rate ranging from 4.6% to 6.7 % per annum.

5. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 September 2015	31 December 2014
Receivables from suppliers (i)	279,339,160,190	141,101,160,525
Receivables from employees	9,829,971,465	10,084,486,253
Undeclared value-added tax	3,434,794,802	8,629,278,856
Advances to employees	8,427,134,114	3,145,127,782
Others	4,082,011,919	3,664,765,513
TOTAL	<u>305,113,072,490</u>	<u>166,624,818,929</u>

(i) Receivables from suppliers mainly comprise trade discounts, early payment discounts and price protection.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

6. INVENTORIES

	VND	
	30 September 2015	31 December 2014
Mobile phones	1,766,076,755,096	1,324,418,600,272
Electronic equipment	438,693,616,350	205,802,397,137
Tablets	289,438,875,970	210,188,050,111
Accessories	242,583,877,101	175,273,689,701
Laptop	79,363,194,683	124,703,834,893
Goods in transit	67,820,891,252	75,525,475,680
Home appliances	62,443,585,028	51,304,295,501
Scratch card	11,420,479,630	45,212,617,095
Others	28,032,736,835	41,087,969,545
TOTAL	2,985,874,011,945	2,253,516,929,935
Provision for obsolete inventories	(74,945,747,185)	(58,210,581,800)
NET	2,910,928,264,760	2,195,306,348,135

As at 30 September 2015, inventories which are amounting to VND 1,560 billion, were pledged to secure the loans as presented in Note 17.

Movements of provision for obsolete inventories

	VND	
	<i>For the nine-month period ended 30 September 2015</i>	<i>For the nine-month period ended 30 September 2014</i>
As at 1 January	(58,210,581,800)	(15,728,735,592)
Add: Provision created during the period	(74,945,747,185)	(58,210,581,800)
Less: Utilisation and reversal of provision during the period	58,210,581,800	15,728,735,592
As at 30 September	(74,945,747,185)	(58,210,581,800)

7. SHORT-TERM PREPAID EXPENSES

Short-term prepaid expenses mainly represent rental and set-up expenses of new offices and distribution centres.

8. OTHER LONG-TERM RECEIVABLES

Other long-term receivables mainly represent long-term rental deposits for offices, retail stores and distribution centres.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

9. TANGIBLE FIXED ASSETS

	<i>Buildings and structures</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>VND Total</i>
Cost:				
As at 31 December 2014	453,611,268,500	8,871,532,798	95,999,209,608	558,482,010,906
New purchases	290,575,792,556	8,165,200,301	44,631,184,686	343,372,177,543
Transfer from construction in progress	45,285,496,469	-	-	45,285,496,469
Disposal	(22,528,529)	(75,513,891)	(443,871,868)	(541,914,288)
As at 30 September 2015	<u>789,450,028,996</u>	<u>16,961,219,208</u>	<u>140,186,522,426</u>	<u>946,597,770,630</u>
Accumulated depreciation:				
As at 31 December 2014	120,289,056,488	2,786,255,151	47,075,475,180	170,150,786,819
Depreciation for the period	109,996,051,142	1,419,337,636	16,173,649,115	127,589,037,893
Disposal	(22,528,529)	(18,268,635)	(443,871,868)	(484,669,032)
As at 30 September 2015	<u>230,262,579,101</u>	<u>4,187,324,152</u>	<u>62,805,252,427</u>	<u>297,255,155,680</u>
Net carrying amount:				
As at 31 December 2014	<u>333,322,212,012</u>	<u>6,085,277,647</u>	<u>48,923,734,428</u>	<u>388,331,224,087</u>
As at 30 September 2015	<u>559,187,449,895</u>	<u>12,773,895,056</u>	<u>77,381,269,999</u>	<u>649,342,614,950</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

10. INTANGIBLE ASSETS

	<i>Land use rights</i>	<i>Computer software</i>	<i>VND Total</i>
Cost:			
As at 31 December 2014	21,042,500,000	5,109,251,644	26,151,751,644
New purchase	51,604,300	-	51,604,300
As at 30 September 2015	<u>21,094,104,300</u>	<u>5,109,251,644</u>	<u>26,203,355,944</u>
Accumulated amortisation:			
As at 31 December 2014	-	3,124,438,409	3,124,438,409
Amortisation for the period	-	729,361,347	729,361,347
As at 30 September 2015	<u>-</u>	<u>3,853,799,756</u>	<u>3,853,799,756</u>
Net carrying amount:			
As at 31 December 2014	<u>21,042,500,000</u>	<u>1,984,813,235</u>	<u>23,027,313,235</u>
As at 30 September 2015	<u>21,094,104,300</u>	<u>1,255,451,888</u>	<u>22,349,556,188</u>

11. CONSTRUCTION IN PROGRESS

Construction in progress mainly represents costs to set up new stores and distribution centres.

12. LONG-TERM PREPAID EXPENSES

	<i>VND</i>	
	<i>30 September 2015</i>	<i>31 December 2014</i>
Stores rental	20,713,066,568	7,599,593,940
New stores' layout	13,976,628,318	15,684,344,950
Low value equipment	3,316,824,945	2,175,541,519
TOTAL	<u>38,006,519,831</u>	<u>25,459,480,409</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

13. GOODWILL

	VND Amount
Cost:	
As at 31 December 2014 and 30 September 2015	<u>30,159,070,256</u>
Accumulated amortisation:	
As at 31 December 2014	7,612,520,992
Amortisation for the period	<u>7,515,516,423</u>
As at 30 September 2015	<u>15,128,037,415</u>
Net carrying amount:	
As at 31 December 2014	<u>22,546,549,264</u>
As at 30 September 2015	<u>15,031,032,841</u>

14. STATUTORY OBLIGATIONS

	VND	
	30 September 2015	31 December 2014
Corporate income tax (Note 22.1)	88,984,064,389	56,194,555,201
Value-added tax	2,727,416,789	82,901,795
Personal income tax	1,446,866,484	1,558,548,324
Others	<u>250,870,022</u>	<u>112,254,001</u>
TOTAL	<u>93,409,217,684</u>	<u>57,948,259,321</u>

15. SHORT-TERM ACCRUED EXPENSES

	VND	
	30 September 2015	31 December 2014
Bonus to employees	97,778,392,368	150,513,296,809
Marketing expense	58,593,934,256	3,122,962,573
Payable to employees	17,958,291,905	19,336,155,459
Utility costs	16,387,142,423	5,352,285,937
Warranty service costs	14,093,550,993	2,797,127,818
Transportation expense	7,441,591,614	6,321,750,705
Others	<u>3,421,085,228</u>	<u>4,364,394,551</u>
TOTAL	<u>215,673,988,787</u>	<u>191,807,973,852</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

16. OTHER SHORT-TERM PAYABLES

	<i>VND</i>	
	<i>30 September 2015</i>	<i>31 December 2014</i>
Received charge on behalf	106,516,276,957	16,061,873,910
Instalment payments received on behalf	17,392,672,500	16,830,373,000
Social and health insurances and trade union fee	3,324,987,362	2,636,452,669
Deposits from employees	2,621,680,220	1,186,265,385
Advance for display from suppliers	-	9,803,827,171
Others	8,531,675,336	1,963,638,507
TOTAL	<u>138,387,292,375</u>	<u>48,482,430,642</u>

17. SHORT-TERM LOANS

	<i>VND</i>	
	<i>30 September 2015</i>	<i>31 December 2014</i>
Loans from banks	<u>883,318,955,828</u>	<u>618,690,305,273</u>

The Group obtained these loans to finance its working capital requirements. Details of the short-term loans from banks are as follows:

<i>Lender</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>VND</i>			
Joint Stock Commercial Bank for Foreign Trade of Vietnam	134,146,860,544	from 7 September 2015 to 22 October 2015	floating rate	Inventories
Vietnam Joint Stock Commercial Bank for Industry and Trade	394,823,661,282	from 6 August 2015 to 20 November 2015	floating rate	Inventories
Standard Chartered Bank (Vietnam) Limited	23,151,911,227	from 7 September 2015 to 7 October 2015	floating rate	Inventories
HSBC Bank (Viet Nam) Limited	30,052,193,600	from 30 September 2015 to 30 October 2015	floating rate	Inventories
ANZ Bank (Vietnam) Limited	72,252,571,600	from 16 September 2015 to 16 October 2015	floating rate	Inventories
Joint Stock Commercial Bank for Investment and Development of Vietnam	117,778,583,090	from 23 September 2015 to 23 October 2015	floating rate	Unsecured
Military Commercial Joint Stock Bank - Quang Nam Branch	99,917,068,685	from 21 September 2015 to 25 October 2015	floating rate	Unsecured
Citibank N.A Vietnam	11,196,105,800	from 30 September 2015 to 14 October 2015	floating rate	Unsecured
TOTAL	<u>883,318,955,828</u>			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

18. OWNERS' EQUITY

18.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Undistributed earnings	Other capital	VND Total
For the nine-month period ended 30 September 2014						
As at 31 December 2013	109,567,040,000	151,578,368,286	-	538,007,977,935	1,130,494,084	800,283,880,305
Shares issuance	6,851,120,000	5,015,510,000	-	-	-	11,866,630,000
Bonus shares issuance	77,860,770,000	(77,860,770,000)	-	-	-	-
2013 share dividend	432,952,780,000	-	-	(432,952,780,000)	-	-
Net profit for the period	-	-	-	483,628,163,756	-	483,628,163,756
Shares repurchased	-	-	(300,394,500)	-	-	(300,394,500)
As at 30 September 2014	<u>627,231,710,000</u>	<u>78,733,108,286</u>	<u>(300,394,500)</u>	<u>588,683,361,691</u>	<u>1,130,494,084</u>	<u>1,295,478,279,561</u>
For the nine-month period ended 30 September 2015						
As at 31 December 2014	1,119,567,790,000	36,717,698,286	(300,394,500)	317,840,559,767	1,130,494,084	1,474,956,147,637
Bonus shares issuance (i)	279,471,970,000	-	-	(279,471,970,000)	-	-
Net profit for the period	-	-	-	740,041,228,160	-	740,041,228,160
Acquisition of non-controlling interests (ii)	-	-	-	(62,781,933,366)	-	(62,781,933,366)
Shares repurchased	-	-	(2,007,300,000)	-	-	(2,007,300,000)
As at 30 September 2015	<u>1,399,039,760,000</u>	<u>36,717,698,286</u>	<u>(2,307,694,500)</u>	<u>715,627,884,561</u>	<u>1,130,494,084</u>	<u>2,150,208,142,431</u>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

18. OWNERS' EQUITY (continued)

18.1 Increase and decrease in owners' equity (continued)

(i) On 15 June 2015, the Company issued 27,947,197 bonus shares at par value of VND 10,000 per share amounting to VND 279,471,970,000 in total from undistributed earnings to its existing shareholders at a ratio of 4:1 (i.e. issue 1 new shares for every 4 shares held) in accordance with the Shareholders' Resolution No. 01_2015/NQDHDHCD/TGDD dated 6 March 2015.

On 21 June 2015, the Company received the amended Business Registration Certificate issued by the Department of Planning and Investment of Binh Duong province for the above issuance of shares.

(ii) On 31 July 2015, the Company acquired additional 0.6% ownership interest in The Gioi Di Dong Joint Stock Company ("TGDD") from non-controlling shareholders of TGDD thereby increasing its equity share in this company from 99.35% to 99.95% at the acquisition price of VND 72,239,580,000. The difference of VND 62,781,933,366 between the purchase consideration and the net carrying amounts of TGDD at the acquisition date has been recorded in retained earnings in accordance with Circular 202.

18.2 Capital transactions with owners

	<i>Number of shares</i>
As at 31 December 2014	111,956,779
Increase in capital	27,947,197
As at 30 September 2015	<u>139,903,976</u>

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share with par value of VND 10,000 carries one vote per share without restriction.

18.3 Shares - ordinary shares

	<i>30 September 2015</i>	<i>31 December 2014</i>
	<i>Number of shares</i>	<i>Number of shares</i>
Authorized shares	139,903,976	111,956,779
Issued and paid up shares		
<i>Ordinary shares</i>	139,903,976	111,956,779
Treasury shares held by a subsidiary		
<i>Ordinary shares</i>	(204,013)	(3,283)
Shares in circulation		
<i>Ordinary shares</i>	139,699,963	111,953,496

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

19. REVENUES

19.1 Revenue from sale of goods and rendering of services

	For the three-month period ended 30 September 2015		For the three-month period ended 30 September 2014		For the nine-month period ended 30 September 2015		VND For the nine-month period ended 30 September 2014	
Gross revenue	6,680,844,678,434	3,965,553,364,843	17,599,227,164,408	10,976,822,856,677				
Of which:								
Sale of goods	6,626,281,590,491	3,945,448,925,949	17,477,115,847,117	10,928,289,533,662				
Rendering of services	54,563,087,943	20,104,438,894	122,111,317,291	48,533,323,015				
Less	(34,123,771,059)	(20,430,857,516)	(92,754,506,428)	(56,812,662,561)				
Of which:								
Sale returns	(34,123,771,059)	(20,430,857,516)	(92,754,506,428)	(56,812,662,561)				
Net revenue	<u>6,646,720,907,375</u>	<u>3,945,122,507,327</u>	<u>17,506,472,657,980</u>	<u>10,920,010,194,116</u>				

19.2 Finance income

	For the three-month period ended 30 September 2015		For the three-month period ended 30 September 2014		For the nine-month period ended 30 September 2015		VND For the nine-month period ended 30 September 2014	
Income from early payments	23,872,889,440	19,157,262,835	54,411,500,533	41,004,275,282				
Interest income	243,162,046	1,807,559,379	633,039,060	3,902,228,864				
Foreign exchange gains	63,752,629	29,488,407	669,058,727	94,407,328				
Others	270,793,969	-	394,067,102	-				
TOTAL	<u>24,450,598,084</u>	<u>20,994,310,621</u>	<u>56,107,665,422</u>	<u>45,000,911,474</u>				

20. TRADING AND OPERATING COSTS

	For the three-month period ended 30 September 2015		For the three-month period ended 30 September 2014		For the nine-month period ended 30 September 2015		VND For the nine-month period ended 30 September 2014	
Cost of merchandise goods sold	5,622,848,300,005	3,311,179,822,494	14,868,581,970,114	9,214,593,937,132				
Labour costs	361,966,010,378	261,217,783,597	928,942,341,498	678,210,028,707				
Depreciation and amortisation	49,074,367,814	30,524,158,806	128,318,399,240	81,575,912,595				
Other expenses	269,709,039,538	136,039,223,285	667,739,326,818	355,037,378,984				
TOTAL	<u>6,303,597,717,735</u>	<u>3,738,960,988,182</u>	<u>16,593,582,037,670</u>	<u>10,329,417,257,418</u>				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

21. FINANCE EXPENSES

	<i>For the three-month period ended 30 September 2015</i>	<i>For the three-month period ended 30 September 2014</i>	<i>For the nine-month period ended 30 September 2015</i>	<i>VND For the nine-month period ended 30 September 2014</i>
Interest expense	6,137,689,256	5,084,574,236	27,071,944,328	15,817,207,173
Foreign exchange losses	373,444,714	10,791,644	1,595,951,415	29,517,303
Unrealised foreign exchange losses	118,338,447	-	246,952,242	-
TOTAL	<u>6,629,472,417</u>	<u>5,095,365,880</u>	<u>28,914,847,985</u>	<u>15,846,724,476</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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22. CORPORATE INCOME TAX

The statutory Corporate Income Tax ("CIT") rate applicable to the Group is 22% of taxable profits.

The Group's tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations are susceptible to varying interpretations, the amounts reported in the interim consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

22.1 Current tax

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

A reconciliation between accounting profit before tax in the interim consolidated income statement and estimated taxable profit is presented below:

	<i>For the three-month period ended 30 September 2015</i>	<i>For the three-month period ended 30 September 2014</i>	<i>For the nine-month period ended 30 September 2015</i>	<i>VND For the nine-month period ended 30 September 2014</i>
Accounting profit before tax	371,034,334,240	227,287,844,187	957,997,708,140	627,551,657,763
Adjustments				
Non-deductible expenses	3,853,625,585	1,030,474,062	8,409,808,283	4,020,751,061
Goodwill allocation	2,505,172,141	3,060,578,213	7,515,516,423	5,585,151,268
Change in provision for inventories	27,081,887,980	(2,313,120,726)	16,735,165,385	32,438,970,702
Estimated current taxable profit	404,475,019,946	229,065,775,736	990,658,198,231	669,596,530,794
Estimated current CIT	88,984,504,389	50,394,470,662	217,944,803,612	147,311,236,775
Adjustment for under accrual of tax from prior periods	-	14,687,556	-	(707,259,623)
CIT expense	88,984,504,389	50,409,158,218	217,944,803,612	146,603,977,152
CIT payables at beginning of period	63,679,812,586	50,566,342,675	56,194,555,201	73,948,568,576
CIT paid during the period	(63,680,252,586)	(36,980,810,534)	(185,155,294,424)	(156,557,855,369)
CIT payable at end of period	88,984,064,389	63,994,690,359	88,984,064,389	63,994,690,359

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

22. CORPORATE INCOME TAX (continued)

22.2 Deferred income tax

The following are the deferred tax assets recognized by the Group, and the movements thereon, during the current and previous periods:

VND

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>		<i>Interim consolidated income statement</i>	
	<i>30 September 2015</i>	<i>31 December 2014</i>	<i>For the three-month period ended 30 September 2015</i>	<i>For the three-month period ended 30 September 2014</i>	<i>For the nine-month period ended 30 September 2015</i>	<i>For the nine-month period ended 30 September 2014</i>
Provision for obsolete inventories	16,488,064,381	12,806,327,995	5,958,015,356	(508,886,559)	3,681,736,386	7,136,573,555
Deferred tax asset	16,488,064,381	12,806,327,995				
Net deferred income tax (expense) benefit			5,958,015,356	(508,886,559)	3,681,736,386	7,136,573,555

23. EARNINGS PER SHARE

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

	<i>For the three-month period ended 30 September 2015</i>	<i>For the three-month period ended 30 September 2014</i>	<i>For the nine-month period ended 30 September 2015</i>	<i>For the nine-month period ended 30 September 2014</i>
Net profit attributable to ordinary shareholders of the Company (VND)	287,299,192,383	175,231,381,483	740,041,228,160	483,628,163,756
Weighted average number of ordinary shares (*)	139,705,572	139,900,693	139,766,056	139,712,668
Basic and diluted earnings per share (VND per share)	2,056	1,253	5,295	3,462

(*) The weighted average number of ordinary shares for the nine-month period ended 30 September 2014 has been retrospectively adjusted for the bonus and dividend shares issued in October and December 2014, and June 2015.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

24. TRANSACTIONS WITH RELATED PARTIES

Remuneration to members of the Board of Directors and Management

	<i>For the three-month period ended 30 September 2015</i>	<i>For the three-month period ended 30 September 2014</i>	<i>For the nine-month period ended 30 September 2015</i>	<i>VND For the nine-month period ended 30 September 2014</i>
Salaries and bonus	<u>2,005,704,630</u>	<u>2,176,119,280</u>	<u>9,450,489,462</u>	<u>7,444,784,832</u>

25. OPERATING LEASE COMMITMENTS

The Group leases its office premises and distribution centres under operating lease agreements. The minimum lease commitments as at 30 September 2015 under the operating lease agreements are as follows:

	<i>30 September 2015</i>	<i>31 December 2014</i>
Less than one year	370,665,082,608	239,610,921,245
From one to five years	1,113,782,961,162	637,222,663,362
More than five years	666,595,529,833	372,977,081,707
TOTAL	<u>2,151,043,573,603</u>	<u>1,249,810,666,314</u>

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The Group has loan, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group does not hold or issue derivative financial instruments.

The Group is exposed to credit risk and liquidity risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (primarily for bank deposits).

Trade receivables

Customer credit risk is managed by the Group based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. The Group seeks to maintain strict control over its outstanding receivables.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. The Group's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Group evaluates the concentration of credit risk in respect to bank deposit is low.

Management evaluates all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties as at 30 September 2015.

Liquidity risk

The liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual discounted payments:

	VND
	<i>On demand</i>
30 September 2015	
Trade payables	1,247,618,913,000
Other payables and accrued expenses	354,061,281,162
Loans	883,318,955,828
	<u>2,484,999,149,990</u>
31 December 2014	
Trade payables	981,794,284,232
Other payables and accrued expenses	240,290,404,494
Loans	618,690,305,273
	<u>1,840,774,993,999</u>

The Group assessed the liquidity risk is low.

Collaterals

The Group has pledged its inventory in order to fulfil the collateral requirements for the short-term loans (*Notes 17*).

The Group did not hold collateral at 30 September 2015 and 31 December 2014.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the nine-month period ended 30 September 2015

27. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the interim consolidated financial statements.

	<i>Carrying amount</i>				<i>Fair value</i>		<i>VND</i>
	<i>30 September 2015</i>		<i>31 December 2014</i>		<i>30 September 2015</i>	<i>31 December 2014</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>			
Financial assets							
Trade receivables	60,429,928,183	-	44,481,521,771	-	60,429,928,183	44,481,521,771	
Other receivables	410,389,290,158	-	240,906,068,454	-	410,389,290,158	240,906,068,454	
Cash and cash equivalents	468,563,472,336	-	212,920,620,191	-	468,563,472,336	212,920,620,191	
TOTAL	939,382,690,677	-	498,308,210,416	-	939,382,690,677	498,308,210,416	
Financial liabilities							
Trade payables	1,247,618,913,000	-	981,794,284,232	-	1,247,618,913,000	981,794,284,232	
Other payables and accrued expenses	354,061,281,162	-	240,290,404,494	-	354,061,281,162	240,290,404,494	
Loans	883,318,955,828	-	618,690,305,273	-	883,318,955,828	618,690,305,273	
TOTAL	2,484,999,149,990	-	1,840,774,993,999	-	2,484,999,149,990	1,840,774,993,999	

The fair values of the financial assets and financial liabilities had been assessed to approximate their carrying values as at 30 September 2015 given the short-term nature of these financial instruments.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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28. CORRESPONDING FIGURES

Certain corresponding figures on the consolidated balance sheet as at 31 December 2014 have been reclassified to conform with the presentation of the current period's interim consolidated financial statements in accordance with Circular 200. Details are as follows:

	31 December 2014 (previously presented)	Reclassification	31 December 2014 (reclassified)	VND
CONSOLIDATED BALANCE SHEET				
Other short-term receivables	161,407,629,379	5,217,189,550	166,624,818,929	
Short-term assets	5,217,189,550	(5,217,189,550)	-	
Other long-term receivables	-	74,281,249,525	74,281,249,525	
Long-term assets	74,281,249,525	(74,281,249,525)	-	

29. EVENTS AFTER THE BALANCE SHEET DATE

There have been no other significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the interim consolidated financial statements.



Ly Tran Kim Ngan
Preparer

6 November 2015



Vu Dang Linh
Finance Director



Nguyen Duc Tai
General Director

