

# **Digiworld Corporation**

Consolidated financial statements

30 June 2017

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# Digiworld Corporation

## GENERAL INFORMATION

### THE COMPANY

Digiworld Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103001456 issued by the Department of Planning and Investment of Ho Chi Minh City on 13 February 2003, as amended.

The current principal activities of the Company are trading technological software products, computers and accessories, and electronic accessories; trading telephones, switchboard and air conditioners; transferring information technology and automatic controls; and providing goods consignment agency services.

The Company's registered office is located at Floor 8, Nam A Bank Tower, 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam. In addition, the Company also has its branches in Hanoi, Da Nang and Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

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

Mr Doan Hong Viet	Chairman
Mrs Dang Kien Phuong	Member
Mrs To Hong Trang	Member
Mr Doan Anh Quan	Member
Mr Tran Bao Minh	Member

### SUPERVISORY BOARD

Members of the Supervisory Board during the year and at the date of this report are:

Mr Hoang Thong	Head
Mr Nguyen Tuan Thanh	Member
Mrs Phan Ngoc Bich Hang	Member

### BOARD OF MANAGEMENT

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

Mr Doan Hong Viet	General Director
Mrs Dang Kien Phuong	Deputy General Director
Mrs To Hong Trang	Deputy General Director

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Doan Hong Viet.



# Digiworld Corporation

## REPORT OF MANAGEMENT

The Board of Management of Digiworld Corporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the financial year ended 30 June 2017.

### BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, the Board of 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 consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the 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.

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

### STATEMENT BY BOARD OF MANAGEMENT

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

For and on behalf of the Board of Management:



Doan Hong Viet  
General Director

18 July 2017

**Digiworld Corporation**

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC

**CONSOLIDATED FINANCIAL STATEMENTS**

for the quarter ended 30 June 2017

**CONSOLIDATED BALANCE SHEET****As at 30 June 2017**

VND

ASSETS	Code	Note	Ending balance	Beginning balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>1,144,578,440,912</b>	<b>1,218,475,787,544</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>		<b>42,682,383,697</b>	<b>32,823,139,329</b>
1. Cash	111		42,682,383,697	32,823,139,329
2. Cash equivalents	112		-	-
<b>II. Short-term investment</b>	<b>120</b>		<b>-</b>	<b>4,900,000,000</b>
1. Securities investments	121		-	-
2. Provision of devaluation of securities	122		-	-
3. Held-to-maturity investment	123		-	4,900,000,000
<b>III. Current accounts receivable</b>	<b>130</b>		<b>453,898,394,248</b>	<b>360,885,617,856</b>
1. Short-term trade receivables	131		375,647,172,044	326,007,419,444
2. Short-term advances to suppliers	132		52,017,571,480	9,893,887,776
3. Short-term internal receivables	133		-	-
4. Receivable due to progress of contracts	134		-	-
5. Short-term loans receivables	135		-	-
6. Other short-term receivables	136		35,038,478,091	33,772,849,639
7. Provision for doubtful short-term receivables	137		(8,804,827,367)	(8,823,019,883)
8. Shortage of assets waiting for resolution	139		-	34,480,880
<b>IV. Inventories</b>	<b>140</b>		<b>552,518,348,131</b>	<b>714,275,506,872</b>
1. Inventories	141		552,518,348,131	715,840,230,632
2. Provision of devaluation of inventories	149		-	(1,564,723,760)
<b>V. Other current assets</b>	<b>150</b>		<b>95,479,314,836</b>	<b>105,591,523,487</b>
1. Short-term prepaid expenses	151		2,961,189,144	3,997,643,556
2. Value-added tax deductible	152		92,252,796,084	101,333,383,483
3. Tax and other receivables from the State	153		265,329,608	260,496,448
4. Trading of Government bond	154		-	-
5. Other current assets	155		-	-

*This report should be read in conjunction with Notes to the consolidated financial statements*



**Digiworld Corporation**

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC

**CONSOLIDATED FINANCIAL STATEMENTS**

for the quarter ended 30 June 2017

**Consolidate balance sheet (continued)**

<b>ASSETS</b>	<b>Code</b>	<b>Note</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>93,374,101,230</b>	<b>87,736,112,678</b>
<b>I. Long-term receivable</b>	<b>210</b>		<b>2,323,780,000</b>	<b>2,323,780,000</b>
1. Long-term trade receivables	211		-	-
2. Long-term advances to suppliers	212		-	-
3. Working capital from sub-units	213		-	-
4. Long-term internal receivables	214		-	-
5. Long-term loans receivables	215		-	-
6. Other long-term receivables	216		2,323,780,000	2,323,780,000
7. Provision for long-terms bad receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>84,817,287,660</b>	<b>84,785,964,920</b>
1. Tangible fixed assets	221		28,070,295,215	27,942,658,327
Cost	222		52,292,887,072	47,917,186,260
Accumulated depreciation	223		(24,222,591,857)	(19,974,527,933)
2. Fixed assets of finance leasing	224		-	-
Cost	225		-	-
Accumulated depreciation	226		-	-
3. Intangible assets	227		56,746,992,445	56,843,306,593
Cost	228		58,535,745,098	58,509,622,898
Accumulated depreciation	229		(1,788,752,653)	(1,666,316,305)
<b>III. Investment real estate</b>	<b>230</b>		-	-
Cost	231		-	-
Accumulated depreciation	232		-	-
<b>IV. Long-term asset in progress</b>	<b>240</b>		-	-
1. Long-term work in process	241		-	-
2. Construction in progress	242		-	-
<b>V. Long-term financial investments</b>	<b>250</b>		-	-
1. Investments in subsidiaries	251		-	-
2. Investment in joint-venture	252		-	-
3. Equity investments in other entities	253		-	-
4. Provision for long-term investments	254		-	-
5. Held-to-maturity investment	255		-	-
6. Provision for evaluation of long-term investments	259		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>6,233,033,570</b>	<b>626,367,758</b>
1. Long-term prepaid expenses	261		579,539,298	626,367,758
2. Deferred tax asset	262		-	-
3. Long-term equipment, materials, spare parts	263		-	-
4. Other long-term assets	268		-	-
5. Commercial advantage	269		5,653,494,272	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>1,237,952,542,142</b>	<b>1,306,211,900,222</b>

*This report should be read in conjunction with Notes to the consolidated financial statements*

# Digiworld Corporation

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC  
CONSOLIDATED FINANCIAL STATEMENTS  
for the quarter ended 30 June 2017  
Consolidate balance sheet (continued)

RESOURCES	Code	Note	Ending balance	Beginning balance
<b>A - LIABILITIES</b>	<b>300</b>		<b>600,234,124,533</b>	<b>676,633,327,069</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>596,775,694,654</b>	<b>672,579,897,190</b>
1. Short-term trade payables	311		90,855,400,673	275,889,648,880
2. Short-term advances from customers	312		30,749,179,023	10,236,510,898
3. Statutory obligations	313		7,734,885,500	5,628,886,679
4. Payables to employees	314		10,758,896,552	20,109,595,096
5. Short-term accrued expenses	315		1,248,508,447	1,135,201,197
6. Short-term internal payable	316		-	-
7. Short-term payable due to progress of contracts	317		-	-
8. Short-term unrealized turnover	318		-	-
9. Other short-term payables	319		23,813,570,207	17,011,020,754
10. Short-term loans	320		431,615,254,252	342,569,033,686
<b>II. Non-current liabilities</b>	<b>330</b>		<b>3,458,429,879</b>	<b>4,053,429,879</b>
7. Other long-term payables	337		3,458,429,879	4,053,429,879
8. Long-term borrow and loan of finance leasing	338		-	-
<b>D - OWNERS' EQUITY</b>	<b>400</b>		<b>637,718,417,609</b>	<b>629,578,573,153</b>
<b>I. Capital</b>	<b>410</b>		<b>637,718,417,609</b>	<b>629,578,573,153</b>
1. Share capital	411		397,517,470,000	306,133,290,000
- Shares with voting rights	411a		397,517,470,000	306,133,290,000
- Preferred shares	411b		-	-
2. Share premium	412		61,233,761,416	152,617,941,416
3. Bond conversion option	413		-	-
4. Other capital	414		-	-
5. Treasury shares	415		(6,272,937,166)	(6,272,937,166)
6. Differences upon asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
10. Investment and development fund	418		400,000,000	400,000,000
13. Undistributed earnings	421		177,979,892,059	176,700,278,903
- Undistributed earnings up to prior year-end	421a		148,980,084,303	109,973,169,673
- Undistributed earnings of current year	421b		28,999,807,756	66,727,109,230
14. Construction investment fund	422		-	-
15. Benefit of uncontrol shareholders	423		6,860,231,300	-
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>440</b>		<b>1,237,952,542,142</b>	<b>1,306,211,900,222</b>

Trần Thị Thu Hien  
Preparer

18 July 2017

Vo Xuan Huy  
Chief Accountant

Doan Hong Viet  
General Director



This report should be read in conjunction with Notes to the consolidated financial statements




# Digiworld Corporation

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC  
CONSOLIDATED FINANCIAL STATEMENTS  
for the quarter ended 30 June 2017


## CONSOLIDATED INCOME STATEMENT

								VND
ITEMS	Code	Note	First quarter		Second quarter		Accumulated since the beginning of year until the end of second quarter	
			Current year	Previous year	Current year	Previous year	Current year	Previous year
1. Revenue from sale of goods and rendering of services	1		767,859,652,336	822,129,720,039	797,541,877,978	950,538,455,098	1,565,401,530,314	1,772,668,175,137
2. Deductions	2		(6,368,011,824)	(11,029,508,764)	(7,018,440,338)	(11,441,033,218)	(13,386,452,162)	(22,470,541,982)
3. Net revenue from sale of goods and rendering of services	10		761,491,640,512	811,100,211,275	790,523,437,640	939,097,421,880	1,552,015,078,152	1,750,197,633,155
4. Cost of goods sold	11		(717,609,621,216)	(749,060,673,207)	(732,134,974,975)	(887,789,393,824)	(1,449,744,596,191)	(1,636,850,067,031)
5. Gross profit	20		43,882,019,296	62,039,538,068	58,388,462,665	51,308,028,056	102,270,481,961	113,347,566,124
6. Finance income	21		5,571,857,528	5,290,428,775	5,432,165,045	3,327,082,651	11,004,022,573	8,617,511,426
7. Finance expenses	22		(4,423,477,188)	(5,510,667,010)	(6,943,429,709)	(9,358,868,047)	(11,366,906,897)	(14,869,535,057)
- In which: Interest expense	23		(3,657,360,344)	(5,083,157,527)	(6,871,738,900)	(9,093,128,956)	(10,529,099,244)	(14,176,286,483)
8. Selling expenses	25		(21,049,368,564)	(24,590,388,004)	(23,951,209,085)	(18,257,258,810)	(45,000,577,649)	(42,847,646,814)
9. General and administrative expenses	26		(13,281,067,420)	(11,229,791,474)	(8,830,610,903)	(13,339,957,051)	(22,111,678,323)	(24,569,748,525)
10. Operating profit	30		10,699,963,652	25,999,120,355	24,095,378,013	13,679,026,799	34,795,341,665	39,678,147,154
11. Other income	31		493,179,838	230,896,429	2,386,626,063	1,409,297,048	2,879,805,901	1,640,193,477
12. Other expenses	32		(428,587,069)	(355,864,945)	(464,259,578)	(437,278,073)	(892,846,647)	(793,143,018)
13. Other profit	40		64,592,769	(124,968,516)	1,922,366,485	972,018,975	1,986,959,254	847,050,459
14. Accounting profit before tax	50		10,764,556,421	25,874,151,839	26,017,744,498	14,651,045,774	36,782,300,919	40,525,197,613
15. Current corporate income tax expense	51		(2,178,603,682)	(5,200,172,942)	(5,603,889,481)	(3,125,011,011)	(7,782,493,163)	(8,325,183,953)
16. Profit after tax	60		8,585,952,739	20,673,978,897	20,413,855,017	11,526,034,763	28,999,807,756	32,200,013,660
17. Profit after tax of parent company	61		8,585,952,739	20,673,978,897	20,413,855,017	11,526,034,763	28,999,807,756	32,200,013,660
- In which: Profit belongs to shareholders of parent company			8,585,952,739	20,673,978,897	20,413,855,017	11,526,034,763	28,999,807,756	32,200,013,660
18. Basic earnings per share	70						732	813

  
Tran Thi Thu Hien  
Preparer

18 July 2017

  
Vo Xuan Huy  
Chief Accountant

  
Doan Hong Viet  
General Director

This report should be read in conjunction with Notes to the consolidated financial statements



**Digiworld Corporation**

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC  
CONSOLIDATED FINANCIAL STATEMENTS  
for the quarter ended 30 June 2017

**CONSOLIDATED CASH FLOW STATEMENT**

(Indirect method)

VND


ITEMS	Code	Note	Second quarter	
			Current year	Previous year
<b>I. Cash flows from operating activities</b>				
<b>1. Profit before tax</b>	<b>01</b>		<b>37,048,291,691</b>	<b>40,525,197,613</b>
<b>2. Adjustments for:</b>				
- Depreciation of fixed assets and real estate	02		2,222,714,995	1,860,378,241
- Provisions	03		(1,582,916,276)	-
- Foreign exchange gain/ (loss) due to the revaluation of monetary items denominated in foreign currencies	04		-	-
- Profits/losses from investing activities	05		(274,681,237)	(240,323,517)
- Interest expenses	06		10,529,099,244	14,176,286,483
- Other adjustments	07		-	-
<b>3. Operating income before changes in working capital</b>	<b>08</b>		<b>47,942,508,417</b>	<b>56,321,538,820</b>
- Increase/ decrease in receivables	09		(48,196,309,296)	(61,460,293,017)
- Increase/ decrease in inventory	10		180,872,514,176	23,661,417,495
- Increase/decrease in payables (other than interest, corporate income tax)	11		(197,992,817,075)	(285,694,957)
- Decrease in prepaid expenses	12		1,843,827,897	3,336,790,391
- Increase/ decrease in trading securities	13		-	-
- Interest paid	14		(9,935,986,813)	(13,928,610,351)
- Corporate income tax paid	15		(6,758,286,874)	(10,316,506,431)
- Other proceeds from operating activities	16		-	-
- Other payments for operating activities	17		-	-
<b>Cash flow from operating activities</b>	<b>20</b>		<b>(32,224,549,568)</b>	<b>(2,671,358,050)</b>
<b>II. Cash flows from investing activities</b>				
1. Payment for purchases or construction of fixed assets and other long term assets	21			(4,322,891,700)
2. Proceeds from fixed assets and other long-term assets disposal	22		-	-
3. Loans to and payments for purchase of debt instruments of other entities	23		-	-
4. Collections from borrowers and proceeds from disposal of debt instruments of other entities	24		4,900,000,000	-
5. Payments for investments in other entities	25		(11,342,042,662)	-
6. Proceeds from disposal of investments in other entities	26		-	-
7. Interests and dividends received	27		274,681,237	240,323,517
<b>Net cash flows from/(used in) investing activities</b>	<b>30</b>		<b>(6,167,361,425)</b>	<b>(4,082,568,183)</b>


This report should be read in conjunction with Notes to the consolidated financial statements


# Digiworld Corporation

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC  
CONSOLIDATED FINANCIAL STATEMENTS  
for the quarter ended 30 June 2017  
**Consolidated cash flow statement** (continued)

ITEMS	Code	Current year	Balance year
<b>I. Cash flow from financing activities</b>			
1. Proceeds from share issuance, capital contribution	31	-	-
2. Capital redemption and payments for purchase of treasury shares	32	-	-
3. Drawdown of borrowings	33	1,221,133,748,349	1,396,917,059,920
4. Repayments of borrowings	34	(1,145,162,398,388)	(1,377,206,961,847)
5. Payments for finance leasing	35	-	-
6. Dividends paid to shareholders	36	(27,720,194,600)	(28,532,790,000)
<b>Net cash flows from/(used in) financial activity</b>	<b>40</b>	<b>48,251,155,361</b>	<b>(8,822,691,927)</b>
<b>Net increase/decrease in cash and cash equivalents during the year</b>	<b>50</b>	<b>9,859,244,368</b>	<b>(15,576,618,160)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>60</b> V.1	<b>32,823,139,329</b>	<b>31,668,848,074</b>
Impact of exchange rate fluctuation	61		
<b>Cash and cash equivalents at end of year</b>	<b>70</b> V.1	<b>42,682,383,697</b>	<b>16,092,229,914</b>

  
Tran Thi Thu Hien  
Preparer

  
Vo Xuan Huy  
Chief Accountant

  
Doan Hong Viet  
General Director



18 July 2017

*This report should be read in conjunction with Notes to the consolidated financial statements*



## Digiworld Corporation

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC

CONSOLIDATED FINANCIAL STATEMENTS

for the quarter ended 30 June 2017

Consolidated cash flow statement (continued)

### 1. THE COMPANY

Digiworld Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103001456 issued by the Department of Planning and Investment of Ho Chi Minh City on 13 February 2003, as amended.

The current principal activities of the Company are trading technological software products, computers and accessories, and electronic accessories; trading telephones, switchboard and air conditioners; transferring information technology and automatic controls; and providing goods consignment agency services.

The Company's registered office is located at Floor 8, Nam A Bank Tower, 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam. In addition, the Company also has its branches in Hanoi, Da Nang and Ho Chi Minh City, Vietnam.

The number of employees of the Company Group as at 30 June 2017 is 356 (31 December 2016: 400)

#### Corporate structure

The Company's corporate structure includes four subsidiaries, in which:

- *Digiworld Venture Co., Ltd. ("DV")*

DV is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313309149 issued by the Department of Planning and Investment of Ho Chi Minh City on 16 June 2015. The head office of DV is located at Floor 8, Nam A Bank Tower, 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam.

- *1 Digital Technology Company Limited ("DT")*

DT is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313318520 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 June 2015. The head office of DT is located at Floor 8, Nam A Bank Tower, 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam.

- *M360.VN Company Limited ("M360")*

M360 is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313331063 issued by the Department of Planning and Investment of Ho Chi Minh City on 6 July 2015, the former name of M360 is Wiko Vietnam Company Limited. The head office of M360 is located at Floor 10, Nam A Bank Tower, 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam.

- *Digi-Infabrica Joint Stock Company ("DG-IFF")*

DG-IFF is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to the BRC No. 0314269227 issued by Department of Planning and Investment of Ho Chi Minh City on 07 March 2017. The head office of DG-IFF is located at Floor 10, Nam A Bank Tower, 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam.

- *C.L Market Expansion Services Joint Stock Company ("C.L")*

C.L is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to the BRC No. 0301483375 issued by Department of Planning and Investment of Ho Chi Minh City on 05 May 2017. The head office of C.L is located at No 77 Tan Vinh Street, Ward 6, District 4, Ho Chi Minh City, Vietnam.



## Digiworld Corporation

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC

### CONSOLIDATED FINANCIAL STATEMENTS

for the quarter ended 30 June 2017

### Consolidated cash flow statement (continued)

- *CSV Healthcare Company Limited ("CSV")*

CSV is a limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0314371118 issued by the Department of Planning and Investment of Ho Chi Minh City on 25 April 2017. The head office of CSV is located at Floor 10, Nam A Bank Tower, 201 – 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam

- *B2X Care Solutions Vietnam Company Limited ("B2X")*

B2X is a limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0314410575 issued by the Department of Planning and Investment of Ho Chi Minh City on 25 April 2017. The head office of B2X is located at 65A Ho Xuan Huong Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.

## 2. BASIS OF PREPARATION

### 2.1 *Applied accounting standards and system*

The consolidated financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

### 2.2 *Applied accounting documentation system*

The Group's applied accounting documentation system is the General Journal 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 consolidated financial statements are prepared in VND which is also the Group's accounting currency.

### 2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 30 June 2017.



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#### Consolidated cash flow statement (continued)

The financial statements of subsidiaries are prepared for the same reporting year as the parent 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 consolidated income statement and within equity in the 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 undistributed earnings

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash

Cash comprises cash on hand and cash in banks.

#### 3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

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 (mainly merchandise goods), which are valued at cost of purchase on a weighted average basis.

##### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of 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 consolidated income statement.

#### 3.3 Receivables

Receivables are presented in the 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 consolidated income statement.

#### 3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises 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 consolidated income statement as incurred.

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

#### 3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.



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#### **Consolidated cash flow statement (continued)**

The cost of an intangible fixed 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 consolidated income statement as incurred.

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

#### **Land use right**

Land use right is recorded as an intangible asset on the consolidated balance sheet when the Group obtained the land use right certificates. The costs of land use right comprise all directly attributable costs of bringing the land to the condition available for intended use and is not amortised when having indefinite useful life.

### **3.6 Depreciation and Amortization**

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:

Buildings and structures	21 - 25 years
Machinery and equipment	2 - 5 years
Means of transportation	3 - 6 years
Office equipment	2 - 3 years
Accounting software	6 years

### **3.7 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs directly related to the borrowing of funds and are recorded as expense during the year in which they are incurred.

### **3.8 Prepaid expenses**

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

### **3.9 Held-to-maturity investment**

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

### **3.10 Payables and accruals**

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

### **3.11 Accrual for severance pay**

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



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#### **Consolidated cash flow statement (continued)**

#### **3.12 Foreign currency transactions**

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

#### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

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

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

All foreign exchange differences arising from revaluation of monetary accounts denominated in foreign currency are taken to the 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 approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

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

##### *Investment and development fund*

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

##### *Bonus and welfare funds*

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

#### **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 recognised upon the completion of the services provided.

##### *Interest income*



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#### Consolidated cash flow statement (continued)

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

### 3.16 Taxation

#### *Current income tax*

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

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

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

#### *Deferred 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, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

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.

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

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

### 3.17 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 specific economic environment (geographical segment), that is subject to risks and returns



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**Consolidated cash flow statement (continued)**

that are different from those of other segments. As the Group's revenue and profit are mainly derived from the business activity of trading technological software products, computers and accessories while other sources accounted for a small proportion of the total revenue of the Company, The Board of management assumes that the Company operates in a sole business segment only. In addition, management also defines the Company's geographical segment to be based on the location of the Group's assets which is in Ho Chi Minh City, Vietnam.

**4. CASH**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	342,307,758	127,165,372
Cash in banks	42,340,075,939	32,695,973,957
<b>TOTAL</b>	<b>42,682,383,697</b>	<b>32,823,139,329</b>

**5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS****5.1. Short-term trade receivables**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
The Gioi Di Dong Joint Stock Company	95,200,176,144	45,768,488,070
Nguyen Kim Trading Joint Stock Company	13,706,975,531	23,264,833,716
Others	266,740,020,369	256,974,097,658
<b>TOTAL</b>	<b>375,647,172,044</b>	<b>326,007,419,444</b>
Provision for doubtful receivables	(8,804,827,367)	(8,823,019,883)
<b>NET</b>	<b>366,842,344,677</b>	<b>317,184,399,561</b>

As disclosed in Note 15, the Company has pledged a portion of its trade receivables to secure the bank loan facilities.

**5.2 Short-term advances to suppliers**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
XIAOMI H.K Limited	34,365,425,350	-
CK Telecom (Hong Kong) Co., Ltd.	-	4,480,952,000
SUC BAT Limited	-	2,923,408,800
HP PPS SINGAPORE (SALES) PTE. LTD	5,599,819,000	-
Zhuhai Xiaomi Communications Co., Ltd	9,279,299,250	-
Others	2,773,027,880	2,489,526,976
<b>TOTAL</b>	<b>52,017,571,480</b>	<b>9,893,887,776</b>

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**Consolidated cash flow statement (continued)****6. OTHER RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Dragon Technology Distribution Pte.Ltd	32,874,099,492	32,874,099,492
Advances to employees	699,568,900	496,558,805
Vietnam Telecom Services Company	-	90,097,355
Others	1,464,809,699	312,093,987
	<b>35,038,478,091</b>	<b>33,772,849,639</b>
Long-term		
Deposit	2,201,230,000	2,201,230,000

**7. INVENTORIES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Merchandises	527,130,475,913	540,219,030,384
Goods in transit	4,131,336,241	151,599,749,460
Goods on consignment	13,518,224,008	22,447,887,398
Finished products	1,269,940,377	-
Tools and equipment	101,979,214	-
Raw materials	5,072,219,417	-
Work-in-progress	1,294,172,961	1,573,563,390
<b>TOTAL</b>	<b>552,518,348,131</b>	<b>715,840,230,632</b>
<i>Provision of inventories</i>	-	(1,564,723,760)
<b>NET VALUE</b>	<b>552,518,348,131</b>	<b>714,275,506,872</b>

As disclosed in Note 15, the Company has pledged a portion of its inventories to secure the bank loan facilities.

**8. SHORT-TERM PREPAID EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Operating expenses	2,743,137,298	3,158,474,139
Tools and equipment	218,051,846	839,169,417
<b>TOTAL</b>	<b>2,961,189,144</b>	<b>3,997,643,556</b>



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**Consolidated cash flow statement** (continued)**9. TANGIBLE FIXED ASSETS**

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>VND Total</i>
<b>Cost:</b>					
Beginning balance	21,183,180,735	2,145,916,525	21,801,104,571	2,786,984,429	47,917,186,260
Increase due to business consolidation	303,514,935	1,006,267,395	-	3,065,918,482	4,375,700,812
Ending balance	<u>21,486,695,670</u>	<u>3,152,183,920</u>	<u>21,801,104,571</u>	<u>5,852,902,911</u>	<u>52,292,887,072</u>
<b>Accumulated depreciation:</b>					
Beginning balance	(6,241,661,415)	(1,112,613,771)	(9,859,861,272)	(2,760,391,475)	(19,974,527,933)
Depreciation for the year	(426,802,542)	(182,320,501)	(1,515,786,137)	(1,491,667)	(2,126,400,847)
Increase due to business consolidation	(228,724,029)	(1,565,053,416)	(195,153,937)	(132,731,695)	(2,121,663,077)
Ending balance	<u>(6,897,187,986)</u>	<u>(2,859,987,688)</u>	<u>(11,570,801,346)</u>	<u>(2,894,614,837)</u>	<u>(24,222,5911,857)</u>
<b>Net carrying amount:</b>					
Beginning balance	14,941,519,320	1,033,302,754	11,941,243,299	26,592,954	27,942,658,327
Ending balance	<u>14,589,507,684</u>	<u>292,196,232</u>	<u>10,230,303,225</u>	<u>2,958,288,074</u>	<u>28,070,295,215</u>

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**Consolidated cash flow statement (continued)****10. INTANGIBLE ASSETS**

	<i>Land use right</i>	<i>Accounting software</i>	<i>VND Total</i>
<b>Cost:</b>			
Beginning and ending balances	56,550,000,000	1,959,622,898	58,509,622,898
Increase due to business consolidation	-	26,122,200	26,122,200
Ending balance	<u>56,550,000,000</u>	<u>1,985,744,898</u>	<u>58,535,745,098</u>
<b>Accumulated amortisation:</b>			
Beginning balance	-	(1,666,316,305)	(1,666,316,305)
Depreciation for the year		(96,314,148)	(96,314,148)
Increase due to business consolidate	-	(26,122,200)	(26,122,200)
Ending balance	<u>-</u>	<u>(1,788,752,653)</u>	<u>(1,788,752,653)</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>56,550,000,000</u>	<u>293,306,593</u>	<u>56,843,306,593</u>
Ending balance	<u>-</u>	<u>196,992,245</u>	<u>56,746,992,445</u>

**11. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS****11.1 Short-term trade payables**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Dell Global B.V (Singapore Branch)	36,195,924,850	146,651,917,960
Asus Global Pte. Ltd.	15,059,020,500	51,938,871,042
Lenovo (Singapore) Pte. Ltd.	4,480,486,942	6,273,423,127
Others	<u>35,119,968,381</u>	<u>71,025,436,751</u>
<b>TOTAL</b>	<b><u>90,855,400,673</u></b>	<b><u>275,889,648,880</u></b>

**11.2 Short-term advances from customers**

	<i>Ending balance</i>	<i>Beginning balance</i>
Mega Alliance Holdings Limited	3,760,054,645	3,916,659,490
Vision Best Holdings Limited	3,916,659,490	3,760,054,645
Others	<u>23,072,464,888</u>	<u>2,559,796,763</u>
<b>TOTAL</b>	<b><u>30,749,179,023</u></b>	<b><u>10,236,510,898</u></b>



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**Consolidated cash flow statement (continued)****12. STATUTORY OBLIGATIONS**

	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Payment in year</i>	<i>Increase due to business consolidation</i>	VND <i>Ending balance</i>
Corporation income tax	5,258,286,874	7,782,493,163	(6,758,286,874)	645,990,424	6,928,583,587
Personal income tax	370,599,805	4,775,596,596	(4,676,988,399)	20,508,247	489,716,249
Export-Import tax	-	241,575,077	(245,643,516)	-	(4,068,439)
VAT	-	-	-	319,267,121	319,267,121
Others	-	25,644,500	(25,644,500)	-	-
<b>TOTAL</b>	<b>5,628,886,679</b>	<b>12,825,309,336</b>	<b>(11,706,563,289)</b>	<b>985,765,792</b>	<b>7,733,398,518</b>

**13. SHORT-TERM ACCRUED EXPENSES**

	VND <i>Ending balance</i>	VND <i>Beginning balance</i>
Interest expense	1,072,092,124	478,979,693
Operating expenses	176,416,323	656,221,504
<b>TOTAL</b>	<b>1,248,508,447</b>	<b>1,135,201,197</b>

**14. OTHER PAYABLES**

	VND <i>Ending balance</i>	VND <i>Beginning balance</i>
Short-term		
Payment on behalf	6,288,390,292	1,125,134,996
Payables to Department of Social Insurance	1,528,958,859	1,398,035,455
Others	15,996,221,056	14,487,850,303
	<b>23,813,570,207</b>	<b>17,011,020,754</b>
Long-term		
Deposits received	760,429,879	3,293,000,000
Others	2,698,000,000	760,429,879
	<b>3,458,429,879</b>	<b>4,053,429,879</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the quarter ended 30 June 2017

## 15. LOANS

	VND				
	31 December 2016	Increase in year	Decrease in year	Increase due to business consolidation	30 June 2017
<b>Short-term</b>					
Loans from banks	342,569,033,686	1,221,133,748,349	(1,145,162,398,388)	13,074,870,605	431,615,254,252
	<u>342,569,033,686</u>	<u>1,221,133,748,349</u>	<u>(1,145,162,398,388)</u>	<u>13,074,870,605</u>	<u>431,615,254,252</u>

### Short-term loans

Details of the short-term loans are as follows:

Banks	Ending balance VND	Maturity date	Interest rate %/ p.a.	Description of collateral	VND
Vietnam Export Import Commercial Joint - Stock Bank (Eximbank) – Phu My Hung Branch	9,509,344,586	From 13 October 2017 to 05 January 2018	From 8	Personal assets of the Company's shareholders amounting to VND 10.4 billion and Company's assets amounting to VND 3.4 billion	
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 1	88,552,379,796	From 17 August 2017 to 11 September 2017	From 4.8 to 5.0	Certain inventories amounting to VND 120 billion and trade receivables amounting to VND 72 billion	
HSBC Bank (Vietnam) Ltd.,	150,088,003,851	From 11 August 2017 to 27 September 2017	From 4.3 to 4.9	Personal assets of the Company's shareholders and certain inventories amounting to USD 6 million	
ANZ Bank (Vietnam) Limited – Hochiminh Branch	179,900,000,000	From 15 August 2017 to 29 September 2017	From 4.1 to 4.4	Certain inventories amounting to VND 147 billion and trade receivables amounting to VND 74 billion	
Vietnam Maritime Commercial Stock Bank (Maritime Bank) – Cong Hoa Branch	3,565,526,019	From 27 September 2017 to 26 December 2017	From 15.53 to 15.82		
	<u>431,615,254,252</u>				



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the quarter ended 30 June 2017

## 16. OWNERS' EQUITY

### 16.1 Movement in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Increase due to business consolidation	VND Total
<b>Previous year</b>							
Beginning balance	306,133,290,000	152,617,941,416	(6,272,937,166)	400,000,000	155,665,959,673	-	608,544,253,923
Dividends announced	-	-	-	-	(45,692,790,000)	-	(45,692,790,000)
Net profit for the year	-	-	-	-	66,727,109,230	-	66,727,109,230
Ending balance	<u>306,133,290,000</u>	<u>152,617,941,416</u>	<u>(6,272,937,166)</u>	<u>400,000,000</u>	<u>176,700,278,903</u>	<u>-</u>	<u>629,578,573,153</u>
<b>Current year</b>							
Beginning balance	306,133,290,000	152,617,941,416	(6,272,937,166)	400,000,000	176,700,278,903	-	629,578,573,153
Issuance of bonus shares	91,384,180,000	(91,384,180,000)	-	-	-	-	-
Dividends announced	-	-	-	-	(27,720,194, 600)	-	(27,720,194, 600)
Net profit for the year	-	-	-	-	28,999,807,756	-	28,999,807,756
Benefit of uncontrol shareholders	-	-	-	-	-	6,860,231,300	6,860,231,300
Ending balance	<u>397,517,470,000</u>	<u>61,233,761,416</u>	<u>(6,272,937,166)</u>	<u>400,000,000</u>	<u>177,979,892,059</u>	<u>6,860,231,300</u>	<u>637,718,417,609</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the quarter ended 30 June 2017

**16. OWNERS' EQUITY (continued)**
**16.2 Shares**

	<i>Number of shares</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Authorised shares	39,751,747	30,613,329
Issued and fully paid shares	39,751,747	30,613,329
<i>Ordinary shares</i>	39,751,747	30,613,329
Treasury shares	(151,469)	(151,469)
<i>Ordinary shares</i>	(151,469)	(151,469)
Shares in circulation	39,600,278	30,461,860
<i>Ordinary shares</i>	39,600,278	30,461,860

**17. REVENUES**
**17.1 Revenue from sale of goods and rendering of services**

	<i>VND</i>	
	<i>Current quarter</i>	<i>Previous quarter</i>
<b>Gross revenue:</b>	<b>1,565,401,530,314</b>	<b>1,772,668,175,137</b>
<i>In which:</i>		
<i>Sale of goods</i>	1,565,401,530,314	1,772,668,175,137
<i>Rendering of services</i>		
<b>Deduction:</b>	<b>(13,386,452,162)</b>	<b>(22,470,541,982)</b>
<b>NET REVENUE</b>	<b>1,552,015,078,152</b>	<b>1,750,197,633,155</b>

**17.2 Finance Income**

	<i>VND</i>	
	<i>Current quarter</i>	<i>Previous quarter</i>
Interest income	274,681,237	240,323,517
Foreign exchange gains	2,415,429,903	3,354,116,907
Payment discounts	8,313,911,433	5,023,071,002
<b>TOTAL</b>	<b>11,004,022,573</b>	<b>8,617,511,426</b>

**18. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>VND</i>	
	<i>Current quarter</i>	<i>Previous quarter</i>
Cost of goods sold and services rendered	<b>1,449,744,596,191</b>	<b>1,636,850,067,031</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the quarter ended 30 June 2017

**19. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
<b>Selling expenses</b>	<b>45,000,577,649</b>	<b>42,847,646,814</b>
Labour costs	22,513,449,071	25,168,076,854
Expenses of external services	18,038,403,073	13,835,858,301
Other costs	4,448,725,505	3,843,711,659
<b>General and administrative expenses</b>	<b>22,111,678,323</b>	<b>24,569,748,525</b>
Labour costs	11,617,213,156	13,639,797,264
Expenses of external services	6,581,898,812	6,900,727,473
Others	3,912,566,355	4,029,223,788
<b>TOTAL</b>	<b>67,112,255,972</b>	<b>67,417,395,339</b>

**20. FINANCE EXPENSES**

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
Interest expense	10,529,099,244	14,176,286,483
Foreign exchange losses	659,515,473	367,467,886
Payment discounts	178,292,180	325,780,688
<b>TOTAL</b>	<b>11,366,906,897</b>	<b>14,869,535,057</b>

**21. OTHER INCOME AND EXPENSES**

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
Other income	2,879,805,901	1,640,193,477
Other expenses	(892,846,647)	(793,143,018)
<b>NET OTHER PROFIT</b>	<b>1,986,959,254</b>	<b>847,050,459</b>

**22. OPERATING COSTS**

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
Cost of goods	1,449,744,596,191	1,642,302,261,359
Labour costs	34,130,662,227	38,794,867,609
Expenses of external services	20,024,508,583	10,569,552,720
Depreciation and amortisation	2,222,714,995	1,860,378,241
Others	11,582,667,375	10,740,402,441
<b>TOTAL</b>	<b>1,517,705,149,371</b>	<b>1,704,267,462,370</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the quarter ended 30 June 2017

**23. CORPORATE INCOME TAX**

The Group has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

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

A reconciliation between the accounting profit before tax and taxable profit is presented below

	VND	
	Current quarter	Previous quarter
<b>Accounting profit before tax</b>	<b>36,782,300,919</b>	<b>40,525,197,613</b>
At CIT rate of 20% applicate to the companies in the Group	7,700,315,217	8,275,341,359
<i>Adjustments to increase:</i>		
Loss of subsidiaries	82,177,946	49,842,593
<b>TOTAL</b>	<b>7,782,493,163</b>	<b>8,325,183,953</b>

**Current corporate income tax**

The current corporate income tax payable is based on taxable profit for the quarter. Taxable profit of the Group for the year differs from accounting profit as reported in the 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 at the balance sheet date.

**24. TRANSACTIONS WITH RELATED PARTIES**

Remuneration of management and Board of Directors and Board of Supervision are as follows:

	VND	
	Current quarter	Previous quarter
Salary and bonus	1,484,004,676	2,441,582,700

**25. EARNINGS PER SHARES**

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

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary share 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.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the quarter ended 30 June 2017

	Current quarter	Previous quarter
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	28,999,807,756	32,200,013,660
Weighted average number of ordinary shares (*)	39,600,278	39,600,278
Basic and diluted earnings per share (VND)	732	813

(\*) The weighted average number of ordinary shares for the current and previous years has been retrospectively adjusted for the completion of issuance of bonus shares to its existing shareholders in January 2017.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.


## 26. COMMITMENTS

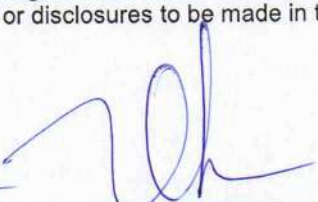
The Group leases office premises under operating lease arrangements. The minimum lease commitments as at the balance sheet date under the operating lease agreements is as follows:


	VND	
	Ending balance	Beginning balance
Less than 1 year	2,581,235,832	4,943,407,752
From 1 to 5 years	5,242,472,724	6,344,203,980
<b>TOTAL</b>	<b>7,823,708,556</b>	<b>11,287,611,732</b>

## 27. EVENTS AFTER THE BALANCE SHEET DATE

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

  
Tran Thi Thu Hien  
Preparer

  
Vo Xuan Huy  
Chief Accountant

  
Doan Hong Viet  
General Director

18 July 2017

