Mobile World Investment Corporation

Interim consolidated financial statements

For the six-month period ended 30 June 2022

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 Enterprise Registration Certificate ("ERC") No. 0306731335 issued by the Department of Planning and Investment ("DPI") of Binh Duong Province on 16 January 2009, as amended.

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

The Company's head office is located at No. 222, Yersin Street, Phu Cuong Ward, Thu Dau Mot Town, Binh Duong Province, Vietnam and operating office is located at MWG Tower, Lot T2-1.2, D1 Street, Saigon Hi-tech Park, District 9, 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, mobile phone and related accessories under the brand of The Gioi Di Dong, commercial electronic equipment under the brand of Dien May Xanh and foods, meats, vegetables, beverages and other groceries under the brand of Bach Hoa Xanh.

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 Kinh Doanh	Executive member	resigned on 23 April 2022
Mr Tran Huy Thanh Tung	Executive member	
Mr Dang Minh Luom	Executive member	
Mr Doan Van Hieu Em	Executive member	
Mr Thomas Lanyi	Non-executive member	
Mr Robert Willett	Non-executive member	
Mr Dao The Vinh	Independence member	
Mr Nguyen Tien Trung	Independence member	
Mr Do Tien Si	Independence member	

BOARD OF AUDIT COMMITTEE

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

Mr Nguyen Tien Trung	Chairman	
Mr Tran Huy Thanh Tung	Member	resigned on 1 April 2022
Mr Dao The Vinh	Member	

MANAGEMENT

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

Mr Tran Huy Thanh Tung	General Director	appointed on 18 April 2022
Mr Tran Kinh Doanh	General Director	resigned on 18 April 2022
Mr Pham Van Trong	Technology Director	
Mr Vu Dang Linh	Finance Director	

LEGAL REPRESENTATIVE

Mr Tran Huy Thanh Tung	General Director	appointed on 18 April 2022
Mr Tran Kinh Doanh	General Director	resigned on 18 April 2022

AUDITORS

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

Management of Mobile World Investment Corporation ("the Company") is pleased to present this report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month ended 30 June 2022.

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 June 2022 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

For and on behalf of management:

CÔNG TY CỔ PHẦN ĐẦU TƯ THẾ GIỚI DI ĐỘNG

Tran Huy Thanh Tung
General Director

Binh Duong Province, Vietnam

29 July 2022

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2022

VND

Code	*ASSETS*	*Notes*	*30 June 2022*	*31 December 2021*
100	**A. CURRENT ASSETS**		**48,128,776,434,046**	**51,955,257,770,657**
110	***I. Cash and cash equivalents***	***4***	***2,897,829,353,037***	***4,142,015,762,555***
111	1. Cash		2,837,829,353,037	2,606,672,264,502
112	2. Cash equivalents		60,000,000,000	1,535,343,498,053
120	***II. Short-term investments***		***12,320,647,805,155***	***14,236,626,334,707***
123	1. Held-to-maturity investments	5	12,320,647,805,155	14,236,626,334,707
130	***III. Current accounts receivable***		***3,756,036,864,744***	***3,162,121,971,586***
131	1. Short-term trade receivables	6.1	377,447,704,388	384,236,578,232
132	2. Short-term advances to suppliers	6.2	525,160,315,885	390,738,782,756
135	3. Short-term loan receivables	7	881,917,697,638	961,917,697,638
136	4. Other short-term receivables	8	1,971,511,146,833	1,425,228,912,960
140	***IV. Inventories***	***9***	***28,254,091,292,165***	***29,167,232,293,922***
141	1. Inventories		28,752,056,117,744	29,850,068,817,719
149	2. Provision for obsolete inventories		(497,964,825,579)	(682,836,523,797)
150	***V. Other current assets***		***900,171,118,945***	***1,247,261,407,887***
151	1. Short-term prepaid expenses	10	661,345,239,877	569,195,556,788
152	2. Value-added tax deductible		157,481,588,171	636,081,440,070
153	3. Tax and other receivables from the State		81,344,290,897	41,984,411,029
200	**B. NON-CURRENT ASSETS**		**11,088,123,214,578**	**11,016,147,044,285**
210	***I. Long-term receivable***		***519,088,869,922***	***482,389,179,464***
215	1. Long-term loan receivable		8,500,000,000	-
216	2. Other long-term receivables	11	510,588,869,922	482,389,179,464
220	***II. Fixed assets***		***9,537,399,927,556***	***9,647,168,873,232***
221	1. Tangible fixed assets	12	9,460,326,434,500	9,566,954,933,220
222	Cost		19,215,692,911,928	17,987,087,849,355
223	Accumulated depreciation		(9,755,366,477,428)	(8,420,132,916,135)
227	2. Intangible fixed assets	13	77,073,493,056	80,213,940,012
228	Cost		90,297,772,827	90,297,772,827
229	Accumulated amortisation		(13,224,279,771)	(10,083,832,815)
240	***III. Long-term assets in progress***		***129,377,809,130***	***79,697,939,172***
242	1. Construction in progress	14	129,377,809,130	79,697,939,172
250	***IV. Long-term investment***		***181,034,840,000***	-
252	1. Investments in jointly controlled entities	15.1	181,034,840,000	-
260	***V. Other long-term assets***		***721,221,767,970***	***806,891,052,417***
261	1. Long-term prepaid expenses	10	62,301,044,996	88,371,396,963
262	2. Deferred tax asset	27.3	321,265,426,324	350,168,422,745
269	3. Goodwill	16	337,655,296,650	368,351,232,709
270	**TOTAL ASSETS**		**59,216,899,648,624**	**62,971,404,814,942**

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2022

VND

Code	*RESOURCES*	*Notes*	*30 June 2022*	*31 December 2021*
300	**C. LIABILITIES**		**36,812,511,448,572**	**42,593,158,815,096**
310	***I. Current liabilities***		***36,812,511,448,572***	***42,593,158,815,096***
311	1. Short-term trade payables	17	9,387,254,164,039	12,179,774,771,734
312	2. Short-term advances from customers		129,610,329,129	98,379,250,626
313	3. Statutory obligations	18	909,240,031,283	696,559,033,545
314	4. Payables to employees		475,921,858,534	531,987,432,339
315	5. Short-term accrued expenses	19	2,906,591,839,619	3,885,356,381,233
319	6. Other short-term payables	20	575,842,976,231	476,319,936,603
320	7. Short-term loans	21	22,345,204,155,750	24,647,474,278,786
321	8. Short-term provision		82,815,976,234	77,277,612,477
322	9. Bonus and welfare fund		30,117,753	30,117,753
400	**D. OWNERS' EQUITY**		**22,404,388,200,052**	**20,378,245,999,846**
410	***I. Capital***		***22,404,388,200,052***	***20,378,245,999,846***
411	1. Share capital	22.1	14,638,792,800,000	7,130,654,950,000
411a	*- Shares with voting rights*		*14,638,792,800,000*	*7,130,654,950,000*
412	2. Share premium	22.1	558,110,430,986	558,110,430,986
415	3. Treasury shares	22.1	(1,696,500,000)	(2,320,000,000)
417	4. Foreign exchange differences reserve	22.1	(2,740,911,928)	5,388,425,299
421	5. Undistributed earnings	22.1	7,198,647,477,210	12,674,574,164,065
421a	*- Undistributed earnings by the end of prior year*		*4,624,171,199,065*	*7,775,704,885,845*
421b	*- Undistributed earnings of current year*		*2,574,476,278,145*	*4,898,869,278,220*
429	6. Non-controlling interests		13,274,903,784	11,838,029,496
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**59,216,899,648,624**	**62,971,404,814,942**

CÔNG TY CỔ PHẦN ĐẦU TƯ THẾ GIỚI DI ĐỘNG

Ly Tran Kim Ngan	Vu Dang Linh	Tran Huy Thanh Tung
Preparer	Finance Director	General Director

29 July 2022

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2022

ITEMS	Code	Notes	30 Jun 2022		30 Jun 2021	
			Three-month period ended VND	Six-month period ended VND	Three-month period ended VND	Six-month period ended VND
1. Revenue from sale of goods and rendering of services	1	23.1	34,702,840,342,036	71,522,014,227,655	31,982,973,207,655	63,139,418,671,687
2. Deductions	2	23.1	(365,100,370,263)	(717,597,637,232)	(324,554,354,550)	(652,856,003,709)
3. Net revenue from sale of goods and rendering of services	10	23.1	34,337,739,971,773	70,804,416,590,423	31,658,418,853,105	62,486,562,667,978
4. Cost of goods sold and services rendered	11	26	(27,001,321,732,513)	(55,343,734,259,664)	(24,514,835,467,434)	(48,318,033,730,805)
5. Gross profit from sale of goods and rendering of services	20		7,336,418,239,260	15,460,682,330,759	7,143,583,385,671	14,168,528,937,173
6. Finance income	21	23.2	297,757,553,066	652,616,758,696	304,726,396,651	593,016,902,328
7. Finance expenses	22	24	(360,157,346,540)	(566,436,474,665)	(170,842,215,768)	(323,644,610,959)
- In which: Interest expense	*23*		*(365,962,737,941)*	*(566,436,474,665)*	*(169,881,589,077)*	*(322,588,563,094)*
8. Share of loss of the associate	24		-	-	(3,413,282,846)	(6,373,844,937)
9. Selling expenses	25	25,26	(5,070,491,080,685)	(10,106,521,671,832)	(4,444,441,417,035)	(8,790,732,932,338)
10. General and administrative expenses	26	25,26	(500,331,314,841)	(1,739,773,674,675)	(1,201,412,393,639)	(2,188,617,386,973)
11. Operating profit	30		1,703,196,050,260	3,700,567,268,283	1,628,200,473,034	3,452,177,064,294

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2022

ITEMS	Code	Notes	30 Jun 2022		30 Jun 2021	
			Three-month period ended VND	Six-month period ended VND	Three-month period ended VND	Six-month period ended VND
12. Other income	31		19,248,084,910	35,653,841,667	9,964,870,578	22,988,193,340
13. Other expenses	32		(20,300,811,017)	(31,084,156,322)	(12,194,817,644)	(21,625,797,525)
14. Other (loss) profit	40		(1,052,726,107)	4,569,685,345	(2,229,947,066)	1,362,395,815
15. Accounting profit (loss) before tax	50		1,702,143,324,153	3,705,136,953,628	1,625,970,525,968	3,453,539,460,109
16. Current corporate income	51	27.1	(546,716,320,960)	(1,100,320,804,774)	(418,683,245,504)	(887,932,877,485)
17. Deferred tax income	52	27.3	(24,758,223,926)	(28,902,996,421)	6,391,121,954	(13,295,196,852)
18. Net profit after tax	60		1,130,668,779,267	2,575,913,152,433	1,213,678,402,418	2,552,311,385,772
19. Net profit after tax attributable to shareholders of the parent	61		1,130,010,994,744	2,574,476,278,145	1,213,029,685,285	2,550,998,293,118
20. Net profit after tax attributable to non-controlling interests	62		657,784,523	1,436,874,288	648,717,133	1,313,092,654
21. Basic earnings per share	70	28	700	1,770	1,004	2,122
22. Diluted earnings per share	71	28	700	1,770	1,004	2,122

Ly Tran Kim Ngan
Preparer

Vu Dang Linh
Finance Director

CÔNG TY CỔ PHẦN ĐẦU TƯ THẾ GIỚI DI ĐỘNG

Tran Huy Thanh Tung
General Director

29 July 2022

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2022

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2022*	*For the six-month period ended 30 June 20221*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Accounting profit before tax**		**3,705,136,953,628**	**3,453,539,460,109**
	Adjustments for:			
02	Depreciation and amortisation of fixed assets (including amortisation of goodwill)	12, 13, 16	1,981,919,301,796	1,375,023,126,981
03	Reversal of provisions		(179,333,334,461)	(71,804,061,507)
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(143,043,760)	(53,048,426)
05	Profits from investing activities		(181,610,766,353)	(437,703,307,277)
06	Interest expense	24	566,436,474,665	322,588,563,094
08	**Operating profit before changes in working capital**		**5,892,405,585,515**	**4,641,590,732,974**
09	Increase in receivables		(546,904,170,830)	(541,779,420,029)
10	Decrease (increase) in inventories		1,098,012,699,975	(2,914,467,022,572)
11	(Decrease) increase in payables		(3,597,224,727,134)	570,744,077,823
12	Increase in prepaid expenses		(72,102,319,597)	(41,475,384,232)
14	Interest paid		(551,787,941,092)	(261,763,052,797)
15	Corporate income tax paid		(980,769,046,726)	(812,144,906,351)
20	**Net cash flows used in operating activities**		**1,241,630,080,111**	**640,705,024,816**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(2,183,563,599,398)	(2,341,249,190,871)
22	Proceeds from disposals of fixed assets		2,113,121,288	436,835,087
23	Term deposits		(10,955,357,973,355)	(10,617,962,816,438)
24	Collections of term deposits		12,942,836,502,907	4,650,836,295,211
25	Payments for investments in other entity		(181,034,840,000)	-
27	Interest received		735,228,993,203	368,952,581,603
30	**Net cash flows from (used in) investing activities**		**360,222,204,645**	**(7,938,986,295,408)**

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2022*	*For the six-month period ended 30 June 2021*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of new shares and capital contribution from non-controlling interest	22.1	191,909,700,000	228,253,030,000
32	Shares repurchased	22.1	(1,696,500,000)	(1,206,980,000)
33	Drawdown of borrowings	21	34,307,540,225,500	31,978,294,850,276
34	Repayment of borrowings	21	(36,612,080,348,534)	(27,637,183,552,780)
36	Dividends paid	22.1	(731,854,815,000)	-
40	**Net cash flows (used in) from financing activities**		**(2,846,181,738,034)**	**4,568,157,347,496**
50	**Net decrease in cash and cash equivalents**		**(1,244,329,453,278)**	**(2,730,123,923,096)**
60	**Cash and cash equivalents at beginning of period**		**4,142,015,762,555**	**7,347,857,397,925**
61	Impact of exchange rate fluctuation		143,043,760	53,048,426
70	**Cash and cash equivalents at end of period**	**4**	**2,897,829,353,037**	**4,617,786,523,255**

Ly Tran Kim Ngan	Vu Dang Linh	Tran Huy Thanh Tung
Preparer	Finance Director	General Director

29 July 2022

1. CORPORATE INFORMATION

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The number of the Group's employees as at 30 June 2022 was 78,666 (31 December 2021: 70,472).

1. CORPORATE INFORMATION (continued)

Corporate structure

The Group has 11 subsidiaries, which are consolidated into the Group's consolidated financial statements .

Name of subsidiary	*Location*	*Business*	*Operating status*	*Ownership (%)* 30 June 2022	31 December 2021
(1) The Gioi Di Dong Joint Stock Company	Ho Chi Minh City, Vietnam	Trading of electronic equipment	Operating	99.95	99.95
(2) Bach Hoa Xanh Trading Joint Stock Company	Ho Chi Minh City, Vietnam	Trading of food	Operating	99.95	99.95
(3) Tran Anh Digital World Joint Stock Company	Hanoi City, Vietnam	Trading of electronic equipment	Operating	99.33	99.33
(4) The Gioi Di Dong Information Technology Limited Company	Ho Chi Minh City, Vietnam	Information technology	Operating	100.00	100.00
(5) MWG (Cambodia) Co., Ltd	Phnom Penh, Cambodia	Trading of electronic equipment	Operating	99.95	99.95
(6) Conscientious Installation - Repair - Mainternance Service Joint Stock Company	Ho Chi Minh City, Vietnam	Repairing of machinery, equipment	Operating	99.99	99.99
(7) An Khang Joint Stock Company	Ho Chi Minh City, Vietnam	Pharma Retail	Operating	99.99	99.99
(8) 4K Farm Joint Stock Company	Vung Tau Province, Vietnam	Agriculture	Operating	99.99	99.99
(9) Fully Trusted Logistics Joint Stock Company	Ho Chi Minh City, Vietnam	Logistics	Operating	99.99	99.99
(10) Vui Vui Company Limited	Ho Chi Minh City, Vietnam	E-commerce	Operating	100.00	100.00
(11) Bach Hoa Xanh Technology and Investment Joint Stock Company	Ho Chi Minh City, Vietnam	Holding	Operating	99.99	-

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:

2. BASIC OF PREPARATION (continued)

2.1 *Accounting standards and system* (continued)

- 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); and
- 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).

Accordingly, the accompanying interim 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 interim consolidated financial position and 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 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 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 parent Company and its subsidiaries for the six-month period ended 30 June 2022.

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 financial statements of subsidiaries are prepared for the same reporting period 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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.2 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.

3.3 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
Dried food, fresh food, drinks and grocery merchandise	-	actual cost on a weighted average basis
Cosmetics	-	actual cost on a weighted average basis
Others	-	actual cost on a weighted average basis.

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.

3.4 Prepaid expenses

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim consolidated income statement:

- Prepaid rental;
- Stores's layouts; and
- Tools and supplies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10 years period on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the interim consolidated income statement.

3.6 Investments

Held-to-maturity investment

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

Provision for diminution in value of investment

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expenses in the interim consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 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, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim consolidated income statement.

3.8 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

Land use rights are recorded as intangible fixed assets when the Company has the land use rights certificates. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for use and is not amortised as having indefinite useful life.

3.9 Depreciation and amortisation

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

Building and structures	5 years
Computer software	4 years
Brand name	10 years
Means of transportation	6 years
Office equipment	3 - 8 years

3.10 Borrowing costs

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 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.

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:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual transaction 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 conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All 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 is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

The Group 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.

Bonus and welfare fund

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Revenue is recognised upon the completion of the services provided.

Interest income

Interest income is recognised as the interest accrues unless collectability is in doubt.

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 period attributable to ordinary shareholders of the Company, after appropriation for bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period, where applicable.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the 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.

The carrying amount of deferred 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 tax asset to be utilised. Previously unrecognised deferred 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 tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off 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.

3.19 Related parties

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

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 and material geographical segment of the Group is in Vietnam.

4. CASH AND CASH EQUIVALENTS

VND

	30 June 2022	*31 December 2021*
Cash on hand	541,868,696,013	527,869,904,911
Cash in banks	2,185,601,633,658	1,962,040,017,467
Cash in transit	110,359,023,366	116,762,342,124
Time deposits at banks *(*)*	60,000,000,000	1,535,343,498,053
TOTAL	**2,897,829,353,037**	**4,142,015,762,555**

(*) Time deposits at banks represent term deposits with maturity terms of not more than 3 months and earn interest at the applicable rates .

5. HELD-TO-MATURITY INVESTMENT

Held-to-maturity investment represents term deposits and bonds with maturity terms from 6 months to less than 1 year and earning interest at the applicable rates.

6. SHORT-TERM TRADE RECEIVABLES AND SHORT-TERM ADVANCES TO SUPPLIERS

6.1. Short-term trade receivables

VND

	30 June 2022	*31 December 2021*
Home Credit Vietnam Finance Company Limited	162,214,299,035	131,208,515,250
Vietnam Prosperity Joint Stock Commercial Bank	83,524,039,382	131,436,750,975
Others	131,709,365,971	121,591,312,007
TOTAL	**377,447,704,388**	**384,236,578,232**

6.2. Short-term advances to suppliers

VND

	30 June 2022	*31 December 2021*
Cong Nghe So Import Export Co., Ltd.	155,886,682,337	38,909,074,533
Nhat Thien Import Export Company Limited	142,884,601,889	88,190,687,253
Hoang Kim Xu Trading Company Limited	7,496,602,398	43,127,299,263
Others	218,892,429,261	220,511,721,707
TOTAL	**525,160,315,885**	**390,738,782,756**

7. SHORT-TERM LOAN RECEIVABLES

These represent unsecured short-term loan receivables for securities companies with the term from 3 to 6 months and earn interest at the applicable rates.

8. OTHER SHORT-TERM RECEIVABLES

VND

	30 June 2022	*31 December 2021*
Receivables from suppliers *(i)*	1,656,951,979,491	792,662,323,764
- *Samsung Electronics Viet Nam Thai Nguyen*	*259,016,435,880*	-
- *LG Electronics Vietnam Hai Phong Co., Ltd.*	*214,360,123,970*	*70,175,308,234*
- *Panasonic Vietnam Company Limited*	*129,366,811,320*	*59,761,466,342*
- *Samsung Electronic HCMC CE Complex Limited*	*104,044,242,827*	*35,770,114,920*
- *Nhuan Tin Services Trading and Investment Limited Company*	*55,458,812,925*	*23,290,057,133*
- *Sony Electronics Viet Nam Company Limited*	*50,322,053,035*	-
- *Others*	*844,383,499,534*	*603,665,377,135*
Interest income from deposit and lending	217,198,076,025	488,728,694,757
Receivables from employees	17,696,673,639	24,958,827,822
Advance to employees	14,441,299,838	35,358,377,255
Others	65,223,117,840	83,520,689,362
TOTAL	**1,971,511,146,833**	**1,425,228,912,960**

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

9. INVENTORIES

VND

	30 June 2022	*31 December 2021*
Electronic equipment	9,064,167,266,297	9,599,829,942,217
Mobile phones	6,444,134,189,738	5,782,849,683,251
Home appliances	4,701,702,076,729	5,155,389,341,716
Dried food, fresh food, drinks and grocery merchandise	1,902,332,755,120	2,754,371,778,889
Cosmetics	1,578,705,549,054	1,891,429,518,704
Laptop	1,490,200,087,224	713,575,066,357
Accessories	1,470,485,182,322	1,982,878,368,737
Watches, sunglasess	552,204,816,533	852,970,745,790
Installment item	348,946,309,696	304,172,208,509
Electric bike	340,285,072,887	-
Tablets	315,288,018,335	260,221,354,614
Fashion	159,432,640,562	51,425,619,998
Scratch cards	23,099,951,410	24,276,449,619
Goods in transit	5,158,260,895	14,669,782,299
Others	355,913,940,942	462,008,957,019
TOTAL	**28,752,056,117,744**	**29,850,068,817,719**
Provision for obsolete inventories	(497,964,825,579)	(682,836,523,797)
NET	**28,254,091,292,165**	**29,167,232,293,922**

9. INVENTORIES (continued)

Movements of provision for obsolete inventories:

		VND
	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Beginning balance	(682,836,523,797)	(504,186,049,692)
Add: Provision created during the period	(497,964,825,579)	(426,116,360,461)
Less: Utilisation and reversal of provision during the period	682,836,523,797	504,186,049,692
Ending balance	(497,964,825,579)	(426,116,360,461)

10. PREPAID EXPENSES

		VND
	30 June 2022	*31 December 2021*
Short-term	**661,345,239,877**	**569,195,556,788**
Stores rental	440,323,174,444	396,448,985,185
Tools and equipment	160,765,128,935	135,182,343,276
Stores' layout	24,708,381,128	12,787,411,533
Others	35,548,555,370	24,776,816,794
Long-term	**62,301,044,996**	**88,371,396,963**
Tools and equipment	24,800,239,074	45,553,607,717
Stores rental	24,675,682,365	22,531,199,517
Stores' layout	10,049,019,996	10,527,317,249
Others	2,776,103,561	9,759,272,480
TOTAL	**723,646,284,873**	**657,566,953,751**

11. OTHER LONG-TERM RECEIVABLES

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

12. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	*Means of transportation*	*Office equipment*	*Total*
Cost				
31 December 2021	14,946,892,246,505	505,220,209,866	2,534,975,392,984	17,987,087,849,355
New purchase	1,652,511,766,055	55,184,978,871	311,368,660,158	2,019,065,405,084
Transfer from construction in progress	100,947,916,963	-	5,780,714,427	106,728,631,390
Disposal	(868,128,742,460)	(2,937,132,651)	(26,123,098,790)	(897,188,973,901)
30 June 2022	15,832,223,187,063	557,468,056,086	2,826,001,668,779	19,215,692,911,928
In which:				
Fully depreciated	*2,769,228,856,152*	*39,592,011,777*	*591,898,174,766*	*3,400,719,042,695*
Accumulated depreciation				
31 December 2021	(6,793,639,841,058)	(223,101,110,246)	(1,403,391,964,831)	(8,420,132,916,135)
Depreciation for the period	(1,632,474,274,406)	(42,467,369,186)	(273,141,275,190)	(1,948,082,918,782)
Disposal	595,276,608,352	2,439,584,016	15,133,165,121	612,849,357,489
30 June 2022	(7,830,837,507,112)	(263,128,895,416)	(1,661,400,074,900)	(9,755,366,477,428)
Net carrying amount				
31 December 2021	8,153,252,405,447	282,119,099,620	1,131,583,428,153	9,566,954,933,220
30 June 2022	8,001,385,679,951	294,339,160,670	1,164,601,593,879	9,460,326,434,500

13. INTANGIBLE FIXED ASSETS

	Land use rights	*Computer software*	*Brand name*	*VND Total*
Cost:				
31 December 2021 and 30 June 2022	25,998,878,500	10,772,197,700	53,526,696,627	90,297,772,827
Accumulated amortisation:				
31 December 2021	-	(10,083,832,815)	-	(10,083,832,815)
Amortisation for the period	-	(464,112,125)	(2,676,334,831)	(3,140,446,956)
30 June 2022	-	(10,547,944,940)	(2,676,334,831)	(13,224,279,771)
Net carrying amount:				
31 December 2021	25,998,878,500	688,364,885	53,526,696,627	80,213,940,012
30 June 2022	25,998,878,500	224,252,760	50,850,361,796	77,073,493,056

14. CONSTRUCTION IN PROGRESS

	30 June 2022	*VND 31 December 2021*
Construction costs for stores and distribution centres	129,377,809,130	79,697,939,172

15. LONG TERM INVESTMENT

15.1 Investments in jointly controlled entities

	Business activities	*30 June 2022* *Costs* *VND*	*Provision* *VND*	*Owner-ship* *%*
PT Era Blue Elektronik	Trading of electronic equipment	181,034,840,000	-	45

On 22 April 2022, the Company contributed capital PT Era Blue Elektronik in accordance with the Resolution of Shareholders dated 28 December 2021 and Oversea Investment Registration Certificate No. 202200996 issued by the Ministry of Planning and Investment on 4 March 2022. PT Era Blue Elektronik's principal activities are to retail of mobile equipment, electric equipment, other equipment, machines in Indonesia.

16. GOODWILL

VND

	Tran Anh Digital World Joint Stock Company
Cost of investment	
31 December 2021 and 30 June 2022	613,918,721,185
Accumulated share loss of the associate	
31 December 2021	(245,567,488,476)
Share loss of the associate for the period	(30,695,936,059)
30 June 2022	(276,263,424,535)
Net carrying amount	
31 December 2021	368,351,232,709
30 June 2022	337,655,296,650

17. SHORT-TERM TRADE PAYABLES

VND

	30 June 2022	*31 December 2021*
Apple Vietnam LLC	558,708,507,499	402,822,187,799
Samsung Electronics Viet Nam Thai Nguyen	553,854,915,278	690,614,842,954
Digiworld Corporation	494,196,535,471	693,931,576,158
Panasonic (Vietnam) Co., Ltd.	405,319,183,947	517,558,477,525
LG Electronics Vietnam Hai Phong Co., Ltd	346,422,738,704	496,800,457,769
Daikin Air Conditioning (Vietnam) Joint Stock Company	216,792,648,509	108,900,480,406
Sony Electronics Vietnam Co., Ltd	180,412,758,786	259,545,362,937
Toshiba Vietnam Consumer Products Co., Ltd	172,787,167,095	371,491,475,668
Others	6,458,759,708,750	8,638,109,910,518
TOTAL	**9,387,254,164,039**	**12,179,774,771,734**

18. STATUTORY OBLIGATIONS

VND

	31 December 2021	*Increase during the period*	*Decrease during the period*	*30 June 2022*
Corporate income tax	551,068,847,258	1,100,320,804,774	(980,769,046,726)	670,620,605,306
Value-added tax	27,210,700,450	9,747,842,622,458	(9,572,773,537,735)	202,279,785,173
Personal income tax	115,882,954,963	369,799,105,430	(452,025,482,022)	33,656,578,371
Others	2,396,530,874	28,456,649,091	(28,170,117,532)	2,683,062,433
TOTAL	**696,559,033,545**	**11,246,419,181,753**	**(11,033,738,184,015)**	**909,240,031,283**

19. SHORT-TERM ACCRUED EXPENSES

VND

	30 June 2022	*31 December 2021*
Employees bonus	1,889,404,394,600	2,849,861,033,700
Marketing expenses	228,061,295,302	123,338,521,104
Interest supporting expense	188,642,556,279	274,470,014,569
Payables to employees	145,474,218,341	230,504,860,200
Interest expenses	126,713,821,411	122,596,766,605
Utilities	103,469,082,904	114,816,629,650
Transportation expenses	62,296,359,018	75,987,549,996
Warranty costs	66,914,830,329	41,920,621,429
Others	95,615,281,435	51,860,383,980
TOTAL	**2,906,591,839,619**	**3,885,356,381,233**

20. OTHER SHORT-TERM PAYABLES

VND

	30 June 2022	*31 December 2021*
Charges received on behalf	319,816,046,442	235,857,275,467
Deposits received	65,514,993,440	72,481,652,003
Discount vouchers	58,160,766,292	78,861,743,005
Social and health insurances and trade union fee	57,973,405,718	58,681,774,975
Instalment payments received on behalf	2,204,808,000	1,600,176,000
Others	72,172,956,339	28,837,315,153
TOTAL	**575,842,976,231**	**476,319,936,603**

21. SHORT-TERM LOANS

VND

	31 December 2021	*Increase during the period*	*Decrease during the period*	*30 June 2022*
Loans from banks *(Note 21.1)*	20,747,857,612,137	34,307,540,225,500	(33,843,680,348,534)	21,211,717,489,103
Current portion of domestic straight bonds *(Note 21.2)*	1,131,216,666,649	2,269,999,998	-	1,133,486,666,647
Current portion of long-term loans from banks	2,768,400,000,000	-	(2,768,400,000,000)	-
TOTAL	**24,647,474,278,786**	**34,309,810,225,498**	**(36,612,080,348,534)**	**22,345,204,155,750**

21. SHORT-TERM LOANS (continued)

21.1 Loans from banks

The Group obtained these unsecured short-term loans with floating rates to finance its working capital requirements, details are as follows:

Lenders	*30 June 2022*	*Maturity date*
	VND	
HSBC Bank Vietnam Limited	3,533,256,139,887	From 1 July 2022 to 21 November 2022
HSBC Bank Singapore Limited	2,144,378,259,574	From 05 July 2022 to 21 November 2022
Mizuho Bank Limited – Ha Noi Branch	1,953,612,245,763	From 4 July 2022 to 23 September 2022
BNP Paribas - Singapore Branch	1,770,121,722,070	From 8 September 2022 to 13 September 2022
Sumitomo Mitsui Banking Corporation – Ho Chi Minh Branch	1,470,437,430,637	From 12 July 2022 to 30 September 2022
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,387,763,316,467	From 2 August 2022 to 5 September 2022
Standard Chartered One member Ltd – Singapore Branch	1,162,850,000,000	11 August 2022
Mizuho Bank Limited – Singapore Branch	1,100,723,694,743	From 3 March 2023 to 26 April 2023
Military Commercial Joint Stock Bank	975,832,723,662	From 15 July 2022 to 30 April 2023
BNP Paribas – Ho Chi Minh Branch	934,547,745,678	From 7 July 2022 to 29 September 2022
ANZ Bank Vietnam Limited - Ho Chi Minh Branch	835,053,775,500	From 1 July 2022 to 28 October 2022
Standard Chartered One member Ltd - Viet Nam Branch	783,176,848,761	From11 July 2022 to 27 September 2022
Citibank N.A Vietnam – Ha Noi Branch	759,128,280,568	From 11 July 2022 to 22 September 2022
Sumitomo Mitsui Banking Corporation – Singapore Branch	532,669,102,413	From 10 August 2022 to 15 August 2022
DBS Bank Ltd – Ho Chi Minh Branch	524,248,568,879	From 11 July 2022 to 22 July 2022
United Overseas Bank Limited - Ho Chi Minh Branch	390,210,934,232	From 11 July 2022 to 26 December 2022
Malayan Banking Berhad – Labuan Branch	297,421,839,136	From 18 August 2022 to 20 October 2022
Bank of Investment and Development of Vietnam - Ho Chi Minh Branch	268,507,587,753	8 July 2022
Malayan Banking Berhad – Ho Chi Minh Branch	160,942,083,419	From 2 August 2022 to 21 October 2022
MUFG Bank – Singapore Branch	122,442,647,859	9 December 2022
Shinhan Bank Vietnam Limited	104,392,542,102	From 7 September 2022 to 12 September 2022
TOTAL	**21,211,717,489,103**	

21 SHORT-TERM LOANS (continued)

21.2 Domestic straight bonds

Details of domestic straight bond are as follows:

Owners	*30 June 2022*	*Interest rate*	*Maturity date*	*Purpose*	*Collateral*
	VND	*% p.a.*			
Manulife (Vietnam) Limited	480,000,000,000	6.55	17 November 2022	To finance its working capital requirements	Unsecured
Prudential Vietnam Assurance Private Limited	470,000,000,000				
AIA (VietNam) Life Insurance Company Limited	100,000,000,000				
Chubb Life Insurance Vietnam Company Limited	45,000,000,000				
Sun Life Insurance Company Limited	40,000,000,000				
Bond issuance expenses	(1,513,333,353)				
TOTAL	**1,133,486,666,647**				

Domestic straight bonds are arranged by Standard Chartered Bank (Vietnam) Limited and guaranteed by Credit Guarantee and Investment Facility - a trust fund of the Asian Development Bank. The guarantee fee rate is charged at the rate of 1.5% per annum to finance the Company's working capital.

22. OWNERS' EQUITY

22.1 *Movements in owners' equity*

VND

	Share capital	*Share premium*	*Treasury shares*	*Foreign exchange differences*	*Undistributed earnings*	*Non-controlling interests*	*Total*
For the six-month period ended 30 June 2021							
31 December 2020	4,532,099,870,000	558,110,430,986	(6,040,930,000)	(1,443,756,225)	10,389,683,597,845	9,280,633,826	15,481,689,846,432
Net profit for the period	-	-	-	-	2,550,998,293,118	1,313,092,654	2,552,311,385,772
Shares issuance	222,212,100,000	-	6,040,930,000	-	-	-	228,253,030,000
Shares repurchase	-	-	(1,206,980,000)	-	-	-	(1,206,980,000)
Foreign exchange differences	-	-	-	(2,129,313,060)	-	-	(2,129,313,060)
30 June 2021	4,754,311,970,000	558,110,430,986	(1,206,980,000)	(3,573,069,285)	12,940,681,890,963	10,593,726,480	18,258,917,969,144
For the six-month period ended 30 June 2022							
31 December 2021	7,130,654,950,000	558,110,430,986	(2,320,000,000)	5,388,425,299	12,674,574,164,065	11,838,029,496	20,378,245,999,846
Net profit for the period	-	-	-	-	2,574,476,278,145	1,436,874,288	2,575,913,152,433
Shares issuance *(*)*	7,510,457,850,000	-	-	-	(7,318,548,150,000)	-	191,909,700,000
Shares cancelation	(2,320,000,000)	-	2,320,000,000	-	-	-	-
Shares repurchase	-	-	(1,696,500,000)	-	-	-	(1,696,500,000)
Dividend	-	-	-	-	(731,854,815,000)	-	(731,854,815,000)
Foreign exchange differences	-	-	-	(8,129,337,227)	-	-	(8,129,337,227)
30 June 2022	14,638,792,800,000	558,110,430,986	(1,696,500,000)	(2,740,911,928)	7,198,647,477,210	13,274,903,784	22,404,388,200,052

(*) On 22 February 2022, Board of Directors of the Company has approved the issuance of new ordinary shares to its key executive in accordance with the Employee Stock Ownership Plan Board of Director's Resolutions No. 02/NQ/HĐQT-2022. Based on the program, the Company is planning to issue 19,219,040 ordinary shares to its key employees.

The aforementioned transaction has been completed as at 26 March 2022, with total 19,190,970 shares issued to its key employees at the price of VND 10,000 per share from issuance of new shares, in accordance with Report No. 15/2022/MWG ("Report No. 15") on result of the share issuance of the Company.

On 4 April 2022, State Securities Commission issued Official Letter No. 1754/UBCK-QLCB for announcement of receipt of Report No. 15/2022/MWG and approval on issuance of new ordinary shares to its key executive in accordance with the Employee Stock Ownership Plan and request the Company to carry out the procedures for registration, depository and additional stock listing follow regulation. Accordingly, as at 4 April 2022, the Company's registered share capital has been increased from VND 7,130,654,950,000 to VND 7,322,564,650,000 as this date.

General Shareholder of the Company and Board of Director has approved to decrease the Charter capital to repurchasing of 232,000 shares with par value of 10,000 VND/share shares employees resignation in accordance with Shareholders' Resolution No. 01_2022/NQĐHĐCĐ/TGDĐ dated 23 April 2022 and Resolution No. 10/NQ/HĐQT-2022 dated 25 April 2022.

On 29 April 2022, the Company received 28th ERC issued by DPI of Binh Duong Province approving the decrease in share capital VND 7,322,564,650,000 to VND 7,320,244,650,000 as this date.

22. OWNERS' EQUITY (continued)

22.1 *Movements in owners' equity* (continued)

(**) In accordance with the Shareholders' Resolution 01_2021/NQĐHĐCĐ/TGDĐ dated 23 April 2022 and Board of Director's Resolution No. 11/NQ/HĐQT-2021 dated 27 April 2022, the General Shareholder and the Board of Directors approved the implementation of plan for dividend payment under form of cash dividend amounting to VND 731,854,815,000 to its existing shareholders, from undistributed earnings as at 31 December 2020.

As at 22 June 2022, the Company completed the dividend declaration in accordance with below resolutions. Accordingly, the Company's registered share capital increased from VND 7,320,244,650,000 to VND 14,638,792,800,000.

22.2 *Movements in owners' equity*

VND

	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Beginning balance	7,130,654,950,000	4,532,099,870,000
Issue of shares for paying dividend	7,318,548,150,000	-
Issue of shares in accordance with ESOP	191,909,700,000	222,212,100,000
Shares cancelation	(2,320,000,000)	-
Ending balance	14,638,792,800,000	4,754,311,970,000

22.3 *Shares - ordinary shares*

	Number of shares	
	30 June 2022	*31 December 2021*
Authorised shares	1,463,879,280	713,065,495
Issued and paid-up shares		
Ordinary shares	*1,463,879,280*	*713,065,495*
Treasury shares		
Ordinary shares	*(169,650)*	*(232,000)*
Shares in circulation		
Ordinary shares	*1,463,709,630*	*712,833,495*

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.

23. REVENUES

23.1 *Revenue from sales of goods and rendering of services*

VND

	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Gross revenue	**71,522,014,227,655**	**63,139,418,671,687**
Less	**(717,597,637,232)**	**(652,856,003,709)**
Sales returns	(717,597,637,232)	(652,856,003,709)
Net revenue	**70,804,416,590,423**	**62,486,562,667,978**

23.2 *Finance income*

VND

	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Interest income	459,328,771,184	443,333,685,660
Disccounts received from early payments	189,673,179,551	149,440,426,324
Foreign exchange gains	1,813,164,126	242,790,344
Bond interest	1,801,643,835	-
TOTAL	**652,616,758,696**	**593,016,902,328**

24. FINANCE EXPENSES

VND

	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Interest expense	566,436,474,665	322,588,563,094
Foreign exchange losses	-	1,056,047,865
TOTAL	**566,436,474,665**	**323,644,610,959**

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Selling expenses	**10,106,521,671,832**	**8,790,732,932,338**
External services	4,046,151,179,644	3,928,019,459,653
Labour expenses	3,620,908,051,703	3,124,282,438,060
Depreciation charges	1,911,716,681,466	1,314,967,206,039
Others	527,745,759,019	423,463,828,586
General and administrative expenses	**1,739,773,674,675**	**2,188,617,386,973**
Labour expenses	1,417,757,158,643	1,896,373,768,354
External services	240,846,653,184	219,653,123,695
Depreciation charges	60,727,891,377	53,542,265,461
Others	20,441,971,471	19,048,229,463
TOTAL	**11,846,295,346,507**	**10,979,350,319,311**

26. TRADING AND OPERATING COSTS

VND

	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Cost of goods sold and service rendered	55,343,734,259,664	48,318,033,730,805
Labour costs	5,038,665,210,346	4,990,940,242,216
Depreciation and amortisation *(Notes 12, 13 and 16)*	1,981,919,301,796	1,375,023,126,981
Others	4,825,710,834,365	4,613,386,950,114
TOTAL	**67,190,029,606,171**	**59,297,384,050,116**

27. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company and its subsidiaries are as follows:

- The statutory CIT rate applicable to the Company is 20% of taxable income;
- The statutory CIT rate applicable to The Gioi Di Dong Information Technology Limited Company ("CNTT TGDD"), the Company's subsidiary is 10% of taxable income in 15 years from the date of CNTT TGDDs commencement of new invesmtent project in the High-Tech zone and entitled applicable normal CIT rate for the following years. CNTT TGDD is entitled to an exemption from CIT for 4 years commencing from the year in which a taxable profit is earned (2019), and a 50% reduction of the applicable CIT rate for the following 9 years (from 2023 to 2031). For other activities of CNTT TGDD, the applicable CIT rate is 20% of taxable income.

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

27. CORPORATE INCOME TAX (continued)

27.1 *CIT expense*

		VND
	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Current CIT expense	1,104,028,257,163	892,764,087,186
Adjustment for over accrual of tax from prior period	(3,707,452,389)	(4,831,209,701)
	1,100,320,804,774	887,932,877,485
Deferred tax expense	28,902,996,421	13,295,196,852
TOTAL	**1,129,223,801,195**	**901,228,074,337**

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

		VND
	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Accounting profit before tax	**3,705,136,953,628**	**3,453,539,460,109**
At CIT rate of 20%	741,027,390,726	690,707,892,022
Adjustments		
Losses of subsidiaries yet recognised deferred tax	376,567,885,988	212,102,300,132
Non-deductible expenses	10,885,837,268	4,472,044,837
Goodwill allocation	6,139,187,212	6,139,187,212
Adjustment for over accrual of tax from prior years	(3,707,452,389)	(4,831,209,701)
Tax loss carried forward	(1,689,047,610)	(1,381,521,564)
Loss from an associate	-	1,274,768,987
Tax exempted	-	(7,255,387,588)
CIT expense	**1,129,223,801,195**	**901,228,074,337**

27.2 *Current tax*

The current tax payable is based on taxable profit for the current period. The taxable profit of the Group for the year differs from the accounting 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.

27. CORPORATE INCOME TAX (continued)

27.3 *Deferred tax*

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

VND

	Interim consolidated balance sheet		*Interim consolidated income statement*	
	30 June 2022	*31 December 2021*	*For the six-month period ended 30 June 2022*	*For the six-month period ended 30 June 2021*
Deferred tax assets				
Accrued expenses	137,643,878,122	137,643,878,122	-	-
Provision for obsolete inventories	99,592,965,116	136,567,304,759	(36,974,339,643)	(15,613,937,846)
Unrealised profit	67,493,996,616	60,531,047,922	6,962,948,694	1,068,850,227
Provision for warranty	16,563,195,222	15,455,522,741	1,107,672,481	1,253,125,536
Foreign exchange differencies	(28,608,752)	(29,330,799)	722,047	(3,234,769)
TOTAL	**321,265,426,324**	**350,168,422,745**		
Deferred tax expense			***(28,902,996,421)***	***(13,295,196,852)***

28. EARNINGS PER SHARE

The Group used following data to calculate the basic and diluted earnings per share:

	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Net profit attributable to ordinary shareholders of the Company *(VND)*	2,574,476,278,145	2,550,998,293,118
Weighted average number of ordinary shares for basic earnings per share	1,454,753,844	1,201,961,042
Basic and diluted earnings per share *(VND/share)*	1,770	2,122

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

29. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with its related parties during the current and previous periods were as follows:

VND

Related party	*Relationship*	*Nature of transaction*	*For the six-month period ended 30 June 2022*	*For the six-month period ended 30 June 2021*
Mr Robert Willett	Member of the Board of Directors	Consultant fee	1,101,314,417	1,069,372,209

Remuneration to members of the Board of Directors and Management:

VND

	For the six-month period ended 30 June 2022	*For the six-month period ended 30 June 2021*
Salaries and bonus	4,981,222,000	6,544,000,000

30. OPERATING LEASE COMMITMENT

The Group leases its office premises, stores and distribution centres under operating lease agreements. The minimum lease commitments as at the balance sheet dates under the operating lease agreements are as follows:

VND

	30 June 2022	*31 December 2021*
Less than 1 year	4,002,332,836,186	3,469,935,155,657
From 1 to 5 years	13,270,366,089,103	11,982,080,853,098
More than 5 years	6,875,244,758,511	6,375,798,916,023
TOTAL	**24,147,943,683,800**	**21,827,814,924,778**

31. IMPORTANT EVENT IN THE PERIOD

Covid-19 pandemic

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this consolidated financial statements

32. EVENTS AFTER THE BALANCE SHEET DATE

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

Ly Tran Kim Ngan	Vu Dang Linh	Tran Huy Thanh Tung
Preparer	Finance Director	General Director

29 July 2022