

Digiworld Corporation

Consolidated financial statements

30 June 2021



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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 Company's shares were listed on the Ho Chi Minh Stock Exchange in accordance with the Decision No. 308/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 July 2015.

The current principal activities of the Company are trading technological software products, computers and accessories, and electronic accessories; tracing 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 201 – 203 Cach Mang Thang 8 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:

Mrs Dang Kien Phuong	Chairwoman	Appointed date: 13 April, 2021
Mr Doan Hong Viet	Member	Appointed date: 06 April, 2021
Mrs To Hong Trang	Member	Appointed date: 06 April, 2021
Mr Nguyen Duy Tung	Member	Appointed date: 06 April, 2021
Mr Tran Bao Minh	Member	Appointed date: 06 April, 2021

AUDIT COMMITTEE

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

Mr Nguyen Duy Tung	Head	Appointed date: 13 April, 2021
Mr Tran Bao Minh	Member	Appointed date: 13 April, 2021

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.

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 2021.

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 2021 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

20 July 2021

Digiworld Corporation

GENERAL INFORMATION

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Mr Nguyen Duy Tung	Member	Appointed date: 06 April, 2021
Mr Tran Bao Minh	Member	Appointed date: 06 April, 2021

AUDIT COMMITTEE

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

Mr Nguyen Duy Tung	Head	Appointed date: 13 April, 2021
Mr Tran Bao Minh	Member	Appointed date: 13 April, 2021

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

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC
 CONSOLIDATED FINANCIAL STATEMENTS
 for the quarter ended 30 June 2021

B01a-DN/HN

CONSOLIDATED BALANCE SHEET
As at 30 June 2021

ASSETS	Code	Note	VND	
			Ending balance	Beginning balance
A. CURRENT ASSETS	100		3,209,206,256,963	2,862,004,487,463
I. Cash and cash equivalents	110		1,024,843,356,321	878,056,239,562
1. Cash	111	5	319,984,157,694	192,146,607,779
2. Cash equivalents	112		704,859,198,627	685,909,631,783
II. Short-term investment	120		-	-
1. Securities investments	121		-	-
2. Provision of devaluation of securities	122		-	-
3. Held-to-maturity investment	123		-	-
III. Current accounts receivable	130		1,187,501,705,492	1,131,244,267,296
1. Short-term trade receivables	131	6.1	1,153,215,702,288	1,100,012,071,824
2. Short-term advances to suppliers	132	6.2	23,277,596,881	28,835,311,811
3. Short-term internal receivables	133		-	-
4. Receivable due to progress of contracts	134		-	-
5. Short-term loans receivables	135		8,400,000,000	-
6. Other short-term receivables	136	7	46,920,475,943	46,708,953,281
7. Provision for doubtful short-term receivables	137		(44,312,069,620)	(44,312,069,620)
8. Shortage of assets waiting for resolution	139		-	-
IV. Inventories	140	8	975,014,019,616	827,371,174,363
1. Inventories	141		991,066,735,668	843,423,890,415
2. Provision of devaluation of inventories	149		(16,052,716,052)	(16,052,716,052)
V. Other current assets	150		21,847,175,534	25,332,806,242
1. Short-term prepaid expenses	151	9	8,316,711,994	6,828,093,551
2. Value-added tax deductible	152		13,530,463,540	18,504,712,691
3. Tax and other receivables from the State	154		-	-

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 2021
 Consolidate balance sheet (continued)

B01a-DN/HN

ASSETS	Code	Note	Ending balance	Beginning balance
B. NON-CURRENT ASSETS	200		215,579,759,684	206,742,641,967
I. Long-term receivable	210		12,083,896,500	8,828,160,500
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	7	12,083,896,500	8,828,160,500
7. Provision for long-terms bad receivables	219		-	-
II. Fixed assets	220		85,491,334,677	88,270,746,955
1. Tangible fixed assets	221	10	24,804,191,511	27,277,105,604
<i>Cost</i>	222		54,543,010,492	54,543,010,492
<i>Accumulated depreciation</i>	223		(29,738,818,981)	(27,265,904,888)
2. Fixed assets of finance leasing	224		-	-
<i>Cost</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible assets	227	11	60,687,143,166	60,993,641,351
<i>Cost</i>	228		64,410,569,080	64,410,569,080
<i>Accumulated depreciation</i>	229		(3,723,425,914)	(3,416,927,729)
III. Investment real estate	230		-	-
<i>Cost</i>	231		-	-
<i>Accumulated depreciation</i>	232		-	-
IV. Long-term asset in progress	240		-	-
1. Long-term work in process	241		-	-
2. Construction in progress	242		-	-
V. Long-term financial investments	250		67,195,624,256	59,904,055,269
1. Investments in subsidiaries	251		-	-
2. Investment in joint-venture	252	12	66,588,124,256	59,296,555,269
3. Equity investments in other entities	253		607,500,000	607,500,000
4. Provision for long-term investments	254		-	-
5. Held-to-maturity investment	255		-	-
6. Provision for evaluation of long-term investments	259		-	-
VI. Other long-term assets	260		50,808,904,251	49,739,679,243
1. Long-term prepaid expenses	261	9	4,919,925,601	4,683,879,703
2. Deferred tax asset	262		33,912,597,208	33,912,597,208
3. Long-term equipment, materials, spare parts	263		-	-
4. Other long-term assets	268		8,524,701,615	7,403,882,519
5. Goodwill	269	13	3,451,679,827	3,739,319,813
TOTAL ASSETS	270		3,424,786,016,647	3,068,747,129,430

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 2021
Consolidate balance sheet (continued)

B01a-DN/HN

RESOURCES	Code	Note	Ending balance	Beginning balance
A - LIABILITIES	300		2,030,734,639,299	1,910,160,835,664
I. Current liabilities	310		2,026,026,009,872	1,905,552,206,237
1. Short-term trade payables	311	14.1	855,967,382,239	941,370,272,564
2. Short-term advances from customers	312	14.2	80,651,955,759	66,763,186,039
3. Statutory obligations	313	16	30,454,364,621	30,392,029,532
4. Payables to employees	314		17,618,944,508	17,982,755,040
5. Short-term accrued expenses	315	15	422,428,918,220	204,069,655,175
6. Short-term internal payable	316		-	-
7. Short-term payable due to progress of contracts	317		-	-
8. Short-term unrealized turnover	318		24,810,000	17,020,000
9. Other short-term payables	319	17	6,861,541,522	15,356,213,679
10. Short-term loans	320	18	612,018,093,003	629,601,074,208
II. Non-current liabilities	330		4,708,629,427	4,608,629,427
1. Other long-term payables	337	17	4,708,629,427	4,608,629,427
2. Long-term borrow and loan of finance leasing	338		-	-
D - OWNERS' EQUITY	400		1,394,051,377,348	1,158,586,293,766
I. Capital	410		1,394,051,377,348	1,158,586,293,766
1. Share capital	411	19.1	443,517,470,000	431,517,470,000
- Shares with voting rights	411a		443,517,470,000	431,517,470,000
- Preferred shares	411b		-	-
2. Share premium	412		61,233,761,416	61,233,761,416
3. Treasury shares	415		(6,272,937,166)	(6,272,937,166)
4. Investment and development fund	418		400,000,000	- 400,000,000
5. Undistributed earnings	421	19.1	893,308,641,384	670,148,634,480
- Undistributed earnings up to prior year-end	421a		670,148,634,480	402,976,863,051
- Undistributed earnings of current year	421b		223,160,006,904	267,171,771,429
6. Construction investment fund	422		-	-
7. Benefit of uncontrol shareholders	423		1,864,441,714	1,559,365,036
TOTAL LIABILITIES AND OWNERS' EQUITY	440		3,424,786,016,647	3,068,747,129,430

Vu Thi Mai Han
Preparer

20 July 2021

Vu Thi Mai Han
Chief Accountant



Doan Hong Viet
General Director

Digiworld Corporation

Address: 201-203 Cach mang thang 8 Street, District 3, HCMC
 CONSOLIDATED FINANCIAL STATEMENTS
 for the quarter ended 30 June 2021

B02a-DN/HN

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	20.1	5,063,160,650,544	2,356,748,734,644	4,346,197,073,691
2.	Deductions	2	20.1	(56,363,167,518)	(46,033,588,263)	(128,656,438,708)	25,501,628,114	(185,019,606,226)	(20,531,960,149)
3.	Net revenue from sale of goods and rendering of services	10	20.1	5,006,797,483,026	2,310,715,146,381	4,217,540,634,983	2,581,976,203,261	9,224,338,118,009	4,892,691,349,642
4.	Cost of goods sold	11	21	(4,687,768,893,045)	(2,167,451,178,344)	(3,912,418,968,345)	(2,416,432,847,947)	(8,600,187,861,390)	(4,583,884,026,291)
5.	Gross profit	20		319,028,589,981	143,263,968,037	305,121,666,638	165,543,355,314	624,150,256,619	308,807,323,351
6.	Finance income	21	20.2	24,899,826,731	14,373,516,472	38,901,809,831	27,553,942,584	63,801,636,562	41,927,459,056
7.	Finance expenses	22	22	(5,480,357,972)	(12,636,189,420)	(6,495,657,099)	(9,460,548,019)	(11,976,015,071)	(22,096,737,439)
-	In which: Interest expense	23		(5,532,572,260)	(10,484,684,730)	(5,914,316,293)	(7,787,194,598)	(11,446,888,553)	(18,271,879,328)
8.	Profit (loss) of joint ventures and associates	24		(978,730,068)	1,155,463,131	(1,608,700,945)	682,914,596	(2,587,431,013)	1,838,377,727
9.	Selling expenses	25	23	(181,496,853,133)	(64,100,135,621)	(163,900,150,194)	(111,052,874,370)	(345,397,003,327)	(175,153,009,991)
10.	General and administrative expenses	26	23	(20,574,394,780)	(28,177,778,054)	(25,006,892,437)	(9,684,933,973)	(45,581,287,217)	(37,862,712,027)
11.	Operating profit	30		135,398,080,759	53,878,844,545	147,012,075,794	63,581,856,132	282,410,156,553	117,460,700,677
12.	Other income	31	24	130,770,173	179,937,595	192,252,384	366,879,633	323,022,557	546,817,228
13.	Other expenses	32	24	(483,344,095)	(298,308,323)	(478,788,382)	(392,534,225)	(962,132,477)	(690,842,548)
14.	Other profit	40	24	(352,573,922)	(118,370,728)	(286,535,998)	(25,654,592)	(639,109,920)	(144,025,320)
15.	Accounting profit before tax	50		135,045,506,837	53,760,473,817	146,725,539,796	63,556,201,540	281,771,046,633	117,316,675,357
16.	Current corporate income tax expense	51	26	(28,152,590,135)	(8,976,581,875)	(30,153,372,916)	(15,219,528,598)	(58,305,963,051)	(24,196,110,473)
17.	Deferred tax income	52		-	-	-	-	-	-
18.	Profit after tax	60		106,892,916,702	44,783,891,942	116,572,166,880	48,336,672,942	223,465,083,582	93,120,564,884
19.	Profit after tax of parent company	61		106,712,927,138	44,958,325,184	116,447,079,766	48,445,215,426	223,160,006,904	93,403,540,610
20.	Profit or loss after tax attribute to non-controlling interests	62		179,989,564	(174,433,242)	125,087,114	(108,542,484)	305,076,678	(282,975,726)
21.	Basic earnings per share	70		2,482	1,076	2,693	1,143	5,160	2,205

Vu Thi Mai Han
 Preparer
 20 July 2021

Vu Thi Mai Han
 Chief Accountant



Đoàn Hồng Việt
 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 2021

B03a-DN/HN

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

ITEMS	Code	Note	VND	
			Second quarter Current quarter	Previous quarter
I. Cash flows from operating activities				
1. Profit before tax	01		281,771,046,633	117,316,675,357
2. Adjustments for:				
- Depreciation of fixed assets and real estate	02		3,067,052,264	2,837,232,342
- Provisions	03		-	(7,252,735,329)
- Foreign exchange gain/ (loss) due to the revaluation of monetary items denominated in foreign currencies	04		-	-
- Profits/losses from investing activities	05		(13,653,650,046)	(59,958,750)
- Interest expenses	06		11,446,888,553	18,271,879,328
- Other adjustments	07		-	-
3. Operating income before changes in working capital	08		282,631,337,404	131,113,092,948
- Increase/ decrease in receivables	09		(43,071,872,781)	(97,573,885,793)
- Increase/ decrease in inventory	10		(147,642,845,253)	432,834,399,986
- Increase/decrease in payables (other than interest, corporate income tax)	11		128,737,826,986	(193,894,951,813)
- Decrease in prepaid expenses	12		(1,724,664,341)	1,756,567,789
- Increase/ decrease in trading securities	13		-	-
- Interest paid	14		(10,954,472,730)	(18,898,040,002)
- Corporate income tax paid	15		(53,567,292,380)	(30,822,841,392)
- Other proceeds from operating activities	16		-	-
- Other payments for operating activities	17		-	-
Cash flow from operating activities	20		154,408,016,905	224,514,341,723
II. Cash flows from investing activities				
1. Payment for purchases or construction of fixed assets and other long-term assets	21		-	(4,136,025,358)
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		(8,400,000,000)	-
4. Collections from borrowers and proceeds from disposal of debt instruments of other entities	24		-	350,000,000
5. Payments for investments in other entities	25		(7,291,568,987)	(6,189,333,271)
6. Proceeds from disposal of investments in other entities	26		-	-
7. Interests and dividends received	27		13,653,650,046	59,958,750
Net cash flows from/ (used in) investing activities	30		(2,037,918,941)	(9,915,399,879)

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 2021

Consolidated cash flow statement (continued)

ITEMS	Code	Current year	Balance year
III. Cash flow from financing activities			
1. Proceeds from share issuance, capital contribution	31	12,000,000,000	12,000,000,000
2. Capital redemption and payments for purchase of treasury shares	32	-	-
3. Drawdown of borrowings	33	2,050,352,735,156	1,979,941,822,495
4. Repayments of borrowings	34	(2,067,935,716,361)	(2,071,132,050,871)
5. Payments for finance leasing	35	-	-
6. Dividends paid to shareholders	36	-	-
Net cash flows from/(used in) financial activity	40	(5,582,981,205)	(79,190,228,376)
Net increase/decrease in cash and cash equivalents during the year	50	146,787,116,759	135,408,713,468
Cash and cash equivalents at beginning of year	60	878,056,239,562	131,057,291,125
Impact of exchange rate fluctuation	61	-	-
Cash and cash equivalents at end of year	70	1,024,843,356,321	266,466,004,593

Vu Thi Mai Han
Preparer

Vu Thi Mai Har
Chief Accountant



Doan Hong Viet
General Director

20 July 2021

1. THE COMPANY

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The number of employees of the Company Group as at 30 June 2021 is 483 (31 December 2020: 440)

Corporate structure

As at 30 June 2021, the Company's corporate structure includes subsidiaries as follows:

Name of subsidiaries	Type of investment	Business activities	Status	% of ownership	
				Ending balance	Beginning balance
(1) Digiworld Venture Co., Ltd	Direct	Providing consulting and managing services	Operating	100	100
(2) 1 Digital Technology Company Limited	Indirect	Trading technological software products, computers and accessories, and electronic accessories	Operating	100	100
(3) CSV Healthcare Company Limited	Indirect	Trading supplement products	Pre-operating	80	80
(4) C.L Market Expansion Services Joint Stock Company	Indirect	Trading consumer products	Operating	90.15	90.15
(5) Bellvina Trading and Manufacturing Joint Stock Company	Indirect	Trading consumer products	Operating	76.99	51

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

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 2021.

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

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 Company's shares were listed on the Ho Chi Minh Stock Exchange in accordance with the Decision No. 308/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 July 2015.

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 201 – 203 Cach Mang Thang 8 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 2021 is 483 (31 December 2020: 440)

Corporate structure

As at 30 June 2021, the Company's corporate structure includes subsidiaries as follows:

Name of subsidiaries	Type of investment	Business activities	Status	% of ownership	
				Ending balance	Beginning balance
(1) Digiworld Venture Co., Ltd	Direct	Providing consulting and managing services	Operating	100	100
(2) 1 Digital Technology Company Limited	Indirect	Trading technological software products, computers and accessories, and electronic accessories	Operating	100	100
(3) CSV Healthcare Company Limited	Indirect	Trading supplement products	Pre-operating	80	80
(4) C.L Market Expansion Services Joint Stock Company	Indirect	Trading consumer products	Operating	90.15	90.15
(5) Bellvina Trading and Manufacturing Joint Stock Company	Indirect	Trading consumer products	Operating	76.99	51

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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:

- 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*Interest income*

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 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 AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Cash on hand	345,659,403	227,212,436
Cash in banks & equivalents	1,024,480,251,914	877,813,116,200
Cash in transit	17,445,004	15,910,926
TOTAL	1,024,843,356,321	878,056,239,562

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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 & branches	304,658,879,561	401,891,123,965
FPT Digital Retail Joint Stock Company	180,803,452,474	70,779,847,273
Phong Vu Trading Service Corporation	53,109,244,749	47,558,337,986
Others	614,644,125,504	579,782,762,600
TOTAL	1,153,215,702,288	1,100,012,071,824
Provision for doubtful short-term trade receivables	(10,294,113,387)	(10,294,113,386)
NET	1,142,921,588,901	1,089,717,958,438

5.2 Short-term advances to suppliers

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Huawei Technologies (Vietnam) Co., Ltd	1,000,133,572	20,053,834,614
Postal Development Co., Ltd	188,654,668	821,758,910
Others	22,088,808,641	7,959,718,287
TOTAL	23,277,596,881	28,835,311,811
Provision for doubtful short-term trade receivables	(158,040,552)	(158,040,552)
NET	23,119,556,329	28,677,271,259

6. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Advances to employees	3,869,609,489	1,971,189,768
Dragon Technology Distribution Pte.Ltd	32,874,099,492	32,874,099,492
Others	10,176,766,962	11,863,664,021
TOTAL	46,920,475,943	46,708,953,281
Others provision for receivable	(33,859,915,681)	(33,859,915,681)
Net	13,060,560,262	12,849,037,600
Long-term		
Deposits	12,083,896,500	8,828,160,500

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7. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Merchandises	969,655,206,591	522,864,387,021
Goods in transit	12,125,004,843	7,495,657,337
Goods on consignment	7,775,387,886	312,753,076,591
Raw materials, tools and equipment	-	-
Work-in-progress	1,511,136,348	310,769,466
TOTAL	<u>991,066,735,668</u>	<u>843,423,890,415</u>
<i>Provision of inventories</i>	<i>(16,052,716,052)</i>	<i>(16,052,716,052)</i>
NET VALUE	<u>975,014,019,616</u>	<u>827,371,174,363</u>

8. SHORT-TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Operating expenses	7,775,573,479	6,691,986,540
Tools and equipment	541,138,515	136,107,011
TOTAL	<u>8,316,711,994</u>	<u>6,828,093,551</u>
Long-term		
Tools and equipment	467,645,501	656,745,909
Others	4,452,280,100	4,027,133,794
TOTAL	<u>4,919,925,601</u>	<u>4,683,879,703</u>

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9. TANGIBLE FIXED ASSETS

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	VND	<i>Total</i>
Cost:						
Beginning balance	22,510,497,438	5,113,542,867	23,742,557,554	3,176,412,633	54,543,010,492	
New purchase	-	-	-	-	-	
Ending balance	<u>22,510,497,438</u>	<u>5,113,542,867</u>	<u>23,742,557,554</u>	<u>3,176,412,633</u>	<u>54,543,010,492</u>	
Accumulated depreciation:						
Beginning balance	(10,128,016,631)	(3,598,470,870)	(10,680,671,095)	(2,858,746,292)	(27,265,904,888)	
Depreciation for the year	(471,046,439)	(316,007,301)	(1,638,505,650)	(47,354,703)	(2,472,914,093)	
Ending balance	<u>(10,599,063,070)</u>	<u>(3,914,478,171)</u>	<u>(12,319,176,745)</u>	<u>(2,906,100,995)</u>	<u>(29,738,818,981)</u>	
Net carrying amount:						
Beginning balance	<u>12,382,480,807</u>	<u>1,515,071,997</u>	<u>13,061,886,459</u>	<u>317,666,341</u>	<u>27,277,105,604</u>	
Ending balance	<u>11,911,434,368</u>	<u>1,199,064,696</u>	<u>11,423,380,809</u>	<u>270,311,638</u>	<u>24,804,191,511</u>	

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10. INTANGIBLE ASSETS

	<i>Accounting software</i>	<i>Land use right</i>	<i>VND Total</i>
Cost:			
Beginning balances	5,484,945,058	58,925,624,022	64,410,569,080
New purchase	-	-	-
Reclassified	-	-	-
Ending balance	<u>5,484,945,058</u>	<u>58,925,624,022</u>	<u>64,410,569,080</u>
Accumulated amortisation:			
Beginning balance	(3,416,927,729)	-	(3,416,927,729)
Amortisation for the year	(306,498,185)	-	(306,498,185)
Ending balance	<u>(3,723,425,914)</u>	<u>-</u>	<u>(3,723,425,914)</u>
Net carrying amount:			
Beginning balance	<u>2,068,017,329</u>	<u>58,925,624,022</u>	<u>60,993,641,351</u>
Ending balance	<u>1,761,519,144</u>	<u>58,925,624,022</u>	<u>60,687,143,166</u>

11. LONG TERM INVESTMENT

	<i>Tỷ lệ %</i>	<i>Số cuối kỳ Giá trị đầu tư VND</i>	<i>Tỷ lệ %</i>	<i>Số đầu kỳ Giá trị đầu tư VND</i>
Investments in associates				
B2X Holding Joint Stock Company	49.1	9,840,952,954	49.1	8,793,756,355
Viet Money Holding Joint Stock Company	21.86	49,119,106,491	21.86	50,502,798,914
DAI TIN Pharmaceutical Joint Stock Company	36.01	7,628,064,811		-
		<u>66,588,124,256</u>		<u>59,296,555,269</u>

12. GOODWILL

	<i>VND Goodwill from acquisition of subsidiaries</i>
Cost:	
Beginning balance	6,715,967,015
Increase due to business consolidation	<u>963,167,300</u>
Ending balance	<u>7,679,134,315</u>
Accumulated allocation	
Beginning balance	(2,976,647,202)
Allocation for the year	<u>(1,250,807,286)</u>
Ending balance	<u>(4,227,454,488)</u>
Net carrying amount:	
Beginning balance	<u>3,739,319,813</u>
Ending balance	<u>3,451,679,827</u>

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13. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS**13.1 Short-term trade payables**

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Asus Global Ple. Ltd.	116,937,750,741	138,154,229,907
Acer Incorporated	29,784,289,287	58,190,843,732
Xiaomi H.K Limited	291,435,011,125	452,091,351,184
Lenovo (Singapore) Pte. Ltd.	10,566,517,454	-
Others	407,243,813,632	292,933,847,741
TOTAL	<u>855,967,382,239</u>	<u>941,370,272,564</u>

13.2 Short-term advances from customers

	<i>Ending balance</i>	<i>Beginning balance</i>
ELFDIGI TECHNOLOGY LIMITED	-	36,841,693,390
XIAOMI H.K Limited	65,693,751,535	23,870,462,135
Others	14,958,204,224	6,051,030,514
TOTAL	<u>80,651,955,759</u>	<u>66,763,186,039</u>

14. SHORT-TERM ACCRUED EXPENSES

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Trade discounts & Sales support	416,474,745,176	47,619,189,397
Interest expense	1,214,597,713	722,181,890
Operating expenses	4,739,575,331	155,728,283,888
TOTAL	<u>422,428,918,220</u>	<u>204,069,655,175</u>

15. STATUTORY OBLIGATIONS

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Corporation income tax	30,163,326,974	25,424,656,303
Personal income tax	291,037,647	211,454,238
Others	-	4,755,918,991
TOTAL	<u>30,454,364,621</u>	<u>30,392,029,532</u>

16. OTHER PAYABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Short-term		
Payables to Department of Social Insurance	1,744,761,862	1,583,040,925
Others	5,116,779,660	13,773,172,754
TOTAL	<u>6,861,541,522</u>	<u>15,356,213,679</u>
Long-term		
Deposits received	4,708,629,427	4,608,629,427
TOTAL	<u>4,708,629,427</u>	<u>4,608,629,427</u>

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17. LOANS

	VND			
	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Decrease in year</i>	<i>Ending balance</i>
Short-term				
Loans from banks	629,601,074,208	2,050,352,735,156	(2,067,935,716,361)	612,018,093,003
Others	-	-	-	-
	<u>629,601,074,208</u>	<u>2,050,352,735,156</u>	<u>(2,067,935,716,361)</u>	<u>612,018,093,003</u>

Short-term loans

Details of the short-term loans are as follows:

<i>Banks</i>	<i>Ending balance</i> VND	<i>Maturity date</i>	<i>Interest rate</i> %/ p.a.	<i>Description of collateral</i>	VND
HSBC Bank (Vietnam) Ltd.,	73,850,338,892	From 02 August 2021 to 13 September 2021	From 3.5 to 3.6	Certain inventories amounting to USD 6 million	
Military Commercial Joint Stock Bank – Sai Gon Branch	156,364,772,819	From 07 May 2021 to 14 July 2021	4.25	Certain inventories amounting to VND 100 billion and trade receivables amounting to VND 120 billion	
Standard Chartered Bank (Vietnam) - Ho Chi Minh Branch	64,233,399,112	From 04 June 2021 to 29 June 2021	4.0	Certain inventories amounting to VND 147 billion and trade receivables amounting to VND 74 billion	
Vietnam Maritime Commercial Joint Stock Bank – Ho Chi Minh Branch	130,498,112,180	From 26 July 2021 to 28 July 2021	5.0	No Collateral	
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 1	187,071,470,000	From 19 May 2021 to 19 July 2021	4.0	Certain inventories amounting to VND 120 billion and trade receivables amounting to VND 72 billion	
TOTAL	<u>612,018,093,003</u>				

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18. OWNERS' EQUITY**18.1 Movement in owners' equity**

						VND
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
The quarter ended 30 June 2020						
Beginning balance	419,517,470,000	61,233,761,416	(6,272,937,166)	400,000,000	446,440,381,762	921,318,676,012
ESOP	12,000,000,000	-	-	-	-	12,000,000,000
Net profit for the year	-	-	-	-	93,403,540,610	93,403,540,610
Ending balance	431,517,470,000	61,233,761,416	(6,272,937,166)	400,000,000	539,843,922,372	1,026,722,216,622
The quarter ended 30 June 2021						
Beginning balance	431,517,470,000	61,233,761,416	(6,272,937,166)	400,000,000	670,148,634,480	1,157,026,928,730
ESOP (*)	12,000,000,000	-	-	-	-	12,000,000,000
Net profit for the year	-	-	-	-	223,160,006,904	223,160,006,904
Ending balance	443,517,470,000	61,233,761,416	(6,272,937,166)	400,000,000	893,308,641,384	1,392,186,935,634

(*) On May 25, 2021, the Company issued 1,200,000 shares for the Company's employees according to Employee Stock Ownership Plan, pursuant to the Resolution of the Annual General Meeting of Shareholders No. 02/2020/ NQ-DHĐCĐ dated June 29, 2020 and Resolution of the Board of Directors No. 11/2021 / NQ-HĐQT dated April 14, 2021. On July 07, 2021, Digiworld Corporation received Business registration 24th by Business Registration Unit – Department of Planning and Investment HCMC granted on July 07, 2021, the following changes: Increase of Digiworld's Charter Capital to VND 443,517,470,000.

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18. OWNERS' EQUITY (continued)**18.2 Shares**

	<i>Number of shares</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Authorised shares	44,351,747	43,151,747
Issued and fully paid shares	44,351,747	43,151,747
<i>Ordinary shares</i>	44,351,747	43,151,747
Treasury shares	(151,469)	(151,469)
<i>Ordinary shares</i>	(151,469)	(151,469)
Shares in circulation	44,200,278	43,000,278
<i>Ordinary shares</i>	44,200,278	43,000,278

19. REVENUES**19.1 Revenue from sale of goods and rendering of services**

	<i>VND</i>	
	<i>Current quarter</i>	<i>Previous quarter</i>
Gross revenue:	9,409,357,724,235	4,913,223,309,791
<i>In which:</i>		
<i>Sale of goods & Rendering of services</i>	9,409,357,724,235	4,913,223,309,791
Deduction:		
<i>Sales returns, devaluation of sale and trade discount</i>	(185,019,606,226)	(20,531,960,149)
NET REVENUE	9,224,338,118,009	4,892,691,349,642

19.2 Finance income

	<i>VND</i>	
	<i>Current quarter</i>	<i>Previous quarter</i>
Interest income	118,796,351	59,958,750
Foreign exchange gains	21,689,310,805	21,220,548,391
Payment discounts	29,421,156,220	20,471,733,919
Others	12,572,373,186	175,217,996
TOTAL	63,801,636,562	41,927,459,056

20. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>VND</i>	
	<i>Current quarter</i>	<i>Previous quarter</i>
Cost of goods sold	8,600,187,861,390	4,583,884,026,291
TOTAL	8,600,187,861,390	4,583,884,026,291

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21. FINANCE EXPENSES

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
Interest expense	11,446,888,553	18,271,879,328
Foreign exchange losses	147,704,452	3,761,118,142
Others	381,422,066	63,739,969
TOTAL	11,976,015,071	22,096,737,439

22. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
Selling expenses	345,397,003,327	175,153,009,991
Labour costs	31,031,602,699	25,432,001,746
Expenses of external services	23,322,046,992	18,843,296,005
Expenses of advertising, promotion, sales support	275,800,441,883	114,926,818,407
Other costs	15,242,911,753	15,950,893,833
General and administrative expenses	45,581,287,217	37,862,712,027
Labour costs	25,515,072,337	20,727,251,074
Expenses of external services	8,978,250,906	8,049,684,080
Others	11,087,963,974	9,085,776,873
TOTAL	390,978,290,544	213,015,722,018

23. OTHER INCOME AND EXPENSES

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
Other income	323,022,557	546,817,228
Other income	323,022,557	546,817,228
Other expenses	962,132,477	690,842,548
Other expenses	962,132,477	690,842,548
NET OTHER PROFIT	(639,109,920)	(144,025,320)

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24. OPERATING COSTS

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
Cost of goods	8,600,187,861,390	4,583,884,026,291
Labour costs	56,546,675,036	46,159,252,820
Depreciation and amortisation	3,067,052,264	2,837,232,342
Expenses of external services	32,300,297,898	26,892,980,085
Others	299,064,265,346	137,126,256,771
TOTAL	<u>8,991,658,567,757</u>	<u>4,796,899,748,309</u>

25. 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	
	<i>Current quarter</i>	<i>Previous quarter</i>
Accounting profit before tax	281,771,046,633	117,316,675,357
At CIT rate of 20% applicate to the companies in the Group	56,354,209,327	23,463,335,071
<i>Adjustments to increase:</i>		
<i>Non-deductible expenses</i>	291,517,330	234,244,006
<i>Tax loss carry back from subsidiaries</i>	-	-
<i>Others</i>	1,660,236,394	498,531,396
TOTAL	<u>58,305,963,051</u>	<u>24,196,110,473</u>

26. TRANSACTIONS WITH RELATED PARTIES

Remuneration of management and Board of Directors and Audit Committee are as follows:

	VND	
	<i>Current quarter</i>	<i>Previous quarter</i>
Salary and bonus	<u>1,257,156,156</u>	<u>1,385,792,990</u>

27. 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

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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:

	Current quarter	Previous quarter
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	223,160,006,904	93,403,540,610
Weighted average number of ordinary shares (*)	43,245,582	42,367,311
Basic and diluted earnings per share (VND)	5,160	2,205

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

28. 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:

	30 June 2021	31 Dec 2020
Less than 1 year	16,977,063,242	15,793,727,999
From 1 to 5 years	36,581,557,508	30,693,710,453
More than 5 years	17,277,552,913	14,086,800,000
TOTAL	70,836,173,663	60,574,238,452

29. 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.



Vu Thi Mai Han
Preparer



Vu Thi Mai Han
Chief Accountant




Doan Hong Viet
General Director

20 July 2021