



Tran Anh Digital World Joint Stock Company

Financial Statements for the year ended
31 December 2012

Tran Anh Digital World Joint Stock Company Corporate Information

Business Registration Certificate No.

0102004703	11 March 2002
0102004703, 1 st revision	27 October 2003
0102004703, 2 nd revision	27 February 2006
0102004703, 3 rd revision	03 August 2007
0103018927	08 August 2007
0103018927, 1 st revision	20 August 2009
0103018927, 2 st revision	23 October 2009
0101217009, 3 rd revision	25 May 2010
0101217009, 4 th revision	21 June 2010
0101217009, 5 th revision	04 November 2010
0101217009, 6 th revision	04 March 2011
0101217009, 7 th revision	16 March 2011
0101217009, 8 th revision	21 June 2011
0101217009, 9 th revision	7 November 2011
0101217009, 10th revision	03 May 2012
0101217009, 11th revision	01 August 2012

The Business Registration Certificate and updates were issued by Hanoi Planning and Investment Department.

Board of Management	Tran Xuan Kien	Chairman
	Do Thi Thu Huong	Member
	Srisant Chitvaranund	Member
	Nghiem Xuan Thang	Member
	Do Kim Lien	Member
	Hoang Anh Tuan	Member
	Bui Xuan Hung	Member
Board of Directors	Tran Xuan Kien	General Director
	Do Thi Thu Huong	Deputy General Director
	Nghiem Xuan Thang	Managing Director
Registered Office	1174 Lang Street, Lang Thuong Ward Dong Da District Hanoi Vietnam	
Auditors	KPMG Limited Vietnam	

Tran Anh Digital World Joint Stock Company
Statement of the Board of Directors

Statement of the Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for the financial statements, as set out on pages 4 to 32, which give a true and fair view of the Company's state of affairs, results of operations and cash flows for the year ended 31 December 2012. In preparing the financial statements, the Board of Directors is required to:

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

The Board of Directors is also responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the Vietnamese accounting system. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms with the Board of Management and shareholders of the Company that they have complied with the above requirements in preparing the financial statements.

Approval of the financial statements

We hereby approve the accompanying financial statements. These financial statements give a true and fair view of the financial position of the Company as at 31 December 2012 and the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

On behalf of the Board of Directors



Tran Xuan Kien
General Director

Hanoi, 23 MAR 2013



KPMG Limited, a Vietnamese limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

Tran Anh Digital World Joint Stock Company
Balance sheet as at 31 December 2012

Form B 01 – DN

	Code	Note	31/12/2012 VND	31/12/2011 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		320,955,848,193	321,589,952,491
Cash and cash equivalents	110	4	58,764,220,404	36,140,042,928
Cash	111		14,764,220,404	15,640,042,928
Cash equivalents	112		44,000,000,000	20,500,000,000
Short-term investments	120	5	96,629,887,392	104,885,360,220
Short-term investments	121		96,629,887,392	104,885,360,220
Accounts receivable – short-term	130		15,066,311,443	5,870,701,075
Accounts receivable – trade	131		14,875,379,573	3,261,068,190
Prepayments to suppliers	132		190,931,870	2,609,632,885
Inventories	140	6	132,666,785,436	133,757,113,752
Inventories	141		135,893,819,223	136,984,147,539
Allowance for inventories	149		(3,227,033,787)	(3,227,033,787)
Other current assets	150		17,828,643,518	40,936,734,516
Short-term prepayments	151		8,528,271,606	2,208,403,510
Deductible value added tax	152		4,469,895,396	4,562,951,943
Other current assets	158	7	4,830,476,516	34,165,379,063
Long-term assets (200 = 220 + 260)	200		68,462,719,475	35,347,072,235
Fixed assets	220		13,460,057,316	11,756,419,547
Tangible fixed assets	221	8	9,058,045,034	5,679,248,215
Cost	222		18,641,926,999	11,344,631,939
Accumulated depreciation	223		(9,583,881,965)	(5,665,383,724)
Intangible fixed assets	227	9	-	92,087,348
Cost	228		866,331,960	908,414,960
Accumulated amortisation	229		(866,331,960)	(816,327,612)
Construction in progress	230	10	4,402,012,282	5,985,083,984
Other long-term assets	260		55,002,662,159	23,590,652,688
Long-term prepayments	261	11	2,139,909,079	1,617,752,688
Other long-term assets	268	12	52,862,753,080	21,972,900,000
TOTAL ASSETS (270 = 100 + 200)	270		389,418,567,668	356,937,024,726

The accompanying notes are an integral part of these financial statements

Tran Anh Digital World Joint Stock Company
Balance sheet as at 31 December 2012 (continued)

Form B 01 – DN

	Code	Note	31/12/2012 VND	31/12/2011 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		144,264,067,449	140,147,554,754
Current liabilities	310		144,264,067,449	139,650,849,441
Accounts payable – trade	312		130,907,225,843	103,065,872,774
Advances from customers	313		541,735,452	1,504,847,717
Taxes payable to State Treasury	314	13	1,994,491,000	5,813,208,784
Payables to employees	315		5,581,312,218	7,840,724,809
Accrued expenses	316		1,919,280,410	2,901,037,200
Other payables	319	14	1,291,806,288	18,148,863,777
Bonus and welfare funds	323		2,028,216,238	376,294,380
Long-term borrowings and liabilities	330		-	496,705,313
Provision for severance allowance	336	15	-	496,705,313
EQUITY (400 = 410)	400		245,154,500,219	216,789,469,972
Owners' equity	410	16	245,154,500,219	216,789,469,972
Share capital	411	17	123,990,160,000	83,425,060,000
Capital surplus	412	17	68,613,164,001	68,613,164,001
Treasury shares	414	17	(6,250,995,640)	(6,175,395,640)
Investment and development fund	417	18	424,368,000	424,368,000
Financial reserve	418	18	8,087,214,032	5,100,880,563
Retained profits	420		50,290,589,826	65,401,393,048
TOTAL RESOURCES (440 = 300 + 400)	440		389,418,567,668	356,937,024,726

The accompanying notes are an integral part of these financial statements


Tran Anh Digital World Joint Stock Company
Balance sheet as at 31 December 2012 (continued)

Form B 01 – DN

OFF BALANCE SHEET ITEMS

	31/12/2012 USD	31/12/2011 USD
Foreign currencies (USD)	8,470	6,205

Prepared by:


Phan Quang Truong
Chief Accountant

Approved by:


Tran Xuan Kien
General Director

23 MAR 2013

Tran Anh Digital World Joint Stock Company
Statement of income for the year ended 31 December 2012

Form B 02 – DN

	Code	Note	2012 VND	2011 VND
Total revenue	01	19	1,695,832,442,452	1,661,971,351,883
Less revenue deductions	02	19	20,824,711,706	10,716,976,000
Net revenue (10 = 01 - 02)	10	19	1,675,007,730,746	1,651,254,375,883
Cost of sales	11		1,514,500,918,899	1,499,623,892,588
Gross profit (20 = 10 - 11)	20		160,506,811,847	151,630,483,295
Financial income	21	20	18,117,663,739	22,009,738,534
Selling expenses	24		115,839,895,104	74,807,175,719
General and administration expenses	25		21,797,432,217	17,538,863,350
Net operating profit {30 = 20 + (21 - 22) - (24 + 25)}	30		40,987,148,265	81,294,182,760
Other income	31		1,454,934,692	366,810,883
Other expenses	32		406,488,283	381,022,659
Results of other activities (40 = 31 - 32)	40		1,048,446,409	(14,211,776)
Profit before tax (50 = 30 + 40)	50		42,035,594,674	81,279,970,984
Income tax expense – current	51	21	10,608,630,958	21,553,301,606
Net profit after tax (60 = 50 - 51)	60		31,426,963,716	59,726,669,378
Earnings per share		22		Restated
Basic earnings per share	70		2,583	4,915

Prepared by:

Phan Quang Truong
 Chief Accountant

Approved by:

Tran Xuan Kien
 General Director

23 MAR 2013

The accompanying notes are an integral part of these financial statements

Tran Anh Digital World Joint Stock Company
Statement of cash flows for the year ended 31 December 2012 (Direct method)

Form B 03 – DN

	Code Note	2012 VND	2011 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	01	1,828,902,904,463	1,819,128,367,551
Cash paid to suppliers	02	(1,725,880,568,647)	(1,737,012,209,520)
Cash paid to employees	03	(48,742,255,020)	(34,767,983,636)
Income tax paid	05	(14,427,348,742)	(20,844,029,995)
Other cash receipts	06	1,395,305,525	7,598,961,533
Other cash payments	07	(18,862,802,107)	(12,950,805,822)
Net cash generated from operating activities	20	22,385,235,472	21,152,300,111
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(9,898,393,157)	(10,276,728,634)
Proceeds from disposal of fixed assets	22	-	6,109,091
Placement of cash into time deposit with maturity more than 90 days	23	(305,705,670,844)	(104,885,360,220)
Withdrawal from time deposit with maturity more than 90 days	24	313,961,143,672	2,350,000,000
Interest received	27	18,120,219,833	20,905,298,725
Net cash generated from /(used in) investing activities	30	16,477,299,504	(91,900,681,038)

The accompanying notes are an integral part of these financial statements

Tran Anh Digital World Joint Stock Company
Statement of cash flows for the year ended 31 December 2012 (Direct method - continued)

Form B 03 – DN


	Code Note	2012 VND	2011 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issued	31	-	2,210,000,000
Payments for treasury shares repurchased	32	(75,600,000)	(6,172,895,640)
Payments of dividend	36	(16,162,757,500)	(11,595,265,923)
Net cash used in financing activities	40	(16,238,357,500)	(15,558,161,563)
Net cash flows during the year (50 = 20 + 30 + 40)	50	22,624,177,476	(86,306,542,490)
Cash and cash equivalents at the beginning of the year	60	36,140,042,928	122,446,585,418
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70 4	58,764,220,404	36,140,042,928

Prepared by:


Phan Quang Truong
Chief Accountant



Approved by:


Tran Xuan Kien
General Director

23 MAR 2013

Tran Anh Digital World Joint Stock Company
Notes to the financial statements for the year ended 31 December 2012

Form B 09 – DN

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

Tran Anh Digital World Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam. The principal activities of the Company are to trade and provide maintenance services for computer, electronic, household appliances and telecommunication equipment.

As at 31 December 2012, the Company had 725 employees (31/12/2011: 695 employees).

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

(b) Basis of measurement

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the direct method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(d) Accounting currency

The financial statements are prepared and presented in Vietnam Dong (“VND”).

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

Tran Anh Digital World Joint Stock Company

Notes to the financial statements for the year ended 31 December 2012 (continued)

Form B 09 – DN

(a) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates of exchange ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investments

Investments are stated at cost. An allowance is made for reductions in investment values if market value of the investment falls below cost or if the investee has suffered a loss. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ building and structures	5 years
▪ office equipment	3 years
▪ store renovation	3 years
▪ motor vehicles	6 years

(g) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over three years.

(h) Construction in progress

Construction in progress represents the costs of construction and equipment which have not been fully constructed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(i) Long-term prepayments

Tools and supplies

Tools and supplies are recorded at cost and amortised on a straight-line basis over two years.

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Company classifies its financial instruments as follow:

(i) Financial assets

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has the positive intention and ability to hold to maturity, other than:

- those that the Company upon initial recognition designates as at fair value through profit or loss;
- those that the Company designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Company intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Company upon initial recognition designates as available-for-sale; or
- for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(m) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Revenue

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

(o) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

(p) Earnings per share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(q) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments. Management is of the opinion that the Company operates in one single business segment, which is the trade and provision of maintenance services for computer, electronic, household appliances and telecommunication equipment, and one single geographical segment, which is Vietnam.

Tran Anh Digital World Joint Stock Company**Notes to the financial statements for the year ended 31 December 2012 (continued)**

Form B 09 – DN

(r) Related parties

Related companies include the shareholders and other related parties in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System.

4. Cash and cash equivalents

	31/12/2012 VND	31/12/2011 VND
Cash on hand	204,232,741	931,684,324
Cash in banks	10,696,104,663	4,503,288,104
Cash in transit	3,863,883,000	10,205,070,500
Cash equivalents	44,000,000,000	20,500,000,000
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	58,764,220,404	36,140,042,928

5. Short-term investments

Short term investments comprised term deposits placed at banks with terms from 90 days to 120 days.

Short term investment at 31 December 2012 included VND11,000 million (31/12/2011: VND3,500 million) which is subject to restriction in use according to guarantee terms with suppliers of the Company.

6. Inventories

	31/12/2012 VND	31/12/2011 VND
Tools and supplies	215,028,114	329,519,965
Finished goods	690,700,415	1,607,006,028
Merchandise inventories	134,988,090,694	135,047,621,546
	<hr/>	<hr/>
	135,893,819,223	136,984,147,539
Allowance for inventories	(3,227,033,787)	(3,227,033,787)
	<hr/>	<hr/>
	132,666,785,436	133,757,113,752

Included in inventories at 31 December 2012 was VND47,911million (31/12/2011: VND52,060 million) of inventories carried at net realisable value.

Tran Anh Digital World Joint Stock Company

Notes to the financial statements for the year ended 31 December 2012 (continued)

Form B 09 – DN

7. Other current assets

	31/12/2012 VND	31/12/2011 VND
Short-term deposit for rental	-	29,759,820,339
Advances to employees	247,540,449	342,593,945
Others	4,582,936,067	4,062,964,779
	<hr/>	<hr/>
	4,830,476,516	34,165,379,063

Tran Anh Digital World Joint Stock Company
Notes to the financial statements for the year ended 31 December 2012 (continued)

Form B 09 – DN

8. Tangible fixed assets

	Buildings and structures VND	Office equipment VND	Store renovation VND	Motor vehicles VND	Total VND
Cost					
Opening balance	168,026,610	3,172,697,744	4,073,246,232	3,930,661,353	11,344,631,939
Additions	-	1,517,171,595	-	-	1,517,171,595
Transfer from construction in progress	2,142,827,859	1,287,040,910	2,567,382,468	-	5,997,251,237
Disposals	-	(189,970,772)	(27,157,000)	-	(217,127,772)
Closing balance	2,310,854,469	5,786,939,477	6,613,471,700	3,930,661,353	18,641,926,999
Accumulated depreciation					
Opening balance	5,600,887	2,470,228,475	2,440,826,851	748,727,511	5,665,383,724
Charge for the year	462,170,894	1,163,765,850	1,849,298,516	655,110,225	4,130,345,485
Disposals	-	(189,970,772)	(21,876,472)	-	(211,847,244)
Closing balance	467,771,781	3,444,023,553	4,268,248,895	1,403,837,736	9,583,881,965
Net book value					
Opening balance	162,425,723	702,469,269	1,632,419,381	3,181,933,842	5,679,248,215
Closing balance	1,843,082,688	2,342,915,924	2,345,222,805	2,526,823,617	9,058,045,034

Included in the cost of tangible fixed assets were assets costing VND4,075 million which were fully depreciated as of 31 December 2012 (31/12/2011: VND1,899 million), but which are still in active use.

Tran Anh Digital World Joint Stock Company

Notes to the financial statements for the year ended 31 December 2012 (continued)

Form B 09 – DN

9. Intangible fixed assets

	Software VND
Cost	
Opening and closing balance	908,414,960
Written off	(42,083,000)
	<hr/>
Closing balance	866,331,960
	<hr/>
Accumulated amortisation	
Opening balance	816,327,612
Charge for the year	92,087,348
Written off	(42,083,000)
	<hr/>
Closing balance	866,331,960
	<hr/>
Net book value	
Opening balance	92,087,348
Closing balance	-
	<hr/>

Intangible fixed assets were fully amortised as of 31 December 2012 (31/12/2011: VND610 million), but which are still in use.

10. Construction in progress

	2012 VND	2011 VND
Opening balance	5,985,083,984	-
Additions during the year	8,236,812,014	6,733,869,994
Transfer to tangible fixed assets	(5,997,251,237)	(623,546,010)
Transfer to long-term prepayment	(2,080,386,704)	(125,240,000)
Transfer to short-term prepayment	(1,742,245,775)	-
	<hr/>	<hr/>
Closing balance	4,402,012,282	5,985,083,984
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Tran Anh Digital World Joint Stock Company

Notes to the financial statements for the year ended 31 December 2012 (continued)

Form B 09 – DN

Balance of construction in progress at the year end comprised of:

	31/12/2012 VND	31/12/2011 VND
Buildings and structures	-	2,142,827,859
Store renovation works	540,498,876	2,126,920,720
Development cost of software	3,489,183,588	1,531,547,405
Others	372,329,818	183,788,000
Closing balance	4,402,012,282	5,985,083,984

11. Long-term prepayments

	Tools and supplies VND	Prepaid expense VND	Total VND
Opening balance	737,370,873	880,381,815	1,617,752,688
Additions	144,409,548	-	144,409,548
Transferred from construction in progress	1,688,817,804	391,568,900	2,080,386,704
Amortisation for the year	(1,096,182,193)	(580,949,543)	(1,677,131,736)
Written off	(25,508,125)	-	(25,508,125)
Reclassification	193,534,573	(193,534,573)	-
Closing balance	1,642,442,480	497,466,599	2,139,909,079

12. Other long-term assets

At 31 December 2012, other long-term assets comprise of rental deposit for stores of the Company.

13. Taxes payable to State Treasury

	31/12/2012 VND	31/12/2011 VND
Corporate income tax	1,994,491,000	5,813,208,784

Tran Anh Digital World Joint Stock Company

Notes to the financial statements for the year ended 31 December 2012 (continued)

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14. Other payables

	31/12/2012 VND	31/12/2011 VND
Dividend payable	75,339,577	16,239,742,077
Short-term deposits received	1,044,483,410	1,151,617,009
Unearned revenue	141,668,666	628,226,847
Others	30,314,635	129,277,844
	<hr/>	<hr/>
	1,291,806,288	18,148,863,777
	<hr/>	<hr/>

15. Provisions for severance allowance

Movement of provisions for severance allowance during the year were as follows:

	Severance allowance VND
Opening balance	496,705,313
Provision used during the year	(68,642,853)
Reversal	(428,062,460)
	<hr/>
Closing balance	-
	<hr/>

For the year ended 31 December 2012, the Company contributed VND 389 million (2011: VND224 million) to the unemployment insurance fund and the amount is recorded as part of labour and staff costs in the statement of income.

Tran Anh Digital World Joint Stock Company

Notes to the financial statements for the year ended 31 December 2012 (continued)

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16. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development funds VND	Financial reserves VND	Retained profit VND	Total VND
Balance at 1 January 2011	58,011,480,000	68,613,164,001	(2,500,000)	424,368,000	3,268,517,815	48,881,575,255	179,196,605,071
Bonus share issued	23,203,580,000	-	-	-	-	(23,203,580,000)	-
Exercise of share options under Employees Share Option Plan	2,210,000,000	-	-	-	-	-	2,210,000,000
Net profit for the year	-	-	-	-	-	59,726,669,378	59,726,669,378
Appropriation to equity funds	-	-	-	-	1,832,362,748	(1,832,362,748)	-
Transfer to bonus and staff welfare fund	-	-	-	-	-	(1,832,362,748)	(1,832,362,748)
Treasury shares repurchased during the year	-	-	(6,172,895,640)	-	-	-	(6,172,895,640)
Dividends	-	-	-	-	-	(16,232,712,000)	(16,232,712,000)
Adjustment for prior year's corporate income tax	-	-	-	-	-	(105,834,089)	(105,834,089)
Balance at 1 January 2012	83,425,060,000	68,613,164,001	(6,175,395,640)	424,368,000	5,100,880,563	65,401,393,048	216,789,469,972
Bonus share issued	40,565,100,000	-	-	-	-	(40,565,100,000)	-
Net profit for the year	-	-	-	-	-	31,426,963,716	31,426,963,716
Appropriation to equity funds	-	-	-	-	2,986,333,469	(2,986,333,469)	-
Transfer to bonus and staff welfare fund	-	-	-	-	-	(2,986,333,469)	(2,986,333,469)
Treasury shares repurchased during the year	-	-	(75,600,000)	-	-	-	(75,600,000)
Balance at 31 December 2012	123,990,160,000	68,613,164,001	(6,250,995,640)	424,368,000	8,087,214,032	50,290,589,826	245,154,500,219

Tran Anh Digital World Joint Stock Company
Notes to the financial statements for the year ended 31 December 2012 (continued)

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17. Share capital

The Company's authorised and issued share capital are:

	31/12/2012		31/12/2011	
	Number of shares	VND	Number of shares	VND
Authorised share capital	12,399,016	123,990,160,000	8,121,506	81,215,060,000
Issued share capital				
Ordinary shares	12,399,016	123,990,160,000	8,342,506	83,425,060,000
	12,399,016	123,990,160,000	8,342,506	83,425,060,000
Treasury shares				
Ordinary shares	(237,255)	(2,372,550,000)	(226,150)	(2,261,500,000)
	(237,255)	(2,372,550,000)	(226,150)	(2,261,500,000)
Shares in circulation				
Ordinary shares	12,161,761	121,617,610,000	8,116,356	81,163,560,000
	12,161,761	121,617,610,000	8,116,356	81,163,560,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Movements in share capital during the year were as follows:

	31/12/2012		31/12/2011	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the year	8,116,356	81,163,560,000	5,800,898	58,008,980,000
Bonus share issued during the year (*)	4,056,510	40,565,100,000	2,320,358	23,203,580,000
Exercise of share option under ESOP	-	-	221,000	2,210,000,000
Treasury shares purchased during the year	(7,560)	(75,600,000)	(225,900)	(2,259,000,000)
Bonus shares withdrawn during the year	(3,545)	(35,450,000)	-	-
Balance at the end of the year	12,161,761	121,617,610,000	8,116,356	81,163,560,000

(*) During the year, the Company issued bonus shares to its existing shareholders at the ratio of one (1) shares for every two (2) shares held. Such distribution was approved by the Shareholders of the Company during Shareholder's General Meeting on 11 April 2012.

Tran Anh Digital World Joint Stock Company

Notes to the financial statements for the year ended 31 December 2012 (continued)

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Included in the shares of the Company as at 31 December 2012 was 2,707,344 shares (31/12/2011: 1,804,896 shares) hold by Aureos South East Asia Fund Limited Liability Company ("Aureos"). The terms of the agreement between the Company and Aureos dated 10 June 2010 ("the Agreement") stated that the Company agrees to undertake to Aureos that should Aureos fail to achieve the agreed minimum investment return throughout its first three years of investment into the Company, Aureos has the right to charge VND21.3 billion of management fee to the Company.

At the time of this report, there is no reason for the Management to believe that the Company will have to pay such amount of management fee. Accordingly, the financial statements as at and for the year ended 31 December 2012 do not include any adjustments relating to the required returns that may be due to Aureos. Also, in the event that the Company is required to pay Aureos such management fee, such payment will be sourced from share premium amount as the nature in substance is finalisation of share price sold to Aureos.

The existence of the obligations of the Company to pay the management fee to Aureos is dependent upon future events, the outcome of which is inherently uncertain.

18. Equity funds

(a) Investment and development funds

These funds were established for the purpose of future business expansion.

(b) Financial reserve

In accordance with the minutes of General Meeting of Shareholders dated 11 April 2012, the Company decided to transfer 5% of the Company's net profit for the year ended 31 December 2011 to financial reserves in the equity section.

Tran Anh Digital World Joint Stock Company**Notes to the financial statements for the year ended 31 December 2012 (continued)****Form B 09 – DN****19. Total revenue**

Total revenue represents the gross value of goods sold exclusive of value added tax.

Net sales comprised:

	2012 VND	2011 VND
Total revenue		
▪ Sales	1,695,832,442,452	1,661,971,351,883
Less sales deductions		
▪ Sales returns	(20,824,711,706)	(10,716,976,000)
Net sales	<u>1,675,007,730,746</u>	<u>1,651,254,375,883</u>

20. Financial income

	2012 VND	2011 VND
Interest income from deposits	18,117,663,739	22,000,761,127
Realised foreign exchange gains	-	8,977,407
	<u>18,117,663,739</u>	<u>22,009,738,534</u>

21. Income tax**(a) Recognised in the statement of income**

	2012 VND	2011 VND
Current tax expense		
Current year	10,608,630,958	21,450,501,163
Under provision in prior years	-	102,800,443
	<u>10,608,630,958</u>	<u>21,553,301,606</u>

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Notes to the financial statements for the year ended 31 December 2012 (continued)

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(b) Reconciliation of effective tax rate

	2012 VND	2011 VND
Profit before tax	42,035,594,674	81,279,970,984
Tax at the Company's tax rate	10,508,898,669	20,319,992,746
Non-deductible expenses	99,732,289	1,130,508,417
Under provision in prior years	-	102,800,443
	10,608,630,958	21,553,301,606

(c) Applicable tax rates

Under the terms of its Business Registration Certificate and prevailing tax regulations, the Company has an obligation to pay the government income tax at the rate of 25% of taxable profits.

22. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2012 was based on the profit attributable to ordinary shareholders of VND31,426,963,716 (2011: VND59,726,669,378) and a weighted average number of ordinary shares outstanding of 12,164,821 (2011 (restated): 12,152,219), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2012 VND	2011 VND
Net profit for the year	31,426,963,716	59,726,669,378
Net profit attributable to ordinary shareholders	31,426,963,716	59,726,669,378

Tran Anh Digital World Joint Stock Company**Notes to the financial statements for the year ended 31 December 2012 (continued)****Form B 09 – DN****(ii) Weighted average number of ordinary shares**

	2012	2011
Issued ordinary shares at the beginning of the year	8,116,356	5,800,898
Effect of new ordinary shares issued under ESOP in year 2011	-	3,633
Bonus issued on 18 May 2011	-	2,320,358
Bonus issued on 5 June 2012	4,056,510	-
Effect of treasury shares re-purchased during the year	(4,500)	(25,635)
Effect of bonus share withdrawn during the year	(3,545)	-
Weighted average number of ordinary shares at the end of the year	12,164,821	8,099,254

(iii) Restatement of weighted average number of ordinary shares for year ended 31 December 2011

	Weighted average number of ordinary shares	Earnings per share VND
As previous reported	8,099,254	7,374
Restatement as a result of bonus shares issued on 5 June 2012	4,056,510	(2,461)
Restatement as a result of bonus shares withdrawal from employees	(3,545)	2
As restated	12,152,219	4,915

23. Financial instruments**(a) Financial risk management****(i) Overview**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are regularly reviewed to reflect changes in the market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Supervisory Board oversees how management monitor the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management policies in relation to the risks faced by the Company.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash placed at banks.

Exposure to credit risk

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	31/12/2012 VND	31/12/2011 VND
Cash and cash equivalents	4	58,559,987,663	35,208,358,604
Short term investments	5	96,629,887,392	104,885,360,220
Accounts receivable - trade		14,875,379,573	3,261,068,190
		<hr/> 170,065,254,628	<hr/> 143,354,787,014 <hr/>

Cash and cash equivalents

The cash and cash equivalents at bank of the Company are mainly held with well-known Vietnamese banks. Management does not foresee any significant credit risks from these deposits and does not expect that these banks may default and cause losses to the Company.

Short-term investments

The short-term investments of the Company represent term deposits placed at well-known Vietnamese banks. Management does not foresee any significant credit risks from these investments and does not expect that these banks may default and cause losses to the Company.

Tran Anh Digital World Joint Stock Company**Notes to the financial statements for the year ended 31 December 2012 (continued)****Form B 09 – DN***Trade receivables*

As at 31 December 2012, the account receivables-short-term consists of trade receivables from clients of the Company and are not over due. At time of this report, most of these amounts have been collected.

The carrying amount of receivables represents the maximum credit risk pertaining to receivables.

The majority of sales are made in cash.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As at 31 December 2012, the financial liabilities with fixed or determinable payments have the following contractual maturities:

31 December 2012

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Accounts payable - trade	130,907,225,843	130,907,225,843	130,907,225,843
Accrued expenses	1,919,280,410	1,919,280,410	1,919,280,410
Other payables	1,150,137,622	1,150,137,622	1,150,137,622
	<u>133,976,643,875</u>	<u>133,976,643,875</u>	<u>133,976,643,875</u>

31 December 2011

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Accounts payable - trade	103,065,872,774	103,065,872,774	103,065,872,774
Accrued expenses	2,901,037,200	2,901,037,200	2,901,037,200
Other payables	17,520,636,930	17,520,636,930	17,520,636,930
	<u>123,487,546,904</u>	<u>123,487,546,904</u>	<u>123,487,546,904</u>

Tran Anh Digital World Joint Stock Company
Notes to the financial statements for the year ended 31 December 2012 (continued)

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(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company is not exposed to currency risk on sales and purchases as these transactions are all transacted in Vietnam Dong.

(ii) Interest rate risk

At the reporting date the interest rate profit of the Company's interest - bearing financial instruments was:

	Carrying amount	
	31/12/2012 VND	31/12/2011 VND
Fixed rate instruments		
Financial assets – Cash equivalent	44,000,000,000	20,500,000,000
Financial assets – Short-term investment	96,629,887,392	104,885,360,220
	<hr/>	<hr/>
	140,629,887,392	125,385,360,220

Given that all the interest bearing financial instruments of the Company have fixed interest rate, therefore the Company is not exposed to interest rate fluctuation.

(e) Fair values

(i) Fair values versus carrying amounts

The fair values of financial assets and liabilities as at 31 December 2012 did not have significant differences in comparison with the carrying amounts of those items.

(ii) Basis for determining fair values

Non- derivative financial assets

The fair value of non- derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value of the instruments is determined for disclosure purposes only.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Tran Anh Digital World Joint Stock Company

Notes to the financial statements for the year ended 31 December 2012 (continued)

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24. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following transactions with related parties during the year:

	Transaction value	
	2012	2011
	VND	VND
Shareholders		
Tran Xuan Kien		
Bonus share received	9,816,100,000	5,609,200,000
Payment of dividends	3,926,440,000	2,394,600,000
Dividend payables	-	3,926,440,000
Do Thi Thu Huong		
Bonus share received	9,268,210,000	5,296,120,000
Payment of dividends	3,707,284,000	2,238,060,000
Dividend payables	-	3,707,284,000
Aureos South East Aisa Fund Limited Liability Company		
Bonus share received	9,024,480,000	4,292,840,000
Payment of dividends	3,609,792,000	2,146,424,000
Dividend payables	-	3,609,792,000
Do Thi Kim Lien		
Bonus share received	1,939,940,000	505,680,000
Payment of dividends	397,976,000	252,840,000
Dividend payables	-	397,976,000
Purchase of share under ESOP 2011	-	220,000,000
Hoang Anh Tuan		
Bonus share received	906,000,000	472,000,000
Payment of dividends	362,400,000	236,000,000
Dividend payables	-	362,400,000
Purchase of share under ESOP 2011	-	160,000,000
Nghiem Xuan Thang		
Bonus share received	405,000,000	150,000,000
Payment of dividends	162,000,000	75,000,000
Dividend payables	-	162,000,000
Purchase of share under ESOP 2011	-	285,000,000
Bui Xuan Hung		
Bonus share received	267,320,000	129,900,000
Payment of dividends	106,930,000	72,950,000
Dividend payable	-	106,930,000
Purchase of share under ESOP 2011	-	80,000,000
Board of Management and Board of Supervisors		
Compensation paid	416,900,000	110,000,000

Notes to the financial statements for the year ended 31 December 2012 (continued)

25. Commitments

	31/12/2012 VND	31/12/2011 VND
Within one year	52,968,363,153	55,868,542,874
Within two to five years	123,894,935,307	122,721,966,008
More than five years	144,159,717,450	74,935,316,855
	321,023,015,910	253,525,825,737

	2012 VND	2011 VND
Merchandise goods and related costs	1,514,500,918,899	1,499,623,892,588
Labour costs and staff costs	53,434,233,013	42,256,436,667
Depreciation and amortisation	4,222,432,833	4,781,042,769
Outside services	69,306,487,156	41,302,624,614
Other expenses	10,674,174,319	4,005,935,019


Phan Quang Truong
Chief Accountant

Tran Xuan-Kien
General Director

23 MAR 2013