KPMG

Tran Anh Digital World Joint Stock Company

Financial Statements for the year ended
31 December 2013

Signature Not Verified
Ký bởi: ĐỖ THỊ KIM LIÊN
Ký ngày: 17/3/2014 17:22:46

Tran Anh Digital World Joint Stock Company
Corporate Information

Business Registration Certificate No.	0102004703	11 March 2002
	0102004703, 1st revision	27 October 2003
	0102004703, 2nd revision	27 February 2006
	0102004703, 3rd revision	03 August 2007
	0103018927	08 August 2007
	0103018927, 1st revision	20 August 2009
	0103018927, 2st revision	23 October 2009
	0101217009, 3rd revision	25 May 2010
	0101217009, 4th revision	21 June 2010
	0101217009, 5th revision	04 November 2010
	0101217009, 6th revision	04 March 2011
	0101217009, 7th revision	16 March 2011
	0101217009, 8th revision	21 June 2011
	0101217009, 9th revision	7 November 2011
	0101217009, 10th revision	03 May 2012
	0101217009, 11th revision	01 August 2012
	0101217009, 12th revision	11 April 2013
	0101217009, 13th revision	30 May 2013
	0101217009, 14th revision	13 September 2013
	0101217009, 15th revision	15 November 2013
	0101217009, 16th revision	24 January 2014
	0101217009, 17th revision	11 March 2014

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 Thi Kim Lien	Member
	Hoang Anh Tuan	Member
	Bui Xuan Hung	Member
	Kanetaka Hideki	Member *(from 27 February 2014)*
Board of Directors	Tran Xuan Kien	General Director
	Do Thi Thu Huong	Deputy General Director
	Nghiem Xuan Thang	Deputy General Director *(from 5 December 2013)*
	Nguyen Tin Nhiem	Deputy General Director *(from 5 December 2013)*
	Nghiem Xuan Thang	Managing Director *(until 4 December 2013)*
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 5 to 31, 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 2013. 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 2013 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 applicable to financial reporting.

On behalf of the Board of Directors

CÔNG TY CỔ PHẦN THẾ GIỚI SỐ TRẦN ANH

Tran Xuan Kien
General Director

Hanoi, 14 MAR 2014

KPMG Limited
46th Floor, Keangnam Hanoi Landmark Tower,
72 Building, Plot E6, Pham Hung Street,
Me Tri, Tu Liem, Hanoi
The Socialist Republic of Vietnam

Telephone + 84 (4) 3946 1600
Fax + 84 (4) 3946 1601
Internet www.kpmg.com.vn

INDEPENDENT AUDITORS' REPORT

To the Shareholders
Tran Anh Digital World Joint Stock Company

We have audited the accompanying financial statements of Tran Anh Digital World Joint Stock Company ("the Company"), which comprise the balance sheet as at 31 December 2013, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 14 March 2014, as set out on pages 5 to 31.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

KPMG

Audit Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Tran Anh Digital World Joint Stock Company as at 31 December 2013 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting.

KPMG Limited
Vietnam
Investment Certificate No.: 011043000345
Audit Report No.: 13-02-075

CÔNG TY TRÁCH NHIỆM HỮU HẠN KPMG

Wang Toon Kim
Practicing Auditor Registration
Certificate No.: 0557-2013-007-1
Deputy General Director

Lai Thuy Linh
Practicing Auditor Registration
Certificate No.: 2040-2013-007-1

Hanoi, 14 March 2014

Tran Anh Digital World Joint Stock Company
Balance sheet as at 31 December 2013

Form B 01 – DN

	Code	Note	31/12/2013 VND	31/12/2012 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	**100**		**436,930,225,148**	**320,955,848,193**
Cash and cash equivalents	**110**	**4**	**70,020,382,751**	**58,764,220,404**
Cash	111		26,680,685,984	14,764,220,404
Cash equivalents	112		43,339,696,767	44,000,000,000
Short-term investments	**120**	**5**	**11,000,000,000**	**96,629,887,392**
Short-term investments	121		11,000,000,000	96,629,887,392
Accounts receivable – short-term	**130**		**15,634,446,213**	**17,566,311,443**
Accounts receivable – trade	131		9,470,045,810	14,875,379,573
Prepayments to suppliers	132		4,939,400,403	190,931,870
Other receivables	135		2,450,000,000	2,500,000,000
Allowance for doubtful debts	139		(1,225,000,000)	-
Inventories	**140**	**6**	**248,650,296,131**	**132,666,785,436**
Inventories	141		251,877,329,918	135,893,819,223
Allowance for inventories	149		(3,227,033,787)	(3,227,033,787)
Other current assets	**150**		**91,625,100,053**	**15,328,643,518**
Short-term prepayments	151	7	18,568,636,821	8,528,271,606
Deductible value added tax	152		18,104,880,659	4,469,895,396
Taxes and other receivables from State Treasury	154		3,426,757,538	-
Other current assets	158	8	51,524,825,035	2,330,476,516
Long-term assets (200 = 220 + 260)	**200**		**94,584,547,444**	**68,462,719,475**
Fixed assets	**220**		**29,551,417,226**	**13,460,057,316**
Tangible fixed assets	221	9	18,374,940,878	9,058,045,034
Cost	222		28,204,748,720	18,641,926,999
Accumulated depreciation	223		(9,829,807,842)	(9,583,881,965)
Intangible fixed assets	227	10	-	-
Cost	228		848,032,010	866,331,960
Accumulated amortisation	229		(848,032,010)	(866,331,960)
Construction in progress	230	11	11,176,476,348	4,402,012,282
Other long-term assets	**260**		**65,033,130,218**	**55,002,662,159**
Long-term prepayments	261	12	11,146,125,906	2,139,909,079
Other long-term assets	268	13	53,887,004,312	52,862,753,080
TOTAL ASSETS (270 = 100 + 200)	**270**		**531,514,772,592**	**389,418,567,668**

The accompanying notes are an integral part of these financial statements

Tran Anh Digital World Joint Stock Company
Balance sheet as at 31 December 2013 (continued)

Form B 01 – DN

	Code	Note	31/12/2013 VND	31/12/2012 VND
RESOURCES				
LIABILITIES (300 = 310)	**300**		**242,472,885,818**	**144,264,067,449**
Current liabilities	**310**		**242,472,885,818**	**144,264,067,449**
Short-term borrowings	311	14	54,222,169,181	-
Accounts payable – trade	312		167,228,535,821	130,907,225,843
Advances from customers	313		4,267,496,376	541,735,452
Taxes payable to State Treasury	314	15	6,100,000	1,994,491,000
Payables to employees	315		9,089,831,221	5,581,312,218
Accrued expenses	316		4,270,721,126	1,919,280,410
Other payables	319	16	2,034,733,758	1,291,806,288
Bonus and welfare funds	323	17	1,353,298,335	2,028,216,238
EQUITY (400 = 410)	**400**		**289,041,886,774**	**245,154,500,219**
Owners' equity	**410**	**18**	**289,041,886,774**	**245,154,500,219**
Share capital	411	19	130,515,960,000	123,990,160,000
Capital surplus	412		102,094,299,657	68,613,164,001
Treasury shares	414		(2,113,755,096)	(6,250,995,640)
Investment and development fund	417	20	424,368,000	424,368,000
Financial reserve	418	20	9,658,562,218	8,087,214,032
Retained profits	420		48,462,451,995	50,290,589,826
TOTAL RESOURCES (440 = 300 + 400)	**440**		**531,514,772,592**	**389,418,567,668**

OFF BALANCE SHEET ITEMS

	31/12/2013	31/12/2012
Foreign currency (USD)	27,445	8,470

Prepared by:

Phan Quang Truong
Chief Accountant

Approved by:

CÔNG TY CỔ PHẦN THẾ GIỚI SỐ TRẦN ANH
S.Đ.K.K.D: 0101217009-C.T.C.P
Q. ĐỐNG ĐA - TP. HÀ NỘI

Tran Xuan Kien
General Director

14 MAR 2014

The accompanying notes are an integral part of these financial statements

Tran Anh Digital World Joint Stock Company
Statement of income for the year ended 31 December 2013

Form B 02 – DN

	Code	Note	2013 VND	2012 VND
Total revenue	**01**	**21**	**1,893,732,592,710**	**1,695,832,442,452**
Less revenue deductions	**02**	**21**	**26,681,449,730**	**20,824,711,706**
Net revenue (10 = 01 - 02)	**10**	**21**	**1,867,051,142,980**	**1,675,007,730,746**
Cost of sales	**11**		**1,692,097,145,074**	**1,514,500,918,899**
Gross profit (20 = 10 - 11)	**20**		**174,953,997,906**	**160,506,811,847**
Financial income	21	22	6,038,582,733	18,117,663,739
Financial expenses	22		369,035,200	-
In which: Interest expense	23		*369,035,200*	-
Selling expenses	24		162,235,935,054	115,839,895,104
General and administration expenses	25		21,767,796,421	21,797,432,217
Net operating (loss)/profit {30 = 20 + (21 - 22) - (24 + 25)}	**30**		**(3,380,186,036)**	**40,987,148,265**
Other income	31		8,706,648,049	1,454,934,692
Other expenses	32		3,444,388,457	406,488,283
Results of other activities (40 = 31 - 32)	**40**		**5,262,259,592**	**1,048,446,409**
Profit before tax (50 = 30 + 40)	**50**		**1,882,073,556**	**42,035,594,674**
Income tax expense – current	**51**	**23**	**567,515,015**	**10,608,630,958**
Net profit after tax (60 = 50 - 51)	**60**		**1,314,558,541**	**31,426,963,716**
Earnings per share		**24**		
Basic earnings per share	70		110	2,583

Prepared by:

Phan Quang Truong
Chief Accountant

Approved by:

Tran Xuan Kien
General Director

CÔNG TY CỔ PHẦN THẾ GIỚI SỐ TRẦN ANH
S.Đ.K.K.D: 0101217009-C.T.C.P
Q. ĐỐNG ĐA - TP. HÀ NỘI

14 MAR 2014

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 2013 (Direct method)

Form B 03 – DN

	Code	Note	2013 VND	2012 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	01		2,056,000,680,712	1,828,902,904,463
Cash paid to suppliers	02		(2,089,809,741,974)	(1,725,880,568,647)
Cash paid to employees	03		(62,078,772,974)	(48,742,255,020)
Interest paid	04		(206,029,970)	-
Income tax paid	05		(5,988,763,553)	(14,427,348,742)
Other cash receipts	06		3,487,020,025	1,395,305,525
Other cash payments	07		(16,128,857,312)	(18,862,802,107)
Net cash flows from operating activities	**20**		**(114,724,465,046)**	**22,385,235,472**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(32,617,835,087)	(9,898,393,157)
Placement of cash into time deposit with maturity more than 90 days	23		(97,891,802,208)	(305,705,670,844)
Withdrawal from time deposit with maturity more than 90 days	24		183,521,689,600	313,961,143,672
Interest received	27		6,798,569,167	18,120,219,833
Net cash flows from investing activities	**30**		**59,810,621,472**	**16,477,299,504**

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 2013 (Direct method - continued)

Form B 03 – DN

	Code	Note	2013 VND	2012 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from equity issued and treasury shares sold	31		32,655,131,160	-
Payments for treasury shares repurchased	32		(20,707,294,420)	(75,600,000)
Proceeds from short-term borrowings	33		101,709,896,717	-
Payments to settle loan principals	34		(47,487,727,536)	-
Payments of dividend	36		-	(16,162,757,500)
Net cash flows from financing activities	**40**		**66,170,005,921**	**(16,238,357,500)**
Net cash flows during the year (50 = 20 + 30 + 40)	**50**		**11,256,162,347**	**22,624,177,476**
Cash and cash equivalents at the beginning of the year	**60**		**58,764,220,404**	**36,140,042,928**
Cash and cash equivalents at the end of the year (70 = 50 + 60)	**70**	**4**	**70,020,382,751**	**58,764,220,404**

Prepared by:

Phan Quang Truong
Chief Accountant

Approved by:

CÔNG TY CỔ PHẦN THẾ GIỚI SỐ TRẦN ANH
S.Đ.K.K.D: 0101217009-C.T.C.P
Q. ĐỐNG ĐA - TP. HÀ NỘI

Tran Xuan Kien
General Director

14 MAR 2014

The accompanying notes are an integral part of these financial statements

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 2013, the Company had 1,116 employees (31/12/2012: 725 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 applicable to financial reporting.

(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.

(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 recoverable amount is subsequent increased 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. Prior to 1 May 2013, 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.

On 1 May 2013, the Company changed its accounting policy with respect to measurement of cost of inventories from the weighted average basis to first-in-first-out basis. This change in accounting policy has been applied retrospectively and did not have a material effect on the corresponding figures for the year 2012.

(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 - 10 years
▪ office equipment	3 years
▪ store renovation	3 years
▪ motor vehicles	6 - 8 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 instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets ("Circular 45"). Cost of tools and instruments are 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 follows:

(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 and other incomes

(i) Goods sold

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.

(ii) Interest income

Interest income is recognized on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(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. 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.

(r) Related parties

Related parties include individuals who directly or indirectly have significant influence over the Company, key management personnel, their close family members and their subsidiaries and associates.

4. Cash and cash equivalents

	31/12/2013 VND	31/12/2012 VND
Cash on hand	5,918,769,931	204,232,741
Cash in banks	16,912,345,381	10,696,104,663
Cash in transit	3,849,570,672	3,863,883,000
Cash equivalents	43,339,696,767	44,000,000,000
	70,020,382,751	58,764,220,404

Cash in banks at 31 December 2013 included VND32,196 million (31/12/2012: nil) which is subject to restriction in use according to secure terms for a bank loan.

5. Short-term investments

Short-term investments represented short-term deposits placed at banks with terms from 90 days to 120 days. Short-term investments at 31 December 2013 is subject to restriction in use according to guarantee terms with suppliers of the Company (31/12/2012: VND11,000 million).

6. Inventories

	31/12/2013 VND	31/12/2012 VND
Tools and supplies	545,298,808	215,028,114
Finished goods	1,766,850,899	690,700,415
Merchandise inventories	249,565,180,211	134,988,090,694
	251,877,329,918	135,893,819,223
Allowance for inventories	(3,227,033,787)	(3,227,033,787)
	248,650,296,131	132,666,785,436

Included in inventories at 31 December 2013 was VND24,305 million (31/12/2012: VND47,911 million) of finished goods and merchandise inventories carried at net realisable value.

7. Short-term prepayments

	31/12/2013 VND	31/12/2012 VND
Store rental fees	13,697,945,713	5,959,793,925
Tools and supplies	3,081,737,302	1,123,351,030
Others	1,788,953,806	1,445,126,651
	18,568,636,821	8,528,271,606

8. Other current assets

	31/12/2013 VND	31/12/2012 VND
Sales of treasury shares	32,196,339,460	-
Receivable from suppliers for sale support	10,547,594,911	-
Penalty by other entity	7,700,557,358	-
Others	1,080,333,306	2,330,476,516
	51,524,825,035	2,330,476,516

9. Tangible fixed assets

	Buildings and structures VND	Office equipment VND	Store renovation VND	Motor vehicles VND	Total VND
Cost					
Opening balance	2,310,854,469	5,786,939,477	6,613,471,700	3,930,661,353	18,641,926,999
Additions	-	2,479,568,928	-	2,250,000,000	4,729,568,928
Transfer from construction in progress	6,561,548,232	3,724,245,999	80,012,500	-	10,365,806,731
Disposals	-	(89,631,844)	(2,151,454,987)	-	(2,241,086,831)
Reclassification (*)	-	(2,116,594,073)	(1,174,873,034)	-	(3,291,467,107)
Closing balance	8,872,402,701	9,784,528,487	3,367,156,179	6,180,661,353	28,204,748,720
Accumulated depreciation					
Opening balance	467,771,781	3,444,023,553	4,268,248,895	1,403,837,736	9,583,881,965
Charge for the year	908,900,438	1,606,888,534	997,633,558	820,992,709	4,334,415,239
Disposals	-	(63,722,846)	(1,427,041,756)	-	(1,490,764,602)
Reclassification (*)	-	(1,580,298,162)	(1,017,426,598)	-	(2,597,724,760)
Closing balance	1,376,672,219	3,406,891,079	2,821,414,099	2,224,830,445	9,829,807,842
Net book value					
Opening balance	1,843,082,688	2,342,915,924	2,345,222,805	2,526,823,617	9,058,045,034
Closing balance	7,495,730,482	6,377,637,408	545,742,080	3,955,830,908	18,374,940,878

(*) The reclassification represents net book value of existing fixed assets which do not meet one of the criteria for recognition as fixed assets as regulated in Article 3 of Circular 45, i.e. costing VND30 million or more. These assets are reclassified to Long-term Prepayment (Note 12).

Included in tangible fixed assets were assets costing VND3,485 million which were fully depreciated as at 31 December 2013 (31/12/2012: VND4,075 million), but which are still in active use.

10. Intangible fixed assets

	Software VND
Cost	
Opening balance	866,331,960
Reclassification (*)	(18,299,950)
Closing balance	848,032,010
Accumulated amortisation	
Opening balance	866,331,960
Reclassification (*)	(18,299,950)
Closing balance	848,032,010
Net book value	
Opening balance	-
Closing balance	-

(*) The reclassification represents net book values of existing fixed assets which do not meet one of the criteria for recognition as fixed assets as regulated in Article 3 of Circular 45, i.e. costing VND30 million or more. These assets are reclassified to Long-term Prepayment (Note 12).

Intangible fixed assets were fully amortised as at 31 December 2013 (31/12/2012: VND866 million), but which are still in use.

11. Construction in progress

	2013 VND	2012 VND
Opening balance	4,402,012,282	5,985,083,984
Additions during the year	30,301,526,424	8,236,812,014
Transfer to tangible fixed assets	(10,365,806,731)	(5,997,251,237)
Transfer to long-term prepayments	(8,112,100,879)	(2,080,386,704)
Transfer to short-term prepayments	(5,010,784,931)	(1,742,245,775)
Written off	(38,369,817)	-
Closing balance	11,176,476,348	4,402,012,282

Balance of construction in progress at the year end comprised:

	31/12/2013 VND	31/12/2012 VND
Store renovation works	4,983,787,794	540,498,876
Software development cost	3,489,183,588	3,489,183,588
Others	2,703,504,966	372,329,818
	11,176,476,348	4,402,012,282

12. Long-term prepayments

	Tools and instruments VND	Prepaid expenses VND	Total VND
Opening balance	1,642,442,480	497,466,599	2,139,909,079
Additions	3,805,612,968	538,745,581	4,344,358,549
Transferred from construction in progress	5,076,780,216	3,035,320,663	8,112,100,879
Amortisation for the year	(3,221,349,541)	(849,776,497)	(4,071,126,038)
Written off	(72,858,910)	-	(72,858,910)
Reclassification from fixed assets (*)	693,742,347	-	693,742,347
Closing balance	7,924,369,560	3,221,756,346	11,146,125,906

(*) Reclassification from fixed assets represents the net book value of existing fixed assets which do not meet one of the criteria for recognition as fixed assets, i.e. costing VND30 million or more, as regulated in Article 3 of Circular 45. These assets were reclassified from tangible and intangible fixed assets during the year (Note 9 and Note 10). The remaining net book values of fixed assets costing less than VND30 million are amortised on a straight line basis over their remaining estimated useful lives, but not exceeding 3 years.

13. Other long-term assets

At 31 December 2013, other long-term assets represented rental deposits for stores of the Company.

14. Short-term borrowings

	31/12/2013 VND	31/12/2012 VND
Short-term borrowings	54,222,169,181	-

These represent short-term borrowings from banks with the interest rate rate of 6.3% - 7% per annum and secured over term deposits (in cash equivalents) with a carrying amount of VND32,196 million (see Note 4).

15. Taxes payable to State Treasury

	31/12/2013 VND	31/12/2012 VND
Corporate income tax	-	1,994,491,000
Personal income tax	6,100,000	-
	6,100,000	1,994,491,000

16. Other payables

	31/12/2013 VND	31/12/2012 VND
Dividend payable	75,339,577	75,339,577
Short-term deposits received	1,272,483,024	1,044,483,410
Unearned revenue	-	141,668,666
Others	686,911,157	30,314,635
	2,034,733,758	1,291,806,288

17. Bonus and welfare fund

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies.

In accordance with the minutes of General Meeting of Shareholders dated 17 April 2013, the Company transferred VND1,571,348,186 of the Company's net profit for the year ended 31 December 2012 after tax to this fund.

Movements of bonus and welfare fund during the year were as follows:

	2013 VND	2012 VND
Opening balance	2,028,216,238	376,294,380
Appropriation	1,571,348,186	2,986,333,469
Utilisation	(2,246,266,089)	(1,334,411,611)
Closing balance	1,353,298,335	2,028,216,238

18. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Financial reserve VND	Retained profit VND	Total VND
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 shares 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)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(2,986,333,469)	(2,986,333,469)
Treasury shares repurchased during the year	-	-	(75,600,000)	-	-	-	(75,600,000)
Balance at 1 January 2013	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
Shares issued	6,525,800,000	25,629,331,160	-	-	-	-	32,155,131,160
Net profit for the year	-	-	-	-	-	1,314,558,541	1,314,558,541
Appropriation to equity funds	-	-	-	-	1,571,348,186	(1,571,348,186)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(1,571,348,186)	(1,571,348,186)
Treasury shares repurchased during the year	-	-	(20,707,294,420)	-	-	-	(20,707,294,420)
Treasury shares sold during the year	-	7,851,804,496	24,844,534,964	-	-	-	32,696,339,460
Balance at 31 December 2013	130,515,960,000	102,094,299,657	(2,113,755,096)	424,368,000	9,658,562,218	48,462,451,995	289,041,886,774

19. Share capital

The Company's authorised and issued share capital are:

	31/12/2013		31/12/2012	
	Number of shares	VND	Number of shares	VND
Authorised share capital	13,051,596	130,515,960,000	12,399,016	123,990,160,000
Issued share capital				
Ordinary shares	13,051,596	130,515,960,000	12,399,016	123,990,160,000
	13,051,596	130,515,960,000	12,399,016	123,990,160,000
Treasury shares				
Ordinary shares	(59,775)	(597,750,000)	(237,255)	(2,372,550,000)
	(59,775)	(597,750,000)	(237,255)	(2,372,550,000)
Shares in circulation				
Ordinary shares	12,991,821	129,918,210,000	12,161,761	121,617,610,000
	12,991,821	129,918,210,000	12,161,761	121,617,610,000

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:

	2013		2012	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the year	12,161,761	121,617,610,000	8,116,356	81,163,560,000
Shares issued during the year (*)	652,580	6,525,800,000	-	-
Bonus shares issued during the year	-	-	4,056,510	40,565,100,000
Treasury shares repurchased during the year	(525,100)	(5,251,000,000)	(7,560)	(75,600,000)
Treasury shares resold during the year (*)	702,580	7,025,800,000	-	-
Bonus shares withdrawn during the year	-	-	(3,545)	(35,450,000)
Balance at the end of the year	12,991,821	129,918,210,000	12,161,761	121,617,610,000

(*) During the year, the Company issued 652,580 shares and sold 652,580 treasury shares to Nojima – the new strategic shareholder incorporated in Japan. Such distribution was approved by the shareholders of the Company during the Annual General Meeting of Shareholders on 17 April 2013.

Included in the shares of the Company as at 31 December 2013 was 2,707,344 shares (31/12/2012: 2,707,344 shares) held 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 a certain amount of management fee to the Company. As of to date, the Company is not obligated to pay such management fee to Aureos as the required minimum investment return has been achieved.

20. Equity funds

(a) Investment and development fund

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

(b) Financial reserve

In accordance with the Company's Charter and as approved by the General Meeting of Shareholders, the Company is required to transfer 5% of its annual profit after tax to the reserve account until the reserve is equal to 10% of the Company's share capital.

21. Total revenue

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

Net sales comprised:

	2013 VND	2012 VND
Total revenue		
▪ Sales	1,893,732,592,710	1,695,832,442,452
Less sales deductions		
▪ Sales returns	(26,681,449,730)	(20,824,711,706)
Net sales	1,867,051,142,980	1,675,007,730,746

22. Financial income

	2013 VND	2012 VND
Interest income from deposits	6,038,582,733	18,117,663,739

23. Income tax

(a) Recognised in the statement of income

	2013 VND	2012 VND
Current tax expense		
Current year	527,322,655	10,608,630,958
Under provision in prior years	40,192,360	-
	567,515,015	10,608,630,958

(b) Reconciliation of effective tax rate

	2013 VND	2012 VND
Profit before tax	1,882,073,556	42,035,594,674
Tax at the Company's tax rate	470,518,389	10,508,898,669
Non-deductible expenses	56,804,266	99,732,289
Under provision in prior years	40,192,360	-
	567,515,015	10,608,630,958

(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.

On 19 June 2013, the National Assembly approved the Law on amendments and supplements to a number of articles of the Corporate Income Tax Law. Accordingly, the highest income tax rate shall be reduced from 25% to 22% for 2014 and 2015, and to 20% from 2016.

24. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2013 was based on the profit attributable to ordinary shareholders of VND1,314,558,541 (2012: VND31,426,963,716) and a weighted average number of ordinary shares outstanding of 11,898,045 (2012: 12,164,821 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2013 VND	2012 VND
Net profit for the year	1,314,558,541	31,426,963,716
Net profit attributable to ordinary shareholders	1,314,558,541	31,426,963,716

(ii) Weighted average number of ordinary shares

	2013	2012
Issued ordinary shares at the beginning of the year	12,161,761	8,116,356
Effect of new ordinary shares issued during the year	41,121	-
Effect of treasury shares reissued during the year	26,316	-
Bonus shares issued on 5 June 2012	-	4,056,510
Effect of treasury shares re-purchased during the year	(331,153)	(4,500)
Effect of bonus shares withdrawn during the year	-	(3,545)
Weighted average number of ordinary shares for the year ended 31 December	11,898,045	12,164,821

25. 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
- 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	31/12/2013 VND	31/12/2012 VND
Cash and cash equivalents	(i)	64,101,612,820	58,559,987,663
Short-term investments	(ii)	11,000,000,000	96,629,887,392
Accounts receivable – trade and other receivables	(iii)	10,695,045,810	17,375,379,573
		85,796,658,630	172,565,254,628

(i) Cash and cash equivalents

The cash and cash equivalents at bank of the Company are mainly held with big, 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.

(ii) Short-term investments

The short-term investments of the Company represent term deposits placed at big, 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.

(iii) Trade receivables and other receivables

As at 31 December 2013, the account receivables - short-term mainly consists of trade receivables from clients of the Company and other receivables.

For accounts receivable – trade, as at the date of these financial statements, all 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 2013, the financial liabilities with fixed or determinable payments have the following contractual maturities:

31 December 2013

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Short-term borrowings	54,222,169,181	54,471,566,631	54,471,566,631
Accounts payable - trade	167,228,535,821	167,228,535,821	167,228,535,821
Accrued expenses	4,270,721,126	4,270,721,126	4,270,721,126
Other payables	2,034,733,758	2,034,733,758	2,034,733,758
	227,756,159,886	228,005,557,336	228,005,557,336

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
	133,976,643,875	133,976,643,875	133,976,643,875

(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 made in Vietnam Dong.

(ii) Interest rate risk

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

	Carrying amount	
	31/12/2013	**31/12/2012**
	VND	**VND**
Fixed rate instruments		
Financial assets – Cash equivalents	43,339,696,767	44,000,000,000
Financial assets – Short-term investments	11,000,000,000	96,629,887,392
Financial liabilities – Short-term borrowings	(54,222,169,181)	-
	117,527,586	140,629,887,392

Given that the instruments are all fixed interest rate, the Company is not exposed to any fluctuation of interest rates.

(e) Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities as at 31 December 2013 approximate the fair value due to the short-term nature of these items.

26. 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	
	2013 VND	2012 VND
Shareholders		
Tran Xuan Kien		
Bonus shares received	-	9,816,100,000
Payment of dividends	-	3,926,440,000
Do Thi Thu Huong		
Bonus shares received	-	9,268,210,000
Payment of dividends	-	3,707,284,000
Aureos South East Aisa Fund Limited Liability Company		
Bonus shares received	-	9,024,480,000
Payment of dividends	-	3,609,792,000
Do Thi Kim Lien		
Bonus shares received	-	1,939,940,000
Payment of dividends	-	397,976,000
Hoang Anh Tuan		
Bonus shares received	-	906,000,000
Payment of dividends	-	362,400,000
Nghiem Xuan Thang		
Bonus shares received	-	405,000,000
Payment of dividends	-	162,000,000
Bui Xuan Hung		
Bonus shares received	-	267,320,000
Payment of dividends	-	106,930,000
Board of Management and Supervisory Board		
Compensation paid	251,409,000	416,900,000

27. Commitments

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2013 VND	31/12/2012 VND
Within one year	56,113,398,568	52,968,363,153
Within two to five years	162,183,494,746	123,894,935,307
More than five years	204,991,503,024	144,159,717,450
	423,288,396,338	321,023,015,910

28. Post balance sheet event

On 27 February 2014, the General Meeting of Shareholder resolved to pay the dividends for 2012 in form of shares with the ratio of 10:2 from retained earnings and issue additional shares in order to increase share capital with the ratio of 10:1.7 from share premium. The expected time for such dividends payment and shares issuance is in the quarter 2 of 2014 upon approval by the State Securities Commission of Vietnam.

29. Trading and business costs by element

	2013 VND	2012 VND
Cost of merchandise goods	1,692,097,145,074	1,514,500,918,899
Labour costs and staff costs	76,304,791,873	53,434,233,013
Depreciation and amortisation	4,334,415,239	4,222,432,833
Outside services	91,206,648,962	69,306,487,156
Other expenses	12,157,875,401	10,674,174,319

Prepared by:

Phan Quang Truong
Chief Accountant

Approved by:

CÔNG TY CỔ PHẦN THẾ GIỚI SỐ TRẦN ANH
S.Đ.K.K.D: 0101217009-C.T.C.P
Q. ĐỐNG ĐA - TP. HÀ NỘI

Tran Xuan Kien
General Director

14 MAR 2014