

DIGIWORLD CORPORATION

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2013

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF DIRECTORS	1
INDEPENDENT AUDITORS' REPORT	2
BALANCE SHEET	3 - 4
INCOME STATEMENT	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 22



STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Digiworld Corporation (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2013.

THE BOARDS OF MANAGEMENT AND DIRECTORS

The members of the Boards of Management and Directors of the Company who held office during the year and to the date of this report are as follows:

Mr. Doan Hong Viet	Chairman/General Director
Ms. Dang Kien Phuong	Member/Deputy General Director
Ms. To Hong Trang	Member/Deputy General Director
Ms. Pham Vu Thanh Giang	Member (resigned on 28 August 2013)
Mr. Doan Anh Quan	Member

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company and of its results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these 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;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. 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 that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,



Doan Hong Viet
General Director
15 April 2014

No. 620 /VNIA-HC-BC

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders, Boards of Management and Directors
Digiworld Corporation**

We have audited the accompanying financial statements of Digiworld Corporation (the "Company"), prepared on 15 April 2014 as set out from page 3 to page 22, which comprise the balance sheet as at 31 December 2013, the statement of income and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

Board of Directors' Responsibility for the Financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 from 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 judgment, 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 the Board of Directors, 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.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

As discussed further in Note 2 of Notes to the financial statements, as at 31 December 2013, the Company has accounted its investments in its subsidiary using cost method. The accompanying financial statements are prepared as solely to present 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 as a single entity; hence, the Company did not consolidate these investments using full consolidation method in these financial statements.



[Signature]
Audit Partner
Audit Practising Registration Certificate
No. 0138-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED
15 April 2014
Ho Chi Minh City, S.R. Vietnam

[Signature]
Truong Vu Thanh Lam
Auditor
Audit Practising Registration Certificate
No. 2102-2013-001-1

BALANCE SHEET
As at 31 December 2013

FORM B 01-DN
Unit: VND

ASSETS	Codes	Notes	31/12/2013	31/12/2012
A. CURRENT ASSETS (100=110+120+130+140+150)	100		889,595,562,246	771,548,153,768
I. Cash and cash equivalents	110	5	151,491,929,805	20,766,254,699
1. Cash	111		55,191,929,805	20,766,254,699
2. Cash equivalents	112		96,300,000,000	-
II. Short-term financial investments	120		4,900,000,000	4,900,000,000
1. Short-term investments	121	6	4,900,000,000	4,900,000,000
III. Short-term receivables	130		280,019,800,370	219,884,737,937
1. Trade accounts receivable	131		283,650,000,665	204,419,880,286
2. Advances to suppliers	132		918,134,250	837,970,938
3. Other receivables	135		464,714,555	20,024,717,872
4. Provision for short-term doubtful debts	139		(5,013,049,100)	(5,397,831,159)
IV. Inventories	140		385,815,546,461	462,939,590,540
1. Inventories	141	7	385,815,546,461	462,939,590,540
V. Other short-term assets	150		67,368,285,610	63,057,570,592
1. Short-term prepayments	151		2,669,062,320	1,696,845,013
2. Value added tax deductibles	152		38,606,988,568	25,250,048,663
3. Taxes and other receivables from the State budget	154		53,686,438	1,277,068,488
4. Other short-term assets	158	8	26,038,548,284	34,833,608,428
B. NON-CURRENT ASSETS (200=220+250+260)	200		86,948,560,093	84,449,235,282
I. Fixed assets	220		80,096,571,736	77,324,813,216
1. Tangible fixed assets	221	9	22,599,539,820	19,674,761,523
- Cost	222		34,926,873,128	28,891,223,789
- Accumulated depreciation	223		(12,327,333,308)	(9,216,462,266)
2. Intangible assets	227	10	57,497,031,916	57,650,051,693
- Cost	228		58,354,707,698	58,201,736,273
- Accumulated amortisation	229		(857,675,782)	(551,684,580)
II. Long-term financial investments	250		5,100,000,000	5,100,000,000
1. Investment in subsidiary	251	11	5,100,000,000	5,100,000,000
III. Other long-term assets	260		1,751,988,357	2,024,422,066
1. Long-term prepayments	261		525,365,353	621,135,222
2. Other long-term assets	268		1,226,623,004	1,403,286,844
TOTAL ASSETS (270=100+200)	270		976,544,122,339	855,997,389,050

The notes set out on pages 7 to 22 are an integral part of these financial statements

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BALANCE SHEET (Continued)
As at 31 December 2013

FORM B 01-DN
Unit: VND

RESOURCES	Codes	Notes	31/12/2013	31/12/2012
A. LIABILITIES (300=310+330)	300		726,493,905,171	559,507,875,626
I. Current liabilities	310		692,099,973,292	519,734,918,415
1. Short-term loans and liabilities	311	12	453,983,264,741	241,675,382,248
2. Trade accounts payable	312		181,525,099,896	245,835,632,807
3. Advances from customers	313		12,467,215,244	116,992,170
4. Taxes and amounts payable to the State budget	314	13	12,546,317,733	12,258,988,798
5. Payables to employees	315		3,697,641	1,679,963,876
6. Accrued expenses	316		9,883,069,717	8,995,305,278
7. Other current payables	319		21,645,125,295	8,818,189,546
8. Bonus and welfare funds	323		46,183,025	354,463,692
II. Long-term liabilities	330		34,393,931,879	39,772,957,211
1. Other long-term payables	333		325,000,000	1,563,566,999
2. Long-term loans and liabilities	334	14	33,300,000,000	37,400,000,000
3. Provision for severance allowance	336		768,931,879	809,390,212
B. EQUITY (400=410)	400		250,050,217,168	296,489,513,424
I. Shareholders' equity	410	15	250,050,217,168	296,489,513,424
1. Charter capital	411		108,024,690,000	108,024,690,000
2. Share premium	412		37,179,604,250	37,179,604,250
3. Treasury shares	414		(85,000,000,000)	-
4. Financial reserve fund	418		400,000,000	400,000,000
5. Retained earnings	420		189,445,922,918	150,885,219,174
TOTAL RESOURCES (440=300+400)	440		976,544,122,339	855,997,389,050

OFF BALANCE SHEET ITEMS

1. Foreign currencies
United States Dollar (USD)

31/12/2013

31/12/2012

256,444

155,131



Tran Thi Phuong
Chief Accountant

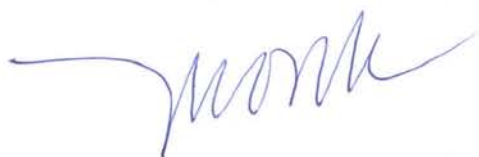


Doan Hong Viet
General Director
15 April 2014

INCOME STATEMENT
For the year ended 31 December 2013

FORM B 02-DN
Unit: VND

ITEMS	Codes	Notes	2013	2012
1. Gross revenue from goods sold	01		3,151,278,618,199	2,250,131,782,583
2. Deductions	02		94,010,352,862	110,456,481,206
3. Net revenue from goods sold (10=01-02)	10		3,057,268,265,337	2,139,675,301,377
4. Cost of sales	11		2,900,602,605,924	1,988,236,751,599
5. Gross profit from goods sold (20=10-11)	20		156,665,659,413	151,438,549,778
6. Financial income	21	17	5,981,855,551	14,498,934,640
7. Financial expenses	22	18	36,242,918,382	32,656,914,246
- In which: Interest expense	23		34,202,162,865	27,224,105,651
8. Selling expenses	24	19	31,511,807,180	28,140,662,194
9. General and administration expenses	25	20	32,029,911,069	35,976,747,055
10. Operating profit (30=20+(21-22)-(24+25))	30		62,862,878,333	69,163,160,923
11. Other income	31		7,386,158,005	17,035,290,794
12. Other expenses	32		1,214,580,960	1,105,874,795
13. Profit from other activities (40=31-32)	40		6,171,577,045	15,929,415,999
14. Profit before tax (50=30+40)	50		69,034,455,378	85,092,576,922
15. Current corporate income tax expense	51	21	17,631,138,260	21,399,666,882
16. Net profit after tax (60=50-51)	60		51,403,317,118	63,692,910,040
17. Basic earnings per share	70	22	5,879	5,896



Tran Thi Phuong
Chief Accountant

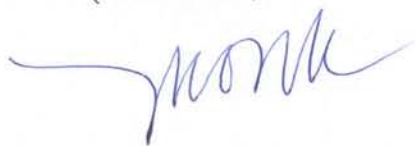


Doan Hong Viet
General Director
15 April 2014

CASH FLOW STATEMENT
For the year ended 31 December 2013

FORM B 03-DN
Unit: VND

ITEMS	Codes	2013	2012
I. CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
1. Profit before tax	01	69,034,455,378	85,092,576,922
2. Adjustments for:			
Depreciation and amortisation	02	3,416,862,244	3,021,237,807
Provisions	03	(384,782,059)	579,836,608
Unrealized foreign exchange gain	04	(204,322,050)	(724,895,283)
Gain from investing activities	05	(3,429,982,317)	(4,970,919,930)
Interest expense	06	34,202,162,865	27,224,105,651
3. Operating profit before movements in working capital	08	102,634,394,061	110,221,941,775
Changes in accounts receivable	09	(65,817,058,085)	26,552,091,544
Changes in inventories	10	77,124,044,079	(56,038,354,334)
Changes in accounts payable	11	(46,041,749,473)	(91,253,319,158)
Changes in prepaid expenses	12	(876,447,438)	921,851,930
Interest paid	13	(27,708,342,000)	(22,989,083,525)
Corporate income tax paid	14	(18,761,507,196)	(20,373,247,956)
Other cash inflows	15	176,663,840	790,193,011
Other cash outflows	16	2,682,341,000	(219,399,734)
Net cash from/(used in) operating activities	20	23,412,338,788	(52,387,326,447)
II. CASH FLOWS USED IN INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(6,188,620,764)	(845,701,250)
2. Proceeds from sale, disposal of fixed assets	22	-	600,000,000
3. Cash recovered from lending, selling debt	24	-	1,150,000,000
4. Interest received	27	3,127,182,317	1,397,265,958
Net cash used in investing activities	30	(3,061,438,447)	2,301,564,708
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Buying treasury shares	32	(85,000,000,000)	-
2. Proceeds from borrowings	33	2,578,514,538,573	1,761,374,644,878
3. Repayment of borrowings	34	(2,370,306,656,080)	(1,724,781,462,784)
4. Dividends paid	36	(12,842,613,374)	-
Net cash from financing activities	40	110,365,269,119	36,593,182,094
Net increase/(decrease) in cash and cash equivalents during the year (50=20+30+40)	50	130,716,169,460	(13,492,579,645)
Cash and cash equivalents at the beginning of the year	60	20,766,254,699	34,266,212,080
Effects of changes in foreign exchange rates	61	9,505,646	(7,377,736)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	151,491,929,805	20,766,254,699



Tran Thi Phuong
Chief Accountant



Doan Hong Viet
General Director
15 April 2014

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09-DN

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

1. GENERAL INFORMATION

Structure of ownership

Digiworld Corporation (the "Company") was incorporated in Vietnam, as a joint-stock company under Business Registration Certificate No. 0113004118 dated 13 February 2003 issued by the Department of Planning and Investment of Ho Chi Minh City, as amended.

The number of the Company's employees as at 31 December 2013 was 248 (2011: 204).

Principal activities

The principal activities of the Company are to manufacture and trade in software, computers and accessories, electronic components; trade telephones, switchboards, air-conditioners; provide services of installing, repairing and maintaining computer systems, switchboards, air-conditioners, transferring information and automatic controlling technologies, acting as agent to deposit goods; provide commercial advertising services, organizing conferences, seminars, exhibitions festival activities and real estate activities.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying financial statements, expressed in Vietnam Dong ("VND"), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

The accompanying financial statements have been prepared as the Company's financial statements so as to present 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 as a single entity. Consequently, the investment in subsidiary is presented using cost method, and has not been consolidated using consolidation method in the accompanying financial statements.

Financial year

The Company's financial year begins on 1 January and ends on 31 December.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on management, usage and depreciation of fixed assets

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC ("Circular 45") guiding the regime of management, usage and depreciation of fixed assets. This Circular supersedes Circular No. 203/2009/TT-BTC ("Circular 203") dated 20 October 2009 of the Ministry of Finance guiding the regime of management, usage and depreciation of fixed assets. Circular 45 is effective from 10 June 2013 and is applied from financial year 2013 onwards. According to the Board of Directors' assessment, Circular 45 does not have material effect on the Company's financial statements for the year ended 31 December 2013.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	25
Motor vehicles	5
Machinery and equipment	4
Office equipment	3 - 5

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Intangible assets and amortisation

Intangible assets represent land use rights and accounting software that are stated at cost less amortisation. Land use rights which are granted for an indefinite term are carried out at cost and not amortised under current regulations. Accounting software is amortised on a straight-line basis from five to six years.

Investments in subsidiaries

Investments represent investments in subsidiaries which are recorded at cost, including expenses related directly to investments. At the subsequent reporting dates, investments are measured at cost, less the amount of diminution in value of investments.

Long-term prepayments

Long-term prepayments comprise prepaid golf-membership and other types of long-term prepayments. Golf-membership is charged to the income statement on a straight-line basis over forty one years. Other types of long-term prepayments comprise small tools and spare parts which are expected to provide future economic benefits to the Company for more than one year. These expenditures are allocated to the income statement using the straight-line method over two years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Revenue recognition

Revenue from the sale of goods is recognised when all five following conditions are satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Severance allowance payable

The severance allowance for employees was accrued at the end of 2008 for all employees having worked at the Company for more than 12 months as of 31 December 2008 with the allowance made for each year of service up to 31 December 2008 equalling to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents.

Foreign currencies

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates" and Circular No. 179/2012/TT-BTC dated 24 October 2012 of the Ministry of Finance providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balance of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

Borrowing costs

Borrowing costs are recognized in the income statement when incurred.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and accounted for using balance sheet liability method. Deferred tax liabilities, if any, are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable and deferred tax is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and its ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

5. CASH AND CASH EQUIVALENTS

	31/12/2013	31/12/2012
	<u>VND</u>	<u>VND</u>
Cash on hand	88,774,010	301,422,213
Cash in bank	55,103,155,795	20,464,832,486
Cash equivalents	96,300,000,000	-
	<u><u>151,491,929,805</u></u>	<u><u>20,766,254,699</u></u>

Cash equivalents represent time deposits in VND at commercial banks with the maturity terms of one month and earn interest rate of 6% per annum (2012: Nil).

As at 31 December 2013, a part of cash in bank with an amount of USD 100,000 was provided as security for short-term credit facilities obtained from HSBC Bank (Vietnam) Ltd. (see Note 12).

6. SHORT-TERM INVESTMENTS

Short-term investments represent time deposits in VND at commercial banks with the maturity terms of 1 year and earn interest rate of 6% per annum (2012: 10% per annum).

As at 31 December 2013, short-term investments were provided as security for short-term credit facilities obtained from HSBC Bank (Vietnam) Ltd. (see Note 12).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

7. INVENTORIES	31/12/2013	31/12/2012
	VND	VND
Goods in transit	64,027,084,725	103,217,024,247
Work in progress	587,201,887	161,922,186
Merchandises	316,977,713,636	345,890,181,236
Goods on consignment	4,223,546,213	13,670,462,871
	385,815,546,461	462,939,590,540

As at 31 December 2013, inventories were provided as security for short-term credit facilities obtained from HSBC Bank (Vietnam) Ltd., ANZ Bank (Vietnam) Ltd., and Military Commercial Joint Stock Bank (see Note 12).

8. OTHER SHORT-TERM ASSETS	31/12/2013	31/12/2012
	VND	VND
Short-term deposits	4,198,000,000	7,229,080,000
Advances to employees	21,836,241,510	27,542,942,429
Others	4,306,774	61,585,999
	26,038,548,284	34,833,608,428

9. TANGIBLE FIXED ASSETS	Buildings and structures	Motor vehicles	Machinery and equipment	Office equipment	Total
	VND	VND	VND	VND	VND
COST					
As at 01/01/2013	20,408,400,300	5,534,279,971	442,610,450	2,505,933,068	28,891,223,789
Additions	774,780,435	4,759,554,499	288,308,500	213,005,905	6,035,649,339
As at 31/12/2013	<u>21,183,180,735</u>	<u>10,293,834,470</u>	<u>730,918,950</u>	<u>2,718,938,973</u>	<u>34,926,873,128</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2013	2,837,130,095	4,011,847,540	264,862,094	2,102,622,537	9,216,462,266
Charge for the year	843,716,031	1,895,561,081	81,604,283	289,989,647	3,110,871,042
As at 31/12/2013	<u>3,680,846,126</u>	<u>5,907,408,621</u>	<u>346,466,377</u>	<u>2,392,612,184</u>	<u>12,327,333,308</u>
NET BOOK VALUE					
As at 31/12/2013	<u>17,502,334,609</u>	<u>4,386,425,849</u>	<u>384,452,573</u>	<u>326,326,789</u>	<u>22,599,539,820</u>
As at 31/12/2012	<u>17,571,270,205</u>	<u>1,522,432,431</u>	<u>177,748,356</u>	<u>403,310,531</u>	<u>19,674,761,523</u>

As noted further in Note 14, the Company has pledged its buildings and structures, which have the carrying value of VND 17,502,334,609 as at 31 December 2013 (as at 31 December 2012: VND 17,571,270,205), to secure long-term credit facilities obtained from An Binh Commercial Joint Stock Bank.

The cost of the Company's tangible fixed assets includes an amount of VND 2,832,416,048 as at 31 December 2013 (as at 31 December 2012: VND 1,937,512,450) in respect of fully depreciated assets which are still in use.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

10. INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Total VND
COST			
As at 01/01/2013	56,550,000,000	1,651,736,273	58,201,736,273
Additions	-	152,971,425	152,971,425
As at 31/12/2013	<u>56,550,000,000</u>	<u>1,804,707,698</u>	<u>58,354,707,698</u>
ACCUMULATED AMORTISATION			
As at 01/01/2013	-	551,684,580	551,684,580
Charge for the year	-	305,991,202	305,991,202
As at 31/12/2013	-	<u>857,675,782</u>	<u>857,675,782</u>
NET BOOK VALUE			
As at 31/12/2013	<u>56,550,000,000</u>	<u>947,031,916</u>	<u>57,497,031,916</u>
As at 31/12/2012	<u>56,550,000,000</u>	<u>1,100,051,693</u>	<u>57,650,051,693</u>

As noted further in Note 14, the Company has pledged its land use rights, which have the carrying value of VND 56,550,000,000 as at 31 December 2013 and 31 December 2012 to secure long-term credit facilities obtained from An Binh Commercial Joint Stock Bank.

The cost of the Company's intangible assets includes assets with an amount of VND 136,993,300 as at 31 December 2013 (as at 31 December 2012: VND 32,294,300) in respect of fully depreciated assets which are still in use.

11. INVESTMENT IN SUBSIDIARY

Investment in subsidiary represents the investment in Digital World Technology (the "Subsidiary"), a company incorporated as a joint stock company under Business Registration Certificate No. 0310538535 dated 24 December 2010 issued by the Department of Planning and Investment of Ho Chi Minh City. The principal activities of the Subsidiary are to trade and repair equipment and accessories of mobile phones, computers, and other communication equipment. The cost of the investment is VND 5,100,000,000 as at 31 December 2013 and 31 December 2012 which makes up 51% of total charter capital equaled to its voting power in the subsidiary.

At the balance sheet date, no provision has been made for diminution in value of the investment in subsidiary as there are no significant accumulated losses incurred in the Subsidiary.

12. SHORT-TERM LOANS AND LIABILITIES

	31/12/2013 VND	31/12/2012 VND
Short-term loans	449,883,264,741	238,075,382,248
Current portion of long-term loans	4,100,000,000	3,600,000,000
	<u>453,983,264,741</u>	<u>241,675,382,248</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Details of short-term loans were as follows:

	31/12/2013	31/12/2012
	<u>VND</u>	<u>VND</u>
HSBC Bank (Vietnam) Ltd.	87,200,000,000	121,476,906,637
ANZ Bank (Vietnam) Ltd.	52,900,000,000	59,385,110,446
Military Commercial Joint Stock Bank	309,783,264,741	57,213,365,165
	<u>449,883,264,741</u>	<u>238,075,382,248</u>

Short-term loans as at 31 December 2013 represent short-term credit facilities obtained from HSBC Bank (Vietnam) Ltd., ANZ Bank (Vietnam) Ltd. and Military Commercial Joint Stock Bank with the credit facilities of USD 5,900,000; USD 7,000,000 and VND 450,000,000,000, respectively, to supplement the working capital. These loans bear interest rates that were determined per each drawing. These loans are guaranteed by certain personal assets of the Company's shareholders such as Mr. Doan Hong Viet, Ms. To Hong Trang, Ms. To Tieu Ngoc, Mr. Doan Anh Quan, Ms. Dang Kien Phuong and Ms. Dao Thi Bich Ngoc, and a part of its cash in bank (see Note 5), short-term investments (see Note 6), trade receivables, and inventories (see Note 7).

13. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	31/12/2013	31/12/2012
	<u>VND</u>	<u>VND</u>
Value added tax	-	3,226,656
Import-export duties	-	28,177,927
Corporate income tax	12,341,138,260	12,100,661,090
Personal income tax	205,179,473	126,923,125
	<u>12,546,317,733</u>	<u>12,258,988,798</u>

14. LONG-TERM LOANS AND LIABILITIES

Long-term loan represents a credit facility from An Binh Commercial Joint Stock Bank ("AB Bank") for an amount of VND 47,000,000,000. This facility is repayable in installments starting from the first quarter in 2011 to the fourth quarter in 2019 and bears interest that is payable on a monthly basis at the rate announced by AB Bank. The Company uses its buildings and structures (see Note 9) and land use rights (see Note 10) as collaterals for this facility.

Long-term loans are repayable as follows:

	31/12/2013	31/12/2012
	<u>VND</u>	<u>VND</u>
On demand or within one year	4,100,000,000	3,600,000,000
In the second to fifth year inclusive	24,500,000,000	21,000,000,000
After five years	8,800,000,000	16,400,000,000
	<u>37,400,000,000</u>	<u>41,000,000,000</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	4,100,000,000	3,600,000,000
Amount due for settlement after 12 months	<u>33,300,000,000</u>	<u>37,400,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

15. SHAREHOLDERS' EQUITY

Charter capital

According to the Company's amended Business Registration Certificate issued by the Department of Planning and Investment of Ho Chi Minh City on 11 October 2013, the Company's charter capital is VND 108,024,690,000.

The Company's share par value and number of shares as follows:

	31/12/2013	31/12/2012
Share par value (VND)	10,000	10,000
Number of shares authorized	10,802,469	10,802,469
Number of shares issued	10,802,469	10,802,469
Number of shares bought back during the year	2,052,469	-
Number of outstanding shares	<u>8,750,000</u>	<u>10,802,469</u>

The Company has one class of ordinary share which carry no right to fixed income. The shareholders of ordinary shares are entitles to receive dividends as declared from time to time and are entitled to one vote per share at the Company's shareholders meetings. All shares rank equally with regard to the Company's residual assets.

The charter capital has been contributed by shareholders with details are as follows:

	31/12/2013			31/12/2012		
	%	Number of share	Amount (VND)	%	Number of share	Amount (VND)
Mr. Doan Hong Viet	51.01	4,463,100	44,631,000,000	41.32	4,463,100	44,631,000,000
Mr. Doan Anh Quan	15.91	1,392,000	13,920,000,000	12.89	1,392,000	13,920,000,000
Ms. To Hong Trang	15.61	1,365,900	13,659,000,000	12.64	1,365,900	13,659,000,000
Ms. Dang Kien Phuong	10.17	889,600	8,896,000,000	8.24	889,600	8,896,000,000
Mekong Enterprise Fund II, Ltd.	-	-	-	19.00	2,052,469	20,524,690,000
Others	7.31	639,400	6,394,000,000	5.91	639,400	6,394,000,000
	100	8,750,000	87,500,000,000	100	10,802,469	108,024,690,000
Treasury shares		2,052,469	20,524,690,000		-	-
		<u>10,802,469</u>	<u>108,024,690,000</u>		<u>10,802,469</u>	<u>108,024,690,000</u>

Movement of shareholders' equity

	Charter capital VND	Share premium VND	Treasury shares VND	Financial reserve fund VND	Retained earnings VND	Total VND
As at 01/01/2012	108,024,690,000	37,179,604,250	-	400,000,000	87,192,309,134	232,796,603,384
Profit for the year	-	-	-	-	63,692,910,040	63,692,910,040
As at 31/12/2012	<u>108,024,690,000</u>	<u>37,179,604,250</u>	-	<u>400,000,000</u>	<u>150,885,219,174</u>	<u>296,489,513,424</u>
Profit for the year	-	-	-	-	51,403,317,118	51,403,317,118
Dividend paid	-	-	-	-	(12,842,613,374)	(12,842,613,374)
Treasury shares bought back during the year	-	-	(85,000,000,000)	-	-	(85,000,000,000)
As at 31/12/2013	<u>108,024,690,000</u>	<u>37,179,604,250</u>	<u>(85,000,000,000)</u>	<u>400,000,000</u>	<u>189,445,922,918</u>	<u>250,050,217,168</u>

According to the contract dated 14 August 2014 between the Company and Mekong Enterprise Fund II, Ltd. ("MEF II"), the Company has bought back 2,052,469 shares of MEF II with an amount of VND 85,000,000,000 and paid the special dividend to MEF II with an amount of VND 12,842,618,374.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

20. GENERAL AND ADMINISTRATION EXPENSES

	2013 VND	2012 VND
Expenses for employees	15,928,539,413	17,372,653,696
Depreciation expenses	2,362,701,227	2,425,665,614
External service rendered	10,064,472,007	7,357,737,375
Others	3,674,198,422	8,820,690,370
	<u>32,029,911,069</u>	<u>35,976,747,055</u>

21. CURRENT CORPORATE INCOME TAX EXPENSE

	2013 VND	2012 VND
Profit before tax	69,034,455,378	85,092,576,922
Add back: Non-deductible expenses	1,058,809,661	506,090,605
Assessable income	<u>70,093,265,039</u>	<u>85,598,667,527</u>
Tax rate	25%	25%
Corporate income tax	<u>17,523,316,260</u>	<u>21,399,666,882</u>
Additional tax for 2012	107,822,000	-
Current corporate income tax expense	<u>17,631,138,260</u>	<u>21,399,666,882</u>

No deferred tax assets or liabilities were recognized as there were no significant temporary differences between the carrying amount of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit.

22. BASIC EARNINGS PER SHARE

	2013 VND	2012 VND
Earnings for the purposes of calculating basic earnings per share	51,403,317,118	63,692,910,040
Number of outstanding shares	8,750,000	10,802,469
Earnings per share	<u>5,875</u>	<u>5,896</u>

23. OPERATING LEASE COMMITMENTS

	2013 VND	2012 VND
Minimum lease payments under operating leases recognized in the income statement for the year	<u>5,619,354,990</u>	<u>5,588,690,844</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

At the balance sheet date, the Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	31/12/2013 VND	31/12/2012 VND
Within one year	5,742,394,080	5,721,652,377
In the second to fifth year inclusive	<u>5,803,564,000</u>	<u>9,022,533,268</u>
	<u><u>11,545,958,080</u></u>	<u><u>14,744,185,645</u></u>

Operating lease payments mainly represent rentals payable by the Company for its offices, warehouses and shops. The rental lease agreements were signed for the period from three to five years.

24. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to owner through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in Note 12 and 14, offset by cash and cash equivalents) and shareholders' equity (comprising charter capital, share premium, treasury shares, financial reserve fund, and retained earnings).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	31/12/2013 VND	31/12/2012 VND
Borrowings	487,283,264,741	279,075,382,248
Less: Cash and cash equivalents	151,491,929,805	20,766,254,699
Net debt	335,791,334,936	258,309,127,549
Equity	<u>250,050,217,168</u>	<u>296,489,513,424</u>
Net debt to equity ratio	<u>1.34</u>	<u>0.87</u>

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Categories of financial instruments

	Carrying amount	
	31/12/2013 VND	31/12/2012 VND
Financial assets		
Cash and cash equivalents	151,491,929,805	20,766,254,699
Short-term investments	4,900,000,000	4,900,000,000
Trade and other receivables	279,101,666,120	219,046,766,999
Deposits	5,424,623,004	8,632,366,844
	440,918,218,929	253,345,388,542
Financial liabilities		
Borrowings	487,283,264,741	279,075,382,248
Trade and other payables	200,478,298,791	254,216,533,976
Accrued expenses	9,883,069,717	8,995,305,278
Other financial liabilities	2,769,342,999	1,713,566,999
	700,413,976,248	544,000,788,501

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk, interest rate risk, and merchandise price risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rate and merchandise price. The Company does not hedge these risk exposures due to the lack of a market to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	31/12/2013 VND	31/12/2012 VND	31/12/2013 VND	31/12/2012 VND
United States Dollar (USD)	14,011,047,508	26,523,253,028	160,393,626,345	376,819,454,016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar. 2% is the sensitivity rate used when reporting foreign currency risk internally to the Board of Directors and represents the Board of Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. For a 2% increase/decrease in United States Dollar against Vietnam Dong, the profit before tax in the year would decrease/increase by the amount of VND 2,927,651,577 (2012: VND 7,005,924,020).

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Interest rate sensitivity

The loan's sensitivity to interest rate changes may arise at an appropriate level. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the year ended 31 December 2013 would have decreased/ increased by VND 9,745,665,295 (2012: VND 5,581,507,645).

Merchandise price risk management

The Company purchases merchandises from local and foreign suppliers for business purpose. Therefore, the Company is exposed to the risk of changes in selling prices of merchandises.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across geographical areas.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owner to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

31/12/2013	Less than 1 year VND	From 1 - 5 years VND	Total VND
Financial assets			
Cash and cash equivalents	151,491,929,805	-	151,491,929,805
Short-term investments	4,900,000,000	-	4,900,000,000
Trade and other receivables	279,101,666,120	-	279,101,666,120
Deposits	4,198,000,000	1,226,623,004	5,424,623,004
	<u>439,691,595,925</u>	<u>1,226,623,004</u>	<u>440,918,218,929</u>
Financial liabilities			
Borrowings	453,983,264,741	33,300,000,000	487,283,264,741
Trade and other payables	200,478,298,791	-	200,478,298,791
Accrued expenses	9,883,069,717	-	9,883,069,717
Other financial liabilities	2,444,342,999	325,000,000	2,769,342,999
	<u>666,788,976,248</u>	<u>33,625,000,000</u>	<u>700,413,976,248</u>
Net liquidity gap	<u>(227,097,380,323)</u>	<u>(32,398,376,996)</u>	<u>(259,495,757,319)</u>
31/12/2012	Less than 1 year VND	From 1 - 5 years VND	Total VND
Financial assets			
Cash and cash equivalents	20,766,254,699	-	20,766,254,699
Short-term investments	4,900,000,000	-	4,900,000,000
Trade and other receivables	219,046,766,999	-	219,046,766,999
Deposits	7,229,080,000	1,403,286,844	8,632,366,844
	<u>251,942,101,698</u>	<u>1,403,286,844</u>	<u>253,345,388,542</u>
Financial liabilities			
Borrowings	241,675,382,248	37,400,000,000	279,075,382,248
Trade and other payables	254,216,533,976	-	254,216,533,976
Accrued expenses	8,995,305,278	-	8,995,305,278
Other financial liabilities	150,000,000	1,563,566,999	1,713,566,999
	<u>505,037,221,502</u>	<u>38,963,566,999</u>	<u>544,000,788,501</u>
Net liquidity gap	<u>(253,095,119,804)</u>	<u>(37,560,280,155)</u>	<u>(290,655,399,959)</u>

The Board of Directors assessed the liquidity risk at low level. The Board of Directors believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

25. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the Company entered into the following significant transactions with related parties:

	2013 VND	2012 VND
Interest expenses for the loan guarantee		
Mr. Doan Hong Viet	1,891,200,000	1,891,200,000
Ms. Dang Kien Phuong	156,110,000	241,200,000
Interest expenses for other payables		
Ms. Dang Kien Phuong	263,306,494	-
Interest income from advances to employees		
Mr. Doan Hong Viet	1,412,217,290	2,463,813,474
Mr. Doan Anh Quan	462,708,762	453,942,530

Remuneration paid to the Company's Board of Directors during the year was as follows:

	2013 VND	2012 VND
Salaries and bonus	4,373,740,000	4,300,990,000

Related party balances at the balance sheet date were as follows:

	31/12/2013 VND	31/12/2012 VND
Trade receivable		
Digital World Technology	4,444,530,291	4,444,530,291
Advances and other receivables		
Mr. Doan Hong Viet	16,244,878,020	20,406,612,472
Mr. Doan Anh Quan	6,571,568,292	5,508,859,530
Ms. Pham Thi Hong Phuong	-	1,670,000,000
Ms. To Hong Trang	-	1,388,436,121
Other payables		
Ms. Dang Kien Phuong	4,649,690,510	1,571,164,836



Tran Thi Phuong
Chief Accountant



Doan Hong Viet
General Director
15 April 2014