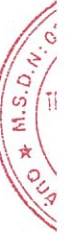




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SAOBACDAU TECHNOLOGIES CORPORATION

AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2014



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SAOBACDAU TECHNOLOGIES CORPORATON

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

THE MANAGEMENT'S REPORT

The Management of SaoBacDau Technologies Corporation (hereinafter referred to as “the Company”) hereby presents its report and the audited financial statements of the Company for the financial year ended 31 December 2014.

1. BACKGROUND

SaoBacDau Technologies Corporation has been incorporated in accordance with the Business Registration Certificate No. 4103002093 dated 11 February 2004 and other amended certificates thereafter with the latest one dated 13 September 2014 granted by Ho Chi Minh City’s Department of Planning and Investment.

The Company’s head office is located at Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City.

The charter capital as stipulated in the Business Registration Certificate is VND 80 billion.

The Company’s branches as at 31 December 2014 include:

- Ha Noi Branch: 15th Floor, Lilama10 Tower, To Huu Street, Trung Van Ward, Nam Tu Liem District, Ha Noi City.
- Da Nang Branch: 02 Quang Trung Street, Thach Thang Ward, Hai Chau District, Da Nang City.

2. MEMBERS OF THE BOARD OF DIRECTORS, THE CONTROL COMMITTEE, AND THE MANAGEMENT

Members of the Board of Directors during the year 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>
Mr. Nguyen Duc Quang	Chairman
Mr. Tran Tuyen Duc	Vice Chairman
Mr. Tran Anh Tuan	Member
Mr. Do Van Hao	Member
Mr. Le Hong Phong	Member
Mr. Hoang Hai Thinh	Member
Mr. Dang Nam Son	Member

Members of the Control Committee during the year 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>
Ms. Mai Thi Thuy Mai	Head
Mr. Le Phuoc Lo	Member
Ms. Nguyen Thi Minh Huan	Member

Members of the Management during the year 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>
Mr. Tran Anh Tuan	Chief Executive Officer
Mr. Hoang Hai Thinh	Chief Business Office
Mr. Ha The Thap	Vice President Operation
Mr. Le Hong Phong	Senior Vice President of Sale
Mr. Le Quoc Khanh	Vice President of Sale (VPS)
Mr. Nguyen Xuan Quang	Vice President of Sale (VPS)
Mr. Nguyen Viet Thang	Vice President of Sale (VPS)
Mr. Nguyen Xuan Truong	Vice President of Sale (VPS)
Mr. Nguyen Trung Dung	Vice President of ICT Service (VP – ICT Service)

SAOBACDAU TECHNOLOGIES CORPORATON

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

3. RESPONSIBILITY OF THE MANAGEMENT

The Company's Management is responsible for preparing the financial statements of each year which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows for the year. In preparing these financial statements, the Management 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 departures that need to be 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 the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

The Management 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 ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam. The Management 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 Management confirm that the Company has complied with the above requirements in preparing these financial statements.

4. AUDITOR

DTL Auditing Company Ltd, member of RSM International, have expressed the willingness to accept re-appointment.

5. STATEMENT BY THE MANAGEMENT

In the Management's opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2014 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam.

Ho Chi Minh City, 19 March 2015

For and on behalf of the Management

CHIEF EXECUTIVE OFFICER



TRAN ANH TUAN

No: 15.150A/BCKT-DTL

INDEPENDENT AUDITOR'S REPORT

To: Members of the Board of Directors
Members of the Management
SAOBACDAU TECHNOLOGIES CORPORATION

Report on the financial statements

We have audited the accompanying financial statements of SaoBacDau Technologies Corporation (hereinafter referred to as "the Company") prepared on 19 March 2015 as set out from page 05 to page 27, which comprise the statement of financial position as at 31 December 2014, and the income statement, and cash-flow statement for the financial year then ended, and accounting policies and explanatory notes to the financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards and System and relevant legislation as to the preparation and presentation of financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation 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 entity'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 entity'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.



Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of SaoBacDau Technologies Corporation as at 31 December 2014, and of the results of its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards and System and relevant legislation as to the preparation and presentation of financial statements.

Ho Chi Minh City, 19 March 2015
DTL AUDITING COMPANY LTD
pp. GENERAL DIRECTOR
VICE GENERAL DIRECTOR



LUC THI VAN
Audit Practice Registration Certificate
No. 0172-2013-026-1

AUDITOR

HUYNH THI NGOC TRINH
Audit Practice Registration Certificate
No. 2124-2013-026-1

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City

Form B 01 - DN

STATEMENT OF FINANCIAL POSITION

At 31 December 2014

Expressed in VND

ASSETS	Code	Notes	Ending balance	Beginning balance
A. CURRENT ASSETS	100		273,869,210,018	227,430,086,575
I. Cash and cash equivalents	110	5.1	13,820,920,163	28,266,521,843
1. Cash	111		10,615,580,863	28,266,521,843
2. Cash equivalents	112		3,205,339,300	
II. Short-term investments	120			
1. Short-term investments	121			
2. Provision for diminution in value of shortterm investments	129			
III. Account receivables	130	5.2	216,598,829,429	178,533,142,244
1. Trade receivables	131		201,723,720,298	172,075,793,905
2. Advances to suppliers	132		16,531,225,533	7,663,451,193
3. Intra-company short-term receivables	133			
4. Construction contract in progress receivables	134			
5. Other receivables	135		100,000,000	49,111,168
6. Provision for doubtful debts	139		(1,756,116,402)	(1,255,214,022)
IV. Inventories	140	5.3	33,937,914,681	5,019,814,472
1. Inventories	141		35,812,192,305	6,894,092,096
2. Provision for decline in value of inventories	149		(1,874,277,624)	(1,874,277,624)
V. Other current assets	150		9,511,545,745	15,610,608,016
1. Short-term prepaid expenses	151	5.4	5,518,713,066	6,739,679,963
2. Value added tax deductibles	152		368,402,838	2,240,504,845
3. Tax and other receivables from the State Budget	154			
4. Other current assets	158	5.5	3,624,429,841	6,630,423,208

(The next page is 06)

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City

Form B 01 - DN

STATEMENT OF FINANCIAL POSITION

At 31 December 2014

Expressed in VND

ASSETS	Code	Notes	Ending balance	Beginning balance
B. NON-CURRENT ASSETS	200		56,539,745,625	55,563,312,680
I. Long-term receivables	210			
1. Long-term trade receivables	211			
2. Business capital in dependent units	212			
3. Intra-company long-term receivables	213			
4. Other long-term receivables	218			
5. Provision for doubtful long-term receivables	219			
II. Fixed assets	220		40,645,771,330	41,838,130,244
1. Tangible fixed assets	221	5.6	31,186,539,540	31,941,890,054
+ Cost	222		57,339,900,182	47,974,990,193
+ Accumulated depreciation	223		(26,153,360,642)	(16,033,100,139)
2. Finance lease assets	224			
+ Cost	225			
+ Accumulated depreciation	226			
3. Intangible fixed assets	227	5.7	9,459,231,790	9,896,240,190
+ Cost	228		12,199,178,767	12,292,533,967
+ Accumulated amortisation	229		(2,739,946,977)	(2,396,293,777)
4. Construction in progress	230			
III. Investment property	240			
+ Cost	241			
+ Accumulated depreciation	242			
IV. Long term investments	250	5.8	13,800,000,000	12,957,316,713
1. Investments in subsidiaries	251		13,800,000,000	13,800,000,000
2. Investments in associates, joint-ventures	252			
3. Other long-term investments	258			
4. Provision for long-term investments	259			(842,683,287)
V. Other long-term assets	260		2,093,974,295	767,865,723
1. Long-term prepaid expenses	261		1,546,409,218	560,226,056
2. Deferred income tax assets	262		207,639,667	207,639,667
3. Other long-term assets	268		339,925,410	
TOTAL ASSETS	270		330,408,955,643	282,993,399,255

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City

Form B 01 - DN

STATEMENT OF FINANCIAL POSITION

At 31 December 2014

Expressed in VND

RESOURCES	Code	Notes	Ending balance	Beginning balance
A. LIABILITIES	300		239,550,600,995	197,199,088,657
I. Current liabilities	310		238,575,900,369	194,101,536,581
1. Short-term debts and loans	311	5.9	71,352,690,723	81,799,070,006
2. Trade payables	312	5.10	139,165,735,853	79,942,174,719
3. Advances from customers	313	5.10	9,196,532,565	23,305,502,692
4. Taxes and amounts payable to the State Budget	314	5.11	6,239,611,104	1,854,013,075
5. Payables to employees	315	5.12	2,076,822,000	
6. Accrued expenses	316	5.13	3,694,968,608	1,740,666,667
7. Intra-company payables	317			
8. Construction contract in progress payables	318			
9. Other short-term payables	319	5.14	6,849,539,516	5,460,109,422
10. Provision for short-term payables	320			
11. Bonus and welfare funds	323			
II. Long term liabilities	330		974,700,626	3,097,552,076
1. Long-term trade payables	331			
2. Intra-company long-term payables	332			
3. Other long-term payables	333			
4. Long-term debts and loans	334	5.15	974,700,626	3,097,552,076
5. Deferred income tax liabilities	335			
6. Provision for severance allowance	336			
7. Provision for long-term payables	337			
8. Unrealized revenue	338			
9. Science and technology development fund	339			
B. OWNER'S EQUITY	400		90,858,354,648	85,794,310,598
I. Equity	410	5.16.1	90,858,354,648	85,794,310,598
1. Share capital	411	5.16.2	80,000,000,000	80,000,000,000
2. Capital premium	412		1,123,900	1,123,900
3. Other contributed capital	413			
4. Treasury shares	414		(3,963,240,000)	(3,963,240,000)
5. Asset revaluation surplus	415			
6. Foreign exchange difference	416			
7. Investment and development fund	417		349,878,228	349,878,228
8. Financial reserve fund	418		1,360,788,841	1,155,674,609
9. Other funds within owners' equity	419			
10. Undistributed earnings	420	5.16.5	13,109,803,679	8,250,873,861
11. Capital expenditure fund	421			
12. Enterprise reorganization support fund	422			
II. Other capital, funds	430			
1. Subsidy funds	432			
2. Subsidy funds invested in fixed assets	433			
TOTAL RESOURCES	440		330,408,955,643	282,993,399,255

The accompanying notes are an integral part of the financial statements

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City

Form B 01 - DN

STATEMENT OF FINANCIAL POSITION

At 31 December 2014

OFF STATEMENT OF FINANCIAL POSITION ITEMS	Notes	Ending balance	Beginning balance
1. Assets under operating lease			
2. Goods held under trust or for processing			
3. Goods held by the company on consignment			
4. Bad debts written off			
5. Foreign currencies			
+ USD		11,297.51	210,807.44
6. Budget for non-production activities and projects			

Ho Chi Minh City, 19 March 2015

PREPARED

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER



TRAN PHAN THUY AN



HO THI HONG HANH



TRAN ANH TUAN

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City

Form B 02 - DN

INCOME STATEMENT

For the year ended 31 December 2014

Expressed in VND

ITEMS	Code	Notes	Current year	Previous year
1. Revenue	01		502,966,351,999	325,091,243,873
2. Deductions	02		309,361,152	
3. Net revenue	10	6.1	502,656,990,847	325,091,243,873
4. Cost of goods sold	11	6.2	424,667,544,742	264,385,211,092
5. Gross profit	20		77,989,446,105	60,706,032,781
6. Financial income	21		522,337,608	91,366,078
7. Financial expenses	22	6.3	6,690,377,775	11,724,070,618
<i>in which, interest expense</i>	23		7,299,696,804	11,420,703,064
8. Selling expense	24	6.4	19,282,127,512	13,052,805,148
9. General and administration expense	25	6.5	44,860,497,431	38,365,808,995
10. Operating profit/(loss)	30		7,678,780,995	(2,345,285,902)
11. Other income	31	6.6	3,709,306,980	18,333,893,664
12. Other expenses	32		2,526,570	10,289,917,962
13. Net other income/(loss)	40		3,706,780,410	8,043,975,702
14. Accounting profit/(loss) before tax	50		11,385,561,405	5,698,689,800
15. Current corporate income tax expense	51	6.7	2,519,679,355	1,702,337,075
16. Deferred corporate income tax expense	52			(207,639,667)
17. Net profit/(loss) after tax	60		8,865,882,050	4,203,992,392

Ho Chi Minh City, 19 March 2015

PREPARED

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER



TRAN PHAN THUY AN



HO THI HONG HANH



TRAN ANH TUAN

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 03 - DN

CASH FLOW STATEMENT (direct method)

For the year ended 31 December 2014

Expressed in VND

ITEMS	Code	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Cash receipts from customers	01		502,896,698,319	447,406,834,579
2. Cash paid to suppliers	02		(460,894,160,592)	(381,385,658,094)
3. Cash paid to employees	03		(27,196,657,004)	(28,867,920,220)
4. Interest paid	04		(6,946,015,885)	(11,420,703,064)
5. Corporate income taxes paid	05		(1,702,337,075)	(3,824,348,446)
6. Other cash inflows from operating activities	06		9,408,834,980	8,829,829,392
7. Other cash outflows from operating activities	07		(4,171,638,925)	(5,797,746,179)
Net cash from operating activities	20		11,394,723,818	24,940,287,968
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchase and construction of fixed assets and other long-term assets	21		(9,364,909,989)	(16,282,288,980)
2. Proceeds from disposals of fixed assets and other long-term assets	22		1,545,454	15,203,640,188
3. Loans to other entities and payments for purchase of debt instruments of other entities	23			
4. Repayments from borrowers and proceeds from sales of debts instruments of other entities	24			
5. Investments in other entities	25			
6. Proceeds from sales of investments in other entities	26			
7. Interest and dividends received	27		240,284,172	81,736,415
Net cash from investing activities	30		(9,123,080,363)	(996,912,377)

(The next page is 11)

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 03 - DN

CASH FLOW STATEMENT (direct method)

For the year ended 31 December 2014

Expressed in VND

ITEMS	Code	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issuing stocks and capital contribution from owners	31			
2. Capital redemption, payments for shares repurchases	32			(3,963,240,000)
3. Proceeds from borrowings	33		195,789,579,362	296,818,736,489
4. Repayment of borrowings	34		(208,650,593,597)	(286,015,298,465)
5. Finance lease principal paid	35			
6. Dividends paid	36		(3,856,230,900)	(8,101,327,750)
Net cash from financing activities	40		(16,717,245,135)	(1,261,129,726)
Net increase/(decrease) in cash (20+30+40)	50		(14,445,601,680)	22,682,245,865
Cash and cash equivalents at beginning of year	60		28,266,521,843	5,584,275,978
Impact of exchange rate fluctuation	61			
Cash and cash equivalents at end of year (50+60+61)	70	5.1	13,820,920,163	28,266,521,843

Ho Chi Minh City, 19 March 2015

PREPARED

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER



TRAN PHAN THUY AN



HO THI HONG HANH



TRAN ANH TUAN

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 09 – DN

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

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

1. CORPORATE INFORMATION

1.1. Structure of ownership

SaoBacDau Technologies Corporation (hereinafter referred to as “the Company”), formerly known as Informatics Service Provider Limited Company. On 30 August 2007, the Company was transformed into a joint stock company by the name of SaoBacDau Technologies Corporation under Business Registration Certificate No. 4103002093 dated 11 February 2004 and other amended certificates thereafter with the latest one dated 13 September 2014 granted by Ho Chi Minh City’s Department of Planning and Investment.

The Company was registered as a public company with State Securities Commission on 11 December 2007.

The Company’s head office is located at Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City.

The Company’s branches as at 31 December 2014 include:

- Ha Noi Branch: 15th Floor, Lilama10 Tower, To Huu Street, Trung Van Ward, Nam Tu Liem District, Ha Noi City.
- Da Nang Branch: 02 Quang Trung Street, Thach Thang Ward, Hai Chau District, Da Nang City.

As at 31 December 2014, the Company has subsidiary as follows:

Name	Business activities	Registered capital	Ownership of the Company	
			31/12/2014	01/01/2014
Sao Bac Dau Technology Service Joint Stock Company	Installing internal network systems, broadcast antenna system and telecommunications network, security and alarm devices.	20,000,000,000	69%	69%

The number of employees as at 31 December 2014 was 171 (31 December 2013: 172)

1.2. Operating industry and principal activities

According to the Business Registration Certificate, the Company’s principal activities include: Producing, assembling, repairing informatics and electronics products. Trading in household appliances, informatics and electronics products, office – equipment, cables, kinds of snap-in, electronic components. The consignment of goods agent, trading agency, office machine for rent, trading in telephones, fax, PABX switchboard (included 32 numbers). Trading, installing and maintaining informatics and electronics equipment, informatics network. Trading, producing, installing, maintaining telecommunications equipment. Trading, providing telecommunications service agent. Trading and producing informatics software, designed web. Scientific services: integrating systems, making over information technology. Providing information upload to internet, providing internet services agent (not including internet service providing agent in head office). Consultant, training informatics and telecommunications technology. Designing computer networking system. Office for rent. Trading, installing, repairing, maintaining electrical equipment, automatic control equipment (not including processing mechanic, producing electroplate, recycling waste at head office). Consulting technology transfer. Vocational training. Trading in software, machine, equipment in radio-broadcasting and television. Producing, trading and releasing films, films tabs and discs of being granted for circulations. Trading real estates. Construction of Industrial Civil Project. Plane tickets agent. Scientific Services: integrated system, technology transfer.

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

2. FINANCIAL YEAR, REPORTING CURRENCY

2.1. Financial year

The Company's financial year is from 01 January to 31 December.

2.2. Reporting currency

The Company maintains its accounting records in Vietnamese Dong (VND).

2.3. Accounting convention

The accompanying financial statements, expressed in VND, are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam.

3. ACCOUNTING STANDARDS, ACCOUNTING SYSTEM

3.1. Accounting standards, accounting system

The Company has adopted Vietnamese Accounting Standards and System.

3.2. Forms of accounting records

The form of accounting records applied in the Company is General Voucher.

3.3. Statement of compliance with Vietnamese Accounting Standards

The Company's financial statements for the year ended 31 December 2014 are prepared in accordance with Vietnamese Accounting Standards and System.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

4.2. Foreign currency transactions

Transactions in foreign currencies are recorded, on initial recognition, in the reporting currency, by applying to the foreign currency amount the spot exchange rate between the reporting currency and the foreign currency at the date of the transaction. The exchange differences arising on the settlement of monetary items are recognised in profit or loss in the period in which they arise. At the end of the reporting period, foreign currency monetary items excluding advances to suppliers, prepaid expenses, and unearned revenues, which are denominated in foreign currency, are reported using the closing rate and exchange differences resulting from the reporting after offset are recognised in profit or loss in the period in which they arise.

4.3. Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand and at bank, cash in transit, savings, collateral, deposits, and short-term investments for a period not exceeding 3 months or highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.4. Trade receivables and other receivables

- Recognition method

Trade receivables and other receivables are stated at their expected collectible value.

- Provision for doubtful debts

Provisions for doubtful debts are recognised for customer accounts past due and for customer accounts where circumstances indicate that these might not be recoverable. The provision for doubtful debts is recognised in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by Ministry of Finance.

Difference between the required balance and the existing balance of provision for doubtful debts are recorded as a general and administrative expense in the income statement.

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

4.5. Inventories

- Inventory measurement

Inventories are measured at the lower of cost and net realisable value.

The costs of inventories comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition.

The costs of purchase comprise the purchase price, non-reimbursable taxes and duties, and transport, handling and other costs directly attributable to the purchase. Trade discount and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

- Method of determining the closing balance of inventories

The inventories are measured using first-in, first-out method.

- Method of accounting for inventories

Inventories are recorded under the perpetual inventory method.

- Provision for decline in value of inventories

Where, by the year-end, the net realisable value of inventories is lower than cost, a provision for decline in value of inventories is recognised.

The provision is an excess of the cost of inventories over their net realisable value. The provision is recognized for obsolete, slow-moving and defective inventory items in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by Ministry of Finance.

Difference between the required balance and the existing balance of the provision for decline in value of inventories is included in cost of goods sold in the income statement.

Inventories are written down to net realisable value on an item-by-item basis. For services being rendered, provision is recognised in respect of each service for which a separate selling price will be charged.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

4.6. Deferred expenses

Deferred expenses are reported as short-term and long-term prepaid expenses on the statement of financial position which mainly include tools, consumables fees and cost of goods sold of projects not yet finishing. They are amortised over the period for which the amount are paid or the period in which economic benefits are generated in relation to these expenses.

4.7. Tangible fixed assets

- Tangible fixed asset recognition

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

- Depreciation and amortisation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

+ Buildings, structures	15 years
+ Machinery and equipment	3 - 5 years
+ Vehicles	6 years

4.8. Intangible fixed assets

Intangible fixed assets are initially recognised at cost. The cost of an intangible fixed asset is the total amount of expense incurred by the Company to acquire an asset at the time the asset is put into operation for its intended use, as follows:

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Land use rights

Intangible fixed assets represent land use right that is stated at cost less accumulated amortization. The Company's land use right pertains to land located at Lot U12B-16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam which the Company can use for 30 years. Land use right is amortised using the straight-line method over the duration of the right to use the land.

Computer Software

Accounting software is not an indispensable component of hardware and recognised as an intangible asset and depreciated over the useful life.

4.9. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

4.10. Investments in subsidiaries and associates

- Investments in subsidiary is accounted for under the cost method.
- Method of making provisions for financial investment losses:

For long-term investments: Provision for diminution in value of long-term investments is recognised in accordance with Circular No.228/2009/TT-BTC dated 07 December 2009 (Circular 228) and Circular No. 89/2013/TT-BTC dated 28 June 2013 modifying Circular 228 issued by Ministry of Finance which allow provision to be recognised for investments in economic institutions that have suffered losses (unless losses according to the business plan before initial investment) with a maximum provision equal to the amount of invested capital for each investment.

4.11. Accrued expenses and provisions

- Accrued expenses are recognised based on information available at the year-end and estimates by past experience.
- A provision shall be recognised when: the Company has a present legal or constructive obligation as a result of a past event; a reliable estimate can be made of the amount of the obligation; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions shall not be recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

4.12. Severance allowance to employees

Pursuant to the Law on Social Insurance, effective from 01 January 2009, the Company and its employees are required to contribute to unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the government from time to time. With the implementation of the unemployment scheme, the Company is no longer required to provide for severance allowance the service period after 01 January 2009. In addition, according to Circular 180/2012/TT-BTC dated 24 October 2012 issued by Ministry of Finance, since the financial year 2012, the Company has not provided for severance allowance under Circular 82/2003/TT-BTC dated 14 August 2003 issued by Ministry of Finance and the severance allowance outstanding (if any) was reversed in the year 2012.

4.13. Equity

- The owners' equity is recorded when contributed.
- Treasury share recognition and presentation.

Treasury shares are recorded at cost and are disclosed as the amount which decreases equity in financial position.

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▪ Dividend recognition

Dividend is recognised as a liability at the date of declaring dividend.

- Principles of creating reserves from profit after tax are created in accordance with Annual General Meeting.

Profit after tax could be shared to shareholders after being approved by Annual General Meeting and creating reserves in accordance with The Company's charter.

4.14. Revenue recognition

- Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

- Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.

4.15. Taxation

- Corporate Income Tax

Principles and recognition of current corporate income tax expense

Current corporate tax expense is defined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year is 22%.

Principles and recognition of deferred corporate income tax expense

Deferred corporate tax expense is defined on the basis of the deductible temporary differences, taxable temporary differences and the estimated CIT rate that will be applied for the years that assets and liabilities will be recovered, and the tax rates using the tax rates (and tax laws) that have been effected at the fiscal year - end.

- Value Added Tax

The goods sold and services rendered by the Company are subject to value added tax at the following rates:

+ Computer software	0%
+ Goods	10%
+ Rental services and other services	10%

- Other taxes: applicable in accordance with the prevailing tax law in Vietnam.

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment.

4.16. Financial instruments

- Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash and short-term deposits, trade and other receivables.

Financial liabilities

At the date of initial recognition financial liabilities are recognised at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise trade payables and other payables, debts and borrowings.

- Re-measurement after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

4.17. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

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5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE STATEMENT OF FINANCIAL POSITION

5.1. Cash and cash equivalents

	Ending balance	Beginning balance
Cash on hand	204,636,269	234,442,091
Cash at bank	10,410,944,594	28,032,079,752
Cash equivalents	3,205,339,300	-
Total	<u>13,820,920,163</u>	<u>28,266,521,843</u>

Cash equivalents are deposits at the bank for a period not exceeding 3 months.

5.2. Account receivables

	Ending balance	Beginning balance
Trade receivables	201,723,720,298	172,075,793,905
Advances to suppliers	16,531,225,533	7,663,451,193
Other receivables	100,000,000	49,111,168
Total short-term receivables	<u>218,354,945,831</u>	<u>179,788,356,266</u>
Provision for doubtful debts	(1,756,116,402)	(1,255,214,022)
Net realisable value of trade receivables and other receivables	<u>216,598,829,429</u>	<u>178,533,142,244</u>

Account receivables arose during the ordinary course of business activities of the Company. In which, account receivables from related parties are VND 2,108,081 – Refer to Note 7.

5.3. Inventories

	Ending balance	Beginning balance
The Company's stock	4,529,276,891	3,911,366,301
Goods issued to implement	31,102,126,733	2,865,735,444
Leased warehouse	66,956,150	3,157,820
Ha Noi Branch	113,832,531	113,832,531
Total costs	<u>35,812,192,305</u>	<u>6,894,092,096</u>
Provision for decline in value of inventories	(1,874,277,624)	(1,874,277,624)
Net realisable value of inventories	<u>33,937,914,681</u>	<u>5,019,814,472</u>

5.4. Prepaid expenses

	Ending balance	Beginning balance
Prepaid expenses for pending projects	5,148,146,123	5,453,223,138
Tools and supplies	370,566,943	1,286,456,825
Total	<u>5,518,713,066</u>	<u>6,739,679,963</u>

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5.5. Other current assets

		VND
	Ending balance	Beginning balance
Advances	1,869,250,423	2,931,178,587
Short term deposits, mortgages and collateral	1,755,179,418	3,699,244,621
Total	<u>3,624,429,841</u>	<u>6,630,423,208</u>

5.6. Tangible fixed assets

				VND
Items	Buildings, structures	Machinery and equipment	Means of transportations	Total
Cost				
Beginning balance	15,138,594,055	31,093,896,124	1,742,500,014	47,974,990,193
Purchase	-	9,364,909,989	-	9,364,909,989
Ending balance	<u>15,138,594,055</u>	<u>40,458,806,113</u>	<u>1,742,500,014</u>	<u>57,339,900,182</u>
Accumulated Depreciation				
Beginning balance	2,471,323,759	12,874,268,034	687,508,346	16,033,100,139
Depreciation	1,013,381,623	8,858,645,548	248,233,332	10,120,260,503
Ending balance	<u>3,484,705,382</u>	<u>21,732,913,582</u>	<u>935,741,678</u>	<u>26,153,360,642</u>
Net book value				
Beginning balance	12,667,270,296	18,219,628,090	1,054,991,668	31,941,890,054
Ending balance	<u>11,653,888,673</u>	<u>18,725,892,531</u>	<u>806,758,336</u>	<u>31,186,539,540</u>

The amount of year-end net book value of tangible fixed assets mortgaged as loan security totalled VND 11,653,888,673 – Refer to Note 5.9.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 7,488,096,153.

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5.7. Intangible fixed assets

Items			VND
	Land use rights	Administration software	Total
Cost			
Beginning balance	10,945,453,756	1,347,080,211	12,292,533,967
Disposals	-	(93,355,200)	(93,355,200)
Ending balance	10,945,453,756	1,253,725,011	12,199,178,767
Accumulated amortization			
Beginning balance	1,119,707,334	1,276,586,443	2,396,293,777
Amortization	377,429,439	59,578,961	437,008,400
Disposals	-	(93,355,200)	(93,355,200)
Ending balance	1,497,136,773	1,242,810,204	2,739,946,977
Net book value			
Beginning balance	9,825,746,422	70,493,768	9,896,240,190
Ending balance	9,448,316,983	10,914,807	9,459,231,790

The net book value of intangible fixed assets mortgaged as loan security totalled VND 9,448,316,983 – Refer to Note 5.9.

The historical cost of intangible fixed assets fully depreciated but still in use totalled VND 1,122,747,330.

5.8. Long-term finance investments

Representing investment in the subsidiary - Sao Bac Dau Technology Service Joint Stock Company with rate 69%.

5.9. Short-term debts and loans

	VND	
	Ending balance	Beginning balance
Bank loans	53,423,276,417	54,853,225,651
Other loans	16,072,002,856	24,959,679,354
Current portion of long-term liabilities– Refer to Note 5.15	1,857,411,450	1,986,165,001
Total	71,352,690,723	81,799,070,006

Bank loans bear the interest rates from 8% per year to 10.3% per year for VND. These loans were guaranteed by:

- The office and land use rights at Lot U12B-16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City with carrying amount of VND 11,653,888,673 and VND 9,448,316,983, respectively – Refer to Notes 5.6 and 5.7.
- Land use rights and the properties of individuals attached to the land at 83B Tran Ke Xuong, Ward 7, Phu Nhuan District, Ho Chi Minh City which belonged to individual properties.
- Land use rights and the properties of individuals attached to the land at 43 Dang Dung, Tan Dinh Ward, District 1, Ho Chi Minh City which belonged to individual properties.
- Right of claiming future debts and goods, electronic equipment, software, ect. that are created by these loans together with the right of claiming future debts.
- Receivables arising from the contracts signed between SaoBacDau Technologies Corporation and some specific clients.

Other loans were unsecured loans with the term from 6 months to 12 months and bore interest rates from 8% to 11% per month for VND.

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5.10. Trade payables and advances from customers

		VND
	Ending balance	Beginning balance
Trade payables	139,165,735,853	79,942,174,719
Advances from customers	9,196,532,565	23,305,502,692
Total	<u>148,362,268,418</u>	<u>103,247,677,411</u>

Trade payables arose during the ordinary course of business activities of the Company.

5.11. Taxes and amounts payable to the state budget

		VND
	Ending balance	Beginning balance
Corporate income tax	2,519,679,355	1,702,337,075
Personal income tax	148,467,886	152,871,600
Value added tax	3,571,224,527	(1,195,600)
Export, import duties	239,336	-
Total	<u>6,239,611,104</u>	<u>1,854,013,075</u>

5.12. Payables to employees

Representing the 13th month salaries payable to employees.

5.13. Accrued expenses

Representing accruals for service rendered which had billed to the customer.

5.14. Other short-term payables

		VND
	Ending balance	Beginning balance
Trade union dues	708,532,936	566,358,816
Dividend payables	266,531,850	320,924,750
Social, health, unemployment insurance	-	3,584,360
Other payables and obligations(*)	5,874,474,730	4,569,241,496
Total	<u>6,849,539,516</u>	<u>5,460,109,422</u>

(*) In which, other payables related to unrealised revenue of providing Internet service to the customer in 2 years under contract No.10 (DNG8b-DC) dated 25 August 2012 between SaoBacDau Technologies Corporation and Technology Development Project Management and Communication Board in Danang with the amount of VND 4,460,000,000.

5.15. Long-term debts and loans

Representing the unsecured loan from Cisco Systems Capital Asia Pte with the term 03 years and bore interest rate 6.51% per year. The principal outstanding as at 31 December 2014 totalled VND 2,832,112,076 (equivalent to USD 133,338.61), in which, the current portions of long-term loans totalled VND 1,857,411,450 (equivalent to USD 87,448.75).

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5.16. Owner's equity**5.16.1. Changes in owner's equity**

	Paid in Capital	Capital surplus	Treasury shares	Investment & development fund	Financial reserved fund	Undistributed profit after tax	Total
Previous year's beginning balance	80,000,000,000	1,123,900	-	349,878,228	813,386,788	12,546,479,051	93,710,867,967
Previous year's profit	-	-	-	-	-	4,203,992,392	4,203,992,392
Dividends declared	-	-	-	-	-	(7,999,908,300)	(7,999,908,300)
Distributed to funds	-	-	-	-	499,689,282	(499,689,282)	-
Purchasing treasury shares	-	-	(3,963,240,000)	-	-	-	(3,963,240,000)
Funds used	-	-	-	-	(157,401,461)	-	(157,401,461)
Current year beginning balance	80,000,000,000	1,123,900	(3,963,240,000)	349,878,228	1,155,674,609	8,250,873,861	85,794,310,598
Current year's profit	-	-	-	-	-	8,865,882,050	8,865,882,050
Dividends declared	-	-	-	-	-	(3,801,838,000)	(3,801,838,000)
Distributed to funds	-	-	-	-	205,114,232	(205,114,232)	-
Current year ending balance	80,000,000,000	1,123,900	(3,963,240,000)	349,878,228	1,360,788,841	13,109,803,679	90,858,354,648

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5.16.2. Details of owner's equity

		VND
	Ending balance	Beginning balance
Founding shareholders	44,973,080,000	44,973,080,000
Other shareholders	35,026,920,000	35,026,920,000
Treasury shares	(3,963,240,000)	(3,963,240,000)
Total	<u>76,036,760,000</u>	<u>76,036,760,000</u>

5.16.3. Dividends

		VND
	Current year	Previous year
Dividends paid	3,801,838,000	7,999,908,300

Representing dividends of year 2013 with rate 5% in accordance with Annual General Meeting dated 11 April 2014.

5.16.4. Shares

▪ Authorized common shares	8,000,000	8,000,000
▪ Issued common share	8,000,000	8,000,000
▪ Acquired common shares	396,324	396,324
▪ Outstanding common shares	7,603,676	7,603,676
▪ Par value per outstanding share: VND 10,000 per share.		

5.16.5. Undistributed earnings

		VND
	Current year	Previous year
Balance at beginning of year	8,250,873,861	12,546,479,051
Profit after tax	8,865,882,050	4,203,992,392
Distributed to financial reserve fund	(205,114,232)	(499,689,282)
Dividends declared	(3,801,838,000)	(7,999,908,300)
Balance at end of year	<u>13,109,803,679</u>	<u>8,250,873,861</u>

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

6.1. Revenue from selling goods and rendering services

		VND
	Current year	Previous year
Sale of goods	451,435,415,934	302,272,275,075
Rendering of services	51,530,936,065	22,818,968,798
Sales returns	(309,361,152)	-
Net revenue	<u>502,656,990,847</u>	<u>325,091,243,873</u>

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6.2. Cost of goods sold

	VND	
	Current year	Previous year
Cost of merchandise sold	390,415,186,634	253,327,757,706
Costs of services rendered	34,252,358,108	11,057,453,386
Total	<u>424,667,544,742</u>	<u>264,385,211,092</u>

6.3. Financial expense

	VND	
	Current year	Previous year
Interest expenses	7,299,696,804	11,420,703,064
Losses on foreign exchange rate differences	233,364,258	1,055,926,037
Reverse for investment devaluation	(842,683,287)	(752,558,483)
Total	<u>6,690,377,775</u>	<u>11,724,070,618</u>

6.4. Selling expense

	VND	
	Current year	Previous year
Employee expenses	5,519,806,635	4,810,175,246
Stationery	553,603,727	115,542,207
Depreciation expenses	6,570,486,692	759,206,645
Warranty expenses	444,634,017	101,346,654
Pre-sales expenses	1,213,844,101	815,382,782
Service expenses	1,383,170,969	1,605,583,281
Other expenses	3,596,581,371	4,845,568,333
Total	<u>19,282,127,512</u>	<u>13,052,805,148</u>

6.5. General and administration expense

	VND	
	Current year	Previous year
Employee expenses	27,843,860,633	23,795,529,182
Material expenses	1,139,619,060	682,111,485
Office stationery expenses	163,656,418	108,079,365
Depreciation expenses	4,424,136,972	4,998,926,449
Taxation, fee and charges	5,200,000	21,190,091
Remittance fee	333,614,158	452,471,096
Provision expenses	500,902,380	(49,534,859)
Service expenses	7,370,179,107	5,419,269,435
Other expenses	3,079,328,703	2,937,766,751
Total	<u>44,860,497,431</u>	<u>38,365,808,995</u>

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6.6. Other income

	VND	
	Current year	Previous year
Income from disposal and sale of fixed assets	-	15,193,987,188
Other income	3,709,306,980	3,139,906,476
Total	<u>3,709,306,980</u>	<u>18,333,893,664</u>

6.7. Current corporate income tax expense

	VND	
	Current year	Previous year
Accounting profit before tax for the year	11,385,561,405	5,698,689,800
Add: adjustments according to CIT law	67,526,570	4,661,841,833
Less: adjustments according to CIT law	-	(3,551,183,333)
Taxable income from ordinary business activities	<u>11,453,087,975</u>	<u>6,809,348,300</u>
Current CIT rate	22%	25%
Current CIT expense for the year	<u>2,519,679,355</u>	<u>1,702,337,075</u>

The adjustments for the increases (decreases) in the taxable income are mainly non – tax – deductible items as regulated by CIT law.

7. RELATED PARTIES DISCLOSURES

- According to Vietnam Accounting Standards, the following entities and individuals are determined to be related parties:

<u>Name of related party</u>	<u>Relationship</u>
Sao Bac Dau Technology Service Joint Stock Company	Subsidiary
Mr. Tran Anh Tuan	General Director

- At the end of the reporting period, the balances with related parties are as follows:

	VND	
	Ending balance	Beginning balance
Trade receivables – Refer to Note 5.2		
Sao Bac Dau Technology Service Joint Stock Company	2,108,081	849,764,856

- Details of important inter-company transactions entered into during the year were as follows:

	VND	
	Current year	Previous year
Selling goods	3,085,466,552	8,023,882,132
Purchasing goods	190,949,294	102,792,800

- Remuneration of the Board of Directors and salaries of the Chief Executive Officer:

	VND	
	Current year	Previous year
Remuneration of the Board of Directors	654,765,000	680,481,300
Salary of the Chief Executive Officer	833,803,454	939,007,223
Total	<u>1,488,568,454</u>	<u>1,619,488,523</u>

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8. 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 maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and equity attributable to equity holders of the Company (comprising capital, reserves and retained earnings).

▪ 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, financial liability and equity instrument are disclosed in Note 4.16.

▪ Categories of financial instruments

	VND	
	Carrying amounts	
	31 Dec. 2014	01 Jan. 2014
Financial assets		
Cash and cash equivalents	13,820,920,163	28,266,521,843
Trade and other receivables	200,067,603,896	170,869,691,051
Other financial assets	2,095,104,828	3,699,244,621
Total	<u>215,983,628,887</u>	<u>202,835,457,515</u>
Financial liabilities		
Borrowings	72,327,391,349	84,896,622,082
Trade and other payables	139,471,925,241	80,016,416,215
Accruals	3,694,968,608	1,740,666,667
Total	<u>215,494,285,198</u>	<u>166,653,704,964</u>

The Company has not assessed the fair value of its financial assets and liabilities as at the reporting date since there is no comprehensive guidance under Circular 210/2009/TT-BTC dated 06 November 2009 issued by Ministry of Finance (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 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

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company does not hedge these risk exposures due to the lack of a market to purchase financial instruments.

▪ Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Company does not hedge these risk exposures due to the lack of any 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 Company does not hedge this risk due to the lack of any market to purchase such instruments.

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The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	31 Dec. 2014	01 Jan. 2014	31 Dec. 2014	01 Jan. 2014
United States Dollars (USD)	2,557,642.08	2,394,948.34	11,297.51	210,816.44

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The Company is exposed to interest rate risk as the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company has significant interest rate risks arising from interest bearing loans. The Company's interest bearing loans are arranged at fixed interest rates and therefore it is also exposed to fair value interest rate risk from these loans.

Price risk management

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

▪ 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 diverse industries and 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 owners to meet its liquidity requirements in the short and longer term.

The following table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	VND		
	Less than 1 year	From 1- 5 years	Total
31 Dec. 2014			
Trade and other payables	139,471,925,241	-	139,471,925,241
Borrowings	71,352,690,723	974,700,626	72,327,391,349
Accruals	3,694,968,608	-	3,694,968,608
01 Jan. 2014			
Trade and other payables	80,016,416,215	-	80,016,416,215
Borrowings	81,799,070,006	3,097,552,076	84,896,622,082
Accruals	-	1,740,666,667	1,740,666,667

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

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any. The inclusion of information on non-derivative financial assets is necessary in order to understand the

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Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

			VND
31 Dec. 2014	Less than 1 year	From 1- 5 years	Total
Trade and other receivables	200,067,603,896	-	200,067,603,896
Other financial assets	1,755,179,418	339,925,410	2,095,104,828
01 Jan. 2014	Less than 1 year	From 1- 5 years	Total
Trade and other receivables	170,869,691,051	-	170,869,691,051
Other financial assets	3,699,244,621	-	3,699,244,621

9. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events arising after the end of the reporting period to the date of the financial statements.

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2014 were authorised for issue by the Chief Executive Officer on 19 March 2015.

Ho Chi Minh City, 19 March 2015

PREPARED BY

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER



TRAN PHAN THUY AN



HO THI HONG HANH



TRAN ANH TUAN