

**AUDITED FINANCIAL STATEMENTS**

*For the fiscal year ended December 31, 2011*

**HPT VIETNAM CORPORATION**



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## **HPT VIETNAM CORPORATION**

# **REPORT OF THE BOARD OF GENERAL DIRECTORS**

*For the fiscal year ended December 31, 2011*

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*The Board of General Directors has the honor of submitting this report and the audited financial statements for the fiscal year ended December 31, 2011.*

### **1. Business highlights:**

#### **1.1 Structure of ownership**

HPT Vietnam Corporation is a joint stock company, which is incorporated and operating under Business registration certificate No. 0301447426 dated May 11, 2004 (the third amended certificate dated June 28, 2011) issued by the Department of Planning and Investment of HCMC.

#### **1.2 The Company's principal activities:**

The Company's principal activities include:

Installing and transferring technology of computer network system; Providing with Internet appliance service (OSP); Storage and provision of information;  
Developing and applying science and technology into life;  
Rendering real estates brokerage service;  
Rendering market research and analysis;  
Trading medicine equipment and machinery;  
Providing with appliance software; Producing software and software service;  
Giving advisory on design of computer system (designing, building internet home page, computer software integrating hardware-software with telecommunication technology); Integrating local area network(LAN).

#### **1.3 Head office:**

Head office: No. 60 Nguyen Van Troi, Ward 08, Phu Nhuan Dist., HCMC.

Tel.: 08 3845 8518

Fax: 08 3845 8516

Tax code: 0301447426

### **2. Financial position and results of operation:**

The Company's financial position and results of operation in the year are presented in the attached financial statements.

### **3. Board of Management, Board of Supervisors and Board of General Directors:**

The Board of Management, Board of Supervisors and Board of General Directors holding office in the year and at the reporting date include:

#### **Board of Management:**

CHAIRMAN

MR. NGO VI DONG

VICE CHAIRMAN

MS. DINH HA DUY TRINH

MEMBER

MR. DINH HA DUY LINH

## **HPT VIETNAM CORPORATION**

### **REPORT OF THE BOARD OF GENERAL DIRECTORS**

*For the fiscal year ended December 31, 2011*

MEMBER

MS. HAN NGUYET THU HUONG

MEMBER

MR. NGUYEN QUYEN

MEMBER

MR. NGUYEN DUC TIEN

MEMBER

MR. TRAN ANH HOANG

#### **Board of Supervisors**

CHIEF SUPERVISOR

MS. HUYNH THI THANH NGA

MEMBER

MS. NGUYEN THI HOANG YEN

MEMBER

MR. LE NHUT HOANG NAM

#### **Board of General Directors**

GENERAL DIRECTOR

MR. DINH HA DUY LINH

CHIEF ACCOUNTANT

MS. NGUYEN THI HONG HAI

#### **4. Auditor**

Auditing and Informatic Services Limited Company (AISC) has been appointed as an independent auditor for the fiscal year ended December 31, 2011.

#### **5. Statement of the Responsibility of the Board of General Directors in respect of the Financial Statements**

The Board of General Directors of the Company is responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Company as of December 31, 2011 as well as its results of operation and cash flows for the year then ended. In order to prepare these financial statements, the Board of General Directors has considered and complied with the following matters:

- Selected the appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- The financial statements of the Company are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General 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 are prepared in compliance with the registered accounting policies stated in the Notes to the Financial Statements. The Board of General Directors is also responsible for safeguarding the assets of the Company and thus taking reasonable steps for the prevention and detection of fraud and other irregularities.

## HPT VIETNAM CORPORATION

### REPORT OF THE BOARD OF GENERAL DIRECTORS

*For the fiscal year ended December 31, 2011*

#### 5. Approval of the Financial Statements

In the Board of General Directors' opinion, the financial statements consisting of Balance Sheet as at December 31, 2011, Income Statement, Cash Flow Statement and Notes to the Financial Statements enclosed with this report give a true and fair view of the financial position of the Company as well as its operating results and cash flows for the fiscal year ended December 31, 2011.

The financial statements are prepared in compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System.

*HCMC, March 27, 2012*

*For and on behalf of the Board of General Directors* 



**DINH HA DUY LINH**

General Director

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**CÔNG TY TNHH KIỂM TOÁN & DỊCH VỤ TIN HỌC TP.HCM**  
**Auditing & Informatic Services Company Limited**  
**Office:** 142 Nguyễn Thị Minh Khai, Quận 3, Thành Phố Hồ Chí Minh  
**Tel:** (84.8) 3930 5163 (10 Lines) **Fax:** (84.8) 3930 4281  
**Email:** info@aisc.com.vn **Website:** www.aisc.com.vn



NO.: 06.11.343/AISC-DN5

**AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**  
**HPT VIETNAM CORPORATION**

To:

**The Board of Management and Board of General Directors**  
**HPT VIETNAM CORPORATION**

We have audited the financial statements of HPT Vietnam Corporation consisting of Balance Sheet as of December 31, 2011, Income Statement, Cash Flow Statement and Notes to the Financial Statements for the year ended December 31, 2011 as set out on Page 05 to Page 28, which were prepared on February 20, 2012.

The Board of General Directors is responsible for the preparation of the financial statements. It is our responsibilities to form an independent opinion, based on our audit, on these financial statements.

**Basis of auditing**

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes our assessing of the compliance with the prevailing accounting standards and system, accounting principles and methods applied, the significant estimates and judgments made by the Board of General Directors in preparation of the financial statements as well as evaluating the overall presentation of the financial statements. We planned and completed our audit so as to obtain all the information and explanations necessary. We believe that our audit provides a reasonable basis for our opinion.

**Auditor's opinion**

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of HPT Vietnam Corporation as of December 31, 2011 as well as the results of its operation and its cash flows for the year then ended. The financial statements are prepared in compliance with the prevailing Vietnamese Accounting System and other relevant statutory requirements.

**AUDITOR**

**Le Thanh Duy**

*Audit Certificate No.: 1493/KTV*  
*Issued by the Ministry of Finance*

**HCMC, March 27, 2012**

**GENERAL DIRECTOR**



**Pham Van Vinh**

*Audit Certificate No.: D0112/KTV*  
*Issued by the Ministry of Finance*

Branch in Ho Nai : C2 Room, 24 Floor - E9 Lot, VIMECO Building, Pham Hung St, Cau Giay Dist, Ha Noi

Tel : (04) 3782 0045 /46 /47 Fax : (04) 3782 0048

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Representative in Can Tho : 5D, 30/4 St. - Ninh Kieu Dist - Can Tho City

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Representative in Hal Phong : 18 Hoàng Văn Thụ St, Hong Bang Dist, Hal Phong

Tel : (031) 3569 577

Fax : (031) 3569 576

**BALANCE SHEET***As at December 31, 2011**Unit: VND*

<b>ASSETS</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2011</b>	<b>Jan. 01, 2011</b>
<b>A. CURRENT ASSETS</b> (100 = 110+120+130+140+150)	<b>100</b>		<b>266.521.791.852</b>	<b>336.570.578.453</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>		<b>19.149.293.250</b>	<b>19.412.052.159</b>
1. Cash	111	V.1	19.149.293.250	19.412.052.159
2. Cash equivalents	112		-	-
<b>II. Short-term investments</b>	<b>120</b>		<b>2.000.000</b>	<b>2.000.000</b>
1. Short-term investments	121		2.000.000	2.000.000
Provision for diminution in the value of short-term investments	129		-	-
<b>III. Accounts receivable</b>	<b>130</b>		<b>209.626.691.230</b>	<b>302.305.851.784</b>
1. Trade accounts receivable	131		190.381.128.916	295.595.177.881
2. Prepayments to suppliers	132		19.103.085.212	6.739.310.053
3. Intercompany receivables	133		-	-
4. Construction contract-in-progress receivables	134		-	-
5. Other receivables	135	V.2	174.111.252	2.998.000
6. Provision for doubtful debts	139		(31.634.150)	(31.634.150)
<b>IV. Inventories</b>	<b>140</b>	<b>V.3</b>	<b>34.999.618.406</b>	<b>12.507.792.381</b>
1. Inventories	141		34.999.618.406	12.507.792.381
2. Provision for decline in value of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>	<b>V.4</b>	<b>2.744.188.966</b>	<b>2.342.882.129</b>
1. Short-term prepayments	151		394.726.337	307.934.072
2. Deductible VAT	152		1.188.881.229	664.374.684
3. Taxes and other receivables from the State Budget	154		-	-
4. Repurchase and sale of Government's bonds	157		-	-
5. Other current assets	158		1.160.581.400	1.370.573.373

**BALANCE SHEET**

As at December 31, 2011

Unit: VND

<b>ASSETS</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2011</b>	<b>Jan. 01, 2011</b>
<b>B. LONG-TERM ASSETS</b> (200 = 210+220+240+250+260)	<b>200</b>		<b>17.218.753.784</b>	<b>13.198.887.367</b>
<b>I. Long-term receivables</b>	<b>210</b>		-	-
1. Long-term trade receivables	211		-	-
2. Working capital from sub-units	212		-	-
3. Long-term intercompany receivables	213		-	-
4. Other long-term receivables	218		-	-
5. Provision for doubtful long-term receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>	<b>V.5</b>	<b>7.720.037.765</b>	<b>3.709.164.545</b>
1. Tangible fixed assets	221	V.5.1	7.482.500.812	3.282.782.514
- Cost	222		20.852.761.432	15.373.173.018
- Accumulated depreciation	223		(13.370.260.620)	(12.090.390.504)
2. Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.5.2	237.536.953	426.382.031
- Cost	228		1.776.861.758	1.776.861.758
- Accumulated amortization	229		(1.539.324.805)	(1.350.479.727)
4. Construction in progress	230		-	-
<b>III. Investment Properties</b>	<b>240</b>		-	-
- Cost	241		-	-
- Accumulated depreciation	242		-	-
<b>IV. Long-term investments</b>	<b>250</b>		<b>7.537.680.000</b>	<b>7.402.850.000</b>
1. Investments in subsidiaries	251		-	-
2. Investments in associates, joint-ventures	252	V.6.1	4.800.000.000	4.800.000.000
3. Other long-term investments	258	V.6.2	2.737.680.000	2.602.850.000
Provision for decline in the value of long-term				
4. investments	259		-	-
<b>V. Other long-term assets</b>	<b>260</b>	<b>V.7</b>	<b>1.961.036.019</b>	<b>2.086.872.822</b>
1. Long-term prepaid expenses	261		1.563.344.382	1.585.126.435
2. Deferred income tax assets	262		-	-
3. Other long-term assets	263		397.691.637	501.746.387
<b>TOTAL ASSETS</b>	<b>270</b>		<b>283.740.545.636</b>	<b>349.769.465.820</b>



## BALANCE SHEET

As at December 31, 2011

Unit: VND

RESOURCES	Code	Notes	Dec. 31, 2011	Jan. 01, 2011
<b>A. LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>200.701.743.171</b>	<b>266.224.152.503</b>
<b>I. Current liabilities</b>	<b>310</b>	<b>V.8</b>	<b>199.474.743.171</b>	<b>265.949.152.503</b>
1. Short-term borrowings & liabilities	311		121.935.033.926	151.662.885.222
2. Trade accounts payable	312		60.866.467.273	79.249.806.389
3. Advances from customers	313		4.800.054.074	2.091.342.865
4. Taxes and other payables to the State Budget	314		2.700.606.084	12.552.699.486
5. Payables to employees	315		3.000.000.000	6.500.000.000
6. Accrued expenses	316		3.461.094.458	8.448.380.114
7. Intercompany payables	317		-	-
8. Construction contract-in-progress payables	318		-	-
9. Other payables	319		580.882.262	4.042.084.222
10. Provision for short-term payables	320		-	-
11. Bonus and welfare fund	323		2.130.605.094	1.401.954.205
12. Repurchase and sale of Government's bond	327		-	-
<b>II. Long-term liabilities</b>	<b>330</b>	<b>V.9</b>	<b>1.227.000.000</b>	<b>275.000.000</b>
1. Long-term trade payables	331		-	-
2. Long-term intercompany payables	332		-	-
3. Other long-term payables	333		-	-
4. Long-term borrowings and liabilities	334		1.227.000.000	275.000.000
5. Deferred income tax liabilities	335		-	-
6. Provision for severance allowances	336		-	-
7. Provision for long-term liabilities	337		-	-
8. Unrealized revenue	338		-	-
9. Fund for science and technology development	339		-	-

**BALANCE SHEET**

As at December 31, 2011

Unit: VND

RESOURCES	Code	Notes	Dec. 31, 2011	Jan. 01, 2011
<b>B. OWNERS' EQUITY (400 = 410 + 430)</b>	<b>400</b>		<b>83.038.802.465</b>	<b>83.545.313.317</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>V.10</b>	<b>83.038.802.465</b>	<b>83.545.313.317</b>
1. Owners' capital	411		59.892.990.000	59.892.990.000
2. Share premium	412		139.500.000	139.500.000
3. Owners' other capital	413		-	-
4. Treasury shares	414		(2.155.280.020)	(2.155.280.020)
5. Difference upon assets revaluation	415		-	-
6. Foreign exchange differences	416		543.902.085	(255.011.816)
7. Investment and development fund	417		753.240.000	753.240.000
8. Financial reserve fund	418		2.555.887.105	1.689.332.370
9. Other funds	419		-	-
10 Undistributed earnings	420		21.308.563.295	23.480.542.783
11 Investment reserve for basic construction	421		-	-
12 Fund for Enterprise Arrangement Support	422		-	-
<b>II. Budget sources and other funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Budget sources	432		-	-
2. Fund to form fixed assets	433		-	-
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>283.740.545.636</b>	<b>349.769.465.820</b>

**OFF - BALANCE SHEET ITEMS**

ITEMS	Code	Notes	Dec. 31, 2011	Jan. 01, 2011
1. Operating lease assets			-	-
2. Goods held under trust or for processing			-	-
3. Goods received on consignment for sale			-	-
4. Bad debts written off			-	47.894.173
5. Foreign currencies			4.105,90	2.298,83
6. Estimates for non-business and project expenditure			-	-

HCMC, February 20, 2012

PREPARED BY



PHUNG QUOC BAO

CHIEF ACCOUNTANT



NGUYEN THI HONG HAI

GENERAL DIRECTOR



DINH HA DUY LINH

## INCOME STATEMENT

For the fiscal year ended December 31, 2011

Unit: VND

ITEMS	Code	Notes	Year 2011	Year 2010
1. Sales	01	VI.1.	665.749.932.948	801.347.233.894
2. Less sales deductions	02		-	379.367.519
3. Net sales	10		665.749.932.948	800.967.866.375
4. Cost of sales	11	VI.2.	568.760.256.967	689.964.308.670
5. Gross profit (20 = 10 - 11)	20		96.989.675.981	111.003.557.705
6. Financial income	21	VI.3.	14.991.995.011	5.419.039.159
7. Financial expenses	22	VI.4.	32.588.815.229	23.022.321.566
<i>In which: loan interest expenses</i>	23		20.484.192.999	16.271.300.591
8. Selling expenses	24		46.192.893.928	40.653.489.324
9. General & administration expenses	25		24.587.362.571	26.681.004.121
10. Operating profit (30 = 20 + 21 - 22 - 24 - 25)	30		8.612.599.264	26.065.781.853
11. Other income	31	VI.5.	5.805.308.676	6.057.610.435
12. Other expenses	32	VI.6.	1.217.531.555	280.883.032
13. Other profit (40 = 31 - 32)	40		4.587.777.121	5.776.727.403
14. Net accounting profit before tax (50 = 30 + 40)	50		13.200.376.385	31.842.509.256
15. Corporate income tax - current	51	VI.7.	3.300.094.096	7.792.628.562
16. Corporate income tax - deferred	52		-	-
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		9.900.282.289	24.049.880.694
18. Earnings per share	70	VI.8.	1.697	4.061

PREPARED BY



PHUNG QUOC BAO

CHIEF ACCOUNTANT



NGUYEN THI HONG HAI

HCMC, February 20, 2012



GENERAL DIRECTOR

DINH HA DUY LINH

**CASH FLOW STATEMENT**

(Under indirect method)

*For the fiscal year ended December 31, 2011**Unit: VND*

ITEMS	Code Notes	Year 2011	Year 2010
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Net profit before tax	01	13.200.376.385	31.842.509.256
2. Adjustments for :			
- Depreciation and amortisation	02	2.654.585.771	2.201.455.241
- Provisions	03	-	-
- Unrealised foreign exchange gains/ losses	04	-	-
- Gains/losses from investing activities	05	(912.289.732)	374.603.808
- Interest expense	06	20.484.192.999	16.271.300.591
3. Profit from operating activities before changes in working capital	08	35.426.865.423	50.689.868.896
- Increase (-)/ decrease (+) in receivables	09	91.810.043.460	(65.927.150.287)
- Increase (-)/ decrease (+) in inventories	10	(22.491.826.025)	15.137.994.960
- Increase (+)/ decrease (-) in payables (Other than loan interests, income tax)	11	(33.378.203.143)	15.205.000.838
- Increase (-)/ decrease (+) in prepaid expenses	12	(65.010.212)	27.821.794
- Interest paid	13	(20.484.192.999)	(15.318.992.841)
- Corporate income tax paid	14	(6.470.152.827)	(7.788.318.296)
- Other receipts from operating activities	15	-	-
- Other payments on operating activities	16	(4.161.678.607)	(3.584.750.118)
Net cash inflows/(outflows) from operating activities	20	40.185.845.070	(11.558.525.054)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Purchases of fixed assets and other long-term assets	21	(6.726.119.307)	(1.961.353.301)
2. Proceeds from disposals of fixed assets and other long-term assets	22	109.527.455	-
3. Loans granted, purchases of debt instruments of other entities	23	(134.830.000)	-
4. Collection of loans, proceeds from sales of debt instruments of other entities	24	-	10.000.000
5. Investments in other entities	25	-	(3.030.000.000)
6. Proceeds from divestment in other entities	26	-	1.069.185.045
7. Dividends and interest received	27	912.289.732	938.711.147
Net cash inflows/(outflows) from investing activities	30	(5.839.132.120)	(2.973.457.109)

**CASH FLOW STATEMENT**

(Under indirect method)

For the fiscal year ended December 31, 2011

Unit: VND

**III. CASH FLOWS FROM FINANCING ACTIVITIES**

1. Proceeds from issue of shares and capital contribution	31	-	-
2. Payments for shares returns and repurchases	32	-	(1.424.780.020)
3. Proceeds from borrowings	33	529.457.062.142	512.042.750.966
4. Repayments of borrowings	34	(558.232.913.438)	(496.168.558.629)
5. Payments for finance lease liabilities	35	-	-
6. Dividends paid	36	(5.833.639.000)	(8.854.208.500)
<b>Net cash inflows/(outflows) from financing activities</b>	<b>40</b>	<b>(34.609.490.296)</b>	<b>5.595.203.817</b>
<b>Net cash inflows/(outflows) (50 = 20+ 30 + 40)</b>	<b>50</b>	<b>(262.777.346)</b>	<b>(8.936.778.346)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>19.412.052.159</b>	<b>28.347.178.728</b>
Effect of foreign exchange differences	61	18.437	1.651.777
<b>Cash and cash equivalents at the end of the year (70 = 50+60+61)</b>	<b>70</b>	<b>19.149.293.250</b>	<b>19.412.052.159</b>

HCMC, February 20, 2012

PREPARED BY



PHUNG QUOC BAO

CHIEF ACCOUNTANT



NGUYEN THI HONG HAI

GENERAL DIRECTOR



DINH HA DUY LINH

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2011***2. Disclosure of compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System**

We conducted our accounting in accordance with Vietnamese Accounting Standards and other relevant statutory regulations. The financial statements give a true and fair view of the state of affairs of the Company and the results of its operations, as well as its cash flows.

The selection of figures and information presented in the notes to the financial statements is complied with the material principles in Vietnamese Accounting Standard No.21 - Presentation of the financial statements.

**3. Form of records applied**

Form of records applied: General journal.

**IV. APPLICABLE ACCOUNTING POLICIES****1. Principles for recording cash amounts**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit and other short-term investments with an original maturity of three months or less, highly liquid, readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

**Principles for foreign currency translation:**

Transactions in currencies other than VND during the year have been translated into VND at the rates of exchange at the transaction dates, foreign exchange differences are recorded in the financial income or expenses and presented in the income statement.

**2. Principles for recording trade receivables and other receivables:**

**Principle for recording receivables:** At original cost less provision for doubtful debts.

Method of making provision for doubtful debts: Provision for doubtful debts represents the estimated loss value of overdue receivable debts and undue receivable debts which are likely to become possibly irrecoverable due to insolvency of debtors.

**3. Principles for recording inventories:**

Principles adopted in recording inventory: Inventories are stated at original cost less (-) the provision for the decline in value of inventories and obsolete items. The original cost of inventories consists of costs of purchase, processing costs and other costs incurred in bringing the inventories to their present location and condition.

Method of determining cost of inventories in the end of the period: FIFO.

Method of accounting for the inventories: Perpetual method.

Method of making provision for decline in value of inventories: Provision for decline in value of inventories is made when the net realisable value of inventories are lower than their original cost. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. The provision for decline in value of inventories is the difference between the cost of inventories greater than their net realisable value.

**4. Principles for recording fixed assets:****Principles for recording tangible fixed assets:**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred beyond their originally assessed standard of performance are capitalised as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the year.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2011*

When the assets are sold or disposed, their original costs and the accumulated depreciation which have been written off and any gain or loss from disposal of assets are recorded in the income statement.

Determination of original costs of tangible fixed assets:

*Tangible fixed assets purchased*

The original cost of purchased tangible fixed assets shall consist of the actual purchase price payable less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation such as fees for installation and trial operation of fixed assets; specialists and other direct costs.

**Principles for recording intangible fixed assets:**

Intangible fixed assets are stated at cost less accumulated amortization. The original cost of a intangible fixed asset comprises all costs of owning the asset to the date it is put into operation as expected.

Determination of original cost of intangible fixed assets

**Computer software**

The original cost of a fixed asset which is the computer software shall be the total of actual expenses incurred by the Company to obtain the computer software.

**Method of depreciating and amortizing fixed assets**

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

The estimated useful life for assets is as follows:

*The estimated useful life for assets is as follows:*

<i>Buildings and structures</i>	<i>5 - 50 years</i>
<i>Transportation and facilities</i>	<i>06 years</i>
<i>Office equipment</i>	<i>03 years</i>
<i>Computer software</i>	<i>03 - 08 years</i>

**5. Principles for recording financial investments:**

**Principles for recording financial investments in associates:** Companies are considered as the Company's associates when the Company has 20% - 50% of the long-term owners' equity in those companies and has considerable influence over their decisions on financial policies. Investments in associates are recorded at cost method.

**Principles for recording short-term, long-term securities investment and other short-term, long-term investments:** Investments include debt securities, equity securities or paid-in capital in other economic institutions established in accordance with regulation, but the Company only holds less than 20% of the owners' equity (less than 20% of the voting right) and the recovery term is less than 1 year (short-term investment) or more than 1 year (long-term investment). These investments are recorded at cost method.

**Provision for decline in value of financial investments :**

Provision for decline in value of short-term, long-term security investments is made when the net realizable value (market value) of the security investments is lower than the original cost.

Provision for loss of long-term financial investments is made when the Company confirms that these investments' value does not decline temporarily and out of the plan since the investee suffers from loss.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2011*

The level of provision is the difference between the net realizable value (market value) or value of recoverable investments and the original cost stated in the accounting book.

**6. Principles for recording and capitalizing borrowing costs:**

Principles for recording borrowing costs: Borrowing costs are loan interest and other costs incurred in direct relation to borrowings of an enterprise; Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction or production of uncompleted assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned when they satisfy conditions stipulated in the VAS No. 16 "Borrowing costs".

Capitalized rate: In case of joint capital borrowings, which are used for the purpose of investment in construction or production of an uncompleted asset, the borrowing costs eligible for capitalization in each accounting period shall be determined according to the capitalization rate for weighted average accumulated costs incurred to the investment in construction or production of such asset. The capitalization rate shall be calculated according to the weighted average interest rate applicable to the enterprises borrowings unrepaid in the period, except for particular borrowings for purpose of obtaining an uncompleted asset. The amount of borrowing costs capitalized during a period must not exceed the amount of borrowing costs arising during that period.

**7. Principles for recording and capitalizing other expenses:**

Long-term, short-term prepaid expenses include establishment expenses, rents of office and workshops, training expenses, insurance and other expenses....relating to the production and doing business of several periods, which need to be allocated in several accounting periods.

Method of allocating prepaid expenses: The determining and allocating of prepaid expenses into costs of production and doing business of each period is on a straight-line basis. Based on the nature and level of each expense, the term of allocation is defined as follows: short-term prepaid expenses should be allocated within one year; Long-term expenses should be allocated in the term from 12 months to 60 months.

**8. Principles for recording accrued expenses**

Accruals which are recognised on the basis of reasonable estimates on the amounts to be paid in the future for goods and services rendered include: selling expense, interest expense, other expenses.

**9. Principles for recording owner's Equity**

Principles for recording owner's paid-in capital:

The capital sourced from shares, securities purchased by members or shareholders or added from the profit after tax or added from the profit after tax in accordance with the Decree of annual shareholders' meeting or the Company's charter will be recorded at the actual contributed capital by cash or assets computed at the par value in the early establishment period or additional mobilization to expand operation scale.

**10. Principles for recording share premium and other capitals**

+ Share premium is the difference between the cost over and above the nominal value of the first issued, additionally issued share or reissued treasury share. In case where shares are bought to cancel immediately at the purchase date, shares' value for business capital written down at purchase date is the actual repurchase price and the business resource should be written down in details according to the par value and share premium of the repurchased shares.

+ **Principles for recognising treasury shares**



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2011*

Treasury share which is recorded at the actual value of the shares being issued and reacquired by the company is deducted into the owners' equity. The company does not record gain (loss) when buying, selling, issuing its equity instruments.

**+ Principles for recognising undistributed profit:**

Principle for recognising undistributed profit: the undistributed profit is recorded as the profit (loss) from the Company's result of operation after deducting the current year corporate income tax and the adjusted items due to the retroactive application of changes in accounting policy and adjustments for material misstatement of the previous year.

The distributing of profit is based on the charter of the Company approved by the annual shareholder meeting.

**11. Principles for recording revenues****Sales of goods**

Revenue from the sale of good should be recognised when all the five (5) following conditions have been satisfied: 1) The enterprise has transferred to buyer the significant risks and rewards of ownership of the goods; 2) The enterprise retains neither continuing managerial involvement as an owner nor effective control over the goods sold; 3) The amount of revenue can be measured reliably; 4) The economic benefits associated with the transaction has flown or will flow to the enterprise; 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Supply of services**

Revenue from services rendered is recorded when the result of the supply of services is determined reliably. In case where the services are rendered in several periods, the revenue will recorded by the part of completed works at the balance sheet. Revenue from services rendered is determined when the following four conditions have been satisfied: 1. The revenue is determined firmly; 2. The economic benefits associated with the transaction has flown or will flow from the supply of the services; 3. Part of completed works can be determined at the balance sheet date; 4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If the contract results can not be determined firmly, the revenue will be recorded at recoverable level of expenses recorded.

**Principles for recording financial income**

Financial incomes include interests, royalties, distributed dividends and profits and income from other financing activities (sale and purchase of securities, liquidation of capital in joint-ventures, investment in associates, subsidiaries, other investments; Foreign exchange gains; Capital transfer gain)...

Income arising from interests, royalties, distributed dividends and profits of the enterprises shall be recognized if they simultaneously satisfy the two (2) conditions below 1. It is possible to obtain economic benefits from the concerned transactions; 2. Income is determined with relative certainty.

- Interests recognized on the basis of the actual time and interest rates in each period;
- Royalties recognized on the basis of accrument in compliance with the contracts;
- Distributed dividends and profits shall be recognized when shareholders are entitled to receive dividends or the capital-contributing parties are entitled to receive profits from the capital contribution.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2011*

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When an amount which has been recorded as an income becomes irrecoverable, such irrecoverable or uncertainly recoverable amount must be accounted as expense incurred in the period, but not recorded as income decrease.

**Principles for recording financial expenses**

Financial expenses include: Expenses or losses relating to financing activities, borrowing costs, contribution in associates and joint-ventures, losses from short-term securities transfer, expenses of securities trading...; Provision for decline in value of financial investments, loss from sale of foreign currencies; Foreign exchange loss; Payment discounts for customers and other financial investments.

Financial expenses are recorded in details by their content and determined reliably when there are sufficient evidences on these expenses.

**12. Principles and methods of recording taxes**

Income tax on the profit or loss for the year comprises current and deferred tax when profit or loss of one accounting period is determined.

Current tax: is the tax payable (or recoverable) on the taxable income and tax rate enacted in current year in accordance with the law on corporate income tax.

Deferred tax: is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax liability is provided for all temporary differences, deferred income tax asset is only provided when there is enough taxable profit in the future for deducting the temporary differences.

The carrying amount of deferred tax assets must be reassessed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax assets to be utilized. The unrecognized deferred tax assets will be reassessed at each balance sheet date and recognized to the extent that it has become probable future taxable profit will allow the deferred tax asset to be utilized.

The deferred tax is charged or credited in the income statement except when it relates to items recognized 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 taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

**13. Provisions for foreign exchange risks**

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

At the stage of the construction investment to form fixed assets of newly-established enterprises, the exchange rate difference arising upon settlement of monetary items of foreign currency origin and re-valuation of currency of foreign currency origin at the end of the fiscal year shall be recognized accumulately and separately in the balance sheet. When the assets have been completed and put into use, the foreign currency differences arising will be allocated gradually into financial income (increase) or financial expenses (decrease) within 5 years since the works are put into use.

Revaluation of the balance of monetary items denominated in foreign currencies at the fiscal year end:

Closing balance of monetary items (cash, cash equivalents, payables and receivables) denominated in foreign currencies should be revaluated at average inter-bank exchange rate stated by the State Bank of Vietnam at the balance sheet. The exchange rate as at December 31, 2011: 20.828 VND/USD.

In the year, the Board of Directors decides to record foreign exchange differences in compliance with the guidance in Circular No. 201/2009/TT-BTC dated October 15, 2009 ("Circular No. 201") and believes that the application of this circular together with the full disclosure of information on the differences in case of complying VAS 10 "Influences of changes in exchange rate ("VAS 10")" will supply the users of these financial statements with more sufficient information.

Guidance on foreign exchange differences upon revaluation of the monetary items denominated in foreign currency at the year end in accordance with Circular No. 201 in comparison with VAS 10:

Transactions	Accounting treatment under Circular 201	Accounting treatment under VAS 10
Revaluation of the balance of short-term monetary assets and liabilities denominated in foreign currencies	All foreign exchange differences upon revaluation of the balance denominated in foreign currencies at the year end are taken to the "Foreign exchange differences reserve" account in the equity section of the balance sheet and will be reversed on the following year.	All foreign exchange differences upon revaluation of the balance denominated in foreign currencies at the year end are taken to the parent's separate income statement.
Revaluation of the balance of long-term monetary liabilities denominated in	All foreign exchange differences upon revaluation of the balance denominated in foreign currencies at the year end are taken to the income statement.	All foreign exchange differences upon revaluation of the balance denominated in foreign currencies at the year end are taken to the parent's separate income statement.
	If the recording of foreign exchange losses results in net loss before tax for the company, part of the exchange losses can be deferred and allocated to the income statement in the subsequent years so that the company will not suffer from loss. In any case, the total foreign exchange loss to be charged to the current year's income must be at least equivalent to the foreign exchange losses arising from the translation of the current portion of the long-term liabilities, while the remaining portion of the foreign exchange losses can be deferred in the balance sheet and allocated to the income statement within the subsequent five years.	

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

Influences on the preparing and presenting of the financial statements of the Company in case where the Company applies Circular 201 for the fiscal year ended December 31, 2011 are presented in the Notes VIII.3.

## 14. Related parties

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

## V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET

	Dec. 31, 2011	Jan. 01, 2011
<b>1. Cash and cash equivalents</b>		
Cash	872.724.435	217.742.844
Cash in banks	18.276.568.815	19.194.309.315
<b>Total</b>	<b>19.149.293.250</b>	<b>19.412.052.159</b>
<b>2. Short-term receivables</b>		
Other receivables	174.111.252	2.998.000
Shortage of assets awaiting resolution	74.399.951	-
Other receivables	99.711.301	2.998.000
<b>3. Inventories</b>		
Merchandise inventory	34.999.618.406	12.507.792.381
<b>Total</b>	<b>34.999.618.406</b>	<b>12.507.792.381</b>
<b>4. Other current assets</b>		
<b>4.1 Short-term prepaid expenses</b>		
Rentals of office premise	209.186.800	195.093.000
Other expenses awaiting transfer	185.539.537	112.841.072
Closing balance	394.726.337	307.934.072
<b>4.2 Deductible VAT</b>		
VAT on imports	825.764.914	459.695.962
VAT on fixed assets	127.272.727	-
Deductible Vat of goods, services	235.843.588	204.678.722
<b>Sub-total</b>	<b>1.188.881.229</b>	<b>664.374.684</b>
<b>Total</b>	<b>-</b>	<b>-</b>
<b>4.3 Other current assets</b>		
Advances	658.041.200	1.116.467.840
Short-term deposits	502.540.200	254.105.533
<b>Sub-total</b>	<b>1.160.581.400</b>	<b>1.370.573.373</b>
<b>Total</b>	<b>2.744.188.966</b>	<b>2.342.882.129</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

## 5. Fixed assets

5.1	Tangible fixed assets	Buildings & structures	Transportation	Office equipment	Total
	<b>Original cost</b>				
	Opening balance	12.479.481.274	2.115.471.521	778.220.223	15.373.173.018
	- New purchases	2.712.599.801	2.097.545.455	1.915.974.051	6.726.119.307
	- Disposals	1.169.310.880	-	77.220.013	1.246.530.893
	Closing balance	14.022.770.195	4.213.016.976	2.616.974.261	20.852.761.432
	<b>Accumulated depreciati</b>				
	Opening balance	10.678.831.966	1.181.359.266	230.199.272	12.090.390.504
	- Charge for the year	1.451.653.066	673.036.920	341.050.707	2.465.740.693
	- Disposals	1.091.278.203	-	94.592.374	1.185.870.577
	Closing balance	11.039.206.829	1.854.396.186	476.657.605	13.370.260.620
	<b>Net book value</b>				
	Opening balance	1.800.649.308	934.112.255	548.020.951	3.282.782.514
	Closing balance	2.983.563.366	2.358.620.790	2.140.316.656	7.482.500.812

\* Ending carrying value of tangible fixed assets pledged/mortgaged as loan security: 2.234.526.247 VND.

\* Ending original costs of tangible fixed assets-fully depreciated but still in use: 10.065.501.185 VND.

5.2	Intangible fixed assets	Land use rights	Computer software	Others	Total
	<b>Original cost</b>				
	Opening balance	-	1.776.861.758	-	1.776.861.758
	Closing balance	-	1.776.861.758	-	1.776.861.758
	<b>Accumulated amortization</b>				
	Opening balance	-	1.350.479.727	-	1.350.479.727
	Charge for the year	-	188.845.078	-	188.845.078
	Closing balance	-	1.539.324.805	-	1.539.324.805
	<b>Net book value</b>				
	As at the beginning of the year	-	426.382.031	-	426.382.031
	As at the end of the year	-	237.536.953	-	237.536.953

6.	Long-term financial investments:	Dec. 31, 2011		Jan. 01, 2011	
6.1	Investment in associates	Quantity	Value	Quantity	Value
(*)	Tong Yang High-Tech JSC	480.000	4.800.000.000	480.000	4.800.000.000
	<b>Total</b>	<b>480.000</b>	<b>4.800.000.000</b>	<b>480.000</b>	<b>4.800.000.000</b>

(\*) - According to Investment certificate No. 411032000044 dated July 07, 2008 issued by the People's Committee of HCMC (under the third amendment on November 26, 2011). The chartered capital of Tong Yang High-Tech JSC is 16.000.000.000 VND, in which the paid-in capital of HPT makes up 30%. Up to December 31, 2011, HPT has contributed 4.800.000.000 VND, making up 100% of the chartered capital.

According to the minute of the meeting of the Board of Management dated May 10, 2008, the long-term investment in the joint-venture project with Tong Yang Securities INC., will give profit after 5 years since the contribution date.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

	Quantity	Value	Quantity	Value
6.2 Other long-term investments				
(*) Vietinbank	67.415	1.287.680.000	53.932	1.152.850.000
Phu Nhuan Services JSC	50.000	1.450.000.000	50.000	1.450.000.000
<b>Total</b>	<b>117.415</b>	<b>2.737.680.000</b>	<b>103.932</b>	<b>2.602.850.000</b>

## Reasons for changing each investment

(\*) Purchase of 17.415 shares of Vietinbank.

	Dec. 31, 2011	Jan. 01, 2011
7. Other non-current assets		
7.1 Long-term prepaid expenses	1.563.344.382	1.585.126.435
Training and doing research on science and technology	664.303.565	728.205.003
Repair of offices	275.874.558	334.443.827
Tools and supplies	623.166.259	522.477.605
<b>Total</b>	<b>1.563.344.382</b>	<b>1.585.126.435</b>
7.2 Other non-current assets	Dec. 31, 2011	Jan. 01, 2011
Deposits for leasing office	-	312.781.520
Deposits for bidding guarantee	84.410.117	-
Other deposits	313.281.520	188.964.867
<b>Total</b>	<b>397.691.637</b>	<b>501.746.387</b>

## 8. Short-term borrowings and liabilities

	Dec. 31, 2011	Jan. 01, 2011
8.1 Short-term borrowings and liabilities		
(*) Borrowings from banks	108.970.854.502	125.899.012.722
(**) Borrowings from individuals	12.964.179.424	25.763.872.500
<b>Total</b>	<b>121.935.033.926</b>	<b>151.662.885.222</b>
(*) Details of borrowing from banks	Số dư nợ vay cuối kỳ	Số dư nợ vay đầu kỳ
(a) VIB	55.552.274.191	73.803.447.230
(b) BIDV	19.399.258.915	25.473.753.902
(c) HSBC	31.559.836.602	759.472.350
(d) Sacombank	880.607.840	-
(e) Techcombank	1.578.876.954	-
An Binh Bank	-	25.862.339.240
<b>Total</b>	<b>108.970.854.502</b>	<b>125.899.012.722</b>

(\*\*) The borrowing from individuals are unsecured; Term: 05 to 12 months; Interest rate: from 9,5% to 12%/year; Purpose: Adding to working capital.

(a) The borrowing from VIB is in accordance with contract No. 42/HĐTD2-VIB625/11 dated March 02, 2011; Credit limit: 120 billion Vietnam Dong; Term: 08 months; Interest rate: By each receipt; Purpose: Adding to working capital for the purpose of trading in IT sector.

(b) The borrowings from BIDV are in accordance with 02 contracts as follows:

- Contract No. 40/2011/999250/HĐ dated August 25, 2011; Credit limit: 100 billion Vietnam Dong; Purpose: Adding to working capital; Term: 05 months; Interest rate: by each receipt.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

- Contract No. 41/2011/999250/HĐ dated August 25, 2011; Credit limit: 120 billion Vietnam Dong; Term: 06 months; Purpose: Adding to working capital; Interest rate: 17,5%/year.

(c) The borrowing from HSBC is under documentary credits form with the term of 04 months.

(d) The borrowing from Sacombank is in accordance with contract No. LD1026500127 dated September 22, 2010; Credit limit: 50 million VND; Purpose: Adding to working capital; Interest rate: 0,6%/month; Term: 06 months.

(e) The borrowing from Techcombank is in accordance with contract No. 82/10k/HĐHMTD/TCB-HCM dated December 15, 2010; Credit limit: 70 billion Vietnam Dong; Term: 06 months; Purpose: Adding to working capital for the purpose of trading; Interest rate: 6,5%/year.

	Dec. 31, 2011	Jan. 01, 2011
<b>8.2 Taxes and payables to the State Budget</b>		
Output VAT payable	1.816.099.631	8.327.617.322
Import duty	187.226.957	59.374.844
Corporate income tax	154.436.704	3.129.769.236
Personal income tax	201.912.999	244.442.474
Contractor tax	340.929.793	791.495.610
<b>Sub-total</b>	<b>2.700.606.084</b>	<b>12.552.699.486</b>
<b>8.3 Accrued expenses</b>	<b>Dec. 31, 2011</b>	<b>Jan. 01, 2011</b>
Warranty	475.934.458	144.438.864
Payables for deploying projects	2.985.160.000	8.303.941.250
<b>Sub-total</b>	<b>3.461.094.458</b>	<b>8.448.380.114</b>
<b>8.4 Other payables</b>	<b>Dec. 31, 2011</b>	<b>Jan. 01, 2011</b>
Trade union fee	-	34.400.000
Interest on loan from individuals	-	1.037.482.713
Dividends payable	-	220.055.625
Borrowing from related individuals	-	2.700.000.000
Loan interests	393.022.361	-
Surplus of assets awaiting resolution	4.731.391	-
Other payables	183.128.510	50.145.884
<b>Total</b>	<b>580.882.262</b>	<b>4.042.084.222</b>
<b>8.5 Bonus and welfare fund</b>	<b>Dec. 31, 2011</b>	<b>Jan. 01, 2011</b>
Bonus fund	1.407.666.556	1.401.954.205
Welfare fund	722.938.538	-
<b>Total</b>	<b>2.130.605.094</b>	<b>1.401.954.205</b>

\* Purpose of appropriating and using funds

Bonus fund: To reward employees in the Company.

Welfare fund: For welfare activities of the Company.

**9. Long-term borrowings and liabilities**

	Dec. 31, 2011	Jan. 01, 2011
Long-term borrowings and liabilities		
Long-term borrowings	628.000.000	91.000.000
(*) Borrowings from banks	628.000.000	91.000.000

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

Long-term liabilities (-)	599.000.000	184.000.000
Current portion of long-term liabilities	599.000.000	184.000.000
<b>Total</b>	<b>1.227.000.000</b>	<b>275.000.000</b>
(*) Details of borrowings from banks	Closing balance	Opening balance
(a) VIB	1.136.000.000	-
(b) BIDV	91.000.000	275.000.000
<b>Total</b>	<b>1.227.000.000</b>	<b>275.000.000</b>
(a) The borrowing from VIB is in accordance with 02 contracts as follows:		
- Contract No. 0004/HĐTD2-VIB625/11 dated November 19, 2011; Amount: 517.000.000 VND; Term: 36 months; Interest rate: 18,5%/year; Purpose: Paying for autos; Secured assets: Assets formed from loan capital, which are transportation means; Value of secured assets: 647.000.000 VND.		
- Contract No. 0005/HĐTD2-VIB625-11 dated January 16, 2011; Amount: 1 billion VND; Term: 36 months; Interest rate: By each receipt; Purpose: Purchasing autos; Secured assets: Assets formed from loan capital, which are transportation means; Value: 1.400.000.000 VND.		
(b) The borrowing from BIDV is in accordance with contract No. 09/2009/999250 dated April 08, 2009; Amount: 551.000.000 VND; Purpose: Refunding the advanced capital for buying autos; Term: 36 months; Interest rate: Post-paid interest of 12 months personal saving deposits + 3,2%/year; Overdue interest rate equals 150% of undue interest rate; Secured assets: Assets formed from loan capital, which are transportation means.		

## 10. Owners' equity (see page 28)

	% of shareholding	Dec. 31, 2011	Jan. 01, 2011
a). Details of owners' shareholding			
Mr. Ngo Vi Dong	12,71%	7.611.950.000	7.611.950.000
Mr. Dinh Ha Duy Linh	4,73%	2.830.000.000	2.611.660.000
Ms. Dinh Ha Duy Trinh	4,84%	2.897.680.000	2.897.680.000
Shareholding owned by other owners	77,73%	46.553.360.000	46.771.700.000
<b>Total</b>	<b>100%</b>	<b>59.892.990.000</b>	<b>59.892.990.000</b>
c). Capital transactions with owners and distribution of dividends, pro Owners' equity		Year 2011	Year 2010
At the beginning of the year		59.892.990.000	38.476.550.000
Capital increase during the year		-	21.416.440.000
Capital decrease during the year		-	-
At the end of the year		59.892.990.000	59.892.990.000
Dividends paid		5.833.639.000	8.854.208.500
d). Shares		Dec. 31, 2011	Jan. 01, 2011
Number of shares registered to be issued		5.989.299	5.989.299
Number of shares issued shares and fully paid		5.989.299	5.989.299
Ordinary share		5.989.299	5.989.299



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

Preference share	-	-
Number of shares repurchased	155.660	155.660
Ordinary share	155.660	155.660
Preference share	-	-
Number of existing shares in issue	5.833.639	5.833.639
Ordinary share	5.833.639	5.833.639
Preference share	-	-

Par value: 10.000 VND/share.

f). Funds	Dec. 31, 2011	Jan. 01, 2011
Investment and development fund	753.240.000	753.240.000
Financial reserve fund	2.555.887.105	1.689.332.370
<b>Total</b>	<b>3.309.127.105</b>	<b>2.442.572.370</b>

\* Purpose of appropriating and using funds

Investment and development fund is established from the profit after tax of the enterprise and used for expanding the operating scale or investing further in the enterprise .

Financial reserve fund is established from profit after income tax and used for treating when an enterprise encounters risks in business or loss in a long time.

## VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT

1. Sales	Year 2011	Year 2010
1. Total sales	665.749.932.948	801.347.233.894
+ Revenue from goods sold and services rendered	665.749.932.948	801.347.233.894
Sales deductions	-	379.367.519
+ Goods return	-	379.367.519
<b>Net revenue</b>	<b>665.749.932.948</b>	<b>800.967.866.375</b>
2. Cost of sales	Year 2011	Year 2010
Cost of goods sold and services rendered	568.760.256.967	689.964.308.670
<b>Total</b>	<b>568.760.256.967</b>	<b>689.964.308.670</b>
3. Financial income	Year 2011	Year 2010
Interest income from deposits	683.992.727	938.711.147
Dividend income	228.297.005	-
Foreign exchange gains	14.079.705.279	4.480.328.012
<b>Total</b>	<b>14.991.995.011</b>	<b>5.419.039.159</b>
4. Financial expenses	Year 2011	Year 2010
Interest expense	20.484.192.999	16.271.300.591

These notes form an integral part of the financial statements from Page 05 to Page 11.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

	Loss from investments in subsidiaries	-	1,221,714,955
	Loss from securities transfer	-	91,600,000
	Foreign exchange losses	11,934,625,123	5,437,706,020
	Other financial expenses	169,997,107	-
	<b>Total</b>	<b>32,588,815,229</b>	<b>23,022,321,566</b>
<b>5.</b>	<b>Other income</b>	<b>Year 2011</b>	<b>Year 2010</b>
	Disposal of fixed assets	109,527,455	-
	Income from bonus, compensation	5,695,781,221	5,970,678,981
	Other income	-	86,931,454
	<b>Total</b>	<b>5,805,308,676</b>	<b>6,057,610,435</b>
<b>6.</b>	<b>Other expenses</b>	<b>Year 2011</b>	<b>Year 2010</b>
	Fine on violation	1,147,871,239	263,006,680
	Disposal of fixed assets	69,660,316	-
	Other expenses	-	17,876,352
	<b>Total</b>	<b>1,217,531,555</b>	<b>280,883,032</b>
<b>7.</b>	<b>Current corporate income tax</b>	<b>Year 2011</b>	<b>Year 2010</b>
	- Corporate income tax calculated on the taxable income in current year	3,300,094,096	7,792,628,562
	<i>Accounting profit before tax</i>	<i>13,200,376,385</i>	<i>31,842,509,256</i>
	<i>Adjustment to increase</i>	-	72,087,673
	<i>Adjustment to decrease</i>	-	744,082,682
	<i>Taxable income</i>	<i>13,200,376,385</i>	<i>31,170,514,247</i>
	<i>Tax rate</i>	<i>25%</i>	<i>25%</i>
	<i>Corporate income tax payable</i>	<i>3,300,094,096</i>	<i>7,792,628,562</i>
	<i>Corporate income tax under exemption</i>	-	-
	- Adjustments of corporate income tax of prior years to that of current year	-	-
	<b>- Total current corporate income tax</b>	<b>3,300,094,096</b>	<b>7,792,628,562</b>
<b>8.</b>	<b>Earnings per share</b>	<b>Jan. 01, 2011</b>	<b>Dec. 31, 2011</b>
	Accounting profit after corporate income tax	9,900,282,289	24,049,880,694
	<b>Increase or decrease of accounting profit</b>	-	-
	- Adjustment to increase	-	-
	- Adjustment to decrease	-	-
	Profit or loss attributable to ordinary equity holders	9,900,282,289	24,049,880,694
	Average ordinary shares outstanding during the year	5,833,639	5,922,481
	<b>Earnings per share</b>	<b>1.697</b>	<b>4.061</b>

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2011***VII. ADDITIONAL INFORMATION FOR ITEMS IN THE CASH FLOW STATEMENT**

Non-monetary transactions that affect the cash flow statement and amounts held by the Company but unused.

- a) Buying assets by receiving the directly-related borrowings or by financial lease: not incurred.
- b) Buying and disposing subsidiaries or other business establishments in the reporting period: not incurred.
- c) Presenting the value of big amount of cash and cash equivalents held by the Company but unused due to the restriction of the law or other obligations that the Company must comply with: not incurred.

**VIII. OTHER INFORMATION****1. Related party transactions****1.1 Borrowings from individuals:**

Related parties	Relationship	Transactions	Movement	Receivables /(payables)
Mr. Ngo Vi Dong	Chairman	Borrowing	970.000.000	(570.000.000)
Ms. Han Nguyet Thu Huong	Member	Borrowing	21.720.000.000	(3.400.000.000)
Ms. Ngo Thi Ngoc Hoa	Related individual	Borrowing	1.230.568.892	(681.759.424)
Ms. Pham Thi Ngoc Hoan	Related individual	Borrowing	312.420.000	(312.420.000)
Mr. Han Quoc An	Related individual	Borrowing	5.000.000.000	(5.000.000.000)
Mr. Han Hai	Related individual	Borrowing	3.000.000.000	(3.000.000.000)

**1.2 Payments to the Board of Management and Board of General Directors**

	Year 2011	Year 2010
Salary and bonus	3.919.432.152	3.733.624.002
Other payments	306.000.000	299.716.369
<b>Total</b>	<b>4.225.432.152</b>	<b>4.033.340.371</b>

**2. Information on going-concern operation:** The Company will continue its operation in the future.**3. Other information**

As stated in the Notes 13, in the fiscal year ended December 31, 2011, the Company continues to apply the guidance on transactions denominated in foreign currencies in accordance with VAS 10, which are different from the regulations in Circular 201. Impacts are as follows:"

	VAS 10	Circular 201	Differences
<b>Balance Sheet</b>			
Foreign exchange differences	-	543.902.085	(543.902.085)

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

**Income Statement**

Foreign exchange differences gains	837.068.377	-	837.068.377
Foreign exchange differences loss	(293.166.292)	-	(293.166.292)
Net foreign exchange differences gains recorded in the income statement	543.902.085	-	543.902.085

HCMC, February 20, 2012

PREPARED BY



PHUNG QUOC BAO

CHIEF ACCOUNTANT



NGUYEN THI HONG HAI



GENERAL DIRECTOR

DINH HA DUY LINH

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2011

## 7. Owners' Equity

Items	Paid-in capital	Share premium	Treasury share	Foreign exchange differences	Development and Investment Fund	Finance reserve fund	Undistributed earnings	Total
Prior year opening balance	38,476,550,000	139,500,000	(730,500,000)	(1,107,200,737)	753,240,000	750,538,370	13,936,021,205	52,218,148,838
Capital increase of prior year	21,416,440,000	-	-	-	-	-	-	21,416,440,000
Gain of prior year	-	-	-	-	-	-	24,049,880,694	24,049,880,694
Appropriation to funds of prior year	-	-	-	-	-	938,794,000	-	938,794,000
Purchase of treasury share	-	-	(1,424,780,020)	-	-	-	-	(1,424,780,020)
Reversal of foreign exchange difference at the year end	-	-	-	1,107,200,737	-	-	-	1,107,200,737
Revaluation of foreign exchange difference at the year end	-	-	-	255,011,816	-	-	-	255,011,816
Dividends paid of prior year	-	-	-	-	-	-	(8,854,208,500)	(8,854,208,500)
Bonus and welfare fund charged	-	-	-	-	-	-	(4,693,969,000)	(4,693,969,000)
Appropriation to funds	-	-	-	-	-	-	(938,794,000)	(938,794,000)
Other decreases	-	-	-	-	-	-	(18,387,616)	(18,387,616)
<b>Prior year closing balance</b>	<b>59,892,990,000</b>	<b>139,500,000</b>	<b>(2,155,280,020)</b>	<b>(255,011,816)</b>	<b>753,240,000</b>	<b>1,689,332,370</b>	<b>23,480,542,783</b>	<b>83,545,313,317</b>
<b>Current year opening balance</b>	<b>59,892,990,000</b>	<b>139,500,000</b>	<b>(2,155,280,020)</b>	<b>(255,011,816)</b>	<b>753,240,000</b>	<b>1,689,332,370</b>	<b>23,480,542,783</b>	<b>83,545,313,317</b>
Gain of current year	-	-	-	-	-	-	9,900,282,289	9,900,282,289
Reversal of foreign exchange difference at the year end	-	-	-	255,011,816	-	-	-	255,011,816
Dividends paid of prior year	-	-	-	-	-	-	(5,833,639,000)	(5,833,639,000)
Appropriation to funds of enterprise	-	-	-	-	-	1,202,494,035	(6,047,054,222)	(4,844,560,187)
Other decreases	-	-	-	-	-	335,939,300	(191,568,555)	144,370,745
Recognition of foreign exchange differences at the year end	-	-	-	543,902,085	-	-	-	543,902,085
<b>Current year closing balance</b>	<b>59,892,990,000</b>	<b>139,500,000</b>	<b>(2,155,280,020)</b>	<b>543,902,085</b>	<b>753,240,000</b>	<b>2,555,887,105</b>	<b>21,308,563,295</b>	<b>83,038,802,465</b>

Value of debt securities being converted into equity securities: 0 VND.

Number of treasury shares: 155,660 shares.