RSM DTL Auditing
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YOUTH EMBASSY GROUP CORPORATION AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

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THE MANAGEMENT'S REPORT

The Management of Youth Embassy Group Corporation (hereinafter referred to as "the Company") hereby presents its report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter together with the Company referred to as "the Group") for the financial year ended 31 December 2014.

1. BACKGROUND

Youth Embassy Group Corporation has been incorporated in accordance with the Business Registration Certificate No. 4103005276 dated 12 September 2006 and other amended certificates thereafter with the latest one dated 25 February 2015 granted by Ho Chi Minh City's Department of Planning and Investment.

The Company's registered head office is located at 5A Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City, Viet Nam.

The charter capital as stipulated in the sixteenth Amended Business Registration Certificate is VND 100,000,000,000.

Up to 31 December 2014, the Company has 7 subsidiaries.

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:

Full name	*Position*
Mr. Nguyen Anh Nhuong Tong	Chairperson
Mr. Dao Phuc Tri	Member
Mr. Hoang Duc Trung	Member

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

Full name	*Position*
Mr. Nguyen Anh Nhuong Tong	General Director

3. RESPONSIBILITY OF THE MANAGEMENT

The Group's Management is responsible for preparing the consolidated financial statements of each year which give a true and fair view of the consolidated financial position of the Group and the consolidated results of its operations and its consolidated cash flows for the year. In preparing these consolidated financial statements, the Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements 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 consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Group's Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and ensure that the consolidated financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam. The Group's Management is also responsible for safeguarding the assets of the Group hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Group's Management confirm that the Group has complied with the above requirements in preparing these consolidated 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 Group Management's opinion , the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2014 and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam.

Ho Chi Minh City, 22 May 2015

For and on behalf of the Management

General Director

CÔNG TY CỔ PHẦN TẬP ĐOÀN ĐẠI SỨ TRẺ

NGUYEN ANH NHUONG TONG

RSM DTL Auditing
Connected for Success

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No: 15.424/BCKTHN-DTL

INDEPENDENT AUDITOR'S REPORT

To: Members of the Board of Directors
Members of the Management
YOUTH EMBASSY GROUP CORPORATION AND ITS SUBSIDIARIES

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Youth Embassy Group Corporation (hereinafter referred to as "the Company") and its subsidiaries (hereinafter together with the Company referred to as "the Group") prepared on 22 May 2015 as set out from page 05 to page 31, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated income statement and consolidated cash-flow statement for the financial year then ended, and accounting policies and explanatory notes to the consolidated financial statements.

Management's Responsibility

The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards and System and relevant legislation as to the preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 the Group's management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Youth Embassy Group Corporation and its subsidiaries as at 31 December 2014, and of the consolidated results of its financial performance and its consolidated 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 consolidated financial statements.

Ho Chi Minh City, 22 May 2015

DTL AUDITING COMPANY LTD	
GENERAL DIRECTOR	**AUDITOR**
0302361789 - C.T.T.N.H.H CÔNG TY TRÁCH NHIỆM HỮU HẠN KIỂM TOÁN D.T.L Q.1 - T.P HỒ CHÍ MINH	
DANG XUAN CANH	**HO NAM DONG**
Audit Practice Registration Certificate	Audit Practice Registration Certificate
No. 0067-2013-026-1	No. 2657-2013-026-1

Form B 01 - DN/HN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

Expressed in VND

ASSETS	Code	Notes	Ending balance	Beginning balance
A. CURRENT ASSETS	**100**		**144,199,161,513**	**152,545,588,963**
I. Cash and cash equivalents	**110**	5.1	**24,045,316,184**	**10,966,370,825**
1. Cash	111		4,258,186,353	10,806,137,257
2. Cash equivalents	112		19,787,129,831	160,233,568
II. Short-term investments	**120**		**223,780,000**	**100,000,000**
1. Short-term investments	121		223,780,000	100,000,000
2. Provision for diminution in value of short-term investments	129		-	-
III. Account receivables	**130**	5.2	**58,257,213,179**	**76,405,807,323**
1. Trade receivables	131		37,408,514,344	60,139,101,621
2. Advances to suppliers	132		7,835,004,786	12,174,298,280
3. Intra-company short-term receivables	133		-	-
4. Construction contract in progress receivables	134		-	-
5. Other receivables	135		13,053,294,049	4,132,007,422
6. Provision for doubtful debts	139		(39,600,000)	(39,600,000)
IV. Inventories	**140**	5.3	**24,275,835,634**	**30,935,145,763**
1. Inventories	141		24,753,381,089	30,935,145,763
2. Provision for decline in value of inventories	149		(477,545,455)	-
V. Other current assets	**150**		**37,397,016,516**	**34,138,265,052**
1. Short-term prepaid expenses	151		1,159,387,614	1,596,180,692
2. Value added tax deductibles	152		4,080,483,755	-
3. Tax and other receivables from the State Budget	154		295,908,366	152,553,616
4. Other current assets	158	5.4	31,861,236,781	32,389,530,744

(The next page is 06)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

Expressed in VND

ASSETS	Code	Notes	Ending balance	Beginning balance
B. NON-CURRENT ASSETS	**200**		**102,474,933,150**	**35,374,822,397**
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**		**59,169,644,857**	**18,983,173,985**
1. Tangible fixed assets	221	5.5	12,597,426,105	6,415,038,921
+ Cost	222		17,627,304,643	8,864,917,044
+ Accumulated depreciation	223		(5,029,878,538)	(2,449,878,123)
2. Finance lease assets	224	5.6	281,789,781	1,174,796,064
+ Cost	225		780,340,910	2,089,773,965
+ Accumulated depreciation	226		(498,551,129)	(914,977,901)
3. Intangible fixed assets	227	5.7	2,295,741,346	2,319,651,550
+ Cost	228		2,524,382,154	2,489,382,154
+ Accumulated depreciation	229		(228,640,808)	(169,730,604)
4. Construction in progress	230	5.8	43,994,687,625	9,073,687,450
III. Investment property	**240**	5.9	**4,500,000,000**	**4,500,000,000**
+ Cost	241		4,500,000,000	4,500,000,000
+ Accumulated depreciation	242		-	-
IV. Long term investments	**250**	5.10	**17,853,274,012**	**353,274,012**
1. Investments in subsidiaries	251		-	-
2. Investments in associates, and joint-ventures	252		250,669,012	400,000,000
3. Other long term investments	258		17,602,605,000	102,605,000
4. Provision for diminution in value of long-term investment	259		-	(149,330,988)
V. Other long-term assets	**260**		**17,147,520,083**	**7,258,318,427**
1. Long-term prepaid expenses	261	5.11	15,263,873,453	5,983,403,196
2. Deferred income tax asset	262	6.9	198,082,956	662,498,141
3. Other long-term assets	268		1,685,563,674	612,417,090
VI. Goodwill	**269**	5.12	**3,804,494,198**	**4,280,055,973**
TOTAL ASSETS	**270**		**246,674,094,663**	**187,920,411,360**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

Expressed in VND

RESOURCES	Code	Notes	Ending balance	Beginning balance
A. LIABILITIES	**300**		**153,946,215,615**	**113,195,805,948**
I. Current liabilities	**310**		**136,191,407,062**	**82,893,381,398**
1. Short-term debts and loans	311	5.13	64,943,491,908	16,914,698,068
2. Trade payables	312	5.14	24,396,148,535	15,412,521,716
3. Advances from customers	313		2,257,245,813	93,499,292
4. Taxes and amounts payable to the State Budget	314	5.15	16,366,934,798	13,475,304,813
5. Payables to employees	315		1,610,916,578	2,363,085,397
6. Accrued expenses	316	5.16	7,882,722,793	21,392,747,927
7. Intra-company payables	317		-	-
8. Construction contract in progress payables	318		-	-
9. Other short-term payables	319	5.17	15,334,347,894	12,231,524,185
10. Provision for short-term payables	320		-	-
11. Bonus and welfare fund	323		3,399,598,742	1,010,000,000
II. Long term liabilities	**330**		**17,754,808,553**	**30,302,424,550**
1. Long-term trade payables	331		-	-
2. Intra-company long-term payables	332		-	-
3. Other long-term payables	333		59,652,000	59,652,000
4. Long-term debts and loans	334	5.18	17,695,156,553	30,242,772,550
5. Deferred income tax liabilities	335		-	-
6. Provision for severance allowance	336		-	-
7. Provision for long-term payables	337		-	-
8. Unrealised revenue	338		-	-
9. Science and technology development fund	339		-	-
B. OWNER'S EQUITY	**400**		**84,389,002,838**	**64,743,996,652**
I. Equity	**410**	5.19	**84,389,002,838**	**64,743,996,652**
1. Share capital	411		65,000,000,000	45,000,000,000
2. Capital premium	412		115,560,000	115,560,000
3. Other contributed capital	413		-	-
4. Treasury shares	414		(2,920,000,000)	-
5. Asset revaluation surplus	415		-	-
6. Foreign exchange difference	416		-	-
7. Investment and development fund	417		-	-
8. Financial reserve fund	418		-	-
9. Other funds within owners' equity	419		-	-
10. Undistributed earnings	420		22,193,442,838	19,628,436,652
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		-	-
C. NON-CONTROLLING INTEREST	**439**	5.20	**8,338,876,210**	**9,980,608,760**
TOTAL RESOURCES	**440**		**246,674,094,663**	**187,920,411,360**

Form B 01 - DN/HN

CONSOLIDATED 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		-	-
6. Budget for non-production activities and projects		-	-

Ho Chi Minh City, 22 May 2015

PREPARED BY	CHIEF ACCOUNTANT	GENERAL DIRECTOR
TRAN THI LAO	VO THAI PHONG	NGUYEN ANH NHUONG TONG

CÔNG TY CỔ PHẦN TẬP ĐOÀN ĐẠI SỨ TRẺ

Form B 02 - DN/HN

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

Expressed in VND

ITEMS	Code	Notes	Current year	Previous year
1. Revenue	01		274,602,281,533	154,648,454,454
2. Deductions	02		11,787,096,868	174,182,000
3. Net revenue	10	6.1	262,815,184,665	154,474,272,454
4. Cost of goods sold	11	6.2	152,150,695,245	82,977,920,269
5. Gross profit	20		110,664,489,421	71,496,352,185
6. Financial income	21		896,346,276	231,852,875
7. Financial expense	22	6.3	8,123,504,717	3,237,843,027
in which, interest expense	23		*7,543,612,600*	*2,464,694,122*
8. Selling expense	24	6.4	18,341,396,937	7,231,598,010
9. General and administration expense	25	6.5	40,543,686,983	27,799,590,115
10. Operating profit/(loss)	30		44,552,247,059	33,459,173,908
11. Other income	31	6.6	12,045,994,604	301,000,000
12. Other expense	32	6.7	11,720,477,190	2,583,131,133
13. Net other income/(loss)	40		325,517,414	(2,282,131,133)
14. Share of the profit(loss) of associates and joint-ventures	50		-	177,597,944
15. Accounting profit/(loss) before tax	60		44,877,764,473	31,354,640,719
16. Current corporate income tax expense	61	6.8	9,779,058,979	7,911,486,955
17. Deferred corporate income tax expense	62	6.9	464,415,185	(16,783,512)
18. Net profit/(loss) after tax	70		34,634,290,310	23,459,937,276
18.1 Non-controlling interests	71	5.20	2,544,685,381	2,577,117,122
18.2 Owners of the parent company	72		32,089,604,929	20,882,820,154
19. Earnings per share	80	5.19.4	5,346	6,355

Ho Chi Minh City, 22 May 2015

PREPARED BY	CHIEF ACCOUNTANT	GENERAL DIRECTOR
TRAN THI LAO	VO THAI PHONG	NGUYEN ANH NHUONG TONG

S.Đ.K.K.D: 030459217... CÔNG TY CỔ PHẦN TẬP ĐOÀN ĐẠI SỨ TRẺ Q.1 TP. HỒ CHÍ MINH

Form B 03 - DN/HN

CONSOLIDATED CASH FLOW STATEMENT (indirect 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. Net profit /(loss) before taxes	**01**		**44,877,764,473**	**31,354,640,719**
2. Adjustment to reconcile operating profit/(loss)				
Fixed asset depreciation	02		2,222,483,847	1,872,970,929
Provisions	03		477,545,455	(1,752,080,000)
Unrealized foreign exchange gains/losses	04		-	54,052,691
Gain/losses from investment	05		(1,292,486,275)	1,706,237,517
Interest expenses	06		7,543,612,600	2,464,694,122
3. Operating profit /(loss) before adjustments to working capital	**08**		**53,828,920,100**	**35,700,515,978**
Increase or decrease in accounts receivable	09		14,922,951,377	(69,591,291,412)
Increase or decrease in inventory	10		6,181,764,674	(23,242,613,051)
Increase or decrease in accounts payable (excluding interest expenses payable and corporate income tax payable)	11		(3,024,598,522)	26,245,687,264
Increase or decrease prepaid expenses	12		(8,843,677,179)	(3,871,858,516)
Interest paid	13		(8,398,001,318)	(1,934,276,812)
Corporate income tax paid	14		(7,841,856,588)	(5,544,333,716)
Other cash inflows from operating activities	15		565,382,736	21,000,000
Other cash outflows from operating activities	16		(1,632,869,320)	(33,854,220)
Net cash from operating activities	**20**		**45,758,015,960**	**(42,251,024,485)**
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchase and construction of fixed assets and other long-term assets	21		(42,408,954,719)	(2,417,284,895)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	300,000,000
3. Loans to other entities and payments for purchase of debt instruments of other entities	23		(123,780,000)	-
4. Repayments from borrowers and proceeds from sales of debts instruments of other entities	24		-	300,000,000
5. Investments in other entities	25		(17,500,000,000)	(3,000,000,000)
6. Proceeds from sales of investments in other entities	26		-	-
7. Interest and dividends received	27		1,292,486,275	825,530,099
Net cash from/(used in) investing activities	**30**		**(58,740,248,444)**	**(3,991,754,796)**

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Form B 03 - DN/HN

CONSOLIDATED CASH FLOW STATEMENT (indirect 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		-	7,350,000,000
2. Capital redemption, payments for shares repurchases	32		(2,920,000,000)	-
3. Proceeds from borrowings	33		161,517,745,705	69,361,751,193
4. Repayment of borrowings	34		(125,784,767,461)	(30,131,447,134)
5. Finance lease principal paid	35		(251,800,401)	(739,818,759)
6. Dividends paid	36		(6,500,000,000)	-
Net cash from financing activities	**40**		**26,061,177,843**	**45,840,485,300**
Net increase/(decrease) in cash (20+30+40)	**50**		**13,078,945,359**	**(402,293,981)**
Cash and cash equivalents at beginning of year/(period)	**60**		**10,966,370,825**	**11,368,664,806**
Impact of exchange rate fluctuation	61		-	-
Cash and cash equivalents at end of year/(period) (50+60+61)	**70**		**24,045,316,184**	**10,966,370,825**

Ho Chi Minh City, 22 May 2015

PREPARED BY	CHIEF ACCOUNTANT	GENERAL DIRECTOR
TRAN THI LAO	VO THAI PHONG	NGUYEN ANH NHUONG TONG

S.Đ.K.K.D: 0304592171-C.T.Y CÔNG TY CỔ PHẦN TẬP ĐOÀN ĐẠI SỨ TRẺ QUẬN 1 TP. HỒ CHÍ MINH

The accompanying notes are an integral part of the financial statements

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED 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

Youth Embassy Group Corporation (hereinafter referred to as "the Company") has been incorporated in accordance with Business Registration Certificate No. 4103005276 dated 12 September 2006 and other amended certificates thereafter with the latest one dated 25 February 2015 granted by Ho Chi Minh City's Department of Planning and Investment.

The Company's registered head office is located at 5A Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City.

The charter capital as stipulated in the sixteenth Amended Business Registration Certificate is VND 100,000,000,000.

The Company has 07 subsidiaries as represented in Note 1.3 below (together with the Company hereinafter referred to as "the Group").

The number of employees as at 31 December 2014 was 209 (31 December 2013: 163)

1.2. Operating industry and principal activities

According to the Business Registration Certificate, the Group's principal activities include:

- Commercial advertisements;
- Designing website, managing severs;
- Organising commercial introduction and promotion;
- Publishing movies, videos and television programs;
- Providing information technology services and other services related to computers. Data processing, leasing and related activities. Production of television programs (except for film production and broadcast). Advertising. Wireless telecommunication activities. Post production services (except for film production). Retailing books, newspapers, magazines and stationery (with contents in circulation). Composition, artistry and entertainment operations.
- Training singers.
- Agent.

1.3. The list of subsidiaries

The list of direct subsidiaries

No.	Name of subsidiaries	Address	Voting rights	Ownership interest
1.	Youth Embassy Entertainment Corporation	5A Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City, Viet Nam.	99%	99%
2.	Youth Embassy Technology Corporation	5A Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City, Viet Nam.	99%	99%
3.	Youth Embassy Brand Name Development Corporation	5A Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City, Viet Nam.	90%	90%
4.	Dragon Entertainment Joint Stock Company	5A Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City, Viet Nam.	99%	99%
5.	NVU Joint Stock Company	5A Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City, Viet Nam.	77.78%	77.78%

6.	Vietnam Online Service Trade Joint Stock Company	5A Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City, Viet Nam.	80%	80%
7.	Film World Trade Joint Stock Company	4 Phan Ke Binh Street, Dakao Ward, District 1, Ho Chi Minh City, Viet Nam.	72.75%	72.75%

1.4. The list of joint ventures and associates

No.	Name of joint ventures, associates	Address	Voting rights	Ownership interest
1.	Youth Connections Informatics Communication Joint Stock Company	3/30 Thich Quang Duc Street, Ward 3, Phu Nhuan District, Ho Chi Minh City.	40%	40%

2. FINANCIAL YEAR, REPORTING CURRENCY

2.1. Financial year

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

2.2. Reporting currency

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

2.3. Consolidation principles

Subsidiaries are companies controlled by the parent. The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries and interests of the Company in the gains or losses incurred by its joint ventures and associates that are accounted for under the equity method for the year ended 31 December 2014. The financial statements of the subsidiaries have been prepared for the same financial year using uniform accounting policies to those used by the Company. Adjustments were made for any different accounting policies to ensure consistency between the subsidiaries and the Company.

All intragroup transactions, balances, income, expenses including unrealised intragroup profits or losses are eliminated on consolidation. Unrealised losses resulting from intragroup transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered.

Non-controlling interests in the profits or losses and net assets of subsidiaries are presented separately and consist of the amount of the non-controlling interest at the date of original combination together with the non-controlling interest's share of changes in equity since the date of combination.

At the time of an acquisition, goodwill is calculated as the excess of the cost of acquisition over the fair value of the net identifiable assets. Goodwill is shown as a separate item in the consolidated financial statements and is amortised on the straight-line method over 10 years.

3. ACCOUNTING STANDARDS, ACCOUNTING SYSTEM

3.1. Accounting standards, accounting system

The Group has adopted Vietnamese Accounting Standards and System.

3.2. Forms of accounting records

The form of accounting records applied in the Group is General Journal.

3.3. Statement of compliance with Vietnamese Accounting Standards

The Group's consolidated 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 consolidated 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 consolidated 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. 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.

4.3. 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 consolidated income statement.

4.4. 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.

- Method of determining the closing balance of inventories

The inventories are measured using the specific identification method.

- Method of accounting for inventories

Inventories are recorded under the perpetual inventory method.

- Work in process represents expenses of incomplete television programs.
- Finished goods represent outsourcing expenses to produce programs but not yet been broadcasted.
- 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.

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 consolidated income statement.

Inventories are written down to net realisable value on an item-by-item basis.

4.5. Deferred expenses

Deferred expenses are reported as short-term or long-term prepaid expenses in the consolidated statement of financial position. These expenses 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.

4.6. 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:

	2014
+ Machinery and equipment	02 – 05 years
+ Vehicles	05 – 10 years
+ Management equipment	02 – 05 years

4.7. Leases

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

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease as follows:

	Years
Machinery, equipment	03 – 05 years

4.8. Investment property

Investment properties are measured initially at cost. The cost of an investment property is the amount of cash or cash equivalents paid or the fair value of other considerations given to acquire an asset at the time of its acquisition or construction. The costs include initial transaction charges.

4.9. Investments in subsidiaries and associates

- Investments in subsidiaries, associates and jointly controlled entities are accounted for under the equity method.
- Other short-term and long-term investments are recorded at cost.
- Method of making provisions for other 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.

4.10. Accrued expenses

Accrued expenses are recognised based on information available at the year-end and estimates by past experience.

4.11. Revenue recognition

- 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.
- Advertising revenue through the media is recognised when the advertising appeared in public. Revenue is recognized at the stage of completion of the programs.
- 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.

4.12. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders, before appropriation to bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares bought back by the Group and held as treasury shares.

4.13. 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.

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 Group are subject to value added tax at the following rates:

+ Copyright	5%
+ Advertisements services	10%
+ Other services	10%

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

The tax reports of the companies in the Group 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 consolidated financial statements can be amended in accordance with the Tax Department's final assessment.

4.14. 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 Group comprise cash and short-term deposits, trade receivables 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 Group comprise trade payables and other payables, accruals and borrowings.

- Re-measurement after initial recognition

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

4.15. 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.

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

5.1. Cash and cash equivalents

VND

	Ending balance	Beginning balance
Cash in hand	629,565,383	351,635,905
Cash at bank	3,628,620,970	10,454,501,352
Cash equivalents	19,787,129,831	160,233,568
Total	**24,045,316,184**	**10,966,370,825**

Cash equivalents of the Group were pledged as short-term bank loan security – Refer to Note 5.13.

5.2. Account receivables

		VND
	Ending balance	**Beginning balance**
Trade receivables	37,408,514,344	60,139,101,621
Advances to suppliers	7,835,004,786	12,174,298,280
Other receivables	13,053,294,049	4,132,007,422
Total short-term receivables	**58,296,813,179**	**76,445,407,323**
Provision for doubtful debts	(39,600,000)	(39,600,000)
Net realisable value of trade receivables and other receivables	**58,257,213,179**	**76,405,807,323**

Receivables from other customers represented those arising from advertising activities on television, in which receivables from WPP Media Limited and Saatchi & Saatchi (Vietnam) Joint Venture Company Limited were pledged as loan security – Refer to Note 5.13.

Advances to suppliers mainly represented those to produce television programs.

Other receivables mainly represented those from employees for compensation for projects not yet produced.

5.3. Inventories

		VND
	Ending balance	**Beginning balance**
Work in process of television programs not yet finished	1,595,481,878	2,637,387,880
Completed television programs not yet broadcasted	3,510,381,504	12,406,159,668
Film copyright fees	15,263,107,438	15,890,799,175
Finished television programs	2,789,966,750	-
Merchandise received from advertising revenue	1,591,818,182	-
Other	2,625,337	799,040
Total costs	**24,753,381,089**	**30,935,145,763**
Provision for decline in values of inventories	(477,545,455)	-
Net realisable value of inventories	**24,275,835,634**	**30,935,145,763**

5.4. Other current assets

Mainly representing advances to Mr Nguyen Anh Nhuong Tong and Ms Duong Thi Loan who are stakeholders of the Company to execute business projects of the Group- Refer to Note 7.

5.5. Tangible fixed assets

VND

Items	Machinery and equipment	Means of transportations,	Management equipment	Total
Cost				
Beginning balance	1,016,499,268	7,384,210,001	464,207,775	8,864,917,044
Purchase	47,272,727	6,966,181,817	439,500,000	7,452,954,544
Transferred from finance lease	1,309,433,055	-	-	1,309,433,055
Ending balance	**2,373,205,050**	**14,350,391,818**	**903,707,775**	**17,627,304,643**
Accumulated Depreciation				
Beginning balance	509,784,713	1,746,570,152	193,523,258	2,449,878,123
Depreciation	448,090,253	1,246,874,132	186,671,742	1,881,636,127
Transferred from finance lease	698,364,288	-	-	698,364,288
Ending balance	**1,656,239,254**	**2,993,444,284**	**380,195,000**	**5,029,878,538**
Net book value				
Beginning balance	506,714,555	5,637,639,849	270,684,517	6,415,038,921
Ending balance	**716,965,796**	**11,356,947,534**	**523,512,775**	**12,597,426,105**

The amount of year-end net book value of tangible fixed assets pledged as loan security totalled VND 9,311,046,615 – Refer to Note 5.13 and 5.18.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 315,233,806.

5.6. Finance leased assets

VND

Items	Machinery and equipment
Cost	
Beginning balance	2,089,773,965
Transferred to fixed assets	(1,309,433,055)
Ending balance	**780,340,910**
Accumulated depreciation	
Beginning balance	914,977,901
Depreciation	281,937,516
Transferred to fixed assets	(698,364,288)
Ending balance	**498,551,129**
Net book value	
Beginning balance	1,174,796,064
Ending balance	**281,789,781**

Terms of purchase option: If the Company fulfils their obligations as set out in the lease, the Company has an option to repurchase the leased assets at a price equal to their residual value.

5.7. Intangible fixed assets

	VND
Items	Other
Cost	
Beginning balance	2,489,382,154
Purchase	35,000,000
Ending balance	**2,524,382,154**
Accumulated amortisation	
Beginning balance	169,730,604
Amortisation	58,910,204
Ending balance	**228,640,808**
Net book value	
Beginning balance	2,319,651,550
Ending balance	**2,295,741,346**

5.8. Construction in progress

		VND
	Ending balance	**Beginning balance**
"Mua di" website	-	48,000,000
Development costs of website "Yeah 1 City"	-	1,977,217,973
" Find me" project	-	3,468,147,884
Broadcasting on HTVC project	106,750,000	106,750,000
Broadcasting on BTV4 project	200,000,000	200,000,000
IPTV project	-	3,273,571,593
Broadcasting on VTV Cab project	27,272,727,264	-
Reception on Yeah 1 Family Chanel project	13,636,363,635	-
Other	2,528,597,726	-
Total	**43,994,687,625**	**9,073,687,450**

5.9. Investment property

Representing an indefinite land use right in Suoi Cat Hamlet, Thanh Tuyen Commune, Dau Tieng District, Binh Duong Province. Under a contract assigning the land use right, this land use right is an asset of the Company. However, the land use right is in the name of Mr Dao Phuc Tri as authorised by the Company according to the minutes of a meeting of the Board of Directors. The Company is in the process of changing the name of the land use right to the Company. Investment property was pledged as short-term bank loan security – Refer to Note 5.13.

5.10. Long-term finance investments

	Ending balance	Beginning balance
		VND
Investments in associates and joint ventures	250,669,012	400,000,000
Other long-term investments	17,602,605,000	102,605,000
Total cost of long-term finance investments	17,853,274,012	502,605,000
Provision for diminution in value of long-term investments	-	(149,330,988)
Net value of long-term investments	**17,853,274,012**	**353,274,012**

Investments in associates represented amounts invested in shares of Youth Connections Informatics Communication Joint Stock Company

Other long-term investments consist of:

	Ending balance	Beginning balance
		VND
Ha Long Telecom Co., Ltd.	102,605,000	102,605,000
Hung Vuong Square Project	17,500,000,000	-
Total	**17,602,605,000**	**102,605,000**

5.11. Long-term prepaid expenses

	Ending balance	Beginning balance
		VND
Communication services on channel VTC4	7,792,207,789	3,896,103,895
Other	7,471,665,664	2,087,299,301
Total	**15,263,873,453**	**5,983,403,196**

5.12. Goodwill

	Current year	Previous year
		VND
Balance at beginning of year	4,280,055,973	-
Additions	-	4,755,617,748
Amortisation	(475,561,775)	(475,561,775)
Balance at end of year	**3,804,494,198**	**4,280,055,973**

5.13. Short-term debts and loans

		VND
	Ending balance	**Beginning balance**
Individual loans	120,000,000	3,500,000,000
Bank loans	63,497,001,000	6,016,000,000
Loans from DFJ Vinacapital Venture Investment Ltd – Refer to Note 7	-	7,062,437,316
Current portion of long-term liabilities – Refer to Note 5.18	1,118,400,000	-
Current portions of finance lease liabilities – Refer to Note 5.18	208,090,908	336,260,752
Total	**64,943,491,908**	**16,914,698,068**

Short term bank loans had a term from 03 to 12 months and were subject to interest rates from 8% to 14% per annum. These loans were guaranteed by bank deposits, debt claims arising from a contract signed with WPP Media Limited and Saatchi & Saatchi (Vietnam) Joint Venture Company Limited, the guarantee letter of a third party, and assets of the Group – Refer to Notes 5.1, 5.2, 5.5 and 5.9.

5.14. Trade payables

Trade payables mainly represented those for purchase of film copyright and channel leasing expenses.

5.15. Taxes and amounts payable to the state budget

		VND
	Ending balance	**Beginning balance**
Value added tax	3,845,078,553	3,346,175,793
Corporate income tax	11,776,025,671	9,838,823,280
Personal income tax	729,440,179	268,915,345
Other taxes	16,390,395	21,390,395
Total	**16,366,934,798**	**13,475,304,813**

5.16. Accrued expenses

		VND
	Ending balance	**Beginning balance**
Film purchasing expenses	3,127,561,904	10,186,703,395
Post-production expenses	-	3,654,000,000
Channel leasing expenses	-	1,818,181,818
Program broadcasting expenses	2,019,070,667	1,786,463,182
Loan interest	627,836,248	1,482,224,966
13th month salaries	435,987,083	1,478,039,791
Other accrued expenses	1,822,266,891	987,134,775
Total	**7,882,722,793**	**21,392,747,927**

5.17. Other short-term payables

Other short-term payables mainly represented amounts collected on behalf of or paid over to customers on Webmoney.

5.18. Long-term debts and loans

VND

	Ending balance	Beginning balance
Bank loans	2,677,797,640	-
Finance leases	17,358,913	242,772,550
Issued bonds	15,000,000,000	30,000,000,000
Total	**17,695,156,553**	**30,242,772,550**

Long term loans represented bank loans with a term of 4 years and subject to an interest rate of 12% per annum. These loans had the principal outstanding as at 31 December 2014 totalling VND 2,677,797,640 and the current portion of long-term loans totalling VND 1,118,400,000 - Refer to Note 5.13.

The loans were secured by tangible fixed assets - Refer to Note 5.5.

Finance lease liabilities represented the leases of machinery and equipment with a term of 03 years. The principal outstanding as of 31 December 2014 totalled VND 225,449,821 and the current portion of finance lease liabilities totalled VND 208,090,908 – Refer to Note 5.13.

Issued bonds represented 15,000 bonds at 10% per annum. The bonds were secured by total shares of certain shareholders at Youth Embassy Group Corporation – Refer to Note 7.

5.19. Owner's equity

5.19.1. Changes in owner's equity

VND'000

	Paid-in Capital	Capital surplus	Treasury shares	Undistributed profit after tax	Total
Previous year's beginning balance	30,659,740	115,560	-	14,287,990	45,063,290
Previous year's capital contribution	14,340,260	-	-	(14,340,260)	-
Previous year's profit	-	-	-	20,882,820	20,882,820
Other decreases	-	-	-	(1,202,113)	(1,202,113)
Current year's beginning balance	**45,000,000**	**115,560**	**-**	**19,628,437**	**64,743,997**
Current year's capital contribution	20,000,000	-	-	(20,000,000)	-
Current year's profit	-	-	-	32,089,605	32,089,605
Distributed to bonus and welfare fund	-	-	-	(2,924,599)	(2,924,599)
Advance dividend	-	-	-	(6,500,000)	(6,500,000)
Treasury shares			(2,920,000)	-	(2,920,000)
Other decreases	-	-	-	(100,000)	(100,000)
Current year's ending balance	**65,000,000**	**115,560**	**(2,920,000)**	**22,193,443**	**84,389,003**

5.19.2. Details of owner's equity

VND

	Ending balance	Beginning balance
Mr. Nguyen Anh Nhuong Tong	32,775,470,000	22,684,498,000
Mr. Dao Phuc Tri	3,245,100,000	2,245,504,000
DFJ Vinacapital Venture Investment Ltd	25,928,440,000	17,950,503,000
Capital contributed by other	3,050,990,000	2,119,495,000
Total	**65,000,000,000**	**45,000,000,000**

5.19.3. Shares

▪ Authorised shares	6,500,000	4,500,000
▪ Issued share		
+ Preferred shares	2,268,735	1,070,136
+ Common shares	4,231,265	3,429,864
▪ Treasury share		
+ Common shares	116,800	-
▪ Outstanding shares		
+ Preferred shares	2,151,935	1,070,136
+ Common shares	4,231,265	3,429,864

- Par value per outstanding share: VND 10,000 per share

5.19.4. Earnings per share

VND

	Current year	Previous year
Consolidated profit after tax of shareholders of the parent company	32,089,604,929	20,882,820,154
Average number of outstanding shares	6,002,960	3,285,989
Earnings per share (EPS)	**5,346**	**6,355**

5.20. Non-controlling interests

VND

	Current year	Previous year
Beginning balance	9,980,608,760	479,884,738
Equity capital additions by non-controlling interests	-	7,350,000,000
Equity capital decreases by non-controlling interests	(3,362,500,000)	-
Net profit attributable to non-controlling interests	2,544,685,381	2,577,117,122
Decrease of non-controlling interest due to sale of shares to parent company	(923,917,931)	-
Other	100,000,000	(426,393,100)
Balance at end of year	**8,338,876,210**	**9,980,608,760**

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED INCOME STATEMENT

6.1. Revenue from selling goods and rendering services

VND

	Current year	Previous year
Revenue from advertisements	271,819,416,155	151,849,031,565
Revenues from magazines	-	38,631,818
Revenues from SMS	102,882,104	359,826,916
Revenues from film copyright	1,553,940,952	512,000,000
Revenues from program production	38,636,364	155,090,909
Revenues from phone cards	607,857,796	1,087,310,591
Revenues from marketing online services	-	103,343,563
Revenues from software programming services and designing website	-	115,308,035
Revenues from money withdraw service on Webmoney	453,275,421	339,987,822
Revenues from managing sever service	6,181,820	70,363,638
Other	20,090,921	17,559,597
Trade discounts	(10,701,096,995)	(174,182,000)
Sale allowances	(1,085,999,873)	-
Net revenue	**262,815,184,665**	**154,474,272,454**

6.2. Cost of goods sold

VND

	Current year	Previous year
Cost of program production	38,896,709,303	19,756,096,934
Cost of film copyright	39,968,616,285	31,182,061,474
Cost of issuing Yeah1 teen magazine	-	220,791,364
Cost of outsourcing program production	-	2,480,000,000
Cost of co-production of television program on BTV4 channel	-	3,520,090,910
Cost of leasing channel	16,779,545,458	15,105,000,011
Cost of making film	21,612,689,273	3,749,462,894
Cost of purchasing television programs	18,511,721,835	5,275,179,091
Cost of top-up phone for customers	-	160,884,237
Phone cards	2,147,546,484	880,996,193
Cost of designing website	233,340,000	-
Cost of measuring rating	3,796,000,000	-
Cost of signal transmission	7,379,999,999	-
Cost of events	1,202,984,179	-
Other	1,143,996,974	647,357,161
Provision for decline in value of inventories	477,545,455	-
Total	**152,150,695,245**	**82,977,920,269**

6.3. Financial expense

	Current year	Previous year
		VND
Interest expense	7,183,384,093	2,324,006,636
Losses on realised foreign exchange differences	28,201,404	-
Losses on unrealised foreign exchange differences	-	54,052,691
Finance leasing expense	360,228,507	140,687,486
Bond issue expense	-	40,000,000
Payment discounts	541,357,527	675,532,273
Other financial expense	10,333,186	3,563,941
Total	**8,123,504,717**	**3,237,843,027**

6.4. Selling expense

	Current year	Previous year
		VND
Salary expense	3,730,134,469	2,879,244,630
Tools or supplies	29,968,095	8,069,038
Depreciation expense	450,417,604	403,066,568
Service expense	14,130,454,769	1,848,352,672
Other	422,000	2,092,865,102
Total	**18,341,396,937**	**7,231,598,010**

6.5. General and administration expense

	Current year	Previous year
		VND
Salary expense	12,073,757,846	11,452,942,045
Material cost	550,000	550,000
Tools or supplies	1,568,632,795	1,925,423,911
Depreciation expense	1,126,787,720	801,393,852
Taxes, fees and charges	18,500,000	45,712,220
Provision expense	-	7,920,000
Service expense	24,721,920,504	11,014,315,131
Other	1,033,538,118	2,551,332,956
Total	**40,543,686,983**	**27,799,590,115**

6.6. Other income

	Current year	Previous year
		VND
Compensation income from employees	9,466,763,465	-
Dividend income	532,417,930	-
Income from film production	2,033,635,936	-
Income from disposal and sale of fixed assets	-	300,000,000
Other income	13,177,273	1,000,000
Total	**12,045,994,604**	**301,000,000**

6.7. Other expense

	Current year	Previous year
		VND
Expenses related to compensation by employees	8,766,937,450	-
Penalties	1,404,452,537	1,034,126,032
Expenses of film production	1,517,339,283	-
Expense from disposal and sale of fixed assets	-	1,516,666,665
Other expense	31,747,920	32,338,436
Total	**11,720,477,190**	**2,583,131,133**

6.8. Current corporate income tax expense

	Current year	Previous year
		VND
Accounting profit before tax for the year	44,877,764,473	31,354,640,719
Add: Adjustments according to CIT law	2,740,830,311	4,198,545,989
Less: Adjustments according to CIT law	(2,081,818,181)	(1,353,763,021)
Profit/Loss on unrealized inter-company current year	29,409,724	768,326,019
Profit/Loss on unrealized inter-company previous year	(768,326,019)	-
Income from sale of shares of non-controlling interests to parent company	(532,417,930)	-
Goodwill	475,561,775	475,561,775
Share of loss of associates and joint-ventures	-	(177,597,944)
Loss carry-forward	-	(3,314,361,530)
Taxable income from ordinary business activities	44,741,004,153	31,951,352,007
Including: Taxable income liable for CIT rate at 20%	*3,328,471,733*	*1,527,020,980*
Taxable income liable for CIT rate at 22%	*41,412,532,421*	-
Taxable income liable for CIT rate at 25%	-	*30,424,331,027*
Current CIT expense at tax rate 20%	665,694,346	305,404,196
Current CIT expense at tax rate 22%	9,110,757,133	-
Current CIT expense at tax rate 25%	-	7,606,082,759
Current CIT expense from ordinary business activities	9,776,451,479	7,911,486,955
Adjustments of tax expense of previous years	2,607,500	-
Current CIT expense for the year	**9,779,058,979**	**7,911,486,955**

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

6.9. Deferred corporate income tax expense

Deferred tax assets and the change in the current year and previous year are detailed as follows:

VND'm

	Profit/Loss on unrealized inter-company	Unrealised revenue	Accrual	Loss Carry-forward	Provision	Total
Previous year's beginning balance	-	-	(336)	(138)	(172)	(646)
Charge (credit) to profit or loss for the previous year	(169)	(414)	292	138	137	(16)
Current year's beginning balance	**(169)**	**(414)**	**(44)**	**-**	**(35)**	**(662)**
Charge (credit) to profit or loss for the current year	162	414	(10)	-	(102)	464
Current year's ending balance	**(7)**	**-**	**(54)**	**-**	**(137)**	**(198)**

6.10. Production and business costs by elements

VND

	Current year	Previous year
Employee expense	17,180,318,671	21,311,446,982
Tools or supplies	1,599,150,890	2,219,947,507
Depreciation expense	2,222,483,847	1,872,673,202
Service expense	182,325,055,501	110,409,507,185
Other	1,049,460,118	4,734,028,734
Total	**204,376,469,027**	**140,547,603,610**

7. RELATED PARTIES DISCLOSURES

- In the year, the Group transacted with the following entities and individuals which are determined to be related parties:

Name of related parties	Relationship
1. DFJ Vinacapital Venture Investment Ltd	Significant influence investor
2. Mr. Nguyen Anh Nhuong Tong	General Director of the Group
3. Mr. Dao Phuc Tri	General Director of Youth Embassy Entertainment Corporation
4. Youth Connections Informatics Communication Joint Stock Company	Associate

- Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in full in consolidation.

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

	Ending balance	Beginning balance
		VND
Accounts receivable		
Mr. Nguyen Anh Nhuong Tong	537,677,350	-
Mr. Dao Phuc Tri	16,225,500	-
Total	**553,902,850**	**-**

	Ending balance	Beginning balance
		VND
Advances – Refer to Note 5.4		
Mr. Nguyen Anh Nhuong Tong	5,541,104,219	2,837,804,828
Mr. Dao Phuc Tri	2,955,010,760	18,416,385,817
Total	**8,496,114,979**	**21,254,190,645**

	Ending balance	Beginning balance
		VND
Accounts payable		
Youth Connections Informatics Communication Joint Stock Company	(400,555,200)	(400,555,200)

	Ending balance	Beginning balance
		VND
Borrowing – Refer to Note 5.13 and 5.18		
DFJ Vinacapital Venture Investment Ltd	(15,000,000,000)	(37,062,437,316)

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

	Current year	Previous year
		VND
Loans		
DFJ Vinacapital Venture Investment Ltd	-	37,008,384,625

	Current year	Previous year
		VND
Repayments of amounts borrowed		
DFJ Vinacapital Venture Investment Ltd	22,062,437,316	3,988,100,000

- Remuneration of the Management:

	Current year	Previous year
		VND
Salaries of the General Director of the Company	743,000,000	579,798,550
Salary of other key management personnel	2,927,277,598	1,351,331,409
Total	**3,670,277,598**	**1,931,129,959**

8. OBLIGATIONS UNDER FINANCE LEASES

The Group holds one piece of specialised machinery with an estimated useful life of 05 years under the finance lease term 03 years. The future minimum lease payments are as follows:

VND

	Ending balance	Beginning balance
Within one year	208,090,908	353,583,482
Later than one year but within five years	17,358,913	225,431,819
Total	**225,449,821**	**579,015,301**

The obligation is classified as:

VND

	Ending balance	Beginning balance
Current liability	208,090,908	353,583,482
Non-current liability	17,358,913	225,431,819
Total	**225,449,821**	**579,015,301**

9. FINANCIAL INSTRUMENTS

- Capital risk management

The Group manages its capital to ensure that the Group 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 Group consists of net debt and equity attributable to equity holders of the Group (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 4.14.

- Categories of financial instruments

VND

	Carrying amounts	
	31 Dec. 2014	**01Jan. 2014**
Financial assets		
Cash and cash equivalents	24,045,316,184	10,966,370,825
Trade & other receivables	37,368,914,344	60,316,385,018
Total	**61,414,230,528**	**71,282,755,843**
Financial liabilities		
Borrowings	82,638,648,461	47,157,470,618
Trade & other payables	24,396,148,535	15,412,521,716
Accruals	7,446,735,710	19,914,708,136
Total	**114,481,532,706**	**82,484,700,470**

The Group 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 Group does not hedge these risk exposures due to the lack of a market to purchase financial instruments.

- Market risk

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

The Group does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group does not hedge this risk due to the lack of any market to purchase such instruments.

The carrying amounts of the Group'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)	-	335,731	-	-

Interest rate risk management

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

Price risk management

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group 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 Group. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group 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 Group believes can generate within that period. The Group policy is to regularly monitor current and expected liquidity requirements to ensure that the Group 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 Group can be required to pay.

VND

31 Dec. 2014	**Less than 1 year**	**From 1- 5 years**	**Total**
Borrowings	64,943,491,908	17,695,156,553	82,638,648,461
Trade payables	24,336,496,535	59,652,000	24,396,148,535
Accruals	7,446,735,710	-	7,446,735,710

01 Jan. 2014	Less than 1 year	From 1- 5 years	Total
Borrowings	16,914,698,068	30,242,772,550	47,157,470,618
Trade payables	15,352,869,716	59,652,000	15,412,521,716
Accruals	19,914,708,136	-	19,914,708,136

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

The following table details the Group'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 Group'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 receivables	37,368,914,344	-	37,368,914,344
01 Jan. 2014	**Less than 1 year**	**From 1- 5 years**	**Total**
Trade receivables	60,316,385,018	-	60,316,385,018

10. EVENTS AFTER THE END OF THE REPORTING PERIOD

In according to the Business Registration Certificate of Youth Embassy Group Corporation No. 0304592171 dated 02 February 2015 granted by Ho Chi Minh City's Department of Planning and Investment, Youth Embassy Technology Corporation was merged into Youth Embassy Group Corporation. Youth Embassy Group Corporation will be received all interests and liabilities of Youth Embassy Technology Corporation.

11. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the financial year ended 31 December 2014 were authorised for issue by the General Director on 22 May 2015.

Ho Chi Minh City, 22 May 2015

PREPARED BY	CHIEF ACCOUNTANT	GENERAL DIRECTOR
TRAN THI LAO	VO THAI PHONG	NGUYEN ANH NHUONG TONG