

AUDITED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

HPT VIETNAM CORPORATION

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REPORTS OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2016

The General Director has the honor of submitting this report and the audited financial statements for the fiscal year ended December 31, 2016.

1. Business highlights of Company:

Establishment:

HPT Corporation is a Joint-Stock Company which is operating under Business Registration Certificate No. 0301447426 dated May 11, 2004; the 6th amended Business Registration Certificate dated February 01, 2016 issued by Planning and Investment Department.

Structure of ownership: Joint-Stock Company.

The Company's principal activities:

Execute, install and transfer technology of computer network. Provides Internet application services (OSP), hosting and information provision services.

Development services and scientific, technology applications to life.

Real estate brokerage services.

Research and analyze market.

Provide application software. Producing software, software services.

Computer system design consultancy (designing, creating internet home page, computer system design with integrated hardware - software with communication technologies). Local Area Network (LAN) integration.

Provide added value services on telecommunication networks. Services of online data and information access and process, electronic exchange (except business for internet and games agency at head office).

Repair services of computer equipments, computers, office equipments.

Purchase and sale of computer equipment, computers, office equipment. Purchase and sale of computer software, electronic devices and components, telephones, telecommunication equipment, control devices, equipment and components in the information technology industry, plotters and equipment for designing services, printing supplies and accessories, scientific research and experiment equipment.

Office equipment rental service.

Training and technology transfer. Vocational training.

Houses, warehouses rental service (except business for rent rooms). Real estate business (excluding valuation services, real estate trading exchanges).

Customs brokerage services. Transport brokerage services.

Accounting services, tax consultancy services, financial consultancy (except auditing services), investment consultancy, business management consultancy.

Sales and consignments agency.

Data processing, rental related activities.

Repair, warranty, maintenance information technology system.

Supply and management of domestic labor (except for subleasing labor).

Set up general information website.

English name: HPT VIETNAM CORPORATION

Short name: HPT

Security code: HPT

Head office: Floor 9, Paragon Building, No. 03 Nguyen Luong Bang street, Tan Phu Ward, District 7, HCMC

REPORTS OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2016

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:

Mr	Ngo Vi Dong	Chairman
Ms	Dinh Ha Duy Trinh	Vice Chairman
Mr	Nguyen Duc Tien	Member
Mr	Dinh Ha Duy Linh	Member
Ms	Han Nguyet Thu Huong	Member
Mr	Tran Anh Hoang	Member
Mr	Nguyen Quyen	Member

Board of Supervisors

Ms	Nguyen Thi Hoang Yen	Chief Supervisor
Ms	Huynh Thi Thanh Nga	Member
Mr	Le Nhut Hoang Nam	Member

Board of General Directors and Chief Accountant:

Mr	Dinh Ha Duy Linh	General Director	Assigned
Mr	Nguyen Quyen	Deputy General Director	From 22/7/2016
Mr	Huynh The Vinh	Deputy General Director	From 22/7/2016
Ms	Nguyen Thi Hong Hai	Deputy General Director and Chief Accountant	From 22/7/2016

Legal representatives of the Company in the year and to the reporting date are:

Mr	Dinh Ha Duy Linh	General Director
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4. Auditor

Auditing and Informatic Services Limited Company (AISC) has been appointed as an independent auditor for the fiscal year ended December 31, 2016.

5. Statement of the Responsibility of the Board of Management and Board of General Directors in respect of the Financial Statements

The Board of General Directors of the Company are 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, 2016 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 have considered and complied with the following matters:

- Selected 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.

REPORTS OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2016

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

6. Approval of the Financial Statements

In the Board of Management's opinion, the financial statements consisting of Balance Sheet as at December 31, 2016, 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, 2016.

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

Ho Chi Minh City, March 24, 2017

For and on behalf of the Board of General Directors



Dinh Ha Duy Linh
General Director



CÔNG TY TNHH KIỂM TOÁN & DỊCH VỤ TIN HỌC TP.HCM
Auditing & Informatic Services Company Limited
Office: 389A Điện Biên Phủ, Phường 4, Quận 3, TP.Hồ Chí Minh
Tel: (84.8) 3832 8964 (10 Lines) Fax: (84.8) 3834 2957
Email: info@aisc.com.vn Website: www.aisc.com.vn



No: 1016430/AISC-DN3

INDEPENDENT AUDITOR'S REPORT

To:

**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 at December 31, 2016, Income Statement, Cash Flow Statement for the year then ended and Notes to the Financial Statements as set out on Page 05 to Page 39, which were prepared on March 24, 2017.

Responsibility of the Board of General Directors

The Board of General Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Accounting System (Corporate) and prevailing regulations applicable to the preparation and presentation of the financial statements and also for the internal control that the Board of General Directors considers necessary for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor

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

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

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

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 at December 31, 2016 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 Standards, Vietnamese Accounting System and other statutory requirements relevant to the preparation and presentation of the financial statements.

AUDITOR

Ha Que Nga

*Certificate of Audit Practice Registration
No: 2801-2014-05-2
Issued by the Ministry of Finance*

Hồ Chí Minh City, March 24, 2017
PP. GENERAL DIRECTOR
DEPUTY GENERAL DIRECTOR

Trương Diệu Thuý

*Certificate of Audit Practice Registration
No: 0212-2013-05-01
Issued by the Ministry of Finance*

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

Branch in Da Nang : 190, 3/2 St., Hai Chau Dist., Da Nang City

Representative in Can Tho : 243/1A, 30/4 St., Ninh Kiều Dist., Can Tho City

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BALANCE SHEET*As at December 31, 2016**Unit: Vietnam dong*

ASSETS	Code	Notes	Dec. 31, 2016	Jan. 01, 2016
A. CURRENT ASSETS	100		369.351.177.394	346.951.638.724
I. Cash and cash equivalents	110	V.1	31.072.710.541	14.281.993.654
1. Cash	111		31.072.710.541	14.281.993.654
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provision for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term Accounts receivable	130		255.020.615.724	284.420.841.247
1. Trade accounts receivable	131	V.3	246.822.371.033	264.599.720.766
2. Prepayments to suppliers	132	V.4	7.279.682.358	18.088.033.888
3. Intercompany receivables	133		-	-
4. Construction contract-in-progress receivables	134		-	-
5. Receivables from short-term loans	135		-	-
6. Other receivables	136	V.5	918.562.333	1.733.086.593
7. Provision for doubtful debts	137		-	-
8. Shortage of assets awaiting resolution	139		-	-
IV. Inventories	140	V.6	82.202.936.460	47.047.918.041
1. Inventories	141		82.202.936.460	47.047.918.041
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		1.054.914.669	1.200.885.782
1. Short-term prepayments	151	V.9	523.772.790	503.360.123
2. Deductible VAT	152		531.141.879	697.525.659
3. Taxes and other receivables from the State Budget	153		-	-
4. Repurchase and sale of Government's bonds	154		-	-
5. Other current assets	155		-	-

BALANCE SHEET*As at December 31, 2016**Unit: Vietnam dong*

ASSETS	Code	Notes	Dec. 31, 2016	Jan. 01, 2016
B. LONG-TERM ASSETS	200		20.549.645.671	19.314.810.235
I. Long-term receivables	210		2.225.715.641	1.035.360.508
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital from sub-units	213		-	-
4. Long-term intercompany receivables	214		-	-
5. Receivables from long-term loans	215		-	-
6. Other long-term receivables	216	V.5	2.225.715.641	1.035.360.508
7. Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		2.135.682.397	2.516.195.597
1. Tangible fixed assets	221	V.7	2.135.682.397	2.459.444.825
- Cost	222		18.190.411.677	17.300.333.334
- Accumulated depreciation	223		(16.054.729.280)	(14.840.888.509)
2. Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.8	-	56.750.772
- Cost	228		2.176.347.786	2.176.347.786
- Accumulated amortization	229		(2.176.347.786)	(2.119.597.014)
III. Investment Properties	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV. Non-current assets in progress	240		-	-
1. Works in progress	241		-	-
2. Capital construction in progress	242		-	-
V. Long-term investments	250	V.2	14.786.883.193	13.417.824.576
1. Investments in subsidiaries	251		8.076.364.576	5.733.364.576
2. Investments in associates, joint-ventures	252		5.017.500.000	4.800.000.000
3. Investments in equity of other entities	253		2.884.460.000	2.884.460.000
4. Provision for decline in the value of long-term investments	254		(1.191.441.383)	-
5. Held-to-maturity investments	255		-	-
VI. Other long-term assets	260		1.401.364.440	2.345.429.554
1. Long-term prepaid expenses	261	V.9	1.401.364.440	2.345.429.554
2. Deferred income tax assets	262		-	-
3. Equipment, materials, spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		389.900.823.065	366.266.448.959

BALANCE SHEET*As at December 31, 2016**Unit: Vietnam dong*

RESOURCES	Code	Notes	Dec. 31, 2016	Jan. 01, 2016
C. LIABILITIES	300		297.530.246.744	278.654.928.496
I. Current liabilities	310		297.530.246.744	278.308.428.496
1. Short-term trade payables	311	V.11	155.387.528.996	111.182.977.204
2. Advances from customers	312	V.12	33.277.067.162	15.926.318.557
3. Taxes and other payables to the State Budget	313	V.13	6.665.342.819	4.585.339.015
4. Payables to employees	314		4.030.000.000	3.000.000.000
5. Short-term accrued expenses	315	V.14	14.673.831.305	12.120.850.680
6. Short-term intercompany payables	316		-	-
7. Construction contract-in-progress payables	317		-	-
8. Short-term unrealized revenue	318		-	-
9. Other short-term payables	319	V.15	244.028.427	225.919.882
10. Short-term borrowings and financial lease liabilities	320	V.10	82.749.916.789	131.317.671.452
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322	V.16	502.531.246	(50.648.294)
13. Price stabilization fund	323		-	-
14. Repurchase and sale of Government's bond	324		-	-
II. Long-term liabilities	330		-	346.500.000
1. Long-term trade payables	331		-	-
2. Long-term Advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
7. Inter-company payables for operating capital received	334		-	-
5. Long-term intercompany payables	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial lease liabilities	338		-	346.500.000
9. Convertible bond	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liabilities	341		-	-
12. Provision for long-term liabilities	342		-	-
13. Fund for science and technology development	343		-	-

BALANCE SHEET*As at December 31, 2016**Unit: Vietnam dong*

RESOURCES	Code	Notes	Dec. 31, 2016	Jan. 01, 2016
D. OWNERS' EQUITY	400		92.370.576.321	87.611.520.463
I. Owners' equity	410	V.17	92.370.576.321	87.611.520.463
1. Owners' capital	411		68.642.010.000	68.642.010.000
- Ordinary shares with voting rights	411a		68.642.010.000	68.642.010.000
- Preferred shares	411b		-	-
2. Share premium	412		139.500.000	139.500.000
3. Bond conversion option	413		-	-
4. Owners' other capital	414		-	-
5. Treasury shares	415		(2.155.280.020)	(2.155.280.020)
6. Difference upon assets revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		4.800.800.801	4.486.984.441
9. Fund for support of arrangement of enterprises	419		-	-
10. Other funds	420		-	-
11. Undistributed earnings	421		20.943.545.540	16.498.306.042
- Undistributed earnings accumulated to the end of prior period	421a		11.574.953.742	10.221.978.843
- Undistributed earnings in this period	421b		9.368.591.798	6.276.327.199
12. Investment reserve for basic construction	422		-	-
II. Budget sources and other funds	430		-	-
1. Budget sources	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL RESOURCES	440		389.900.823.065	366.266.448.959

Ho Chi Minh City, March 24, 2017

Prepared by

Chief Accountant

General Director



Phung Quoc Bao



Nguyen Thi Hong Hai



Dinh Ha Duy Linh

INCOME STATEMENT

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2016	Year 2015
1. Sales	01	VI.1	924.156.902.263	688.516.097.915
2. Less sales deductions	02	VI.2	29.700.000	-
3. Net sales	10	VI.3	924.127.202.263	688.516.097.915
4. Cost of sales	11	VI.4	828.239.861.711	607.270.650.934
5. Gross profit (20 = 10 - 11)	20		95.887.340.552	81.245.446.981
6. Financial income	21	VI.5	1.282.404.121	1.532.688.609
7. Financial expenses	22	VI.6	6.878.463.008	10.928.864.628
<i>In which: loan interest expenses</i>	23		5.203.109.311	8.626.967.200
8. Selling expenses	25	VI.7	57.253.209.954	52.996.986.713
9. General & administration expenses	26	VI.7	27.771.873.603	27.304.914.002
10. Operating profit (30 = 20 + (21 - 22) - (25 + 26))	30		5.266.198.108	(8.452.629.753)
11. Other income	31	VI.8	6.958.180.023	16.612.661.532
12. Other expenses	32	VI.9	442.631.270	155.560.643
13. Other profit (40 = 31 - 32)	40		6.515.548.753	16.457.100.889
14. Net accounting profit before tax (50 = 30 + 40)	50		11.781.746.861	8.004.471.136
15. Corporate income tax - current	51	VI.11	2.413.155.063	1.728.143.937
16. Corporate income tax - deferred	52		-	-
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		9.368.591.798	6.276.327.199
18. Earnings per share	70	VI.12	1.397	748
19. Diluted earnings per share	71	VI.12	1.397	748

Ho Chi Minh City, March 24, 2017

Prepared by



Phung Quoc Bao

Chief Accountant



Nguyen Thi Hong Hai

General Director



Dinh Ha Duy Linh

CASH FLOW STATEMENT

(Under indirect method)

*For the fiscal year ended December 31, 2016**Unit: Vietnam dong*

ITEMS	Code	Notes	Year 2016	Year 2015
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit before tax	01		11.781.746.861	8.004.471.136
2. Adjustments for :				
- Depreciation of fixed assets & investment properties	02	V.7-8	1.270.591.543	1.406.035.670
- Provisions	03	VI.6	1.191.441.383	-
- Gain/losses from foreign exchange differences upon revaluation of monetary assets denominated in foreign currencies	04		24.797.013	171.990.942
- Gains/losses from investing activities	05		(272.101.458)	(300.236.536)
- Interest expense	06	VI.5	5.203.109.311	8.626.967.200
- Other adjustments	07		-	-
3. Profit from operating activities before changes in working capital	08		19.199.584.653	17.909.228.412
- Increase (-)/ decrease (+) in receivables	09		28.376.254.170	50.413.317.329
- Increase (-)/ decrease (+) in inventories	10		(35.155.018.419)	(6.785.166.374)
- Increase (+)/ decrease (-) in payables (Other than payables, income tax)	11		66.205.135.859	(41.780.390.417)
- Increase (-)/ decrease (+) in prepaid expenses	12		923.652.447	431.484.981
- Increase (-)/ decrease (+) in trading securities	13		-	-
- Interest paid	14		(5.203.109.311)	(8.626.967.200)
- Corporate income tax paid	15		(2.282.780.464)	(2.917.934.133)
- Other receipts from operating activities	16		-	-
- Other payments on operating activities	17		-	-
Net cash inflows/(outflows) from operating activities	20		72.063.718.935	8.643.572.598
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchases of fixed assets and other long-term assets	21		(890.078.343)	(915.525.963)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	-
3. Loans granted, purchases of debt instruments of other entities	23		-	-
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		-	-
5. Investments in other entities	25		(2.560.500.000)	(1.707.000.000)
6. Proceeds from divestment in other entities	26		-	-
7. Dividends and interest received	27		272.101.458	300.236.536
Net cash inflows/(outflows) from investing activities	30		(3.178.476.885)	(2.322.289.427)

CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2016	Year 2015
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issue of shares and capital contribution	31		-	-
2. Payments for shares returns and repurchases	32		-	-
3. Proceeds from borrowings	33	VII.1	205.977.401.296	334.203.078.065
4. Repayments of borrowings	34	VII.2	(254.717.655.959)	(389.318.037.200)
5. Payments for finance lease liabilities	35		-	-
6. Dividends paid	36		(3.354.270.500)	(5.366.832.800)
Net cash inflows/(outflows) from financing activities	40		(52.094.525.163)	(60.481.791.935)
Net cash inflows/(outflows) (50 = 20+ 30 + 40)	50		16.790.716.887	(54.160.508.764)
Cash and cash equivalents at the beginning of the year	60		14.281.993.654	68.442.502.418
Effect of foreign exchange differences	61		-	-
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	V.1	31.072.710.541	14.281.993.654

Prepared by



Phung Quoc Bao

Chief Accountant



Nguyen Thi Hong Hai

Ho Chi Minh City, March 24, 2017

General Director



Dinh Ha Duy Linh

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong***I. BUSINESS HIGHLIGHTS****1. Structure of ownership:**

Incorporation

2. Business sector:

Commerce and services

3. Principal activities

Execute, install and transfer technology of computer network. Provides Internet application services (OSP), hosting and information provision services.

Development services and scientific, technology applications to life.

Real estate brokerage services.

Research and analyze market.

Provide application software. Producing software, software services.

Computer system design consultancy (designing, creating internet home page, computer system design with integrated hardware - software with communication technologies). Local Area Network (LAN) integration.

Provide added value services on telecommunication networks. Services of online data and information access and process, electronic exchange (except business for internet and games agency at head office).

Repair services of computer equipments, computers, office equipments.

Purchase and sale of computer equipment, computers, office equipment. Purchase and sale of computer software, electronic devices and components, telephones, telecommunication equipment, control devices, equipment and components in the information technology industry, plotters and equipment for designing services, printing supplies and accessories, scientific research and experiment equipment.

Office equipment rental service.

Training and technology transfer. Vocational training.

Houses, warehouses rental service (except business for rent rooms). Real estate business (excluding valuation services, real estate trading exchanges).

Customs brokerage services. Transport brokerage services.

Accounting services, tax consultancy services, financial consultancy (except auditing services), investment consultancy, business management consultancy.

Sales and consignments agency.

Data processing, rental related activities.

Repair, warranty, maintenance information technology system.

Supply and management of domestic labor (except for subleasing labor).

Set up general information website.

4. Normal operating cycle

Normal operating cycle of the Company lasts 12 months of the normal fiscal year beginning from January 01 and ending on December 31.

5. Operations in the fiscal year affecting the financial statements: None**6. Total employees to Dec. 31, 2016: 281 persons (Dec. 31, 2015: 279 persons).**

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong***7. Disclosure on comparability of information in the Financial Statements**

The selection of figures and information need to be presented in the financial statements has been implemented on the principles of comparability among corresponding accounting periods.

II. ACCOUNTING PERIOD AND REPORTING CURRENCY**1. Fiscal year**

The fiscal year is begun on January 01 and ended December 31 annually.

2. Reporting currency

Vietnam Dong (VND) is used as a currency unit for accounting records.

III. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES**1. Applicable Accounting System**

The Company applies Vietnamese Corporate Accounting System issued by the Vietnam Ministry of Finance in accordance with the guidance of Circular No. 200/2014/TT-BTC dated December 22, 2014.

2. Disclosure of compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System

We conducted our accounting, preparation and presentation of the financial statements 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.

IV. APPLICABLE ACCOUNTING POLICIES**1. Foreign exchange rate applicable in accounting**

The Company has translated foreign currencies into Vietnam Dong at the actual rate and book rate.

Principles for determining the actual rate

All transactions denominated in foreign currencies which arise during the period (trading foreign currencies, capital contribution or receipt of contributed capital, recording receivables and payables, purchasing assets or costs immediately paid by foreign currencies) are converted at the actual exchange rates ruling as of the transaction dates.

Closing balance of monetary items (cash, cash equivalents, payables and receivables, except for prepayments to suppliers, prepayments from customers, pre-paid expenses, deposits and unearned revenue) denominated in foreign currencies should be revaluated at the actual rate ruling as of the balance sheet date.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as assets will be the buying rate of Joint Stock Commercial Bank for Investment and Development of Vietnam The buying rate as at December 31, 2016: 22.720 VND/USD.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong*

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as payables will be the selling rate stated by Joint Stock Commercial Bank for Investment and Development of Vietnam. The exchange rate as at December 31, 2016: 22.790 VND/USD.

Foreign exchange differences, which arise from foreign currency transactions during the year, shall be included in the income statement. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included in the income statement.

Principle for determining book rate

When recovering receivables, deposits or payments for payables in foreign currencies, the Company uses specific identification book rate.

When making payment by foreign currencies, the Company uses moving weighted average rate.

2. Principles for recording cash and cash equivalents

Cash includes cash on hand, demand deposit and cash in transit.

Cash equivalents comprise term deposits 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.

3. Principles for accounting financial investments**Principles for recording financial investments in Subsidiary, Joint-ventures, Associates**

Principles for recording financial investments in subsidiaries: Subsidiary is a company over which the Company has the power to govern the financial and operating policies in order to obtain economic benefits from the subsidiary's operation. When the Company ceases to control the subsidiary, the investment in the subsidiary will be written down.

The investment in Joint-ventures is recorded when the Company holds joint control over these entities' financial and operating policies. When the Company ceases to control these entities, the investment will be written down.

The investment in associate is recorded when the Company has 20% - 50% of voting right in those companies and has considerable influence over their decisions on financial policies.

Investments in Subsidiary, Joint-ventures, associates are initially stated at original cost and will not be adjusted thereafter for change in the investor's share of the investee's net assets. The original cost includes purchase price and costs attributable to the investment. In case the investment is by non-monetary assets, the investment fee should be recorded at the fair value of the non-monetary assets at the date of occurrence.

Provision for loss of investments in subsidiaries, joint-ventures, associates is made when the investee suffers from loss and thus the Company possibly loses its capital or the investments' value is devalued. Basis for making provision for loss of investments is consolidated financial statements of the investee (if it is parent company), the investee's financial statements (if it is an independent enterprise without subsidiary).

Principles for recording equity investments in other entities

Equity investment in other entities represents the Company's investment in other entities' equity instruments. However, the Company does not hold any control or joint control right and exercise significant influences over the investees either.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong*

The investments are stated at original cost including purchase price and costs directly attributable to the investment. In case of non-monetary assets investment, the investment fee should be recorded at the fair value of the non-monetary assets at the date of occurrence.

Regarding the investments the Company holds in a long time (not trading securities) and no significant influences are exercised on the investees, provision for loss will be made as follows:

+ If an investment in listed shares or the fair value of the investment is determined reliably, the allowance shall be made according to the market values of the shares.

+ If it is impossible to determine the investments' fair value at the reporting date, the provision will be made on the basis the loss that investee suffers. Basis for making provision for loss of investments is consolidated financial statements of the investee (if it is parent company), the investee's financial statements (if it is an independent enterprise without subsidiary).

Principles for accounting dividends being distributed by shares

In case of dividends are distributed by shares, the investor only observes the quantity of shares according to the notes to the financial statements, not record increase the investment value and revenue from financing activities.

4. Principles for recording trade receivables and other receivables:

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

The classifying of the receivables as trade receivables, inter-company receivables and other receivables depends on the nature of the transaction or relationship between the company and debtor.

Method of making provision for doubtful debts: Provision for doubtful debts is estimated for the loss value of the receivables, other held-to-maturity investments similar to doubtful debts that are overdue and undue, but are likely to become possibly irrecoverable due to insolvency of debtors who go bankruptcy, making procedures for dissolution, go missing or run away.

5. Principles for recording inventories:

Principles adopted in recording inventory: Inventories are stated at original cost less (-) the provision for the decline in value of obsolete and deteriorated inventories.

Original costs are determined as follows:

- The original cost of materials, merchandises consists of costs of purchase, costs of transportation and other costs incurred in bringing the inventories to their present location and condition.

Method of calculating inventories' value: Weighted average method.

Method of accounting for the inventories: Periodic 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 is lower than their original cost. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses. Provision for decline in value of inventories is the difference between the cost of inventories greater than their net realisable value. Provision for decline in value of inventories is made for each inventory with the cost greater than the net realisable value.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong***6. Principles for recording fixed assets:****6.1 Principles for recording tangible fixed assets:**

Tangible fixed assets are stated at original 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.

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 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.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering shall be the finalisation price of the construction project, other relevant fees plus (+) registration fee (if any).

Fixed assets which are buildings, structures attached to land use right, the value of land use right is computed separately and recorded as intangible fixed assets.

6.2 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.

Principles for recording intangible fixed assets:

Computer software

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

6.3 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.

Thời gian hữu dụng ước tính của các TSCĐ như sau:

<i>Machinery and equipment</i>	<i>05 - 08 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>

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong***7. Principles for recording prepaid expenses**

Prepaid expenses are all expenses that actually incurred but relate to the operating result of several accounting periods. The Company's prepaid expenses include: Land leases expenses, science training and research expenses, investment repair expenses, tools and supplies.

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 36 months.

8. Principles for recording liabilities

Liabilities are recorded at original cost and not lower than the payment obligation.

Liabilities shall be classified into trade payables, inter-company payables and other payables depending on the nature of transactions and relationship between the Company and debtors.

Liabilities must be kept records in detail according to payment schedule, creditor, type of original currency (including revaluation of liabilities payable which satisfying the definition of monetary assets denominated in foreign currencies) and other factors according to requirements of the enterprise.

At the reporting date, if it is evident that there is an unavoidable loss, an amount payable shall be recorded according to cautious rules.

9. Principles for recording borrowings

Borrowings are total amounts the Company owes to banks.

Borrowings are monitored in detail according to creditor, agreement and borrowed asset.

10. 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 related 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 computed in those assets' value (capitalised) as part of the cost of the assets concerned when they satisfy conditions stipulated in the VAS No. 16 "Borrowing costs".

11. Principles for recording accruals:

Accruals include maintenance expenses, project implementation expenses to temporarily calculate the cost of goods sold which have been arisen in the reporting period, but have not been settled. These costs are recognised on the basis of reasonable estimates on the amounts to be paid in accordance with contracts.

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

The owners' equity is the amount that is initially contributed or supplemented by shareholders. The owners' equity will be recorded at the actual contributed capital by cash or assets calculated according to the par value of issued shares in the early establishment period or additional mobilization to expand operation.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong***Principles for recording share premium**

Share premium is the difference between the cost over and above the nominal value of the first issued or additionally issued share and the differences (increase or decrease) of the actual receiving amount against the repurchase price when treasury share is reissued. In case where shares are repurchased to cancel immediately at the purchase date, shares' value recorded decrease the business capital source at purchase date is the actual repurchase price and the business resource should be written down according to the par value and share premium of the repurchased shares.

Principles for recognising undistributed profit:

The undistributed profit is recorded at 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.

13. Principles for recording treasury shares

The owners' equity instruments acquired by the Company (treasury share) are recorded at original cost and deducted into the owners' equity. The Company does not record gain (loss) when purchasing, selling, issuing or cancelling its equity instruments. Upon reissue, the difference between reissue price and cost will be recorded in item "Share premium".

14. Principles for recording revenues**Revenue from goods sold**

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; When the contract specifies that buyers are entitled to return products, goods they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return products, goods (except for changing to other goods, services) 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.

Revenue from service rendered

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; When the contract specifies that buyers are entitled to return the service they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return service; 2. The economic benefits associated with the transaction has flown or will flow from the supply of the provided service; 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's results can not be determined firmly, the revenue will be recorded at the recoverable level of expenses recorded.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong***Principles for recording financial income**

Financial incomes include interests, royalties, distributed dividends and profits and income from other financing activities (Foreign exchange gains).

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;
- 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.

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.

15. Principles and method of recording cost of goods sold

Cost of goods sold are the cost of products, goods, services, investment properties; cost of construction products (as to construction enterprise) sold in the period; expenses related to trading the investment properties and other expenses recorded in the cost of goods sold or recorded a decrease in the cost of goods sold in reporting period. The cost of goods sold is recorded at the date the transaction incurs or likely to incur in the future regardless payment has been made or not. The cost of goods sold and revenue shall be recorded simultaneously on conformity principles. Expenses exceeding normal consumption level are recorded immediately to the cost of goods sold on prudent principle.

16. Principles and method of recording financial expenses

Financial expenses include expenses or loss related to the financial investment, borrowing cost and capital borrowing, foreign exchange loss and other financial expenses.

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

17. Principles and methods of recording taxes

Corporate income tax includes current corporate income tax and deferred corporate income tax incurred in the year and set basis for determining operating result after tax in current fiscal year.

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

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.

Tax policies the Company should comply with are as follows: 20%.

18. Principles for recording earnings per share

Basic earnings per share is calculated by dividing net income available to common shareholders before appropriating to Bonus and Welfare Fund by the weighted-average number of common shares outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong*

Diluted EPS is calculated by dividing net income available to common shareholders (after adjusting dividends of preferred convertible shares) by the weighted-average number of common share outstanding and the weighted-average number to be issued in case where all dilutive potential common are converted into common shares.

19. Financial instruments:**Initial recognition****Financial assets**

According to Circular No. 210/2009/TT-BTC dated November 06, 2009 (Circular No. 210), financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial assets which are stated at fair value through the Income Statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company decides to classify these assets at the date of initial recognition.

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

Financial assets of the Company comprise cash, short-term deposits, trade accounts receivables and other receivables, loans, listed and unlisted financial instruments and accrued expenses.

Financial liabilities

According to Circular 210, financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial liabilities which are stated at fair value through the Income Statement, financial liabilities determined on amortised cost basis. The Company decides to classify these liabilities at the date of initial recognition.

At the date of initial recognition, the financial liabilities are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial liabilities.

Financial liabilities of the Company comprise trade payables, other payables, borrowings and liabilities and derivative financial instruments.

Re-measurements after initial recognition

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

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the report on financial position if, and only if, there is a currently enforceable legal right to offset the financial assets against financial liabilities or vice-versa and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously.

20. Related parties

Related parties include: Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong***21. Principles for presenting assets, revenue and operating results by segment**

A reportable segment includes business segment or a geographical segment.

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET

1. Cash and cash equivalents	Dec. 31, 2016	Jan. 01, 2016
Cash	31.072.710.541	14.281.993.654
Cash on hand	500.015.974	350.390.590
Demand deposits	30.572.694.567	13.931.603.064
Total	31.072.710.541	14.281.993.654

2. Financial investments: See Page 36 and 37.**3. Trade receivables**

	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Provision	Amount	Provision
Local customers	246.822.371.033	-	264.599.720.766	-
VietinBank	16.655.019.351	-	19.176.053.442	-
Vinh Hung JSC	23.776.501.051	-	-	-
Ho Chi Minh Stock Exchange	-	-	44.537.009.008	-
Other customers	206.390.850.631	-	200.886.658.316	-
Total	246.822.371.033	-	264.599.720.766	-

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

4. Prepayments to suppliers

	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Provision	Amount	Provision
a. Short-term	7.279.682.358	-	18.088.033.888	-
Local suppliers	6.302.669.147	-	10.938.332.409	-
Thien Phuc Equipment Material Co., Ltd	-	-	2.977.449.000	-
T&D Engineering Ltd.	-	-	2.307.979.280	-
Vietnet Distribution Joint Stock Company	546.439.000	-	19.035.000	-
Qnet Joint Stock Company	1.063.020.000	-	-	-
IDC Group., Corp.	1.231.118.000	-	-	-
Office Equipment and Information Technology Company Limited.,	751.410.000	-	-	-
Vietcloud Joint Stock Company	1.026.000.000	-	-	-
Other suppliers	1.684.682.147	-	5.633.869.129	-
Foreign suppliers	977.013.211	-	7.149.701.479	-
Singapore (Sales) Pte Ltd	211	-	5.388.131.917	-
Security Technology Indochina Pte.,Ltd	819.900.000	-	25.887.242	-
Other suppliers	157.113.000	-	1.735.682.320	-
Total	7.279.682.358	-	18.088.033.888	-

5. Other receivables

	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Provision	Amount	Provision
a. Short-term	918.562.333	-	1.733.086.593	-
Payment in advance	462.528.200	-	1.563.443.700	-
Deposits	355.570.340	-	105.000.000	-
Social insurance overpaid	100.463.793	-	64.642.893	-

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

b. Long-term	2.225.715.641	-	1.035.360.508	-
Bid security deposits	129.525.000	-	130.611.250	-
Other deposits	904.749.258	-	904.749.258	-
Land lease deposit of Tan Thuan Industrial zone	1.191.441.383	-	-	-
Total	3.144.277.974	-	2.768.447.101	-

6. Inventories

	Dec. 31, 2016		Jan. 01, 2016	
	Original cost	Provision	Original cost	Provision
Merchandise inventory	82.202.936.460	-	47.047.918.041	-
Total	82.202.936.460	-	47.047.918.041	-

- Value of inactive, deteriorated inventories which are not possibly consumed at the period end: None.

- The carrying amount of inventories pledged as security for liabilities: None.

7. Tangible fixed assets

Items	Machinery and equipment	Transportation	Office equipment	Total
Original cost				
Opening balance	8.856.113.747	4.495.188.015	3.949.031.572	17.300.333.334
New purchases	814.169.252	-	75.909.091	890.078.343
Closing balance	9.670.282.999	4.495.188.015	4.024.940.663	18.190.411.677
Accumulated depreciation				
Opening balance	8.132.294.112	3.559.670.968	3.148.923.429	14.840.888.509
Charge for the year	137.250.993	466.810.599	609.779.179	1.213.840.771
Closing balance	8.269.545.105	4.026.481.567	3.758.702.608	16.054.729.280
Net book value				
Opening balance	723.819.635	935.517.047	800.108.143	2.459.444.825
Closing balance	1.400.737.894	468.706.448	266.238.055	2.135.682.397

* Ending carrying value of tangible fixed assets pledged/mortgaged as loan security: 695.000.000 VND.

* Ending original costs of tangible fixed assets—fully depreciated but still in use: 12.635.346.232 VND.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

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8. Intangible fixed assets

	Computer software	Total
Original cost		
Opening balance	2.176.347.786	2.176.347.786
Closing balance	2.176.347.786	2.176.347.786
Accumulated amortization		
Opening balance	2.119.597.014	2.119.597.014
Charge for the year	56.750.772	56.750.772
Closing balance	2.176.347.786	2.176.347.786
Net book value		
Opening balance	56.750.772	56.750.772
Closing balance	-	-

9. Prepaid expenses

	Dec. 31, 2016	Jan. 01, 2016
a. Short-term prepaid expenses	523.772.790	503.360.123
Rent	353.146.122	353.146.122
Other expenses	170.626.668	150.214.001
b. Long-term prepaid expenses	1.401.364.440	2.345.429.554
Science and technology training and research	290.866.769	320.959.827
Office repair expenses	23.921.136	43.101.944
Office investment repair expenses	696.947.809	1.393.895.620
Tools and supplies used	389.628.726	587.472.163
Total	1.925.137.230	2.848.789.677

10. Borrowings and financial lease liabilities

	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
a. Short-term	82.749.916.789	82.749.916.789	131.317.671.452	131.317.671.452
Banks	82.749.916.789	82.749.916.789	131.317.671.452	131.317.671.452
1. VIB (Vietnam) - Saigon Branch	49.195.697.229	49.195.697.229	75.907.654.219	75.907.654.219
2. Joint Stock Commercial Bank for Investment and Development of Vietnam - PN Br.	33.381.719.560	33.381.719.560	46.522.750.092	46.522.750.092

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

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3. HSBC Bank (Vietnam) Ltd.	-	-	8.887.267.141	8.887.267.141
4. Long-term borrowing came to due - VIB (Vietnam)	172.500.000	172.500.000	-	-
b. Long-term	-	-	346.500.000	346.500.000
4. VIB (Vietnam) - Sai Gon Branch	-	-	346.500.000	346.500.000
Total	82.749.916.789	82.749.916.789	131.664.171.452	131.664.171.452

Notes on borrowings from banks

Borrowings from Bank are in accordance with the following contracts:

1. Borrowings from VIB (Vietnam) - Saigon Branch under Credit Contract No. 0051-HDTD2.VIB625.16 dated 15/04/2016. Total limit: 180 billion or equivalent foreign currency. The validity period is 12 months from the date of signing the contract. Maximum loan term is 6 months. Interest rates are determined at the time of disbursement/interest rate adjustment. Purpose: Supplement working capital for production and business of information technology. Guarantee measures: US \$ 30,000 savings and third-party real estate, revenue from customer groups of HPT Vietnam Corporation.

2. Borrowings from Joint Stock Commercial Bank for Investment and Development of Vietnam under Credit agreement No. 01/2016/999250/HDTD dated 06/07/2016. Total limit: 270 billion or equivalent in foreign currency. Credit limit until 05/07/2017. The applicable interest rate to each credit contract. Purpose: Supplement working capital, guarantee, open L/C. Guarantee measures: Third-party real estate is land use rights No. AL 015760 (T00155) dated 29/04/2008 (updated land user name dated 01/06/2011) of Ms. Han Nguyet Thu Huong and Mr. Ngo Vi Dong, Toyota 5 seater, No. 52U-4940, receivables under economic contracts signed between HPT Vietnam Corporation and partners that the Company is the beneficiary. And other safeguards.

4. Long-term borrowing from Vietnam International Commercial Joint Stock Bank under contract No. 0204/HD9TD2-VIB625/14, dated 10/11/2014. Amount: 520,000,000 VND. Loan term: 36 months. Interest rate: 9.5%/year. Purpose: Car financing. Guarantee measures: Car mortgage. The value of collateral is 695,000,000 VND.

11. Trade payables	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
a. Short-term	155.387.528.996	155.387.528.996	111.182.977.204	111.182.977.204
Local suppliers	106.642.865.509	106.642.865.509	75.016.799.224	75.016.799.224
Thien Phuc Equipment Material Co., Ltd	992.483.000	992.483.000	23.572.926.640	23.572.926.640
TD South Co., Ltd	-	-	9.349.574.894	9.349.574.894

NOTES TO THE FINANCIAL STATEMENTS

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NT&T Co., Ltd Branch	15.654.163.000	15.654.163.000	422.110.150	422.110.150
Vinh Hung .,JSC	9.140.315.579	9.140.315.579	-	-
FPT Distribution Co.,Ltd Branch (Ha Noi)	8.108.586.595	8.108.586.595	258.617.264	258.617.264
DL It Investment Corp.	13.836.846.744	13.836.846.744	-	-
Other suppliers	58.910.470.591	58.910.470.591	41.413.570.276	41.413.570.276
Foreign suppliers	48.744.663.487	48.744.663.487	36.166.177.980	36.166.177.980
Microsoft Regional Sales Corporation	7.761.212.110	7.761.212.110	4.689.225.357	4.689.225.357
Dell Global B.V. (Singapore Branch)	-	-	617.623.902	617.623.902
Singapore (Sales) Pte Ltd	-	-	108	108
Sunwest (Cambodia) Co., Ltd	16.658.165.340	16.658.165.340	16.264.430.431	16.264.430.431
Ch Biz Solutions Ltd	17.025.183.500	17.025.183.500	-	-
Other suppliers	7.300.102.537	7.300.102.537	14.594.898.182	14.594.898.182
Total	155.387.528.996	155.387.528.996	111.182.977.204	111.182.977.204

12. Prepayments from customers

Dec. 31, 2016

Jan. 01, 2016

Short-term	33.277.067.162	15.926.318.557
Local customers	33.277.067.162	15.926.318.557
I-Sky JSC	20.654.946.606	-
Mcredit	5.775.000.000	-
ICT Department - Ministry of Health, Vietnam	-	3.630.000.000
Bao Viet Fund	-	1.915.263.000
University Medical Center HCMC	-	3.584.000.000
VIB (Vietnam)	-	2.561.797.740
Others	6.847.120.556	4.235.257.817
Total	33.277.067.162	15.926.318.557

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

13. Taxes and payables to the State Budget

	Jan. 01, 2016	Payable amount	Paid amount	Dec. 31, 2016
VAT	1.769.829.481	86.291.371.726	84.394.819.557	3.666.381.650
Corporate income tax	587.897.153	2.337.089.444	2.282.780.464	642.206.133
Personal income tax	114.175.220	1.680.295.898	1.642.927.245	151.543.873
Contractor VAT	197.872.216	30.900.062	228.772.277	1
Contractor income tax	1.915.564.945	24.427.056.798	24.137.410.581	2.205.211.162
Total	4.585.339.015	114.766.713.928	112.686.710.124	6.665.342.819

14. Accrued expenses

	Dec. 31, 2016	Jan. 01, 2016
Project maintenance	1.005.177.107	3.041.350.680
Project implementation	13.668.654.198	9.079.500.000
Total	14.673.831.305	12.120.850.680

15. Other payables Short-term

	Dec. 31, 2016	Jan. 01, 2016
Trade union fee	18.384.000	-
Payable dividends, profit	225.644.427	225.919.882
Total	244.028.427	225.919.882

16. Bonus and welfare fund

	Dec. 31, 2016	Jan. 01, 2016
Bonus fund	801.363.406	80.414.326
Welfare fund	(298.832.160)	(131.062.620)
Total	502.531.246	(50.648.294)

17. Owners' equity

a. Comparison schedule for changes in Owner's Equity: See page 38.

b. Details of owners' shareholding

	% of shareholding	Dec. 31, 2016	Jan. 01, 2016
Mr. Ngo Vi Dong	12,75%	8.753.740.000	8.753.740.000
Mr. Doan Ha Duy Linh	4,74%	3.254.490.000	3.254.490.000
Ms. Dinh Ha Duy Trinh	4,85%	3.332.330.000	3.332.330.000
Treasury shares	3,14%	2.155.280.020	2.155.280.020
Shareholding owned by other owners	74,51%	51.146.169.980	51.146.169.980
Total	100,00%	68.642.010.000	68.642.010.000

* Number of treasury shares: 155.660

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

c. Capital transactions with owners and distribution of dividends, profits	Year 2016	Year 2015
Owners' equity	68.642.010.000	68.642.010.000
At the beginning of the year	68.642.010.000	68.642.010.000
Capital increase during the year	-	-
Capital decrease during the year	-	-
At the end of the year	68.642.010.000	68.642.010.000
Dividends paid	3.354.270.500	5.366.832.800
d. Dividends	Year 2016	Year 2015
Dividends declared after the balance sheet date		
Dividends on ordinary shares	8%	5%
e. Shares	Dec. 31, 2016	Jan. 01, 2016
Number of shares registered to be issued	6.864.201	6.864.201
Number of shares sold out to the public	6.864.201	6.864.201
Ordinary share	6.864.201	6.864.201
Preferred share	-	-
Number of existing shares in issue	155.660	155.660
Ordinary share	155.660	155.660
Preferred share	-	-
Number of existing shares in issue	6.708.541	6.708.541
Ordinary share	6.708.541	6.708.541
Par value: VND/share.	10.000	10.000
f. Funds	Dec. 31, 2016	Jan. 01, 2016
Investment and development fund	4.800.800.801	4.486.984.441
Total	4.800.800.801	4.486.984.441

* 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.

VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT

1. Sales	Year 2016	Year 2015
a. Revenue		
Revenue from finished goods sold and services	924.156.902.263	688.516.097.915
Total	924.156.902.263	688.516.097.915
b. Revenue from related parties	Year 2016	Year 2015
Lotte HPT High Tech. Vietnam Shareholding Company	454.053.600	6.850.896.300
Total	454.053.600	6.850.896.300

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

2. Sales deductions	Year 2016	Year 2015
Sales returns	29.700.000	-
Total	29.700.000	-
3. Net sales	Year 2016	Year 2015
Revenue from finished goods sold and services	924.127.202.263	688.516.097.915
Total	924.127.202.263	688.516.097.915
4. Cost of sales	Year 2016	Year 2015
Cost of finished goods sold and services	828.239.861.711	607.270.650.934
Total	828.239.861.711	607.270.650.934
5. Financial income	Year 2016	Year 2015
Interest income from deposits, loans	77.600.752	150.236.536
Dividends, profit paid	194.500.706	150.000.000
Realised foreign exchange gains	1.010.302.663	1.232.395.351
Other income from financing activities	-	56.722
Total	1.282.404.121	1.532.688.609
6. Financial expenses	Year 2016	Year 2015
Interest expense	5.203.109.311	8.626.967.200
Provision for devaluation of trading securities and investment loss	1.191.441.383	-
Realised foreign exchange losses	458.992.199	2.301.885.428
Unrealised foreign exchange losses	24.797.013	-
Other financial expenses	123.102	12.000
Total	6.878.463.008	10.928.864.628
7. Selling expenses and General and administration expenses	Year 2016	Year 2015
a. Selling expenses		
Salaries	46.001.867.252	40.760.433.483
Depreciation	483.550.927	551.285.974
Taxes, fees and duties	17.196.000	7.500.000
Services bought from outsiders	9.915.718.050	10.692.687.404
Other selling expenses	834.877.725	985.079.852
Total	57.253.209.954	52.996.986.713
b. General and administration expenses		
Salaries	14.164.074.923	13.142.962.575
Tools and supplies	511.717.388	473.130.029
Depreciation	765.758.137	854.749.696
Taxes, fees and duties	3.069.386.791	3.616.443.034
Services bought from outsiders	4.890.177.768	6.184.577.073
Other selling expenses	4.370.758.596	3.033.051.595
Total	27.771.873.603	27.304.914.002

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

8. Other income	Year 2016	Year 2015
Fine amount received	6.675.096.533	16.303.320.622
Other income	283.083.490	309.340.910
Total	6.958.180.023	16.612.661.532
9. Other expenses	Year 2016	Year 2015
Fine amount	384.542.911	-
Other expenses	58.088.359	155.560.643
Total	442.631.270	155.560.643
10. Costs of production and doing business by factors	Year 2016	Year 2015
Labour cost	60.165.942.175	53.903.396.058
Depreciation and amortization	1.249.309.064	1.406.035.670
Services bought	15.317.613.206	16.877.264.477
Other sundry cash expense	8.292.219.112	4.018.131.447
Total	85.025.083.557	76.204.827.652
11. Current corporate income tax	Year 2016	Year 2015
1. Accounting profit befor corporate income tax	11.781.746.861	8.004.471.136
2. Adjustments to increase (decrease) accounting profit to determine taxable income	(96.299.643)	(149.271.419)
- Adjustment to increase	98.201.063	728.581
+ Undeductible expenses	98.201.063	728.581
- Adjustment to decrease	(194.500.706)	(150.000.000)
+ Dividends	(194.500.706)	(150.000.000)
3. Total taxable income (1+2)	11.685.447.218	7.855.199.717
From business acctivities	11.685.447.218	7.855.199.717
4. Corporate income tax rate	20%	22%
5. Current corporate income tax expenses	2.337.089.444	1.728.143.937
6. Adjusted according to tax finalization	76.065.619	-
7. Total current corporate income tax expenses	2.413.155.063	1.728.143.937
12. Earnings per share	Year 2016	Year 2015
Accounting profit after corporate income tax	9.368.591.798	6.276.327.199
Increase or decrease of accounting profit	-	(1.255.265.440)
- Adjustment to increase	-	-
- Adjustment to decrease (*)	-	(1.255.265.440)
Profit or loss attributable to ordinary equity holders	9.368.591.798	5.021.061.759
Average ordinary shares outstanding during the year	6.708.541	6.708.541
Average ordinary shares outstanding during the year	1.397	748
Diluted earnings per share (**)	1.397	748

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong*

*(**) There are no impacts that decline original shares as at December 31, 2016.*

() The Company has no intention to allocate Bonus and Welfare funds from Profit after tax for the year ended December 31, 2016.*

In 2015, the Company has no intention to deduct the Bonus and Welfare fund. In 2016, according to Resolution No. 61/16/NQ-HPT dated 22 April 2016, the Bonus and Welfare fund of 2015 is VND 1.255.265.440 making the basic earnings per share from VND 936 to VND 748.

13. Objectives and financial risks management policies

Major risks of financial instruments include market risk, credit risk and liquidity risk.

The Board of General Directors considers the application of management policies for the above risks as follows:

13.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in market prices. There are three market risks: interest rate risk, foreign exchange risk and other price risks, for example risk of stock price. Financial instruments affected by the market risks include: borrowings and liabilities, deposits, available-for-sale investments.

The following sensibility analysis relates to the financial position of the Company as at December 31, 2016 and December 31, 2015.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

When calculating the sensibility analysis, the Board of General Directors assumes that the sensibility of available-for-sale liability in the balance sheet and related items in the income statement is affected by changes in the assumption of corresponding market risks. This analysis is based on the financial assets and liabilities that the Company held as at December 31, 2016 and December 31, 2015.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market prices. Market risks due to change in interest rate of the Company mainly relate to: borrowings and liabilities, cash and short-term deposits.

The Company manages the interest rate risk by analyzing the competition status in the market in order to apply the interest rate that brings benefits to the Company and still in the limit of its risk management.

Sensibility to interest rate

The sensibility of (borrowings and liabilities, cash and short-term deposits) of the Company to changes that may occur at reasonable level in the interest rate is illustrated as follows:

Assuming that other variables remain constant, the fluctuation in the interest rate of (borrowings) with floating interest rate makes impact on the Company's profit before tax as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

	<i>Increase/Decrease of basic points</i>	<i>Influences on profit before tax</i>
For the fiscal year ended December 31, 2016		
VND	+ 100	(464.266.336)
VND	- 100	464.266.336
For the fiscal year ended December 31, 2015		
VND	+ 100	(238.851.465)
VND	- 100	238.851.465

Increase/decrease of basic points being used to analyze the sensibility to the interest rate is assumed on the basis of observable conditions of current market. These conditions show that the fluctuation is insignificantly greater than prior periods.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in exchange rate. The Company bears risks due to changes in the exchange rate of the currencies other than VND related directly to the Company's business.

The Company manages foreign exchange risk by considering current and expected market status when it outlines plans for future transactions in foreign currencies. The Company does not use any derivative instruments to prevent foreign exchange risks.

Sensibility to foreign currencies

The sensibility of borrowings and liabilities, cash, cash in bank and short-term deposits of the Company to changes that may occur at reasonable level in the foreign currencies is illustrated as follows:

Assuming that other variables remain constant, the following table shows the sensibility of the Company's profit before tax (due to the changes in the fair value of assets and liabilities) to changes that may occur at reasonable level of the exchange rate of USD, EUR. Risks due to changes in the exchange rates of other foreign currencies of the Company are insignificant.

	<i>Changes in exchange rate USD</i>	<i>Influences on profit before tax</i>
Year 2016		
	+ 1%	(471.827.093)
	- 1%	471.827.093
Year 2015		
	+ 1%	331.690.726
	- 1%	(331.690.726)

Stock price risk

Listed and unlisted stocks held by the Company are affected by market risks resulted from the uncertainty of future value of investment stock. The Company manages risks of stock price by setting up investment limit. The Company's Board of Management considers and approves decisions on stock investment.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

13.2 Credit risk

Credit risk is the risk due to the uncertainty in a counterparty's ability to meet its obligations causing the financial loss. The Company bears credit risks from production and doing business activities (mainly trade receivables) and from its financial activities including deposits, foreign exchange transactions and other financial instruments.

Trade receivables

The Company minimizes the credit risk by only doing business with entities who have good financial capacity and closely keeping track of the liabilities to speed up the recovery of debts. On the basis of this method and receivables related to different customers, the credit risk does not concentrate on a certain customer.

Deposit

The Company mainly maintains deposits in big and prestigious banks in Vietnam. The Company realized that the concentration level of credit exposure to deposits is low.

13.3 Liquidity risk

Liquidity risk is the risk that arises from the difficulty in fulfilling financial obligations due to lack of capital. The liquidity risk of the Company mainly arises from difference of maturity of the financial assets and liabilities.

The Company supervises liquidity risk by maintaining an amount of cash, cash equivalents and borrowings from banks at the level that the Board of General Directors considers as sufficient to satisfy the Company's activities and minimize influences of changes in cash flows.

The following table summarizes liquidity deadline of the Company's financial liabilities on the basis of estimated payments in accordance with contract which are not discounted:

Dec. 31, 2016	<i>Under 1 year</i>	<i>From 1-5 years</i>	<i>Over 5 years</i>	<i>Total</i>
Borrowings and liabilities	82.749.916.789	-	-	82.749.916.789
Trade payables	155.387.528.996	-	-	155.387.528.996
Accrued expenses	14.673.831.305	-	-	14.673.831.305
	252.811.277.090	-	-	252.811.277.090
Dec. 31, 2015				
Borrowings and liabilities	131.317.671.452	346.500.000	-	131.664.171.452
Trade payables	111.182.977.204	-	-	111.182.977.204
Accrued expenses	12.120.850.680	-	-	12.120.850.680
	254.621.499.336	346.500.000	-	254.967.999.336

The Company is able to access capital sources and with regards to due borrowings within 12 months, the Company may continue to be lent by its current creditors.

Secured assets

The company has used Trade receivables, Transportation means owned by the company as collateral for loans from VIB Bank (Note V.10 - Borrowings and Financial Liabilities).

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

14. Financial assets and liabilities: See page 39.

The fair value of financial assets and financial liabilities is stated at the value that the financial instruments are convertible in present transaction among partners, except for compulsory sale or disposal.

The Company uses the following methods and assumptions to estimate the fair value:

The fair value of cash on hand and short-term deposits, trade receivables, trade payables and other short-term liabilities is equivalent to the book value of these items because these instruments are in short-term.

The fair value of securities and listed financial liabilities is determined at market value.

The fair value of securities and financial investments whose fair value can not be firmly determined since there exists no high-liquid market for securities, financial investments will be stated at book value.

Except for the above-mentioned items, the fair value of financial assets and financial liabilities has not been valued and determined officially as at December 31, 2016 and December 31, 2015. However, the Board of General Directors has assessed that the fair value of financial assets and liabilities is not significantly different from the book value at the fiscal year end.

VII. ADDITIONAL INFORMATION FOR ITEMS IN THE CASH FLOW STATEMENT

	Year 2016	Year 2015
1. Borrowing amount in the period		
-Proceeds from the borrowing under normal agreement	205.977.401.296	334.203.078.065
2. Payment for principal debts		
- Payment for principal debts under normal agreement	(254.717.655.959)	(389.318.037.200)

VIII. OTHER INFORMATION**1. Contingent liabilities, commitments and other information:** None**2. Subsequent events**

There are no significant events since the year end that need to be adjusted or noted in the financial statements.

3. Related party transactions*** Key transactions and balances with related parties:**

Related parties	Relationship	Transactions	Movement	Closing balance Receivables
Lotte HPT High Tech. Vietnam Shareholding Company	Associates	Service fees	454.053.600	118.364.400

*** Income of the Board of Management and Board of General Directors:**

		Year 2016	Year 2015
General Directors	Salary and bonus	1.298.678.000	3.012.981.000
Total		1.298.678.000	3.012.981.000

NOTES TO THE FINANCIAL STATEMENTS

*For the fiscal year ended December 31, 2016**Unit: Vietnam dong***4. Presentation of segment asset, revenue and operating result**

The Company currently only operates in the field of software trade and service provision, there is no difference in risk and economic benefits across divisions, so the report of business sector and geographical area is not necessary to be presented.

5. Information on going-concern operation: The Company will continue its operation in the future.*Ho Chi Minh City, March 24, 2017***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, 2016

Unit: Vietnam dong

V.2. Financial investments

Equity investments in other entities

	31/12/2016		01/01/2016	
	Original value	Provision	Fair value	Original value
- Investment in subsidiaries	8.076.364.576	-	8.076.364.576	5.733.364.576
+ HPT Technology (a)	8.076.364.576	-	8.076.364.576	5.733.364.576
- Investment in joint-ventures, associates	5.017.500.000	(1.191.441.383)	3.826.058.617	4.800.000.000
+ Lotte HPT High Tech. Vietnam Shareholding Company (b)	4.800.000.000	(1.191.441.383)	3.608.558.617	4.800.000.000
+ STG Company (c)	217.500.000	-	217.500.000	-
- Investment in other entities	2.884.460.000	-	2.884.460.000	2.884.460.000
+ Vietcombank (d)	1.434.460.000	-	1.434.460.000	1.434.460.000
+ Maseco (d)	1.450.000.000	-	1.450.000.000	1.450.000.000
Total	15.978.324.576	(1.191.441.383)	14.786.883.193	13.417.824.576

(a) According to the Investment Certificate No. 413041000043, dated 12/01/2011 issued by the Management Board of HCMC Hi-Tech Park. The charter capital of HPT Technology is VND 60.000.000.000. In which the proportion of capital contribution of HPT Vietnam Corporation is 100%. As at 31/12/2016, the contribution of VND 8.076.364.576 was made at the rate of 13,46% of the charter capital, HPT Technology is in the investment stage and has not generated any revenue, so Provision for devaluation of investment loss is not presented. In 2016 the capital has been added according to progress.

(b) According to the Investment Certificate No. 411032000044, dated 07/07/2008, the charter capital of Lotte HPT High Tech. Vietnam Shareholding Company is VND 16.000.000.000, as at 31/12/2016, HPT Vietnam Corporation has contributed VND 4.800.000.000, accounting for 30% of charter capital. As at 31/12/2016, this investment was reduced so that the net equity of Lotte HPT High Tech. Vietnam Shareholding Company decreased, making a provision of 24.82% of the investment value.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2016**Unit: Vietnam dong*

(c) According to the Investment Certificate No. 0313187973, dated 31/03/2015, the charter capital of STG Company is VND 3.000.000.000 as at 31/12/2016. HPT Vietnam Corporation has contributed VND 217.500.000, accounting for 7.25% of charter capital. As at 31/12/2016, STG Company is in the investment stage and has not generated any income from operating activities, so Provision for devaluation of investment loss is not presented.

(d) As at 31/12/2016, the market value of long-term investments is higher than cost and long-term investments are not decreased in value and operating profitably, none of Provision for devaluation of investment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

V.17. Owners' Equity

a. Comparison schedule for changes in Owner's Equity :

Items	Owners' capital	Preferred shares	Treasury shares	Investment and development fund	Retained earnings	Total
Prior year opening balance	68.642.010.000	139.500.000	(2.155.280.020)	4.161.209.502	18.090.675.659	88.878.115.141
Capital increase	-	-	-	-	6.276.327.199	6.276.327.199
Profit	-	-	-	-	(5.366.832.800)	(5.366.832.800)
Bonus and Welfare of 2014	-	-	-	-	(2.001.491.213)	(2.001.491.213)
Funds of 2014	-	-	-	500.372.803	(500.372.803)	-
Other decreases	-	-	-	(174.597.864)	-	(174.597.864)
Prior year closing balance	68.642.010.000	139.500.000	(2.155.280.020)	4.486.984.441	16.498.306.042	87.611.520.463
Current year opening balance	68.642.010.000	139.500.000	(2.155.280.020)	4.486.984.441	16.498.306.042	87.611.520.463
Profit	-	-	-	-	9.368.591.798	9.368.591.798
Bonus and Welfare of 2015	-	-	-	-	(1.255.265.440)	(1.255.265.440)
Funds of 2015	-	-	-	313.816.360	(313.816.360)	-
Dividends of 2015	-	-	-	-	(3.354.270.500)	(3.354.270.500)
Current year closing balance	68.642.010.000	139.500.000	(2.155.280.020)	4.800.800.801	20.943.545.540	92.370.576.321

For the fiscal year ended December 31, 2016

Unit: Vietnam dong

The following table specifies book value and fair value of the financial instruments presented in the financial statements.

	Book value		Fair value	
	Dec. 31, 2016		Dec. 31, 2015	
	Amount	Provision	Amount	Provision
Financial asets				
- Trade receivables	246.822.371.033	-	264.599.720.766	-
- Other receivables	2.581.285.981	-	1.140.360.508	-
- Cash and cash equivalents	31.072.710.541	-	14.281.993.654	-
TOTAL	280.476.367.555	-	280.022.074.928	-
Financial liabilities				
- Borrowings and liabilities	82.749.916.789	-	131.664.171.452	-
- Trade payables	155.387.528.996	-	111.182.977.204	-
- Other payables	14.673.831.305	-	12.120.850.680	-
TOTAL	252.811.277.090	-	254.967.999.336	-

These notes form an integral part of the financial statements.