

**AUDITED FINANCIAL STATEMENTS**

*For the fiscal year ended December 31, 2017*

**HPT VIETNAM CORPORATION**

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## REPORTS OF THE BOARD OF GENERAL DIRECTORS

*For the fiscal year ended December 31, 2017*

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*The General Director has the honor of submitting this report and the audited financial statements for the fiscal year ended December 31, 2017.*

### 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 7th amended Business Registration Certificate dated August 22, 2017) 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, 2017*

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### 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	Chief Executive Officer
Mr	Nguyen Quyen	Deputy General Director
Mr	Huynh The Vinh	Deputy General Director
Ms	Nguyen Thi Hong Hai	Deputy General Director and Chief Accountant

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

Mr	Dinh Ha Duy Linh	Chief Executive Officer
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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, 2017.

### 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, 2017 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, 2017*

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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.

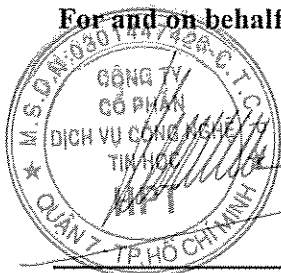
### 6. Approval of the Financial Statements

In the Board of Management's opinion, the financial statements consisting of Balance Sheet as at December 31, 2017, 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, 2017.

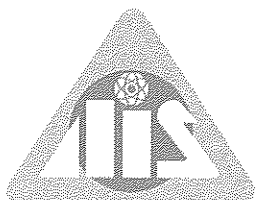
The financial statements are prepared in compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System.

*Ho Chi Minh City, March 23, 2018*

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



**Dinh Ha Duy Linh**  
**Chief Executive Officer**



**CÔNG TY TNHH KIỂM TOÁN VÀ DỊCH VỤ TIN HỌC TP.HCM**  
Auditing And Informatic Services Company Limited  
Office: 389A Điện Biên Phủ, Phường 4, Quận 3, TP.Hồ Chí Minh  
Tel: (84.28) 3832 9129 (10 Lines) Fax: (84.28) 3834 2957  
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No: B0717285R/AISC-DN3

## INDEPENDENT AUDITOR'S REPORT

**To:**

**SHAREHOLDERS**

**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, 2017, Income Statement, Cash Flow Statement for the year then ended and Notes to the Financial Statements as set out on Page 05 to Page 37, which were prepared on March 23, 2018.

### 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

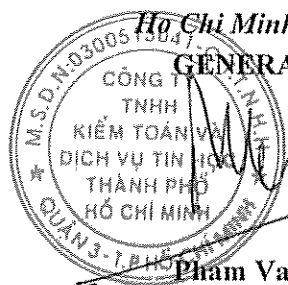
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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, 2017 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.



**Ho Chi Minh City, March 23, 2018**

**GENERAL DIRECTOR**

**Phạm Văn Vinh**

*Certificate of Audit Practice Registration*

*No: 0112-2018-005-1*

*Issued by the Ministry of Finance*

**AUDITOR**

**Le Thi Thanh Tam**

*Certificate of Audit Practice Registration*

*No: 3199-2015-05-01*

*Issued by the Ministry of Finance*

Branch in Ha Noi : 6 Floor, 36 Hoa Binh 4 St., Minh Khai Ward, Hai Ba Trung Dist., Ha Noi

Branch in Da Nang : 350 Hai Phong St., Thanh Khue Dist., Da Nang City

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

Representative in Hai Phong : 18 Hoang Van Thu St., Hong Bang Dist., Hai Phong

Tel: (84.24) 3782 0045 / 46 Fax: (84.24) 3782 0048 Email: hanoi@alsc.com.vn

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**BALANCE SHEET***As at December 31, 2017**Unit: Vietnam dong*

<b>ASSETS</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2017</b>	<b>Jan. 01, 2017</b>
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>381.498.050.840</b>	<b>369.351.177.394</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>14.545.689.781</b>	<b>31.072.710.541</b>
1. Cash	111		14.545.689.781	31.072.710.541
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		-	-
1. Trading securities	121		-	-
2. Provision for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
<b>III. Short-term Accounts receivable</b>	<b>130</b>		<b>314.475.174.256</b>	<b>255.020.615.724</b>
1. Trade accounts receivable	131	V.3	290.065.164.104	246.822.371.033
2. Prepayments to suppliers	132	V.4	23.566.511.459	7.279.682.358
3. Intercompany receivables	133		-	-
4. Construction contract-in-progress receivables	134		-	-
5. Receivables from short-term loans	135		-	-
6. Other receivables	136	V.5	843.498.693	918.562.333
7. Provision for doubtful debts	137		-	-
8. Shortage of assets awaiting resolution	139		-	-
<b>IV. Inventories</b>	<b>140</b>	<b>V.6</b>	<b>51.623.385.282</b>	<b>82.202.936.460</b>
1. Inventories	141		51.623.385.282	82.202.936.460
2. Provision for decline in value of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>853.801.521</b>	<b>1.054.914.669</b>
1. Short-term prepayments	151	V.9	299.640.126	523.772.790
2. Deductible VAT	152		554.161.395	531.141.879
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, 2017

Unit: Vietnam dong

ASSETS	Code	Notes	Dec. 31, 2017	Jan. 01, 2017
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>19.917.268.031</b>	<b>20.549.645.671</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>1.414.633.658</b>	<b>2.225.715.641</b>
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	1.414.633.658	2.225.715.641
7. Provision for doubtful long-term receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>1.313.412.180</b>	<b>2.135.682.397</b>
1. Tangible fixed assets	221	V.7	1.274.975.180	2.135.682.397
- Cost	222		18.394.427.677	18.190.411.677
- Accumulated depreciation	223		(17.119.452.497)	(16.054.729.280)
2. Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.8	38.437.000	-
- Cost	228		2.217.045.786	2.176.347.786
- Accumulated amortization	229		(2.178.608.786)	(2.176.347.786)
<b>III. Investment Properties</b>	<b>230</b>		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
<b>IV. Non-current assets in progress</b>	<b>240</b>		-	-
1. Works in progress	241		-	-
2. Capital construction in progress	242		-	-
<b>V. Long-term investments</b>	<b>250</b>	<b>V.2</b>	<b>14.090.764.576</b>	<b>14.786.883.193</b>
1. Investments in subsidiaries	251		11.566.364.576	8.076.364.576
2. Investments in associates, joint-ventures	252		-	5.017.500.000
3. Investments in equity of other entities	253		2.524.400.000	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		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>3.098.457.617</b>	<b>1.401.364.440</b>
1. Long-term prepaid expenses	261	V.9	3.098.457.617	1.401.364.440
2. Deferred income tax assets	262		-	-
3. Equipment, materials, spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>401.415.318.871</b>	<b>389.900.823.065</b>



**BALANCE SHEET***As at December 31, 2017**Unit: Vietnam dong*

<b>RESOURCES</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2017</b>	<b>Jan. 01, 2017</b>
<b>C. LIABILITIES</b>	<b>300</b>		<b>305.220.060.847</b>	<b>297.530.246.744</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>305.220.060.847</b>	<b>297.530.246.744</b>
1. Short-term trade payables	311	V.11	156.441.016.207	155.387.528.996
2. Advances from customers	312	V.12	17.153.567.421	33.277.067.162
3. Taxes and other payables to the State Budget	313	V.13	13.269.577.570	6.665.342.819
4. Payables to employees	314		4.000.000.000	4.030.000.000
5. Short-term accrued expenses	315	V.14	8.170.257.518	14.673.831.305
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	405.688.217	244.028.427
10. Short-term borrowings and financial lease liabilities	320	V.10	104.731.774.718	82.749.916.789
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322	V.16	1.048.179.196	502.531.246
13. Price stabilization fund	323		-	-
14. Repurchase and sale of Government's bond	324		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		<b>-</b>	<b>-</b>
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		-	-
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, 2017**Unit: Vietnam dong*

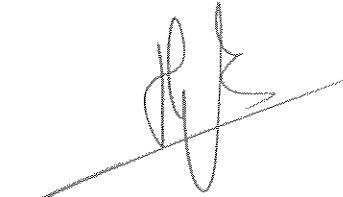
<b>RESOURCES</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2017</b>	<b>Jan. 01, 2017</b>
<b>D. OWNERS' EQUITY</b>	<b>400</b>		<b>96.195.258.024</b>	<b>92.370.576.321</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>V.17</b>	<b>96.195.258.024</b>	<b>92.370.576.321</b>
1. Owners' capital	411		75.348.880.000	68.642.010.000
- Ordinary shares with voting rights	411a		75.348.880.000	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		5.269.230.391	4.800.800.801
9. Fund for support of arrangement of enterprises	419		-	-
10. Other funds	420		-	-
11. Undistributed earnings	421		17.592.927.653	20.943.545.540
- Undistributed earnings accumulated to the end of prior period	421a		6.059.265.200	11.574.953.742
- Undistributed earnings in this period	421b		11.533.662.453	9.368.591.798
12. Investment reserve for basic construction	422		-	-
<b>II. Budget sources and other funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Budget sources	431		-	-
2. Fund to form fixed assets	432		-	-
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>401.415.318.871</b>	<b>389.900.823.065</b>

Prepared by



Phung Quoc Bao

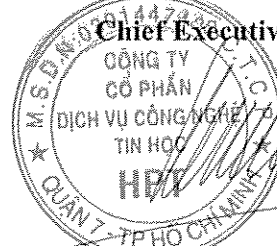
Chief Accountant



Nguyen Thi Hong Hai

Ho Chi Minh City, March 23, 2018

Chief Executive Officer



Đinh Hà Duy Linh

## INCOME STATEMENT

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2017	Year 2016
1. Sales	01	VI.1	902.856.944.099	924.156.902.263
2. Less sales deductions	02	VI.2	-	29.700.000
3. Net sales	10	VI.3	902.856.944.099	924.127.202.263
4. Cost of sales	11	VI.4	799.171.370.140	828.239.861.711
<b>5. Gross profit</b> (20 = 10 - 11)	<b>20</b>		<b>103.685.573.959</b>	<b>95.887.340.552</b>
6. Financial income	21	VI.5	1.133.553.928	1.282.404.121
7. Financial expenses	22	VI.6	4.611.909.163	6.878.463.008
<i>In which: loan interest expenses</i>	23		5.467.927.336	5.203.109.311
8. Selling expenses	25	VI.7	66.664.561.041	57.253.209.954
9. General & administration expenses	26	VI.7	25.499.368.917	27.771.873.603
<b>10. Operating profit</b> (30 = 20 + (21 - 22) - (25 + 26))	<b>30</b>		<b>8.043.288.766</b>	<b>5.266.198.108</b>
11. Other income	31	VI.8	7.920.507.395	6.958.180.023
12. Other expenses	32	VI.9	1.574.653.500	442.631.270
<b>13. Other profit (40 = 31 - 32)</b>	<b>40</b>		<b>6.345.853.895</b>	<b>6.515.548.753</b>
<b>14. Net accounting profit before tax</b> (50 = 30 + 40)	<b>50</b>		<b>14.389.142.661</b>	<b>11.781.746.861</b>
15. Corporate income tax - current	51	VI.11	2.855.480.208	2.413.155.063
16. Corporate income tax - deferred	52		-	-
<b>17. Net profit after corporate income tax</b> (60 = 50 - 51 - 52)	<b>60</b>		<b>11.533.662.453</b>	<b>9.368.591.798</b>

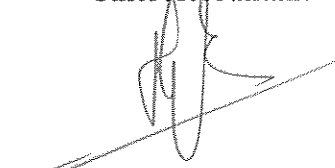
Ho Chi Minh City, March 23, 2018

Prepared by



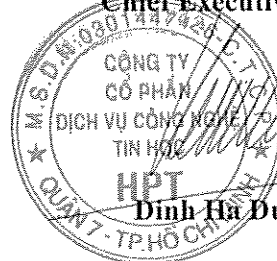
Phung Quoc Bao

Chief Accountant



Nguyen Thi Hong Hai

Chief Executive Officer



Dinh Ha Duy Linh

**CASH FLOW STATEMENT**

(Under indirect method)

*For the fiscal year ended December 31, 2017**Unit: Vietnam dong*

ITEMS	Code	Notes	Year 2017	Year 2016
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>1. Net profit before tax</b>	01		<b>14.389.142.661</b>	<b>11.781.746.861</b>
<b>2. Adjustments for :</b>				
- Depreciation of fixed assets & investment properties	02	V.7-8	1.066.984.217	1.270.591.543
- Provisions	03	VI.6	(1.191.441.383)	1.191.441.383
- Gain/losses from foreign exchange differences upon revaluation of monetary assets denominated in foreign currencies	04		(40.248.788)	24.797.013
- Gains/losses from investing activities	05		(290.504.292)	(272.101.458)
- Interest expense	06	VI.5	5.467.927.336	5.203.109.311
- Other adjustments	07		-	-
<b>3. Profit from operating activities before changes in working capital</b>	<b>08</b>		<b>19.401.859.751</b>	<b>19.199.584.653</b>
- Increase (-)/ decrease (+) in receivables	09		(58.666.496.065)	28.376.254.170
- Increase (-)/ decrease (+) in inventories	10		30.579.551.178	(35.155.018.419)
- Increase (+)/ decrease (-) in payables (Other than payables, income tax)	11		(15.798.681.717)	66.205.135.859
- Increase (-)/ decrease (+) in prepaid expenses	12		(1.472.960.513)	923.652.447
- Increase (-)/ decrease (+) in trading securities	13		-	-
- Interest paid	14		(5.467.927.336)	(5.203.109.311)
- Corporate income tax paid	15		(1.628.890.267)	(2.282.780.464)
- Other receipts from operating activities	16		-	-
- Other payments on operating activities	17		(2.062.100.000)	-
<b>Net cash inflows/(outflows) from operating activities</b>	<b>20</b>		<b>(35.115.644.969)</b>	<b>72.063.718.935</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Purchases of fixed assets and other long-term assets	21		(244.714.000)	(890.078.343)
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		(3.490.000.000)	(2.560.500.000)
6. Proceeds from divestment in other entities	26		5.377.560.000	-
7. Dividends and interest received	27		290.504.292	272.101.458
<b>Net cash inflows/(outflows) from investing activities</b>	<b>30</b>		<b>1.933.350.292</b>	<b>(3.178.476.885)</b>

**CASH FLOW STATEMENT**

(Under indirect method)

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2017	Year 2016
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
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	418.464.963.435	205.977.401.296
4. Repayments of borrowings	34	VII.2	(396.483.105.506)	(254.717.655.959)
5. Payments for finance lease liabilities	35		-	-
6. Dividends paid	36		(5.366.832.800)	(3.354.270.500)
Net cash inflows/(outflows) from financing activities	40		16.615.025.129	(52.094.525.163)
Net cash inflows/(outflows) (50 = 20+ 30 + 40)	50		(16.567.269.548)	16.790.716.887
Cash and cash equivalents at the beginning of the year	60		31.072.710.541	14.281.993.654
Effect of foreign exchange differences	61		40.248.788	-
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	V.1	14.545.689.781	31.072.710.541

Prepared by



Phung Quoc Bao

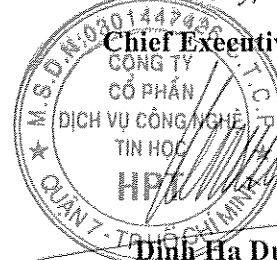
Chief Accountant



Nguyen Thi Hong Hai

Ho Chi Minh City, March 23, 2018

Chief Executive Officer



Dinh Ha Duy Linh

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2017**Unit: Vietnam dong***I. BUSINESS HIGHLIGHTS****1. Establishment:**

HPT Corporation is a Joint-Stock Company which is operating under Business Registration Certificate No. 0301447426 dated May 11, 2004; (the 7th amended Business Registration Certificate dated August 22, 2017) issued by Planning and Investment Department.

**Structure of ownership:** Joint-Stock Company.

**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.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2017**Unit: Vietnam dong*

**5. Operations in the fiscal year affecting the financial statements:** None

**6. Total employees to Dec. 31, 2017:** 294 persons (Dec. 31, 2016: 281 persons).

**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 principle 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 principle 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.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2017**Unit: Vietnam dong*

- 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, 2017: 22.665 VND/USD.
- 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, 2017: 22.735 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.

**3. Principles for accounting financial investments****Principles for recording financial investments in Subsidiary**

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.

Investments in Subsidiary 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 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, 2017**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:** Special identification.

**Method of accounting for the inventories:** Perpetual method.

**Method of making provision for decline in value of inventories:** Provision for decline in value of inventories is made when the net realisable value of inventories 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, 2017**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, 2017**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 paid-in capital**

The owners' paid-in capital is the amount that is initially contributed or supplemented by shareholders. The owners' paid-in capital 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, 2017**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, 2017**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%.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2017**Unit: Vietnam dong***18. 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 financial instruments.

**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 accrued expenses.

**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.

**19. 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, 2017**Unit: Vietnam dong***20. 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**

<b>1. Cash and cash equivalents</b>	<b>Dec. 31, 2017</b>	<b>Jan. 01, 2017</b>
<b>Cash</b>	<b>14.545.689.781</b>	<b>31.072.710.541</b>
Cash on hand	288.601.564	500.015.974
Demand deposits	14.257.088.217	30.572.694.567
<b>Total</b>	<b>14.545.689.781</b>	<b>31.072.710.541</b>

**2. Financial investments (See Page 35)****3. Short-term Trade receivables**

	<b>Dec. 31, 2017</b>		<b>Jan. 01, 2017</b>	
	<b>Amount</b>	<b>Provision</b>	<b>Amount</b>	<b>Provision</b>
Local customers	272.262.633.314	-	229.642.073.633	-
Viettinbank	19.727.657.736	-	16.655.019.351	-
Vinh Hung JSC	-	-	23.776.501.051	-
Hose	-	-	-	-
Bee-Next	27.189.275.159	-	-	-
VNPT Net Corporation	48.015.066.800	-	-	-
VP Bank	11.995.960.885	-	-	-
General Department of Taxation	23.224.109.250	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

Martitime Bank	17.964.855.293	-	1.513.231.000	-
SHB Banking - Ha Noi	16.701.524.510	-	-	-
The First Securities Joint Stock Company	10.178.046.900	-	-	-
Other customers	97.266.136.781	-	187.697.322.231	-
Local customers	17.802.530.790	-	17.180.297.400	-
National Bank Of Cambodia	17.346.375.000	-	17.180.297.400	-
Other customers	456.155.790	-	-	-
<b>Total</b>	<b>290.065.164.104</b>	<b>-</b>	<b>246.822.371.033</b>	<b>-</b>

## 4. Short-term Prepayments to suppliers

	Dec. 31, 2017		Jan. 01, 2017	
	Amount	Provision	Amount	Provision
Local suppliers	3.919.508.565	-	6.302.669.147	-
Viet Net Distribution JSC	-	-	546.439.000	-
Qnet JSC	1.617.490.000	-	1.063.020.000	-
IDC Group	-	-	1.231.118.000	-
Office Equipment and Information Technology Co., Ltd	-	-	751.410.000	-
Vietnam Cloud	-	-	1.026.000.000	-
Other suppliers	2.302.018.565	-	1.684.682.147	-
Foreign suppliers	19.647.002.894	-	977.013.211	-
Sunwest (Cambodia) Co., Ltd	16.896.834.500	-	-	-
Security Technology Indochina Pte.,Ltd	2.625.158.365	-	819.900.000	-
Other suppliers	125.010.029	-	157.113.211	-
<b>Total</b>	<b>23.566.511.459</b>	<b>-</b>	<b>7.279.682.358</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

5. Other receivables	Dec. 31, 2017		Jan. 01, 2017	
	Amount	Provision	Amount	Provision
<b>a. Short-term</b>	<b>843.498.693</b>	-	<b>918.562.333</b>	-
Payment in advance	452.119.950	-	462.528.200	-
Deposits	225.000.000	-	355.570.340	-
Social insurance overpaid	98.229.393	-	100.463.793	-
Other receivables	68.149.350	-	-	-
<b>b. Long-term</b>	<b>1.414.633.658</b>	-	<b>2.225.715.641</b>	-
Bid security deposits	549.884.400	-	129.525.000	-
Other deposits	864.749.258	-	904.749.258	-
Land lease deposit of Tan Thuan Industrial zone	-	-	1.191.441.383	-
<b>Total</b>	<b>2.258.132.351</b>	-	<b>3.144.277.974</b>	-

6. Inventories	Dec. 31, 2017		Jan. 01, 2017	
	Original cost	Provision	Original cost	Provision
Merchandise inventory	51.623.385.282	-	82.202.936.460	-
<b>Total</b>	<b>51.623.385.282</b>	-	<b>82.202.936.460</b>	-

- 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
<b>Original cost</b>				
Opening balance	9.670.282.999	4.495.188.015	4.024.940.663	18.190.411.677
New purchases	204.016.000	-	-	204.016.000
Closing balance	9.874.298.999	4.495.188.015	4.024.940.663	18.394.427.677
<b>Accumulated depreciation</b>				
Opening balance	8.269.545.105	4.026.481.567	3.758.702.608	16.054.729.280
Charge for the year	700.351.451	146.352.273	218.019.493	1.064.723.217
Other increases	342.872.253	-	-	342.872.253
Other decreases	-	-	(342.872.253)	(342.872.253)
Closing balance	9.312.768.809	4.172.833.840	3.633.849.848	17.119.452.497
<b>Net book value</b>				
Opening balance	1.400.737.894	468.706.448	266.238.055	2.135.682.397
Closing balance	561.530.190	322.354.175	391.090.815	1.274.975.180

\* Ending original costs of tangible fixed assets—fully depreciated but still in use: 15.681.489.193 VND.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

## 8. Intangible fixed assets

	Computer software	Total
<b>Original cost</b>		
Opening balance	2.176.347.786	2.176.347.786
Purchase new	40.698.000	40.698.000
Closing balance	2.217.045.786	2.217.045.786
<b>Accumulated amortization</b>		
Opening balance	2.176.347.786	2.176.347.786
Charge for the year	2.261.000	2.261.000
Closing balance	2.178.608.786	2.178.608.786
<b>Net book value</b>		
Opening balance	-	-
Closing balance	38.437.000	38.437.000

## 9. Prepaid expenses

	Dec. 31, 2017	Jan. 01, 2017
<b>a. Short-term prepaid expenses</b>	<b>299.640.126</b>	<b>523.772.790</b>
Rent	106.768.126	353.146.122
Other expenses	192.872.000	170.626.668
<b>b. Long-term prepaid expenses</b>	<b>3.098.457.617</b>	<b>1.401.364.440</b>
Science and technology training and research	236.658.817	290.866.769
Office repair expenses	600.000	23.921.136
Office investment repair expenses	2.290.590.781	696.947.809
Tools and supplies used	570.608.019	389.628.726
<b>Total</b>	<b>3.398.097.743</b>	<b>1.925.137.230</b>

## 10. Short-term Borrowings and financial lease liabilities

	Dec. 31, 2017		Jan. 01, 2017	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
Banks	100.731.774.718	100.731.774.718	82.749.916.789	82.749.916.789
1. VIB (Vietnam) - Saigon Branch	45.625.391.377	45.625.391.377	49.195.697.229	49.195.697.229
2. Joint Stock Commercial Bank for Investment and Development of Vietnam - PN Br.	55.106.383.341	55.106.383.341	33.381.719.560	33.381.719.560
3. Long-term borrowing came to due - VIB (Vietnam)	-	-	172.500.000	172.500.000

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

Individual	4.000.000.000	4.000.000.000	-	-
4. Ms Dinh Ha Duy Trinh	4.000.000.000	4.000.000.000	-	-
<b>Total</b>	<b>104.731.774.718</b>	<b>104.731.774.718</b>	<b>82.749.916.789</b>	<b>82.749.916.789</b>

## 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: USD 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.

## Notes on borrowings from individual

Borrowings from Individual are in accordance with the following contracts:

4. Borrowing from Ms Dinh Ha Duy Trinh - Vice Chairman of HPT under contract No. 08122017/HPT, dated 08/12/2017. Amount: 4 billion VND. Loan term: 2 months from 08/12/2018 to 08/02/2018. Interest rate: 5%/year. Purpose: Adding working capital.

## 11. Short-term Trade payables

	Dec. 31, 2017		Jan. 01, 2017	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
Local suppliers	77.002.940.024	77.002.940.024	106.642.865.509	106.642.865.509
Alphagroup	22.736.062.241	22.736.062.241	-	-
Thien Phuc Equipment Material Co., Ltd	-	-	992.483.000	992.483.000
NT & T Co., Ltd	-	-	15.654.163.000	15.654.163.000
Vinh Hung JSC	304.880.139	304.880.139	9.140.315.579	9.140.315.579

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

FPT Trading	5.792.676.930	5.792.676.930	8.108.586.595	8.108.586.595
DL IT Investment Corporation	-	-	13.836.846.744	13.836.846.744
Other suppliers	48.169.320.714	48.169.320.714	58.910.470.591	58.910.470.591
Foreign suppliers	79.438.076.183	79.438.076.183	48.744.663.487	48.744.663.487
Microsoft Regional Sales Corporation	33.528.771.637	33.528.771.637	7.761.212.110	7.761.212.110
Sunwest (Cambodia) Co. Ltd	33.786.147.820	33.786.147.820	16.658.165.340	16.658.165.340
Ch Biz Solutions Ltd	8.554.963.125	8.554.963.125	17.025.183.500	17.025.183.500
Other suppliers	3.568.193.601	3.568.193.601	7.300.102.537	7.300.102.537
<b>Total</b>	<b>156.441.016.207</b>	<b>156.441.016.207</b>	<b>155.387.528.996</b>	<b>155.387.528.996</b>

## 12. Short-term Prepayments from customers

Dec. 31, 2017

Jan. 01, 2017

Local customers	13.329.000.724	33.277.067.162
Bee-Next	-	20.654.946.606
Mcredit	-	5.775.000.000
VNCERT	5.137.500.000	-
VP Bank	3.193.557.912	-
Others	4.997.942.812	6.847.120.556
Foreign customers	3.824.566.697	-
E Services Singapore Pte. Ltd	2.401.158.514	-
Hewlett-packard Singapore (Sales) Pte. Ltd	1.423.408.183	-
<b>Total</b>	<b>17.153.567.421</b>	<b>33.277.067.162</b>

## 13. Taxes and payables to the State Budget

	Jan. 01, 2017	Payable amount	Paid amount	Dec. 31, 2017
VAT	3.666.381.650	66.730.178.836	64.882.998.863	5.513.561.623
Corporate income tax	642.206.133	2.855.480.208	1.628.890.267	1.868.796.074
Personal income tax	151.543.873	2.716.151.433	2.701.479.515	166.215.791
Contractor VAT	1	53.209.895	53.209.895	1
Contractor income tax	2.205.211.162	32.288.214.403	28.772.421.484	5.721.004.081
Other taxes	-	7.000.000	7.000.000	-
<b>Total</b>	<b>6.665.342.819</b>	<b>104.650.234.775</b>	<b>98.046.000.024</b>	<b>13.269.577.570</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

14. Accrued expenses	Dec. 31, 2017	Jan. 01, 2017
Project maintenance	854.785.748	1.005.177.107
Project implementation	7.315.471.770	13.668.654.198
<b>Total</b>	<b>8.170.257.518</b>	<b>14.673.831.305</b>
 15. Other payables Short-term	 Dec. 31, 2017	 Jan. 01, 2017
Trade union fee	133.144.000	18.384.000
Payable dividends, profit	272.544.217	225.644.427
<b>Total</b>	<b>405.688.217</b>	<b>244.028.427</b>
 16. Bonus and welfare fund	 Dec. 31, 2017	 Jan. 01, 2017
Bonus fund	889.381.766	801.363.406
Welfare fund	158.797.430	(298.832.160)
<b>Total</b>	<b>1.048.179.196</b>	<b>502.531.246</b>

## 17. Owners' equity

## a. Comparison schedule for changes in Owner's Equity (See page 36)

## b. Details of owners' shareholding

	% of shareholding	Dec. 31, 2017	Jan. 01, 2017
Mr. Ngo Vi Dong	13,07%	9.846.230.000	8.753.740.000
Mr. Doan Ha Duy Linh	5,04%	3.797.040.000	3.451.860.000
Ms. Dinh Ha Duy Trinh	5,15%	3.882.660.000	3.529.700.000
Ms. Han Nguyet Thu Huong	5,19%	3.913.730.000	3.360.580.000
Mr. Nguyen Duc Tien	6,22%	4.687.390.000	4.261.270.000
Treasury shares	2,07%	1.556.600.000	1.556.600.000
Shareholding owned by other owners	63,26%	47.665.230.000	43.728.260.000
<b>Total</b>	<b>100,00%</b>	<b>75.348.880.000</b>	<b>68.642.010.000</b>

\* Number of treasury shares: 155.660 shares.

c. Capital transactions with owners and distribution of dividends, profits	Year 2017	Year 2016
Owners' equity	75.348.880.000	68.642.010.000
At the beginning of the year	68.642.010.000	68.642.010.000
Capital increase during the year	6.706.870.000	-
Capital decrease during the year	-	-
At the end of the year	75.348.880.000	68.642.010.000
Dividends paid	12.073.702.800	3.354.270.500

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

d. Dividends	Year 2017	Year 2016
Dividends declared after the balance sheet date		
<i>Dividends on ordinary shares</i>	<u>10%</u>	<u>8%</u>
e. Shares	<b>Dec. 31, 2017</b>	<b>Jan. 01, 2017</b>
Number of shares registered to be issued	7.534.888	6.864.201
Number of shares sold out to the public	7.379.228	6.864.201
<i>Ordinary share</i>	7.379.228	6.864.201
<i>Preferred share</i>	-	-
Number of existing shares in issue	155.660	155.660
<i>Ordinary share</i>	155.660	155.660
<i>Preferred share</i>	-	-
Number of existing shares in issue	7.379.228	6.708.541
<i>Ordinary share</i>	7.379.228	6.708.541
<i>Par value: VND/share.</i>	<u>10.000</u>	<u>10.000</u>
f. Funds	<b>Dec. 31, 2017</b>	<b>Jan. 01, 2017</b>
Investment and development fund	5.269.230.391	4.800.800.801
<b>Total</b>	<b>5.269.230.391</b>	<b>4.800.800.801</b>

\* Purpose of appropriating and using funds

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

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

1. Sales	Year 2017	Year 2016
a. Revenue		
Revenue from finished goods sold and services	902.856.944.099	924.156.902.263
<b>Total</b>	<b>902.856.944.099</b>	<b>924.156.902.263</b>
b. Revenue from related parties	<b>Year 2017</b>	<b>Year 2016</b>
Lotte HPT High Tech. Vietnam Shareholding Company	-	454.053.600
<b>Total</b>	<b>-</b>	<b>454.053.600</b>
2. Sales deductions	<b>Year 2017</b>	<b>Year 2016</b>
Sales returns	-	29.700.000
<b>Total</b>	<b>-</b>	<b>29.700.000</b>
3. Net sales	<b>Year 2017</b>	<b>Year 2016</b>
Revenue from finished goods sold and services	902.856.944.099	924.127.202.263
<b>Total</b>	<b>902.856.944.099</b>	<b>924.127.202.263</b>

These notes form an integral part of the financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

<b>4. Cost of sales</b>	<b>Year 2017</b>	<b>Year 2016</b>
Cost of finished goods sold and services	799.171.370.140	828.239.861.711
<b>Total</b>	<b>799.171.370.140</b>	<b>828.239.861.711</b>
<b>5. Financial income</b>	<b>Year 2017</b>	<b>Year 2016</b>
Interest income from deposits, loans	178.004.292	77.600.752
Dividends, profit paid	112.500.000	194.500.706
Realised foreign exchange gains	300.878.018	1.010.302.663
Unrealised foreign exchange gains	40.248.788	-
Other income from financing activities	501.922.830	-
<b>Total</b>	<b>1.133.553.928</b>	<b>1.282.404.121</b>
<b>6. Financial expenses</b>	<b>Year 2017</b>	<b>Year 2016</b>
Interest expense	5.467.927.336	5.203.109.311
Provision for devaluation of trading securities and investment loss	(1.191.441.383)	1.191.441.383
Realised foreign exchange losses	123.623.208	458.992.199
Unrealised foreign exchange losses	-	24.797.013
Other financial expenses	211.800.002	123.102
<b>Total</b>	<b>4.611.909.163</b>	<b>6.878.463.008</b>
<b>7. Selling expenses and General and administration expenses</b>	<b>Year 2017</b>	<b>Year 2016</b>
<b>a. Selling expenses</b>		
Salaries	55.057.861.464	46.001.867.252
Depreciation	405.732.734	483.550.927
Taxes, fees and duties	17.819.000	17.196.000
Services bought from outsiders	10.348.803.301	9.915.718.050
Other selling expenses	834.344.542	834.877.725
<b>Total</b>	<b>66.664.561.041</b>	<b>57.253.209.954</b>
<b>b. General and administration expenses</b>		
Salaries	10.845.375.576	14.164.074.923
Tools and supplies	479.907.470	511.717.388
Depreciation	405.861.735	765.758.137
Taxes, fees and duties	3.489.980.144	3.069.386.791
Services bought from outsiders	8.089.776.922	4.890.177.768
Other selling expenses	2.188.467.070	4.370.758.596
<b>Total</b>	<b>25.499.368.917</b>	<b>27.771.873.603</b>
<b>8. Other income</b>	<b>Year 2017</b>	<b>Year 2016</b>
Fine amount received	6.029.956.729	6.675.096.533
Other income	1.890.550.666	283.083.490
<b>Total</b>	<b>7.920.507.395</b>	<b>6.958.180.023</b>

These notes form an integral part of the financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

<b>9. Other expenses</b>	<b>Year 2017</b>	<b>Year 2016</b>
Fine amount	1.573.894.764	-
Administrative penalties	758.736	384.542.911
Other expenses	-	58.088.359
<b>Total</b>	<b>1.574.653.500</b>	<b>442.631.270</b>
<b>10. Costs of production and doing business by factors</b>	<b>Year 2017</b>	<b>Year 2016</b>
Labour cost	65.903.237.040	60.165.942.175
Depreciation and amortization	811.594.469	1.249.309.064
Services bought	18.918.487.693	15.317.613.206
Other sundry cash expense	6.530.610.756	8.292.219.112
<b>Total</b>	<b>92.163.929.958</b>	<b>85.025.083.557</b>
<b>11. Current corporate income tax</b>	<b>Year 2017</b>	<b>Year 2016</b>
<b>1. Accounting profit before corporate income tax</b>	<b>14.389.142.661</b>	<b>11.781.746.861</b>
<b>2. Adjustments to increase (decrease) accounting profit to determine taxable income</b>	<b>(111.741.264)</b>	<b>(96.299.643)</b>
- Adjustment to increase	758.736	98.201.063
+ Undeductible expenses	758.736	98.201.063
- Adjustment to decrease	(112.500.000)	(194.500.706)
+ Dividends	(112.500.000)	(194.500.706)
<b>3. Total taxable income (1+2)</b>	<b>14.277.401.397</b>	<b>11.685.447.218</b>
From business activities	14.277.401.397	11.685.447.218
<b>4. Corporate income tax rate</b>	<b>20%</b>	<b>20%</b>
<b>5. Current corporate income tax expenses</b>	<b>2.855.480.208</b>	<b>2.337.089.444</b>
<b>6. Adjusted according to tax finalization</b>		<b>76.065.619</b>
<b>7. Total current corporate income tax expenses</b>	<b>2.855.480.208</b>	<b>2.413.155.063</b>

**12. 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:



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2017**Unit: Vietnam dong***12.1 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, 2017 and December 31, 2016.

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, 2017 and December 31, 2016.

***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:

	<i>Increase/Decrease of basic points</i>	<i>Influences on profit before tax</i>
<b>For the fiscal year ended December 31, 2017</b>		
VND	+ 200	(1.809.493.730)
VND	- 200	1.809.493.730
<b>For the fiscal year ended December 31, 2016</b>		
VND	+ 100	(464.266.336)
VND	- 100	464.266.336

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.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2017**Unit: Vietnam dong****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. Risks due to changes in the exchange rates of other foreign currencies of the Company are insignificant.

	<i>VND</i>	
	<i>Changes in exchange rate USD</i>	<i>Influences on profit before tax</i>
<b>Year 2017</b>	+ 1%	(799.482.954)
	- 1%	799.482.954
<b>Year 2016</b>	+ 1%	(471.827.093)
	- 1%	471.827.093

***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.

**12.2 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.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2017**Unit: Vietnam dong***12.3 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:

<b>Dec. 31, 2017</b>	<i>Under 1 year</i>	<i>From 1-5 years</i>	<i>Over 5 years</i>	<i>Total</i>
Borrowings and liabilities	104.731.774.718	-	-	104.731.774.718
Trade payables	156.441.016.207	-	-	156.441.016.207
Accrued expenses	8.170.257.518	-	-	8.170.257.518
	269.343.048.443	-	-	269.343.048.443

<b>Dec. 31, 2016</b>				
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

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).

**13. Financial assets and liabilities (See page 37)**

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, 2017 and December 31, 2016. 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

## VII. ADDITIONAL INFORMATION FOR ITEMS IN THE CASH FLOW STATEMENT

1. Borrowing amount in the period	Year 2017	Year 2016
- Proceeds from the borrowing under normal agreement	418.464.963.435	205.977.401.296
2. Payment for principal debts	Year 2017	Year 2016
- Payment for principal debts under normal agreement	(396.483.105.506)	(254.717.655.959)

## 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

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

		Year 2017	Year 2016
General Directors	Salary and bonus	2.240.856.000	1.298.678.000
Total		2.240.856.000	1.298.678.000

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 23, 2018

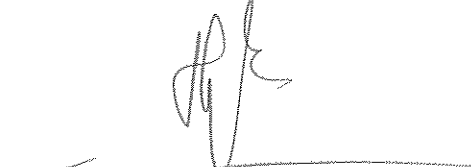
Prepared by

Chief Accountant

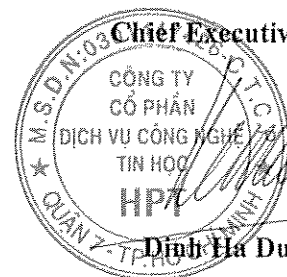
Chief Executive Officer



Phung Quoc Bao



Nguyen Thi Hong Hai



Dinh Ha Duy Linh

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

## V.2. Financial investments

Equity investments in other entities	31/12/2017			01/01/2017		
	Original value	Provision	Fair value	Original value	Provision	Fair value
- Investment in subsidiaries (*)	11.566.364.576	-	11.566.364.576	8.076.364.576	-	8.076.364.576
+ HPT Technology	11.566.364.576	-	11.566.364.576	8.076.364.576	-	8.076.364.576
- Investment in joint-ventures, associates	-	-	-	5.017.500.000	(1.191.441.383)	3.826.058.617
+ Lotte HPT High Tech. Vietnam Shareholding Company	-	-	-	4.800.000.000	(1.191.441.383)	3.608.558.617
+ STG Company	-	-	-	217.500.000	-	217.500.000
- Investment in other entities (**)	2.524.400.000	-	3.141.408.200	2.884.460.000	-	2.884.460.000
+ Vietinbank	1.074.400.000	-	2.166.408.200	1.434.460.000	-	1.434.460.000
+ Maseco	1.450.000.000	-	975.000.000	1.450.000.000	-	1.450.000.000
<b>Total</b>	<b>14.090.764.576</b>	<b>-</b>	<b>14.707.772.776</b>	<b>15.978.324.576</b>	<b>(1.191.441.383)</b>	<b>14.786.883.193</b>

(\*) According to Investment Certificate No. 413041000043 at January 12, 2011, issued by the Management Board of Saigon Hi-Tech Park HCMC. Chartered capital of HPT Technology Co., Ltd is VND 60 billion. As at 31/12/2017, HPT (100% chartered capital on paper) has contributed VND 11.566.364.576 on 19,28% of the chartered capital. must contribute. As at 31/12/2017, HPT Technology Limited Company is in the investment stage and has not incurred any income from its main business.

(\*\*) As at 31 December 2017, the market price (fair value) of the securities of Vietinbank was VND 2.166.408.200 and Phu Nhuan Service Joint Stock Company was VND 975.000.000. The fair value of these investments was VND 3.141.408.200 which was higher than the original price, therefore the investments value was not declined.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

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)	4.486.984.441	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)
Prior 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
Current year opening balance	68.642.010.000	139.500.000	(2.155.280.020)	4.800.800.801	20.943.545.540	92.370.576.321
Profit	-	-	-	-	11.533.662.453	11.533.662.453
Increases	6.706.870.000	-	-	-	-	6.706.870.000
Bonus and Welfare of 2016	-	-	-	-	(2.342.147.950)	(2.342.147.950)
Funds of 2016	-	-	-	468.429.590	(468.429.590)	-
Dividends of 2016	-	-	-	-	(12.073.702.800)	(12.073.702.800)
Current year closing balance	75.348.880.000	139.500.000	(2.155.280.020)	5.269.230.391	17.592.927.653	96.195.258.024

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2017

Unit: Vietnam dong

## VI. 13. Financial assets and financial liabilities:

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

	Book value		Fair value	
	Dec. 31, 2017		Dec. 31, 2016	
	Amount	Provision	Amount	Provision
<b>Financial assets</b>				
- Available-for-sale financial assets	2,524,400,000	-	2,884,460,000	-
- Trade receivables	290,065,164,104	-	246,822,371,033	-
- Other receivables	1,639,633,658	-	2,581,285,981	-
- Cash and cash equivalents	14,545,689,781	-	31,072,710,541	-
<b>TOTAL</b>	<b>308,774,887,543</b>	<b>-</b>	<b>283,360,827,555</b>	<b>-</b>
<b>Financial liabilities</b>				
- Borrowings and liabilities	104,731,774,718	-	82,749,916,789	-
- Trade payables	156,441,016,207	-	155,387,528,996	-
- Other payables	8,170,257,518	-	14,673,831,305	-
<b>TOTAL</b>	<b>269,343,048,443</b>	<b>-</b>	<b>252,811,277,090</b>	<b>-</b>
			<b>269,343,048,443</b>	<b>252,811,277,090</b>