

HPT VIETNAM CORPORATION

Audited Financial Statements
For the year ended 31 December 2009

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REPORT OF THE BOARD OF DIRECTORS

For the year ended December 2009

The Board of Directors of HPT Vietnam Corporation has the pleasure in presenting this report and the audited financial statements of the Company for the year ended 31 December 2009.

1. Incorporation

HPT Vietnam Corporation (the Company) is a joint – stock company established per the Certificate of Business Registration No. 4103002304 dated 11 May 2004. During the company's operating, the changes in charter capital, as well as activities are approved by the Ho Chi Minh's Department of Planning and Investment in accordance with the 2nd amendment certificate of business registration dated 18 October 2005, the 3rd amendment date 09 August 2006, the 4th amendment dated March 29, 2007, the 5th amendment dated 01 June 2007, the 6th amendment dated 18 November 2009, and the 7th dated 02 March 2010.

2. The Board of Directors and the Board of Management

The member of the Board of Directors and the Board of Management during the year 2009 and at the date of this report are:

Mr.	Ngo Vi Dong	Chairman / General Director
Mrs.	Dinh Ha Duy Trinh	Vice Chairman/ Deputy General Director
Mr.	Dinh Ha Duy Linh	Member / Deputy General Director
Mr.	Nguyen Duc Tien	Member
Mrs.	Han Nguyet Thu Huong	Member
Mr.	Nguyen Quyen	Member
Mr.	Tran Anh Hoang	Member
Mrs.	Nguyen Thi Hong Hai	Chief Accountant

3. Head Office

The Company's Head Office is located at 60 Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City, the branch is located at Dong Da District, Ha Noi City.

4. Principle operation

- Provide warranty, maintenance and repairing services for IT products.
- Purchase, sell, deliver and install IT products.
- Agent in trade and consign goods.
- Build projects, join in bids, organize project implementation, install PC and network systems.
- Providing application software and developing software.
- Provide additional service on telecommunications network.

5. Operation results

The Company's financial position and results of its operation for the year ended 31 December 2009 are presented in the accompanying financial statements.

6. Extraordinary and subsequent event

Up to the date of this report, the Board of Management considered that no event could cause misstatement of figures and information presented in the audited financial statements.

REPORT OF THE BOARD OF DIRECTORS (continued)

For the year ended December 2009

7. Independent auditors

BDO Viet Nam Company Limited has been appointed to perform the audit of the Company's financial statements for the year ended 31 December 2009.

8. Statement of the Management's responsibility in respect of the Financial Statements

The Management is responsible for the financial statements of the year, which give a true and fair view of the state of affairs of the Company for the year ended 31 December 2009 and of its results and cash flows for the year then ended. In preparing those financial statements, the Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimate that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Management confirms that the Company has complied with the above requirements in preparing the financial statements.

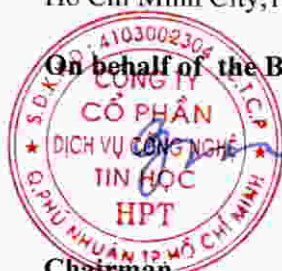
The Management is responsible for ensuring that proper accounting records that are kept disclose with reasonable accuracy at any time, the financial position of the Company and the accounting records comply with the Vietnamese Accounting System, the Vietnamese Accounting Standards and relevant statutory requirements. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9. The approval of the Board of Directors

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at December 31, 2009 and the results of its operations for the year ended 31 December 2009 in accordance with the Vietnamese accounting standard system and comply with relevant statutory requirements.

Ho Chi Minh City, 19 March 2010

On behalf of the Board of Directors



Chairman

NGO VI DONG

Ho Chi Minh City, 19 March 2010

Ref: 0047.HCM/124KTA.2009

REPORT OF INDEPENDENT AUDITORS

**To: The Board of Directors and the Management of
HPT Vietnam Corporation**

BDO Vietnam Company Limited have audited the accompanying financial statements of HPT Vietnam Corporation ("the Company") including the Balance sheet as at 31 December 2009, and the related statements of income, cash flows and the notes to the financial statements for the year then ended from page 4 to page 23.

The preparation and presentation of the financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

The basis of our opinion

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a basis for our opinion.

Auditors' opinion

In our opinion, in all material respect, the accompanying financial statements give a true and fair view of the financial position as at 31 December 2009, the results of its operations and its cash flows for the year then ended of HPT Vietnam Corporation in conformity with the Vietnamese Accounting Standards, Vietnamese Accounting System and comply with relevant statutory requirements.

Without qualifying our above opinion, we would draw your attention to the matter as follows :

As mentioned in item 4.2 of the Notes to the financial statements, the foreign exchange difference of the revaluation of the assets and liabilities nominated in other currency than VND at year end presented in this financial statements is recorded in conformity with the circular No. 201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance.



VU THI THO
General Director
Certificate No. D0065/KTV



LE NGOC HAI
Auditor
Certificate No. 0179/KTV

HPT VIETNAM CORPORATION

BALANCE SHEET

As at 31 December 2009

Currency unit : VND

ASSETS	Code	Notes	Ending balances	Beginning balances
CURRENT ASSETS	100		291,891,462,473	200,957,570,897
Cash and cash equivalents	110	5.1	28,347,178,728	15,870,175,069
Cash	111		8,347,178,728	15,870,175,069
Cash equivalents	112		20,000,000,000	-
Short-term financial investments	120	5.2	2,000,000	40,500,000
Short-term investments	121		2,000,000	123,793,600
Provision for securities and short-term investments devaluation	129		-	(83,293,600)
Accounts receivable	130	5.3	229,066,274,330	119,629,675,049
Trade receivables	131		204,423,176,119	115,637,538,155
Advance to suppliers	132		24,674,732,361	3,992,136,894
Intercompany receivable	133		-	-
Construction contractor receivables based on agreed progress billings	134		-	-
Other receivables	135		-	-
Provision for doubtful debts	139		(31,634,150)	-
Inventories	140	5.4	27,645,787,341	63,752,153,494
Inventories	141		27,645,787,341	63,752,153,494
Provision for decline value in inventory	149		-	-
Other current assets	150	5.5	6,830,222,074	1,665,067,285
Prepaid expenses	151		253,669,135	333,616,650
Deductible value added tax	152		1,108,405,689	147,232,114
Tax and other receivables from the State	154		-	-
Other current assets	158		5,468,147,250	1,184,218,521

HPT VIETNAM CORPORATION

BALANCE SHEET

As at 31 December 2009

Currency unit : VND

ASSETS	Code	Notes	Ending balances	Beginning balances
NON- CURRENT ASSETS	200		12,948,997,580	13,157,685,881
Long- term receivables	210		-	-
Long- term trade receivables	211		-	-
Subsidiaries' equity receivable	212		-	-
Long- term intercompany receivables	213		-	-
Other long- term receivables	218		-	-
Provision for doubtful long- term receivables	219		-	-
Fixed assets	220		3,949,266,485	5,269,888,908
Tangible fixed assets	221	5.6	3,558,640,928	4,812,619,192
- Cost	222		13,712,134,817	16,320,629,960
- Accumulated depreciation	223		(10,153,493,889)	(11,508,010,768)
Leased financial fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
Intangible fixed assets	227	5.7	390,625,557	457,269,716
- Cost	228		1,476,546,658	1,284,839,775
- Accumulated depreciation	229		(1,085,921,101)	(827,570,059)
Construction in progress	230		-	-
Investment Property	240		-	-
- Cost	241		-	-
- Accumulated depreciation	242		-	-
Long-term financial investments	250	5.8	6,765,350,000	4,245,000,000
Investment in subsidiary company	251		1,650,000,000	1,650,000,000
Investment in associates and joint ventures	252		3,360,000,000	1,440,000,000
Other long-term investments	258		2,167,850,000	1,155,000,000
Provision for long- term investment devaluation	259		(412,500,000)	-
Other long-term assets	260		2,234,381,095	3,642,796,973
Long- term prepaid expenses	261	5.9	1,667,213,166	2,744,810,950
Deferred income tax assets	262		-	-
Other long-term assets	268	5.10	567,167,929	897,986,023
TOTAL ASSETS	270		304,840,460,053	214,115,256,778

HPT VIETNAM CORPORATION

BALANCE SHEET

As at 31 December 2009

Currency unit : VND

RESOURCES	Code	Notes	Ending balances	Beginning balances
LIABILITIES	300		252,329,575,892	168,272,279,648
Current liabilities	310		230,638,135,892	107,455,079,648
Short-term borrowings and liabilities	311	5.11	134,855,492,325	73,669,209,356
Trade payables	312	5.13	74,711,482,715	21,775,360,213
Advance from customer	313	5.13	9,031,058,024	1,477,295,718
Tax and payables to the State	314	5.12	7,239,963,571	5,127,778,107
Payable to employees	315	5.13	4,000,432,313	2,000,432,313
Accrual expenses	316	5.13	519,291,721	3,353,423,774
Intercompany payables	317		-	-
Construction contractor payables based on agreed progress billings	320		-	-
Other payables	321	5.14	280,415,223	51,580,167
Provisions for current liabilities	322		-	-
Long-term liabilities	330		21,691,440,000	60,817,200,000
Long-term trade payables	331		-	-
Intercompany long-term payables	332		-	-
Other long-term payables	333		-	6,650,000
Long-term borrowings and liabilities	334	5.15	21,691,440,000	60,810,550,000
Deferred income tax payables	335		-	-
Provision for severance allowance	336		-	-
Provision for long-term payables	337		-	-
Provision for compensation to damage to investor	339		-	-
OWNER'S EQUITY	400	5.16	52,510,884,161	45,842,977,130
Capital	410		52,218,148,838	45,834,834,596
Paid-in capital	411		38,476,550,000	38,476,550,000
Capital surplus	412		139,500,000	139,500,000
Other capital	413		-	-
Treasury stock	414		(730,500,000)	(730,500,000)
Difference on revaluation of assets	415		-	-
Foreign exchange differences	416		(1,107,200,737)	-
Investment and development fund	417		753,240,000	342,240,000
Financial reserve fund	418		750,538,370	339,538,370
Other funds belonging to owners' equity	419		-	-
Retained earnings	420		13,936,021,205	7,267,506,226
Other capital, funds	430		292,735,323	8,142,534
Bonus and welfare funds	431		292,735,323	8,142,534
Fund for subsidized expenses	432		-	-
Welfare fund that formed fixed assets	433		-	-
TOTAL RESOURCES	440		304,840,460,053	214,115,256,778

HPT VIETNAM CORPORATION

BALANCE SHEET

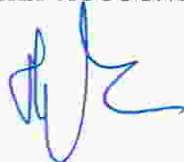
As at 31 December 2009

Currency unit : VND

OFF BALANCE SHEET ITEMS

Items	Codes	Ending balances	Beginning balances
Operating lease assets		-	-
Goods held under trust or for processing		-	-
Goods received on consignment for sale		-	-
Bad debts written off		47,894,173	47,894,173
Foreign currencies (USD)		8,728.27	12,754.70
Budget for operating activities		-	-

CHIEF ACCOUNTANT



NGUYEN THI HONG HAI

Ho Chi Minh City, 19 March 2010

GENERAL DIRECTOR



NGO VI DONG

HPT VIETNAM CORPORATION

INCOME STATEMENT

For the year ended 31 December 2009

Currency unit : VND

Items	Codes	Notes	2009	2008
Revenues from goods sold and services rendered	01		703,997,546,318	459,952,455,760
Deductions from revenue	02		2,071,258,519	8,992,434,601
Net sales of goods sold and services rendered	10	6.1	701,926,287,799	450,960,021,159
Cost of goods sold	11		615,794,411,988	377,780,104,767
Gross profit on goods sold and services rendered	20		86,131,875,811	73,179,916,392
Financial income	21	6.2	4,073,797,506	3,533,473,399
Financial expense	22	6.3	15,945,472,542	13,789,767,172
- In which: interest expense	23		9,715,643,867	9,408,501,462
Selling expenses	24	6.4	38,581,867,870	38,928,115,949
General and administrative expenses	25	6.5	19,529,380,797	14,864,789,030
Operating profit	30		16,148,952,108	9,130,717,640
Other income	31	6.6	66,819,148,940	3,020,228,653
Other expense	32	6.7	58,104,968,574	543,262,652
Other profit / (loss)	40		8,714,180,366	2,476,966,001
Profit / (loss) before tax	50		24,863,132,474	11,607,683,641
Current income tax expenses	51	6.8	4,351,048,183	2,527,885,363
Deferred income tax expenses	52		-	-
Profit/(loss) after tax	60		20,512,084,291	9,079,798,278
Earning per share	70	6.9	5,409	2,394

CHIEF ACCOUNTANT



NGUYEN THI HONG HAI

Ho Chi Minh City, 19 March 2010

GENERAL DIRECTOR



NGO VI DONG

CASH FLOWS STATEMENT

For the year ended 31 December 2009

Currency unit : VND

Items	Codes	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES			
Net profits (loss) before tax	01	24,863,132,474	11,607,683,641
Adjustments for:			
- Depreciation and amortization	02	2,701,885,972	3,639,676,821
- Provisions	03	360,840,550	83,293,600
- Unrealized foreign exchange (gain) / loss	04	-	-
- (Gain) loss on investments	05	(909,484,641)	(325,687,423)
- Interest expenses	06	9,715,643,867	9,408,501,462
Operating profits before changes in working capital	08	36,732,018,222	24,413,468,101
- Change in accounts receivable	09	(116,592,977,715)	(25,270,846,179)
- Change in inventories	10	36,106,366,153	3,121,845,710
- Change in accounts payable	11	61,626,673,355	(23,076,153,146)
- Change in prepayments	12	1,157,545,299	(1,474,621,266)
- Interest expenses paid	13	(9,715,643,867)	(9,661,970,588)
- Corporate income tax paid	14	(3,196,942,127)	(2,028,209,747)
- Other cash inflows from operating activities	15	-	-
- Other cash outflows from operating activities	16	(1,740,191,022)	(979,822,927)
Net cash flow from operating activities	20	4,376,848,298	(34,956,310,042)
CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of fixed assets and other long – term assets	21	(1,670,279,381)	(2,747,178,054)
Proceeds from disposals of fixed assets and other long - term assets	22	193,454,544	-
Loans to other entities and payments for purchase of debt instrument of other entities	23	(891,056,400)	-
Payments from borrowers and proceeds from sales of debt instruments of other entities	24	-	20,000,000
Payments for investments in other entities	25	(1,920,000,000)	(3,090,000,000)
Proceeds from sales of investments in other entities	26	-	-
Interest and dividends received	27	1,005,045,929	325,687,423
Net cash flow from investment activities	30	(3,282,835,308)	(5,491,490,631)
CASH FLOW FROM FINANCIAL ACTIVITIES			
Capital contribution	31	-	-
Capital redemption	32	-	-
Borrowings	33	366,335,261,054	286,153,533,713
Loan repayment	34	(343,962,840,169)	(283,050,932,544)
Finance lease principal paid	35	-	-
Dividends paid	36	(10,996,785,501)	(3,666,655,500)
Net cash flow from financial activities	40	11,375,635,384	(564,054,331)
NET CASH INFLOWS/(OUTFLOWS)	50	12,469,648,374	(41,011,855,004)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	60	15,870,175,069	56,882,030,073
Effect of foreign exchange difference	61	7,355,285	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	70	28,347,178,728	15,870,175,069

CHIEF ACCOUNTANT

NGUYEN THI HONG HAI

Ho Chi Minh City, 19 March 2010

GENERAL DIRECTOR

DỊCH VỤ CÔNG NGHỆ
TIN HỌC
HPT
PHỤ NHUẬN TP. HỒ CHÍ MINH

NGO VI DONG

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

1 BUSINESS HIGHLIGHTS

1

HPT Vietnam Corporation (the Company) is established under the transferred from a Company Limited to a Joint-stock company.

The Company is operated under the Certificate of Business Registration No. 4103002304 dated 11 May 2004 issued by The Department for Planning and Investment of Ho Chi Minh City. The registration had been amended had been as follows:

Time	Date	Amended items
2nd	18/10/2005	Increase the charter capital from 10 billion to 15 billion VND.
3rd	09/08/2006	Increase the charter capital to 20 billion VND and addition to business line.
4th	29/03/2007	Increase the charter capital to 36 billion VND.
5th	01/06/2007	Addition warehouse.
6th	18/11/2009	Increase the charter capital to 38,476,550,000 VND
7th	02/03/2010	Increase the charter capital to 59,892,990,000 VND

According to the business registration, the principle activities of the Company are:

- Provide warranty, maintenance and repairing services for IT products.
- Purchase, sell, deliver and install IT products.
- Agent in trade and consign goods.
- Build projects, join in bids, organize project implementation, install PC and network systems.
- Providing application software and developing software.
- Provide additional service on telecommunications network.

The Company's Head Office is located at 60 Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City. The Company has branches:

- Ha Noi Branch: 123 Xa Dan Street, Phuong Lien ward, Dong Da district, Ha Noi City
- HPT Warranty Center at 62 Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City.
- HPT Software Development Center (HPT soft) at the floor 9, Vitek Tower, 63 Vo Van Tan, District 3, Ho Chi Minh City.
- HPT Warranty Center at 62 Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City.

Up to 31 December 2009, the number of employees was 280.

2 PERIOD, CURRENCY UNIT ACCOUNTING

The financial year starts from 01 January and ends on 31 December annually.

The currency unit for accounting: Vietnam dong (VND)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

3 COMPLIANCE WITH VIETNAMESE ACCOUNTING SYSTEM AND STANDARDS

3.1 Preparation of financial statements

Financial statements are prepared in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

Financial statements are prepared at the historical cost. The company applies the accounting principles consistent and complies with the principles which are applied in the previous years.

3.2 Compliance with Vietnamese accounting system and standards

The Company's Management is aware of twenty-six (26) Vietnamese Accounting Standards, which have been issued by the Ministry of Finance.

To comply with the decisions and circulars on Vietnamese Accounting Standards, the Company's management has selected Vietnamese Accounting System, Vietnamese Accounting Standards which are applied to the Company's operations in Vietnam to prepare the financial statements.

3.3 Form of accounting books

Accounting books system : General Journal

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash include cash on hand and cash in banks. Cash equivalents are the short-term investments having high liquidity, easily transfer to cash, having no risk in modifying the value and are used to pay commitment in short-term purposes rather than investment or other purposes.

4.2 Foreign currency transactions

Transactions arising in foreign currencies are translated into VND at the actual exchange rates of the transaction dates.

Assets and liabilities denominated in foreign currency will be revaluated at the rate promulgated by State Bank at closing date of the year 2009.

Foreign exchange difference is transferred into the income statement.

At year-end, cash and cash equivalents, account receivables, account payables denominated in foreign currency will be revaluated at the rate promulgated by State Bank at closing date of the year 2009. Foreign exchange difference arising from the revaluation of assets and liabilities denominated in foreign currency is recorded as follows

- According to Vietnamese Accounting Standards No. 10 (VAS 10), foreign exchange difference due to revaluation of monetary items denominated in foreign currency is transferred into the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

- According to Circular No. 201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance, foreign exchange difference from the revaluation monetary items denominated in foreign currency will be recorded as follows:
 - For cash and short-term liabilities: foreign exchange difference from the revaluation is not transferred into the income statement, but presented in foreign exchange difference item of the balance sheet.
 - For long- term receivables: foreign exchange difference from the revaluation is transferred into the income statement.
 - To long- term payables: foreign exchange difference from the revaluation is transferred into the income statement. In the case of this foreign exchange difference allocated into financial expense causes the loss in the results of operation, a part of this foreign exchange difference will be allocated into following years but does not exceed 5 years to avoid the loss in the current company's operation, and in condition that the foreign exchange difference allocated to the income statement will be equal at least to foreign exchange difference of the current portion of long – term payable.

In the previous year, foreign exchange difference from the revaluation is recorded in accordance with the VAS No. 10 ; in this fiscal year, foreign exchange difference from the revaluation is recorded in conformity with the circular 201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance. This change does not affect on the beginning balances of the financial statements and the compared figures.

4.3 Account receivables

Trade receivables and other receivables are presented at historical cost less provision for doubtful debts.

Provisions for doubtful debts are made for estimated loss from not collectible account receivables at reporting date.

4.4 Inventories

Inventories are presented at original cost less provision for decline in value of inventories and obsolescence and ensure that recognized cost is lower than original cost and market value. Original cost includes purchases cost, processing cost and other related direct cost.

The Company applies the perpetual inventory and cost applies first in first out method.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values at the yearend. Gain or loss from provision is record in cost of goods sold in the fiscal year.

4.5 Tangible fixed assets

Tangible fixed assets are recognized by original cost, including purchase cost and related expenses, and recorded according to each component part. Expenditure for purchase, upgrade and renewals are capitalized, expenditure for maintenance and repair are charged to income statement.

When assets are sold, original cost and accumulate depreciation are written-off in financial statement. Gain or losses from disposal are recognized as other income or expense.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

Depreciation is provided on straight-line basis over the estimated useful lives as regulated in Decision No.206/2003/QĐ-BTC issued on December 12, 2003. The estimated useful live of fixed assets are as follows:

Machinery and equipments	5 – 10	Years
Transportation	6	Years
Office equipment	3 – 5	Years

4.6 Intangible fixed assets**Accounting software**

Accounting software is recognized as intangible fixed asset and amortized in 5 years, applied straight – line method.

4.7 Long-term prepaid expenses

Long-term prepaid expenses include : training expenses, technology research, maintaining and repairing office, equipments ; the period of allocation is from 2 to 3 years.

4.8 Investments

Short-term investments were recognized according to original cost.

Provision for the decline of short-term investment when market value is lower than book value. Investment in subsidiary, associated company and other long-term investment which are presented in financial statements applied original price method.

4.9 Recognition revenue

Revenue from goods sold and services rendered are presented in the income statements when the company has transferred the majority of risks and benefits associated with the right to own the products or goods to the buyer;

Revenue can not recognized whether there are items materially related to the uncertainty for collection of receivables related to the ability of goods return.

4.10 Corporate Income Tax expense

The Company has to pay corporate income tax (CIT) at the rate of 25% on taxable profit.

The Company applies Circular No. 03/2009/TT-BTC dated on 13 January 2009 of Ministry of Finance for the relief of CIT in 2009.

CIT expenses are comprised of current and deferred corporate income tax expense.

Current corporate income tax expense.

Current CIT is the amount of income taxes payable or recoverable in respect of the current year taxable profit and the current tax rates. Taxable profit differs from accounting profit due to adjustment the temporary difference between carrying amount of assets or liabilities in the balance sheet and its tax base as well as the adjustment of revenue and expense which are free of tax or are not deductible.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

Deferred corporate income tax expense.

Deferred CIT is the CIT payable or recoverable in future periods due the temporary difference between carrying amount of assets or liabilities in the balance sheet and its tax base. A deferred tax liability should be recognized for all taxable temporary differences. A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

5 SUPPLEMENTAL INFORMATION TO THE FINANCIAL STATEMENTS**5.1 Cash and cash equivalents**

	31/12/2009	01/01/2009
	VND	VND
Cash on hand – VND	827,040,700	179,077,659
Cash in bank – VND	7,363,544,315	15,474,560,868
Cash in bank – USD	156,593,713 (*)	216,536,542
Term deposit in bank - VND	20,000,000,000	-
Total	28,347,178,728	15,870,175,069

(*) equivalent to USD 8,728.27

5.2 Short-term investment

	31/12/2009	01/01/2009
	VND	VND
Short-term securities investment	2,000,000	123,793,600
Provision for decline in value of short – term investments	-	(83,293,600)
Total	2,000,000	40,500,000

5.3 Short-term receivables

	31/12/2009	01/01/2009
	VND	VND
Trade receivables	204,423,176,119 (*)	115,637,538,155
Advances to suppliers	24,674,732,361 (**)	3,992,136,894
Provision for bad debts	(31,634,150)	-
Total	229,066,274,330	119,629,675,049

(*) in which:

	31/12/2009
	USD Equivalent to VND
Trade receivable in VND	86,764,288,564
Trade receivable in USD	116,904,275,075
Trade receivable in JPY	754,612,480
Total	204,423,176,119

(**) This is mainly the advance to suppliers as follows :

Itech-JSC	9,133,583,690
IBM World Trade Corporation	5,719,016,688
Boca Tradeconsult Ltd	3,229,505,587
Microtec Pte Ltd	2,691,150,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

5.4 Inventories

	31/12/2009 VND	01/01/2009 VND
Spare part, equipment	9,673,846,532	7,690,506,616
Direct expenses related to setting process or supplying services	17,971,940,809	947,103,697
Property merchandise	-	55,114,543,181
Total	27,645,787,341	63,752,153,494

5.5 Other current assets

	31/12/2009 VND	01/01/2009 VND
Short-term repaid expenses	253,669,135	333,616,650
- Office rental	177,918,200	295,041,650
- Other deferred expenses	75,750,935	38,575,000
VAT deductible	1,108,405,689	147,232,114
Tax and receivables from the State Budget	-	-
Other	5,468,147,250	1,184,218,521
- Advance	394,434,742	1,184,218,521
- Short-term deposits	5,073,712,508	-
Total	6,830,222,074	1,665,067,285

5.6 Tangible fixed assets

	Machinery VND	Transportation VND	Office equipment VND	Total VND
History cost				
Opening balance	14,336,116,953	1,770,968,521	213,544,486	16,320,629,960
Increase	634,069,498	844,503,000		1,478,572,498
Disposal	(3,587,067,641)	(500,000,000)		(4,087,067,641)
Closing balance	11,383,118,810	2,115,471,521	213,544,486	13,712,134,817
Accumulated depreciation				
Opening balance	10,647,793,739	712,778,606	147,438,423	11,508,010,768
Depreciated	2,082,254,786	331,279,851	30,000,293	2,443,534,930
Disposal	(3,582,774,031)	(215,277,778)		(3,798,051,809)
Closing balance	9,147,274,494	828,780,679	177,438,716	10,153,493,889
Net book value				
Opening balance	3,688,323,214	1,058,189,915	66,106,063	4,812,619,192
Closing balance	2,235,844,316	1,286,690,842	36,105,770	3,558,640,928

Up to 31 December 2009,

- The cost of tangible fixed assets fully depreciated but still in use is VND 6,859,384,713

- Net book value of transportations which are mortgaged to guarantee for long-term borrowing from bank is VND 975,591,648

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

5.7 Intangible fixed assets

	<i>Software</i> VND	<i>Total</i> VND
<i>History cost</i>		
Opening balance	1,284,839,775	1,284,839,775
Increase	191,706,883	191,706,883
Closing balance	1,476,546,658	1,476,546,658
<i>Accumulated amortization</i>		
Opening balance	827,570,059	827,570,059
Depreciation	258,351,042	258,351,042
Closing balance	1,085,921,101	1,085,921,101
<i>Net book value</i>		
Opening balance	457,269,716	457,269,716
Closing balance	390,625,557	390,625,557

5.8 Long – term investments

	31/12/2009 VND		01/01/2009 VND
Investment in Subsidiary	1,650,000,000	(a)	1,650,000,000
Investment in Associated companies	3,360,000,000	(b)	1,440,000,000
Other long-term investment	2,167,850,000		1,155,000,000
- Government bonds	10,000,000		10,000,000
- Phu Nhuan Economic Development Joint-Stock Company (10% of charter capital)	1,145,000,000		1,145,000,000
- Shares of Vietinbank	1,012,850,000		-
Total	7,177,850,000		4,245,000,000
Provision for devaluation of long- term investment	(412,500,000)	(c)	

(a) This is the invested amount in HPT Link Corporation to hold 55% of its charter capital. Up to 31 December 2009, the Company has fully contributed its part in HPT Link Corporation. The subsidiary's principal activities are: producing broadcast machine, electric equipments, providing software.

(b) This is the invested amount in Tong Yang High Technology Company to hold 30 % of its charter capital. Up to 31 December 2009, the Company had contributed 3.36 billion VND, remaining capital to contribute is 1.44 billion VND.

(c) This is the provision for devaluation of the investment in the subsidiary which its operation begin to come down. At December 2009, the accumulated loss in the subsidiary's financial statement equals to 59.48% of contributed capital and the Company should provide a provision of VND 981,420,000; the difference amount of provision valued at VND 568,920,000 has yet made.

5.9 Long-term prepaid expense

	years to allocate	31/12/2009 VND	01/01/2009 VND
Training, technology science research expenses	2 years	435,562,330	418,763,217
Office repair expenses	3 years	548,977,318	1,132,149,566
Tools and equipments deferred expenses	3 years	682,673,518	1,193,898,167
Total		1,667,213,166	2,744,810,950

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

5.10 Other long – term assets

	31/12/2009 VND	01/01/2009 VND
Long – term deposits		
- Rental prepaid expenses	312,781,520	573,181,520
- Other	254,416,409	324,804,503
Total	567,197,929	897,986,023

5.11 Short – term borrowings and liabilities

	31/12/2009 VND		01/01/2009 VND
Short-term borrowings	134,621,492,325	(1)	71,119,209,356
Current portion of long-term borrowings	234,000,000	(2)	2,550,000,000
Total	134,855,492,325		73,669,209,356

(1) Details of short-term borrowings :

	31/12/2009 VND		01/01/2009 VND
Short-term borrowings in bank	130,444,285,254		69,707,402,729
- VND	83,033,021,533	(a)	20,490,423,622
- USD	47,411,263,721	(b)	49,216,979,107
Individual short-term borrowings	4,177,207,071		1,411,806,627
- VND	3,544,550,000	(c)	481,782,400
- USD	632,657,071	(d)	930,024,227
Total	134,621,492,325		71,119,209,356

(a) Short-term borrowings in VND comprised :

Bank	Term of a loan	Rate of Interest	Pledged assets	Balance 31/12/2009
Vietnam International Bank (VIB)	Not exceeding the time limit of 8 months per a loan agreement	Capital transferring interest of 3 months in VND of VIB + interest-rate margin	Apartment at Phu My Hung, properties at Tan Binh, term deposit in VCB bank	55,484,352,128
Bank for Investment and Development of Vietnam (BDIV) – Ho Chi Minh branch	4 - 5 months	10.5% - 12%/year	Deposit account at banks	11,285,951,099
An Binh Joint Stock Commercial Bank	4 months	10.5%/year	Goods, account receivables	4,861,963,506
HSBC Bank	3 months	12%/year	Deposit account at HSBC bank	7,392,000,000
Saigon – Hanoi Joint Stock Commercial Bank	7 months	10.5%/year	Rights on liabilities of agreement No. 091021 HPT-SHB dated 21/10/2009	4,008,754,800
				83,033,021,533

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

5.11 Short – term borrowings and liabilities (continued)

(b) Short-term borrowings in USD comprised :

Bank	Term of loans	Rate	Pledged assets	Balance 31/12/2009	
				USD	Equivalent to VND
Vietnam International Bank (VIB)		Capital transferring interest of 3 months in USD of VIB + interest-rate margin	Apartment at Phu My Hung, properties at Tan Binh, term deposit in VCB bank	431,587	7,743,102,368
(BIDV) – Ho Chi Minh branch	5 months	5% - 6%/year	Deposit account at banks	705,562	12,658,487,842
HSBC Bank	3 months	4.1% - 8.5%/year	Deposit account at HSBC bank	205,472	3,686,373,511
Saigon – Hanoi Joint Stock Commercial Bank	7 months	6.8%/year	Rights on liabilities of agreement No. 091021 HPT-SHB dated 21/10/2009	1,300,000	23,323,300,000
				2,642,621	47,411,263,721

(c) Individual short-term borrowings with terms of 3 – 12 months at interest rate 10%/year to meet the working capital.

(d) Individual short-term borrowings with terms of 3 – 12 months at interest rate from 4% to 6%/year to meet the working capital.

(2) See notes No 5.15 Long-term borrowings and liabilities

5.12 Taxes and obligations to the State

	31/12/2009	01/01/2009
	VND	VND
VAT	2,850,486,323	2,741,994,280
Import– Export tax	888,234,793	-
Corporate income tax	3,107,071,355	1,685,287,463
Personal income tax	340,014,987	700,496,364
Others	54,156,113	-
	7,239,963,571	5,127,778,107

5.13 Short-term payables

	31/12/2009	01/01/2009
	VND	VND
Trade payables	74,711,482,715 (*)	21,775,360,213
Advance from customer	9,031,058,024	1,477,295,718
Payable to employees	4,000,432,313	2,000,432,313
Accruals expenses	519,291,721	3,353,423,774
	88,262,264,773	28,606,512,018

(*) In which:

	31/12/2009	
	USD	Equivalent to VND
Trade payables - VND		34,956,630,809
- USD	2,215,866,00	39,754,851,906
		74,711,482,715

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

5.14 Other short-term payables

	31/12/2009	01/01/2009
	VND	VND
Trade union fee	41,900,000	-
Individual borrowing interest payables	85,174,963	51,580,167
Others	153,340,260	-
Total	280,415,223	51,580,167

5.15 Long – term borrowings and liabilities

	31/12/2009	01/01/2009
	VND	VND
Long-term borrowings BIDV	459,000,000	29,500,000,000
Long-term borrowings VIB	50,000,000	200,000,000
	509,000,000 (a)	29,700,000,000
(Less) Current portion of long-term borrowing in 2009		
- Long-term borrowing-BIDV	(184,000,000)	(2,400,000,000)
- Medium-term borrowing-VIB	(50,000,000)	(150,000,000)
	(234,000,000)	(2,550,000,000)
Net book value		
Long-term borrowing-BIDV	275,000,000	27,100,000,000
Medium-term borrowing-VIB	-	50,000,000
	275,000,000	27,150,000,000
Convertible bond	21,416,440,000 (b)	33,660,550,000
Total	21,691,440,000	60,810,550,000

(a) Long-term borrowings in VND comprised :

Bank	Term of loans	Rate	Pledged assets	Balance 31/12/2009 VND
VIB	36 months	1.05%/ month	Assets taken from loan	50,000,000
BIDV – Ho Chi Minh branch	36 months	rate of individual saving account in 12 months interest at maturity date + 3.2%/year	Assets taken from loan	459,000,000
				509,000,000

(b) This is value of 2,141,644 convertible bonds which were issued according to Chairman decision dated 9 November 2007. The par value is 10,000 VND, interest rate is 10%/year and paid at December 31 annually.

Bonds are only issued for existing shareholders and employees of the Company. The purpose of this issuing is used for mobilizing capital for constructing building office. Bonds will be transfer to stock at ratios 1:1 on January 2010

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

5.16 Owner's equity*a) Comparison schedule for changes in owner's equity*

	Paid in capital	Surplus	Treasury stock	Foreign Exchange Difference	Investment & development fund	Financial reserve fund	Bonus and welfare fund	Undistributed profit	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Previous year beginning balance	36,000,000,000	139,500,000	(730,500,000)	-	342,240,000	89,538,370	235,324,332	5,030,913,448	41,107,016,150
Previous year capital increases	-	-	-	-	-	-	-	-	-
Transferred to increase capital	-	-	-	-	-	-	-	-	-
Previous year profit	-	-	-	-	-	-	-	9,079,798,278	9,079,798,278
Set up funds	-	-	-	-	-	250,000,000	450,000,000	(700,000,000)	-
Dividend by stock	2,476,550,000	-	-	-	-	-	-	(2,476,550,000)	-
Dividend by cash	-	-	-	-	-	-	-	(3,666,655,500)	(3,666,655,500)
Sold treasury stock	-	-	-	-	-	-	-	-	-
Other increase/(decrease)	-	-	-	-	-	-	(677,181,798)	-	(677,181,798)
Previous year ending balance	38,476,550,000	139,500,000	(730,500,000)	-	342,240,000	339,538,370	8,142,534	7,267,506,226	45,842,977,130
Current year beginning balance	38,476,550,000	139,500,000	(730,500,000)	-	342,240,000	339,538,370	8,142,534	7,267,506,226	45,842,977,130
Current year profit	-	-	-	-	-	-	-	20,512,084,291	20,512,084,291
Set up funds	-	-	-	-	411,000,000	411,000,000	1,643,900,000	(2,465,900,000)	-
Foreign exchange difference due to revaluation ending balances	-	-	-	(1,107,200,737)	-	-	-	-	(1,107,200,737)
Dividend by cash	-	-	-	-	-	-	-	(10,996,785,501)	(10,996,785,501)
Dividend by stock	-	-	-	-	-	-	(1,359,307,211)	(380,883,811)	(1,740,191,022)
Other increase/(decrease)	-	-	-	-	-	-	-	-	-
Current year ending balance	38,476,550,000	139,500,000	(730,500,000)	(1,107,200,737)	753,240,000	750,538,370	292,735,323	13,936,021,205	52,510,884,161

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

b) Detail of owner's equity

According to the business certification of registration No 4203002304, amended at the sixth time dated 18 November 2009, the chartered capital of the Company is 38,476,550,000 VND.

c) Capital transactions with owners and distribution of dividends,

	Current year VND	Previous year VND
Contributed capital		
- Beginning balance	38,476,550,000	36,000,000,000
- Increased	-	2,476,550,000
- Decreased	-	-
- Ending balance	38,476,550,000	38,476,550,000
Dividend paid	(10,996,785,501)	(6,143,205,500)

d) Shares

	31/12/2009	01/01/2009
Authorized shares	3,847,655	3,600,000
Issued	3,847,655	3,600,000
Purchased shares	55,660	55,660
Outstanding shares	3,791,995	3,544,340
- Common stock	3,791,995	3,544,340
- Preferred stock	-	-
The par value of common stock (VND)	10,000	10,000

6 SUPPLEMENTAL INFORMATIONS TO ITEMS SHOWN ON INCOME STATEMENT**6.1 Revenue**

	Current year VND	Previous year VND
Revenue	703,997,546,318	459,952,455,760
Minus: deductions from revenue	(2,071,258,519)	(8,992,434,601)
Net sales	701,926,287,799	450,960,021,159

6.2 Financial income

	Current year VND	Previous year VND
Bank interest	1,005,045,929	315,941,287
Dividend received	-	4,873,068
Foreign exchange gain	3,068,751,577	3,212,659,044
Total	4,073,797,506	3,533,473,399

6.3 Financial expenses

	Current year VND	Previous year VND
Interest expenses	9,715,643,867	9,408,501,462
Foreign exchange loss	5,825,323,276	4,297,962,945
Provision for decline value of stocks	329,206,400	83,293,600
Other	75,298,999	9,165
Total	15,945,472,542	13,789,767,172

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

6.4 Selling expenses

	Current year VND	Previous year VND
Employees	23,051,779,653	24,271,654,465
Depreciation	1,826,153,246	2,376,881,634
Tools	1,133,161,630	1,117,827,322
Transportation	405,887,005	413,179,197
Warranty	500,185,864	298,429,663
Advertisement	4,462,407,305	1,795,643,174
Others	7,202,293,167	8,654,500,494
Total	38,581,867,870	38,928,115,949

6.5 General and administration expenses

	Current year VND	Previous year VND
Employees	9,791,896,625	6,893,098,301
Tools, stationery	1,105,170,916	845,184,746
Depreciation	875,732,726	1,262,795,187
Provision expense	31,634,150	-
Charges, fees	3,910,343,194	1,857,320,758
Others	3,814,603,186	4,006,390,038
Total	19,529,380,797	14,864,789,030

6.6 Other incomes

	Current year VND	Previous year VND
Amount received from the liquidation of the right of land-use at No, 205 A Hoàng Văn Thụ, Phú Nhuận district	65,000,000,000	-
Rewards received from suppliers	1,430,261,113	2,294,912,740
Amount received from disposal fixed assets	193,454,544	-
Others	195,433,283	725,315,913
Total	66,819,148,940	3,020,228,653

6.7 Other expenses

	Current year VND	Previous year VND
Fees related to liquidation of the right of land use	56,974,137,294	-
Net book value of fixed assets on disposal	289,015,832	-
Penalty	263,642,850	519,506,159
Others	578,172,598	23,756,493
Total	58,104,968,574	543,262,652

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

6.8 Current corporate income tax expense

	Current year	Previous year
	VND	VND
Profit before tax	24,863,132,474	11,607,683,641
Taxable income	24,863,132,474	11,607,683,641
Income tax rate	25%	28%
- Common income tax rate – 28%	6,215,783,119	3,250,151,419
- Decreased 30% CIT	(1,864,734,936)	(722,266,056)
Current income tax payable	4,351,048,183	2,527,885,363

6.9 Earning per share

	Current year	Previous year
	VND	VND
Accounting profit after tax	20,512,084,291	9,079,798,278
Profit or loss allocated to common stockholders	20,512,084,291	9,079,798,278
Weighted average of outstanding common share	3,791,995	3,791,995
Earning per share	5,409	2,394

Chief accountant

NGUYEN THI HONG HAI

Ho Chi Minh City, 19 March 2010

General Director**NGO VI DONG**