

HPT VIETNAM CORPORATION

**Audited Financial Statements
For the year ended 31 December 2010**



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HPT VIETNAM CORPORATION
REPORT OF THE BOARD OF DIRECTORS

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 2010.

1. General information

HPT Vietnam Corporation (the Company) is a joint - stock company established in Vietnam, and operated per the Certificate of Business Registration No. 4103002304 dated May 11, 2004 issued the first time by the Ho Chi Minh's Department of Planning and Investment and No. 0301447426 (the former Business Registered No. 4103002304) amended the 2nd time on 18 December 2010.

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.

2. Principle operation

- Purchasing, selling, providing warranty, maintenance and repairing services for IT products;
- Purchasing, selling software, IT products;
- Consulting and designing network systems;
- Building projects, organizing project implementation, installing PC and network systems;
- Providing application software and developing software;
- Training.

3. The Board of Directors and the Board of Management

The members of the Board of Directors and the Management during the year 2010 and at the date of this report are:

The Board of Directors

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

The Board of Management

Mr.	Dinh Ha Duy Linh	General Director (nominated from 01 January 2011, former position is Deputy General Director)
Mr.	Ngo Vi Dong	General Director (resigned from 01 January 2011)
Mrs.	Dinh Ha Duy Trinh	Deputy General Director (resigned from 01 January 2011)

4. Operation results

The Company's financial position and results of its operation for the year ended 31 December 2010 are presented in the accompanying financial statements.

5. Events since the balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

HPT VIETNAM CORPORATION
REPORT OF THE BOARD OF DIRECTORS

6. Independent auditors

BDO Viet Nam Co., Ltd. has been appointed to perform the audit of the Company's financial statements for the year ended 31 December 2010.

7. 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 2010 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Establish, implement and maintain internal control system to prevent and detect frauds and errors.

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

The Management is responsible for ensuring that the proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the Vietnamese Accounting Standards and Vietnamese Accounting System and relevant statutory requirements.

8. The approval of the financial statements

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2010 and the results of its operations, its cash flows and the notes to the financial statements for the year then ended.



On behalf of the Board of Directors

Mr. NGO VI DONG
Chairman

Ho Chi Minh City, 31 March 2011

No : 00047HCM/084.10

REPORT OF INDEPENDENT AUDITORS**To : Members of the Board of Directors
Members of the Board of Management**

We have audited the accompanying financial statements of HPT Vietnam Corporation (the Company) which comprise the balance sheet as at 31 December 2010, and the income statement, cash flow statement and notes to the financial statements for the year then ended as set out on pages 4 to 24.


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, the accompanying financial statements give a true and fair view of the financial position as at 31 December 2010, the results of its operations and its cash flows for the year then ended of HPT Vietnam Corporation in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and comply with relevant statutory requirements.


NGUYEN THI THANH
Deputy General Director
Certificate No. 0185/KTV**BDO VIETNAM CO., LTD.**

Ho Chi Minh City, 31 March 2011


NGUYEN THI THUY NGA
Auditor
Certificate No. 0428/KTV

BALANCE SHEET

As at 31 December 2010

	Code	Note	31/12/2010 VND	01/01/2010 VND
ASSETS				
CURRENT ASSETS	100		336,570,578,453	291,891,462,473
Cash and cash equivalents	110	4.1	19,412,052,159	28,347,178,728
Cash	111		19,412,052,159	8,347,178,728
Cash equivalents	112		-	20,000,000,000
Short-term investments	120		2,000,000	2,000,000
Short-term investments	121		2,000,000	2,000,000
Provision for the diminution in value	129		-	-
Accounts receivable	130		302,305,851,784	229,066,274,330
Trade receivables	131	4.2	295,595,177,881	204,423,176,119
Advances to supplies	132	4.3	6,739,310,053	24,674,732,361
Intercompany receivable	133		-	-
Construction contract receivables based on progress billings	134		-	-
Other receivables	135		2,998,000	-
Provision for doubtful debts	139	4.2	(31,634,150)	(31,634,150)
Inventories	140	4.4	12,507,792,381	27,645,787,341
Inventories	141		12,507,792,381	27,645,787,341
Provision for decline inventories	149		-	-
Other current assets	150	4.5	2,342,882,129	6,830,222,074
Prepaid expenses	151		307,934,072	253,669,135
Value added tax deductibles	152		664,374,684	1,108,405,689
Taxes receivable	154		-	-
Repo transactions in government bonds	157		-	-
Other current assets	158		1,370,573,373	5,468,147,250

BALANCE SHEET

As at 31 December 2010

	Code	Note	31/12/2010 VND	01/01/2010 VND
ASSETS				
NON-CURRENT ASSETS	200		13,198,887,367	12,948,997,580
Long-term receivables	210		-	-
Long-term trade receivables	211		-	-
Investment in equity of subsidiaries	212		-	-
Long-term intercompany receivables	213		-	-
Other long-term receivables	218		-	-
Provision for doubtful LT receivables	219		-	-
Fixed assets	220		3,709,164,545	3,949,266,485
Tangible fixed assets	221	4.6	3,282,782,514	3,558,640,928
Cost	222		15,373,173,018	13,712,134,817
Accumulated depreciation	223		(12,090,390,504)	(10,153,493,889)
Finance leasehold assets	224		-	-
Cost	225		-	-
Accumulated depreciation	226		-	-
Intangible fixed assets	227	4.7	426,382,031	390,625,557
Cost	228		1,776,861,758	1,476,546,658
Accumulated amortisation	229		(1,350,479,727)	(1,085,921,101)
Construction in progress	230		-	-
Investment Property	240		-	-
Cost	241		-	-
Accumulated depreciation	242		-	-
Long-term financial investments	250	4.8	7,402,850,000	6,765,350,000
Investment in subsidiary company	251		-	1,650,000,000
Investment in associates and JV	252		4,800,000,000	3,360,000,000
Other long-term investments	258		2,602,850,000	2,167,850,000
Provision for decline in LT investments	259		-	(412,500,000)
Other long-term assets	260		2,086,872,822	2,234,381,095
Long-term prepaid expenses	261	4.9	1,585,126,435	1,667,213,166
Deferred income tax assets	262		-	-
Other long-term assets	268	4.10	501,746,387	567,167,929
TOTAL ASSETS	270		349,769,465,820	304,840,460,053

BALANCE SHEET

As at 31 December 2010

	Code	Note	31/12/2010 VND	01/01/2010 VND
RESOURCES				
LIABILITIES	300		266,224,152,503	252,622,311,215
Current liabilities	310		266,133,152,503	230,930,871,215
Short-term loan and liabilities	311	4.11	151,846,885,222	134,855,492,325
Trade payables	312	4.12	79,249,806,389	74,711,482,715
Advance from customers	313		2,091,342,865	9,031,058,024
Tax and payable to the State	314	4.13	12,552,699,486	7,239,963,571
Payable to employees	315	4.14	6,500,000,000	4,000,432,313
Accrued expenses payable	316	4.14	8,448,380,114	519,291,721
Payable to Intercompany	317		-	-
Construction contract payables based on agreed progress billings	318		-	-
Other payables	319	4.14	4,042,084,222	280,415,223
Current contingent expense payables	320		-	-
Bonus and welfare funds	323	4.15	1,401,954,205	292,735,323
Repo transactions in government bonds	327		-	-
Long-term liabilities	330		91,000,000	21,691,440,000
Long-term trade payables	331		-	-
Long-term payable to intercompany	332		-	-
Other long-term payables	333		-	-
Long-term borrowings and liabilities	334	4.16	91,000,000	21,691,440,000
Deferred income tax liabilities	335		-	-
Unemployment fund	336		-	-
Long-term contingent exp. payables	337		-	-
Unrealised revenues	338		-	-
Development science and tech. fund	339		-	-
OWNERS' EQUITY	400		83,545,313,317	52,218,148,838
Capital	410	4.17	83,545,313,317	52,218,148,838
Owners' invested equity	411		59,892,990,000	38,476,550,000
Surplus of stock capital	412		139,500,000	139,500,000
Other capital	413		-	-
Treasury stocks	414		(2,155,280,020)	(730,500,000)
Difference on assets revaluation	415		-	-
Foreign exchange differences	416		(255,011,816)	(1,107,200,737)
Development investment fund	417		753,240,000	753,240,000
Financial reserve fund	418		1,689,332,370	750,538,370
Other funds belonging to owners' equity	419		-	-
Retained earnings	420		23,480,542,783	13,936,021,205
Funds for construction investment	421		-	-
Enterprise reorganisation support fund	422		-	-
Other capital, funds	430		-	-
Subsidized funds	432		-	-
Funds invested in fixed assets	433		-	-
TOTAL RESOURCES	440		349,769,465,820	304,840,460,053

BALANCE SHEET

As at 31 December 2010

OFF BALANCE SHEET ITEMS	Note	31/12/2010	01/01/2010
Operating lease assets		-	-
Goods held under trust or for processing		-	-
Goods received on consignment for sale		-	-
Bad debts written off (VND)		47,894,173	47,894,173
Foreign currencies (USD)	4.1	2,298.83	8,728.27
Forecast operating expenses		-	-



NGUYEN THI HONG HAI
Chief Accountant



DINH HA DUY LINH
General Director
Ho Chi Minh City, 31 March 2011

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INCOME STATEMENT

For the year ended 31 December 2010

	Code	Note	2010 VND	2009 VND
Sales of goods and services	01		801,347,233,894	703,997,546,318
Less deduction	02		379,367,519	2,071,258,519
Net sales	10	5.1	800,967,866,375	701,926,287,799
Cost of sales	11		689,964,308,670	615,794,411,988
Gross profit/(loss)	20		111,003,557,705	86,131,875,811
Financial income	21	5.2	5,419,039,159	4,073,797,506
Financial expenses	22	5.3	23,022,321,566	15,945,472,542
<i>In which : Interest expenses</i>	23		16,271,300,591	9,715,643,867
Selling expenses	24	5.4	40,653,489,324	38,581,867,870
General and administration expenses	25	5.5	26,681,004,121	19,529,380,797
Operating profit/(loss)	30		26,065,781,853	16,148,952,108
Other income	31	5.6	6,057,610,435	66,819,148,940
Other expenses	32	5.7	280,883,032	58,104,968,574
Other profit/(loss)	40		5,776,727,403	8,714,180,366
Profit/(loss) before tax	50		31,842,509,256	24,863,132,474
Current corporate income tax expense	51	5.8	7,792,628,562	4,351,048,183
Deferred corporate income tax expense	52		-	-
Net profit/(loss) after tax	60		24,049,880,694	20,512,084,291
Earning per share	70	5.9	4,061	5,409

NGUYEN THI HONG HAI
Chief Accountant




DINH HA DUY LINH
General Director
Ho Chi Minh City, 31 March 2011

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CASH FLOW STATEMENT

For the year ended 31 December 2010

	Code	2010 VND	2009 VND
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	01	31,842,509,256	24,863,132,474
<i>Adjustments for :</i>			
Depreciation and amortisation	02	2,201,455,241	2,701,885,972
Provisions	03	-	360,840,550
Profits/(losses) from investing activities	05	374,603,808	(909,484,641)
Interest expense	06	16,271,300,591	9,715,643,867
Operating Income before changes in working capital	08	50,689,868,896	36,732,018,222
(Increase)/decrease in receivables	09	(65,927,150,287)	(116,592,977,715)
(Increase)/decrease in inventories	10	15,137,994,960	36,106,366,153
Increase/(decrease) in payables	11	15,205,000,838	61,626,673,355
(Increase)/decrease in prepaid expenses	12	27,821,794	1,157,545,299
Interest paid	13	(15,318,992,841)	(9,715,643,867)
Corporate income tax paid	14	(7,788,318,296)	(3,196,942,127)
Other cash outflow from operating activities	16	(3,584,750,118)	(1,740,191,022)
Net cash flow from operating activities	20	(11,558,525,054)	4,376,848,298
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets and other long term assets	21	(1,961,353,301)	(1,670,279,381)
Proceed from disposal of FA and other LT assets	22	-	193,454,544
Payment for loan, purchase of debt instrument	23	-	(891,056,400)
Proceeds from loans, sale of debt instrument	24	10,000,000	-
Investment in other entities	25	(3,030,000,000)	(1,920,000,000)
Proceeds from investment in other entities	26	1,069,185,045	-
Interest and dividends received	27	938,711,147	1,005,045,929
Net cash flow from investing activities	30	(2,973,457,109)	(3,282,835,308)
CASH FLOW FROM FINANCIAL ACTIVITIES			
Proceeds from capital contribution	31	-	-
Payment of capital to owners	32	(1,424,780,020)	-
Proceeds from loans	33	512,042,750,966	344,268,088,085
Repayments of loans	34	(496,168,558,629)	(321,895,667,200)
Dividends paid	36	(8,854,208,500)	(10,996,785,501)
Net cash flow from financing activities	40	5,595,203,817	11,375,635,384
Net increase/decrease in cash	50	(8,936,778,346)	12,469,648,374
Cash and cash equivalents at beginning of year	60	28,347,178,728	15,870,175,069
Impact of exchange rate fluctuation	61	1,651,777	7,355,285
Cash and cash equivalents at the end of year	70	28,412,052,159	28,347,178,728


 NGUYEN THI HONG HAI
 Chief Accountant



DINH HA DUY LINH
 General Director
 Ho Chi Minh City, 31 March 2011

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

HPT Vietnam Corporation (the Company) is a joint - stock company established in Vietnam and operated per the Certificate of Business Registration No. 4103002304 dated May 11, 2004 issued the first time by the Ho Chi Minh's Department of Planning and Investment No. 0301447426 (new Business Registered Number) amended the 2nd time on 18 December 2010.

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.

The Company has branches as follows:

- Ha Noi Branch: 123 Xa Dan Street, Phuong Lien ward, Dong Da district, Ha Noi City
- HPT Intergrated System at 62 Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City.
- HPT Software Development Center (HPT soft) at 139 Pasteur, District 3, Ho Chi Minh City.
- HPT Warranty Center at 62 Nguyen Van Troi Street, Phu Nhuan District, Ho Chi Minh City.

In 2010, main activities of the Company are:

- Purchasing, selling, providing warranty, maintenance and repairing services for IT products ;
- Purchasing, selling software, IT products;
- Consulting and designing network systems ;
- Building projects, organizing project implementation, installing PC and network systems.
- Providing application software and developing software.
- Training.

As at 31 December 2010, the Company has 272 employees, (in 2009 : 280 employees), including 16 managers.

2. BASIS FOR PREPARATION

Financial statements, expressed in Vietnam Dong, are prepared in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System.

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.

The financial year of the Company is from 1 January to 31 December.

The Company maintains its accounting records in Vietnam dong ("VND").

The applicable accounting documentation system is the General Journal System.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 Cash and cash equivalents**

Cash include cash on hand, cash in banks and cash in transit. Cash equivalents are the short-term highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Foreign currency transactions

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

At year-end, cash and cash equivalents, account receivables, account payables denominated in foreign currency will be revaluated at the rate of the dealing bank at that day. 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.
- 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.

The Management applied the instruction of the circular No. 201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance to present the foreign exchange difference from the revaluation.

3.3 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

3.4 Inventories

Inventories are presented at original cost less provision for decline in value of inventories 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 method and cost applies first in first out basis.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values at the yearend. Increase of decrease of provision is recorded in cost of goods sold in the fiscal year.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Original cost of tangible fixed assets comprises purchase price and related costs of bringing the assets to its working condition. Expenditure for purchase, upgrade and renewals are capitalized, expenditure for maintenance and repairs are charged to the income statement.

When assets are sold, original cost and accumulate depreciation are written-off in financial statements. Any gain or losses from disposal are recognized in the income statement.

Depreciation of fixed assets which is provided on a straight-line basis over the estimated useful life of these assets is as follows:

Machinery and equipments	5 - 8 years
Transportation	6 years
Office equipment	3 years

3.6 Intangible fixed assets

Software is recognized as intangible fixed assets and amortized on a straight-line basis from 3 to 8 years.

3.7 Long-term prepaid expense.

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

3.8 Investments

Short-term investments are recognized according to original cost.

Provision for the decline of short-term investment is made when market value is lower than net book value.

Investment in subsidiary, associated company and other long-term investment which are presented in financial statements applied original price method.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

3.9 Borrowing costs

Borrowing costs are recognized as an expense during the year in which they are incurred.

3.10 Revenue

Revenue from sale of goods and rendering of services are recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods

3.11 Corporate income tax (CIT)

Corporate income tax for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous year.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amounts of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

4. ADDITIONAL INFORMATION TO ITEMS IN THE BALANCE SHEET**4.1 Cash and cash equivalents**

	31/12/2010 VND	01/01/2010 VND
Cash on hand	217,742,844	827,040,700
Cash in bank	19,194,309,315	7,520,138,028
Term deposit in bank (less than 3 months)	-	20,000,000,000
	<u>19,412,052,159</u>	<u>28,347,178,728</u>

As at 31 December 2010, the balance of cash in bank nominated in foreign currency is USD 2,298.83 equivalents to VND 44,827,185.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

4.2 Trade receivables

	31/12/2010 VND	01/01/2010 VND
Trade receivable - third party	295,595,177,881	204,423,176,119
Provision for doubtful debts	(31,634,150)	(31,634,150)
	<u>295,563,543,731</u>	<u>204,391,541,969</u>

4.3 Advances to suppliers

	31/12/2010 VND	01/01/2010 VND
Advances to suppliers - third party	6,739,310,053	24,674,732,361
	<u>6,739,310,053</u>	<u>24,674,732,361</u>

4.4 Inventories

	31/12/2010 VND	01/01/2010 VND
Spare part, equipment	3,298,316,894	9,673,846,532
Direct expenses related to setting process or supplying services	9,209,475,487	17,971,940,809
	<u>12,507,792,381</u>	<u>27,645,787,341</u>

4.5 Other current assets

	31/12/2010 VND	01/01/2010 VND
Short-term prepaid expenses	307,934,072	253,669,135
- Office rental	195,093,000	177,918,200
- Other deferred expenses	112,841,072	75,750,935
VAT deductible	664,374,684	1,108,405,689
Other current assets	1,370,573,373	5,468,147,250
- Advance to employees	1,116,467,840	394,434,742
- Short-term deposits	254,105,533	5,073,712,508
	<u>2,342,882,129</u>	<u>6,830,222,074</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

4.6 Increase / decrease of tangible fixed assets

	Machinery, equipment VND	Means of transport VND	Office equipments VND	Total VND
Cost				
As at 01/01/2010	11,383,118,810	2,115,471,521	213,544,486	13,712,134,817
Increase in the year	1,070,895,997	-	590,142,204	1,661,038,201
Reclassification	25,296,259	-	(25,296,259)	-
As at 31/12/2010	12,479,311,066	2,115,471,521	778,390,431	15,373,173,018
Accumulated depreciation				
As at 01/01/2010	9,147,274,494	828,780,679	177,438,716	10,153,493,889
Depreciation in the year	1,506,261,213	352,578,587	78,056,815	1,936,896,615
Reclassification	25,296,259	-	(25,296,259)	-
As at 31/12/2010	10,678,831,966	1,181,359,266	230,199,272	12,090,390,504
Net book value				
As at 01/01/2010	2,235,844,316	1,286,690,842	36,105,770	3,558,640,928
As at 31/12/2010	1,800,479,100	934,112,255	548,191,159	3,282,782,514

As at 31 December 2010, cost of fixed assets which are fully depreciated is VND 9,280,506,352.

As at 31 December 2010, net book value of the car Toyota Camry which is mortgaged to guarantee for medium term borrowing from bank is VND 598,189,625.

4.7 Increase / decrease of intangible fixed assets

	Software VND
Cost	
As at 01/01/2010	1,476,546,658
Increase in the year	300,315,100
As at 31/12/2010	1,776,861,758
Accumulated amortization	
As at 01/01/2010	1,085,921,101
Amortization in the year	264,558,626
As at 31/12/2010	1,350,479,727
Net book value	
As at 01/01/2010	390,625,557
As at 31/12/2010	426,382,031

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

4.8 Long-term investments

		31/12/2010 VND	01/01/2010 VND
Investment in subsidiary	(a)	-	1,650,000,000
Investment in associated company	(b)	4,800,000,000	3,360,000,000
Other long-term investments		2,602,850,000	2,167,850,000
- Government bonds		-	10,000,000
- Contributed capital in Phu Nhuan Economic Development Joint-Stock Company		-	1,145,000,000
- Shares of Vietinbank	(c)	1,152,850,000	1,012,850,000
- Buying 50,000 shares of Maseca, par value at 10,000 VND/share		1,450,000,000	-
		<u>7,402,850,000</u>	<u>7,177,850,000</u>
Provision for decline in long-term investment		-	(412,500,000)
		<u>7,402,850,000</u>	<u>6,765,350,000</u>

(a) This is the invested amount in HPT Link Corporation to hold 55% of its charter capital. In the year 2010, HPT Link Corporation has been dissolved and has already accomplished the procedure of closing of its tax code on 8 November 2010.

(b) This is the invested amount in Tong Yang High Technology Company to hold 30 % of its charter capital. Up to 31 December 2010, the Company has fully contributed its part in Tong Yang High Technology Company with the amount of VND 4.8 billion.

(c) Besides 50,000 shares of Vietinbank bought in 2009, in 2010, the Company has bought 14,000 shares and received from Vietinbank 3,415 bonus shares. As at 31 December 2010, 67,415 shares is the total amount of shares of Vietinbank owned by the Company, with the total invested amount of VND 1,152,850,000.

4.9 Long-term prepaid expenses

	Years to allocate	31/12/2010 VND	01/01/2010 VND
Training, technology science research expenses	2 years	728,205,003	435,562,330
Office repair expenses	3 years	334,443,827	548,977,318
Tools and equipments deferred expenses	3 years	522,477,605	682,673,518
		<u>1,585,126,435</u>	<u>1,667,213,166</u>

4.10 Other long-term assets

	31/12/2010 VND	01/01/2010 VND
Long-term deposit :		
- office rental	312,781,520	312,781,520
- others	188,964,867	254,386,409
	<u>501,746,387</u>	<u>567,167,929</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

4.11 Short-term loans and current portion of long-term borrowings

		31/12/2010 VND	01/01/2010 VND
Short-term loans from bank in VND	(a)	53,640,945,867	83,033,021,533
Short-term loans from bank in USD	(b)	72,258,066,855	47,411,263,721
Individual short-term loans in VND	(c)	25,045,005,000	3,544,550,000
Individual short-term loans in USD	(d)	718,867,500	632,657,071
Total short-term loans		151,662,885,222	134,621,492,325
Current portion of long-term borrowings (notes 4.6)		184,000,000	234,000,000
		151,846,885,222	134,855,492,325

(a) Short-term loans from bank in VND

Bank	Term of a loan	Rate of Interest	Pledged assets	Balance as at 31/12/2010
Vietnam International Bank (VIB)	Not exceeding 6 months per loan agreement	Capital transferring interest of 3 months in VND of VIB + interest-rate margin	Individual assets of Mrs. Han Nguyen Thu Huong, member of the BOD	45,008,724,845
Bank for Investment and Development of Vietnam (BDIV) - Ho Chi Minh branch	4 - 5 months	13% - 16.5%/year	Deposit account at banks	6,937,725,677
An Binh Joint Stock Commercial Bank	1 year	17.5%/year	Goods, account receivables	1,694,495,345
				53,640,945,867

(b) Short-term loans from bank in USD:

Bank	Term of loans	Rate of Interest	Pledged assets	USD	Balance 31/12/2010 Equivalent to VND
VIB	Not exceed 6 months per loan agreement	Capital transferring interest of 3 months in VND of VIB + interest-rate margin	Individual assets of Mrs. Han Nguyen Thu Huong, member of the BOD	1,476,652.43	28,794,722,385
BIDV - Ho Chi Minh branch	5 month	5.7% - 6.5%/year	Deposit account at banks	950,565.55	18,536,028,225
An Binh Joint Stock Commercial Bank	1 year	7%/year	Goods, account receivables	1,239,376.61	24,167,843,895
HSBC	3 months	4.1% - 8.5%/year		38,947.30	759,472,350
				3,705,541.89	72,258,066,855

(c) Individual short-term loans in VND, no mortgaged assets, with the term from 5 to 12 months at the rate from 9.5% to 12%/year to meet the working capital.

(d) Individual short-term loans in VND, no mortgaged assets, with the term of 12 months at the rate from 4% to 6%/year to meet the working capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

4.12 Trade payables

	31/12/2010 VND	01/01/2010 VND
Trade payables - third party	<u>79,249,806,389</u>	<u>74,711,482,715</u>

4.13 Taxes and payables to the State

	31/12/2010 VND	01/01/2010 VND
Value added tax payable	8,327,617,322	2,850,486,323
Import duties	59,374,844	888,234,793
Corporate income tax	3,129,769,236	3,107,071,355
Personal income tax	244,442,474	340,014,987
Withholding tax	791,495,610	54,156,113
	<u>12,552,699,486</u>	<u>7,239,963,571</u>

4.14 Short-term liabilities

	31/12/2010 VND	01/01/2010 VND
Payables to employees	6,500,000,000	4,000,432,313
Accruals	8,448,380,114	519,291,721
<i>Warranty expenses</i>	144,438,864	519,291,721
<i>Deployment expenses</i>	8,303,941,250	-
Other payables	4,042,084,222	280,415,223
<i>Trade union fees</i>	34,400,000	41,900,000
<i>Interest expense (Individual loans)</i>	1,037,482,713	85,174,963
<i>Dividend</i>	220,055,625	-
<i>Borrowing from related personal with no interest rate (note Item 6.1)</i>	2,700,000,000	-
<i>Others</i>	50,145,884	153,340,260
	<u>18,990,464,336</u>	<u>4,800,139,257</u>

4.15 Bonus and welfare funds

	2010 VND	2009 VND
Beginning balance	292,735,323	8,142,534
Increase from profit	4,693,969,000	1,643,900,000
Use during the year	(3,584,750,118)	(1,359,307,211)
Ending balance	<u>1,401,954,205</u>	<u>292,735,323</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

4.16 Long-term borrowings and liabilities

	31/12/2010 VND	01/01/2010 VND
Long-term borrowings from bank	275,000,000	509,000,000
Convertible bonds	-	21,416,440,000
Less : Current portion of long-term borrowings	(184,000,000)	(234,000,000)
	<u>91,000,000</u>	<u>21,691,440,000</u>

This is the amount borrowing from Bank of Investment and Development of Viet Nam (Ho Chi Minh branch - BIDV) in 36 months, with rate equal to rate of individual saving account in 12 months with interest paid at maturity date + 3,2%/year. The car Toyota Camry is the pledged assets.

In 2007, according to the notice from the chairman of the board of directors dated 9 November 2007, the Company have issued 2,141,644 convertible bonds, with par value at 10,000 VND/bond, interest rate at 10%/year paid at 31 December annually. Bonds were issued for shareholders and employees of the Company and have been convertible into shares at ratios 1:1 on January 2010.

HPT VIETNAM CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

4.17 Owners' equity									
4.17.1 Increase / decrease of owners' equity									
	Owners' equity invested equity	Surplus of stock capital	Treasury stock	Foreign exchange differences	Development investment fund	Financial reserve fund	Retained earning	Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Previous year beginning balance (01/01/2009)	38,476,550,000	139,500,000	(730,500,000)	-	342,240,000	339,538,370	7,267,506,226	45,834,834,596	
Previous year profit	-	-	-	-	-	-	20,512,084,291	20,512,084,291	
Contributed funds	-	-	-	-	411,000,000	411,000,000	(822,000,000)	-	
Contributed bonus & welfare fund	-	-	-	-	-	-	(1,643,900,000)	(1,643,900,000)	
Dividend	-	-	-	-	-	-	(10,996,785,501)	(10,996,785,501)	
Other decrease	-	-	-	-	-	-	(380,883,811)	(380,883,811)	
Revaluation ending balances nominated in foreign currency	-	-	-	(1,107,200,737)	-	-	-	(1,107,200,737)	
Previous year ending balances (31/12/2009)	38,476,550,000	139,500,000	(730,500,000)	(1,107,200,737)	753,240,000	750,538,370	13,936,021,205	52,218,148,838	
Current year beginning balances (01/01/2010)	38,476,550,000	139,500,000	(730,500,000)	(1,107,200,737)	753,240,000	750,538,370	13,936,021,205	52,218,148,838	
Increase of owners' equity (note item 4.16)	21,416,440,000	-	-	-	-	-	-	21,416,440,000	
Profit of the year	-	-	-	-	-	-	24,049,880,694	24,049,880,694	
Contributed funds	-	-	-	-	-	938,794,000	(938,794,000)	-	
Contributed bonus & welfare fund	-	-	-	-	-	-	(4,693,969,000)	(4,693,969,000)	
Dividend	-	-	-	-	-	-	(8,854,208,500)	(8,854,208,500)	
Buying treasury stock	-	-	(1,424,780,020)	-	-	-	-	(1,424,780,020)	
Other decrease	-	-	-	-	-	-	(18,387,616)	(18,387,616)	
Reverse of foreign exchange difference	-	-	-	1,107,200,737	-	-	-	1,107,200,737	
Revaluation ending balances nominated in foreign currency	-	-	-	(255,011,816)	-	-	-	(255,011,816)	
Current year ending balances (31/12/2010)	59,892,990,000	139,500,000	(2,155,280,020)	(255,011,816)	753,240,000	1,689,332,370	23,480,542,783	83,545,313,317	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

4.17.2 Owners' invested equity

According to the Certification of registration of Joint-Stock Company No. 0301447426 amended the 2nd time on 18 December 2010 (the former registration No. 4103002304) issued by the Ho Chi Minh City's Department of Planning and Investment, the chartered capital of the Company is VND 59,892,990,000, divided in 5,989,299 shares, at the par value VND 10,000/share.

4.17.3 Capital transactions with owners and dividend

	2010 VND	2009 VND
Owners' invested equity		
Beginning balance	38,476,550,000	38,476,550,000
Increase	21,416,440,000	-
Decrease	-	-
Ending balance	59,892,990,000	38,476,550,000
Less : Treasury stock (at par value)	(1,556,600,000)	(556,600,000)
Owners' invested equity (outstanding shares)	58,336,390,000	37,919,950,000
Dividend paid	8,854,208,500	10,996,785,501

4.17.4 Shares

	31/12/2010	01/01/2010
Authorized shares	5,989,299	3,847,655
Issued shares		
Common shares	5,989,299	3,847,655
Repurchased shares		
Common shares	(155,660)	(55,660)
Outstanding shares		
Common shares	5,833,639	3,791,995
Par value	10,000 VND/share	10,000VND /share

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT**5.1 Revenue**

	2010 VND	2009 VND
Sales of goods and services	801,347,233,894	703,997,546,318
Less deduction	(379,367,519)	(2,071,258,519)
Net sales	800,967,866,375	701,926,287,799

HPT VIETNAM CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2010

5.2 Financial incomes

	2010 VND	2009 VND
Interest income from bank	938,711,147	1,005,045,929
Foreign exchange gains	4,480,328,012	3,068,751,577
	<u>5,419,039,159</u>	<u>4,073,797,506</u>

5.3 Financial expenses

	2010 VND	2009 VND
Interest expense	16,271,300,591	9,715,643,867
Provision for decline in investment	-	329,206,400
Loss from investment in subsidiary	1,221,714,955	-
Loss from selling stocks	91,600,000	-
Foreign exchange loss	5,437,706,020	5,825,323,276
Other	-	75,298,999
	<u>23,022,321,566</u>	<u>15,945,472,542</u>

5.4 Selling expenses

	2010 VND	2009 VND
Employees expense	26,253,190,879	23,051,779,653
Depreciation expense	1,498,222,164	1,826,153,246
Tools expense	837,466,409	1,133,161,630
Transportation fees	426,457,099	405,887,005
Warranty expense	174,540,409	500,185,864
Advertisement expense	4,153,876,248	4,462,407,305
Rental office	4,415,808,156	4,719,223,458
Others	2,893,927,960	2,483,069,709
	<u>40,653,489,324</u>	<u>38,581,867,870</u>

5.5 General and administration expenses

	2010 VND	2009 VND
Employees expense	12,307,021,919	9,791,896,625
Tools, stationery	1,113,727,052	1,105,170,916
Depreciation expense	703,233,077	875,732,726
Provision for doubtful debts	-	31,634,150
Bank charges	1,048,823,281	1,066,779,288
Charges, fees	6,981,325,319	3,910,343,194
Others	4,526,873,473	2,747,823,898
	<u>26,681,004,121</u>	<u>19,529,380,797</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

5.6 Other incomes

	2010 VND	2009 VND
Liquidation of land use rights at No. 205A Hoang Van Thu, District of Phu Nhuan	-	65,000,000,000
Rewards from suppliers	5,970,678,981	1,430,261,113
Disposal fixed assets	-	193,454,544
Others	86,931,454	195,433,283
	<u>6,057,610,435</u>	<u>66,819,148,940</u>

5.7 Other expenses

	2010 VND	2009 VND
Expense of the transaction of liquidation of land use rights	-	56,974,137,294
Net book value of fixed asset on disposal	-	289,015,832
Penalty	263,006,680	263,642,850
Others	17,876,352	578,172,598
	<u>280,883,032</u>	<u>58,104,968,574</u>

5.8 Current corporate income tax (CIT) expense

	2010 VND	2009 VND
Accounting profit before tax	31,842,509,256	24,863,132,474
Adjustments		
Non deducted expenses	72,087,673	-
Foreign exchange difference from revaluation of ending balances of payables	(744,082,682)	-
Taxable profit	<u>31,170,514,247</u>	<u>24,863,132,474</u>
CIT expense	7,792,628,562	6,215,783,119
Reduction 30% of CIT (according to the circular No. 03/2009/TT-BTC)	-	(1,864,734,936)
Current CIT expense	<u>7,792,628,562</u>	<u>4,351,048,183</u>

5.9 Earnings per share

		2010	2009
Accounting profit after tax			
	VND	24,049,880,694	20,512,084,291
Profit allocated to common shareholders	VND	24,049,880,694	20,512,084,291
Weighted average of outstanding shares	share	5,922,481	3,791,995
Earnings per share	VND/share	4,061	5,409

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2010

6. Other information**6.1. Transaction and balances with related parties**

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

The following parties are known as the Company's related parties:

<i>Name</i>	<i>Relation</i>
Ngo Vi Dong	Chairman of the board of directors
Dinh Ha Duy Linh	Member of the board of directors / General Director
Dinh Ha Duy Trinh	Member of the board of directors
Han Nguyen Thu Huong	Member of the board of directors

Significant transactions with related parties during the year were as follows:

<i>Transactions</i>	<i>VND</i>
Lending money without interest	2,700,000,000
Lending money with interest	38,953,000,000
The Company paid borrowing amount	17,270,000,000
Interest expenses	1,316,869,997

As at 31 December 2010, the balances of payable to the related parties are as follows:

<i>Transactions</i>	<i>VND</i>
Lending money without interest	2,700,000,000
Lending money with interest	24,853,000,000
Interest expenses	1,012,370,000

Remunerations for the members of the Board of Management and Directors during the year are as follows:


	<i>VND</i>
Salary and benefits	3,733,624,002
Others	299,716,369
	<u>4,033,340,371</u>

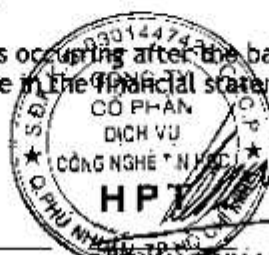
6.2. Non-cash transactions that affect the Cash flows statement

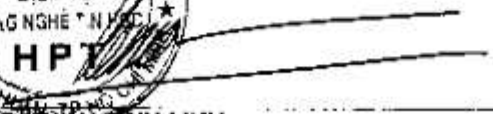
Owners' invested equity increase due to the conversion of the convertible bonds in 2010, with the amount of VND 21,416,440,000.

6.3. Events since the balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.


 NGUYEN THI HONG HAI
 Chief Accountant




 DINH HA DUY LINH
 General Director
 Ho Chi Minh City, 31 March 2011