

**AUDITED FINANCIAL STATEMENTS**

*For the fiscal year ended December 31, 2018*

**HPT VIETNAM CORPORATION**

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## REPORTS OF THE BOARD OF GENERAL DIRECTORS

*For the fiscal year ended December 31, 2018*

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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, 2018.*

### 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 Department of Planning and Investment of Ho Chi Minh City.

**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.

## HPT VIETNAM CORPORATION

### REPORTS OF THE BOARD OF GENERAL DIRECTORS

*For the fiscal year ended December 31, 2018*

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**English name:** HPT VIETNAM CORPORATION

**Short name:** HPT

**Security code:** HPT (UPCOM).

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

#### 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
Mr	Phung Quoc Bao	Chief Accountant (Appointed at April 01, 2018)

##### 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, 2018.



## REPORTS OF THE BOARD OF GENERAL DIRECTORS

*For the fiscal year ended December 31, 2018*

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### 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, 2018 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.

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, 2018, 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, 2018.

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

*Ho Chi Minh City, March 22, 2019*

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



**Chief Executive Officer**





No: B0918337R/AISC-DN3

## CÔNG TY TNHH KIỂM TOÁN VÀ DỊCH VỤ TIN HỌC TP.HCM

Auditing And Informatic Services Company Limited

Head Office: 389 A Dien Bien Phu Str., Ward 4, Dist.3, Ho Chi Minh City

Tel: (84.28) 3832 9129 (10 Lines)

Fax: (84.28) 3834 2957

Email: info@aisc.com.vn

Website: www.aisc.com.vn

To:

### INDEPENDENT AUDITOR'S REPORT

SHAREHOLDERS

BOARD OF MANAGEMENT, 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, 2018, Income Statement, Cash Flow Statement for the year then ended and Notes to the Financial Statements as set out on Page 05 to Page 33, which were prepared on March 22, 2019.

#### 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, 2018 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 22, 2019*

**PP. GENERAL DIRECTOR**

**DEPUTY GENERAL DIRECTOR**



**Trương Diệu Thuý**

*Certificate of Audit Practice Registration*

*No: 0212-2018-005-1*

*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 Street, Minh Khai Ward, Hai Ba Trung Dist.,  
Ha Noi City

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

Representative in Can Tho: P9019 - A 200 Nguyen Hien St., Ninh Kieu Dist., Can Tho City

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**BALANCE SHEET***As at December 31, 2018**Unit: Vietnam dong*

<b>ASSETS</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2018</b>	<b>Jan. 01, 2018</b>
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>293.667.160.702</b>	<b>381.498.050.840</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>37.756.252.938</b>	<b>14.545.689.781</b>
1. Cash	111		37.756.252.938	14.545.689.781
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>232.306.129.237</b>	<b>314.475.174.256</b>
1. Trade accounts receivable	131	V.3	218.485.762.400	290.065.164.104
2. Prepayments to suppliers	132	V.4	13.213.233.694	23.566.511.459
3. Intercompany receivables	133		-	-
4. Construction contract-in-progress receivables	134		-	-
5. Receivables from short-term loans	135		-	-
6. Other receivables	136	V.5	607.133.143	843.498.693
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>22.858.399.679</b>	<b>51.623.385.282</b>
1. Inventories	141		22.858.399.679	51.623.385.282
2. Provision for decline in value of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>746.378.848</b>	<b>853.801.521</b>
1. Short-term prepayments	151	V.9	192.217.454	299.640.126
2. Deductible VAT	152		554.161.394	554.161.395
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, 2018**Unit: Vietnam dong*

<b>ASSETS</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2018</b>	<b>Jan. 01, 2018</b>
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>18.823.140.872</b>	<b>19.917.268.031</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>1.667.113.683</b>	<b>1.414.633.658</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	1.667.113.683	1.414.633.658
7. Provision for doubtful long-term receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>681.229.833</b>	<b>1.313.412.180</b>
1. Tangible fixed assets	221	V.7	656.358.833	1.274.975.180
- Cost	222		18.467.247.677	18.394.427.677
- Accumulated depreciation	223		(17.810.888.844)	(17.119.452.497)
2. Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.8	24.871.000	38.437.000
- Cost	228		2.217.045.786	2.217.045.786
- Accumulated amortization	229		(2.192.174.786)	(2.178.608.786)
<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>13.350.694.576</b>	<b>14.090.764.576</b>
1. Investments in subsidiaries	251		12.696.364.576	11.566.364.576
2. Investments in associates, joint-ventures	252		-	-
3. Investments in equity of other entities	253		654.330.000	2.524.400.000
4. Provision for decline in the value of long-term investments	254		-	-
5. Held-to-maturity investments	255		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>3.124.102.780</b>	<b>3.098.457.617</b>
1. Long-term prepaid expenses	261	V.9	3.124.102.780	3.098.457.617
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>312.490.301.574</b>	<b>401.415.318.871</b>



**BALANCE SHEET***As at December 31, 2018**Unit: Vietnam dong*

<b>RESOURCES</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2018</b>	<b>Jan. 01, 2018</b>
<b>C. LIABILITIES</b>	<b>300</b>		<b>212.298.744.025</b>	<b>305.220.060.847</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>212.298.744.025</b>	<b>305.220.060.847</b>
1. Short-term trade payables	311	V.11	66.431.792.663	156.441.016.207
2. Advances from customers	312	V.12	10.963.140.970	17.153.567.421
3. Taxes and other payables to the State Budget	313	V.13	12.030.774.670	13.269.577.570
4. Payables to employees	314		3.386.857.000	4.000.000.000
5. Short-term accrued expenses	315	V.14	21.711.232.808	8.170.257.518
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	5.090.128.867	405.688.217
10. Short-term borrowings and financial lease liabilities	320	V.10	91.041.372.237	104.731.774.718
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322	V.16	1.643.444.810	1.048.179.196
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, 2018

Unit: Vietnam dong

RESOURCES	Code	Notes	Dec. 31, 2018	Jan. 01, 2018
<b>D. OWNERS' EQUITY</b>	<b>400</b>		<b>100.191.557.549</b>	<b>96.195.258.024</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>V.17</b>	<b>100.191.557.549</b>	<b>96.195.258.024</b>
1. Owners' capital	411		75.348.880.000	75.348.880.000
- Ordinary shares with voting rights	411a		75.348.880.000	75.348.880.000
- 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		5.845.913.514	5.269.230.391
9. Fund for support of arrangement of enterprises	419		-	-
10. Other funds	420		-	-
11. Undistributed earnings	421		21.012.544.055	17.592.927.653
- Undistributed earnings accumulated to the end of prior period	421a		6.753.600.916	6.059.265.200
- Undistributed earnings in this period	421b		14.258.943.139	11.533.662.453
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>312.490.301.574</b>	<b>401.415.318.871</b>

Ho Chi Minh City, March 22, 2019

Prepared by



Do Quoc Tu

Chief Accountant



Phung Quoc Bao

Chief Executive Officer



Dinh Ha Duy Linh



## INCOME STATEMENT

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2018	Year 2017
1. Sales	01	VI.1	787.194.350.967	902.856.944.099
2. Less sales deductions	02		-	-
3. Net sales	10	VI.2	787.194.350.967	902.856.944.099
4. Cost of sales	11	VI.3	670.321.790.793	799.171.370.140
5. Gross profit (20 = 10 - 11)	20		116.872.560.174	103.685.573.959
6. Financial income	21	VI.4	1.306.808.104	1.133.553.928
7. Financial expenses	22	VI.5	7.887.796.703	4.611.909.163
<i>In which: loan interest expenses</i>	23		6.094.326.696	5.467.927.336
8. Selling expenses	25	VI.6	70.227.991.727	66.664.561.041
9. General & administration expenses	26	VI.6	28.729.613.283	25.499.368.917
10. Operating profit (30 = 20 + (21 - 22) - (25 + 26))	30		11.333.966.565	8.043.288.766
11. Other income	31	VI.7	6.645.825.790	7.920.507.395
12. Other expenses	32	VI.8	136.830.921	1.574.653.500
13. Other profit (40 = 31 - 32)	40		6.508.994.869	6.345.853.895
14. Net accounting profit before tax (50 = 30 + 40)	50		17.842.961.434	14.389.142.661
15. Corporate income tax - current	51	VI.10	3.584.018.295	2.855.480.208
16. Corporate income tax - deferred	52		-	-
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		14.258.943.139	11.533.662.453

Prepared by



Do Quoc Tu

Chief Accountant



Phung Quoc Bao

Ho Chi Minh City, March 22, 2019

Chief Executive Officer




**CASH FLOW STATEMENT**

(Under indirect method)

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2018	Year 2017
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>1. Net profit before tax</b>	01		<b>17.842.961.434</b>	<b>14.389.142.661</b>
<b>2. Adjustments for :</b>				
- Depreciation of fixed assets & investment properties	02	V.7-8	705.002.347	1.066.984.217
- Provisions	03	VI.5	-	(1.191.441.383)
- Gain/losses from foreign exchange differences upon revaluation of monetary assets denominated in foreign currencies	04		(114.622.145)	(40.248.788)
- Gains/losses from investing activities	05		(102.537.091)	(290.504.292)
- Interest expense	06	VI.5	6.094.326.696	5.467.927.336
- Other adjustments	07		-	-
<b>3. Profit from operating activities before changes in working capital</b>	08		<b>24.425.131.241</b>	<b>19.401.859.751</b>
- Increase (-)/ decrease (+) in receivables	09		81.923.996.130	(58.666.496.065)
- Increase (-)/ decrease (+) in inventories	10		28.764.985.603	30.579.551.178
- Increase (+)/ decrease (-) in payables (Other than payables, income tax)	11		(81.567.192.471)	(15.798.681.717)
- Increase (-)/ decrease (+) in prepaid expenses	12		81.777.509	(1.472.960.513)
- Increase (-)/ decrease (+) in trading securities	13		-	-
- Interest paid	14		(6.094.326.696)	(5.467.927.336)
- Corporate income tax paid	15		(1.870.480.207)	(1.628.890.267)
- Other receipts from operating activities	16		-	-
- Other payments on operating activities	17		(2.288.150.000)	(2.062.100.000)
<b>Net cash inflows/(outflows) from operating activities</b>	20		<b>43.375.741.109</b>	<b>(35.115.644.969)</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Purchases of fixed assets and other long-term assets	21		(72.820.000)	(244.714.000)
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		(1.130.000.000)	(3.490.000.000)
6. Proceeds from divestment in other entities	26		1.870.070.000	5.377.560.000
7. Dividends and interest received	27		102.537.091	290.504.292
<b>Net cash inflows/(outflows) from investing activities</b>	30		<b>769.787.091</b>	<b>1.933.350.292</b>



**CASH FLOW STATEMENT**

(Under indirect method)

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2018	Year 2017
<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	417.038.529.417	418.464.963.435
4. Repayments of borrowings	34	VII.2	(430.728.931.898)	(396.483.105.506)
5. Payments for finance lease liabilities	35		-	-
6. Dividends paid	36		(7.301.667.350)	(5.366.832.800)
Net cash inflows/(outflows) from financing activities	40		(20.992.069.831)	16.615.025.129
Net cash inflows/(outflows) (50 = 20+ 30 + 40)	50		23.153.458.369	(16.567.269.548)
Cash and cash equivalents at the beginning of the year	60		14.545.689.781	31.072.710.541
Effect of foreign exchange differences	61		57.104.788	40.248.788
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	V.1	37.756.252.938	14.545.689.781

Prepared by



Do Quoc Tu

Chief Accountant



Phung Quoc Bao

Ho Chi Minh City, March 22, 2019

Chief Executive Officer


  
Dinh Ha Duy Linh

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**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 Department of Planning and Investment of Ho Chi Minh City.

**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, 2018**Unit: Vietnam dong***5. Operations in the fiscal year affecting the financial statements: None****6. Total employees to Dec. 31, 2018: 329 persons (Dec. 31, 2017: 294 persons).****7. Structure of enterprises**

At Dec. 31, 2018, The Company has owned one (01) subsidiaries directly as follows:

<i>Name</i>	<i>Principal activities</i>	<i>Capital</i>	<i>Owner Percent</i>	<i>Voting rights Percent</i>
HPT Technology Co., Ltd	In the process of investment	60.000.000.000	100%	100%

**8. 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.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**Unit: Vietnam dong***IV. APPLICABLE ACCOUNTING POLICIES****1. Foreign exchange rate applicable in accounting**

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

**Principles for determining the actual rate**

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

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

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as assets will be the buying rate of Joint Stock Commercial Bank for Investment and Development of Vietnam The buying rate as at December 31, 2018: 23.150 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, 2018: 23.240 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.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**Unit: Vietnam dong*

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.

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.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**Unit: Vietnam dong*

**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.

**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.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**Unit: Vietnam dong****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>

**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.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**Unit: Vietnam dong*

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**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.

**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.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**Unit: Vietnam dong***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 be 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.

**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.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**Unit: Vietnam dong***17. Principles and methods of recording taxes**

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

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

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

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

**18. 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.

**19. 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, 2018</b>	<b>Jan. 01, 2018</b>
<b>Cash</b>	<b>37.756.252.938</b>	<b>14.545.689.781</b>
Cash on hand	145.818.515	288.601.564
Demand deposits	37.610.434.423	14.257.088.217
<b>Total</b>	<b>37.756.252.938</b>	<b>14.545.689.781</b>

**2. Financial investments (See Page 32)**



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

## 3. Short-term

## Trade receivables

	Dec. 31, 2018		Jan. 01, 2018	
	Amount	Provision	Amount	Provision
Local customers	215.874.532.772	-	272.262.633.314	-
- Viettinbank	5.778.006.000	-	19.727.657.736	-
- Bee-Next	36.862.735.248	-	27.189.275.159	-
- VNPT Net Corporation	-	-	48.015.066.800	-
- VP Bank	2.198.496.000	-	11.995.960.885	-
- General Department of Taxation	5.368.741.750	-	23.224.109.250	-
- Maritime Bank	-	-	17.964.855.293	-
- SHB Banking - Ha Noi	3.345.276.690	-	16.701.524.510	-
- The First Securities Joint Stock Company	-	-	10.178.046.900	-
- Sun Viet Technologies JSC	21.082.629.912	-	179.520.000	-
- Information Technology Department				
- General Department of Taxation	18.249.361.000	-	-	-
- Other customers	122.989.286.172	-	97.086.616.781	-
Local customers	2.611.229.628	-	17.802.530.790	-
- National Bank Of Cambodia	-	-	17.346.375.000	-
- Other customers	2.611.229.628	-	456.155.790	-
<b>Total</b>	<b>218.485.762.400</b>	<b>-</b>	<b>290.065.164.104</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

## 4. Short-term Prepayments to suppliers

	Dec. 31, 2018		Jan. 01, 2018	
	Amount	Provision	Amount	Provision
Local suppliers	10.795.690.464	-	3.919.508.565	-
- Qnet JSC	1.485.400.000	-	1.617.490.000	-
- NT&T Co., Ltd	1.757.293.681	-	-	-
- CMC Saigon System Integration	708.358.200	-	-	-
- ADG Distributin	1.163.478.404	-	-	-
- HIPT Group	1.964.622.000	-	-	-
- Toan Phat Co., Ltd	605.587.950	-	-	-
- Other suppliers	3.110.950.229	-	2.302.018.565	-
Foreign suppliers	2.417.543.230	-	19.647.002.894	-
- Sunwest (Cambodia) Co., Ltd	-	-	16.896.834.500	-
- Security Technology Indochina Pte.,Ltd	1.928.442.154	-	2.625.158.365	-
- Other suppliers	489.101.076	-	125.010.029	-
<b>Total</b>	<b>13.213.233.694</b>	<b>-</b>	<b>23.566.511.459</b>	<b>-</b>

## 5. Other receivables

	Dec. 31, 2018		Jan. 01, 2018	
	Amount	Provision	Amount	Provision
<b>a. Short-term</b>	<b>607.133.143</b>	<b>-</b>	<b>843.498.693</b>	<b>-</b>
Payment in advance	477.643.800	-	452.119.950	-
Deposits	-	-	225.000.000	-
Social insurance overpaid	61.339.993	-	98.229.393	-
Other receivables	68.149.350	-	68.149.350	-
<b>b. Long-term</b>	<b>1.667.113.683</b>	<b>-</b>	<b>1.414.633.658</b>	<b>-</b>
Bid security deposits	767.260.200	-	549.884.400	-
Other deposits	899.853.483	-	864.749.258	-
<b>Total</b>	<b>2.274.246.826</b>	<b>-</b>	<b>2.258.132.351</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

6. Inventories	Dec. 31, 2018		Jan. 01, 2018	
	Original cost	Provision	Original cost	Provision
Merchandise inventory	22.858.399.679	-	51.623.385.282	-
<b>Total</b>	<b>22.858.399.679</b>	<b>-</b>	<b>51.623.385.282</b>	<b>-</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	9.874.298.999	4.495.188.015	4.024.940.663	18.394.427.677
New purchases	-	-	72.820.000	72.820.000
Closing balance	9.874.298.999	4.495.188.015	4.097.760.663	18.467.247.677
<b>Accumulated depreciation</b>				
Opening balance	9.312.768.809	4.172.833.840	3.633.849.848	17.119.452.497
Charge for the year	341.530.044	117.219.696	232.686.607	691.436.347
Closing balance	9.654.298.853	4.290.053.536	3.866.536.455	17.810.888.844
<b>Net book value</b>				
Opening balance	561.530.190	322.354.175	391.090.815	1.274.975.180
Closing balance	220.000.146	205.134.479	231.224.208	656.358.833

\* Ending original costs of tangible fixed assets—fully depreciated but still in use: 16.681.380.346 VND.

8. Intangible fixed assets	Computer software	Total
<b>Original cost</b>		
Opening balance	2.217.045.786	2.217.045.786
Closing balance	2.217.045.786	2.217.045.786
<b>Accumulated amortization</b>		
Opening balance	2.178.608.786	2.178.608.786
Charge for the year	13.566.000	13.566.000
Closing balance	2.192.174.786	2.192.174.786
<b>Net book value</b>		
Opening balance	38.437.000	38.437.000
Closing balance	24.871.000	24.871.000

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

9. Prepaid expenses	Dec. 31, 2018	Jan. 01, 2018
<b>a. Short-term prepaid expenses</b>	<b>192.217.454</b>	<b>299.640.126</b>
Rent	39.545.454	106.768.126
Other expenses	152.672.000	192.872.000
<b>b. Long-term prepaid expenses</b>	<b>3.124.102.780</b>	<b>3.098.457.617</b>
Science and technology training and research	269.298.614	236.658.817
Office repair expenses	10.368.100	600.000
Office investment repair expenses	2.267.948.148	2.290.590.781
Tools and supplies used	576.487.918	570.608.019
<b>Total</b>	<b>3.316.320.234</b>	<b>3.398.097.743</b>

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

	Dec. 31, 2018		Jan. 01, 2018	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
Banks	88.041.372.237	88.041.372.237	100.731.774.718	100.731.774.718
1. VIB (Vietnam) - Saigon Branch	30.418.935.062	30.418.935.062	45.625.391.377	45.625.391.377
2. Joint Stock Commercial Bank for Investment and Development of Vietnam - PN Br.	57.622.437.175	57.622.437.175	55.106.383.341	55.106.383.341
Individual	3.000.000.000	3.000.000.000	4.000.000.000	4.000.000.000
3. Ms Dinh Ha Duy Trinh	3.000.000.000	3.000.000.000	4.000.000.000	4.000.000.000
<b>Total</b>	<b>91.041.372.237</b>	<b>91.041.372.237</b>	<b>104.731.774.718</b>	<b>104.731.774.718</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. 00166-HĐTD2.VIB625.18 dated 18/04/2018. Total limit: 200 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 - included 0365.2/2018/PLHĐTC/VIBSG dated 18/04/2018.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

2. Borrowings from Joint Stock Commercial Bank for Investment and Development of Vietnam under Credit agreement No. 01/2018/999250/HĐTD dated 05/07/2018. Total limit: 270 billion or equivalent in foreign currency. Credit limit until 05/07/2018. 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:

3. Borrowing from Ms Dinh Ha Duy Trinh - Vice Chairman of HPT under contract No. 15062018/HPT, dated 15/06/2018. Amount: 3 billion VND. Loan term: 03 months from 15/06/2018 to 15/09/2018. Interest rate: 6%/year. Purpose: Adding working capital.

## 11. Short-term Trade payables

	Dec. 31, 2018		Jan. 01, 2018	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
Local suppliers	40.926.173.124	40.926.173.124	77.002.940.024	77.002.940.024
- Alphagroup	-	-	22.736.062.241	22.736.062.241
- Vinh Hung JSC	-	-	304.880.139	304.880.139
- FPT Trading	-	-	5.792.676.930	5.792.676.930
- Tech Data Advanced Solution (Vietnam) Co., Ltd	5.880.870.710	5.880.870.710	7.096.265.294	7.096.265.294
- Mi Mi Informatics JSC	8.174.735.192	8.174.735.192	1.691.063.473	1.691.063.473
- Other suppliers	26.870.567.222	26.870.567.222	39.381.991.947	39.381.991.947
Foreign suppliers	25.505.619.539	25.505.619.539	79.438.076.183	79.438.076.183
- Microsoft Regional Sales Corporation	10.086.315.387	10.086.315.387	33.528.771.637	33.528.771.637
- Sunwest (Cambodia) Co. Ltd	29.276.250	29.276.250	33.786.147.820	33.786.147.820
- Ch Biz Solutions Ltd	14.655.266.533	14.655.266.533	8.554.963.125	8.554.963.125
- Other suppliers	734.761.369	734.761.369	3.568.193.601	3.568.193.601
<b>Total</b>	<b>66.431.792.663</b>	<b>66.431.792.663</b>	<b>156.441.016.207</b>	<b>156.441.016.207</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

12. Short-term Prepayments from customers	Dec. 31, 2018	Jan. 01, 2018
Local customers	9.609.727.748	13.329.000.724
- VNCERT	-	5.137.500.000
- VP Bank	-	3.193.557.912
- Thanh Cong securities JSC	5.271.920.400	-
- The Party Central Commission for Propaganda	1.134.000.000	-
- ITP Group	900.000.000	-
- Others	2.303.807.348	4.997.942.812
Foreign customers	1.353.413.222	3.824.566.697
- E Services Singapore Pte. Ltd	330.320.108	2.401.158.514
- E Services Singapore Pte. Ltd	186.075.523	1.423.408.183
- Others	837.017.591	-
<b>Total</b>	<b>10.963.140.970</b>	<b>17.153.567.421</b>

## 13. Taxes and payables to the State Budget

	Jan. 01, 2018	Payable amount	Paid amount	Dec. 31, 2018
VAT	5.513.561.623	60.098.302.032	59.694.893.712	5.916.969.943
Corporate income tax	1.868.796.074	3.584.018.295	1.870.480.207	3.582.334.162
Personal income tax	166.215.791	3.034.262.481	2.929.743.412	270.734.860
Contractor VAT	1	1.867.421	1.867.422	-
Contractor income tax	5.721.004.081	24.739.551.439	28.199.819.815	2.260.735.705
<b>Total</b>	<b>13.269.577.570</b>	<b>91.458.001.668</b>	<b>92.696.804.568</b>	<b>12.030.774.670</b>

14. Accrued expenses	Dec. 31, 2018	Jan. 01, 2018
Project implementation and maintenance	21.711.232.808	8.170.257.518
<b>Total</b>	<b>21.711.232.808</b>	<b>8.170.257.518</b>

15. Other payables Short-term	Dec. 31, 2018	Jan. 01, 2018
Trade union fee	240.024.000	133.144.000
Payable dividends, profit	350.104.867	272.544.217
Others	4.500.000.000	-
<b>Total</b>	<b>5.090.128.867</b>	<b>405.688.217</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

16. Bonus and welfare fund	Dec. 31, 2018	Jan. 01, 2018
Bonus fund	1.227.214.257	889.381.766
Welfare fund	416.230.553	158.797.430
<b>Total</b>	<b>1.643.444.810</b>	<b>1.048.179.196</b>

## 17. Owners' equity

## a. Comparison schedule for changes in Owner's Equity (See page 33)

## b. Details of owners' shareholding

	% of shareholding	Dec. 31, 2018	Jan. 01, 2018
Mr. Ngo Vi Dong	13,07%	9.846.230.000	9.846.230.000
Mr. Doan Ha Duy Linh	6,22%	4.687.390.000	4.687.390.000
Ms. Dinh Ha Duy Trinh	5,19%	3.913.730.000	3.913.730.000
Ms. Han Nguyet Thu Huong	5,15%	3.882.660.000	3.882.660.000
Mr. Nguyen Duc Tien	5,06%	3.810.970.000	3.797.040.000
Treasury shares	2,07%	1.556.600.000	1.556.600.000
Shareholding owned by other owners	63,24%	47.651.300.000	47.665.230.000
<b>Total</b>	<b>100,00%</b>	<b>75.348.880.000</b>	<b>75.348.880.000</b>

\* Number of treasury shares: 155.660 shares.

c. Capital transactions with owners and distribution of dividends, profits	Year 2018	Year 2017
Owners' equity	75.348.880.000	75.348.880.000
At the beginning of the year	75.348.880.000	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	75.348.880.000
Dividends paid	7.379.228.000	12.073.702.800

d. Dividends	Year 2018	Year 2017
Dividends declared after the balance sheet date		
Dividends on ordinary shares	10%	10%

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

e. Shares	Dec. 31, 2018	Jan. 01, 2018
Number of shares registered to be issued	7.534.888	7.534.888
Number of shares sold out to the public	7.534.888	7.534.888
<i>Ordinary share</i>	7.534.888	7.534.888
<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	7.379.228
<i>Ordinary share</i>	7.379.228	7.379.228
<i>Preferred share</i>	-	-
<i>Par value: VND/share.</i>	10.000	10.000

f. Funds	Dec. 31, 2018	Jan. 01, 2018
Investment and development fund	5.845.913.514	5.269.230.391
<b>Total</b>	<b>5.845.913.514</b>	<b>5.269.230.391</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 2018	Year 2017
Revenue from finished goods sold	536.907.820.209	696.369.759.303
Revenue from services	250.286.530.758	206.487.184.796
<b>Total</b>	<b>787.194.350.967</b>	<b>902.856.944.099</b>
<b>2. Net sales</b>	<b>Year 2018</b>	<b>Year 2017</b>
Net sales from finished goods sold	536.907.820.209	696.369.759.303
Net sales from services	250.286.530.758	206.487.184.796
<b>Total</b>	<b>787.194.350.967</b>	<b>902.856.944.099</b>
<b>3. Cost of sales</b>	<b>Year 2018</b>	<b>Year 2017</b>
Cost of finished goods sold	480.729.743.744	634.683.678.732
Cost of services	189.592.047.049	164.487.691.408
<b>Total</b>	<b>670.321.790.793</b>	<b>799.171.370.140</b>



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2018**Unit: Vietnam dong*

<b>4. Financial income</b>	<b>Year 2018</b>	<b>Year 2017</b>
Interest income from deposits, loans	72.537.091	178.004.292
Dividends, profit paid	30.000.000	112.500.000
Realised foreign exchange gains	397.916.109	300.878.018
Unrealised foreign exchange gains	114.622.145	40.248.788
Other income from financing activities	691.732.759	501.922.830
<b>Total</b>	<b>1.306.808.104</b>	<b>1.133.553.928</b>
<b>5. Financial expenses</b>	<b>Year 2018</b>	<b>Year 2017</b>
Interest expense	6.094.326.696	5.467.927.336
Provision for devaluation of trading securities and investment loss	-	(1.191.441.383)
Realised foreign exchange losses	1.012.409.447	123.623.208
Other financial expenses	781.060.560	211.800.002
<b>Total</b>	<b>7.887.796.703</b>	<b>4.611.909.163</b>
<b>6. Selling expenses and General and administration expenses</b>	<b>Year 2018</b>	<b>Year 2017</b>
<b>a. Selling expenses</b>		
Salaries	57.804.801.710	55.057.861.464
Depreciation	203.359.992	405.732.734
Taxes, fees and duties	17.838.500	17.819.000
Services bought from outsiders	11.922.245.886	10.348.803.301
Other selling expenses	279.745.639	834.344.542
<b>Total</b>	<b>70.227.991.727</b>	<b>66.664.561.041</b>
<b>b. General and administration expenses</b>		
Salaries	13.832.730.591	10.845.375.576
Tools and supplies	495.365.587	479.907.470
Depreciation	246.252.607	405.861.735
Taxes, fees and duties	3.404.152.807	3.489.980.144
Services bought from outsiders	6.701.403.374	8.089.776.922
Other selling expenses	4.049.708.317	2.188.467.070
<b>Total</b>	<b>28.729.613.283</b>	<b>25.499.368.917</b>
<b>7. Other income</b>	<b>Year 2018</b>	<b>Year 2017</b>
Fine amount received	5.311.702.670	6.029.956.729
Other income	1.334.123.120	1.890.550.666
<b>Total</b>	<b>6.645.825.790</b>	<b>7.920.507.395</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

<b>8. Other expenses</b>	<b>Year 2018</b>	<b>Year 2017</b>
Fine amount	29.700.880	1.573.894.764
Administrative penalties	27.674.569	758.736
Other expenses	79.455.472	-
<b>Total</b>	<b>136.830.921</b>	<b>1.574.653.500</b>
<b>9. Costs of production and doing business by factors</b>	<b>Year 2018</b>	<b>Year 2017</b>
Labour cost	71.637.532.301	60.165.942.175
Depreciation and amortization	705.002.347	1.249.309.064
Services bought	19.119.014.847	15.317.613.206
Other sundry cash expense	7.751.445.263	8.292.219.112
<b>Total</b>	<b>99.212.994.758</b>	<b>85.025.083.557</b>
<b>10. Current corporate income tax</b>	<b>Year 2018</b>	<b>Year 2017</b>
<b>1. Accounting profit before corporate income tax</b>	<b>17.842.961.434</b>	<b>14.389.142.661</b>
<b>2. Adjustments to increase (decrease) accounting profit to determine taxable income</b>	<b>77.130.041</b>	<b>(111.741.264)</b>
- Adjustment to increase	107.130.041	758.736
+ Undeductible expenses	107.130.041	758.736
- Adjustment to decrease	(30.000.000)	(112.500.000)
+ Dividends	(30.000.000)	(112.500.000)
<b>3. Total taxable income (1+2)</b>	<b>17.920.091.475</b>	<b>14.277.401.397</b>
From business activities	17.920.091.475	14.277.401.397
<b>4. Corporate income tax rate</b>	<b>20%</b>	<b>20%</b>
<b>5. Current corporate income tax expenses</b>	<b>3.584.018.295</b>	<b>2.855.480.208</b>
<b>6. Total current corporate income tax expenses</b>	<b>3.584.018.295</b>	<b>2.855.480.208</b>

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

<b>1. Borrowing amount in the period</b>	<b>Year 2018</b>	<b>Year 2017</b>
- Proceeds from the borrowing under normal agreement	417.038.529.417	418.464.963.435
<b>2. Payment for principal debts</b>	<b>Year 2018</b>	<b>Year 2017</b>
- Payment for principal debts under normal agreement	(430.728.931.898)	(396.483.105.506)



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

## 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 General Directors

		Year 2018	Year 2017
General Directors	Salary and bonus	2.240.856.000	2.240.856.000
Ms. Dinh Ha Duy Trinh	Liabilities	3.000.000.000	4.000.000.000
<b>Total</b>		<b>5.240.856.000</b>	<b>6.240.856.000</b>

## 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 22, 2019

Prepared by



Do Quoc Tu

Chief Accountant



Phung Quoc Bao

Chief Executive Officer



Dinh Ha Duy Linh

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

Unit: Vietnam dong

## V.2. Financial investments

Equity investments in other entities	31/12/2018			01/01/2018		
	Original value	Provision	Fair value	Original value	Provision	Fair value
<b>a. Investment in subsidiaries</b>	12.696.364.576	-	12.696.364.576	11.566.364.576	-	11.566.364.576
1. HPT Technology	12.696.364.576	-	12.696.364.576	11.566.364.576	-	11.566.364.576
<b>b. Investment in other entities</b>	654.330.000	-	1.052.255.300	2.524.400.000	-	3.141.408.200
2. Vietinbank	654.330.000	-	1.052.255.300	1.074.400.000	-	2.166.408.200
3. Maseco	-	-	-	1.450.000.000	-	975.000.000
<b>Total</b>	<b>13.350.694.576</b>	<b>-</b>	<b>13.748.619.876</b>	<b>14.090.764.576</b>	<b>-</b>	<b>14.707.772.776</b>

1. 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 31/12/2018, HPT (100% chartered capital on paper) has contributed VND 12.696.364.576 VND on 21,16% of the chartered capital. must contribute. As at 31/12/2018, HPT Technology Limited Company is in the investment stage and has not incurred any income from its main business.

2. As at 31 December 2018, the market price (fair value) of the securities of Vietinbank (security code: CTG) was 1.052.255.300 VND and higher than the original price, therefore the investments value was not declined.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2018

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)	4.800.800.801	20.943.545.540	87.611.520.463
Increases	6.706.870.000	-	-	-	-	6.706.870.000
Profit	-	-	-	-	11.533.662.453	11.533.662.453
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)
Prior 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
Current year opening balance	75.348.880.000	139.500.000	(2.155.280.020)	5.269.230.391	17.592.927.653	96.195.258.024
Profit	-	-	-	-	14.258.943.139	14.258.943.139
Bonus and Welfare of 2017	-	-	-	-	(2.883.415.614)	(2.883.415.614)
Funds of 2017	-	-	-	576.683.123	(576.683.123)	-
Dividends of 2017	-	-	-	-	(7.379.228.000)	(7.379.228.000)
Current year closing balance	75.348.880.000	139.500.000	(2.155.280.020)	5.845.913.514	21.012.544.055	100.191.557.549