

AUDITED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

HPT VIETNAM CORPORATION

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REPORTS OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2019

The General Director has the honor of submitting this report and the audited financial statements for the fiscal year ended December 31, 2019.

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 10th amended Business Registration Certificate dated November 19, 2019) 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.

REPORTS OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2019

English name: HPT VIETNAM CORPORATION

Short name: HPT

Security code: HPT (UPCOM).

Head office: Lot E2a-3 Street D1, High Technology Park, Long Thanh My Ward, District 9, 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 to 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 Chief Executive Officer
Mr	Huynh The Vinh	Deputy Chief Executive Officer
Ms	Nguyen Thi Hong Hai	Deputy Chief Executive Officer
Mr	Phung Quoc Bao	Chief Accountant

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

Mr	Dinh Ha Duy Linh	Chief Executive Officer
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REPORTS OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2019

4. Other information

Pursuant to Resolution No. 122/19/NQ-HĐQT and Merging Contract on August 26, 2019, HPT Technology Co., Ltd. merged into HPT Vietnam Corporation. The procedures for merging and transferring of assets had been done in 2019. At December 31, 2019, HPT Technology Co., Ltd. has stopped working.

5. Auditor

Auditing and Informatic Services Limited Company (AISC) has been appointed as an independent auditor for the fiscal year ended December 31, 2019.

6. Statement of the Responsibility of the 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, 2019 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.

7. Approval of the Financial Statements

In the Board of General Directors' opinion, the financial statements consisting of Balance Sheet as at December 31, 2019, 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, 2019.

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

Ho Chi Minh City, March 20, 2020

For and on behalf of the Board of General Directors



Dinh Hà Duy Linh
Chief Executive Officer



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

Auditing And Informatic Services Company Limited

Office: 389A Điện Biên Phủ, Phường 4, Quận 3, TP.Hồ Chí Minh

Tel: (84.28) 3832 9129 (10 Lines)

Fax: (84.28) 3834 2957

Email: info@aisc.com.vn

Website: www.aisc.com.vn

No: B1019434R/AISC-DN3

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, 2019, Income Statement, Cash Flow Statement for the year then ended and Notes to the Financial Statements as set out on Page 05 to Page 34, which were prepared on March 20, 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, 2019 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 20, 2020

PP. GENERAL DIRECTOR

DEPUTY GENERAL DIRECTOR

Dau Nguyen Ly Hang

Certificate of Audit Practice Registration

No: 1169-2018-005-1

Issued by the Ministry of Finance

AUDITOR

Ha Que Nga

Certificate of Audit Practice Registration

No: 2801-2019-005-1

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

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

Tel : (84.24) 3782 0045

Tel : (84.236) 3747 619

Tel : (84.28) 3832 9129

Tel : (84.24) 3782 0045

Fax : (84.24) 3782 0048

Fax : (84.236) 3747 620

Fax : (84.28) 3834 2957

Fax : (84.24) 3782 0048

Email: hanoi@aisc.com.vn

Email: dandang@aisc.com.vn

Email: cantho@aisc.com.vn

Email: haiphong@aisc.com.vn

BALANCE SHEET*As at December 31, 2019**Unit: Vietnam dong*

ASSETS	Code	Notes	Dec. 31, 2019	Jan. 01, 2019
A. CURRENT ASSETS	100		374.419.702.065	293.667.160.702
I. Cash and cash equivalents	110	V.1	33.064.793.825	37.756.252.938
1. Cash	111		33.064.793.825	37.756.252.938
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provision for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term Accounts receivable	130		295.084.254.236	232.306.129.237
1. Trade accounts receivable	131	V.3	278.536.974.002	218.485.762.400
2. Prepayments to suppliers	132	V.4	14.691.698.641	13.213.233.694
3. Intercompany receivables	133		-	-
4. Construction contract-in-progress receivables	134		-	-
5. Receivables from short-term loans	135		-	-
6. Other receivables	136	V.5	1.855.581.593	607.133.143
7. Provision for doubtful debts	137		-	-
8. Shortage of assets awaiting resolution	139		-	-
IV. Inventories	140	V.6	44.206.393.368	22.858.399.679
1. Inventories	141		44.206.393.368	22.858.399.679
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		2.064.260.636	746.378.848
1. Short-term prepayments	151	V.10a	342.954.454	192.217.454
2. Deductible VAT	152		1.721.306.182	554.161.394
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, 2019

Unit: Vietnam dong

ASSETS	Code	Notes	Dec. 31, 2019	Jan. 01, 2019
B. LONG-TERM ASSETS	200		38.486.326.508	18.823.140.872
I. Long-term receivables	210		1.203.051.700	1.667.113.683
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	1.203.051.700	1.667.113.683
7. Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		8.832.968.709	681.229.833
1. Tangible fixed assets	221	V.7	8.821.663.709	656.358.833
- Cost	222		27.928.882.794	18.467.247.677
- Accumulated depreciation	223		(19.107.219.085)	(17.810.888.844)
2. Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.8	11.305.000	24.871.000
- Cost	228		2.217.045.786	2.217.045.786
- Accumulated amortization	229		(2.205.740.786)	(2.192.174.786)
III. Investment Properties	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV. Non-current assets in progress	240		24.607.055.233	-
1. Works in progress	241		-	-
2. Capital construction in progress	242	V.7	24.607.055.233	-
V. Long-term investments	250	V.2	654.330.000	13.350.694.576
1. Investments in subsidiaries	251		-	12.696.364.576
2. Investments in associates, joint-ventures	252		-	-
3. Investments in equity of other entities	253		654.330.000	654.330.000
4. Provision for decline in the value of long-term investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other long-term assets	260		3.188.920.866	3.124.102.780
1. Long-term prepaid expenses	261	V.10b	3.188.920.866	3.124.102.780
2. Deferred income tax assets	262		-	-
3. Equipment, materials, spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		412.906.028.573	312.490.301.574

BALANCE SHEET*As at December 31, 2019**Unit: Vietnam dong*

RESOURCES	Code	Notes	Dec. 31, 2019	Jan. 01, 2019
C. LIABILITIES	300		307.408.451.635	212.298.744.025
I. Current liabilities	310		300.243.408.272	212.298.744.025
1. Short-term trade payables	311	V.12	162.887.432.502	66.431.792.663
2. Advances from customers	312	V.13	9.882.680.919	10.963.140.970
3. Taxes and other payables to the State Budget	313	V.14	14.208.479.691	12.030.774.670
4. Payables to employees	314		8.138.487.276	3.386.857.000
5. Short-term accrued expenses	315	V.15	18.828.108.790	21.711.232.808
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.16	1.338.287.337	5.090.128.867
10. Short-term borrowings and financial lease liabilities	320	V.11a	82.531.904.005	91.041.372.237
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322	V.17	2.428.027.752	1.643.444.810
13. Price stabilization fund	323		-	-
14. Repurchase and sale of Government's bond	324		-	-
II. Long-term liabilities	330		7.165.043.363	-
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	V.11b	7.165.043.363	-
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, 2019**Unit: Vietnam dong*

RESOURCES	Code	Notes	Dec. 31, 2019	Jan. 01, 2019
D. OWNERS' EQUITY	400		105.497.576.938	100.191.557.549
I. Owners' equity	410	V.18	105.497.576.938	100.191.557.549
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		6.558.860.671	5.845.913.514
9. Fund for support of arrangement of enterprises	419		-	-
10. Other funds	420		-	-
11. Undistributed earnings	421		25.605.616.287	21.012.544.055
- Undistributed earnings accumulated to the end of prior period	421a		8.642.685.006	6.753.600.916
- Undistributed earnings in this period	421b		16.962.931.281	14.258.943.139
12. Investment reserve for basic construction	422		-	-
II. Budget sources and other funds	430		-	-
1. Budget sources	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL RESOURCES	440		412.906.028.573	312.490.301.574

Ho Chi Minh City, March 20, 2020

Prepared by

Chief Accountant

Chief Executive Officer



Do Quoc Tu



Phung Quoc Bao



Dinh Ha Duy Linh

INCOME STATEMENT*For the fiscal year ended December 31, 2019**Unit: Vietnam dong*

ITEMS	Code	Notes	Year 2019	Year 2018
1. Sales	01	VI.1	832.183.581.577	787.194.350.967
2. Less sales deductions	02		-	-
3. Net sales	10	VI.2	832.183.581.577	787.194.350.967
4. Cost of sales	11	VI.3	697.613.482.757	670.321.790.793
5. Gross profit (20 = 10 - 11)	20		134.570.098.820	116.872.560.174
6. Financial income	21	VI.4	1.005.968.278	1.306.808.104
7. Financial expenses	22	VI.5	5.425.873.420	7.887.796.703
<i>In which: loan interest expenses</i>	23		5.151.304.743	6.094.326.696
8. Selling expenses	25	VI.6	80.395.964.064	70.227.991.727
9. General & administration expenses	26	VI.6	36.400.828.563	28.729.613.283
10. Operating profit (30 = 20 + (21 - 22) - (25 + 26))	30		13.353.401.051	11.333.966.565
11. Other income	31	VI.7	8.453.245.197	6.645.825.790
12. Other expenses	32	VI.8	591.543.935	136.830.921
13. Other profit (40 = 31 - 32)	40		7.861.701.262	6.508.994.869
14. Net accounting profit before tax (50 = 30 + 40)	50		21.215.102.313	17.842.961.434
15. Corporate income tax - current	51	VI.10	4.252.171.032	3.584.018.295
16. Corporate income tax - deferred	52		-	-
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		16.962.931.281	14.258.943.139
18. Earnings per share	70	VI.11	2.299	1.353
19. Diluted earnings per share	71	VI.11	2.299	1.353

*Ho Chi Minh City, March 20, 2020***Prepared by****Chief Accountant****Chief Executive Officer**

Do Quoc Tu

Phung Quoc Bao**Dinh Ha Duy Linh**

CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2019	Year 2018
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit before tax	01		21.215.102.313	17.842.961.434
2. Adjustments for :				
- Depreciation of fixed assets & investment properties	02	V.7, 8	1.309.896.241	705.002.347
- Provisions	03		-	-
- Gain/losses from foreign exchange differences upon revaluation of monetary assets denominated in foreign currencies	04	VI.4	(15.407.084)	(114.622.145)
- Gains/losses from investing activities	05	VI.4	(423.934.111)	(102.537.091)
- Interest expense	06	VI.5	5.151.304.743	6.094.326.696
- Other adjustments	07		-	-
3. Profit from operating activities before changes in working capital	08		27.236.962.102	24.425.131.241
- Increase (-)/ decrease (+) in receivables	09		(67.329.889.281)	81.923.996.130
- Increase (-)/ decrease (+) in inventories	10		(21.347.993.689)	28.764.985.603
- Increase (+)/ decrease (-) in payables (not include interest payable, income tax)	11		88.849.630.079	(88.213.018.261)
- Increase (-)/ decrease (+) in prepaid expenses	12		(215.555.086)	81.777.509
- Increase (-)/ decrease (+) in trading securities	13		-	-
- Interest paid	14		(5.151.304.743)	(6.094.326.696)
- Corporate income tax paid	15	V.14	(5.163.018.295)	(1.870.480.207)
- Other receipts from operating activities	16		8.453.245.197	6.645.825.790
- Other payments on operating activities	17		(4.569.741.329)	(2.288.150.000)
Net cash inflows/(outflows) from operating activities	20		20.762.334.955	43.375.741.109
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchases of fixed assets and other long-term assets	21	V.7, 8	(17.523.644.297)	(72.820.000)
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)
6. Proceeds from divestment in other entities	26		-	1.870.070.000
7. Dividends and interest received	27	VI.4	423.934.111	102.537.091
Net cash inflows/(outflows) from investing activities	30		(17.099.710.186)	769.787.091

CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

ITEMS	Code	Notes	Year 2019	Year 2018
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issue of shares and capital contribution	31		-	-
2. Payments for shares returns and repurchases	32		-	-
3. Proceeds from borrowings	33	VII.1	295.732.180.886	417.038.529.417
4. Repayments of borrowings	34	VII.2	(297.076.605.755)	(430.728.931.898)
5. Payments for finance lease liabilities	35		-	-
6. Dividends paid	36	V.16, 18	(7.301.717.400)	(7.301.667.350)
Net cash inflows/(outflows) from financing activities	40		(8.646.142.269)	(20.992.069.831)
Net cash inflows/(outflows) (50 = 20+ 30 + 40)	50		(4.983.517.500)	23.153.458.369
Cash and cash equivalents at the beginning of the year	60		37.756.252.938	14.545.689.781
Effect of foreign exchange differences	61		292.058.387	57.104.788
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	V.1	33.064.793.825	37.756.252.938

Ho Chi Minh City, March 20, 2020

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, 2019**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 10th amended Business Registration Certificate dated November 19, 2019) 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, 2019**Unit: Vietnam dong*

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

6. Total employees to Dec. 31, 2019: 362 persons (Dec. 31, 2018: 329 persons).

7. Disclosure on comparability of information in the Financial Statements

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

II. ACCOUNTING PERIOD AND REPORTING CURRENCY

1. Fiscal year

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

2. Reporting currency

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

III. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES

1. Applicable Accounting System

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

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

We conducted our accounting, preparation and presentation of the financial statements in accordance with Vietnamese Accounting Standards and other relevant statutory regulations. The financial statements give a true and fair view of the state of affairs of the Company and the results of its operations as well as its cash flows.

The selection of figures and information presented in the notes to the financial statements is complied with the material principle in Vietnamese Accounting Standard No.21 - Presentation of the financial statements.

IV. APPLICABLE ACCOUNTING POLICIES

1. Foreign exchange rate applicable in accounting

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

Principles for determining the actual rate

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

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: Vietnam dong*

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, 2019: 23.110 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, 2019: 23.230 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 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.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: Vietnam dong***4. Principles for recording trade receivables and other receivables:**

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

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

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

5. Principles for recording inventories:

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

Original costs are determined as follows:

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

Method of calculating inventories' value: Special identification.

Method of accounting for the inventories: Perpetual method.

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

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 after initial recognition 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.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: Vietnam dong*

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

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

6.2 Principles for recording intangible fixed assets:

Intangible fixed assets are stated at cost less accumulated amortization. The original cost of a intangible fixed asset comprises all costs of owning the asset to the date it is put into operation as expected.

Principles for recording intangible fixed assets:

Computer software

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

6.3 Method of depreciating and amortizing fixed assets

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

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

<i>Machinery and equipment</i>	<i>05 - 08 years</i>
<i>Transportation and facilities</i>	<i>06 years</i>
<i>Office equipment</i>	<i>03 years</i>
<i>Other tangible fixed assets</i>	<i>03 - 05 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 prudent principle.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: Vietnam dong***9. Principles for recording borrowings**

Borrowings are total amounts the Company owes to banks.

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

10. Principles for recording and capitalizing borrowing costs:

Principles for recording borrowing costs: Borrowing costs are loan interest and other costs incurred in direct relation to borrowings of an enterprise; Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs related to borrowings in respect of the construction or production of uncompleted assets, in which case the borrowing costs incurred during the period of construction are computed in those assets' value (capitalised) as part of the cost of the assets concerned when they satisfy conditions stipulated in the VAS No. 16 "Borrowing costs".

11. Principles for recording accruals:

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

12. Principles for recording owner's Equity**Principles for recording owner's paid-in capital**

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

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".

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: Vietnam dong***14. Principles for recording revenues****Revenue from goods sold**

Revenue from the sale of good should be recognised when all the five (5) following conditions have been satisfied: 1) The enterprise has transferred to buyer the significant risks and rewards of ownership of the goods; 2) The enterprise retains neither continuing managerial involvement as an owner nor effective control over the goods sold; 3) The amount of revenue can be measured reliably; When the contract specifies that buyers are entitled to return products, goods they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return products, goods (except for changing to other goods, services) 4) The economic benefits associated with the transaction has flown or will flow to the enterprise; 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service rendered

Revenue from services rendered is recorded when the result of the supply of services is determined reliably. In case where the services are rendered in several periods, the revenue will recorded by the part of completed works at the balance sheet. Revenue from services rendered is determined when the following four conditions have been satisfied: 1. The revenue is determined firmly; When the contract specifies that buyers are entitled to return the service they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return service; 2. The economic benefits associated with the transaction has flown or will flow from the supply of the provided service; 3. Part of completed works can be determined at the balance sheet date; 4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If the contract's results can not be determined firmly, the revenue will be recorded at the recoverable level of expenses recorded.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

16. Principles and method of recording financial expenses

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

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

17. Principles and methods of recording taxes

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

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

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

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

18. 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

1. Cash and cash equivalents	Dec. 31, 2019	Jan. 01, 2019
Cash	33.064.793.825	37.756.252.938
Cash on hand	205.921.220	145.818.515
Demand deposits	32.858.872.605	37.610.434.423
Total	33.064.793.825	37.756.252.938

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

2. Financial investments: On page 33.

3. Short-term

Trade receivables

	Dec. 31, 2019		Jan. 01, 2019	
	Amount	Provision	Amount	Provision
Local customers	276.343.111.890	-	215.874.532.772	-
- Vietnam Joint Stock Commercial Bank For Industry And Trade	8.104.002.270	-	5.778.006.000	-
- Bee-Next	22.543.759.167	-	36.862.735.248	-
- Vietnam Prosperity Joint Stock Commercial Bank	4.193.644.800	-	2.198.496.000	-
- General Department of Taxation	19.316.568.000	-	5.368.741.750	-
- Sai Gon Joint Stock Commercial Bank - Ha Noi	831.416.730	-	3.345.276.690	-
- SV Technologies Jsc	1.358.232.187	-	21.082.629.912	-
- Information Technology Department				
- General Department of Taxation	-	-	18.249.361.000	-
- JSC Bank for Foreign Trade of Vietnam	31.195.054.800	-	1.491.450.000	-
- CMC Technology And Solution Company Limited	13.553.443.510	-	-	-
- Tech Mahindra Vietnam Company Limited	16.145.228.490	-	-	-
- Other customers	159.101.761.936	-	121.497.836.172	-
Local customers	2.193.862.112	-	2.611.229.628	-
Total	278.536.974.002	-	218.485.762.400	-

(*) All receivables are guaranteed for loans disclosed in V.11.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

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4. Short-term Prepayments to suppliers	Dec. 31, 2019		Jan. 01, 2019	
	Amount	Provision	Amount	Provision
Local suppliers	14.649.608.485	-	10.795.690.464	-
- Trung Hieu Comercial and Services Company Ltd.	8.516.032.673	-	-	-
- Elite Technology Jsc.	1.414.158.024	-	-	-
- Software Solution Consultancy And Development Joint Stock Company	1.277.468.165	-	-	-
- HiPT Group	829.907.100	-	1.964.622.000	-
- Qnet Jsc.	-	-	1.485.400.000	-
- NT&T Co., Ltd Branch	-	-	1.757.293.681	-
- CMC SI Saigon Company Ltd.	-	-	708.358.200	-
- ADG National Investment and Technology Development Corp., (HN Branch)	-	-	1.163.478.404	-
- Toan Phat Co., Ltd	-	-	605.587.950	-
- Other suppliers	2.612.042.523	-	3.110.950.229	-
Foreign suppliers	42.090.156	-	2.417.543.230	-
- Security Technology Indochina Pte.,Ltd	-	-	1.928.442.154	-
- Other suppliers	42.090.156	-	489.101.076	-
Total	14.691.698.641	-	13.213.233.694	-

5. Other receivables	Dec. 31, 2019		Jan. 01, 2019	
	Amount	Provision	Amount	Provision
a. Short-term	1.855.581.593	-	607.133.143	-
Payment in advance	1.693.589.200	-	477.643.800	-
Social insurance overpaid	93.843.043	-	61.339.993	-
Other receivables	68.149.350	-	68.149.350	-

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

b. Long-term	1.203.051.700	-	1.667.113.683	-
Bid security deposits	922.924.200	-	767.260.200	-
Other deposits	280.127.500	-	899.853.483	-
Total	3.058.633.293	-	2.274.246.826	-

6. Inventories	Dec. 31, 2019		Jan. 01, 2019	
	Original cost	Provision	Original cost	Provision
Merchandise inventory	44.206.393.368	-	22.858.399.679	-
Total	44.206.393.368	-	22.858.399.679	-

- 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. Long-term assets in progr	Dec. 31, 2019		Jan. 01, 2019	
	Amount	Provision	Amount	Provision
Construction in progress (*)	24.607.055.233	-	-	-
Total	24.607.055.233	-	-	-

(*) Details of construction in progress in District 9 High-Tech Park include:

- Receiving Construction in progress costs from HPT Technology Co., Ltd. under the Merging contract dated August 26, 2019, the value is VND 19.579.494.800. Including: Part of the construction cost construction and land use rights at Lot E2a-3 Street D1, High-Tech Park, Long Thanh My Ward, District 9, HCMC has been mortgaged for long-term loan from Orient Commercial Joint Stock Bank.
- The cost of construction, decoration, tables, chairs, air conditioning and other expenses incurred after the time of handover from HPT Technology Co., Ltd is VND 5.027.560.433.

8. Tangible fixed assets	Machinery and equipment	Transportation	Office equipment	Total
Original cost				
Opening balance	9.874.298.999	4.495.188.015	4.097.760.663	18.467.247.677
New purchases	6.969.469.600	1.915.577.427	576.588.090	9.461.635.117
Closing balance	16.843.768.599	6.410.765.442	4.674.348.753	27.928.882.794
Accumulated depreciation				
Opening balance	9.654.298.853	4.290.053.536	3.866.536.455	17.810.888.844
Charge for the year	985.505.444	197.035.423	113.789.374	1.296.330.241
Closing balance	10.639.804.297	4.487.088.959	3.980.325.829	19.107.219.085
Net book value				
Opening balance	220.000.146	205.134.479	231.224.208	656.358.833
Closing balance	6.203.964.302	1.923.676.483	694.022.924	8.821.663.709

* Ending original costs of tangible fixed assets—fully depreciated but still in use: 1.748.7093.499 VND.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

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9. Intangible fixed assets	Computer software	Total
Original cost		
Opening balance	2.217.045.786	2.217.045.786
Closing balance	2.217.045.786	2.217.045.786
Accumulated amortization		
Opening balance	2.192.174.786	2.192.174.786
Charge for the year	13.566.000	13.566.000
Closing balance	2.205.740.786	2.205.740.786
Net book value		
Opening balance	24.871.000	24.871.000
Closing balance	11.305.000	11.305.000

* Ending original costs of intangible fixed assets—fully depreciated but still in use: 2.176.347.786 VND.

10. Prepaid expenses	Dec. 31, 2019	Jan. 01, 2019
a. Short-term prepaid expenses	342.954.454	192.217.454
Rent	39.545.454	39.545.454
Other expenses	303.409.000	152.672.000
b. Long-term prepaid expenses	3.188.920.866	3.124.102.780
Science and technology training and research	356.358.929	269.298.614
Office repair expenses	38.118.375	10.368.100
Office investment repair expenses	1.700.961.111	2.267.948.148
Tools and supplies used	1.093.482.451	576.487.918
Total	3.531.875.320	3.316.320.234

11. Borrowings and financial lease liabilities

	Dec. 31, 2019		Jan. 01, 2019	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
a. Short-term	82.531.904.005	82.531.904.005	91.041.372.237	91.041.372.237
Banks	82.531.904.005	82.531.904.005	88.041.372.237	88.041.372.237
(1) VIB (Vietnam) - Saigon Branch	16.569.497.942	16.569.497.942	30.418.935.062	30.418.935.062
(2) Joint Stock Commercial Bank for Investment and Development of Vietnam - PN Br.	65.962.406.063	65.962.406.063	57.622.437.175	57.622.437.175
Individual	-	-	3.000.000.000	3.000.000.000
(5) Ms Dinh Ha Duy Trinh	-	-	3.000.000.000	3.000.000.000

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b. Long-term	7.165.043.363	7.165.043.363	-	-
Banks	7.165.043.363	7.165.043.363	-	-
(3) Shinhan Bank (Vietnam) - Saigon Branch	1.208.472.222	1.208.472.222	-	-
(4) Orient Commercial Joint Stock Bank - Headquarter	5.956.571.141	5.956.571.141	-	-
Total	89.696.947.368	89.696.947.368	91.041.372.237	91.041.372.237

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. 0275-HĐTD.VIB625.19 dated 26/04/2019. Total credit 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: (a) USD 30.000 savings and third-party real estate, (b) Revenue from customer groups of HPT Vietnam Corporation.

(2) Borrowings from Joint Stock Commercial Bank for Investment and Development of Vietnam under Credit agreement No. 01/2019/999250/HĐTD dated 10/07/2019. Total credit limit: 270 billion or equivalent in foreign currency. Credit limit until 09/07/2019. 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.

(3) Borrowings from Shinhan Bank (Vietnam) - Saigon Branch are in accordance with the following contracts:

3-1 Borrowing from Shinhan Bank (Vietnam) - Saigon Branch under agreement No. SHBVN/CP/HĐTD/HPT/201909 dated 16/09/2019. Total credit limit: VND 559.000.000. Credit term limit: 36 months. Floating interest rate. Purpose: To purchase Mazda 5-seat car. Guarantee measures: Mortgage Mazda car 51G-971.52.

3-2 Borrowing from Shinhan Bank (Vietnam) - Saigon Branch under agreement No. SHBVN/CP/HĐTD/HPT/201909 dated 21/10/2019. Total credit limit: VND 737.000.000. Credit term limit: 36 months. Floating interest rate. Purpose: To purchase Honda 7-seat car. Guarantee measures: Mortgage Honda car 51G-991.34.

(4) Borrowings from Orient Commercial Joint Stock Bank under Credit Contract No. 0676/2019/HĐTD-OCB-DN dated 26/08/2019. Total credit limit: VND 18.500.000.000. Loan term is 120 months from the day after first disbursement date. Purpose: To invest in building HPT Technology Company Ltd 's center of communication technology research and application. Guarantee measures: (a) Lot E2a-3 Street D1, High Technology Park, Long Thanh My Ward, District 9, HCMC, (b) Shares of HPT Vietnam Corporation of Mr. Ngo Vi Dong, Ms. Dinh Ha Duy Trinh, Mr. Dinh Ha Duy Linh, Ms. Han Nguyet Thu Huong with a total value of VND 14.282.000.000.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

12. Short-term Trade payables

	Dec. 31, 2019		Jan. 01, 2019	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
Local suppliers	87.420.400.247	87.420.400.247	40.926.173.124	40.926.173.124
- Elite Technology Jsc.	11.446.934.040	11.446.934.040	5.564.530.020	5.564.530.020
- CMC Technology and Solution	11.114.560.941	11.114.560.941	708.358.200	708.358.200
- Tech Data Advanced Solution (Vietnam) Co., Ltd	9.019.960.916	9.019.960.916	5.880.870.710	5.880.870.710
- Mi Mi Informatics Joint Stock Company	3.827.889.740	3.827.889.740	8.174.735.192	8.174.735.192
- Other suppliers	52.011.054.610	52.011.054.610	20.597.679.002	20.597.679.002
Foreign suppliers: 3.246.756,94 USD	75.467.032.255	75.467.032.255	25.505.619.539	25.505.619.539
- Microsoft Regional Sales Corporation	27.144.177.025	27.144.177.025	10.086.315.387	10.086.315.387
- Sunwest (Cambodia) Co. Ltd	29.276.250	29.276.250	29.276.250	29.276.250
- Ch Biz Solutions Ltd	43.257.787.890	43.257.787.890	14.655.266.533	14.655.266.533
- Other suppliers	5.035.791.090	5.035.791.090	734.761.369	734.761.369
Total	162.887.432.502	162.887.432.502	66.431.792.663	66.431.792.663

13. Short-term Prepayments from customers

	Dec. 31, 2019	Jan. 01, 2019
Local customers	8.481.274.107	9.609.727.748
- Thanh Cong Securities Joint Stock Company (TCSC)	-	5.271.920.400
- The Party Central Commission for Propaganda	-	1.134.000.000
- ITP Group	-	900.000.000
- Vietnam Asia Commercial Joint Stock Bank	3.981.500.000	-
- Techcom Securities (TCBS)	1.400.000.000	-
- Others	3.099.774.107	2.303.807.348
Foreign customers	1.401.406.812	1.353.413.222
Total	9.882.680.919	10.963.140.970

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

14. Taxes and payables to the State Budget

	Jan. 01, 2019	Payable amount	Paid amount	Dec. 31, 2019
VAT	5.916.969.943	54.952.873.680	58.051.355.243	2.818.488.380
Import tax	-	5.051.793	5.051.793	-
Corporate income tax	3.582.334.162	4.252.171.032	5.163.018.295	2.671.486.899
Personal income tax	270.734.860	3.286.887.163	3.090.998.422	466.623.601
Contractor income tax	2.260.735.705	29.183.635.853	23.192.490.747	8.251.880.811
Total	12.030.774.670	91.680.619.521	89.502.914.500	14.208.479.691

15. Accrued expenses

	Dec. 31, 2019	Jan. 01, 2019
Project implementation and maintenance	18.828.108.790	21.711.232.808
Total	18.828.108.790	21.711.232.808

16. Other payables Short-term

	Dec. 31, 2019	Jan. 01, 2019
Trade union fee	358.744.000	240.024.000
Health nsurance	1.174.791	-
Unemployment insurance	522.129	-
Dividend Payables	427.616.417	350.104.867
Borrowing from Mr. Ngo Vi Dong	500.000.000	4.000.000.000
Others	50.230.000	500.000.000
Total	1.338.287.337	5.090.128.867

17. Bonus and welfare fund

	Dec. 31, 2019	Jan. 01, 2019
Bonus fund	1.608.850.042	1.227.214.257
Welfare fund	819.177.710	416.230.553
Total	2.428.027.752	1.643.444.810

18. Owners' equity

a. Comparison schedule for changes in Owner's Equity: On page 34.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

b. Details of owners' shareholding

	% of shareholding	Dec. 31, 2019	Jan. 01, 2019
Mr. Ngo Vi Dong	13,07%	9.846.230.000	9.846.230.000
Satco Investment and Distribution Corporation	7,89%	5.944.580.000	-
Mr. Nguyen Duc Tien	6,22%	4.687.390.000	4.687.390.000
Ms. Han Nguyet Thu Huong	5,19%	3.913.730.000	3.913.730.000
Ms. Dinh Ha Duy Trinh	5,15%	3.882.660.000	3.882.660.000
Mr. Dinh Ha Duy Linh	5,04%	3.797.040.000	3.797.040.000
Treasury shares	2,07%	1.556.600.000	1.556.600.000
Shareholding owned by other owners	55,37%	41.720.650.000	47.665.230.000
Total	100,00%	75.348.880.000	75.348.880.000

* Number of treasury shares: 155.660 shares.

c. Capital transactions with owners and distribution of dividends, profits

	Year 2019	Year 2018
Owners' Paid-in Capital	75.348.880.000	75.348.880.000
At the beginning of the year	75.348.880.000	75.348.880.000
Capital increase during the year	-	-
Capital decrease during the year	-	-
At the end of the year	75.348.880.000	75.348.880.000
Dividends paid	7.379.228.950	7.379.228.000

d. Dividends

	Year 2019	Year 2018
Dividends declared after the balance sheet date	<i>Expect</i>	
Dividends on ordinary shares	10% - 15%	10%

e. Shares

	Dec. 31, 2019	Jan. 01, 2019
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
Ordinary share	7.534.888	7.534.888
Preferred share	-	-
Number of existing shares in issue	155.660	155.660
Ordinary share	155.660	155.660
Preferred share	-	-
Number of existing shares in issue	7.379.228	7.379.228
Ordinary share	7.379.228	7.379.228
Preferred share	-	-
Par value: VND/share.	10.000	10.000

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

f. Funds	Dec. 31, 2019	Jan. 01, 2019
Investment and development fund	6.558.860.671	5.845.913.514
Total	6.558.860.671	5.845.913.514

* 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 2019	Year 2018
Revenue from finished goods sold	603.080.047.742	536.907.820.209
Revenue from services	229.103.533.835	250.286.530.758
Total	832.183.581.577	787.194.350.967
2. Net sales	Year 2019	Year 2018
Net sales from finished goods sold	603.080.047.742	536.907.820.209
Net sales from services	229.103.533.835	250.286.530.758
Total	832.183.581.577	787.194.350.967
3. Cost of sales	Year 2019	Year 2018
Cost of finished goods sold	530.367.903.057	480.729.743.744
Cost of services	167.245.579.700	189.592.047.049
Total	697.613.482.757	670.321.790.793
4. Financial income	Year 2019	Year 2018
Interest income from deposits, loans	423.934.111	72.537.091
Dividends, profit paid	-	30.000.000
Realised foreign exchange gains	566.627.064	397.916.109
Unrealised foreign exchange gains	15.407.084	114.622.145
Other income from financing activities	19	691.732.759
Total	1.005.968.278	1.306.808.104
5. Financial expenses	Year 2019	Year 2018
Interest expense	5.151.304.743	6.094.326.696
Realised foreign exchange losses	274.568.677	1.012.409.447
Other financial expenses	-	781.060.560
Total	5.425.873.420	7.887.796.703

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

6. Selling expenses and General and administration expenses	Year 2019	Year 2018
a. Selling expenses		
Salaries	68.909.712.702	57.804.801.710
Depreciation	354.355.275	203.359.992
Taxes, fees and duties	17.973.500	17.838.500
Services bought from outsiders	10.603.904.827	11.922.245.886
Other selling expenses	510.017.760	279.745.639
Total	80.395.964.064	70.227.991.727
b. General and administration expenses		
Salaries	18.722.301.291	13.832.730.591
Tools and supplies	461.626.606	495.365.587
Depreciation	162.132.075	246.252.607
Taxes, fees and duties	3.804.246.866	3.404.152.807
Services bought from outsiders	9.931.115.302	6.701.403.374
Other selling expenses	3.319.406.423	4.049.708.317
Total	36.400.828.563	28.729.613.283
7. Other income	Year 2019	Year 2018
Fine amount received	8.135.446.558	5.311.702.670
Other income	317.798.639	1.334.123.120
Total	8.453.245.197	6.645.825.790
8. Other expenses	Year 2019	Year 2018
Fine amount	532.993.300	29.700.880
Administrative penalties	-	27.674.569
Tax arrears	45.752.847	79.455.472
Other expenses	12.797.788	-
Total	591.543.935	136.830.921
9. Costs of production and doing business by factors	Year 2019	Year 2018
Raw materials	696.820.073.866	670.066.401.045
Labour cost	87.632.013.993	71.637.532.301
Depreciation and amortization	1.309.896.241	705.002.347
Services bought	20.996.646.735	19.119.014.847
Other sundry cash expense	7.651.644.549	7.751.445.263
Total	814.410.275.384	769.279.395.803

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

10. Current corporate income tax	Year 2019	Year 2018
1. Accounting profit before corporate income tax	21.215.102.313	17.842.961.434
2. Adjustments to increase (decrease) accounting profit to determine taxable income	45.752.847	77.130.041
- Adjustment to increase	45.752.847	107.130.041
+ Undeductible expenses	45.752.847	107.130.041
- Adjustment to decrease	-	(30.000.000)
+ Dividends	-	(30.000.000)
3. Total taxable income (1+2)	21.260.855.160	17.920.091.475
From business activities	21.260.855.160	17.920.091.475
4. Corporate income tax rate	20%	20%
5. Current corporate income tax expenses	4.252.171.032	3.584.018.295
6. Total current corporate income tax expenses	4.252.171.032	3.584.018.295
11. Earnings per share	Year 2019	Year 2018
Accounting profit after corporate income tax	16.962.931.281	14.258.943.139
Increase or decrease of accounting profit	-	(4.277.682.942)
- Adjustment to increase	-	-
- Adjustment to decrease	-	(4.277.682.942)
+ Bonus and Welfare	-	(4.277.682.942)
Profit or loss attributable to ordinary equity holders	16.962.931.281	9.981.260.197
Average ordinary shares outstanding during the year	7.379.228	7.379.228
Earnings per share	2.299	1.353
Diluted earnings per share	2.299	1.353

(1) According to Board of Management Resolution No. 30/20/NQ/HPT dated February 28, 2020, the Company will organize Annual General Meeting on April 22, 2020 so there is no plan for profit distribution for the fiscal year 2019.

(1) According to Resolution No. 52/19/NQ-HPT dated April 19, 2019, the Bonus and Welfare fund of 2018 is VND 4.277.682.942.

(2) There are no impacts that decline original shares as at December 31, 2019.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2019**Unit: Vietnam dong***VII. ADDITIONAL INFORMATION FOR ITEMS IN THE CASH FLOW STATEMENT**

1. Borrowing amount in the period	Year 2019	Year 2018
- Proceeds from the borrowing under normal agreement	295.732.180.886	417.038.529.417
2. Payment for principal debts	Year 2019	Year 2018
- Payment for principal debts under normal agreement	(297.076.605.755)	(430.728.931.898)

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. Comparative information

Some opening balances on the Financial Statements for the fiscal year ended December 31, 2019 have been represented following the real profit distribution of 2018's Shareholders Resolution and so as to be in conformity with guidances of Enterprise Accounting System applicable for current year.

Items	Year 2019 Presented amount	Year 2018 Represented amount	Differences
In the Income Statement			
Earnings per share	1.932	1.353	579
Diluted earnings per share	1.932	1.353	579

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

Related parties	Relationship	Transactions	Movement	Closing balance Receivables/ (Payables)
Vietnam Joint Stock Commercial Bank For Industry And Trade	Invested Company	Service fees	23.598.055.670	8.104.002.270
Mr. Ngo Vi Dong	Chairman	Paid back	3.500.000.000	(500.000.000)
Ms. Dinh Ha Duy Trinh	Vice Chairman	Paid debt	3.000.000.000	-

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

+ Income of the Board of Management and Board of Directors

		Year 2019	Year 2018
Board of Management and Board of Directors	Salary and bonus	2.991.894.000	2.240.856.000
Cộng		2.991.894.000	2.240.856.000

5. 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.

6. Information on going-concern operation: The Company will continue its operation in the future.

Ho Chi Minh City, March 20, 2020

Prepared by

Chief Accountant

Chief Executive Officer



Do Quoc Tu



Phung Quoc Bao



Dinh Ha Duy Linh

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2019

Unit: Vietnam dong

V.2. Financial investments

Equity investments in other entities	31/12/2019		01/01/2019	
	Original value	Provision	Fair value	Original value
a. Investment in subsidiaries	-	-	-	12.696.364.576
1. HPT Technology Company Ltd	-	-	-	12.696.364.576
b. Investment in other entities	654.330.000	-	1.139.488.900	654.330.000
2. Vietinbank	654.330.000	-	1.139.488.900	654.330.000
Total	654.330.000	-	1.139.488.900	13.350.694.576

1. Pursuant to Resolution No. 122/19/NQ-HĐQT and Merging Contract on August 26, 2019, HPT Technology Co., Ltd. merged into HPT Vietnam Corporation. The procedures for merging and transferring of assets had been done in 2019. At December 31, 2019, HPT Technology Co., Ltd. has stopped working.

2. As at 31 December 2019, the market price (fair value) of the securities of Vietinbank (security code: CTG) was VND 1.139.488.900 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, 2019

Unit: Vietnam dong

V.18. Owners' Equity

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

Items	Owners' Paid-in Capital	Preferred shares	Treasury shares	Investment and development fund	Retained earnings	Total
Prior 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)
Prior 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
Current year opening balance	75.348.880.000	139.500.000	(2.155.280.020)	5.845.913.514	21.012.544.055	100.191.557.549
Profit	-	-	-	-	16.962.931.281	16.962.931.281
Bonus and Welfare of 2018	-	-	-	-	(4.277.682.942)	(4.277.682.942)
Funds of 2018	-	-	-	712.947.157	(712.947.157)	-
Dividends of 2018	-	-	-	-	(7.379.228.950)	(7.379.228.950)
Current year closing balance	75.348.880.000	139.500.000	(2.155.280.020)	6.558.860.671	25.605.616.287	105.497.576.938