



FPT Information System Company Limited and its subsidiaries
Corporate Information

Business Registration No. 016-000323

13 April 2005

The Business Registration was issued by State Planning and Investment Department.

Registered Office

No. 101, Long Thien Street,
District Tay Ho, Hanoi,
Republic of Vietnam

General Director
Nguyen Thanh Thuan
District Tay Ho, Hanoi,
Republic of Vietnam
Phone: 84-4-730-1000

**FPT Information System Company Limited
and its subsidiaries**

Financial Statements for the year ended
31 December 2008

Registered Office

101 Long Thien Street,
District Tay Ho, Hanoi,
Republic of Vietnam

Website

KPMG Vietnam
Vietnam



FPT Information System Company Limited and its subsidiaries
Corporate Information

Business Registration No 0104000187 13 April 2005

The Business Registration was issued by Hanoi Planning and Investment Department.

Board of Directors

Do Cao Bao	General Director
Duong Dung Trieu	Deputy General Director
Nguyen Ngoc Minh	Deputy General Director (until 18 Apr 2008)
Doan Thanh Vinh	Deputy General Director (until 18 Apr 2008)
Nguyen Minh Son	Deputy General Director (until 1 Mar 2008)
Nguyen Hung Cuong	Deputy General Director (until 1 Apr 2008)
Nguyen Tuan Hung	Deputy General Director (from 15 Apr 2008)
Nguyen Lam Phuong	Deputy General Director (from 15 Jul 2008)

Registered Office 101 Lang Ha Street
Dong Da District
Hanoi, Vietnam

Auditors KPMG Limited
Vietnam



KPMG Limited
16th Floor, Pacific Place
83B Ly Thuong Kiet Street
Hoan Kiem District, Hanoi
The Socialist Republic of Vietnam

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INDEPENDENT AUDITORS' REPORT

To the Investor
FPT Information System Company Limited and its subsidiaries

Scope

We have audited the accompanying balance sheet of FPT Information System Company Limited ("the Company") and consolidated balance sheet of FPT Information System Company Limited and its subsidiaries ("the Group") as of 31 December 2008 and the related statements of income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.


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

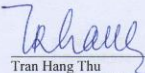
Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of FPT Information System Company Limited and of the Group as of 31 December 2008 and the results of their operations and their cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.



Investment Certificate No: 011043000345
Audit Report No: 08-02-073-02


John T. Ditty
CPA No. N.0555/KTV
General Director
Hanoi, 30 JUN 2009


Tran Hang Thu
CPA No. N.0877/KTV

FPT Information System Company Limited and its subsidiaries
Balance sheet at 31 December 2008

			2008		2007
	Code	Note	Group VND	Company VND	Company VND
ASSETS					
Current assets	100		1,223,125,569,151	137,816,504,665	938,489,508,717
Cash and cash equivalent	110	3	80,282,304,897	56,181,704,329	40,652,782,955
Cash	111		80,282,304,897	56,181,704,329	40,652,782,955
Accounts receivable - short-term	130	4	738,203,243,995	46,685,365,121	649,183,441,693
Accounts receivable – trade	131		624,954,276,788	36,006,057,309	589,990,225,366
Prepayments to suppliers	132		18,014,772,785	5,839,251,758	7,602,578,072
Inter-company receivables	133		2,084,179,215	1,738,949,505	2,310,412,930
Exceeds of revenue over progress billing	134		82,476,000,779	3,071,911,436	39,597,392,469
Other receivables	135		14,438,791,048	29,195,113	13,152,995,744
Allowance for doubtful debts	139		(3,764,776,620)	-	(3,470,162,888)
Inventories	140	5	371,063,220,600	12,633,733,983	232,563,567,762
Inventories	141		371,456,192,907	12,775,952,012	233,242,182,322
Allowance for inventories	149		(392,972,307)	(142,218,029)	(678,614,560)
Other current assets	150		33,576,799,659	22,315,701,232	16,089,716,307
Short-term prepayments	151		13,564,314,144	7,933,160,843	11,735,153,502
Deductible value added tax	152		16,049,774,362	13,513,915,848	14,560,000
Other current assets	158		3,962,711,153	868,624,541	4,340,002,805
Long-term assets	200		52,105,454,129	208,712,760,173	24,888,800,334
Accounts receivable - long-term	210		230,417,486	144,406,286	-
Other receivables	218		230,417,486	144,406,286	-
Fixed assets	220		48,300,131,669	15,441,964,907	21,726,779,592
Tangible fixed assets	221	6	38,447,211,773	5,649,375,054	20,671,075,539
Cost	222		81,444,288,932	24,483,683,418	54,886,842,586
Accumulated depreciation	223		(42,997,077,159)	(18,834,308,364)	(34,215,767,047)
Intangible fixed assets	227	7	9,799,984,632	9,770,379,789	137,340,685
Cost	228		10,845,310,854	10,761,168,414	302,389,806
Accumulated amortisation	229		(1,045,326,222)	(990,788,625)	(165,049,121)
Construction in progress	230	8	52,935,264	22,210,064	918,363,368
Long-term investments			-	192,000,000,000	-
Investments in subsidiaries	9		-	192,000,000,000	-
Other long-term assets	260		3,574,904,974	1,126,388,980	3,162,020,742
Long-term prepayment	261		3,574,904,974	1,126,388,980	3,162,020,742
TOTAL ASSETS	270		1,275,231,023,280	346,529,264,838	963,378,309,051

The accompanying notes are an integral part of these financial statements

FPT Information System Company Limited and its subsidiaries
Balance sheet at 31 December 2008 (continued)

	Code	Note	2008		2007
			Group VND	Company VND	Company VND
RESOURCES					
LIABILITIES	300		1,020,291,161,368	91,589,402,926	708,438,447,139
Current liabilities	310		1,020,199,950,138	91,589,402,926	708,423,050,409
Accounts payable - trade	312		159,683,984,898	131,007,722,726	56,581,488,380
Advances from customers	313		281,638,701,256	9,726,863,222	103,300,872,662
Taxes payable to State Treasury	314	10	10,367,307,360	2,207,347,288	9,141,437,515
Payables to employees	315		2,123,248,000	132,397,000	33,185,952,000
Accrued expenses	316	11	87,126,065,273	14,039,498,349	37,315,800,295
Inter-company payables	317		466,725,180,518	(67,195,264,521)	453,956,271,343
Excess of progress billings over contract WIP	318		6,246,980,817	339,397,545	10,432,220,698
Other payables	319	12	5,295,227,711	1,252,847,663	2,820,096,089
Provision for warranties	320	13	993,254,305	78,593,654	1,688,911,427
Long-term liabilities	330		91,211,230	-	15,396,730
Provision for severance allowance	336	13	91,211,230	-	15,396,730
OWNER'S EQUITY	400		254,939,861,912	254,939,861,912	254,939,861,912
Owner's equity	410		254,939,861,912	254,939,861,912	254,939,861,912
Charter capital	411	14	250,000,000,000	250,000,000,000	250,000,000,000
Financial reserves	418		2,189,861,912	2,189,861,912	2,189,861,912
Retained profits	420		-	-	-
Fund for non-business expenditure received from the State	431		2,750,000,000	2,750,000,000	2,750,000,000
TOTAL RESOURCES	440		1,275,231,023,280	346,529,264,838	963,378,309,051

Prepared by:



Do Son Giang
Chief Accountant

Approved by:



Do Cao Bao
General Director


30 JUN 2009

The accompanying notes are an integral part of these financial statements

FPT Information System Company Limited and its subsidiaries
Statement of income for the year ended 31 December 2008

	Code	Note	2008		2007
			Group VND	Company VND	Company VND
Total revenue	01	15	2,773,054,638,351	2,472,480,955,876	1,891,848,530,721
Less sales deductions	02	15	(3,642,348,299)	(2,624,942,345)	(2,461,295,812)
Net sales	10		2,769,412,290,052	2,469,856,013,531	1,889,387,234,909
Cost of sales	11	16	(2,192,975,461,600)	(2,230,417,213,854)	(1,506,153,644,119)
Gross profit	20		576,436,828,452	239,438,799,677	383,233,590,790
Financial income	21	17	16,065,752,572	7,649,824,435	3,123,214,407
Financial expenses	22	18	(63,236,610,430)	(22,317,083,847)	(23,817,447,421)
Selling expenses	24		(126,531,651,804)	(83,473,700,781)	(76,220,506,284)
General and admin expenses	25		(111,324,276,094)	(67,744,702,245)	(119,840,319,622)
Net operating profit	30		291,410,042,696	73,553,137,239	166,478,531,870
Results of other activities	40		29,269,530,890	11,921,935,475	14,269,240,201
Other income	31	19	32,225,979,790	14,110,181,202	15,622,469,597
Other expenses	32	20	(2,956,448,900)	(2,188,245,727)	(1,353,229,396)
Profit before tax	50		320,679,573,586	85,475,072,714	180,747,772,071
Corporate income tax - current	51	21	(36,788,662,083)	(8,439,141,239)	(22,047,529,374)
Net profit after tax	60		283,890,911,503	77,035,931,475	158,700,242,697

Prepared by:


Do Son Giang
Chief Accountant



30 JUN 2009

FPT Information System Company Limited and its subsidiaries
Statement of changes in equity for the year ended 31 December 2008

Group	Charter capital capital VND	Financial reserves VND	Fund for non-business expenditure received from the State VND	Retained profits VND	Total VND
Balance at 1 January 2007	145,000,000,000	2,189,861,912	2,750,000,000	-	149,939,861,912
Combination of FSS capital	22,000,000,000	-	-	-	22,000,000,000
Contributed capital	83,000,000,000	-	-	-	83,000,000,000
Net profit for the year	-	-	-	158,700,242,697	158,700,242,697
Profit transferred to owner	-	-	-	(158,700,242,697)	(158,700,242,697)
Balance at 1 January 2008	250,000,000,000	2,189,861,912	2,750,000,000	-	254,939,861,912
Net profit for the year	-	-	-	283,890,911,503	283,890,911,503
Profit transferred to owner	-	-	-	(283,890,911,503)	(283,890,911,503)
Balance at 31 December 2008	250,000,000,000	2,189,861,912	2,750,000,000	-	254,939,861,912

The accompanying notes are an integral part of these financial statements

FPT Information System Company Limited and its subsidiaries
Statement of changes in equity for the year ended 31 December 2008 (continued)

Company	Charter capital capital VND	Financial reserves VND	Fund for non-business expenditure received from the State VND	Retained profits VND	Total VND
Balance at 1 January 2007	145,000,000,000	2,189,861,912	2,750,000,000	-	149,939,861,912
Combination of FSS capital Contributed capital	22,000,000,000	-	-	-	22,000,000,000
Net profit for the year	83,000,000,000	-	-	158,700,242,697	83,000,000,000
Profit transferred to owner	-	-	-	(158,700,242,697)	158,700,242,697
Balance at 1 January 2008	250,000,000,000	2,189,861,912	2,750,000,000	-	254,939,861,912
Net profit for the year	-	-	-	77,035,931,475	77,035,931,475
Profit transferred to owner	-	-	-	(77,035,931,475)	(77,035,931,475)
Balance at 31 December 2008	250,000,000,000	2,189,861,912	2,750,000,000	-	254,939,861,912

Prepared by:


Do Son Giang
Chief Accountant

Approved by:


D. C. Cao Bao
General Director

30 JUN 2009

The accompanying notes are an integral part of these financial statements

FPT Information System Company Limited and its subsidiaries
Statement of cash flows for the year ended 31 December 2008

	Code Note	Group VND	2008 Company VND	2007 Company VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01	320,679,573,586	85,475,072,714	180,747,772,071
Adjustments for				
Depreciation and amortisation	02	13,985,513,815	9,966,978,953	10,921,720,917
Losses/(gains) from disposals of fixed assets		1,180,889,807	(33,800,552)	(201,274,710)
Construction in progress written off		1,161,401,836	970,974,676	-
Allowances and provisions	03	14,074,271,429	(639,816,598)	2,618,430,865
Unrealised foreign exchange gain/(loss)	04	(446,548,297)	16,084,694	-
Interest income	05	(795,328,368)	(662,287,734)	(1,110,660,199)
Interest expenses	06	20,324,874,834	11,341,327,078	20,970,345,465
Operating profit before changes in working capital	08	370,164,648,642	106,434,533,231	213,946,334,409
Change in receivables and other current assets	09	(96,827,755,750)	51,288,717,820	123,679,401,368
Change in inventories	10	(138,214,010,585)	(247,033,166,705)	(138,135,992,092)
Change in payables and other liabilities	11	(50,909,943,667)	123,260,266,938	(310,189,227,569)
Change in prepayments	12	(2,242,044,874)	5,837,624,421	(343,827,963)
		(288,193,754,876)	(66,646,557,526)	(324,989,646,256)
Other payments for operating activities	16	(230,417,486)	(452,066,775)	-
Net cash generated from/(used in) operating activities	20	81,740,476,280	39,335,908,930	(111,043,311,847)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and construction in progress	21	(43,497,487,026)	(24,285,802,884)	(14,379,433,942)
Proceeds from disposals of fixed assets	22	591,204,320	501,531,319	488,515,670
Net cash acquired through business combinations	23	-	-	11,071,370,273
Payments for investments in subsidiaries	25	-	(685,003,725)	-
Receipts of interests	27	795,328,368	662,287,734	1,110,660,199
Net cash used in investing activities	30	(42,110,954,338)	(23,806,987,556)	(1,708,887,800)

The accompanying notes are an integral part of these financial statements

FPT Information System Company Limited and its subsidiaries
Statement of cash flows for the year ended 31 December 2008 (continued)

	Code	Note	2008		2007
			Group VND	Company VND	Company VND
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from capital contribution	31		-	-	83,000,000,000
Net cash generated from financing activities	40		-	-	83,000,000,000
Net cash flows during the year	50		39,629,521,942	15,528,921,374	(29,752,199,647)
Cash and cash equivalents at the beginning of the year	60		40,652,782,955	40,652,782,955	70,404,982,602
Cash and cash equivalents at the end of the year	70	4	80,282,304,897	56,181,704,329	40,652,782,955

FPT Information System Company Limited and its subsidiaries
Statement of cash flows for the year ended 31 December 2008 (continued)

SIGNIFICANT NON-CASH TRANSACTIONS

	2008	2007
	Group VND	Company VND
Net assets transferred to subsidiaries newly established (Note 9)		Company VND
Tangible fixed assets and construction in progress (Note 6 and Note 8)	-	16,331,102,856
Long-term prepayments	-	307,660,489
Inventories	-	468,674,565,013
Accounts receivable and other current assets	-	546,313,522,652
Current liabilities	-	(840,311,854,735)
	-	191,314,996,275
Net assets acquired in business combination		
Fixed assets	-	6,441,206,736
Long-term assets	-	263,644,621
Inventories	-	386,738,497
Accounts receivable and other current assets	-	81,306,122,414
Current liabilities	-	(66,397,712,268)
	-	22,000,000,000
Profit transferred to the owner	(283,890,911,503)	(77,035,931,475)
		(158,700,242,697)

Prepared by:



Do Son Giang
Chief Accountant

Approved by:



Do Cao Bao
General Director

30 JUN 2009

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008

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

1. Reporting Entity

FPT Information System Company Limited ("the Company") is a limited liability company incorporated in Vietnam. The consolidated financial statements of the Company for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are to provide information technology ("IT") related services, software development and customisation, sale of software and hardware related IT products and provision of maintenance services.

As at 31 December 2008 the Group had 1,769 employees (2007: 1,919 employees).

2. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these financial statements.

(a) Basis of financial statement preparation

(i) General basis of accounting

The financial statements, expressed in Vietnam Dong ("VND"), have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

(ii) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated unless the cost can not be recovered.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

(iii) Accounting for business combinations between entities under common control

The combination transactions with entities under common control are accounted for using the historical carrying amount of the acquired assets and the assumed liabilities. The difference between the consideration paid and the related historical carrying amount is recognised directly in other capital account and recorded as difference in value of acquisition transactions between entities under common control. It is the Group's policy that the comparative figures are not restated as if the combination had been in existence throughout the reporting periods presented.

(b) Fiscal year

The fiscal year of the Company and its subsidiaries is from 1 January to 31 December.

(c) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates.

All realised and unrealised foreign exchange differences are recorded in the statement of income.

(d) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(e) Investments

Investments are stated at cost. Allowance is made for reductions in investment values which in the opinion of the management are not temporary. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(f) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Group applies the perpetual method of accounting for inventory.

(h) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure have resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure are capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ office equipment	3 - 5 years
▪ plant and equipment	5 - 25 years
▪ motor vehicles	4 - 6 years
▪ other	2 - 3 years

(i) Intangible fixed assets

Software

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over three to five years.

(j) Construction in progress

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

(k) Contract work-in-progress

Contract work-in-progress is stated at cost plus attributable profits earned to date less provision for foreseeable losses. Cost represents directly attributable and chargeable costs in accordance with the underlying contract.

(l) Long-term prepayments

(i) Prepaid rentals

Prepaid rentals are recognised in the statement of income on a straight-line basis over the term of the leases.

(ii) Tools

Tools are initially stated at cost and are expensed over a three year period.

(m) Trade and other payables

Trade and other payables are stated at their cost.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Warranties

The provision for warranties relates mainly to goods sold and services rendered in 2007 and 2008. The provision is based on estimates derived from historical warranty data associated with similar products and services.

(ii) Severance allowance

The provision for severance allowance is made in an amount equal to 1% of the total salary fund which is used as the basis of Social Insurance calculation, which is in accordance with Circular 82/2003/TT-BTC dated 14 August 2003.

(o) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

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

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Revenue

(i) Goods sold

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

(ii) Services rendered

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(q) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

(r) Related companies

Related companies include the investor and its subsidiaries and associates.

(s) Off balance sheet items

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these financial statements.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

3. Cash and cash equivalents

	2008		2007
	Group VND	Company VND	Company VND
Cash on hand	1,263,582,012	707,798,258	556,069,118
Cash in banks	79,018,722,885	55,473,906,071	40,096,713,837
Cash and cash equivalents in the statement of cash flows	80,282,304,897	56,181,704,329	40,652,782,955

Cash at 31 December 2008 included amounts denominated in currencies other than VND amounting to VND 1,011 million (2007: VND 2,292 million).

4. Accounts receivable - short-term

Excess of contract work-in-progress over progress billings and advances from customers comprised:

	2008		2007
	Group VND	Company VND	Company VND
Contract work-in-progress	234,163,803,855	21,996,072,301	77,827,373,340
Attributable profits based on percentage of completion	156,376,057,076	9,129,655,186	21,892,869,628
	390,539,860,931	31,125,727,487	99,720,242,968
Progress billings and advances from customers	(308,063,860,152)	(28,053,816,051)	(60,122,850,499)
Excess of contract work-in-progress over progress billing	82,476,000,779	3,071,911,436	39,597,392,469

Other short-term receivables comprised:

	2008		2007
	Group VND	Company VND	Company VND
Amounts over-billed on service contracts	14,217,029,319	-	12,032,614,099
Others	221,761,729	29,195,113	1,120,381,645
	14,438,791,048	29,195,113	13,152,995,744

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

Movements in the allowance for doubtful debts during the year were as follows:

	2008		2007
	Group VND	Company VND	Company VND
Opening balance	3,470,162,888	3,470,162,888	-
Increase in allowance during the year	3,764,776,620	-	3,470,162,888
Written back	(3,470,162,888)	(3,470,162,888)	-
Closing balance	3,764,776,620	-	3,470,162,888

5. Inventories

	2008		2007
	Group VND	Company VND	Company VND
Goods in transit	816,862,785	816,862,785	595,856,166
Tools and supplies	24,896,360	440,826	34,762,184
Work in progress	272,125,532,803	4,842,628,809	132,948,570,778
Merchandise inventories	98,488,900,959	7,116,019,592	99,662,993,194
	371,456,192,907	12,775,952,012	233,242,182,322
Allowance for inventories	(392,972,307)	(142,218,029)	(678,614,560)
	371,063,220,600	12,633,733,983	232,563,567,762

Movements in the allowance for inventories during the year were as follows:

	2008		2007
	Group VND	Company VND	Company VND
Opening balance	678,614,560	678,614,560	-
Increase in allowance during the year	250,754,278	-	678,614,560
Written back	(536,396,531)	(536,396,531)	-
Closing balance	392,972,307	142,218,029	678,614,560

Included in finished goods at 31 December 2008 was VND869 million (2007: VND1,710 million) of inventories carried at net realisable value.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

6. Tangible fixed assets

Group	Office equipment VND	Plant and equipment VND	Motor vehicles VND	Others VND	Total VND
Cost					
Opening balance	48,706,123,928	-	3,455,009,222	2,725,709,436	54,886,842,586
Additions	7,485,565,193	-	28,607,272	27,955,420	7,542,127,885
Transfer from construction in progress	265,810,189	24,850,654,172	-	-	25,116,464,361
Transfer to inter-companies	(8,022,000)	-	-	-	(8,022,000)
Disposals	(5,810,249,424)	-	(264,578,880)	(18,295,596)	(6,093,123,900)
Reclassifications	63,376,193	-	-	(63,376,193)	-
Closing balance	50,702,604,079	24,850,654,172	3,219,037,614	2,671,993,067	81,444,288,932
Accumulated depreciation					
Opening balance	31,939,121,302	-	1,621,190,941	655,454,804	34,215,767,047
Charge for the year	10,475,513,165	1,183,364,484	556,575,355	889,783,710	13,105,236,714
Transfer to inter-companies	(2,896,829)	-	-	-	(2,896,829)
Disposals	(4,162,631,031)	-	(143,014,839)	(15,383,903)	(4,321,029,773)
Reclassifications	25,420,406	-	-	(25,420,406)	-
Closing balance	38,274,527,013	1,183,364,484	2,034,751,457	1,504,434,205	42,997,077,159
Net book value					
Closing balance	12,428,077,066	23,667,289,688	1,184,286,157	1,167,558,862	38,447,211,773
Opening balance	16,767,002,626	-	1,833,818,281	2,070,254,632	20,671,075,539

Included in the cost of tangible fixed assets were assets costing VND21,935 million which were fully depreciated as of 31 December 2008 (2007: VND17,811 million), but which are still in active use.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

Company	Office equipment VND	Motor vehicles VND	Others VND	Total VND
Cost				
Opening balance	48,706,123,928	3,455,009,222	2,725,709,436	54,886,842,586
Additions	5,508,019,325	2,727,272	22,284,000	5,533,030,597
Transfer from construction in progress	227,561,189	-	-	227,561,189
Transfer to subsidiaries	(26,406,334,200)	-	-	(26,406,334,200)
Transfer to inter-companies	(1,104,796,878)	(1,303,949,364)	(2,604,031,985)	(5,012,778,227)
Disposals	(1,016,428,868)	(264,578,880)	(13,054,545)	(1,294,062,293)
Other movements	(3,450,576,234)	-	-	(3,450,576,234)
Closing balance	22,463,568,262	1,889,208,250	130,906,906	24,483,683,418
Accumulated depreciation				
Opening balance	31,939,121,302	1,621,190,941	655,454,804	34,215,767,047
Charge for the year	8,164,490,307	453,357,648	478,364,593	9,096,212,548
Transfer to subsidiaries	(17,982,700,022)	-	-	(17,982,700,022)
Transfer to inter-companies	(1,754,668,001)	(634,663,066)	(1,003,900,380)	(3,393,231,447)
Disposals	(670,262,142)	(143,014,839)	(13,054,545)	(826,331,526)
Other movements	(2,275,408,236)	-	-	(2,275,408,236)
Closing balance	17,420,573,208	1,296,870,684	116,864,472	18,834,308,364
Net book value				
Closing balance	5,042,995,054	592,337,566	14,042,434	5,649,375,054
Opening balance	16,767,002,626	1,833,818,281	2,070,254,632	20,671,075,539

Included in the cost of tangible fixed assets were assets costing VND9,188 million which were fully depreciated as of 31 December 2008 (2007: VND17,811 million), but which are still in active use.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

7. Intangible fixed assets

	Group Software VND	Company Software VND
Cost		
Opening balance	302,389,806	302,389,806
Additions	10,542,921,048	10,542,921,048
Transfer from inter-companies	-	(84,142,440)
	<hr/>	<hr/>
Closing balance	10,845,310,854	10,761,168,414
Accumulated amortisation		
Opening balance	165,049,121	165,049,121
Charge for the year	880,277,101	870,766,405
Transfer from inter-companies	-	(45,026,901)
	<hr/>	<hr/>
Closing balance	1,045,326,222	990,788,625
Net book value		
Closing balance	9,799,984,632	9,770,379,789
Opening balance	137,340,685	137,340,685
	<hr/>	<hr/>

8. Construction in progress

	2008 Group VND	2008 Company VND	2007 Company VND
Opening balance	918,363,368	918,363,368	-
Additions during the year	25,412,438,093	8,209,851,239	1,898,139,203
Written off	(1,161,401,836)	(970,974,676)	(979,775,835)
Transfer to subsidiaries	-	(7,907,468,678)	-
Transfer to tangible fixed assets	(25,116,464,361)	(227,561,189)	-
	<hr/>	<hr/>	<hr/>
Closing balance	52,935,264	22,210,064	918,363,368
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FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

9. Investments in subsidiaries

In June and July 2008, the Company set up seven new wholly-owned subsidiaries based on the transformation of its previously business lines. Details of the investments in subsidiaries are as follows:

Name	Address	Consolidated	Capital in cash VND	2008 Capital in-kind VND	Total VND
FPT ERP Service Co., Limited	101 Lang Ha Street, Dong Da District, Hanoi	Yes	-	10,000,000,000	10,000,000,000
FPT Information System of Financing and Banking Services Company Limited	101 Lang Ha Street, Dong Da District, Hanoi	Yes	-	75,000,000,000	75,000,000,000
FPT FSE Information System Company Limited	101 Lang Ha Street, Dong Da District, Hanoi	Yes	685,003,725	49,314,996,275	50,000,000,000
FPT Software Development Company Limited	32A Truong Dinh Street, 3 rd District, Ho Chi Minh City	Yes	-	5,000,000,000	5,000,000,000
FPT Information Service Company Limited	56 Hoang Dieu Street, Ba Dinh District, Hanoi	Yes	-	10,000,000,000	10,000,000,000
FPT Information System of Telecom and Public Services Company Limited	101 Lang Ha Street, Dong Da District, Hanoi	Yes	-	35,000,000,000	35,000,000,000
FPT Public Finance Solutions Company Limited	101 Lang Ha Street, Dong Da District, Hanoi	Yes	-	7,000,000,000	7,000,000,000
Total			685,003,725	191,314,996,275	192,000,000,000

Capital contribution in-kind represents value at cost of fixed assets, long-term assets, inventories and other working capital transferred to the subsidiaries as at the date of their establishments.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

10. Taxes payable to State Treasury

	2008		2007
	Group VND	Company VND	Company VND
Taxes			
Value added tax	7,704,180,115	1,792,720,881	6,108,966,946
Import-export tax	186,573,486	186,573,486	13,867,000
Corporate income tax	460,794,428	-	-
Personal income tax	1,905,437,442	117,731,032	3,015,603,569
Foreign contractor payable	110,321,889	110,321,889	3,000,000
	<hr/>	<hr/>	<hr/>
	10,367,307,360	2,207,347,288	9,141,437,515

11. Accrued expenses

	2008		2007
	Group VND	Company VND	Company VND
Accruals for works completed by sub-contractors	66,051,763,863	3,472,252,349	33,216,378,771
Accruals for business salary	20,551,318,000	10,567,246,000	-
Others	522,983,410	-	4,099,421,524
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	87,126,065,273	14,039,498,349	37,315,800,295

12. Other payables

Other payables comprised:

	2008		2007
	Group VND	Company VND	Company VND
Trade union fees	860,732,928	853,427,928	536,854,030
Social insurance	273,772,728	273,772,728	234,003,064
Unearned revenue	3,924,799,916	-	877,665,873
Others	235,922,139	125,647,007	1,171,573,122
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	5,295,227,711	1,252,847,663	2,820,096,089

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

13. Provisions

Movement of provisions during the year were as follows:

	Warranties		Severance allowance		Total	
	Group VND	Company VND	Group VND	Company VND	Group VND	Company VND
Opening balance	1,688,911,427	1,688,911,427	15,396,730	15,396,730	1,704,308,157	1,704,308,157
Provision made during the year	15,678,396,877	5,071,050,978	91,211,230	-	15,769,608,107	5,071,050,978
Provision used during the year	(14,685,142,572)	(4,992,457,324)	-	-	(14,685,142,572)	(4,992,457,324)
Provision reversed during the year	(1,688,911,427)	(1,688,911,427)	(15,396,730)	(15,396,730)	(1,704,308,157)	(1,704,308,157)
Closing balance	993,254,305	78,593,654	91,211,230	-	1,084,465,535	78,593,654
Non-current	-	-	91,211,230	-	91,211,230	-
Current	993,254,305	78,593,654	-	-	993,254,305	78,593,654
	993,254,305	78,593,654	91,211,230	-	1,084,465,535	78,593,654

(i) Warranties

The provision for warranties relates mainly to goods sold and services rendered in 2007 and 2008. The provision is based on estimates derived from historical warranty data associated with similar products and services.

(ii) Severance allowance

Severance allowance is made equal 1% of total salary fund.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

14. Contributed capital

The Company's authorised and contributed legal capital are:

	Authorised and contributed	
	VND	%
FPT Corporation	250,000,000,000	100%

15. Total revenue

Total revenue represents the gross invoiced value of goods sold and services rendered exclusive of value added tax.

Net sales comprised

	2008	2007
Group VND	Company VND	Company VND
Total revenue		
▪ Goods	2,287,257,216,829	1,621,933,216,329
▪ Services	485,797,421,522	269,915,314,392
Less sales deductions		
▪ Sales returns	(3,642,348,299)	(2,461,295,812)
Net sales	2,769,412,290,052	1,889,387,234,909

16. Cost of sales

	2008	2007
Group VND	Company VND	Company VND
Total cost of sales		
▪ Merchandise goods sold	1,902,034,049,193	1,348,886,051,992
▪ Services provided	290,829,043,625	156,588,977,567
▪ Allowance for inventories	112,368,782	678,614,560
	2,192,975,461,600	1,506,153,644,119

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

17. Financial income

	2008		2007
	Group VND	Company VND	Company VND
Interest income from deposits	795,328,368	662,287,734	1,110,660,199
Foreign exchange gains	15,270,424,204	6,987,536,701	2,012,554,208
	16,065,752,572	7,649,824,435	3,123,214,407

18. Financial expenses

	2008		2007
	Group VND	Company VND	Company VND
Interest expenses allocated from FPT Corporation	20,324,874,834	11,341,327,078	20,970,345,465
Foreign exchange losses	42,909,869,724	10,975,756,769	2,847,101,956
Other	1,865,872	-	-
	63,236,610,430	22,317,083,847	23,817,447,421

19. Other income

	2008		2007
	Group VND	Company VND	Company VND
Proceeds on disposals of fixed assets	591,204,320	501,531,319	488,515,670
Bonus and other incentives	26,228,985,751	11,013,033,102	14,186,928,730
Others	5,405,789,719	2,595,616,781	947,025,197
	32,225,979,790	14,110,181,202	15,622,469,597

20. Other expenses

	2008		2007
	Group VND	Company VND	Company VND
Losses on disposals of tangible fixed assets	1,772,094,127	467,730,767	287,240,960
Compensation paid for breach of contracts	785,418,846	778,562,846	489,490,532
Others	398,935,927	941,952,114	576,497,904
	2,956,448,900	2,188,245,727	1,353,229,396

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

21. Income tax

(a) Recognised in the statement of income

	2008		2007
	Group VND	Company VND	Company VND
Current tax expense			
Current year	36,788,662,083	8,439,141,239	22,047,529,374
	36,788,662,083	8,439,141,239	22,047,529,374

The latest CIT assessment was made in relation to the financial year ended 31 December 2006 by Hanoi Tax Department. In this year of assessment and also in assessment years before that, FPT Information System Company Limited declared its CIT under FPT Corporation, its parent company, as an independent unit of accounting. The calculation of CIT expense of FPT Information System Company Limited in respect of the financial years ended 31 December 2007 and 2008 are subject to the review and approval of the tax authorities.

(b) Reconciliation of effective tax rate

	2008		2007
	Group VND	Company VND	Company VND
Profit before tax	320,679,573,586	85,475,072,714	180,747,772,071
Tax at CIT rate applicable in Business			
Registration and prevailing tax regulations	72,826,993,043	16,769,708,390	43,851,269,022
Effect of non-deductible expenses	750,331,123	108,574,088	243,789,726
Effect of tax exempt income and tax incentives	(36,788,662,083)	(8,439,141,239)	(22,047,529,374)
	36,788,662,083	8,439,141,239	22,047,529,374

(c) Applicable tax rates

Under the terms of its Business Licence and prevailing tax regulations, the Company and its subsidiaries have an obligation to pay the Government CIT at the rate of 10% of taxable profits on software and 28% of taxable profits on goods sold and services rendered.

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

22. Significant transactions with related parties

	2008		2007		Balance outstanding as at 31 December	
	Group VND	Company VND	Group VND	Company VND	2008 Group VND	2007 Company VND
Investor						
FPT Corporation						
Sale of goods	303,910,830,481	153,707,601,888		211,305,196,202	-	-
Rendering of services	31,683,671,897	8,604,699,099		34,851,016,337	69,776,805	69,776,805
Purchase of goods and services	1,276,959,002,505	790,814,419,996		1,032,688,185,255	464,454,901,972	(107,007,986,302)
Profit transferred	283,890,911,503	49,147,205,059		158,700,242,697	1,123,798,242	453,952,180,343
Interest re-charged	20,324,874,834	11,341,327,078		20,970,345,465	-	-
Other related parties						
FPT Software Joint Stock Company						
Sale of goods	437,813,830	345,578,690		3,826,545,915	-	2,310,412,930
Rendering of services	1,426,530,106	1,299,072,006		2,693,975,739	1,149,176,489	933,889,279
Purchase of goods	2,752,622,926	2,711,552,059		2,301,495,216	22,682,062	1,538,798
FPT Distribution Co., Ltd						
Sale of goods	4,181,968,753	2,811,360,724		3,665,410,737	-	-
Rendering of services	215,138,796	190,940,796		57,105,487	-	-
Purchase of goods	189,745,879,032	123,969,481,424		203,003,924,414	-	-
FPT Telecom Joint Stock Company						
Sale of goods	27,337,972,847	27,337,972,847		43,100,697,947	714,923,057	-
Rendering of services	821,036,111	481,484,711		844,673,519	150,302,864	20,360,364
Purchase of goods	1,091,591,647	1,087,528,844		1,162,453,882	-	3,465,000

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

23. Commitments

Leases

The future minimum lease payments under non-cancellable operating leases were:

	2008		2007
	Group VND	Company VND	Company VND
Within one year	23,939,294,036	23,939,294,036	25,189,540,260
Within two to five years	9,368,054,000	9,368,054,000	30,250,507,018
	<hr/>	<hr/>	<hr/>
	33,307,348,036	33,307,348,036	55,440,047,278

24. Contingent liability

The corporate income tax ("CIT") expense and CIT payable (refer to Note 21 and Note 10 respectively) have been calculated on the basis that FPT Information System Company Limited entitled to a 50% reduction in the standard rate of CIT. This method of calculation has been applied on the basis that the incentive, which was granted to FPT Corporation, the parent company of FPT Information System Company Limited, when it listed on the Ho Chi Minh City Stock Exchange, was also available to 100% owned subsidiaries of FPT Corporation. In view of the interpretation that can be made of the applicable tax legislation, this method of calculation could give rise to CIT liabilities of VND20 billion and VND32 billion for the financial years ended 31 December 2007 and 31 December 2008, respectively.

25. Off balance sheet items

(a) Outstanding letters of guarantees

The Group had the following outstanding letters of guarantees as at 31 December 2008:

	2008		2007
	Group VND	Company VND	Company VND
Outstanding letters of guarantees	172,384,400,406	172,384,400,406	-

(b) Inventory held for third parties

	2008		2007
	Group VND	Company VND	Company VND
Inventory held for third parties	89,071,890,804	-	111,618,341,000

FPT Information System Company Limited and its subsidiaries
Notes to the financial statements for the year ended 31 December 2008 (continued)

26. Post balance sheet event

Subsequent to the year end, on 16 March 2009, the Board of Management of FPT Corporation approved for the Company and its subsidiaries to be equitised in 2009. As of the date of the financial statements, the date of the initial public offering has not yet been determined.

27. Production and business costs by element

	2008	2007
	Group VND	Company VND
Raw material costs included in production costs	1,902,034,049,193	1,984,990,044,424
Labour costs and staff costs	203,186,720,048	123,678,896,088
Depreciation and amortisation	13,985,513,815	9,966,978,953
Outside services	274,999,615,464	247,468,245,488
Other expenses	36,625,490,815	15,531,451,927
		1,349,564,666,552
		156,388,721,433
		10,921,720,917
		240,559,642,801
		19,310,430,515

28. Corresponding figures

Certain corresponding figures have been reclassified to conform with the current year's presentation as follows:

Balance sheet

	2007 Company (Reclassified) VND	2007 Company (as previously reported) VND
Other receivables	13,152,995,744	5,285,384,450
Other current assets	4,340,002,805	175,000,000
Exceeds of revenue over progress billing	39,597,392,469	51,630,006,568

Prepared by:



Do Son Giang
Chief Accountant

Approved by:




Do Cao Bao
General Director

30 JUN 2009