

RAMCO SYSTEM VIETNAM COMPANY LIMITED

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2019

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RAMCO SYSTEM VIETNAM COMPANY LIMITED
Suite 24, 16th Floor, Saigon Tower, 29 Le Duan Street
Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

STATEMENT OF THE GENERAL DIRECTOR

The General Director of Ramco System Vietnam Company Limited (the "Company") presents this report together with the Company's financial statements for the year ended 31 March 2019.

CHAIRMAN AND GENERAL DIRECTOR

Mr. Ramamurthy Ravikula Chandran is Chairman cum General Director of the Company who held office during the year and to the date of this report.

THE GENERAL DIRECTOR'S STATEMENT OF RESPONSIBILITY

The General Director of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the General Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The General Director is 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 comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The General Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The General Director confirms that the Company has complied with the above requirements in preparing these financial statements.



Ramamurthy Ravikula Chandran
General Director
16 May 2019

No.: 908 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

To: **Chairman and General Director of Ramco System Vietnam Company Limited**

We have audited the accompanying financial statements of Ramco System Vietnam Company Limited (the "Company") prepared on 16 May 2019 as set out from page 3 to page 12, which comprise the balance sheet as at 31 March 2019, and the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

General Director's Responsibility for the Financial Statements

The General Director is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the General Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors' 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 auditors consider 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 General Director, 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.

Opinion

In our opinion, the financial statements present fairly, in all material, the financial position of the Company as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Nguyen Minh Thao
Audit Partner
Audit Practising Registration Certificate
No. 1902-2018-001-1
**BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED**
16 May 2019
Ho Chi Minh City, Vietnam

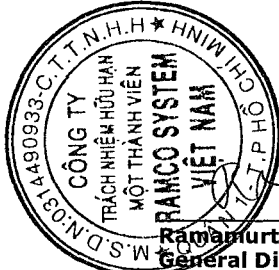
Phan Thi Hong Nhung
Auditor
Audit Practising Registration Certificate
No. 4310-2018-001-1

BALANCE SHEET
 As at 31 March 2019

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		6,524,842,965	5,726,153,825
I. Cash and cash equivalent	110	4	5,459,853,287	5,648,684,827
1. Cash	111		5,459,853,287	5,648,684,827
II. Short-term receivables	130		937,427,120	49,980,000
1. Short-term trade receivables	131	5	885,147,120	-
2. Other short-term receivables	136	6	52,280,000	49,980,000
III. Other short-term assets	150		127,562,558	27,488,998
1. Short-term prepayments	151		52,280,000	27,488,998
2. Value added tax deductibles	152		75,282,558	-
TOTAL ASSETS (270=100)	270		6,524,842,965	5,726,153,825
RESOURCES	Codes	Notes	Closing balance	Opening balance
B. LIABILITIES	300		1,648,969,038	892,884,675
I. Current liabilities	310		1,648,969,038	892,884,675
1. Short-term trade payables	311	7	518,989,328	-
2. Short-term accrued expenses	315	8	583,040,773	432,300,000
3. Short-term unearned revenue	318	9	90,784,320	-
4. Other current payables	319	10	456,154,617	460,584,675
C. EQUITY	400		4,875,873,927	4,833,269,150
I. Owner's equity	410	11	4,875,873,927	4,833,269,150
1. Owner's contributed capital	411		5,625,000,000	5,625,000,000
2. Accumulated losses	421		(749,126,073)	-
- Losses accumulated to the prior year end	421a		(791,730,850)	-
- Retained earnings/(losses accumulated) of the current year/period	421b		42,604,777	(791,730,850)
TOTAL RESOURCES (440=300+400)	440		6,524,842,965	5,726,153,825

J.S. Anandaganesh T S
Anandaganesh T S
 Accountant in charge


Ramamurthy Ravikula Chandran
 General Director
 16 May 2019

INCOME STATEMENT
 For the year ended 31 March 2019

Unit: VND

ITEMS	Codes	Notes	From 1/4/18 to 31/3/19	From 3/7/17 to 31/3/18
1. Gross revenue of services rendered	01	13	1,361,764,800	-
2. Net revenue from services rendered (10=01)	10		1,361,764,800	-
3. Cost of services rendered	11	14	544,705,920	-
4. Gross profit from services rendered (20=10-11)	20		817,058,880	-
5. Financial income	21		97,771,363	44,911,559
6. Selling expenses	25		65,077,800	-
7. General and administration expenses	26	16	807,147,666	836,642,409
8. Operating profit/(loss) (30=20+21-(25+26))	30		42,604,777	(791,730,850)
9. Accounting profit/(loss) before tax (50=30)	50		42,604,777	(791,730,850)
10. Current corporate income tax expense	51	17	-	-
11. Profit/(Loss) after corporate income tax (60=50-51)	60		42,604,777	(791,730,850)

D.S. Anand

Anandaganesh T S
 Accountant in charge



Ramamurthy Ravikula Chandran
 General Director
 16 May 2019



CASH FLOW STATEMENT
 For the year ended 31 March 2019

Unit: VND

ITEMS	Codes	From 1/4/18 to 31/3/19	From 3/7/17 to 31/3/18
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit/(Loss) before tax	01	42,604,777	(791,730,850)
2. Adjustments for:			
Unrealized foreign exchange gain	04	(96,076,224)	(44,762,134)
Gain from investing activities	05	(1,695,139)	(149,425)
3. Operating profit before movements in working capital	08	(55,166,586)	(836,642,409)
Changes in receivables	09	(962,729,678)	(49,980,000)
Changes in payables	11	760,514,421	886,398,409
Changes in prepaid expenses	12	(24,791,002)	(27,488,998)
Net cash used in operating activities	20	(282,172,845)	(27,712,998)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Interest earned	27	1,695,139	149,425
Net cash generated by investing activities	30	1,695,139	149,425
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from owners' contributed capital	31	-	5,625,000,000
Net cash generated by financing activities	40	-	5,625,000,000
Net (decrease)/increase in cash (50=20+30+40)	50	(280,477,706)	5,597,436,427
Cash at the beginning of the year/period	60	5,648,684,827	-
Effects of changes in foreign exchange rates	61	91,646,166	51,248,400
Cash at the end of the year/period (70=50+60+61)	70	5,459,853,287	5,648,684,827

D. S. Anand
Anandaganesh T S
 Accountant in charge



Ramamurthy Ravikula Chandran
Ramamurthy Ravikula Chandran
 General Director
 16 May 2019

NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Structure of ownership

Ramco System Vietnam Company Limited was incorporated in Vietnam as a one member limited liability company for 50 years, under Investment Registration Certificate No. 2108560157 dated 1 June 2017 issued by Department of Planning and Investment of Ho Chi Minh City.

The owner of the Company is Ramco Systems Limited, a company incorporated in India.

The number of employees as at 31 March 2019 was 2 (as at 31 March 2018: 1).

Operating industry and principal activities

Operating industry and principal activities of the Company are software production; computer programming; consultancy and computer system management, IT service and other services related to computer, data processing, renting database and other related activities.

Normal business cycle

The Company's normal business cycle is carried out for a time period of 12 months or less.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The financial statements, expressed in Vietnam Dong ("VND"), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 1 April and ends on 31 March.

Disclosure of information comparability in the financial statements

The financial statements for the current year cover 12-month period from 1 April 2018 to 31 March 2019 while the corresponding figures of the prior-period financial statements cover a period from 3 July 2017 (date of incorporation) to 31 March 2018, therefore, figures may not be comparable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the General Director to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the General Director's best knowledge, actual results may differ from those estimates.

Cash and cash equivalent

Cash comprise bank demand deposits.



12/03/2019

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of under an accounting period, including office rental prepayments. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Revenue recognition

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. The outcome of a transaction can be measured reliably when the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

License fee revenue is recognized on delivery of the software.

Service income is recognized upon providing of services and on the basis of effort spent and the right to collect payment is established.

Revenue from maintenance services is recognized on a pro-rata basis over the period of the contract.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable and deferred tax is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

4. CASH AND CASH EQUIVALENT

	Closing balance VND	Opening balance VND
Demand deposits	5,459,853,287	5,648,684,827
	<u>5,459,853,287</u>	<u>5,648,684,827</u>

5. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Maple Company Limited	442,573,560	-
Peony Company Limited	442,573,560	-
	<u>885,147,120</u>	<u>-</u>

6. OTHER SHORT-TERM RECEIVABLES

	Closing balance VND	Opening balance VND
Deposits for office leasing	52,280,000	49,980,000
	<u>52,280,000</u>	<u>49,980,000</u>

7. SHORT-TERM TRADE PAYABLES

	Closing balance VND	Opening balance VND
Trade payables to related party (Note 19)	490,235,328	-
Other	28,754,000	-
	<u>518,989,328</u>	<u>-</u>



8. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	<u>VND</u>	<u>VND</u>
Audit fee	110,000,000	90,000,000
Consultancy fee	393,852,000	342,300,000
Others	79,188,773	-
	<u>583,040,773</u>	<u>432,300,000</u>

9. SHORT-TERM UNEARNED REVENUE

	Closing balance	Opening balance
	<u>VND</u>	<u>VND</u>
Maple Company Limited	45,392,160	-
Peony Company Limited	45,392,160	-
	<u>90,784,320</u>	<u>-</u>

10. OTHER CURRENT PAYABLES

	Closing balance	Opening balance
	<u>VND</u>	<u>VND</u>
Other current payable to related party (Note 19)	456,154,617	460,584,675
	<u>456,154,617</u>	<u>460,584,675</u>

11. OWNER'S EQUITY

Movement in owner's equity

	Owner's contributed capital	(Accumulated losses)/Retained earnings	Total
	<u>VND</u>	<u>VND</u>	<u>VND</u>
Prior period's opening balance	-	-	-
Capital increase	5,625,000,000	-	5,625,000,000
Loss for the period	-	(791,730,850)	(791,730,850)
Current year's opening balance	5,625,000,000	(791,730,850)	4,833,269,150
Profit for the year	-	42,604,777	42,604,777
Current year's closing balance	<u>5,625,000,000</u>	<u>(749,126,073)</u>	<u>4,875,873,927</u>

Charter capital and investment capital

According to the Company's Investment Certificate, the Company's investment capital and charter capital is USD 250,000. The Company's charter capital had been fully contributed by Ramco Systems Limited as at 31 March 2019 and 31 March 2018, as follows:

	Per Investment Certificate		Contributed capital Closing balance	
	<u>USD</u>	%	<u>USD</u>	<u>VND</u>
Ramco Systems Limited	250,000	100%	250,000	5,625,000,000
	<u>250,000</u>	<u>100%</u>	<u>250,000</u>	<u>5,625,000,000</u>

12. OFF BALANCE SHEET ITEM

Foreign Currency

	Closing balance	Opening balance
Foreign currency		
- United States Dollar ("USD")	199,992	199,992
	<u>199,992</u>	<u>199,992</u>

13. REVENUE FROM SERVICES RENDERED

	From 1/4/18 to 31/3/19 VND	From 3/7/17 to 31/3/18 VND
License and services	1,361,764,800	-
	<u>1,361,764,800</u>	<u>-</u>

14. COST OF SERVICES RENDERED

	From 1/4/18 to 31/3/19 VND	From 3/7/17 to 31/3/18 VND
Royalty fee	544,705,920	-
	<u>544,705,920</u>	<u>-</u>

15. PRODUCTION COST BY NATURE

	From 1/4/18 to 31/3/19 VND	From 3/7/17 to 31/3/18 VND
Out-sourced services	870,049,233	836,418,409
Royalty fee	544,705,920	-
Others	2,176,233	224,000
	<u>1,416,931,386</u>	<u>836,642,409</u>

16. GENERAL AND ADMINISTRATION EXPENSES

	From 1/4/18 to 31/3/19 VND	From 3/7/17 to 31/3/18 VND
Out-sourced services	804,971,433	836,418,409
Others	2,176,233	224,000
	<u>807,147,666</u>	<u>836,642,409</u>

17. CORPORATE INCOME TAX EXPENSE

	From 1/4/18 to 31/3/19 VND	From 3/7/17 to 31/3/18 VND
Profit/(Loss) before tax	42,604,777	(791,730,850)
<i>Add back: non-deductible expenses</i>	90,092,981	-
<i>Less: non-assessable income</i>	(91,646,166)	(51,248,400)
<i>Tax loss utilized</i>	(41,051,592)	-
Taxable loss	-	(842,979,250)
Tax rate	20%	20%
Current corporate income tax expense	-	-

The Company is obliged to pay corporate income tax at the rate of 20% of its taxable profit.

No income tax has been provided for during the period as the Company has no taxable profit.

As at 31 March 2019, the Company has unused tax losses of VND 801,927,658 (at 31 March 2018: VND 842,979,250) available for offset against future taxable profits. No deferred tax asset was recognized on these losses due to unpredictability of future profit stream. These losses can be carried forward for a maximum period of five years from the year it is incurred and will expire in 2023.

RAMCO SYSTEM VIETNAM COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

Related party balances at the balance sheet date were as follows:

	Closing balance VND	Opening balance VND
Trade payables		
Ramco Systems Limited	431,407,089	-
Ramco Systems Pte. Ltd. (Singapore)	58,828,239	-
	<u>490,235,328</u>	<u>-</u>
Other payables		
Ramco Systems Pte. Ltd. (Singapore)	456,154,617	460,584,675

D.S. Anand

Anandaganesh T S
Accountant in charge



Ramamurthy Ravikula Chandran
Ramamurthy Ravikula Chandran
General Director
 16 May 2019

