

HCL TECHNOLOGIES VIETNAM COMPANY LIMITED

AUDITED FINANCIAL STATEMENTS

For the first financial year
from 27 April 2018 to 31 March 2019

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HCL TECHNOLOGIES VIETNAM COMPANY LIMITED

Address: 16th Floor, Saigon Tower, No. 29 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

MANAGEMENT'S REPORT

Management of HCL Technologies Vietnam Company Limited (hereinafter referred to as "the Company") hereby presents its report and the audited financial statements of the Company for the first financial year from 27 April 2018 to 31 March 2019.

MEMBERS OF THE MEMBERS' COUNCIL AND MANAGEMENT

Members of the Members' Council during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr. Prateek Aggarwal	Chairman
Mr. Sundaram Sridharan	Member
Mr. Shiv Kumar Walia	Member

Members of Management during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr. Sundaram Sridharan	General Director
Mr. Bui Tien Long	General Director

AUDITOR

The accompanying financial statements of the Company for the first financial year from 27 April 2018 to 31 March 2019 were audited by RSM Vietnam Auditing & Consulting Company Limited, a member firm of RSM International.

RESPONSIBILITY OF MANAGEMENT

The Company's Management is responsible for preparing the financial statements of each period which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows. In preparing these financial statements, Management 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 departures that need to be 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 the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

Management 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 ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam. Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

HCL TECHNOLOGIES VIETNAM COMPANY LIMITED

Address: 16th Floor, Saigon Tower, No. 29 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

MANAGEMENT'S REPORT (CONTINUED)

STATEMENT BY MANAGEMENT

In Management's opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2019 and the results of its operations and its cash flows for the first financial year from 27 April 2018 to 31 March 2019 in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam.

For and on behalf of Management,



Sundaram Sridharan
General Director

Ho Chi Minh City, 20 June 2019

No: 19.554/BCKT-RSM HCM

INDEPENDENT AUDITOR'S REPORT

To: **Members of the Members' Council**
Members of Management
HCL TECHNOLOGIES VIETNAM COMPANY LIMITED

Report on the financial statements

We have audited the accompanying financial statements of HCL Technologies Vietnam Company Limited (hereinafter referred to as "the Company") prepared on 20 June 2019 as set out from page 05 to page 16, which comprise the statement of financial position as at 31 March 2019, and the income statement, and cash-flow statement for the first financial year from 27 April 2018 to 31 March 2019, and the notes to the financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System and relevant legislation as to the preparation and presentation of financial statements and for such internal control as management determines is necessary to enable the preparation and presentation of the 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 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of HCL Technologies Vietnam Company Limited as at 31 March 2019, and of the results of its financial performance and its cash flows for the first financial year from 27 April 2018 to 31 March 2019 in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System and relevant legislation as to the preparation and presentation of financial statements.

pp. GENERAL DIRECTOR



Luc Thi Van

Vice General Director

Audit Practice Registration Certificate:

0172-2018-026-1

RSM Vietnam Auditing & Consulting Company Limited

Ho Chi Minh City, 20 June 2019

Trinh Thanh Thanh

Auditor

Audit Practice Registration Certificate:

2820-2016-026-1

HCL TECHNOLOGIES VIETNAM COMPANY LIMITED

Address: 16th Floor, Saigon Tower, No. 29 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

Form B 01 - DN

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

Expressed in VND

ASSETS	Code	Notes	As at 31 Mar. 2019
A. CURRENT ASSETS	100		8,773,503,086
I. Cash and cash equivalents	110	4.1	1,749,533,972
1. Cash	111		1,749,533,972
II. Current account receivables	130		6,699,262,436
1. Trade receivables	131	4.2	6,688,582,436
2. Advances to suppliers	132		10,680,000
III. Other current assets	150		324,706,678
1. Current prepayments	151	4.3	130,422,403
2. Value added tax deductible	152		194,284,275
TOTAL ASSETS	270		8,773,503,086

RESOURCES	Code	Notes	As at 31 Mar. 2019
B. LIABILITIES	300		6,904,859,225
I. Current liabilities	310		6,904,859,225
1. Trade payables	311		14,040,000
2. Taxes and amounts payable to the state budget	313	4.4	181,050,681
3. Accrued expenses	315	4.5	912,518,544
4. Current loans and obligations under finance leases	320	4.6	5,797,250,000
C. OWNER'S EQUITY	400		1,868,643,861
I. Equity	410	4.7	1,868,643,861
1. Owner's contributed capital	411		1,144,500,000
2. Retained earnings	421		724,143,861
Retained earnings of the current year	421b		724,143,861
TOTAL RESOURCES	440		8,773,503,086



Sundaram Sridharan
General Director

Ho Chi Minh City, 20 June 2019

Prepared by

Le Thi Thanh Xuan
Accountant

For the first financial year from 27 April 2018 to 31 March 2019

Expressed in VND

ITEMS	Code	Notes	From 27 Apr. 2018 to 31 Mar. 2019
1. Revenue	1	5.1	11,542,277,793
2. Deductions	2		-
3. Net revenue	10		11,542,277,793
4. Cost of sales	11	5.2	9,164,732,219
5. Gross profit	20		2,377,545,574
6. Finance income	21	5.3	91,393,202
7. Finance expense	22	5.4	147,783,976
<i>Of which, interest expense</i>	23		114,188,621
8. General and administrative expense	26	5.5	1,415,960,258
9. Operating profit/(loss)	30		905,194,542
10. Accounting profit/(loss) before tax	50		905,194,542
11. Current corporate income tax expense	51	5.7	181,050,681
12. Net profit/(loss) after tax	60		724,143,861



Sundaram Sridharan
General Director

Ho Chi Minh City, 20 June 2019

Prepared by

Valerie

Le Thi Thanh Xuan
Accountant

CASH FLOW STATEMENT
(Indirect method)

For the first financial year from 27 April 2018 to 31 March 2019

Expressed in VND

ITEMS	Code	Notes	From 27 Apr. 2018 to 31 Mar. 2019
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Net profit /(loss) before taxes	01		905,194,542
2. Adjustment for:			
Foreign exchange gains/losses from revaluation of foreign currency monetary items	04	5.3	(30,932,316)
Gains/losses from investment	05	5.3	(1,737,409)
Interest expense	06	5.4	114,188,621
3. Operating profit /(loss) before adjustments to working capital	08		986,713,438
Increase or decrease in accounts receivable	09		(6,893,546,711)
Increase or decrease in accounts payable (excluding interest expense and CIT payable)	11		812,661,103
Increase or decrease prepaid expenses	12		(130,422,403)
Net cash from operating activities	20		(5,224,594,573)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Interest and dividends received	27		1,737,409
Net cash from investing activities	30		1,737,409
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from issuing stocks and capital contribution from owners	31		1,144,500,000
2. Proceeds from borrowings	33	6.1	5,827,950,000
Net cash from financing activities	40		6,972,450,000
NET INCREASE/(DECREASE) IN CASH	50		1,749,592,836
Impact of exchange rate fluctuation	61		(58,864)
CASH AND CASH EQUIVALENTS AT END OF YEAR	70	4.1	1,749,533,972



Approved by

Sundaram Sridharan
General Director

Ho Chi Minh City, 20 June 2019

Prepared by

Le Thi Thanh Xuan
Accountant

NOTES TO THE FINANCIAL STATEMENTS**1. CORPORATE INFORMATION****1.1. Structure of ownership**

HCL Technologies Vietnam Company Limited (hereinafter referred to as "the Company") has been incorporated in accordance with:

- The first Investment Certificate No. 5438725492 dated 16 April 2018 granted by Ho Chi Minh City's Department of Planning and Investment;
- The first Business Registration Certificate No. 0315017737 dated 27 April 2018 granted by Ho Chi Minh City's Department of Planning and Investment and other amended certificates thereafter with the latest one dated 01 February 2019.

The investment capital of the Company as stipulated in the Investment Certificate is USD 50,000 (equivalent to VND 1,137,500,000), as follows:

<u>Investor</u>	<u>National</u>	<u>As at 31 Mar. 2019</u>	
		<u>Amount</u> <u>(USD)</u>	<u>Percent</u> <u>(%)</u>
HCL Technologies UK Limited	United Kingdom	50,000	100,00

The Company's registered head office is located at 16th Floor, Saigon Tower, No. 29 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

The number of employees as at 31 March 2019 was 24 employees.

1.2. Business field

Services.

1.3. Operating industry and principal activities

Under the Investment Certificate, the Company is principally engaged in:

- Consultancy service relating to install computer hardware;
- Consultancy service relating to develop and install computer software;
- Data processing service, database service and data transmission service;
- Other computer services;
- Retail sale of computers, peripheral units, software and telecommunications equipment in specialized stores;
- Wholesale of computers, computer peripheral equipment and software.

1.4. Normal operating cycle

The Company's normal operating cycle is carried out for a time period of 12 month.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ACCOUNTING CONVENTION, FINANCIAL YEAR AND REPORTING CURRENCY

2.1. Accounting convention

The accompanying financial statements, expressed in Vietnamese Dong ("VND"), are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam.

2.2. Forms of accounting records

The form of accounting records applied in the Company is the General Journal.

2.3. Financial year

The Company's financial year is from 01 April to 31 March; particularly, the first financial year was from 27 April 2018 to 31 March 2019.

2.4. Reporting and functional currency

The Company maintains its accounting records in VND.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Foreign currencies

The exchange rates announced by Bloomberg are applied in accounting;

Transactions in foreign currencies are recorded, on initial recognition, in the reporting currency, by applying to the foreign currency amount the spot exchange rate between the reporting currency and the foreign currency at the date of the transaction. The exchange differences arising on the settlement of monetary items are recognised in profit or loss in the year in which they arise. At the end of the reporting year, monetary items excluding advances to suppliers, prepaid expenses, and unearned revenues, which are denominated in foreign currency, are reported using the closing rate and resultant exchange differences resulting from the reporting after offset are recognised in profit or loss in the year in which they arise.

3.2. Use of estimates

The preparation of the financial statements requires director to make estimates and assumptions that impact the carrying value of certain assets and liabilities, contingent assets and liabilities reported in the notes as well as revenues and expenses in the financial statements for the first financial year from 27 April 2018 to 31 March 2019. Although these estimates are based on Management's best knowledge of all relevant information available at the date when the financial statements are prepared, this does not prevent actual figures differing from estimates.

3.3. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, cash in transit and current investments for a period not exceeding 3 months or highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are defined as those under Accounting Standard "Statement of cash flows".

3.4. Account receivables

Recognition method

Account receivables are stated at the carrying amounts of trade receivables and other receivables less provisions for doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.5. Prepayments

Prepayments are classified as current and non-current based on their original term. Prepayments mainly comprise office rental and insurance expense, which are amortised over the period for which they are paid or the period in which economic benefits are generated in relation to these expenses.

3.6. Liabilities

Liabilities are classified into trade payables, intra-company payables and other payables based on the following rules: Trade payables represent those arising from purchase and sale related transactions of goods, services or assets and the seller is independent of the buyer; intra-company payables represent those between the entity and its dependent accounting units having no legal status; the remaining payables are classified as other payables.

Liabilities are also classified according to the maturity date, the remaining term from the date of the financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.7. Borrowing costs

All borrowing costs are recognised as an expense in the income statement when incurred.

3.8. Accrued expenses

Accrued expenses represent expenses that will be paid in the future for goods or services received but not yet paid due to lack of invoices or accounting documents. These expenses are recognised as operating expenses of the reporting year.

3.9. The owners' contributed equity

The owners' contributed equity is recognised when contributed.

3.10. Revenue and other income

Revenue involving the rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.

Interest income

Interest income is recognised on an accrual basis by reference to the principal outstanding and at the interest rate applicable.

3.11. Cost of sales

Cost of services provided represents total costs of services which are rendered in the year in accordance with the matching principle..

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.12. General and administrative expense

General and administrative expense represent common expense, which include taxes, charges and fees; utility service (professional charge, cleaning charge, etc.) and sundry expense.

3.13. Taxation

Corporate income tax

Current corporate income tax expense

Current corporate income tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year at 20%.

Value added tax

The export services rendered by the Company are subject to value added tax at 0% tax rate.

Other taxes

Other taxes are applicable in accordance with the prevailing tax laws in Vietnam.

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment.

3.14. Related parties

Related parties are individuals or entities that have the ability, directly or indirectly through one or more intermediaries, to control the Company or are controlled by, or are subject to common control with the Company. Associates, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including Management and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

(See the next page)

HCL TECHNOLOGIES VIETNAM COMPANY LIMITED

Address: 16th Floor, Saigon Tower, No. 29 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE STATEMENT OF FINANCIAL POSITION****4.1. Cash and cash equivalents**

	As at 31 Mar. 2019 VND
Cash at banks	1,749,533,972

4.2. Current trade receivables

Representing trade receivables from related parties - Refer to Note 7.

4.3. Current prepayments

	As at 31 Mar. 2019 VND
Office rental	13,761,000
Insurance expense	116,661,403
Total	<u>130,422,403</u>

4.4. Taxes and amounts payable to the State budget

	As at 31 Mar. 2019 VND	Movement during year VND		As at 27 Apr. 2018 VND
		Payable	Paid	
Corporate income tax	181,050,681	181,050,681	-	-
Personal income tax	-	417,104,649	(417,104,649)	-
Other taxes	-	2,000,000	(2,000,000)	-
Total	<u>181,050,681</u>	<u>419,104,649</u>	<u>(419,104,649)</u>	<u>-</u>

4.5. Accrued expenses

	As at 31 Mar. 2019 VND
Interest expense - Refer to Note 7	113,942,166
13 th salary expense	137,093,949
Cleaning charge	464,878,442
Other accrued expenses	196,603,987
Total	<u>912,518,544</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.6. Non-current loans and obligations under finance leases

Representing the loan from the related party under the contract dated 08 August 2018 with the term is not exceeding 12 months from the effective date of the contract, the interest rate equals Libor + 100 bps - Refer to Note 7.

4.7. Owner's equity

	Items of owner's equity	
	Owner's contributed capital VND	Retained earnings VND
As at 27 Apr. 2018	-	-
Current year's capital increase - Refer to Note 7	1,144,500,000	-
Current year's profit	-	724,143,861
As at 31 Mar. 2019	1,144,500,000	724,143,861

4.8. Off statement of financial position items

	As at 31 Mar. 2019
Foreign currencies:	
USD	5.886,34

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

Representing the revenue from rendering software service to related parties - Refer to Note 7.

5.2. Cost of sales

Representing the cost of services rendered.

5.3. Finance income

	From 27 Apr. 2018 to 31 Mar. 2019 VND
Deposit interest	1,737,409
Gains from exchange differences	58,723,477
Foreign exchange gains from revaluation of foreign currency monetary items	30,932,316
Total	91,393,202

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.4. Finance expense

	From 27 Apr. 2018 to 31 Mar. 2019 VND
Interest expense - Refer to Note 7	114,188,621
Losses from exchange differences	33,595,355
Total	147,783,976

5.5. General and administrative expense

	From 27 Apr. 2018 to 31 Mar. 2019 VND
Taxes, charges and fees	2,000,000
Utility service	1,399,387,362
Professional charge	717,342,794
Cleaning charge	464,878,442
Others	217,166,126
Sundry expense	14,572,896
Total	1,415,960,258

5.6. Production and business costs by elements

	From 27 Apr. 2018 to 31 Mar. 2019 VND
Employee expense	8,267,775,343
Service expense	2,296,344,238
Other expense	16,572,896
Total	10,580,692,477

5.7. Current corporate income tax expense

	From 27 Apr. 2018 to 31 Mar. 2019 VND
Accounting profit before tax for the year	905,194,542
Add: Adjustments according to CIT law	58,864
Taxable income from ordinary business activities	905,253,406
Current CIT rate	20%
Current CIT expense for the year	181,050,681

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CASH FLOW STATEMENT

6.1. Cash receipts from loans in the year

From 27 Apr. 2018
to 31 Mar. 2019
VND

Cash receipts from loans under normal contracts 5,827,950,000

7. RELATED PARTIES

List of related partiesRelationship

1. HCL Technologies UK Limited	Parent company
2. HCL Singapore Pte. Limited	Fellow company
3. HCL Japan Limited	Fellow company
4. HCL America Inc.	Fellow company
5. HCL Technologies Limited, Portugal Branch	Fellow company
6. HCL Axon Technologies Inc.	Fellow company
7. HCL Technologies Norway AS	Fellow company
8. HCL Technologies (Shanghai) Limited	Fellow company
9. HCL (Brazil) Tecnologia da Informacao Ltda.	Fellow company
10. HCL Technologies South Africa (Proprietary) Ltd.	Fellow company

At the end of the reporting period, the balances with related parties are as follows:

As at
31 Mar. 2019
VND

Current trade receivables - Refer to Note 4.2:

HCL Japan Limited	3,227,730,013
HCL America Inc.	2,759,620,714
HCL Technologies Limited, Portugal Branch	592,091,057
HCL Technologies (Shanghai) Limited	74,890,499
HCL (Brazil) Tecnologia da Informacao Ltda.	19,826,595
HCL Technologies South Africa (Proprietary) Ltd.	14,423,558

Total

6,688,582,436

Accrued expenses - Refer to Note 4.5:

HCL Singapore Pte. Limited	113,942,166
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Current loan - Refer to Note 4.6:

HCL Singapore Pte. Limited	5,797,250,000
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the reporting year, the Company has had related party transactions as follows:

**From 27 Apr. 2018
to 31 Mar. 2019
VND**

Rendering services - Refer to Note 5.1:

HCL Technologies UK Limited	3,002,764,137
HCL Japan Limited	3,227,730,013
HCL America Inc.	2,759,620,714
HCL Technologies Limited, Portugal Branch	1,861,452,917
HCL Axon Technologies Inc.	402,230,380
HCL Technologies Norway AS	179,338,980
HCL Technologies (Shanghai) Limited	74,890,499
HCL (Brazil) Tecnologia da Informacao Ltda,	19,826,595
HCL Technologies South Africa (Proprietary) Ltd.	14,423,558

Total	11,542,277,793
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Contributed capital - Refer to Note 4.7:

HCL Technologies UK Limited	1,144,500,000
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Interest expense - Refer to Note 5.4:

HCL Singapore Pte. Limited	114,188,621
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8. EVENTS AFTER THE END OF THE REPORTING YEAR

There were no significant events arising after the end of the reporting year to the date of the financial statements.

Approved by



**Sundaram Sridharan
General Director**

Ho Chi Minh City, 20 June 2019

Prepared by

**Le Thi Thanh Xuan
Accountant**