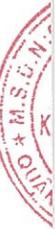




**SAOBACDAU TECHNOLOGIES
CORPORATION**

AUDITED SEPARATE FINANCIAL STATEMENTS
For the financial year ended 31 December 2018



SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export, Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam

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SAOBACDAU TECHNOLOGIES CORPORATON

Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam

BOARD OF DIRECTORS' REPORT

Board of Directors of SaoBacDau Technologies Corporation (hereinafter referred to as "the Company") hereby presents its report and the audited separate financial statements of the Company for the financial year ended 31 December 2018.

MEMBERS OF THE BOARD OF DIRECTORS, THE SUPERVISORY COMMITTEE, AND MANAGEMENT

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

<u>Full name</u>	<u>Position</u>
Mr Tran Anh Tuan	Chairman (Appointed wef 12 March 2019)
Mr Nguyen Duc Quang	Chairman (Resigned wef 12 March 2019)
Mr Tran Tuyen Duc	Vice Chairperson
Mr Hoang Hai Thinh	Vice Chairperson (Appointed wef 12 March 2019)
Mr Do Van Hao	Member
Mr Le Hong Phong	Member
Mr Nguyen Viet Thang	Member

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

<u>Full name</u>	<u>Position</u>
Ms Mai Thi Thuy Mai	Head
Ms Nguyen Thi Minh Huan	Member
Ms Nguyen Thi Thu Hien	Member

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

<u>Full name</u>	<u>Position</u>
Mr Le Hong Phong	General Director (Appointed to General Director and resigned as Vice General Director wef 12 March 2019)
Mr Tran Anh Tuan	General Director (Resigned wef 12 March 2019)
Mr Hoang Hai Thinh	Vice General Director
Mr Le Quoc Khanh	Vice General Director (Resigned wef 27 April 2019)
Mr Nguyen Viet Thang	Vice General Director
Mr Nguyen Xuan Truong	Vice General Director
Mr Nguyen Hong Minh	Vice General Director (Appointed wef 26 February 2019)
Mr Nguyen Xuan Quang	Vice General Director (Appointed wef 27 April 2019)
Mr Phan Viet Linh	Vice General Director (Appointed wef 27 April 2019)

AUDITOR

The accompanying separate financial statements of the Company for the financial year ended 31 December 2018 were audited by RSM Vietnam Auditing & Consulting Company Limited, a member firm of RSM International.

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATON

Address: Lot U14.b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam

BOARD OF DIRECTORS' REPORT (CONTINUED)

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Company's Board of Directors is responsible for preparing the separate 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 separate financial statements, the Board of Directors 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 separate financial statements;
- Prepare the separate 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 separate financial statements so as to mitigate error or fraud.

The Board of Directors 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 separate financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam. The Board of Directors 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.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these separate financial statements.

STATEMENT BY BOARD OF DIRECTORS

In the Board of Directors' opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2018 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam.

For and on behalf of Board of Directors,



Tran Anh Tuan
Chairman

Ho Chi Minh City, 29 March 2019

No.: 19.291/BCKT-RSM HCM

INDEPENDENT AUDITORS' REPORT

**To: Members of the Board of Directors
Members of Management
SAOBACDAU TECHNOLOGIES CORPORATION**

Report on the separate financial statements

We have audited the accompanying separate financial statements of SaoBacDau Technologies Corporation (hereinafter referred to as "the Company") prepared on 29 March 2019 as set out from page 05 to page 42, which comprise the statement of financial position as at 31 December 2018, and the income statement, and cash-flow statement for the financial year then ended, and the notes to the financial statements.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System and relevant legislation as to the preparation and presentation of Separate financial statements and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of the separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 Board of Directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of SaoBacDau Technologies Corporation as at 31 December 2018, and of the results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System and relevant legislation as to the preparation and presentation of separate financial statements.

pp GENERAL DIRECTOR



Luc Thi Van
Vice General Director
Audit Practice Registration Certificate:
0172-2018-026-1

Nguyen Vinh Thuy
Auditor
Audit Practice Registration Certificate:
3590-2016-026-1

RSM Vietnam Auditing & Consulting Company Limited
Ho Chi Minh City, 29 March 2019

SAOBACDAU TECHNOLOGIES CORPORATION

 Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
 District 7, Ho Chi Minh City, Vietnam

Form B 01- DN

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

Expressed in VND

ASSETS	Code	Notes	As at 31 Dec. 2018	As at 01 Jan. 2018
A. CURRENT ASSETS	100		557,186,892,203	587,044,373,678
I. Cash and cash equivalents	110	4.1	26,180,754,242	42,293,895,367
1. Cash	111		26,180,754,242	33,224,381,478
2. Cash equivalents	112		-	9,069,513,889
II. Current financial investments	120		13,000,000,000	-
1. Trading securities	121	4.2	13,000,000,000	-
III. Current account receivables	130		435,184,931,296	498,494,195,260
1. Trade receivables	131	4.3	344,187,737,372	412,175,831,877
2. Advances to suppliers	132	4.4	11,489,157,327	9,091,109,508
3. Current loan receivables	135		1,395,000,000	-
4. Other current receivables	136	4.5	80,620,499,233	79,734,716,511
5. Provision for doubtful debts	137		(2,507,462,636)	(2,507,462,636)
IV. Inventories	140	4.6	81,539,288,418	46,129,582,025
1. Inventories	141		81,546,726,216	46,137,019,823
2. Provision for decline in value of inventories	149		(7,437,798)	(7,437,798)
V. Other current assets	150		1,281,918,246	126,701,026
1. Current prepayments	151		231,968,202	126,701,026
2. Value added tax deductible	152		22,084,079	-
3. Tax and other receivables from the state budget	153	4.14	1,027,865,965	-
B. NON-CURRENT ASSETS	200		117,885,755,119	71,917,395,751
I. Fixed assets	220		26,837,789,027	30,574,939,243
1. Tangible fixed assets	221	4.7	16,527,561,322	22,907,056,800
Cost	222		65,931,683,179	64,001,339,182
Accumulated depreciation	223		(49,404,121,857)	(41,094,282,382)
2. Finance lease assets	224	4.8	10,257,870,024	7,621,735,220
Cost	225		13,935,461,726	7,839,499,083
Accumulated depreciation	226		(3,677,591,702)	(217,763,863)
3. Intangible fixed assets	227	4.9	52,357,681	46,147,223
Cost	228		1,344,773,454	1,288,773,454
Accumulated amortisation	229		(1,292,415,773)	(1,242,626,231)
II. Non-current assets in progress	240		27,341,372,479	45,612,757
1. Construction in progress	242	4.10	27,341,372,479	45,612,757
III. Non-current financial investments	250	4.2	46,329,764,341	26,559,143,405
1. Investments in subsidiaries	251		55,050,000,000	33,200,000,000
2. Investments in associates, joint-ventures	252		5,860,000,000	-
3. Investment in other entities	253		315,000,000	-
4. Provision for non-current investments	254		(14,895,235,659)	(6,640,856,595)
IV. Other non-current assets	260		17,376,829,272	14,737,700,346
1. Non-current prepayments	261	4.11	17,286,343,788	14,548,937,012
2. Deferred income tax assets	262		90,485,484	188,763,334
TOTAL ASSETS	270		675,072,647,322	658,961,769,429

SAOBACDAU TECHNOLOGIES CORPORATION

 Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
 District 7, Ho Chi Minh City, Vietnam

Form B 01 - DN

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2018

Expressed in VND

RESOURCES	Code	Notes	As at 31 Dec. 2018	As at 01 Jan. 2018
C. LIABILITIES	300		548,349,433,097	534,844,446,923
I. Current liabilities	310		544,344,920,529	530,886,005,264
1. Trade payables	311	4.12	212,650,446,166	200,869,530,013
2. Advances from customers	312	4.13	20,111,947,325	17,658,777,124
3. Taxes and amounts payable to the state budget	313	4.14	5,572,188,674	23,163,371,793
4. Payables to employees	314	4.15	3,211,035,611	6,830,220,835
5. Accrued expenses	315	4.16	1,765,560,952	6,608,956,925
6. Current unearned revenue	318	4.17	3,968,610,749	4,460,000,000
7. Other current payables	319	4.18	4,123,366,373	7,314,254,664
8. Current loans and obligations under finance leases	320	4.19	292,941,764,679	263,980,893,910
II. Non-current liabilities	330		4,004,512,568	3,958,441,659
1. Non-current loans and obligations under finance leases	338	4.19	4,004,512,568	3,958,441,659
D. OWNER'S EQUITY	400		126,723,214,225	124,117,322,506
I. Equity	410	4.20.1	126,723,214,225	124,117,322,506
1. Owner's contributed capital	411	4.20.2	98,999,060,000	90,000,000,000
Ordinary shares carrying voting rights	411a		98,999,060,000	90,000,000,000
2. Investment and development fund	418		3,440,139,770	1,013,725,739
3. Retained earnings	421		24,284,014,455	33,103,596,767
Beginning accumulated retained earnings	421a		12,104,536,767	9,553,637,346
Ending accumulated retained earnings	421b		12,179,477,688	23,549,959,421
TOTAL RESOURCES	440		675,072,647,322	658,961,769,429



Tran Anh Tuan
Chairman

Ho Chi Minh City, 29 March 2019

Bui Thi Thuy Hong
Chief Accountant

Nguyen Thi Thu Hien
Preparer

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam

Form B 02 - DN

INCOME STATEMENT

For the financial year ended 31 December 2018

Expressed in VND

ITEMS	Code	Notes	Year 2018	Year 2017
1. Revenue	01	5.1	863,911,217,895	901,746,490,595
2. Net revenue	10		863,911,217,895	901,746,490,595
3. Cost of sales	11	5.2	776,593,428,541	781,389,672,804
4. Gross profit	20		87,317,789,354	120,356,817,791
5. Financial income	21	5.3	9,840,910,391	6,595,272,807
6. Financial expense	22	5.4	28,951,058,262	18,734,389,760
<i>Of which, interest expense</i>	23		19,507,541,124	16,078,673,471
7. Selling expense	25	5.5	13,910,258,117	32,786,467,148
8. General and administration expense	26	5.6	52,163,530,321	59,341,881,316
9. Operating profit/(loss)	30		2,133,853,045	16,089,352,374
10. Other income	31	5.7	11,789,828,551	10,900,254,639
11. Other expense	32		1,133,159,497	1,037,296,663
12. Net other income/(loss)	40		10,656,669,054	9,862,957,976
13. Accounting profit/(loss) before tax	50		12,790,522,099	25,952,310,350
14. Current corporate income tax expense	51	5.9	512,766,565	2,402,350,929
15. Deferred corporate income tax expense	52		98,277,847	-
16. Net profit/(loss) after tax	60		12,179,477,688	23,549,959,421



Tran Anh Tuan
Chairman

Ho Chi Minh City, 29 March 2019

Bui Thi Thuy Hong
Chief Accountant

Nguyen Thi Thu Hien
Preparer

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam

Form B 03 - DN

**CASH FLOW STATEMENT
(Indirect method)**

For the financial year ended 31 December 2018

Expressed in VND

ITEMS	Code	Notes	Year 2018	Year 2017
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit /(loss) before taxes	01		12,790,522,099	25,952,310,350
2. Adjustment for:				
Depreciation and amortisation	02	5.8	11,955,040,148	10,963,949,997
Provisions	03		8,254,379,064	(1,741,155,658)
Foreign exchange gains/losses from revaluation of foreign currency monetary items	04	5.3	(256,714,315)	(109,160,664)
Gains/losses from investment	05		(9,163,720,791)	(1,752,575,037)
Interest expense	06	5.4	19,507,541,124	16,078,673,471
3. Operating profit /(loss) before adjustments to working capital	08		43,087,047,330	49,392,042,460
Increase or decrease in accounts receivable	09		65,668,230,819	(175,013,836,880)
Increase or decrease in inventories	10		(35,409,706,393)	126,966,901,309
Increase or decrease in accounts payable (excluding interest expense and CIT payable)	11		(14,070,669,341)	(28,874,212,374)
Increase or decrease prepaid expenses	12		(2,842,673,952)	(3,374,734,288)
Increase or decrease in trading securities	13		(13,000,000,000)	-
Interest paid	14		(19,507,541,124)	(16,105,670,407)
Corporate income tax paid	15	4.14	(2,700,000,000)	(1,000,000,000)
Other cash outflows from operating activities	17		(573,585,969)	-
Net cash from operating activities	20		20,651,101,370	(48,009,510,180)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(41,780,717,554)	(22,028,007,248)
2. Proceeds from disposals of fixed assets and other long-term assets	22		6,078,716,568	7,827,297,863
3. Loans to other entities and payments for purchase of debt instruments of other entities	23		(1,395,000,000)	-
4. Investments in other entities	25		(29,175,000,000)	(9,100,000,000)
5. Proceeds from sales of investments in other entities	26		1,150,000,000	100,000,000
6. Interest and dividends received	27		7,338,155,223	1,656,392,607
Net cash from investing activities	30		(57,783,845,763)	(21,544,316,778)

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam

Form B 03 - DN

**CASH FLOW STATEMENT
(Indirect method)**

For the financial year ended 31 December 2018

Expressed in VND

ITEMS	Code	Notes	Year 2018	Year 2017
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issuing stocks and capital contribution from owners	31		-	2,574,640,000
2. Proceeds from borrowings	33	6.1	701,788,585,363	622,923,019,777
3. Repayment of borrowings	34	6.2	(665,959,928,839)	(547,958,199,112)
4. Finance lease principal paid	35		(6,821,714,846)	-
5. Dividends paid	36		(7,957,296,125)	(12,035,507,275)
Net cash from financing activities	40		21,049,645,553	65,503,953,390
NET INCREASE/(DECREASE) IN CASH				
Cash and cash equivalents at beginning of year	50		(16,083,098,840)	(4,049,873,568)
Impact of exchange rate fluctuation	60		42,293,895,367	46,285,928,094
	61		(30,042,285)	57,840,841
CASH AND CASH EQUIVALENTS AT END OF YEAR	70	4.1	26,180,754,242	42,293,895,367



Tran Anh Tuan
Chairman

Ho Chi Minh City, 29 March 2019

Bui Thi Thuy Hong
Chief Accountant

Nguyen Thi Thu Hien
Preparer

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

SaoBacDau Technologies Corporation (hereinafter referred to as “the Company”), formerly known as Informatics Service Provider Limited Company. On 30 August 2007, the Company was converted into a joint stock company with name of SaoBacDau Technologies Corporation under the Business Registration Certificate No. 4103002093 dated 11 February 2004 and other amended certificates thereafter with the latest one dated 19 March 2019 granted by Ho Chi Minh City’s Department of Planning and Investment.

The Company was registered as a public company at State Securities Commission on 11 December 2007.

The Securities Registration Certificate No. 131/2016/GCNCP-VSD dated 31 October 2016 granted by the Vietnam Securities Depository to be certified its securities and granted stock code.

The charter capital as stipulated in the Business Registration Certificate is VND 98,999,060,000, as follows:

Investors	Nation	As at 31 Dec. 2018		As at 01 Jan. 2018	
		Amount (VND)	Percent (%)	Amount (VND)	Percent (%)
Mr Nguyen Duc Quang	Vietnam	18,878,930,000	19.07	17,162,670,000	19.07
Other	Vietnam	80,120,130,000	80.93	72,837,330,000	80.93
Total		98,999,060,000	100.00	90,000,000,000	100.00

The Company’s registered head office is located at Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam.

The number of employees as at 31 December 2018 was 134 (31 December 2017: 194).

1.2. Business field

Integration of information technology systems.

1.3. Operating industry and principal activities

Under the Business Registration Certificate the Company is principally engaged in:

Producing, assembling, repairing informatics and electronics products. Trading in household appliances, informatics and electronics products, office – equipment, cables, kinds of snap-in, electronic components. The consignment of goods agent, trading agency, office machine for rent, trading in telephones, fax, PABX switchboard (included 32 numbers). Trading, installing and maintaining informatics and electronics equipment, informatics network. Trading, producing, installing, maintaining telecommunications equipment. Trading, providing telecommunications service agent. Trading and producing informatics software, designed web. Scientific services: integrating systems, making over information technology. Providing information upload to internet, providing internet services agent (not including internet service providing agent in head office). Consultant, training informatics and telecommunications technology. Designing computer networking system. Office for rent. Trading, installing, repairing, maintaining electrical equipment, automatic control equipment (not including processing mechanic, producing electroplate, recycling waste at head office). Consulting technology transfer. Vocational training. Trading in software, machine, equipment in radio-broadcasting and

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

television. Producing, trading and releasing films, films tabs and discs of being granted for circulations. Trading real estates. Construction of Industrial Civil Project. Plane tickets agent. Scientific Services: integrated system, technology transfer.

1.4. Normal operating cycle

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

1.5. The Company's structure

As at 31 December 2018, the Company's subsidiaries, joint ventures, associates were as follows:

No.	Name	Address	Voting rights	Per cent capital	Per cent interest
Subsidiaries:					
1.	Sao Bac Dau Technology Service Joint Stock Company	Stall No. T3-B4L, Basement, Topaz Building, 92 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City	71%	71%	71%
2.	Sao Bac Dau Digital Technologies Joint Stock Company	Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	73%	73%	73%
3.	Sao Bac Dau Telecom Service Joint Stock Company	Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	60%	60%	60%
4.	South Sao Bac Dau Technology Joint Stock Company	Room 26, Hall 8, Street No. 3, Quang Trung Software City, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City, Vietnam	61%	61%	61%
5.	Sao Bac Dau Technologies Solutions Joint Stock Company	Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	90%	90%	90%
6.	Sao Bac Dau High Technology Joint Stock Company	Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	90%	97.83%	97.83%
7.	Sao Bac Dau Technologies Services Company Limited	Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	100%	100%	100%

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**1.5. The Company's structure (Continued)**

No.	Name	Address	Voting rights	Per cent capital	Per cent interest
Joint venture, associates:					
1.	Mideas Technology Joint Stock Company	61C Tu Xuong, Ward 7, District 3, Ho Chi Minh City, Vietnam	20%	46.56%	46.56%
2.	DCT Technologies Solution Company Limited	585/6 Su Van Hanh, Ward 13, District 10, TP. Ho Chi Minh, Vietnam	22.27%	28.82%	28.82%
3.	CEH Information Services Company Limited	Room 701, 7th Floor, 45 Dinh Tien Hoang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	30%	68.75%	68.75%
4.	Pharos Digital Books and Educational Materials Joint Stock Company	Alley 218, 54a Lac Long Quan Street, Bui Ward, Tay Ho District, Hanoi City, Vietnam	20%	4.50%	4.50%

The Company's branches as at 31 December 2018 were as follows:

No	Name	Address
1.	Ha Noi Branch	3th Floor, CT1AB, VOV Me Tri Town, Me Tri Ward, Nam Tu Liem District, Hanoi City, Vietnam
2.	Da Nang Branch	02 Quang Trung Street, Thach Thang Ward, Hai Chau District, Da Nang City, Vietnam

2. BASIS OF PREPARATION**2.1. Accounting standards, accounting system**

The accompanying separate financial statements, expressed in Vietnamese Dong (VND), are prepared under the historical cost convention and 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 January to 31 December.

2.4. Reporting and functional currency

The Company maintains its accounting records in VND.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Foreign currencies

- The exchange rates announced by Bank for Foreign Trade of Vietnam are applied in accounting;
- The exchange rate applicable to asset recognition and re-evaluation is the foreign currency-buying rate;
- The exchange rate applicable to liability recognition and re-evaluation is the foreign currency-selling rate;
- Exchange rates applicable to the other transactions are the foreign currency-buying rate/ the foreign currency-selling rate.

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 separate financial statements requires the Board of Directors 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 separate financial statements for the financial year ended 31 December 2018. Although these estimates are based on the Board of Directors' best knowledge of all relevant information available at the date when the separate 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 the same as those under Accounting Standard "Statement of cash flows".

3.4. Financial investments

Trading securities

Trading securities are securities and other financial instruments held for business purposes (held for the purpose of profit-taking by selling when prices have increased) at the time of reporting.

Trading securities are accounted for under the cost method. The cost of trading securities comprise the purchase price plus (+) purchase related costs (if any) such as brokerage, transaction, information provision, taxes, bank's fees and charges. The cost of trading securities is measured at fair value of considerations at the transaction date.

Equity investments in other entities

Investments in subsidiaries

Investments are classified as investments in subsidiaries when the Company has the power of control over policies and operating activities, normally evidenced by the holding of more than 50% of the voting rights.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.4. Financial investments (Continued)

Investments in subsidiaries are accounted for under the cost method which comprise the purchase price plus (+) acquisition related costs (if any). In case of investments of non-monetary assets, the cost of the investments is measured at the fair values of the assets as incurred.

Dividends for the period after the acquisition date are recognised as financial incomes at their fair values when the shareholder's right to receive payment is established.

Investments in associates

Investments are classified as investments in associates when the Company directly or indirectly holds from 20% to under 50% of the voting shares of the investee without any other agreement.

Investments in associates are accounted for under the equity method. Under the equity method, on initial recognition the investment in an associate is recognised at cost. In case of investments of non-monetary assets, the cost of investments is recognised at the fair values of the assets as incurred.

Dividends for the period after the acquisition date are recognised as finance income when the shareholder's right to receive payment is established.

Other investments

Investments classified as other investments are investments other than investments in subsidiaries, investments in associates or investments on joint ventures.

Other investments are accounted for under the cost method which comprise purchase prices plus (+) acquisition related costs (if any). In case of investments of non-monetary assets, the cost of investments is recognised at the fair values of the assets as incurred.

Recognition principles of provision for other financial investment impairment loss

For non-current investments

Provision for diminution in value of non-current investments is recognised in accordance with Circular No.228/2009/TT-BTC dated 07 December 2009 (Circular 228) and Circular No. 89/2013/TT-BTC dated 28 June 2013 (modifying Circular 228) issued by Ministry of Finance which permit provision to be recognised for investments in economic institutions suffering losses (except for losses according to the business plan before the initial investment) at a maximum provision equal to the amount of the invested capital for each investment.

3.5. Account receivables

Recognition method

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

Provision for doubtful debts

Provisions for doubtful debts are recognised for past-due accounts and for accounts where circumstances indicate that they might not be recoverable. The provision for doubtful debts is recognised in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by Ministry of Finance.

The difference between the required balance and the existing balance of provision for doubtful debts is recorded as a general and administrative expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.6. Inventories

Inventory measurement

Inventories are measured at the lower of cost and net realisable value.

The costs of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition. The cost of work in progress and finished goods includes materials, direct labour and attributable production overheads based on normal levels of activity.

The costs of purchase of inventories comprise the purchase price, non-reimbursable taxes and duties, and transport, handling and other costs directly attributable to the acquisition of inventories. Trade discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Method of accounting for inventories

Inventories are measured using the first-in, first-out method and are recorded under the perpetual inventory method.

Provision for decline in value of inventories

The provision is recognised for obsolete, slow-moving and defective inventory items and an excess of the cost of inventories over their net realisable value in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by Ministry of Finance.

The difference between the required balance and the existing balance of the provision for a decline in value of inventories is included in cost of sales in the income statement.

Inventories are written down to net realizable value item by item. For services being rendered, provision is made in respect of each service for which a separate selling price is charged.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

3.7. Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation.

Tangible fixed asset recognition

Tangible fixed assets are initially recognised at their cost. The cost of purchased tangible fixed assets comprises the purchase price and any directly attributable costs of bringing the assets to their present location and working condition for their intended use. Accessories added to fixed assets when purchased are recognised separately at their fair values and deducted from the historical cost of the respective tangible fixed assets.

Depreciation and amortisation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.7. Tangible fixed assets (Continued)

The estimated useful lives are as follows:

	<u>Year 2018</u>
▪ Buildings, structures	15 years
▪ Machinery and equipment	3 – 5 years
▪ Motor vehicles	6 years

3.8. Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation.

Intangible fixed asset recognition

The cost of an intangible fixed asset comprises the total amount of expense incurred by the Company to acquire an asset at the time the asset is put into operation for its intended use.

Accounting principles for intangible fixed assets

Computer software

Computer software is not an indispensable component of hardware and is recognised as an intangible asset and depreciated over its useful life.

3.9. Leases

Leases classification

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Financial leases

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Payments for finance lease assets are divided into financial and principal repayments. Financial expenses are calculated for each accounting period during the lease term at a fixed interest rate on the remaining outstanding balance for each accounting period.

Financial leasing assets are amortized on a straight-line basis over their estimated useful lives similar to those owned by the Company or by the lease term. Estimated depreciation period for machinery is 3 years.

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.10. Leases

Operating leases

Assets subject to operating leases are recognised in the statement of financial position according to the Company's asset classification pattern.

Initial direct costs to generate income from operating leases are recognised as expenses in the year as incurred or amortised over the lease term. Lease income from operating leases is recognised in the income statement on a straight-line basis over the lease term regardless of payment methods.

Depreciation of assets subject to operating leases is consistent with the depreciation policy of the lessor applicable to similar assets.

3.11. Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3.12. Prepayments

Prepayments are classified as current and non-current based on their original term. Prepayments mainly comprise costs of tools and supplies and land rentals, etc. which are amortized over the period for which they are paid or the period in which economic benefits are generated in relation to these expenses.

The following expenses are recognised as prepayments and amortised to the income statement:

- Prepaid land, infrastructure and fixed asset rentals are amortized over the period of lease;
- Tools and supplies are amortised to the income statement over 01 to 03 years.

3.13. Liabilities

Liabilities are classified into trade 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; 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.

3.14. 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.

3.15. Unearned revenues

Unearned revenues include advance payments for one or more accounting periods.

Unearned revenues are periodically determined and transferred into revenues accordingly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.16. Owners' equity

The owners' contributed equity

The owners' contributed equity is recognised when contributed.

Dividends

Dividends are recognised as a liability at the date of declaring dividends.

Reserves

Reserves are created at certain percentages of profit after tax as prescribed in the Company's charter.

Retained earnings

Net profit after income tax can be distributed to shareholders after the distribution is approved the General annual meeting of shareholders and reserves are created in accordance with the Company's Charter and legal regulations in Vietnam.

3.17. Revenue and other income

Revenue from selling goods

Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

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.

3.18. Cost of sales

Cost of sales and services provided represents total costs of finished products, goods, services which are sold in the year in accordance with the matching principle. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

3.19. Finance expense

Financial expenses represent all expenses incurred in the reporting year which mainly include borrowing costs, provision for impairment of investment in other entities and losses from exchange rates.

3.20. Selling expense and general and administrative expense

Selling expenses represent expenses incurred during the process of selling products, goods and rendering services, which include payroll costs for selling employees (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees and unemployment insurance; product warranty, service and other expense.

General and administration expenses represent common expenses, which include payroll costs for office employees (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees and unemployment insurance; stationery expenses, material expenses, depreciation expenses of fixed assets used for administration activities; land rental, license tax; provision for doubtful debts; utility services (electricity expenses, water expenses, phone, fax, warranty expenses, etc.); sundry expenses (entertainment, customer conference).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.21. Taxation

Corporate income tax

Current corporate income tax expense

Current corporate tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year as follow:

- Incentive business activities – liable for 10%;
- Non-incentive business activities – liable for 20%.

Deferred corporate income tax expense

Deferred corporate tax expense is determined on the basis of the deductible temporary differences, taxable temporary differences and the estimated CIT rate that will be applied for the years that assets and liabilities will be recovered. The tax rates used will be the tax rates (and tax laws) that are in effect at the financial year end.

Deferred tax liability is recognised for all taxable temporary differences, unless:

- The deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss);
- All taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures when the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless:

- The deferred tax asset arises from the initial recognition of an asset or liability in a transaction which at the time of transaction, affects neither accounting profit nor taxable profit (tax loss);
- The deferred tax assets for all deductible temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures are only recognised when it is probable that the temporary difference will reverse in the foreseeable future; and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reverted to the extent it becomes probable that sufficient taxable profit will be available.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred tax assets and deferred tax liabilities are only offset if, and only if, the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority and the Company intends to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.21. Taxation (Continued)

Tax incentive, tax exemption and reduction

The company has obtained the Certificate of Science and Technology Enterprise No. 60/ĐK-DNKHCN granted on 31 July 2018 by the Department of Science and Technology of Ho Chi Minh City. Accordingly, the Company is agreed by a list of 16 goods products formed from scientific and technological results.

Pursuant to the Joint Circular No. 17/2012/TTLT-BKHCN-BTC-BNV dated 10 September 2012 by the Ministry of Science and Technology on Science and Technology enterprises, the Company is entitled to the following incentives:

- Liable for the corporate income tax rate of 10% for 15 years since the Company has revenue from scientific and technological activities (2011);
- Exempted for 4 years and 50% reduction of corporate income tax payable in 9 subsequent years since the Company has taxable income (2011).

Value added tax

The goods sold and services rendered by the Company are subject to value added tax at the following rates:

- Computer software: Non-taxable;
- Goods: 10%;
- Rental and other services: 10%.

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.

3.22. 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 directors and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

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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 Dec. 2018 VND	As at 01 Jan. 2018 VND
Cash in hand	7,394,496,352	165,256,204
Cash at banks	18,786,257,890	33,059,125,274
Cash equivalents	-	9,069,513,889
Total	<u>26,180,754,242</u>	<u>42,293,895,367</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.2. Financial investments**

Trading securities are bond investments into Yamagata Company Limited with the amount of 130,000 bonds and par value of VND 100,000/bond. These bonds were totally transferred to VPBank Securities (VPBS) dated 28 January 2019.

Investments in subsidiaries are detailed as follows:

	As at 31 Dec. 2018			As at 01 Jan. 2018		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Sao Bac Dau Technology Service Joint Stock Company	12,650,000,000	-	-	13,800,000,000	-	-
Sao Bac Dau Digital Technologies Joint Stock Company	7,300,000,000	(8,690,641,654)	(8,690,641,654)	7,300,000,000	(5,581,937,682)	(5,581,937,682)
Sao Bac Dau Telecom Service Joint Stock Company	6,000,000,000	(964,399,074)	(964,399,074)	6,000,000,000	(1,058,918,913)	(1,058,918,913)
South Sao Bac Dau Technology Joint Stock Company	6,100,000,000	-	-	6,100,000,000	-	-
Sao Bac Dau Technologies Solutions Joint Stock Company	9,000,000,000	-	-	-	-	-
Sao Bac Dau High Technology Joint Stock Company	9,000,000,000	(2,320,256,447)	(2,320,256,447)	-	-	-
Sao Bac Dau Technologies Services Company Limited	5,000,000,000	(2,919,938,484)	(2,919,938,484)	-	-	-
Total	55,050,000,000	(14,895,235,659)	(14,895,235,659)	33,200,000,000	(6,640,856,595)	(6,640,856,595)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2. Financial investments (Continued)

Investments in joint ventures, associates and other entities are detailed as follows:

	As at 31 Dec. 2018			As at 01 Jan. 2018		
	Cost	Fair value	Provision	Cost	Fair value	Provision
		VND			VND	
Investments in joint ventures, associates:						
Mideas Technology Joint Stock Company	2,400,000,000	-	-	-	-	-
DCT Technologies Solution Company Limited	1,960,000,000	-	-	-	-	-
CEH Information Services Company Limited	1,100,000,000	-	-	-	-	-
Pharos Digital Books and Educational Materials Joint Stock Company	400,000,000	-	-	-	-	-
Total	5,860,000,000					
Investments in other entities:						
Smart Digital Technology Joint Stock Company	315,000,000	-	-	-	-	-
Total	315,000,000					

At the reporting date, the Company has not determined fair values of these investments for disclosure in the separate financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these investments may differ from their carrying amounts.

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4.3. Current trade receivables**

	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Trade receivables from related parties – Refer to Note 7	112,749,227,078	38,670,925,172
Trade receivables:		
Deo Ca Investment Joint Stock Company Board of Construction Investment Project Management – Headquarter of Ministry of Foreign Affairs	72,446,232,597	160,539,854,458
Viettel Group	36,203,153,580	36,203,153,580
Sai Gon - Hanoi Commercial Joint Stock Bank	11,071,549,500	32,455,399,350
Noibai International Airport - Branch of Airports Corporation of Viet Nam - JSC	9,120,862,000	-
Other	8,992,280,273	-
	93,604,432,344	144,306,499,317
Total	344,187,737,372	412,175,831,877

4.4. Advances to suppliers

	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Advances to related parties – Refer to Note 7	64,046,322	178,937,602
Advances to suppliers:		
Dove Services Corporation	2,166,893,244	-
ler Pte Ltd	1,519,927,804	-
Software Development and Technology Promotion Joint Stock Company	1,166,079,956	1,299,528,656
Tri Nam Technology Development Investment JSC	-	2,065,566,640
Hai Thach Investment Construction JSC	106,054,214	1,627,534,977
Hung Phat Investment and Development JSC	28,162,216	1,498,170,984
Other	6,437,993,571	2,421,370,649
Total	11,489,157,327	9,091,109,508

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.5. Other current receivables

	As at 31 Dec. 2018		As at 01 Jan. 2018	
	VND		VND	
	Value	Provision	Value	Provision
Advances to employees	1,028,067,668	-	3,595,356,283	-
Deposits	69,924,194,068	-	67,854,442,352	-
Dividend and profit receivables – Refer to Note 7	6,440,810,138	-	4,426,667,000	-
Other	3,227,427,359	-	3,858,250,876	-
Total	80,620,499,233	-	79,734,716,511	-

4.6. Inventories

	As at 31 Dec. 2018		As at 01 Jan. 2018	
	VND		VND	
	Cost	Provision	Cost	Provision
Goods in transit	4,391,532,578	-	7,301,124,984	-
The Company's stock	5,582,441,815	(7,437,798)	3,203,152,532	(7,437,798)
Goods issued to implement	58,439,743,397	-	22,735,345,978	-
Leased warehouse	54,393,175	-	54,393,175	-
Stock at Ha Noi Branch	768,950,544	-	632,211,057	-
Working in process	12,309,664,707	-	12,210,792,097	-
Total	81,546,726,216	(7,437,798)	46,137,019,823	(7,437,798)

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
4.7. Tangible fixed assets

Items	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost:				
As at 01 Jan. 2018	15,138,594,055	45,935,011,017	2,927,734,110	64,001,339,182
Purchase	1,285,911,600	7,047,083,589	-	8,332,995,189
Disposals	-	(6,402,651,192)	-	(6,402,651,192)
As at 31 Dec. 2018	<u>16,424,505,655</u>	<u>46,579,443,414</u>	<u>2,927,734,110</u>	<u>65,931,683,179</u>
Accumulated depreciation:				
As at 01 Jan. 2018	6,524,850,251	33,108,065,099	1,461,367,032	41,094,282,382
Depreciation	1,114,705,024	6,935,849,555	394,868,188	8,445,422,767
Disposals	-	(135,583,292)	-	(135,583,292)
As at 31 Dec. 2018	<u>7,639,555,275</u>	<u>39,908,331,362</u>	<u>1,856,235,220</u>	<u>49,404,121,857</u>
Net book value:				
As at 01 Jan. 2018	8,613,743,804	12,826,945,918	1,466,367,078	22,907,056,800
As at 31 Dec. 2018	<u>8,784,950,380</u>	<u>6,671,112,052</u>	<u>1,071,498,890</u>	<u>16,527,561,322</u>

The amount of year-end net book value of tangible fixed assets totalling VND 8,784,950,380 was pledged/mortgaged as loan security – Refer to Note 4.19.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 18,588,986,763.

4.8. Finance leased assets

Machinery and equipment	As at 01 Jan. 2018 VND	Increase VND	Decrease VND	As at 31 Dec. 2018 VND
Cost	7,839,499,083	6,095,962,643	-	13,935,461,726
Accumulated amortization	(217,763,863)	(3,459,827,839)	-	(3,677,591,702)
Net book value	<u>7,621,735,220</u>			<u>10,257,870,024</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.9. Intangible fixed assets**

	As at 01 Jan. 2018 VND	Increase VND	Decrease VND	As at 31 Dec. 2018 VND
Administration software				
Cost	1,288,773,454	56,000,000	-	1,344,773,454
Accumulated amortization	(1,242,626,231)	(49,789,542)	-	(1,292,415,773)
Net book value	<u>46,147,223</u>			<u>52,357,681</u>

The historical cost of intangible fixed assets fully depreciated but still in use totalled VND 1,201,814,640.

4.10. Construction in progress

	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Construction of Hanoi office	27,079,955,621	45,612,757
Purchase of fixed assets	261,416,858	-
Total	<u>27,341,372,479</u>	<u>45,612,757</u>

4.11. Non-current prepayment

	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Land use rights	7,940,892,634	8,317,535,762
Tools and supplies	4,678,726,448	1,564,676,544
Other	4,666,724,706	4,666,724,706
Total	<u>17,286,343,788</u>	<u>14,548,937,012</u>

In particular, the value of land use rights at Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City that mortgaged as short-term loans security totalled VND 7,940,892,634 – Refer to Note 4.19.

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SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4.12. Current trade payables**

	As at 31 Dec. 2018		As at 01 Jan. 2018	
	VND		VND	
	Value	Payable value	Value	Payable value
Trade payables to related parties – Refer to Note 7	12,286,353,475	12,286,353,475	334,662,969	334,662,969
Trade payables:				
Polaris Technologic Pty Ltd ELITE	59,643,750,506	59,643,750,506	3,416,504,000	3,416,504,000
Technology Joint Stock Company Azbil Vietnam Company Limited Tri Nam	21,350,212,471	21,350,212,471	2,030,098,140	2,030,098,140
Technology Development Investment Joint Stock Company Cisco International Limited A1	15,347,232,962	15,347,232,962	15,347,232,962	15,347,232,962
Communication And Technology Joint Stock Company Specialised Products (Western) Ltd	14,150,660,800	14,150,660,800	-	-
Cuu Long Automation Company Limited Blue Sky Solutions Global Trading Co., Ltd	13,365,690,272	13,365,690,272	12,338,218,637	12,338,218,637
Other	8,842,624,087	8,842,624,087	32,765,508,708	32,765,508,708
	-	-	42,598,393,781	42,598,393,781
	-	-	12,571,383,499	12,571,383,499
	3,319,793,717	3,319,793,717	12,565,697,702	12,565,697,702
	64,344,127,876	64,344,127,876	66,901,829,615	66,901,829,615
Total	212,650,446,166	212,650,446,166	200,869,530,013	200,869,530,013

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4.13. Current advances from customers**

	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Southern Region Air Traffic Services Company – Branch of Vietnam Region Air Traffic Services Company Limited	3,922,882,946	-
Nam A Joint Stock Commercial Bank	3,168,206,000	9,542,618,000
Northern Region Air Traffic Services Company – Branch of Vietnam Region Air Traffic Services Company Limited	2,660,058,230	-
Vietnam Esports And Entertainment JSC	858,818,326	2,112,161,834
Sun Ivy Joint Venture Co., Ltd	-	1,030,119,552
Other	9,501,981,823	4,973,877,738
Total	20,111,947,325	17,658,777,124

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.14. Tax and amounts receivable from/payable to the state budget

	As at 01 Jan. 2018		Movements in year		As at 31 Dec. 2018	
	Receivable	Payable	Payable	Paid/Deductible	Receivable	Payable
	VND		VND		VND	
Value added tax	-	17,343,100,691	289,385,258,905	304,799,315,659	-	1,929,043,937
Export, import	-	-	26,141,342,856	26,141,342,856	-	-
Corporate income tax	-	1,159,367,470	512,766,565	2,700,000,000	1,027,865,965	-
Personal income tax	-	1,133,042,339	2,243,645,557	2,921,450,742	-	455,237,154
Other taxes	-	3,527,861,293	5,201,584,294	5,541,538,004	-	3,187,907,583
Total	-	23,163,371,793	323,484,598,177	342,103,647,261	1,027,865,965	5,572,188,674

4.15. Payable to employee

Representing the 13th month and addition salaries of 2018 payable to employees.

4.16. Current accrued expenses

Representing accruals of service rendered which has been completed.

4.17. Unearned revenue

Representing unearned revenues from providing Internet services to the clients under Contract No. 10.(DNG8b-DC) between the Company and Board of Project Management of Information Technology and Communication Development in Da Nang City.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**4.18. Other current payables**

	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Trade union dues	1,016,377,118	974,713,234
Dividend or profit payables	2,282,892,650	1,240,188,775
Other	824,096,605	5,099,352,655
Total	<u>4,123,366,373</u>	<u>7,314,254,664</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.19. Loans and finance lease liabilities

Loans and finance lease liabilities are analysed as follows:

	As at 01 Jan. 2018		Movements in year		As at 31 Dec. 2018	
	Value	Payable value	Increase	Decrease	Value	Payable value
Current:						
Bank loans	258,099,836,486	258,099,836,486	677,192,622,720	645,459,928,839	289,832,530,367	289,832,530,367
Other loans	2,000,000,000	2,000,000,000	18,500,000,000	20,500,000,000	-	-
Current portion of long-term liabilities	3,881,057,424	3,881,057,424	3,109,234,312	3,881,057,424	3,109,234,312	3,109,234,312
Subtotal	263,980,893,910	263,980,893,910	698,801,857,032	669,840,986,263	292,941,764,679	292,941,764,679
Non - current:						
Finance leases	7,839,499,083	7,839,499,083	6,095,962,643	6,821,714,846	7,113,746,880	7,113,746,880
Current portion of long-term liabilities	(3,881,057,424)	(3,881,057,424)	(3,109,234,312)	(3,881,057,424)	(3,109,234,312)	(3,109,234,312)
Subtotal	3,958,441,659	3,958,441,659	2,986,728,331	2,940,657,422	4,004,512,568	4,004,512,568
Total	267,939,335,569	267,939,335,569	701,788,585,363	672,781,643,685	296,946,277,247	296,946,277,247

Current bank loans in VND bear the interest rates of 5.8% to 8% per year. These loans were guaranteed by:

- The office and land use rights at Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City whose carrying amount is VND 8,784,950,380 and VND 7,940,892,634, respectively – Refer to Notes 4.7 and 4.11;
- Right of claiming under the contracts signed between the Company and some specific clients;
- Goods, account receivables, deposit contracts, saving accounts, deposit amounts, etc. created by these loan;
- Total of deposits, assets and receivables created in the borrowing plan.

Long-term financial liabilities are loans under financial lease contracts with Vietnam International Leasing Company Limited with a term of 3 years and bear interest rate of 7.5%/year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.20. Owner's equity

4.20.1. Changes in owners' equity

	Items of owner's equity			Total VND
	Owner's contributed capital VND	Investment & development fund VND	Retained earnings VND	
As at 01 Jan. 2017	84,879,070,000	613,725,739	21,914,250,334	107,407,046,073
Previous year's capital increase	5,120,930,000	-	-	5,120,930,000
Previous year's profits	-	-	23,549,959,421	23,549,959,421
Dividends declared	-	-	(15,278,150,500)	(15,278,150,500)
Deduction funds	-	400,000,000	(400,000,000)	-
Reduction of CIT payable in 2015, 2016 (*)	-	-	3,317,537,512	3,317,537,512
As at 01 Jan. 2018	90,000,000,000	1,013,725,739	33,103,596,767	124,117,322,506
Previous year's capital increase	8,999,060,000	-	-	8,999,060,000
Previous year's profits	-	-	12,179,477,688	12,179,477,688
Dividends declared	-	-	(17,999,060,000)	(17,999,060,000)
Deduction funds	-	3,000,000,000	(3,000,000,000)	-
Using funds	-	(573,585,969)	-	(573,585,969)
As at 31 Dec. 2018	98,999,060,000	3,440,139,770	24,284,014,455	126,723,214,225

During the year, the Company issued additional shares under the Resolution of the Annual General Meeting of Shareholders No. 03/NQ-DHCĐ-2018 and 08/NQ-DHCĐ-2018 dated 24 April 2018. Accordingly, the Company has distributed the second dividend of the year 2017 in shares from the retained earnings for existing shareholders to increase the charter capital which totalled VND 8,999,060,000 (equivalent to 899,906 shares). This issuance is to supplement capital for operating and investment activities of the Company. The issuance of this shares was approved by the Hanoi Stock Exchange on 10 August 2018.

(*) On 23 December 2016, the Company received the official letter No.12630/CT-TTHT from Tax Department of Ho Chi Minh City as to CIT incentives since year 2015. Accordingly, the Company shall be refunded the corresponding overpaid CIT for the fiscal year 2015 and 2016 which is in amount of VND 3,317,537,512.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.20.2. Details of owners' equity

	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Mr Nguyen Duc Quang	18,878,930,000	17,162,670,000
Other shareholders	80,120,130,000	72,837,330,000
Total	98,999,060,000	90,000,000,000

4.20.3. Capital transactions with owners and dividend, profit distribution

	Year 2018 VND	Year 2017 VND
Owner's contributed capital:		
Beginning balance	90,000,000,000	84,879,070,000
Capital contribution in the year	8,999,060,000	5,120,930,000
Ending balance	98,999,060,000	90,000,000,000
Dividends, profits declared	17,999,060,000	15,278,150,500

4.20.4. Shares

	As at 31 Dec. 2018	As at 01 Jan. 2018
Number of ordinary shares registered for issue	9,899,906	9,000,000
Number of ordinary shares sold to public	9,899,906	9,000,000
Number of ordinary shares outstanding	9,899,906	9,000,000

Par value per outstanding share: VND 10,000 per share.

4.21. Off consolidated statement of financial position items

	As at 31 Dec. 2018	As at 01 Jan. 2018
Foreign currencies:		
USD	20,825.97	41,353.41

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT****5.1. Revenue from selling goods and rendering services**

	Year 2018 VND	Year 2017 VND
Sales of integration of information technology systems	627,105,515,857	774,563,033,533
Sales from Rendering of services	236,805,702,038	127,183,457,062
Total	863,911,217,895	901,746,490,595
Of which, revenue from selling goods and rendering services to related parties – Refer to Note 7	266,566,351,330	91,337,839,849

5.2. Cost of sales

	Year 2018 VND	Year 2017 VND
Cost of integration of information technology systems	604,530,917,258	715,693,158,830
Cost of services rendered	172,062,511,283	65,696,513,974
Total	776,593,428,541	781,389,672,804

5.3. Finance income

	Year 2018 VND	Year 2017 VND
Gains from exchange differences	232,123,953	250,933,493
Gains from unrealised exchange differences	256,714,315	109,160,664
Interest income	2,911,488,223	1,808,511,650
Dividends, profits received	6,440,583,900	4,426,667,000
Total	9,840,910,391	6,595,272,807

5.4. Finance expense

	Year 2018 VND	Year 2017 VND
Interest expense	19,496,707,791	15,819,034,593
Interest expense from related parties – Refer to Note 7	10,833,333	259,638,878
Losses from exchange differences	1,189,138,074	471,732,286
Provision for investment impairment loss	8,254,379,064	2,183,984,003
Total	28,951,058,262	18,734,389,760

SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****5.5. Selling expense**

	Year 2018 VND	Year 2017 VND
Employee expense	4,708,065,597	12,568,202,241
Office stationery expense	75,425,777	202,560,055
Depreciation expense	132,484,032	6,355,784,950
Warranty expense	557,683,198	500,943,494
Pre-sales expense	839,891,183	1,829,094,697
Service expense	2,245,070,595	2,666,191,065
Other	5,351,637,735	8,663,690,646
Total	13,910,258,117	32,786,467,148

5.6. General and administrative expense

	Year 2018 VND	Year 2017 VND
Employee expense	29,973,188,402	39,190,485,532
Material, office stationery expense	1,866,078,381	1,953,137,757
Depreciation expense	3,025,436,505	2,436,134,659
Utility expense	2,918,664,987	2,673,322,716
Service expense	5,939,690,308	7,424,473,748
Other	8,440,471,738	5,664,326,904
Total	52,163,530,321	59,341,881,316

5.7. Other income

	Year 2018 VND	Year 2017 VND
Gain supporting from suppliers	9,437,585,964	4,763,957,828
Collecting fine for contracts	-	354,922,218
Other	2,352,242,587	5,781,374,593
Total	11,789,828,551	10,900,254,639

5.8. Production and business costs by element

	Year 2018 VND	Year 2017 VND
Material expense	597,845,154,949	713,521,128,442
Employee expense	34,681,253,999	51,758,687,773
Depreciation expense	11,955,040,148	10,963,949,997
Service expense	182,457,791,034	80,790,539,695
Other	15,727,976,849	16,483,715,362

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Total	842,667,216,979	873,518,021,269
5.9. Current corporate income tax expense		
	Year 2018 VND	Year 2017 VND
CIT expense based on taxable income for the current year	340,292,986	2,402,350,929
Adjusting the CIT expense in previous years to corporate income tax expense in current year	172,473,579	-
Current CIT expense for the year	512,766,565	2,402,350,929

CIT expense calculated on the taxable income of the current period is determined as follows:

	Year 2018 VND	Year 2017 VND
Accounting profit before tax for the year	12,790,522,099	25,952,310,350
Add: Adjustments according to CIT law	456,147,751	1,026,328,857
Less: Adjustments according to CIT law	<u>(6,440,810,138)</u>	<u>(4,484,507,841)</u>
Taxable income from ordinary business activities	6,805,859,712	22,494,131,366
Taxable income from incentive business activities – liable for 10%	6,805,859,712	20,964,753,447
Taxable income from non-incentive business activities – liable for 20%	-	<u>1,529,377,919</u>
Current CIT expense incentive business activities – liable for 10%	680,585,972	2,096,475,345
Current CIT expense from non-incentive business activities – liable for 20%	-	305,875,584
Less: CIT reduction (50%) for science and technology enterprise	<u>(340,292,986)</u>	-
CIT expense based on taxable income in current year	340,292,986	2,402,350,929

The adjustments for the increases (decreases) in the taxable income are mainly non – tax – deductible items as regulated by CIT law, such as:

- Expenses without invoices and vouchers;
- Dividends received;
- Gains/losses from unrealised exchange differences of cash, account receivables dominated in foreign currencies.

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CASH FLOW STATEMENT**6.1. Cash receipts from loans in the year**

	Year 2018 VND	Year 2017 VND
Cash receipts from loans under normal contracts	701,788,585,363	622,923,019,777

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6.2. Cash repayments of principal amounts borrowed**

	Year 2018 VND	Year 2017 VND
Cash repayment of principal amounts under normal contracts	(665,959,928,839)	(547,958,199,112)

7. RELATED PARTIES**List of related parties****Relationship**

1. Sao Bac Dau Technology Service Joint Stock Company	Subsidiary
2. Sao Bac Dau Digital Technologies Joint Stock Company	Subsidiary
3. Sao Bac Dau Telecom Service Joint Stock Company	Subsidiary
4. South Sao Bac Dau Technology Joint Stock Company	Subsidiary
5. Sao Bac Dau Technologies Solutions Joint Stock Company	Subsidiary
6. Sao Bac Dau High Technology Joint Stock Company	Subsidiary
7. Sao Bac Dau Technologies Services Company Limited	Subsidiary
8. Mideas Technology Joint Stock Company	Associate
9. DCT Technologies Solution Company Limited	Associate
10. CEH Information Services Company Limited	Associate
11. Pharos Digital Books and Educational Materials Joint Stock Company	Associate
12. Board of Directors and management	Key management personnel

At the end of the reporting year, the receivable (payable) balances with related parties are as follows:

	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Trade receivable:		
Sao Bac Dau Technology Service Joint Stock Company	1,061,158,847	154,687,794
Sao Bac Dau Telecom Service Joint Stock Company	14,097,861,006	2,968,248,114
Sao Bac Dau Digital Technologies Joint Stock Company	9,692,474,085	7,601,740,076
South Sao Bac Dau Technology Joint Stock Company	19,604,086,461	27,946,249,188
Sao Bac Dau Technologies Solutions Joint Stock Company	63,709,631,314	-
Sao Bac Dau High Technology Joint Stock Company	4,122,015,365	-
Mideas Technology Joint Stock Company	462,000,000	-
Total – Refer to Note 4.3	112,749,227,078	38,670,925,172

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SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
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	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Advances to suppliers:		
South Sao Bac Dau Technology Joint Stock Company	28,773,481	178,937,602
Sao Bac Dau Technology Service Joint Stock Company	18,106,124	-
Sao Bac Dau Digital Technologies Joint Stock Company	17,166,717	-
Total – Refer to Note 4.4	64,046,322	178,937,602
	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Other receivables:		
Sao Bac Dau Technology Service Joint Stock Company	1,205,583,900	766,667,000
South Sao Bac Dau Technology Joint Stock Company	3,965,000,000	3,660,000,000
Sao Bac Dau Technologies Solutions Joint Stock Company	1,270,226,238	-
Total – Refer to Note 4.5	6,440,810,138	4,426,667,000
	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Trade payables:		
Sao Bac Dau Telecom Joint Stock Company	(601,245,483)	(326,896,063)
Sao Bac Dau Technologies Solutions Joint Stock Company	(7,651,058,243)	-
Sao Bac Dau High Technology Joint Stock Company	(3,449,703,640)	-
Sao Bac Dau Technologies Services Company Limited	(584,346,109)	-
Sao Bac Dau Digital Technologies Joint Stock Company	-	(7,766,906)
Total – Refer to Note 4.12	(12,286,353,475)	(334,662,969)

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SAOBACDAU TECHNOLOGIES CORPORATIONAddress: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
District 7, Ho Chi Minh City, Vietnam**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. RELATED PARTIES (CONTINUED)**

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

	Year 2018 VND	Year 2017 VND
Sale of goods and rendering of services:		
Sao Bac Dau Technology Service Joint Stock Company	5,290,855,053	1,226,564,558
Sao Bac Dau Telecom Service Joint Stock Company	14,902,228,367	2,987,683,807
Sao Bac Dau Digital Technologies Joint Stock Company	3,649,638,261	3,437,713,448
South Sao Bac Dau Technology Joint Stock Company	87,104,261,872	83,685,878,036
Sao Bac Dau Technologies Solutions Joint Stock Company	132,902,121,046	-
Sao Bac Dau High Technology Joint Stock Company	20,192,333,062	-
Sao Bac Dau Technologies Services Company Limited	2,104,913,669	-
Mideas Technology Joint Stock Company	420,000,000	-
Total – Refer to Note 5.1	<u>266,566,351,330</u>	<u>91,337,839,849</u>
	Year 2018 VND	Year 2017 VND
Disposals of assets, tools:		
South Sao Bac Dau Technology Joint Stock Company	2,727,273	-
	Year 2018 VND	Year 2017 VND
Purchase of goods and services:		
South Sao Bac Dau Technology Joint Stock Company	8,309,482,153	-
Sao Bac Dau Technology Service Joint Stock Company	371,131,339	-
Sao Bac Dau Telecom Joint Stock Company	599,397,162	461,640,033
Sao Bac Dau Technologies Solutions Joint Stock Company	12,641,020,840	-
South Sao Bac Dau Technology Joint Stock Company	3,181,544,990	8,163,766,965
Sao Bac Dau Technology Service Joint Stock Company	2,851,701,588	175,089,813
Total	<u>27,954,278,072</u>	<u>8,800,496,811</u>

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SAOBACDAU TECHNOLOGIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**7. RELATED PARTIES (CONTINUED)**

	<u>Year 2018 VND</u>	<u>Year 2017 VND</u>
Investments:		
Sao Bac Dau Technologies Solutions Joint Stock Company	9,000,000,000	-
Sao Bac Dau High Technology Joint Stock Company	9,000,000,000	-
Sao Bac Dau Technologies Services Company Limited	5,000,000,000	-
Mideas Technology Joint Stock Company	2,400,000,000	-
DCT Technologies Solution Company Limited	1,960,000,000	-
CEH Information Services Company Limited	1,100,000,000	-
Pharos Digital Books and Educational Materials Joint Stock Company	400,000,000	
South Sao Bac Dau Technology Joint Stock Company	-	6,100,000,000
Sao Bac Dau Telecom Service Joint Stock Company	-	3,000,000,000
Total	<u>28,860,000,000</u>	<u>9,100,000,000</u>

	<u>Year 2018 VND</u>	<u>Year 2017 VND</u>
Repayments of principal of loans:		
Sao Bac Dau Technology Service Joint Stock Company	2,000,000,000	2,000,000,000
	<u>Year 2018 VND</u>	<u>Year 2017 VND</u>

Interest expense – Refer to Note 5.4:

Sao Bac Dau Technology Service Joint Stock Company	10,833,333	259,638,878
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Receivables of related parties have no collateral and will be paid in cash. No provision for bad debts is made for receivables from related parties.

Price of goods and services provided to related parties is negotiated price. The purchase of goods and services from related parties is made at the negotiated price.

Remunerations of the Board of Directors, management and key management personnel are as follows:

	<u>Year 2018 VND</u>	<u>Year 2017 VND</u>
Salaries and other benefits	6,308,558,770	7,136,322,530

8. REMUNERATION OF THE SUPERVISORY COMMITTEE

	<u>Year 2018 VND</u>	<u>Year 2017 VND</u>
Remuneration	216,578,400	243,473,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. COMMITMENT UNDER FINANCE LEASES

The company is leasing a separate part of machinery and equipment with an estimated useful life for 3 years under a financial lease contract with a term of 3 years. The minimum financial lease debts to be paid in the future are detailed as follows:

Term	As at 31 Dec. 2018 VND	As at 01 Jan. 2018 VND
Within one year	3,109,234,312	3,881,057,424
Later than one year but within five years	4,004,512,568	3,958,441,659
Total	7,113,746,880	7,839,499,083

10. COMPARATIVE FIGURES

The following comparative figures have been restated:

Separate cash-flow statement (excerpted):

	Year 2017 VND (Reclassified)	Year 2017 VND (As previously reported)
Investments in other entities	(9,100,000,000)	(9,000,000,000)
Proceeds from sales of investments in other entities	100,000,000	-

The re-statement of the above comparative figures was caused by appropriate reclassification on the current year financial statements.

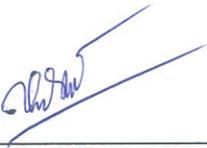
11. EVENTS AFTER THE END OF THE REPORTING YEAR

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



Tran Anh Tuan
Chairman
Ho Chi Minh City, 29 March 2019


Bui Thi Thuy Hong
Chief accountant


Nguyen Thi Thu Hien
Preparer