

**SAOBACDAU TECHNOLOGIES
CORPORATION**

AUDITED SEPARATE FINANCIAL STATEMENTS
For the financial year ended 31 March 2020



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 CORPORATION

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MANAGEMENT’S REPORT

Management 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 March 2020.

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
Mr Tran Tuyen Duc	Vice Chairperson
Mr Hoang Hai Thinh	Vice Chairperson
Mr Nguyen Duc Quang	Member
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
Mr Nguyen Viet Thang	Vice General Director
Mr Nguyen Xuan Truong	Vice General Director
Mr Nguyen Hong Minh	Vice General Director
Mr Nguyen Xuan Quang	Vice General Director
Mr Phan Viet Linh	Vice General Director

AUDITOR

The accompanying separate financial statements of the Company for the financial year ended 31 March 2020 were audited by RSM Vietnam Auditing & Consulting Company Limited, a member firm of RSM International.

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U14.b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
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MANAGEMENT'S REPORT (CONTINUED)

RESPONSIBILITY OF MANAGEMENT

The Company's management is responsible for preparing the separate financial statements of each year 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, 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 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.

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 separate 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 separate financial statements.

STATEMENT BY MANAGEMENT

In management's opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 March 2020 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 Management,



Le Hong Phong
General Director

Ho Chi Minh City, 30 June 2020

No: 20.650-R/BCKT-RSMHCM

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 30 June 2020 as set out from page 05 to page 43, which comprise the statement of financial position as at 31 March 2020, and the income statement, and cash-flow statement for the financial year then ended, and the notes to the financial statements.

Management' Responsibility

Management 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 management 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 management, 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 March 2020, 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 issued under Circular 200/2014/TT-BTC dated 22 December 2014 and Circular 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance 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

RSM Vietnam Auditing & Consulting Company Limited
Ho Chi Minh City, 30 June 2020

Trinh Thanh Thanh
Auditor

Audit Practice Registration Certificate:
2820-2020-026-1

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 March 2020

Expressed in VND

ASSETS	Code	Notes	As at 31 Mar. 2020	As at 01 Apr. 2019
A. CURRENT ASSETS	100		577,814,355,221	400,555,157,639
I. Cash and cash equivalents	110	4.1	21,502,004,966	49,084,263,033
1. Cash	111		21,502,004,966	49,084,263,033
II. Current account receivables	130		432,827,446,496	266,323,503,794
1. Trade receivables	131	4.3	388,037,933,313	180,439,998,596
2. Advances to suppliers	132	4.4	24,753,699,198	18,954,618,347
3. Current loan receivables	135		3,915,000,000	1,895,000,000
4. Other current receivables	136	4.5	18,628,276,621	67,541,349,487
5. Provision for doubtful debts	137		(2,507,462,636)	(2,507,462,636)
III. Inventories	140	4.6	122,033,554,002	83,296,502,621
1. Inventories	141		122,040,991,800	83,303,940,419
2. Provision for decline in value of inventories	149		(7,437,798)	(7,437,798)
IV. Other current assets	150		1,451,349,757	1,850,888,191
1. Current prepayments	151		320,723,091	270,953,016
2. Value added tax deductible	152		7,749,303	117,051,838
3. Tax and other receivables from the state budget	153	4.14	1,122,877,363	1,462,883,337
B. NON-CURRENT ASSETS	200		142,472,017,515	220,530,540,452
I. Non-current account receivables	210		1,960,000,000	108,180,558,657
1. Non-current trade receivables	211		-	108,180,558,657
2. Non-current loan receivables	215		1,960,000,000	-
II. Fixed assets	220		81,080,119,798	50,396,014,837
1. Tangible fixed assets	221	4.7	63,640,517,623	39,157,831,625
Cost	222		103,592,449,886	91,168,221,401
Accumulated depreciation	223		(39,951,932,263)	(52,010,389,776)
2. Finance lease assets	224	4.8	15,316,667,176	9,096,581,547
Cost	225		26,273,150,796	13,935,461,726
Accumulated depreciation	226		(10,956,483,620)	(4,838,880,179)
3. Intangible fixed assets	227	4.9	2,122,934,999	2,141,601,665
Cost	228		3,445,930,675	3,445,930,675
Accumulated amortisation	229		(1,322,995,676)	(1,304,329,010)
III. Non-current assets in progress	240		6,871,832,366	64,215,400
1. Construction in progress	242	4.10	6,871,832,366	64,215,400
IV. Non-current financial investments	250	4.2	41,438,919,333	44,370,695,429
1. Investments in subsidiaries	251		55,250,000,000	55,050,000,000
2. Investments in associates, joint-ventures	252		8,235,000,000	6,635,000,000
3. Investment in other entities	253		750,000,000	600,000,000
4. Provision for non-current investments	254		(22,796,080,667)	(17,914,304,571)
V. Other non-current assets	260		11,121,146,018	17,519,056,129
1. Non-current prepayments	261	4.11	11,107,357,979	17,491,480,051
2. Deferred income tax assets	262		13,788,039	27,576,078
TOTAL ASSETS	270		720,286,372,736	621,085,698,091

The accompanying notes are an integral part of the separate financial statements

SAOBACDAU TECHNOLOGIES CORPORATION

 Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
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Form B 01 - DN

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2020

Expressed in VND

RESOURCES	Code	Notes	As at 31 Mar. 2020	As at 01 Apr. 2019
C. LIABILITIES	300		588,186,692,120	506,522,926,710
I. Current liabilities	310		574,852,039,045	491,800,285,733
1. Trade payables	311	4.12	170,644,199,556	97,659,741,642
2. Advances from customers	312	4.13	73,099,354,731	35,253,933,440
3. Taxes and amounts payable to the state budget	313	4.14	1,547,012,493	3,314,818,797
4. Payables to employees	314	4.15	3,671,860,857	-
5. Accrued expenses	315	4.16	1,121,664,237	1,925,560,952
6. Current unearned revenue	318	4.17	5,922,386,849	4,516,309,109
7. Other current payables	319	4.18	6,354,297,580	4,067,108,732
8. Current loans and obligations under finance leases	320	4.19	312,491,262,742	345,062,813,061
II. Non-current liabilities	330		13,334,653,075	14,722,640,977
1. Non-current trade payables	331	4.12	7,652,496,720	11,464,261,987
2. Non-current loans and obligations under finance leases	338	4.19	5,682,156,355	3,258,378,990
D. OWNER'S EQUITY	400		132,099,680,616	114,562,771,381
I. Equity	410		132,099,680,616	114,562,771,381
1. Owner's contributed capital	411	4.20.2	115,000,000,000	98,999,060,000
Ordinary shares carrying voting rights	411a		115,000,000,000	98,999,060,000
2. Investment and development fund	418		3,640,139,770	3,440,139,770
3. Retained earnings	421		13,459,540,846	12,123,571,611
Beginning accumulated retained earnings	421a		2,023,665,611	10,709,538,364
Ending accumulated retained earnings	421b		11,435,875,235	1,414,033,247
TOTAL RESOURCES	440		720,286,372,736	621,085,698,091



Le Hong Phong
General Director

Ho Chi Minh City, 30 June 2020

Bui Thi Thuy Hong
Chief Accountant

Nguyen Minh Hoang
Prepared

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 02 - DN

INCOME STATEMENT

For the financial year ended 31 March 2020

Expressed in VND

ITEMS	Code	Notes	From	From
			01 Apr. 2019 to 31 Mar. 2020	01 Jan. 2019 to 31 Mar. 2019 (Refer to Note 10)
1. Revenue	01	5.1	884,960,530,853	159,900,385,812
2. Net revenue	10		884,960,530,853	159,900,385,812
3. Cost of sales	11	5.2	797,414,310,428	134,265,134,394
4. Gross profit	20		87,546,220,425	25,635,251,418
5. Financial income	21	5.3	7,348,010,517	350,414,490
6. Financial expense	22	5.4	28,959,925,678	8,183,814,816
<i>Of which, interest expense</i>	23		23,641,129,163	5,131,196,347
7. Selling expense	25	5.5	9,217,921,171	4,166,253,743
8. General and administration expense	26	5.6	52,867,224,975	12,385,357,802
9. Operating profit/(loss)	30		3,849,159,118	1,250,239,547
10. Other income	31	5.7	9,654,729,812	596,685,734
11. Other expense	32		600,502,076	5,000,000
12. Net other income/(loss)	40		9,054,227,736	591,685,734
13. Accounting profit/(loss) before tax	50		12,903,386,854	1,841,925,281
14. Current corporate income tax expense	51	5.9	1,453,723,580	364,982,628
15. Deferred corporate income tax expense	52		13,788,039	62,909,406
16. Net profit/(loss) after tax	60		11,435,875,235	1,414,033,247



Le Hong Phong
General Director
Ho Chi Minh City, 30 June 2020

Bui Thi Thuy Hong
Chief Accountant

Nguyen Minh Hoang
Prepared

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 03 - DN

CASH FLOW STATEMENT
(Indirect method)

For the financial year ended 31 March 2020

Expressed in VND

ITEMS	Code	Notes	From	From
			01 Apr. 2019 to 31 Mar. 2020	01 Jan. 2019 to 31 Mar. 2019 (Refer to Note 10)
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit /(loss) before taxes	01		12,903,386,854	1,841,925,281
2. Adjustment for:				
Depreciation and amortisation	02	5.8	15,894,740,025	3,810,013,633
Provisions	03		4,881,776,096	3,019,068,912
Foreign exchange gains/losses from revaluation of foreign currency monetary items	04	5.3	(1,178,127,555)	(6,905,574)
Gains/losses from investment	05		(5,026,222,924)	(336,927,541)
Interest expense	06	5.4	23,641,129,163	5,131,196,347
3. Operating profit /(loss) before adjustments to working capital	08		51,116,681,659	13,458,371,058
Increase or decrease in accounts receivable	09		(52,244,301,774)	55,479,663,451
Increase or decrease in inventories	10		(38,737,051,381)	(1,757,214,203)
Increase or decrease in accounts payable (excluding interest expense and CIT payable)	11		100,532,112,929	(96,628,381,705)
Increase or decrease prepaid expenses	12		6,334,351,997	(244,121,077)
Increase or decrease in trading securities	13		-	13,000,000,000
Interest paid	14		(23,641,129,163)	(5,131,196,347)
Corporate income tax paid	15		-	(800,000,000)
Net cash from operating activities	20		43,360,664,267	(22,622,878,822)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(33,452,256,065)	-
2. Proceeds from disposals of fixed assets and other long-term assets	22		5,862,710,857	636,363
3. Loans to other entities and payments for purchase of debt instruments of other entities	23		(5,403,778,126)	(500,000,000)
4. Repayments from borrowers and proceeds from sales of debts instruments of other entities	24		1,423,778,126	-
5. Investments in other entities	25		(1,950,000,000)	(1,060,000,000)
6. Interest and dividends received	27		1,550,109,571	5,507,511,441
Net cash from investing activities	30		(31,969,435,637)	3,948,147,804

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATION

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Form B 03 - DN

CASH FLOW STATEMENT

(Indirect method)

For the financial year ended 31 March 2020

Expressed in VND

ITEMS	Code	Notes	From 01 Apr. 2019 to 31 Mar. 2020	From 01 Jan. 2019 to 31 Mar. 2019 (Refer to Note 10)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issuing stocks and capital contribution from owners	31		16,000,940,000	-
2. Proceeds from borrowings	33	6.1	708,569,103,642	210,078,431,595
3. Repayment of borrowings	34	6.2	(745,478,021,149)	(157,932,443,213)
4. Finance lease principal paid	35		(8,019,888,635)	(771,073,578)
5. Dividends paid	36		(10,069,717,550)	(9,788,644,850)
Net cash from financing activities	40		(38,997,583,692)	41,586,269,954
NET INCREASE/(DECREASE) IN CASH	50		(27,606,355,062)	22,911,538,936
Cash and cash equivalents at beginning of year	60		49,084,263,033	26,180,754,242
Impact of exchange rate fluctuation	61		24,096,995	(8,030,145)
CASH AND CASH EQUIVALENTS AT END OF YEAR	70	4.1	21,502,004,966	49,084,263,033



Le Hong Phong
General Director

Ho Chi Minh City, 30 June 2020

Bui Thi Thuy Hong
Chief Accountant

Nguyen Minh Hoang
Prepared

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 the 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 13 February 2020 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 115,000,000,000, as follows:

Investors	Nation	As at 31 Mar. 2020		As at 01 April. 2019	
		Amount (VND)	Percent (%)	Amount (VND)	Percent (%)
Mr Nguyen Duc Quang	Vietnam	18,878,930,000	16.42	18,878,930,000	19.07
Other	Vietnam	96,121,070,000	83.58	80,120,130,000	80.93
Total		115,000,000,000	100.00	98,999,060,000	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 March 2020 was 125 (01 April 2019: 130).

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 television. Producing, trading and releasing films, films tabs and discs of being granted for circulations.

SAOBACDAU TECHNOLOGIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 March 2020, 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	Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam	71%	71.16%	71.16%
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	Room 1, Hall 8, Street No. 13, Quang Trung Software City, Tan Chanh Hiep Ward, District 12, 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	94%	95.83%	95.83%
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%	22.27%	22.27%
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%	27.03%	27.03%
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%	15.69%	15.69%

The Company's branches as at 31 March 2020 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 April of the previous year to 31 March of the current year.

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 period in which they arise. At the end of the reporting period, 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 period in which they arise.

3.2. Use of estimates

The preparation of the financial statements requires management 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 for the financial year ended 31 March 2020. 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 the same as those under Accounting Standard "Statement of cash flows".

3.4. Financial investments

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.4. Financial investments (Continued)

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 other investments

As of the date of the financial statements, with regard to the other investments other than the securities that are listed or registered for trading in the domestic stock market and freely traded in the market, if a basis for impairment in value of the investments is present, a provision for other investment impairment loss is recognised at no more than the carrying amount of the investment as set out in Circular 48/2019/TT-BTC dated 08 August 2019 by Ministry of Finance.

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

As of the date of the financial statements, a provision for doubtful debt is recognised for past-due accounts receivable and for accounts receivable where circumstances indicate that they might not be recoverable when due at the level as set out in Circular 48/2019/TT-BTC dated 08 August 2019 issued by Ministry of Finance to ensure that the value of the accounts receivable is no more than the recoverable amount.

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.

(See the next page)

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

As of the date of the financial statements, a provision is recognised for obsolete, slow-moving and defective inventory items and an excess of the cost of inventories over their net realisable value at an amount as set out in Circular 48/2019/TT-BTC dated 08 August 2019 issued by Ministry of Finance to ensure that the value of inventories is no more than their market price.

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.

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.

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.7. Tangible fixed assets (Continued)

The estimated useful lives are as follows:

	<u>Year 2019</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.

Land use rights

Land use rights are stated at their costs less accumulated amortisation. The Company's land use right pertains to a plot of land located at CT1AB Tower, VOV Me Tri Urban Area, Me Tri Ward, District Nam Tu Liem, Ha Noi City, Vietnam.

Indefinite land use rights are not amortised.

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 from 2 to 3 years.

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 rental, 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.

Income from investments

Income from investments is recognised in the income statement corresponding to the per cent interest of the Company

Disposal and sale of fixed assets

Income from disposal and sale of fixed assets is the excess of the proceeds from the disposal and sale of the fixed assets over the carrying amount of the fixed assets and disposal expenses.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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).

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 at 10%.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.21. Taxation (Continued)

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.

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-BKHHCN-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).

Particularly for the financial period from 01 January 2019 to 31 March 2019, the Company decided to apply non-incentive tax rate of 20% for the converted financial year and will continue to enjoy the CIT incentive in subsequent years according to Circular 78/2014/TT-BTC dated 18 June 2014.

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**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.

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE STATEMENT OF FINANCIAL POSITION**4.1. Cash and cash equivalents**

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Cash in hand	10,782,584,964	30,661,529,419
Cash at banks	10,719,370,002	18,422,733,614
Cash in transit	50,000	-
Total	<u>21,502,004,966</u>	<u>48,084,263,033</u>

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

Investments in subsidiaries are detailed as follows:

	As at 31 Mar. 2020 VND			As at 01 Apr. 2019 VND		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Sao Bac Dau Technology Service						
Joint Stock Company	12,650,000,000	-	-	12,650,000,000	-	-
Sao Bac Dau Digital Technologies						
Joint Stock Company	7,300,000,000	(7,300,000,000)	(7,300,000,000)	7,300,000,000	(7,300,000,000)	(7,300,000,000)
Sao Bac Dau Telecom Service						
Joint Stock Company	6,000,000,000	(3,492,724,231)	(3,492,724,231)	6,000,000,000	(1,177,916,057)	(1,177,916,057)
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	-	-	9,000,000,000	-	-
Sao Bac Dau High Technology						
Joint Stock Company	9,200,000,000	(7,390,412,684)	(7,390,412,684)	9,000,000,000	(4,447,562,179)	(4,447,562,179)
Sao Bac Dau Technologies						
Services Company Limited	5,000,000,000	(2,487,278,657)	(2,487,278,657)	5,000,000,000	(3,073,437,524)	(3,073,437,524)
Total	55,250,000,000	(20,670,415,572)	(20,670,415,572)	55,050,000,000	(15,998,915,760)	(15,998,915,760)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2. Financial investments (Continued)

Investments in other entities are detailed as follows:

	As at 31 Mar. 2020			As at 01 Apr. 2019		
	Cost	Fair value	Provision	Cost	Fair value	Provision
		VND			VND	
Investments in joint ventures, associates:						
Mideas Technology Joint Stock Company	2,400,000,000		(1,355,501,854)	2,400,000,000		(794,908,339)
DCT Technologies Solution Company Limited	1,960,000,000		(377,104,250)	1,960,000,000		(660,135,528)
CEH Information Services Company Limited	1,875,000,000		(197,438,297)	1,875,000,000		-
Pharos Digital Books and Educational Materials Joint Stock Company	2,000,000,000		(195,620,694)	400,000,000		(400,000,000)
Total	8,235,000,000		(2,125,665,095)	6,635,000,000		(1,855,043,867)
Investments in other entities:						
Smart Digital Technology Joint Stock Company	750,000,000		-	600,000,000		(60,344,944)
Total	750,000,000		-	600,000,000		(60,344,944)

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.3. Current trade receivables**

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Current:		
Trade receivables from related parties – Refer to Note 7	45,375,326,607	52,090,549,138
Trade receivables:		
Deo Ca Investment Joint Stock Company Board of Construction Investment Project Management – Headquarter of Ministry of Foreign Affairs	114,905,338,157	-
MB Shinsei Finance Limited Liability Company	34,813,883,703	36,203,153,580
Vietnam Bank for Social Policies	15,138,250,000	589,050,000
Vinacademy Education And Training Limited Liability Company	13,773,805,005	103,145,680
Viettel Group	11,883,999,400	-
Sai Gon - Hanoi Commercial Joint Stock Bank	8,733,256,040	7,180,295,100
Phu Quoc Tourism Development and Investment Joint Stock Company	4,941,773,760	9,120,862,000
Other	17,875,000	31,681,287,480
	138,454,425,641	43,471,655,618
Total	<u>388,037,933,313</u>	<u>180,439,998,596</u>

4.4. Current advances to suppliers

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Advances to related parties – Refer to Note 7	655,390,000	25,812,136
Advances to suppliers:		
Thang Long International Trade and General Services Company Limited	12,808,830,000	-
Global International Hi-Tech Engineering Limited Company	5,051,790,000	-
Blue Sky Solutions Global Trading Co., Ltd	-	3,646,784,323
Vertika Helio Communications Inc	-	2,750,918,800
Other	6,237,689,198	12,531,103,088
Total	<u>24,753,699,198</u>	<u>18,954,618,347</u>

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)****4.5. Other current receivables**

	As at 31 Mar. 2020		As at 01 Apr. 2019	
	VND		VND	
	Value	Provision	Value	Provision
Advances to employees	2,440,318,974	-	1,080,576,198	-
Deposits	10,167,980,265	-	65,160,096,136	-
Dividend and profit receivables – Refer to Note 7	4,880,000,000	-	1,270,226,238	-
Other	1,139,977,382	-	30,450,915	-
Total	18,628,276,621	-	67,541,349,487	-

4.6. Inventories

	As at 31 Mar. 2020		As at 01 Apr. 2019	
	VND		VND	
	Value	Provision	Value	Provision
Goods in transit	9,804,349,924	-	-	-
The Company's stock	3,492,588,392	(7,437,798)	5,597,661,558	(7,437,798)
Goods issued to implement Leased warehouse	98,498,250,446	-	70,431,375,384	-
Stock at Ha Noi Branch	54,393,175	-	54,393,175	-
Real estate goods	2,268,749,152	-	768,950,544	-
Working in process	1,862,858,455	-	-	-
	6,059,802,256	-	6,451,559,758	-
Total	122,040,991,800	(7,437,798)	83,303,940,419	(7,437,798)

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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 Apr. 2019	34,345,180,908	53,895,306,383	2,927,734,110	91,168,221,401
Transfer from construction in progress	-	40,237,527,182	-	40,237,527,182
Disposals	-	(27,813,298,697)	-	(27,813,298,697)
As at 31 Mar. 2020	<u>34,345,180,908</u>	<u>66,319,534,868</u>	<u>2,927,734,110</u>	<u>103,592,449,886</u>
Accumulated depreciation:				
As at 01 Apr. 2019	8,044,391,175	42,018,803,627	1,947,194,974	52,010,389,776
Depreciation	1,619,343,601	7,775,287,299	363,839,018	9,758,469,918
Disposals	-	(21,816,927,431)	-	(21,816,927,431)
As at 31 Mar. 2020	<u>9,663,734,776</u>	<u>27,977,163,495</u>	<u>2,311,033,992</u>	<u>39,951,932,263</u>
Net book value:				
As at 01 Apr. 2019	26,300,789,733	11,876,502,756	980,539,136	39,157,831,625
As at 31 Mar. 2020	<u>24,681,446,132</u>	<u>38,342,371,373</u>	<u>616,700,118</u>	<u>63,640,517,623</u>

The amount of period-end net book value of tangible fixed assets totalling VND 7,320,791,980 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 18,981,438,054.

4.8. Finance leased assets

Machinery and equipment	As at 01 Apr. 2019 VND	Increase VND	Decrease VND	As at 31 Mar. 2020 VND
Cost	13,935,461,726	12,337,689,070	-	26,273,150,796
Accumulated amortization	(4,838,880,179)	(6,117,603,441)	-	(10,956,483,620)
Net book value	<u>9,096,581,547</u>			<u>15,316,667,176</u>

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

Items	Administration software VND	Land use rights VND	Total VND
Cost:			
As at 01 Apr. 2019	1,344,773,454	2,101,157,221	3,445,930,675
As at 31 Mar. 2020	1,344,773,454	2,101,157,221	3,445,930,675
Accumulated depreciation:			
As at 01 Apr. 2019	1,304,329,010	-	1,304,329,010
Depreciation	18,666,666	-	18,666,666
As at 31 Mar. 2020	1,322,995,676	-	1,322,995,676
Net book value:			
As at 01 Apr. 2019	40,444,444	2,101,157,221	2,141,601,665
As at 31 Mar. 2020	21,777,778	2,101,157,221	2,122,934,999

The historical cost of intangible fixed assets fully depreciated but still in use totalled VND 1,288,773,454.

4.10. Construction in progress

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Purchase of fixed assets	6,871,832,366	64,215,400
Total	6,871,832,366	64,215,400

4.11. Non-current prepayment

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Land use rights	7,470,088,725	7,846,731,853
Tools and supplies	1,483,756,097	4,978,023,492
Other	2,153,513,157	4,666,724,706
Total	11,107,357,979	17,491,480,051

Of which, the 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 totalling VND 7,470,088,725 that mortgaged as short-term loans security – Refer to Note 4.19.

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)**4.12. Trade payables**

	As at 31 Mar. 2020		As at 01 Apr. 2019	
	Value	Payable value	Value	Payable value
	VND		VND	
Current:				
Trade payables to related parties – Refer to Note 7	13,022,713,679	13,022,713,679	16,781,933,065	16,781,933,065
Trade payables:				
Blue Sky Solutions Global Trading Co., Ltd	42,371,799,427	42,371,799,427	-	-
Tech Data Advanced Solutions (Vietnam) Company Limited	12,063,055,260	12,063,055,260	328,071,480	328,071,480
Tri Nam Technology Development Investment Joint Stock Company	11,150,660,800	11,150,660,800	11,150,660,800	11,150,660,800
Sandvine Corporation	8,683,220,000	8,683,220,000	-	-
Cisco International Limited	8,407,659,794	8,407,659,794	4,818,039,533	4,818,039,533
A1 Communication And Technology Joint Stock Company	7,760,635,947	7,760,635,947	8,842,624,087	8,842,624,087
Avu Pty Ltd	7,245,856,467	7,245,866,467	13,690,538,495	13,690,538,495
Azbil Vietnam Company Limited	3,922,457,387	3,922,457,387	-	-
Polaris Technologic Pty Ltd	1,738,052,716	1,738,052,716	18,468,343,519	18,468,343,519
Other	54,278,078,079	54,278,078,079	23,579,530,663	23,579,530,663
Total	170,644,199,556	170,644,199,556	97,659,741,642	97,659,741,642
Non – current:				
Trade payables:				
Azbil Vietnam Company Limited	7,652,496,720	7,652,496,720	11,464,261,987	11,464,261,987

SAOBACDAU TECHNOLOGIES CORPORATION

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District 7, Ho Chi Minh City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.13. Current advances from customers**

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Board of Construction Investment Project Management - Ha Tinh City	19,264,502,490	-
Vietnam Technology and Commercial Joint Stock Bank	16,036,404,918	-
General Department of Vocational Training	14,345,055,000	-
Management of Investment Project on Technology for Repair and Production Materials Technology Equipment Information Military New generation	-	12,184,160,000
Argibank Securities Joint Stock Company	-	4,320,000,000
Southern Region Air Traffic Services Company – Branch of Vietnam Region Air Traffic Services Company Limited	-	3,922,882,946
Northern Region Air Traffic Services Company – Branch of Vietnam Region Air Traffic Services Company Limited Other	-	2,660,058,230
	23,453,392,323	12,166,832,264
Total	73,099,354,731	35,253,933,440

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

	As at 01 Apr. 2019		Movements in year		As at 31 Mar. 2020	
	Receivable	Payable	Payable	Paid/Deductible	Receivable	Payable
Value added tax	-	68,515,128	348,826,382,460	350,008,615,194	1,113,717,606	-
Export, import	-	60,715	195,138,276	195,198,991	-	-
Corporate income tax	1,462,883,337	-	1,453,723,580	-	9,159,757	-
Personal income tax	-	181,116,984	2,179,795,495	2,101,424,464	-	259,488,015
Other taxes	-	3,065,125,970	5,423,506,010	7,201,107,502	-	1,287,524,478
Total	1,462,883,337	3,314,818,797	358,078,545,821	359,506,346,151	1,122,877,363	1,547,012,493

4.15. Current accrued expensesRepresenting to the 13th month and addition salaries of 2019 payable 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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SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.18. Other current payables**

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Trade union dues	927,480,526	1,008,234,709
Dividend payables	2,224,342,250	2,394,153,800
Other	3,202,474,804	664,720,223
Total	<u>6,354,297,580</u>	<u>4,067,108,732</u>

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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)

4.19. Loans and finance lease liabilities

Loans and finance lease liabilities are analysed as follows:

	As at 01 Apr. 2019 VND		Movements in year VND		As at 31 Mar. 2020 VND	
	Value	Payable value	Increase	Decrease	Value	Payable value
Current:						
Bank loans	341,978,518,749	341,978,518,749	708,559,103,642	745,478,021,149	305,069,601,242	305,069,601,242
Current portion of long-term liabilities	3,084,294,312	3,084,294,312	7,421,661,500	3,084,294,312	7,421,661,500	7,421,661,500
Subtotal	345,062,813,061	345,062,813,061	715,990,765,142	748,562,315,461	312,491,262,742	312,491,262,742
Non - current:						
Finance leases	6,342,673,302	6,342,673,302	14,781,033,188	8,019,888,635	13,103,817,855	13,103,817,855
Current portion of long-term liabilities	(3,084,294,312)	(3,084,294,312)	(7,421,661,500)	(3,084,294,312)	(7,421,661,500)	(7,421,661,500)
Subtotal	3,258,378,990	3,258,378,990	7,359,371,688	4,935,594,323	5,682,156,355	5,682,156,355
Total	348,321,192,051	348,321,192,051	723,350,136,830	753,497,909,784	318,173,419,097	318,173,419,097

Current bank loans in VND bear the interest rates from 6.9% to 7.4% 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 7,320,791,980 and VND 7,470,088,725, 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 loans;
- 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 2 - 3 years and bear interest rate of 7% per year.

SAOBACDAU TECHNOLOGIES CORPORATION

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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. 2019	98,999,060,000	3,440,139,770	24,284,014,455	126,723,214,225
Previous year's profits	-	-	1,414,033,247	1,414,033,247
Dividends declared	-	-	(9,899,906,000)	(9,899,906,000)
Remunerations of the Board of Directors and Supervisory Committee	-	-	(3,674,570,091)	(3,674,570,091)
As at 01 Apr. 2019	98,999,060,000	3,440,139,770	12,123,571,611	114,562,771,381
Current year's capital increase	16,000,940,000	-	-	16,000,940,000
Current year's profits	-	-	11,435,875,235	11,435,875,235
Dividends declared	-	-	(9,899,906,000)	(9,899,906,000)
Distributed to funds	-	200,000,000	(200,000,000)	-
As at 31 Mar. 2020	115,000,000,000	3,640,139,770	13,459,540,846	132,099,680,616

According to Resolution of the General Meeting of Shareholders in 2019 No.09/NQ-ĐHCĐ-2019 dated 22 April 2019 and the Resolution of the Board of Directors No.46/2019/QĐ-HĐQT dated 30 May 2019 has approved the plan of issuing the private shares to increase share capital. On 11 July 2019, the Company has received official letter No.4305/UBCK-QLCB of the State Securities Commission that announcing receipt of the submitted documents from the Company regarding registration of offering 1,600,094 private shares to increase charter capital, supplement capital for the production and business activities and investment of the Company.

The offering was completed on 05 August 2019, the total number of shares sold to the Company's employees and key management personnel that is 1,600,094 shares at price of VND 10,000 per share. On 12 August 2019, the Company has received official letter No.4861/UBCK-QLCB of the State Securities Commission that announcing receipt of the result of this issuing of private shares of the Company.

SAOBACDAU TECHNOLOGIES CORPORATION

Address: Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.20.2. Details of owners' equity**

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Mr Nguyen Duc Quang	18,878,930,000	18,878,930,000
Other shareholders	96,121,070,000	80,120,130,000
Total	<u>115,000,000,000</u>	<u>98,999,060,000</u>

4.20.3. Shares

	As at 31 Mar. 2020	As at 01 Apr. 2019
Number of ordinary shares registered for issue	11,500,000	9,899,906
Number of ordinary shares sold to public	11,500,000	9,899,906
Number of ordinary shares outstanding	11,500,000	9,899,906

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

4.20.4. Report on using capital from issuing additional shares

General information about the issue of shares to increase charter capital:

<u>No.</u>	<u>Content</u>	<u>Information</u>
1	Share name	Share Of Saobacdau Technologies Corporation
2	Type	Ordinary share
3	Par value	VND 10,000 per share
4	Number of shares	1,600,094 shares
5	Total value	VND 10,000 per share
6	Issue form	Private shares
7	Issue date	12 July 2019
8	Completion date	05 August 2019
9	Total issued shares	1,600,094 shares

Proceeds from issuing shares:

Number of shares:	1,600,094 shares
Issue price (VND/ per share):	VND 10,000 per share
Total	16,000,940,000
Total:	<u>16,000,940,000</u>

Issued share capital use plan: the Company uses the amounts from above issuing shares to supplement the charter capital that serve for the production and business activities and investment activities of Company.

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)****4.21. Off statement of financial position items**

	<u>As at 31 Mar. 2020</u>	<u>As at 01 Apr. 2019</u>
Foreign currencies:		
USD	24,045.11	95,397.68

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

	<u>From 01 Apr. 2019 to 31 Mar. 2020 VND</u>	<u>From 01 Jan. 2019 to 31 Mar. 2019 VND</u>
Sales of integrating technology equipment systems	708,635,339,651	120,131,256,733
Rendering of services	174,525,191,202	39,769,129,079
Revenue from selling real estate	1,800,000,000	-
Total	<u>884,960,530,853</u>	<u>159,900,385,812</u>
Of which, revenue to related parties – Refer to Note 7	169,543,232,531	74,022,069,423

5.2. Cost of sales

	<u>From 01 Apr. 2019 to 31 Mar. 2020 VND</u>	<u>From 01 Jan. 2019 to 31 Mar. 2019 VND</u>
Cost of integrating technology equipment systems	643,592,943,029	101,352,576,047
Cost of services rendered	151,017,501,148	32,912,558,347
Cost of selling real estate	2,803,866,251	-
Total	<u>797,414,310,428</u>	<u>134,265,134,394</u>

5.3. Finance income

	<u>From 01 Apr. 2019 to 31 Mar. 2020 VND</u>	<u>From 01 Jan. 2019 to 31 Mar. 2019 VND</u>
Gains from exchange differences	1,009,999,629	6,581,375
Gains from unrealised exchange differences	1,178,127,555	6,905,574
Interest income	279,883,333	336,927,541
Dividends, profits received	4,880,000,000	-
Total	<u>7,348,010,517</u>	<u>350,414,490</u>

SAOBACDAU TECHNOLOGIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5.4. Finance expense**

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Interest expense	23,641,129,163	5,131,196,347
Losses from exchange differences	437,020,419	33,549,557
Provision for investment impairment loss	4,881,776,096	3,019,068,912
Total	<u>28,959,925,678</u>	<u>8,183,814,816</u>

5.5. Selling expense

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Employee expense	3,012,347,400	578,630,075
Office stationery expense	11,603,251	6,255,169
Depreciation expense	-	7,816,665
Warranty expense	543,541,733	4,261,072
Pre-sales expense	744,769,195	3,084,069,318
Service expense	1,986,539,127	337,686,656
Other	2,919,120,465	147,534,784
Total	<u>9,217,921,171</u>	<u>4,166,253,739</u>

5.6. General and administrative expense

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Employee expense	29,488,125,014	6,783,865,661
Material, office stationery expense	2,885,429,783	719,894,101
Depreciation expense	5,011,636,005	1,260,440,178
Utility expense	222,300,000	368,827,863
Service expense	11,320,289,889	2,062,257,592
Other	3,939,444,284	1,190,072,407
Total	<u>52,867,224,975</u>	<u>12,385,357,802</u>

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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)****5.7. Other income**

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Gain supporting from suppliers	8,104,749,583	291,953,103
Disposal	-	636,363
Late payment interest	243,413,969	-
Other	1,306,566,260	304,096,268
Total	9,654,729,812	596,685,734

5.8. Production and business costs by element

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Material expense	656,437,132,410	101,352,576,047
Employee expense	32,500,472,414	7,362,495,736
Depreciation expense	15,894,740,025	3,810,013,633
Service expense	144,911,513,942	36,227,904,062
Other	9,755,597,783	2,063,756,461
Total	859,499,456,574	150,816,745,939

5.9. Current corporate income tax expense

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
CIT expense based on taxable income for the current year	811,569,503	364,982,628
Adjusting the CIT expense in previous years to corporate income tax expense in current year	642,154,077	-
Current CIT expense for the year	1,453,723,580	364,982,628

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.9 Current corporate income tax expense (Continued)

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

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Accounting profit before tax for the year	12,903,386,854	1,841,925,281
Add: Adjustments according to CIT law	8,240,130,350	13,030,145
Less: Adjustments according to CIT law	(4,912,127,140)	(30,042,285)
Taxable income from business activities	16,231,390,064	1,824,913,141
Current CIT rate	10%	20%
Current CIT expense from business activities	1,623,139,006	364,982,628
Less: CIT reduction (50%) for science and technology enterprise	(811,569,503)	-
CIT expense based on taxable income in current year	811,569,503	364,982,628

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;
- Interest expense exceed the regulation;
- Dividends for the year;
- 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

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Cash receipts from loans under normal contracts	708,569,103,642	210,078,431,595

6.2. Cash repayments of principal amounts borrowed

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Cash repayment of principal amounts under normal contracts	(745,478,021,149)	(157,932,443,213)

SAOBACDAU TECHNOLOGIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**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. Sao Bac Dau South 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. CEH Information Services Company Limited	Associate
10. Pharos Digital Books and Educational Materials Joint Stock Company	Associate
11. 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 Mar. 2020 VND	As at 01 Apr. 2019 VND
Current trade receivable:		
Sao Bac Dau Telecom Service Joint Stock Company	19,197,697,270	-
Sao Bac Dau South Technology Joint Stock Company	16,340,460,696	7,077,935,619
Sao Bac Dau Technologies Solutions Joint Stock Company	5,800,802,022	40,010,351,167
Sao Bac Dau Technology Service Joint Stock Company	2,679,021,509	2,188,961,232
Sao Bac Dau Technologies Services Company Limited	618,038,261	2,183,172,241
Mideas Technology Joint Stock Company	511,306,849	462,000,000
CEH Information Services Company Limited	198,000,000	66,000,000
Sao Bac Dau High Technology Joint Stock Company	30,000,000	58,750,000
Sao Bac Dau Digital Technologies Joint Stock Company	-	43,378,879
Total – Refer to Note 4.3	<u>45,375,326,607</u>	<u>52,090,549,138</u>
	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Advances to suppliers:		
CEH Information Services Company Limited	655,390,000	-
Sao Bac Dau Digital Technologies Joint Stock Company	-	25,812,136
Total – Refer to Note 4.4	<u>655,390,000</u>	<u>25,812,136</u>

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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)**7. RELATED PARTIES (CONTINUED)**

	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Other receivables:		
Sao Bac Dau South Technology Joint Stock Company	4,880,000,000	-
Sao Bac Dau Technologies Solutions Joint Stock Company	-	1,270,226,238
Total – Refer to Note 4.5	<u>4,880,000,000</u>	<u>1,270,226,238</u>
	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Trade payables:		
Sao Bac Dau Technologies Solutions Joint Stock Company	(12,053,590,387)	(11,752,427,972)
Sao Bac Dau Digital Technologies Joint Stock Company	(715,859,922)	-
Sao Bac Dau Telecom Service Joint Stock Company	(130,468,011)	(84,715,463)
Sao Bac Dau High Technology Joint Stock Company	(122,795,359)	(3,788,356,448)
Sao Bac Dau South Technology Joint Stock Company	-	(1,156,433,182)
Total – Refer to Note 4.12	<u>(13,022,713,679)</u>	<u>(16,781,933,065)</u>

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

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Sale of goods and rendering of services:		
Sao Bac Dau South Technology Joint Stock Company	69,606,810,796	20,739,989,899
Sao Bac Dau Technologies Solutions Joint Stock Company	69,060,693,995	46,526,217,143
Sao Bac Dau Technologies Services Company Limited	10,793,047,013	3,726,268,031
Sao Bac Dau Technology Service Joint Stock Company	8,856,521,429	1,081,663,780
Sao Bac Dau Telecom Service Joint Stock Company	7,534,185,568	1,752,930,570
Sao Bac Dau High Technology Joint Stock Company	3,437,773,730	-
Sao Bac Dau Digital Technologies Joint Stock Company	134,200,000	135,000,000
CEH Information Services Company Limited	120,000,000	60,000,000
Total – Refer to Note 5.1	<u>169,543,232,531</u>	<u>74,022,069,423</u>

SAOBACDAU TECHNOLOGIES CORPORATION

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

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Purchase of goods and services:		
Sao Bac Dau Technologies Solutions Joint Stock Company	16,629,877,180	3,644,509,371
Sao Bac Dau High Technology Joint Stock Company	3,363,329,421	302,778,179
Sao Bac Dau South Technology Joint Stock Company	3,941,724,259	2,443,156,614
Sao Bac Dau Technology Service Joint Stock Company	2,322,022,553	53,448,289
Sao Bac Dau Technologies Services Company Limited	2,231,412,187	183,093,755
Sao Bac Dau Digital Technologies Joint Stock Company	1,010,000,000	-
Sao Bac Dau Telecom Service Joint Stock Company	479,956,259	45,059,978
Total	<u>29,978,321,859</u>	<u>6,672,046,186</u>
Purchase of assets:		
Sao Bac Dau Digital Technologies Joint Stock Company	8,359,802,344	-
Total	<u>8,359,802,344</u>	<u>-</u>
Investments:		
Pharos Digital Books and Educational Materials Joint Stock Company	1,600,000,000	-
Sao Bac Dau High Technology Joint Stock Company	200,000,000	-
CEH Information Services Company Limited	-	775,000,000
Total	<u>1,800,000,000</u>	<u>775,000,000</u>

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.

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

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

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Remunerations	5,513,677,120	1,430,575,530

8. REMUNERATION OF THE SUPERVISORY COMMITTEE

	From 01 Apr. 2019 to 31 Mar. 2020 VND	From 01 Jan. 2019 to 31 Mar. 2019 VND
Remuneration	395,853,400	127,869,600

9. COMMITMENT UNDER FINANCE LEASES

The Company is leasing a separate part of machinery and equipment with an estimated useful life from 2 to 3 years under a financial lease contract with a term of 2 to 3 years. The minimum financial lease debts to be paid in the future are detailed as follows:

Term	As at 31 Mar. 2020 VND	As at 01 Apr. 2019 VND
Within one year	7,421,661,500	3,084,294,312
Later than one year but within five years	5,682,156,355	3,258,378,990
Total	13,103,817,855	6,342,673,302

10. COMPARATIVE FIGURES

According to Resolution of the Annual General Meeting of Shareholders in 2019 No. 03/NQ-ĐHCĐ-2019 dated 22 April 2019, since 01 April 2019, the Company had changed the accounting period from 01 April of the current year to 31 March of the following year. The previous informations on the income statement and cash flow statement are presented corresponds to the previous financial statements for the converted financial period from 01 January 2019 to 31 March 2019. Therefore, these figures are not comparative.

(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)

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 financial statements



Le Hong Phong
General Director
Ho Chi Minh City, 30 June 2020

A blue ink signature of Bui Thi Thuy Hong.

Bui Thi Thuy Hong
Chief accountant

A blue ink signature of Nguyen Minh Hoang.

Nguyen Minh Hoang
Prepared

