

**SAOBACDAU TECHNOLOGIES
CORPORATION AND ITS SUBSIDIARIES**

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

SAOBACDAU TECHNOLOGIES CORPORATON AND ITS SUBSIDIARIES

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

MANAGEMENT'S REPORT

Management of SaoBacDau Technologies Corporation (hereinafter referred to as "the Company") hereby presents its report and the audited consolidated financial statements of the Company and its subsidiaries (together with the Company hereinafter referred to as "the Group") 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 Chairman |
| Mr Hoang Hai Thinh | Vice Chairman |
| 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 consolidated financial statements of the Group 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 CORPORATON AND ITS SUBSIDIARIES

Address: Lot U.14b – 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 Group's management is responsible for preparing the consolidated financial statements of each year which give a true and fair view of the consolidated financial position of the Group and the consolidated results of its operations and its consolidated cash flows. In preparing these consolidated financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any departures that need to be disclosed and explained in the financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- Design and implement the internal control system effectively for a fair preparation and presentation of the consolidated financial statements so as to mitigate error or fraud.

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

Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and ensure that the consolidated 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT BY MANAGEMENT

In management's opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020 and the consolidated results of its operations and its consolidated 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-HN/BCKT-RSMHCM

INDEPENDENT AUDITORS' REPORT

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of SaoBacDau Technologies Corporation (hereinafter referred to as "the Company") and its subsidiaries (together with the Company hereinafter referred to as "the Group") prepared on 30 June 2020 as set out from page 05 to page 43, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated income statement, and consolidated cash-flow statement for the financial year then ended, and the notes to the consolidated financial statements.

Management's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements give a true and fair view of the consolidated financial position of SaoBacDau Technologies Corporation and its subsidiaries as at 31 March 2020, and of the consolidated results of its financial performance and its consolidated 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, Circular 53/2016/TT-BTC dated 21 March 2016 and guidance on preparation and presentation of consolidated financial statements under Circular 202/2014/TT-BTC dated 22 December 2014 by Ministry of Finance and relevant legislation as to the preparation and presentation of consolidated financial statements.

DP GENERAL DIRECTOR



Lúc Thị Van
Vice General Director

Audit Practice Registration Certificate:
0172-2018-026-1

Trinh Thanh Thanh
Auditor

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

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

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

 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/HN

CONSOLIDATED 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 | | 609,005,600,936 | 459,791,256,484 |
| I. Cash and cash equivalents | 110 | 4.1 | 31,180,877,791 | 59,078,645,382 |
| 1. Cash | 111 | | 31,180,877,791 | 58,856,645,382 |
| 2. Cash equivalents | 112 | | - | 222,000,000 |
| II. Current account receivables | 130 | | 443,014,694,220 | 304,578,354,375 |
| 1. Trade receivables | 131 | 4.3 | 389,115,491,879 | 204,910,878,312 |
| 2. Advances to suppliers | 132 | 4.4 | 26,000,491,957 | 22,728,561,019 |
| 3. Current loan receivables | 135 | | 800,000,000 | 1,300,000,000 |
| 4. Other current receivables | 136 | 4.5 | 29,606,173,020 | 78,146,377,680 |
| 5. Provision for doubtful debts | 137 | 4.6 | (2,507,462,636) | (2,507,462,636) |
| III. Inventories | 140 | 4.7 | 130,810,032,892 | 92,620,583,669 |
| 1. Inventories | 141 | | 131,431,370,690 | 92,628,021,467 |
| 2. Provision for decline in value of inventories | 149 | | (621,337,798) | (7,437,798) |
| IV. Other current assets | 150 | | 3,999,996,033 | 3,513,673,058 |
| 1. Current prepayments | 151 | 4.12 | 2,812,849,367 | 1,165,401,283 |
| 2. Value added tax deductible | 152 | | 7,749,303 | 784,091,139 |
| 3. Tax and other receivables from the state budget | 153 | 4.15 | 1,179,397,363 | 1,564,180,636 |
| B. NON-CURRENT ASSETS | 200 | | 137,403,245,083 | 196,393,214,950 |
| I. Non-current account receivables | 210 | | 105,311,846 | 72,937,867,943 |
| 1. Non-current trade receivables | 211 | | - | 72,446,232,597 |
| 2. Other non-current receivables | 216 | | 105,311,846 | 491,635,346 |
| II. Fixed assets | 220 | | 95,064,484,710 | 82,327,747,754 |
| 1. Tangible fixed assets | 221 | 4.8 | 77,499,224,977 | 70,736,950,026 |
| Cost | 222 | | 186,516,556,087 | 183,715,709,897 |
| Accumulated depreciation | 223 | | (109,017,331,110) | (112,978,759,871) |
| 2. Finance lease assets | 224 | 4.10 | 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 | 2,248,592,557 | 2,494,216,181 |
| Cost | 228 | | 3,754,488,717 | 3,870,645,675 |
| Accumulated amortisation | 229 | | (1,505,896,160) | (1,376,429,494) |
| III. Non-current assets in progress | 240 | | 11,113,423,236 | 3,170,794,688 |
| 1. Construction in progress | 242 | 4.11 | 11,113,423,236 | 3,170,794,688 |
| IV. Non-current financial investments | 250 | 4.2 | 7,343,110,682 | 6,116,820,310 |
| 1. Investments in associates, joint-ventures | 252 | | 6,593,110,682 | 5,577,165,254 |
| 2. Investment in other entities | 253 | | 750,000,000 | 600,000,000 |
| 3. Provision for non-current investments | 254 | | - | (60,344,944) |
| V. Other non-current assets | 260 | | 23,776,914,609 | 31,839,984,255 |
| 1. Non-current prepayments | 261 | 4.12 | 23,333,601,723 | 31,655,784,185 |
| 2. Deferred income tax assets | 262 | | 443,312,886 | 184,200,070 |
| TOTAL ASSETS | 270 | | 746,408,846,019 | 656,184,471,434 |

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

 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/HN

CONSOLIDATED 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 | | 601,210,887,546 | 531,230,411,432 |
| I. Current liabilities | 310 | | 587,625,663,767 | 516,141,876,247 |
| 1. Trade payables | 311 | 4.13 | 161,608,285,560 | 95,840,152,125 |
| 2. Advances from customers | 312 | 4.14 | 78,927,198,638 | 40,938,352,060 |
| 3. Taxes and amounts payable to the state budget | 313 | 4.15 | 4,499,758,769 | 5,428,416,807 |
| 4. Payables to employees | 314 | 4.16 | 5,598,541,063 | 161,921,750 |
| 5. Accrued expenses | 315 | 4.17 | 4,668,706,448 | 5,518,174,289 |
| 6. Current unearned revenue | 318 | 4.18 | 6,478,274,536 | 6,334,121,881 |
| 7. Other current payables | 319 | 4.19 | 12,171,136,011 | 7,386,904,549 |
| 8. Current loans and obligations under finance leases | 320 | 4.20 | 313,673,762,742 | 354,533,832,786 |
| II. Non-current liabilities | 330 | | 13,585,223,779 | 15,088,535,185 |
| 1. Non-current trade payables | 331 | 4.13 | 7,652,496,720 | 11,464,261,987 |
| 2. Accrued expenses | 333 | | 250,570,704 | 145,158,188 |
| 3. Non-current loans and obligations under finance leases | 338 | 4.20 | 5,682,156,355 | 3,258,378,990 |
| 4. Deferred income tax liabilities | 341 | | - | 220,736,020 |
| D. OWNERS' EQUITY | 400 | | 145,197,958,473 | 124,954,060,002 |
| I. Equity | 410 | 4.21.1 | 145,197,958,473 | 124,954,060,002 |
| 1. Owners' contributed capital | 411 | 4.21.2 | 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 | | 13,047,646,730 | 9,124,953,938 |
| Beginning accumulated retained earnings | 421a | | (1,603,951,277) | 12,160,517,952 |
| Ending accumulated retained earnings | 421b | | 14,651,598,007 | (3,035,564,014) |
| 4. Non-controlling interest | 429 | | 13,510,171,973 | 13,389,906,294 |
| TOTAL RESOURCES | 440 | | 746,408,846,019 | 656,184,471,434 |



Le Hong Phong
 General Director

Ho Chi Minh City, 30 June 2020

Bui Thi Thuy Hong
 Chief Accountant

Nguyen Minh Hoang
 Preparer

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIESAddress: 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/HN

CONSOLIDATED 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 11) |
| 1. Revenue | 01 | 5.1 | 1,045,353,580,781 | 186,887,446,250 |
| 2. Deductions | 02 | | 678,382,646 | 9,130,909 |
| 3. Net revenue | 10 | | 1,044,675,198,135 | 186,878,315,341 |
| 4. Cost of sales | 11 | 5.2 | 891,226,373,267 | 152,671,418,500 |
| 5. Gross profit | 20 | | 153,448,824,868 | 34,206,896,841 |
| 6. Finance income | 21 | 5.3 | 2,558,840,408 | 433,423,376 |
| 7. Finance expense | 22 | 5.4 | 24,527,879,725 | 5,482,486,075 |
| <i>Of which, interest expense</i> | 23 | | 23,774,191,554 | 5,378,419,625 |
| 8. Share of the profit(loss) of associates | 24 | | (584,054,572) | (1,057,834,746) |
| 9. Selling expense | 25 | 5.5 | 39,467,787,912 | 11,715,239,129 |
| 10. General and administration expense | 26 | 5.6 | 81,278,482,228 | 18,951,370,608 |
| 11. Operating profit/(loss) | 30 | | 10,149,460,839 | (2,566,610,341) |
| 12. Other income | 31 | 5.7 | 11,023,532,052 | 588,626,598 |
| 13. Other expense | 32 | | 1,373,990,525 | 711,786,115 |
| 14. Net other income/(loss) | 40 | | 9,649,541,527 | (123,159,517) |
| 15. Accounting profit/(loss) before tax | 50 | | 19,799,002,366 | (2,689,769,858) |
| 16. Current corporate income tax expense | 51 | 5.9 | 2,405,568,516 | 675,313,309 |
| 17. Deferred corporate income tax expense | 52 | | (479,848,836) | 319,241,788 |
| 18. Net profit/(loss) after tax | 60 | | 17,873,282,686 | (3,684,324,955) |
| 19. Owners of the parent company | 61 | | 14,651,598,007 | (3,035,564,014) |
| 20. Non-controlling interests | 62 | | 3,221,684,679 | (648,760,941) |
| 21. Basic earnings per share | 70 | 4.21.6 | 1,334 | (307) |
| 22. Diluted earnings per share | 71 | 4.21.6 | 1,334 | (307) |



Le Hong Phong
General Director

Ho Chi Minh City, 30 June 2020

Bui Thi Thuy Hong
Chief Accountant

Nguyen Minh Hoang
Preparer

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

 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/HN
**CONSOLIDATED 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 11) |
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 1. Net profit /(loss) before taxes | 01 | | 19,799,002,366 | (2,689,769,858) |
| 2. Adjustment for: | | | | |
| Depreciation and amortisation | 02 | 5.8 | 32,707,940,982 | 8,544,495,644 |
| Provisions | 03 | | 553,555,056 | 60,344,944 |
| Unrealised foreign exchange gains/losses from revaluation of foreign currency monetary items | 04 | 5.3 | (1,181,813,972) | (30,177,113) |
| Gains/losses from investment | 05 | | 377,793,585 | 449,428,695 |
| Interest expense | 06 | 5.4 | 23,774,191,554 | 5,378,419,625 |
| 3. Operating profit /(loss) before adjustments to working capital | 08 | | 76,030,669,571 | 11,712,741,937 |
| Increase or decrease in accounts receivable | 09 | | (15,168,403,805) | 100,231,240,732 |
| Increase or decrease in inventories | 10 | | (38,803,349,223) | (2,760,742,812) |
| Increase or decrease in accounts payable (excluding interest expense and CIT payable) | 11 | | 43,886,984,168 | (138,668,844,752) |
| Increase or decrease prepaid expenses | 12 | | 5,936,248,020 | 495,812,037 |
| Increase or decrease in trading securities | 13 | | - | 13,000,000,000 |
| Interest paid | 14 | | (24,011,934,899) | (5,378,419,625) |
| Corporate income tax paid | 15 | 4.15 | (725,892,367) | (1,118,964,373) |
| Net cash from operating activities | 20 | | 47,144,321,465 | (22,487,176,855) |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| 1. Acquisition and construction of fixed assets and other long-term assets | 21 | | (33,392,450,463) | (34,000,000) |
| 2. Proceeds from disposals of fixed assets and other long-term assets | 22 | | 6,525,614,944 | 203,166,363 |
| 3. Loans to other entities and payments for purchase of debt instruments of other entities | 23 | | - | (500,000,000) |
| 4. Repayments from borrowers and proceeds from sales of debts instruments of other entities | 24 | | 500,000,000 | - |
| 5. Investments in other entities | 25 | | (1,750,000,000) | (1,060,000,000) |
| 6. Interest and dividends received | 27 | | 341,202,717 | 405,876,051 |
| Net cash from investing activities | 30 | | (27,775,632,802) | (984,957,586) |

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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/HN

CONSOLIDATED 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 11) |
|---|-----------|-------|---|---|
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| 1. Proceeds from issuing stocks and capital contribution from owners | 31 | | 16,200,940,000 | - |
| 2. Capital redemption, payments for shares repurchases | 32 | | (67,000,000) | - |
| 3. Proceeds from borrowings | 33 | 6.1 | 710,891,407,142 | 217,860,315,095 |
| 4. Repayment of borrowings | 34 | 6.2 | (756,088,844,374) | (178,687,028,446) |
| 5. Finance lease principal paid | 35 | | (8,019,888,635) | (771,073,578) |
| 6. Dividends paid | 36 | | (10,210,853,799) | (12,801,394,284) |
| Net cash from financing activities | 40 | | (47,294,239,666) | 25,600,818,787 |
| NET INCREASE/(DECREASE) IN CASH (50 = 20+30+40) | 50 | | (27,925,551,003) | 2,128,684,346 |
| Cash and cash equivalents at beginning of year | 60 | | 59,078,645,382 | 56,955,209,492 |
| Impact of exchange rate fluctuation | 61 | | 27,783,412 | (5,248,456) |
| CASH AND CASH EQUIVALENTS AT END OF YEAR (70 = 50+60+61) | 70 | 4.1 | 31,180,877,791 | 59,078,645,382 |



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

Bui Thi Thuy Hong
Chief Accountant

Nguyen Minh Hoang
Preparer

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Structure of ownership

SaoBacDau Technologies Corporation (hereinafter referred to as “the Company”) had formerly been 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 dated one 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 was 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 Apr. 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 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 Company has subsidiaries as represented in Note 1.5 below (together with the Company hereinafter referred to as “the Group”).

The Company’s branches as at 31 March 2020 include:

- Ha Noi Branch: 3th Floor, CT1AB, VOV Me Tri Town, Me Tri Ward, Nam Tu Liem District, Hanoi City, Vietnam;
- Da Nang Branch: 02 Quang Trung Street, Thach Thang Ward, Hai Chau District, Da Nang City.

The number of employees as at 31 March 2020 was 351 (01 April 2019: 331).

1.2. Business field

Integration of information technology systems.

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.3. Operating industry and principal activities**

Business Registration Certificate the Group's principal activities include:

Producing, assembling, and repairing informatics and electronics products. Trading in household appliances, informatics and electronics products, office – equipment, cables, kinds of snap-in, and 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. Trading in real estates. Construction of industrial civil projects. Plane tickets agent. Scientific Services: integrated system, technology transfer.

1.4. Normal operating cycle

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

1.5. Consolidated direct subsidiaries

| No. | Name | Address | Voting rights | Per cent interest |
|------------|--|--|----------------------|--------------------------|
| 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% |
| 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% |
| 3. | SaoBacDau 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% |
| 4. | Sao Bac Dau South 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% |
| 5. | Sao Bac Dau Technologies Solutions Joint Stock Company | Room 1, Building 8, Street 13, Quang Trung Software City, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City, Vietnam | 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% |
| 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% |

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.6. Associates presented in the consolidated financial statements under the equity method**

| No. | Name | Address | Voting rights | Per cent interest |
|------------|--|---|----------------------|--------------------------|
| 1. | Mideas Technology Joint Stock Company | 61C Tu Xuong, Ward 7, District 3, Ho Chi Minh City, Vietnam | 20% | 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% |
| 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% |
| 4. | Pharos Digital Books and Educational Matersals Joint Stock Company | Alley 218, 54a Lac Long Quan Street, Bui Ward, Tay Ho District, Hanoi City, Vietnam | 20% | 15.69% |

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

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

2.2. Forms of accounting records

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

2.3. Financial year

The Company's financial year is from 01 April to 31 March of the following year.

2.4. Financial year

The Group maintains its accounting records in VND.

2.5. Basis of consolidation

The consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and subsidiaries are presented as those of a single economic entity regardless of the legal structure of the entities. The financial statements of the subsidiaries have been prepared for the same financial year using uniform accounting policies to those used by the parent company. Adjustments were made for any different accounting policies to ensure consistency between the subsidiaries and the parent company.

Non-controlling interest recognition

Non-controlling interests in the net assets and net results of consolidated subsidiaries are shown separately in the consolidated statement of financial position and in the consolidated income statement.

The loss of a subsidiary is attributed to the non-controlling interests in proportion to their relative interests in the subsidiary even if this results in the non-controlling interests having a deficit balance.

Intra-group transactions elimination

All intra-group transactions, balances, income and expenses - including unrealised intra-group profits or losses - are eliminated in full on consolidation. Unrealised losses resulting from intra-group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless the cost cannot be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Foreign currencies

- The exchange rates announced by Bank for Foreign Trade of Vietnam, Vietnam Technology and Commercial Joint Stock Bank and Vietnam International Commercial Joint Stock Bank 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 consolidated 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 in the consolidated financial statements 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 consolidated 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. 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 consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3.5. Financial investments

Equity investments in other entities

Investments in associates

Investments are classified as investments in associates when the Group 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. The carrying amount is increased or decreased to recognise the Group's share of profit or loss of the associate after the date of acquisition.

Distributions received from associates reduce the carrying amount of the investment.

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.

3.6. 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. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads.

The costs of purchase comprise the purchase price, non-reimbursable taxes and duties, and transport, handling and other costs directly attributable to the purchase. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3.6. Inventories (Continued)

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 consolidated income statement.

Inventories are written down to net realizable value on an item-by-item basis. For services being rendered, provision is made in respect of each service for which a separate selling price will be 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 value and deducted from the historical cost of the respective tangible fixed assets.

The costs of tangible fixed assets constructed by contractors are the finalised costs of the construction, other directly related expenses and the registration fee (if any).

The costs of self-made and self-constructed tangible fixed assets comprise the construction costs, actually incurred manufacturing costs plus installation and test run costs.

Depreciation and amortisation

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

The estimated useful lives are as follows:

| | <u>Year 2019</u> |
|---------------------------|-------------------------|
| ▪ Buildings, structures | 15 years |
| ▪ Machinery and equipment | 03 – 08 years |
| ▪ Motor vehicles | 03 – 06 years |
| ▪ Management equipment | 02 – 05 years |

(See the next page)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3.8. Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation.

Intangible fixed asset recognition

Intangible fixed assets are initially recognised at their cost. The cost of an intangible fixed asset comprises the total amount of expense incurred by the Group 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 consolidated 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.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

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.

3.10. Leases

Operating leases

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Depreciation of assets subject to operating leases is consistent with the depreciation policy of the lessor for 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 Group'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. Business cooperation contract (BCC)

Sharing of revenues, expenses and products:

Revenues contributed to, or acquired for the purpose of, jointly controlled operations are recognised as other receivables by the contributing venturer, or as other payables by the acquiring venturer.

3.13. 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 and cost of goods sold of projects not yet finishing which are amortised over the period for which they are paid or the period in which economic benefits are generated in relation to those expenses.

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

- Land use right at Lot U.14b – 16a, Street No. 22, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam is amortized over the lease term of 30 years;
- Tools and supplies are amortised to the consolidated income statement over 01 to 03 years.

3.14. 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 consolidated financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.15. 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.

3.16. Unearned revenues

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

Unearned revenues are periodically determined and transferred into revenues according to the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3.17. 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 Group's charter.

Profits Distribution

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 Group's Charter and legal regulations in Vietnam.

3.18. 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.

3.19. 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.

3.20. Financial expense

Financial expenses represent all expenses incurred in the reporting year which mainly include borrowing costs and exchange rates.

3.21. Selling expense and general and administration 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3.21. Selling expense and general and administration expense (Continued)

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).

3.22. 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 follows:

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3.22. 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 Group 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 Group 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 Group 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 Group has revenue from scientific and technological activities (year 2011);
- Exempted for 4 years and 50% reduction of corporate income tax payable in 9 subsequent years since the Group has taxable income (year 2011).

In accordance with the Investment Registration Certificate No. 4234430517 dated 12 July 2017 granted by Ho Chi Minh City's Planning and Investment Department, the Group was engaged in implementing the project called "Software production and system integration Center" Quang Trung Software City, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City. In accordance with Decree No. 218/2013/ND-CP dated 26 December 2013 and Circular No. 78/2014/TT-BTC dated 18 June 2014, the Group has the income from performance of new investment project in concentrated information technology zones are established by decision of the Prime Minister. Accordingly, the Group is entitled to incentives, as follows:

- The Group will be exempted from 100% CIT for four (04) years from the first profit making year (since 2017) and 50% CIT for nine (09) subsequent years (since 2021);
- The Group is applied to incentive tax rate of 10% within 15 years from beginning its business operations.

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 Group are subject to value added tax at the following rates:

- Computer software: non-taxable;
- Equipment exported to non-tariff zones: 0%;
- Goods: 10%;
- Leasing services and other services: 10%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**3.22. Taxation (Continued)*****Other taxes***

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

The tax reports of the companies in the Group 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 consolidated financial statements can be amended in accordance with the Tax Department's final assessment for the companies.

3.23. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares bought back by the Group and held as treasury shares.

3.24. Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year and total ordinary shares that would be issued on the conversion, excluding ordinary shares bought back by the Group and held as treasury shares.

3.25. Segment reporting

A segment is a distinguishable component of the Group that is engaged either in producing or providing related products or services (business segment), or in producing or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3.26. Related parties

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

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED 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 | 14,324,656,573 | 32,528,686,589 |
| Cash at banks | 16,856,171,218 | 26,327,958,793 |
| Cash in transit | 50,000 | - |
| Cash equivalents | - | 222,000,000 |
| Total | 31,180,877,791 | 59,078,645,382 |

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

Investments in joint ventures, associates are detailed as follows:

| | As at 31 Mar. 2020 VND | | As at 01 Apr. 2019 VND | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | Cost | Value under equity method | Cost | Value under equity method |
| Investments in joint ventures, associates: | | | | |
| Mideas Technology JSC | 2,400,000,000 | 1,044,498,146 | 2,400,000,000 | 1,605,091,661 |
| DCT Technologies Solution Company Limited | 1,960,000,000 | 1,166,671,527 | 1,960,000,000 | 1,299,864,472 |
| CEH Information Services Company Limited | 1,875,000,000 | 1,677,561,703 | 1,875,000,000 | 2,672,209,121 |
| Pharos Digital Books and Educational Materials JSC | 2,000,000,000 | 2,704,379,306 | 400,000,000 | - |
| Total | 8,235,000,000 | 6,593,110,682 | 6,635,000,000 | 5,577,165,254 |

Investments in other entities are detailed as follows:

| | As at 31 Mar. 2020 VND | | As at 01 Apr. 2019 VND | |
|--------------------------------|---------------------------|------------|---------------------------|---------------------|
| | Cost | Fair value | Cost | Fair value |
| Investments in other entities: | | | | |
| Smart Digital Technology JSC | 750,000,000 | - | 600,000,000 | (60,344,944) |
| Total | 750,000,000 | - | 600,000,000 | (60,344,944) |

At the reporting date, the Group has not determined fair values of these investments for disclosure in the consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**4.3. Current trade receivables**

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|--|---------------------------------------|---------------------------------------|
| Trade receivables from related parties – Refer to Note 8 | 709,306,849 | 528,000,000 |
| Trade receivables: | | |
| Deo Ca Investment Joint Stock Company | 114,905,338,157 | - |
| Project Management Unit of construction of Ministry of Foreign Affairs headquarters | 34,813,883,703 | 36,203,153,580 |
| Viettel Group | 8,733,256,040 | 7,180,295,100 |
| Quang Trung Software Commercial Service Joint Stock Company | 6,958,663,224 | 5,038,504,020 |
| Sai Gon - Hanoi Commercial Joint Stock Bank Board of Enterprise Organizing Customer - Branch of Communication Services Corporation | 4,941,773,760 | 9,120,862,000 |
| OTP Vietnam Technologies Joint Stock Company | 4,429,835,468 | 537,192,967 |
| CMC Sai Gon Technology and Solution Company Limited | 4,084,624,320 | 4,484,624,320 |
| | 3,972,850,080 | - |
| Mincerva Technology Solutions Joint Stock Company | 3,355,300,000 | - |
| Heineken Vietnam Brewery – Vung Tau Limited Company | 558,986,829 | 1,879,936,389 |
| VinFast Trading and Production Limited Liability Company | 267,983,100 | 10,055,941,150 |
| Phu Quoc Tourism Development and Investment Joint Stock Company | 17,875,000 | 31,681,287,480 |
| Phong Vu Trading – Service Corporation | - | 10,323,836,900 |
| VinID Joint Stock Company | - | 13,063,413,000 |
| Other | 201,365,815,349 | 74,813,831,406 |
| Total | <u>389,115,491,879</u> | <u>204,910,878,312</u> |

(See the next page)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.4. Current advances to suppliers

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|---|---------------------------------------|---------------------------------------|
| Advances to suppliers from related parties – Refer to Note 8 | 655,390,000 | - |
| 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 | - |
| Dove Services Corporation | - | 2,166,893,244 |
| Vertika Helio Communications Inc | - | 2,750,918,800 |
| Blue Sky Solutions Global Trading Co. Ltd | - | 3,646,784,323 |
| Other | 7,484,481,957 | 14,163,964,652 |
| Total | <u>26,000,491,957</u> | <u>22,728,561,019</u> |

4.5. Other current receivables

| | As at 31 Mar. 2020 VND | | As at 01 Apr. 2019 VND | |
|----------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | Value | Provision | Value | Provision |
| Receivables from employees | 9,356,456,240 | - | 4,435,998,342 | - |
| Deposits | 11,469,847,777 | - | 65,911,274,126 | - |
| Other receivables | 8,779,869,003 | - | 7,799,105,212 | - |
| Total | <u>29,606,173,020</u> | <u>-</u> | <u>78,146,377,680</u> | <u>-</u> |

4.6. Doubtful debts

| | As at 31 Mar. 2020 VND | | As at 01 Apr. 2019 VND | |
|---------------------------|-----------------------------------|--------------------|-----------------------------------|--------------------|
| | Cost | Recoverable amount | Cost | Recoverable amount |
| Overdue trade receivables | 2,507,462,636 | - | 2,507,462,636 | - |

(See the next page)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
4.6. Doubtful debts (continued)

Overdue trade receivables and overdue amounts are analysed by debtor as follows:

| | As at 31 Mar. 2020 VND | | | As at 01 Apr. 2019 VND | | |
|---|-----------------------------|--------------------|-----------------|-----------------------------|--------------------|-----------------|
| | Cost | Recoverable amount | Overdue days | Cost | Recoverable amount | Overdue days |
| HTC Viet Nam Technology Development And Investment Join Stock Company BTK Technology Development Company Limited | 1,900,000,000 | - | Over 3 years | 1,900,000,000 | - | Over 3 years |
| | 607,462,636 | - | Over 3 years | 607,462,636 | - | Over 3 years |
| Total | <u>2,507,462,636</u> | <u>-</u> | | <u>2,507,462,636</u> | <u>-</u> | |

4.7. Inventories

| | As at 31 Mar. 2020 VND | | As at 01 Apr. 2019 VND | |
|---|-------------------------------|-----------------------------|------------------------------|---------------------------|
| | Cost | Provision | Cost | Provision |
| Goods in transit | 9,804,349,924 | - | 173,650,000 | - |
| The Group's stock | 8,066,802,841 | (621,337,798) | 9,703,465,928 | (7,437,798) |
| Goods delivered to implement | 98,498,250,446 | - | 70,431,375,384 | - |
| Leased warehouse Stock at Ha Noi Branch | 54,393,175 | - | 54,393,175 | - |
| | 2,268,749,152 | - | 768,950,544 | - |
| Raw materials | 2,429,280,112 | - | 2,663,870,495 | - |
| Tools and supplies | 9,262,959 | - | 9,262,959 | - |
| Real estate goods | 1,862,858,455 | - | - | - |
| Work in progress | 8,437,423,626 | - | 8,823,052,982 | - |
| Total | <u>131,431,370,690</u> | <u>(621,337,798)</u> | <u>92,628,021,467</u> | <u>(7,437,798)</u> |

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.8. Tangible fixed assets

| Items | Buildings, structures VND | Machinery and equipment VND | Motor vehicles VND | Office equipment VND | Total VND |
|--|------------------------------|-----------------------------------|-----------------------|-------------------------|------------------------|
| Cost: | | | | | |
| As at 01 Apr. 2019 | 34,345,180,908 | 120,635,808,513 | 27,568,554,835 | 1,166,165,641 | 183,715,709,897 |
| Purchase | - | 4,209,317,121 | 3,532,243,718 | - | 7,741,560,839 |
| Transfer from construction in progress | - | 40,237,527,182 | - | - | 40,237,527,182 |
| Disposals | - | (44,957,604,962) | - | - | (44,957,604,962) |
| Other decreases | - | - | (220,636,869) | - | (220,636,869) |
| As at 31 Mar. 2020 | 34,345,180,908 | 120,125,047,854 | 30,880,161,684 | 1,166,165,641 | 186,516,556,087 |
| Accumulated depreciation: | | | | | |
| As at 01 Apr. 2019 | 8,044,391,175 | 83,967,321,974 | 20,024,708,662 | 942,338,060 | 112,978,759,871 |
| Depreciation | 1,619,343,601 | 19,989,060,108 | 3,269,006,855 | 220,137,112 | 25,097,547,676 |
| Disposals | - | (29,054,203,710) | - | - | (29,054,203,710) |
| Other decreases | - | - | (4,772,727) | - | (4,772,727) |
| As at 31 Mar. 2020 | 9,663,734,776 | 74,902,178,372 | 23,288,942,790 | 1,162,475,172 | 109,017,331,110 |
| Net book value: | | | | | |
| As at 01 Apr. 2019 | 26,300,789,733 | 36,668,486,539 | 7,543,846,173 | 223,827,581 | 70,736,950,026 |
| As at 31 Mar. 2020 | 24,681,446,132 | 45,222,869,482 | 7,591,218,894 | 3,690,469 | 77,499,224,977 |

The amount of period-end net book value of tangible fixed assets pledged/mortgaged as loan security totalled VND 7,320,791,980 – Refer to Note 4.20.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 23,462,933,566.

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

| Items | Administration software VND | Land use rights VND | Total VND |
|---------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Cost: | | | |
| As at 01 Apr. 2019 | 1,769,488,454 | 2,101,157,221 | 3,870,645,675 |
| Other decreases | (116,156,958) | - | (116,156,958) |
| As at 31 Mar. 2020 | <u>1,653,331,496</u> | <u>2,101,157,221</u> | <u>3,754,488,717</u> |
| Accumulated depreciation: | | | |
| As at 01 Apr. 2019 | 1,376,429,494 | - | 1,376,429,494 |
| Depreciation | 199,316,666 | - | 199,316,666 |
| Other decreases | (69,850,000) | - | (69,850,000) |
| As at 31 Mar. 2020 | <u>1,505,896,160</u> | <u>-</u> | <u>1,505,896,160</u> |
| Net book value: | | | |
| As at 01 Apr. 2019 | 393,058,960 | 2,101,157,221 | 2,494,216,181 |
| As at 31 Mar. 2020 | <u>147,435,336</u> | <u>2,101,157,221</u> | <u>2,248,592,557</u> |

The historical cost of intangible fixed assets fully depreciated but still in use totalled VND 1,217,929,640.

4.10. 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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SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**4.11. Construction in progress**

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|---|---------------------------------------|---------------------------------------|
| Purchase of fixed assets | 6,871,832,366 | - |
| Project of High Building and Trading – Service – Office Lot H1-10 Citi Soho | 991,987,406 | - |
| Nguyen Kim B Apartment Project | 974,555,080 | - |
| Viva Riverside Project | - | 1,157,446,038 |
| Other | 2,275,048,384 | 2,013,348,650 |
| Total | 11,113,423,236 | 3,170,794,688 |

4.12. Prepayment

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|----------------------------------|---------------------------------------|---------------------------------------|
| Current: | | |
| Cloud System Upgrade Expenses | 1,011,838,675 | - |
| Equipment rental | 490,479,258 | - |
| Other | 1,310,531,434 | 1,165,401,283 |
| Total | 2,812,849,367 | 1,165,401,283 |
| Non-current: | | |
| Land use right | 7,470,088,725 | 7,846,731,853 |
| Projects prepayment expense | 8,628,290,693 | 10,732,138,995 |
| Tools and consumable expenditure | 1,795,999,282 | 5,316,742,813 |
| Office repair expense | - | 1,116,156,011 |
| Other | 5,439,223,023 | 6,644,014,513 |
| Total | 23,333,601,723 | 31,655,784,185 |

Of which, the land use right at Lot U.14b-16a, Street No. 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City which was mortgaged as current loans security totalled VND 7,470,088,725 – Refer to Note 4.20.

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SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.13. Trade payables

| | As at 31 Mar. 2020 | | As at 01 Apr. 2019 | |
|--|------------------------|------------------------|-----------------------|-----------------------|
| | Value | Payable value | Value | Payable value |
| Current: | | | | |
| 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 JSC | 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 Technology JSC | 7,760,635,947 | 7,760,635,947 | 8,842,624,087 | 8,842,624,087 |
| Avu Pty Ltd | 7,245,866,467 | 7,245,866,467 | 13,690,538,495 | 13,690,538,495 |
| Azbil Vietnam Co., Ltd | 3,922,457,387 | 3,922,457,387 | - | - |
| Polaris Technologic Pty Ltd | 1,738,052,716 | 1,738,052,716 | 23,279,641,624 | 23,279,641,624 |
| Other | 58,264,877,762 | 58,264,877,762 | 33,730,576,106 | 33,730,576,106 |
| Total | 161,608,285,560 | 161,608,285,560 | 95,840,152,125 | 95,840,152,125 |
| Non-current: | | | | |
| Azbil Vietnam Co., Ltd | 7,652,496,720 | 7,652,496,720 | 11,464,261,987 | 11,464,261,987 |
| Total | 7,652,496,720 | 7,652,496,720 | 11,464,261,987 | 11,464,261,987 |



SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIESAddress: 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****4.14. 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 Management of Investment Project on Technology for Repair and Production Materials Technology Equipment Information Military New generation | 14,345,055,000 | - |
| Agribank Securities Joint – Stock Corporation | - | 12,184,160,000 |
| Southern Region Air Traffic Services Company – Branch of Vietnam Region Air Traffic Services Company Limited | - | 4,320,000,000 |
| Northern Region Air Traffic Services Company – Branch of Vietnam Region Air Traffic Services Company Limited | - | 3,922,882,946 |
| Other | - | 2,660,058,230 |
| | 29,281,236,230 | 17,851,250,884 |
| Total | <u>78,927,198,638</u> | <u>40,938,352,060</u> |

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SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.15. Tax and amounts (receivable)/payable to the state budget

| | As at 01 Apr. 2019 | | Payable VND | Paid/Deducted VND | As at 31 Mar. 2020 | |
|----------------------|----------------------|----------------------|------------------------|------------------------|----------------------|----------------------|
| | Receivable | Payable | | | Receivable | Payable |
| Value added tax | - | 940,922,501 | 406,258,352,547 | 406,591,417,515 | 1,113,717,606 | 1,721,575,139 |
| Export, import tax | - | 60,715 | 195,138,276 | 195,198,991 | - | - |
| Corporate income tax | 1,564,180,636 | 216,746,214 | 2,602,235,460 | 725,892,367 | 65,679,757 | 594,588,428 |
| Personal income tax | - | 742,124,832 | 4,061,833,259 | 3,907,887,367 | - | 896,070,724 |
| Other taxes | - | 3,528,562,545 | 6,296,404,437 | 8,537,442,504 | - | 1,287,524,478 |
| Total | 1,564,180,636 | 5,428,416,807 | 419,412,495,844 | 419,957,838,744 | 1,179,397,363 | 4,499,758,769 |

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SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**4.16. Payables to employees**Representing to the 13th month and addition salaries of 2019 payable employees.**4.17. Current accrued expenses**

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|--|------------------------------|------------------------------|
| Accruals expenses for service which has been completed | 3,414,581,951 | 5,184,753,065 |
| Accrued expenses for revenue division for partners | 733,613,110 | - |
| Other accrued expense | 520,511,387 | 333,421,224 |
| Total | 4,668,706,448 | 5,518,174,289 |

4.18. Unearned revenue

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|--|------------------------------|------------------------------|
| Providing Internet services to the cho Group and Management of Technology Development and Community's Project in Da Nang | 5,922,386,849 | 4,516,309,109 |
| Advance for equipment lease from Science & Calculation Technology Institute | 555,887,687 | 1,817,812,772 |
| Total | 6,478,274,536 | 6,334,121,881 |

4.19. Other current payables

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|--|------------------------------|------------------------------|
| Dividends payable to related parties – Refer to Note 8 | 1,200,000,000 | - |
| Dividend payable to other shareholders | 1,920,000,000 | - |
| Trade union dues | 1,642,549,495 | 1,409,887,969 |
| Current deposits | 507,559,892 | 511,919,892 |
| Insurance payables | 8,388,918 | 175,253,163 |
| Dividend payables | 2,224,342,250 | 2,394,153,800 |
| Other | 4,668,295,456 | 2,895,689,725 |
| Total | 12,171,136,011 | 7,386,904,549 |

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.20. Loans and finance lease liabilities

| | As at 01 Apr. 2019 | | Movements in the year | | As at 31 Mar. 2020 | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Value | Payable value | Increase | Decrease | Value | Payable value |
| | VND | | VND | | VND | |
| Current: | | | | | | |
| Bank loans | 350,268,049,248 | 350,268,049,248 | 710,891,407,142 | 754,907,355,148 | 306,252,101,242 | 306,252,101,242 |
| Other loans | 1,181,489,226 | 1,181,489,226 | - | 1,181,489,226 | - | - |
| 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 | 354,533,832,786 | 354,533,832,786 | 718,313,068,642 | 759,173,138,686 | 313,673,762,742 | 313,673,762,742 |
| 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 |
| Less: 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 | 357,792,211,776 | 357,792,211,776 | 725,672,440,330 | 764,108,733,009 | 319,355,919,097 | 319,355,919,097 |

Current bank loans in VND bear the interest rates of 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 4.8 and 4.12;
- Right of claiming under the contracts signed between the Group 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 from 2 to 3 years and bear interest rate of 7% per year.

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.21. Owners' equity

4.21.1. Changes in owners' equity

| | Items of owner's equity | | | | | Total VND |
|--|--|--|-----------------------------|-------------------------------------|------------------------|--------------|
| | Owners' contributed capital VND | Investment & development fund VND | Retained earnings VND | Non- Controlling interest VND | Total VND | |
| | | | | | | |
| As at 01 Jan. 2019 | 98,999,060,000 | 3,440,139,770 | 25,734,994,043 | 14,038,667,235 | 142,212,861,048 | |
| Previous year's losses | - | - | (3,035,564,014) | (648,760,941) | (3,684,324,955) | |
| 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 | 9,124,953,938 | 13,389,906,294 | 124,954,060,002 | |
| Current year's capital increase | 16,000,940,000 | - | - | 200,000,000 | 16,200,940,000 | |
| Current year's profits | - | - | 14,651,598,007 | 3,221,684,679 | 17,873,282,686 | |
| Dividends declared | - | - | (9,899,906,000) | (3,120,000,000) | (13,019,906,000) | |
| Distributed to funds | - | 200,000,000 | (200,000,000) | - | - | |
| Other decreases | - | - | (628,999,215) | (181,419,000) | (810,418,215) | |
| As at 31 Mar. 2020 | 115,000,000,000 | 3,640,139,770 | 13,047,646,730 | 13,510,171,973 | 145,197,958,473 | |

According to Resolution of the General Meeting of Shareholders in 2019 No.09/NQ-ĐHCD-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 Group has received official letter No.4305/UBCK-QLCB of the State Securities Commission that announcing receipt of the submitted documents from the Group 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 Group.

The offering was completed on 05 August 2019, the total number of shares sold to the Group'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 Group 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 Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.21.2. 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 | 115,000,000,000 | 98,999,060,000 |

4.21.3. Capital transactions with owners and dividend, profit distribution

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|----------------------------------|--|--|
| Beginning balance | 98,999,060,000 | 98,999,060,000 |
| Capital contribution in the year | 16,000,940,000 | - |
| Ending balance | 115,000,000,000 | 98,999,060,000 |
| Dividends, profits declared | 9,899,906,000 | 9,899,906,000 |

4.21.4. 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.

4.21.5. Report on using capital from issuing additional shares

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

| No. | Content | Information |
|------------|---------------------|---|
| 1 | Share name | Share Of Saobacdao 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 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.21.5 Report on using capital from issuing additional shares (Continued)

Proceeds from issuing shares:

| | |
|------------------------------|-----------------------|
| Number of shares | 1,600,094 shares |
| Issue price (VND/ per share) | VND 10,000 per share |
| Amount (VND) | 16,000,940,000 |
| Total | 16,000,940,000 |

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

4.21.6. Basic earnings and diluted earnings per share

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|--|--|--|
| Profit (loss) after tax attributable to ordinary share holders of parent company | 14,651,598,007 | (3,035,564,014) |
| Adjusted for bonus and welfare fund distribution | - | - |
| Profit (loss) for the purpose of calculating basic earnings and diluted earnings per share | 14,651,598,007 | (3,035,564,014) |
| Weighted average number of ordinary shares outstanding during the year | 10,980,654 | 9,899,906 |
| Basic earnings and diluted earnings per share | 1,334 | (307) |

4.22. Off consolidated statement of financial position items

| | As at 31 Mar. 2020 | As at 01 Apr. 2019 |
|---------------------|-----------------------|-----------------------|
| Foreign currencies: | | |
| USD | 3,080,611.00 | 100,270.60 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED INCOME STATEMENT

5.1. Revenue from selling goods and rendering services

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|--|--|--|
| Sales of integration of information technology systems | 845,940,674,319 | 129,481,031,456 |
| Sales from rendering of services | 196,360,395,786 | 53,645,751,775 |
| Other | 3,052,510,676 | 3,760,663,019 |
| Total | <u>1,045,353,580,781</u> | <u>186,887,446,250</u> |
| Of which, revenue from selling goods and rendering services to related parties – Refer to Note 8 | 120,000,000 | 60,000,000 |

5.2. Cost of sales

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|---|--|--|
| Cost of integration of information technology systems | 752,601,800,886 | 105,846,315,928 |
| Cost of services rendered | 134,685,478,667 | 44,459,737,585 |
| Other | 3,939,093,714 | 2,365,364,987 |
| Total | <u>891,226,373,267</u> | <u>152,671,418,500</u> |

5.3. Financial income

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|--|--|--|
| Deposit and loan interest | 341,202,717 | 386,664,888 |
| Gains from exchange differences | 1,035,823,719 | 16,581,375 |
| Gains from unrealised exchange differences | 1,181,813,972 | 30,177,113 |
| Total | <u>2,558,840,408</u> | <u>433,423,376</u> |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.4. Financial expense

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|--|--|--|
| Interest expense | 23,774,191,554 | 5,378,419,625 |
| Losses from exchange differences | 437,020,419 | 33,710,667 |
| Provision/Revert for impairment of financial investments | (60,344,944) | 60,344,944 |
| Other | 377,012,696 | 10,010,839 |
| Total | 24,527,879,725 | 5,482,486,075 |

5.5. Selling expense

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|----------------------|--|--|
| Employee expense | 23,528,079,600 | 5,393,600,861 |
| Stationery expense | 671,358,019 | 207,866,517 |
| Depreciation expense | 26,166,672 | 14,358,333 |
| Warranty expense | 543,541,733 | 4,261,072 |
| Pre-sales expense | 1,734,201,108 | 3,276,126,692 |
| Service expense | 6,348,537,741 | 1,117,888,609 |
| Other | 6,615,903,039 | 1,701,137,045 |
| Total | 39,467,787,912 | 11,715,239,129 |

5.6. General and administration expense

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|-------------------------------------|--|--|
| Employee expense | 49,657,962,752 | 12,145,995,326 |
| Material, office stationery expense | 3,334,281,201 | 842,861,904 |
| Depreciation expense | 5,217,469,051 | 1,315,142,577 |
| Taxation, fee and charges | 36,050,946 | 12,132,357 |
| Utility expense | 222,300,000 | 368,827,863 |
| Service expense | 16,203,393,887 | 2,694,516,679 |
| Employee expense | 6,607,024,391 | 1,571,893,902 |
| Total | 81,278,482,228 | 18,951,370,608 |

NOTES TO THE CONSOLIDATED 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 | 243,413,969 | 636,363 |
| Other | 2,675,368,500 | 296,037,132 |
| Total | 11,023,532,052 | 588,626,598 |

5.8. Production and business costs by elements

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|----------------------|--|--|
| Material expense | 835,178,631,181 | 113,547,812,179 |
| Employee expense | 75,503,021,068 | 17,941,436,783 |
| Depreciation expense | 32,707,940,982 | 8,544,495,644 |
| Provision expense | 613,900,000 | - |
| Service expense | 46,322,266,590 | 35,798,440,047 |
| Other | 21,646,882,986 | 7,505,843,584 |
| Total | 1,011,972,643,407 | 183,338,028,237 |

5.9. Current corporate income tax expense

The consolidated current corporate income tax expense from subsidiaries in the Group with separate tax rate for particular company in the Group.

| | 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 | 1,719,934,439 | 675,313,309 |
| Adjusting the CIT expense in previous years to corporate income tax expense in current year | 685,634,077 | - |
| Current CIT expense for the year | 2,405,568,516 | 675,313,309 |

(See the next page)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED 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 | 710,891,407,142 | 217,860,315,095 |

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 | (756,088,844,374) | (178,687,028,446) |

7. SEGMENT REPORTING

According to the Group's General Director assessment, risk and profitability ratios of the Group are not affected by differences in products or different geographic areas in which the Company operates, as follows:

- Segment reporting according to the business activities: Business activities of the Group mainly supplies electronic equipment and services, information technology, integrating systems, making over information technology, so there is no difference in risk and economic benefits in the operations of the Group, which are necessary to be disclosed.
- Segment reporting according to the geographic areas: There is no segment reporting according to the geographical area, so there is no difference in risk and economic benefits which are necessary to be disclosed.

8. RELATED PARTIES**List of related parties**

| <u>List of related parties</u> | <u>Relationship</u> |
|---|----------------------------|
| 1. Mideas Technology Joint Stock Company | Associate |
| 2. CEH Information Services Company Limited | Associate |
| 3. Pharos Digital Books and Educational Materials Joint Stock Company | Associate |
| 4. Members of the Board of Directors and Management | Key management personnel |

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in full in consolidation.

(See the next page)

SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**8. RELATED PARTIES (CONTINUED)**

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 |
|--|---------------------------------------|---------------------------------------|
| Trade receivable: | | |
| Mideas Technology Joint Stock Company | 511,306,849 | 462,000,000 |
| CEH Information Services Company Limited | 198,000,000 | 66,000,000 |
| Total – Refer to Note 4.3 | 709,306,849 | 528,000,000 |

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|--|---------------------------------------|---------------------------------------|
| Advances to suppliers – Refer to Note 4.4: | | |
| CEH Information Services Company Limited | 655,390,000 | - |

| | As at 31 Mar. 2020 VND | As at 01 Apr. 2019 VND |
|---|---------------------------------------|---------------------------------------|
| Other payables – Refer to Note 4.19: | | |
| Mr Nguyen Xuan Quang, Vice General Director | 1,200,000,000 | - |

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 – Refer to Note 5.1: | | |
| Mideas Technology Joint Stock Company | 120,000,000 | 60,000,000 |
| | | |
| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
| Investments: | | |
| Pharos Digital Books and Educational Materials Joint Stock Company | 1,600,000,000 | - |
| CEH Information Services Company Limited | - | 775,000,000 |
| Total | 1,600,000,000 | 775,000,000 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. RELATED PARTIES (CONTINUED)

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:

| | From 01 Apr. 2019 to 31 Mar. 2020 VND | From 01 Jan. 2019 to 31 Mar. 2019 VND |
|----------------------------------|--|--|
| Remunerations and other benefits | 5,513,677,120 | 2,998,881,647 |

9. REMUNERATION OF THE SUPERVISORY COMMITTEE OF THE GROUP

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

10. 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 from 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 |

11. 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 Group 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.

12. EVENTS AFTER THE END OF THE REPORTING YEAR

According to Decision No. 51./2019/QĐ-HĐQT dated 19 February 2020 of parent company – SaoBacDau Technologies Corporation and Resolution No. 01/NQ-2020 with the same day of the Boards of Members of Sao Bac Dau Technologies Services Company Limited, subsidiary – Sao Bac Dau Technologies Services Company Limited had been terminated its operation and prepared the solution procedures to merge into subsidiary – SaoBacDau Technology Service Joint Stock Company since 01 April 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

According to Decision No. 52/2019/QĐ-HĐQT date 19 February 2020 of parent company – SaoBacDau Technologies Corporation and Resolution No. 01/2020/NQ-DHCD date 01 April 2020 of the General Meeting of Shareholders of Sao Bac Dau High Technologies Joint Stock Company, subsidiary – Sao Bac Dau High Technologies Joint Stock Company had been terminated its operation and prepared the solution procedures to merge into subsidiary – Sao Bac Dau Technologies Solutions Joint Stock Company since 01 April 2020.

According to Decision No. 51/2019/QĐ-HĐQT date 05 January 2020 of parent company – SaoBacDau Technologies Corporation and Resolution No. 02/2019/QĐ-SBDD date 31 December 2019 of the Board of Directors of Sao Bac Dau Digital Technologies Joint Stock Company, subsidiary – Sao Bac Dau Digital Technologies Joint Stock Company had been terminated its business from 15 March 2020 to 30 June 2020 to prepare for dissolution procedures.



Le Hong Phong
General Director

Ho Chi Minh City, 30 June 2020

A blue handwritten signature of Bui Thi Thuy Hong.

Bui Thi Thuy Hong
Chief accountant

A blue handwritten signature of Nguyen Minh Hoang.

Nguyen Minh Hoang
Preparer

