



**RSM DTL Auditing**  
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**SAOBACDAU TECHNOLOGIES  
CORPORATION AND THE SUBSIDIARY**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 31 December 2014**

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# SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUBSIDIARY

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

## THE MANAGEMENT'S REPORT

The 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 subsidiary (hereinafter together with the Company referred to as “the Group”) for the financial year ended 31 December 2014.

### 1. BACKGROUND

SaoBacDau Technologies Corporation has been incorporated in accordance with the Business Registration Certificate No. 4103002093 dated 11 February 2004 and other amended certificates thereafter with the latest one dated 13 September 2014 granted by Ho Chi Minh City's Department of Planning and Investment.

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

The Company's head office is located at Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City.

The charter capital as stipulated in the Business Registration Certificate is VND 80 billion.

Up to 31 December 2014, The Company has one subsidiary.

The Company's branches as at 31 December 2014 include:

- Ha Noi Branch: The 15<sup>th</sup> Floor, Lilima 10 Tower, To Huu Street, Trung Van Ward, Nam Tu Liem District, Ha Noi City.
- Da Nang Branch: 02 Quang Trung Street, Thach Thang Ward, Hai Chau District, Da Nang City.

### 2. MEMBERS OF THE BOARD OF DIRECTORS, THE CONTROL COMMITTEE, AND THE MANAGEMENT

Members of the Board of Directors during the year 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>
Mr. Nguyen Duc Quang	Chairman
Mr. Tran Tuyen Duc	Vice Chairman
Mr. Tran Anh Tuan	Member
Mr. Do Van Hao	Member
Mr. Le Hong Phong	Member
Mr. Hoang Hai Thinh	Member
Mr. Dang Nam Son	Member

Members of the Control Committee during the year 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>
Ms. Mai Thi Thuy Mai	Head
Mr. Le Phuoc Lo	Member
Ms. Nguyen Thi Minh Huan	Member

Members of the Management during the year 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>
Mr. Tran Anh Tuan	Chief Executive Officer
Mr. Hoang Hai Thinh	Chief Business Office
Mr. Ha The Thap	Vice President Operation
Mr. Le Hong Phong	Senior Vice President of Sale
Mr. Le Quoc Khanh	Vice President of Sale (VPS)
Mr. Nguyen Xuan Quang	Vice President of Sale (VPS)
Mr. Nguyen Viet Thang	Vice President of Sale (VPS)



# SAOBACDAU TECHNOLOGIES CORPORATON AND THE SUBSIDIARY

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

<i>Full name</i>	<i>Position</i>
Mr. Nguyen Xuan Truong	Vice President of Sale (VPS)
Mr. Nguyen Trung Dung	Vice President of ICT Service (VP – ICT Service)

### 3. RESPONSIBILITY OF THE MANAGEMENT

The Company'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 for the year. In preparing these consolidated financial statements, the Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements 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 financial statements so as to mitigate error or fraud.

The Company's 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 Accounting System and prevailing accounting regulations in Vietnam. The Company's Management is also responsible for safeguarding the assets of the Group hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company's Management confirm that the Group has complied with the above requirements in preparing these consolidated financial statements.

### 4. AUDITOR

DTL Auditing Company Ltd, member of RSM International, have expressed the willingness to accept re-appointment.

### 5. STATEMENT BY THE MANAGEMENT

In the 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 December 2014 and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam.

Ho Chi Minh City, 19 March 2015

For and on behalf of the Management

**CHIEF EXECUTIVE OFFICER**



**TRẦN ANH TUAN**





No: 15.150B /BCKTHN

## INDEPENDENT AUDITOR'S REPORT

**To: Members of the Board of Directors**  
**Members of the 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 the subsidiary (hereinafter together with the Company referred to as "the Group") prepared on 19 March 2015 as set out from page 05 to page 29, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated income statement, and consolidated cash-flow statement for the year then ended, and accounting policies and explanatory notes to the consolidated financial statements.

### **Management's Responsibility**

The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards and 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 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 the Group's 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.



**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 the subsidiary as at 31 December 2014, and of the consolidated results of its financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards and System and relevant legislation as to the preparation and presentation of consolidated financial statements.

Ho Chi Minh City, 19 March 2015

**DTL AUDITING COMPANY LTD**

**pp. GENERAL DIRECTOR**

**VICE GENERAL DIRECTOR**

**AUDITOR**



Audit Practice Registration Certificate

No. 0172-2013-026-1

**HUYNH THI NGOC TRINH**

Audit Practice Registration Certificate

No. 2124-2013-026-1



**SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUBSIDIARY**

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 01 - DN/HN

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 December 2014

Expressed in VND

<b>ASSETS</b>	<b>Code</b>	<b>Notes</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>290,638,420,891</b>	<b>236,644,606,641</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	5.1	<b>17,140,596,821</b>	<b>29,537,198,677</b>
1. Cash	111		12,649,553,792	29,351,467,427
2. Cash equivalents	112		4,491,043,029	185,731,250
<b>II. Short-term investments</b>	<b>120</b>			
1. Short-term investments	121			
2. Provision for diminution in value of short-term investments	129			
<b>III. Account receivables</b>	<b>130</b>	5.2	<b>229,369,010,925</b>	<b>185,615,657,001</b>
1. Trade receivables	131		213,990,323,318	178,902,017,223
2. Advances to suppliers	132		16,770,725,511	7,745,128,319
3. Intra-company short-term receivables	133			
4. Construction contract in progress receivables	134			
5. Other receivables	135		364,078,498	223,725,481
6. Provision for doubtful debts	139		(1,756,116,402)	(1,255,214,022)
<b>IV. Inventories</b>	<b>140</b>	5.3	<b>34,409,592,785</b>	<b>5,419,371,671</b>
1. Inventories	141		36,283,870,409	7,293,649,295
2. Provision for decline in value of inventories	149		(1,874,277,624)	(1,874,277,624)
<b>V. Other current assets</b>	<b>150</b>		<b>9,719,220,360</b>	<b>16,072,379,292</b>
1. Short-term prepaid expenses	151	5.4	5,603,759,926	7,015,499,924
2. Value added tax deductibles	152		368,402,838	2,240,504,845
3. Tax and other receivables from the State Budget	154			
4. Other current assets	158	5.5	3,747,057,596	6,816,374,523

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**SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUBSIDIARY**

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 01 - DN/HN

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 December 2014

Expressed in VND

<b>ASSETS</b>	<b>Code</b>	<b>Notes</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>55,299,049,982</b>	<b>57,018,514,802</b>
<b>I. Long-term receivables</b>	<b>210</b>			
1. Long-term trade receivables	211			
2. Business capital in dependent units	212			
3. Intra-company long-term receivables	213			
4. Other long-term receivables	218			
5. Provision for doubtful long-term receivables	219			
<b>II. Fixed assets</b>	<b>220</b>		<b>52,409,542,808</b>	<b>55,205,505,088</b>
1. Tangible fixed assets	221	5.6	42,950,311,018	45,309,264,898
+ Cost	222		76,888,671,285	66,622,811,296
+ Accumulated depreciation	223		(33,938,360,267)	(21,313,546,398)
2. Finance lease assets	224			
+ Cost	225			
+ Accumulated depreciation	226			
3. Intangible fixed assets	227	5.7	9,459,231,790	9,896,240,190
+ Cost	228		12,215,293,767	12,308,648,967
+ Accumulated amortisation	229		(2,756,061,977)	(2,412,408,777)
4. Construction in progress	230			
<b>III. Investment property</b>	<b>240</b>			
+ Cost	241			
+ Accumulated depreciation	242			
<b>IV. Long-term investments</b>	<b>250</b>			
1. Investments in subsidiaries	251			
2. Investments in associates, joint-ventures	252			
3. Other long-term investments	258			
4. Provision for long-term investments	259			
<b>V. Other long-term assets</b>	<b>260</b>		<b>2,889,507,174</b>	<b>1,813,009,714</b>
1. Long-term prepaid expenses	261		2,170,730,129	1,225,917,008
2. Deferred income tax assets	262	6.8	207,639,667	456,860,373
3. Other long-term assets	268		511,137,378	130,232,333
<b>VI. Goodwill</b>	<b>269</b>			
<b>TOTAL ASSETS</b>	<b>270</b>		<b>345,937,470,873</b>	<b>293,663,121,443</b>

**SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUBSIDIARY**

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 01 - DN/HN

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 December 2014

Expressed in VND

RESOURCES	Code	Notes	Ending balance	Beginning balance
<b>A. LIABILITIES</b>	<b>300</b>		<b>247,891,155,719</b>	<b>202,047,407,684</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>246,916,455,093</b>	<b>198,949,855,608</b>
1. Short-term debts and loans	311	5.8	71,352,690,723	81,799,070,006
2. Trade payables	312	5.9	142,101,493,016	81,841,941,497
3. Advances from customers	313	5.9	9,205,411,365	23,354,537,693
4. Taxes and amounts payable to the State Budget	314	5.10	7,368,039,415	2,293,987,513
5. Payables to employees	315	5.11	4,315,822,000	219,999,930
6. Accrued expenses	316	5.12	5,177,770,055	3,639,738,143
7. Intra-company payables	317			
8. Construction contract in progress payables	318			
9. Other short-term payables	319	5.13	7,395,228,519	5,800,580,826
10. Provision for short-term payables	320			
11. Bonus and welfare funds	323			
<b>II. Long-term liabilities</b>	<b>330</b>		<b>974,700,626</b>	<b>3,097,552,076</b>
1. Long-term trade payables	331			
2. Intra-company long-term payables	332			
3. Other long-term payables	333			
4. Long-term debts and loans	334	5.14	974,700,626	3,097,552,076
5. Deferred income tax liabilities	335			
6. Provision for severance allowance	336			
7. Provision for long-term payables	337			
8. Unrealized revenue	338			
9. Science and technology development fund	339			
<b>B. OWNER'S EQUITY</b>	<b>400</b>		<b>91,540,047,397</b>	<b>85,794,310,598</b>
<b>I. Equity</b>	<b>410</b>	5.15.1	<b>91,540,047,397</b>	<b>85,794,310,598</b>
1. Share capital	411	5.15.2	80,000,000,000	80,000,000,000
2. Capital premium	412		1,123,900	1,123,900
3. Other contributed capital	413			
4. Treasury shares	414		(3,963,240,000)	(3,963,240,000)
5. Asset revaluation surplus	415			
6. Foreign exchange difference	416			
7. Investment and development fund	417		349,878,228	349,878,228
8. Financial reserve fund	418		1,360,788,841	1,155,674,609
9. Other funds within owners' equity	419			
10. Undistributed earnings	420	5.15.5	13,791,496,428	8,250,873,861
11. Capital expenditure fund	421			
12. Enterprise reorganization support fund	422			
<b>II. Other capital, funds</b>	<b>430</b>			
1. Subsidy funds	432			
2. Subsidy funds invested in fixed assets	433			
<b>C. NON-CONTROLLING INTEREST</b>	<b>439</b>	5.16	<b>6,506,267,757</b>	<b>5,821,403,161</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>345,937,470,873</b>	<b>293,663,121,443</b>

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



**SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUBSIDIARY**Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,  
District 7, Ho Chi Minh City

Form B 01 - DN/HN

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 December 2014

OFF STATEMENT OF FINANCIAL POSITION ITEMS	Notes	Ending balance	Beginning balance
1. Assets under operating lease			
2. Goods held under trust or for processing			
3. Goods held by the Company on consignment			
4. Bad debts written off			
5. Foreign currencies			
+ USD		11,297.51	210,807.44
6. Budget for non-production activities and projects			

Ho Chi Minh City, 19 March 2015

**PREPARED****NGUYEN THI THU HIEN****CHIEF ACCOUNTANT****HO THI HONG HANH****CHIEF EXECUTIVE OFFICER****TRAN ANH TUAN**



**SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUBSIDIARY**Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward,  
District 7, Ho Chi Minh City

Form B 02 - DN/HN

**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2014

Expressed in VND

ITEMS	Code	Notes	Current year	Previous year
1. Revenue	01		542,992,604,483	352,753,199,241
2. Deductions	02		309,361,152	
3. Net revenue	10	6.1	542,683,243,331	352,753,199,241
4. Cost of goods sold	11	6.2	449,293,197,623	281,725,317,983
5. Gross profit	20		93,390,045,708	71,027,881,258
6. Financial income	21		658,894,100	159,324,709
7. Financial expenses	22	6.3	7,555,855,650	12,537,225,293
<i>in which, interest expense</i>	23		7,299,696,804	11,453,135,973
8. Selling expense	24	6.4	26,678,853,372	16,862,854,558
9. General and administration expense	25	6.5	50,587,099,199	43,681,624,780
10. Operating profit/(loss)	30		9,227,131,587	(1,894,498,664)
11. Other income	31	6.6	4,232,677,204	18,336,778,576
12. Other expenses	32		2,692,993	10,289,917,962
13. Net other income/(loss)	40		4,229,984,211	8,046,860,614
14. Share of the profit(loss) of associates and joint-ventures	50			
15. Accounting profit/(loss) before tax	60		13,457,115,798	6,152,361,950
16. Current corporate income tax expense	61	6.7	2,975,455,697	1,702,337,075
17. Deferred corporate income tax expense	62	6.8	249,220,706	55,329,044
18. Net profit/(loss) after tax	70		10,232,439,395	4,394,695,831
18.1 Non-controlling interest	71		684,864,596	292,411,196
18.2 Owners of the parent company	72		9,547,574,799	4,102,284,635
19. Earning per share	80	5.15.4	1,256	531

Ho Chi Minh City, 19 March 2015

PREPARED

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER





NGUYEN THI THU HIEN

HO THI HONG HANH

TRAN ANH TUAN

**SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUBSIDIARY**

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 03 - DN/HN

**CONSOLIDATED CASH FLOW STATEMENT (direct method)**

For the year ended 31 December 2014

Expressed in VND

ITEMS	Code	Notes	Current year	Previous year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
1. Cash receipts from customers	01		540,150,450,252	470,833,767,040
2. Cash paid to suppliers	02		(489,839,267,192)	(395,822,935,661)
3. Cash paid to employees	03		(35,370,180,799)	(35,622,032,860)
4. Interest paid	04		(6,946,015,885)	(11,453,135,973)
5. Corporate income taxes paid	05		(1,809,384,846)	(3,824,348,446)
6. Other cash inflows from operating activities	06		15,485,130,307	16,104,017,689
7. Other cash outflows from operating activities	07		(7,440,460,118)	(12,717,185,297)
<b>Net cash from operating activities</b>	<b>20</b>		<b>14,230,271,719</b>	<b>27,498,146,492</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Purchase and construction of fixed assets and other long-term assets	21		(10,269,328,285)	(18,507,588,345)
2. Proceeds from disposals of fixed assets and other long-term assets	22		1,545,454	15,203,640,188
3. Loans to other entities and payments for purchase of debt instruments of other entities	23			
4. Repayments from borrowers and proceeds from sales of debts instruments of other entities	24			
5. Investments in other entities	25			
6. Proceeds from sales of investments in other entities	26			
7. Interest and dividends received	27		358,154,391	130,514,921
<b>Net cash from investing activities</b>	<b>30</b>		<b>(9,909,628,440)</b>	<b>(3,173,433,236)</b>

(The next page is 11)



**SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUBSIDIARY**

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 03 - DN/HN

**CONSOLIDATED CASH FLOW STATEMENT (direct method)**

For the year ended 31 December 2014

Expressed in VND

ITEMS	Code	Notes	Current year	Previous year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
1. Proceeds from issuing stocks and capital contribution from owners	31			
2. Capital redemption, payments for shares repurchases	32			(3,963,240,000)
3. Proceeds from borrowings	33		195,789,579,362	297,218,736,489
4. Repayment of borrowings	34		(208,650,593,597)	(286,415,298,465)
5. Finance lease principal paid	35			
6. Dividends paid	36		(3,856,230,900)	(8,101,327,750)
<b>Net cash from financing activities</b>	<b>40</b>		<b>(16,717,245,135)</b>	<b>(1,261,129,726)</b>
<b>Net increase/(decrease) in cash (20+30+40)</b>	<b>50</b>		<b>(12,396,601,856)</b>	<b>23,063,583,530</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>60</b>		29,537,198,677	6,473,615,147
Impact of exchange rate fluctuation	61			
<b>Cash and cash equivalents at end of year (50+60+61)</b>	<b>70</b>	5.1	<b>17,140,596,821</b>	<b>29,537,198,677</b>

PREPARED



NGUYEN THI THU HIEN

CHIEF ACCOUNTANT



HO THI HONG HANH

Ho Chi Minh City, 19 March 2015

CHIEF EXECUTIVE OFFICER



TRAN ANH TUAN



# SAOBACDAU TECHNOLOGIES CORPORATION AND THE SUSIDIARY

Address: Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City

Form B 09 – DN/HN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

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

### 1. CORPORATE INFORMATION

#### 1.1. Structure of ownership

SaoBacDau Technologies Corporation (hereinafter referred to as “the Company”) has been incorporated in accordance with the Business Registration Certificate No. 4103002093 dated 11 February 2004 and other amended certificates thereafter with the latest one dated 13 September 2014 granted by Ho Chi Minh City’s Department of Planning and Investment.

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

The Company has one subsidiary as represented in Note 1.3 below (together with the Company hereinafter referred to as “the Group”).

The Company’s head office is located at Lot U12B – 16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City.

The Company’s branches as at 31 December 2014 include:

- Ha Noi Branch: The 15<sup>th</sup> Floor, Lilima10 Tower, To Huu Street, Trung Van Ward, Nam Tu Liem District, Ha Noi City.
- Da Nang Branch: 02 Quang Trung Street, Thach Thang Ward, Hai Chau District, Da Nang City.

The number of employees of the Group as at 31 December 2014 was 222 (31 December 2013: 215).

#### 1.2. Operating industry and principal activities

According to the Business Registration Certificate, the Group’s principal activities include:

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

#### 1.3. The list of subsidiaries

##### The list of direct subsidiary

<u>Name of subsidiary</u>	<u>Address</u>	<u>Voting rights</u>	<u>Ownership interest</u>
Sao Bac Dau Service Joint Stock Company	Department No. T3-B4L, Basement, Topaz Building, 92 Nguyen Huu Canh Street, Ward 22, Binh Thanh District, Ho Chi Minh City	69%	69%



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### **2. FINANCIAL YEAR, REPORTING CURRENCY**

#### **2.1. Financial year**

The Group's financial year is from 01 January to 31 December.

#### **2.2. Reporting currency**

The Group maintains its accounting records in Vietnam Dong (VND).

#### **2.3. Consolidation principles**

Subsidiary is companies controlled by the parent. The consolidated financial statements incorporate the financial statements of the Company, the subsidiary that is accounted for under the equity method for the year ended 31 December 2014. The financial statements of the subsidiary has been prepared for the same financial year using uniform accounting policies to those used by the Company. Adjustments were made for any different accounting policies to ensure consistency between the subsidiary and the Company.

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

Non-controlling interests in the profits or losses and net assets of subsidiary are presented separately and consist of the amount of the non-controlling interest at the date of original combination together with the non-controlling interest's share of changes in equity since the date of combination.

### **3. ACCOUNTING STANDARDS, ACCOUNTING SYSTEM**

#### **3.1. Accounting standards, accounting system**

The Group has adopted Vietnamese Accounting Standards and System.

#### **3.2. Statement of compliance with Vietnamese Accounting Standards**

The Group's consolidated financial statements for the year ended 31 December 2014 are prepared in accordance with Vietnamese Accounting Standards and System.

#### **3.3. Forms of accounting records**

The form of accounting records applied in the Group is General Voucher.

### **4. SIGNIFICANT ACCOUNTING POLICIES**

#### **4.1. Use of estimates**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and the amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

#### **4.2. Foreign currency transactions**

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. All exchange differences arising on the settlement of monetary items are recognised in profit or loss in the period in which they arise. At the end of the reporting period, foreign currency monetary items excluding advances to suppliers, prepaid expenses, and unearned revenues, which are denominated in foreign currency, are reported using the closing rate and exchange differences resulting from the reporting after offset are recognised in profit or loss in the period in which they arise.

#### **4.3. Cash and Cash equivalents**

Cash and cash equivalents comprise cash on hand and at bank, cash in transit, savings, collateral, deposits, and short-term 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.



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The estimated useful lives are as follows:

+ Buildings, structures	15 years
+ Machinery and equipment	3 - 10 years
+ Vehicles	6 years
+ Management equipment and devices	2 - 8 years

### 4.8. Intangible fixed assets

Intangible fixed assets are initially recognised at cost. The cost of an intangible fixed asset is 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, as follows:

#### *Land use rights*

Intangible fixed assets represent land use right that is stated at cost less accumulated amortization and located at Lot U12B-16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam which the Group can use for 30 years. Land use right is amortised using the straight-line method over the duration of the right to use the land.

#### *Computer Software*

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

### 4.9. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

### 4.10. Investments in subsidiaries

Investments in the subsidiary is accounted for under the equity method.

### 4.11. Accrued expenses and provisions

- Accrued expenses are recognised based on information available at the year-end and estimates by past experience.

- A provision shall be recognized when: the Group has a present legal or constructive obligation as a result of a past event; a reliable estimate can be made of the amount of the obligation; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions shall not be recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

### 4.12. Severance allowance to employees

Pursuant to the Law on Social Insurance, effective from 01 January 2009, the Group and its employees are required to contribute to unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the government from time to time. With the implementation of the unemployment scheme, the Group is no longer required to provide for severance allowance the service period after 01 January 2009. In addition, according to Circular 180/2012/TT-BTC dated 24 October 2012 issued by Ministry of Finance, since the financial year 2012, the Group has not provided for severance allowance under Circular 82/2003/TT-BTC dated 14 August 2003 issued by Ministry of Finance and the severance allowance outstanding (if any) was reversed in the year 2012.



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### 4.13. Equity

- The owners' equity is recorded when contributed.
- Treasury share recognition and presentation.

Treasury shares are recognised at purchase cost and presented in the consolidated statement of financial position as a deduction from equity.

- Dividend recognition

Dividend is recognised as a liability in the year in which they are declared.

- Principles of creating reserves from profit after tax are created in accordance with Annual General Meeting.
- Profit after tax could be shared to shareholders after being approved by Annual General Meeting and creating reseres in accordance with The Group's charter.

### 4.14. Revenue recognition

- 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 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.

### 4.15. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders, before appropriation to bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares bought back by The Group and held as treasury shares.

### 4.16. Taxation

- *Corporate Income Tax*

*Principles and recognition of current corporate income tax expense*

Current corporate tax expense is defined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year is 22%.

*Principles and recognition of deferred corporate income tax expense:*

Deferred corporate tax expense is defined 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, and the tax rates using the tax rates (and tax laws) that have been effected at the fiscal year - end.

- *Value Added Tax*

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

+ Computer software	0%
+ Export equipment into non-tariff zones	0%
+ Goods	10%
+ Rental services and other services	10%

- *Other taxes:* applicable in accordance with the prevailing tax law 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.

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### 4.17. Financial instruments

- Initial recognition

#### *Financial assets*

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Group comprise cash and short-term deposits, trade and other receivables.

#### *Financial liabilities*

At the date of initial recognition financial liabilities are recognised at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Group comprise trade payables and other payables, debts and borrowings.

- Re-measurement after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

### 4.18. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

## 5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 5.1. Cash and cash equivalents

	Ending balance	VND Beginning balance
Cash on hand	616,899,206	237,042,554
Cash at bank	12,032,654,586	29,114,424,873
Cash equivalents	4,491,043,029	185,731,250
<b>Total</b>	<b><u>17,140,596,821</u></b>	<b><u>29,537,198,677</u></b>

Cash equivalents represented term deposits at bank for a period not exceeding 3 months.

### 5.2. Account receivables

	Ending balance	VND Beginning balance
Trade receivables	213,990,323,318	178,902,017,223
Advances to suppliers	16,770,725,511	7,745,128,319
Other receivables	364,078,498	223,725,481
<b>Total short-term receivables</b>	<b><u>231,125,127,327</u></b>	<b><u>186,870,871,023</u></b>
Provision for doubtful debts	(1,756,116,402)	(1,255,214,022)
<b>Net realisable value of trade receivables and other receivables</b>	<b><u>229,369,010,925</u></b>	<b><u>185,615,657,001</u></b>

Account receivables arose during the ordinary course of business activities of the Group.



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### 4.4. Trade receivables and other receivables

- Recognition method

Trade receivables and other receivables are stated at their expected collectible value.

- Provision for doubtful debts

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

Difference between the required balance and the existing balance of provision for doubtful debts are recorded as a general and administrative expense in the consolidated income statement.

### 4.5. Inventories

- Inventory measurement

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

The costs of inventories comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition.

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 discount and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

- Method of determining the closing balance of inventories

The inventories of the parent company are measured using the first-in, first-out method.

The inventories at the subsidiary are measured using the weighted average method.

- Method of accounting for inventories

Inventories are recorded under the perpetual inventory method.

- Provision for decline in value of inventories

Where, by the year-end, the net realisable value of inventories is lower than cost, a provision for decline in value of inventories is recognised.

The provision is an excess of the cost of inventories over their net realisable value. The provision is recognised for decline in value of inventories in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by Ministry of Finance.

Difference between the required balance and the existing balance of the provision for decline in value of inventories is included in cost of goods sold in the consolidated income statement.

Inventories are written down to net realisable value on an item-by-item basis. For services being rendered, provision is recognised in respect of each service for which a separate selling price will be charged.

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

### 4.6. Deferred expenses

Deferred expenses are tools, consumables with large value issued into production and cost of goods sold of projects which are not yet finished and are reported as short-term or long-term prepaid expenses in the statement of financial position. These expenses are amortised over the period for which the amount are paid or the period in which economic benefits are generated in relation to these expenses.

### 4.7. Tangible fixed assets

- Tangible fixed asset recognition

Tangible fixed assets are initially recognised at cost. The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to their working condition and location for its intended use.

- Depreciation and amortization

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

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**5.3. Inventories**

	<b>Ending balance</b>	<b>VND Beginning balance</b>
At the Company's stock	4,582,743,691	3,989,258,896
Goods issued to implement	31,102,126,733	2,865,735,444
Leased goods	66,956,150	3,157,820
Ha Noi Branch	113,832,531	113,832,531
Raw materials	376,151,725	237,111,276
Work in progress	42,059,579	84,553,328
<b>Total costs</b>	<b><u>36,283,870,409</u></b>	<b><u>7,293,649,295</u></b>
Provision for decline in values of inventories	(1,874,277,624)	(1,874,277,624)
<b>Net realisable value of inventories</b>	<b><u>34,409,592,785</u></b>	<b><u>5,419,371,671</u></b>

**5.4. Prepaid expenses**

	<b>Ending balance</b>	<b>VND Beginning balance</b>
Prepaid expenses for pending projects	5,148,146,123	5,453,223,138
Tools and supplies	455,613,803	1,562,276,786
<b>Total</b>	<b><u>5,603,759,926</u></b>	<b><u>7,015,499,924</u></b>

**5.5. Other current assets**

	<b>Ending balance</b>	<b>VND Beginning balance</b>
Advances	1,930,998,574	2,943,895,524
Short term deposits, mortgages and collateral	1,816,059,022	3,872,478,999
<b>Total</b>	<b><u>3,747,057,596</u></b>	<b><u>6,816,374,523</u></b>

*(The next page is 19)*



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### 5.6. Tangible fixed assets

Items	VND					Total
	Buildings, structures	Machinery and equipment	Means of transportations, transmitters	Management equipment and devices		
<b>Cost</b>						
Beginning balance	15,138,594,055	41,612,733,819	9,451,816,530	419,666,892		66,622,811,296
Purchase	-	9,968,309,989	169,750,000	127,800,000		10,265,859,989
<b>Ending balance</b>	<b>15,138,594,055</b>	<b>51,581,043,808</b>	<b>9,621,566,530</b>	<b>547,466,892</b>		<b>76,888,671,285</b>
<b>Accumulated Depreciation</b>						
Beginning balance	2,471,323,759	15,076,452,327	3,442,907,213	322,863,099		21,313,546,398
Depreciation	1,013,381,623	8,936,165,036	2,650,225,961	25,041,249		12,624,813,869
<b>Ending balance</b>	<b>3,484,705,382</b>	<b>24,012,617,363</b>	<b>6,093,133,174</b>	<b>347,904,348</b>		<b>33,938,360,267</b>
<b>Net book value</b>						
Beginning balance	12,667,270,296	26,536,281,492	6,008,909,317	96,803,793		45,309,264,898
<b>Ending balance</b>	<b>11,653,888,673</b>	<b>27,568,426,445</b>	<b>3,528,433,356</b>	<b>199,562,544</b>		<b>42,950,311,018</b>

The amount of year-end net book value of tangible fixed assets mortgaged as loan security totalled VND 11,653,888,673 – Refer to Note 5.8.  
The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 7,488,096,153.

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### 5.7. Intangible fixed assets

Items	Land use rights	Administration software	VND
			Total
<b>Cost</b>			
Beginning balance	10,945,453,756	1,363,195,211	12,308,648,967
Disposals	-	(93,355,200)	(93,355,200)
<b>Ending balance</b>	<b>10,945,453,756</b>	<b>1,269,840,011</b>	<b>12,215,293,767</b>
<b>Accumulated amortization</b>			
Beginning balance	1,119,707,334	1,292,701,443	2,412,408,777
Amortization	377,429,439	59,578,961	437,008,400
Disposals	-	(93,355,200)	(93,355,200)
<b>Ending balance</b>	<b>1,497,136,773</b>	<b>1,258,925,204</b>	<b>2,756,061,977</b>
<b>Net book value</b>			
Beginning balance	9,825,746,422	70,493,768	9,896,240,190
<b>Ending balance</b>	<b>9,448,316,983</b>	<b>10,914,807</b>	<b>9,459,231,790</b>

The net book value of intangible fixed assets mortgaged as loan security totalled VND 9,448,316,983 – Refer to Note 5.8.

The historical cost of intangible fixed assets fully depreciated but still in use totalled VND 1,138,862,330.

### 5.8. Short-term debts and loans

	VND	
	Ending balance	Beginning balance
Bank loans	53,423,276,417	54,853,225,651
Other loans	16,072,002,856	24,959,679,354
Current portion of long-term liabilities	1,857,411,450	1,986,165,001
<b>Total</b>	<b>71,352,690,723</b>	<b>81,799,070,006</b>

Bank loans bear the interest rates from 8% per year to 10.3% per year for VND. These loans were guaranteed by:

- The office and land use rights at Lot U12B-16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City with carrying amount of VND 11,653,888,673 and VND 9,448,316,983, respectively – Refer to Notes 5.6 and 5.7.
- Land use rights and the properties of individuals attached to the land at 83B Tran Ke Xuong, Ward 7, Phu Nhuan District, Ho Chi Minh City which belonged to individual properties.
- Land use rights and the properties of individuals attached to the land at 43 Dang Dung, Tan Dinh Ward, District 1, Ho Chi Minh City which belonged to individual properties.
- Right of claiming future debts and goods, electronic equipment, software, ect. that are created by these loans together with the right of claiming future debts.
- Receivables arising from the contracts signed between SaoBacDau Technologies Corporation and some specific clients

Other short-term loans were unsecured loans with the term from 6 months to 12 months and bore interest rates from 8% to 11% per month for VND.



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### 5.9. Trade payables and advances from customers

	Ending balance	VND Beginning balance
Trade payables	142,101,493,016	81,841,941,497
Advances from customers	9,205,411,365	23,354,537,693
<b>Total</b>	<b><u>151,306,904,381</u></b>	<b><u>105,196,479,190</u></b>

Trade payables arose during the ordinary course of business activities of the Group.

### 5.10. Taxes and amounts payable to the state budget

	Ending balance	VND Beginning balance
Value added tax	4,224,617,127	317,809,077
Corporate income tax	2,868,407,926	1,702,337,075
Personal income tax	274,775,026	273,841,361
Export, import duties	239,336	-
<b>Total</b>	<b><u>7,368,039,415</u></b>	<b><u>2,293,987,513</u></b>

### 5.11. Payables to employees

Representing the 13<sup>th</sup> month salaries payable to employees and the payables of bonus for positive business performance and management's bonus for year 2014.

### 5.12. Accrued expenses

	Ending balance	VND Beginning balance
Payable to partners and inventors	1,187,145,065	1,116,200,966
Others	3,990,624,990	2,523,537,177
<b>Total</b>	<b><u>5,177,770,055</u></b>	<b><u>3,639,738,143</u></b>

In which, accrued other expenses with amount of VND 3,694,968,608 are accruals for service rendered had billed to the customer.

### 5.13. Other short-term payables

	Ending balance	VND Beginning balance
Trade union dues	752,650,096	578,821,426
Short-term deposits	327,000,000	141,200,000
Dividend payables	266,531,850	320,924,750
Other payables and obligations (*)	6,049,046,573	4,759,634,650
<b>Total</b>	<b><u>7,395,228,519</u></b>	<b><u>5,800,580,826</u></b>

(\*) In which, other payables related to unrealised revenue of providing Internet service to customer in two years under contract No.10 (DNG8b-DC) dated 25 August 2012 between SaoBacDau Technologies Corporation and Technology Development Project Management and Communication Board in Danang with the amount of VND 4,460,000,000.

### 5.14. Long-term debts and loans

Representing the unsecured loan by USD from Cisco Systems Capital Asia Pte with the term 03 years and bore interest rate 6.51% per year. The principal outstanding as at 31 December 2014 totalled VND 2,832,112,076 (equivalent to USD 133,338.61) and the current portions of long-term loans totalled VND 1,857,411,450 (equivalent to USD 87,448.75).

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### 5.15. Owner's equity

#### 5.15.1. Changes in owner's equity

	Paid in capital	Capital surplus	Treasury shares	Investment & development fund	Financial reserved fund	Undistributed earnings after tax	Total
	VND						
<b>Previous year's beginning balance</b>	80,000,000,000	1,123,900	-	349,878,228	813,386,788	12,648,186,808	93,812,575,724
Previous year's profit	-	-	-	-	-	4,102,284,635	4,102,284,635
Dividends declared	-	-	-	-	-	(7,999,908,300)	(7,999,908,300)
Distributed to funds	-	-	-	-	499,689,282	(499,689,282)	-
Purchasing treasury shares	-	-	(3,963,240,000)	-	-	-	(3,963,240,000)
Funds used	-	-	-	-	(157,401,461)	-	(157,401,461)
<b>Current year beginning balance</b>	<b>80,000,000,000</b>	<b>1,123,900</b>	<b>(3,963,240,000)</b>	<b>349,878,228</b>	<b>1,155,674,609</b>	<b>8,250,873,861</b>	<b>85,794,310,598</b>
Current year's profit	-	-	-	-	-	9,547,574,799	9,547,574,799
Dividends declared	-	-	-	-	-	(3,801,838,000)	(3,801,838,000)
Distributed to funds	-	-	-	-	205,114,232	(205,114,232)	-
<b>Current year ending balance</b>	<b>80,000,000,000</b>	<b>1,123,900</b>	<b>(3,963,240,000)</b>	<b>349,878,228</b>	<b>1,360,788,841</b>	<b>13,791,496,428</b>	<b>91,540,047,397</b>



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### 5.15.2. Details of owner's equity

	VND	
	Ending balance	Beginning balance
Founding shareholders	44,973,080,000	44,973,080,000
Other shareholders	35,026,920,000	35,026,920,000
Treasury shares	(3,963,240,000)	(3,963,240,000)
<b>Total</b>	<b><u>76,036,760,000</u></b>	<b><u>76,036,760,000</u></b>

### 5.15.3. Dividends

	VND	
	Current year	Previous year
Dividends paid	3,801,838,000	7,999,908,300
Representing dividends of year 2013 with rate 5% in accordance with Annual General Meeting dated 11 April 2014.		

### 5.15.4. Shares

	Current year	Previous year
▪ Authorized common shares	8,000,000	8,000,000
▪ Issued common shares	8,000,000	8,000,000
▪ Acquired common shares	396,324	396,324
▪ Outstanding common shares	7,603,676	7,603,676
▪ Par value per outstanding share: VND 10,000 per share.		

### 5.15.5. Earnings per share

	VND	
	Current year	Previous year
Profit after tax of the shareholders of the Parent Company	9,547,574,799	4,102,284,635
Average number of outstanding shares	7,603,676	7,722,030
<b>Earnings per share (EPS)</b>	<b><u>1,256</u></b>	<b><u>531</u></b>

### 5.15.6. Undistributed earnings

	VND	
	Current year	Previous year
Balance at beginning of year	8,250,873,861	12,648,186,808
Profit after tax	9,547,574,799	4,102,284,635
Distributed to financial reserve fund	(205,114,232)	(499,689,282)
Dividends declared	(3,801,838,000)	(7,999,908,300)
<b>Balance at end of year</b>	<b><u>13,791,496,428</u></b>	<b><u>8,250,873,861</u></b>

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**5.16. Non-controlling interests**

	VND	
	Current year	Previous year
Balance beginning	5,821,403,161	5,528,991,965
Net profit attributable to non-controlling interests	684,864,596	292,411,196
<b>Balance at end of year</b>	<b><u>6,506,267,757</u></b>	<b><u>5,821,403,161</u></b>

**6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED INCOME STATEMENT****6.1. Revenue from selling goods and rendering services**

	VND	
	Current year	Previous year
Sale of goods	450,147,799,488	300,746,978,247
Rendering of services	91,602,771,492	50,150,242,649
Other revenue	1,242,033,503	1,855,978,345
Sales returns	(309,361,152)	-
<b>Net revenue</b>	<b><u>542,683,243,331</u></b>	<b><u>352,753,199,241</u></b>

**6.2. Cost of goods sold**

	VND	
	Current year	Previous year
Cost of goods sold	389,128,714,068	246,939,034,099
Cost of services rendered	59,417,733,945	33,191,708,277
Others	746,749,610	1,594,575,607
<b>Total</b>	<b><u>449,293,197,623</u></b>	<b><u>281,725,317,983</u></b>

**6.3. Financial expense**

	VND	
	Current year	Previous year
Interest expense	7,299,696,804	11,453,135,973
Losses on foreign exchange differences	233,364,258	1,055,926,037
Other financial expense	22,794,588	28,163,283
<b>Total</b>	<b><u>7,555,855,650</u></b>	<b><u>12,537,225,293</u></b>

**6.4. Selling expense**

	VND	
	Current year	Previous year
Employee expenses	11,720,727,797	8,445,706,338
Tools, office stationery expenses	803,511,882	118,954,934
Depreciation expenses	6,603,651,692	759,206,645
Warranty expenses	444,634,017	101,346,654
Pre-sales expenses	1,213,844,101	815,382,782
Service expenses	2,289,002,512	1,806,685,291
Other expenses	3,603,481,371	4,815,571,914
<b>Total</b>	<b><u>26,678,853,372</u></b>	<b><u>16,862,854,558</u></b>



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**6.5. General and administration expense**

	VND	
	Current year	Previous year
Employee expenses	32,825,630,387	28,005,670,453
Equipment expenses	1,428,172,357	682,111,485
Office stationery expenses	163,656,418	318,665,202
Depreciation expenses	4,461,908,635	5,079,302,871
Taxation, fee and charges	5,200,000	24,190,091
Provision expenses	500,902,380	(49,534,859)
Money transfer fee	336,614,158	452,471,096
Service expenses	7,713,859,941	6,574,357,095
Other expenses	3,151,154,923	2,594,391,346
<b>Total</b>	<b><u>50,587,099,199</u></b>	<b><u>43,681,624,780</u></b>

**6.6. Other income**

	VND	
	Current year	Previous year
Income from disposal and sale of fixed assets	1,818,181	15,193,987,188
Other income	4,230,859,023	3,142,791,388
<b>Total</b>	<b><u>4,232,677,204</u></b>	<b><u>18,336,778,576</u></b>

**6.7. Current corporate income tax expense**

	VND	
	Current year	Previous year
Accounting profit before tax for the year	13,457,115,798	6,152,361,950
Add: adjustments according to CIT law	67,526,570	4,661,841,833
Less: adjustments according to CIT law	-	(3,551,183,333)
Unused tax loss carry forward	(842,527,034)	(1,206,230,633)
Taxable income from ordinary business activities	<u>12,682,115,334</u>	<u>6,056,789,817</u>
Current CIT expense from ordinary business activities	2,975,455,697	1,702,337,075
<b>Current CIT expense for the year</b>	<b><u>2,975,455,697</u></b>	<b><u>1,702,337,075</u></b>

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

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### 6.8. Deferred corporate income tax expense

Deferred tax assets of the Group and the change in the current year and previous year are detailed as follows:

			VND
	Loss carry- forward	Unrealised revenue	Total
Previous year's beginning balance	512,189,417	-	512,189,417
Credit to profit for the previous year	(262,968,711)	207,639,667	(55,329,044)
Current year's beginning balance	<u>249,220,706</u>	<u>207,639,667</u>	<u>456,860,373</u>
Deferred Corporate income tax expense (Credit to profit or loss for the current year)	(249,220,706)	-	(249,220,706)
<b>Curent year's ending balance</b>	<u>-</u>	<u>207,639,667</u>	<u>207,639,667</u>

### 7. SEGMENT REPORTING

According to the management's assessment, risk and profitability ratios of the Group are not affected on the differences in products or many areas different geographic areas that the Company operates in, as follows:

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

Therefore, the Group has no segment reporting by business and geographic areas.

### 8. RELATED PARTIES DISCLOSURES

- According to Vietnam Accounting Standards, the following entities and individuals are determined to be related parties:

<u>Name of related parties</u>	<u>Relationship</u>
Sao Bac Dau Technology Service Joint Stock Company	Subsidiary

- Transactions between the Group and the subsidiary, which are related parties, have been eliminated in full in consolidation.
- Remuneration of the Board of Directors and Salary of the Chief Executive Officer:

	VND	
	Current year	Previous year
Remuneration of the Board of Directors of the Company	654,765,000	680,481,300
Salary of the Chief Executive Officer of the Company	833,803,454	939,007,223
<b>Total</b>	<u>1,488,568,454</u>	<u>1,619,488,523</u>

### 9. FINANCIAL INSTRUMENTS

- Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt and equity attributable to equity holders of the Group (comprising capital, reserves and retained earnings).



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- Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 4.17.

- Categories of financial instruments

	VND	
	Carrying amounts	
	31 Dec. 2014	01 Jan. 2014
<b>Financial assets</b>		
Cash and cash equivalents	17,140,596,821	29,537,198,677
Trade and other receivables	212,598,285,414	177,870,528,682
Other financial assets	2,327,196,400	3,829,476,954
<b>Total</b>	<b>232,066,078,635</b>	<b>211,237,204,313</b>
<b>Financial liabilities</b>		
Borrowings	72,327,391,349	84,896,622,082
Trade and other payables	142,909,254,247	82,102,848,797
Accruals	5,177,770,055	3,639,738,143
<b>Total</b>	<b>220,414,415,651</b>	<b>170,639,209,022</b>

The Group has not assessed the fair value of its financial assets and liabilities as at the reporting date since there is no comprehensive guidance under Circular 210/2009/TT-BTC dated 06 November 2009 issued by Ministry of Finance (Circular 210) and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of IFRS on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

- Financial risk management objectives

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group does not hedge these risk exposures due to the lack of a market to purchase financial instruments.

- Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Group does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

*Foreign currency risk management*

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group does not hedge this risk due to the lack of any market to purchase such instruments.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	31 Dec. 2014	01 Jan. 2014	31 Dec. 2014	01 Jan. 2014
United States Dollars (USD)	2,557,642.08	2,394,948.34	11,297.51	210,816.44

*Interest rate risk management*

The Group has significant interest rate risks arising from interest bearing loans which are arranged. The Group is exposed to interest rate risk as the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.



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### *Price risk management*

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

#### ▪ Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

#### ▪ Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Group believes can generate within that period. The Group policy is to regularly monitor current and expected liquidity requirements to ensure that the Group maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	VND		
<b>31 Dec. 2014</b>	<b>Less than 1 year</b>	<b>From 1- 5 years</b>	<b>Total</b>
Borrowings	71,352,690,723	974,700,626	72,327,391,349
Trade and other payables	142,909,254,247	-	142,909,254,247
Accruals	5,177,770,055	-	5,177,770,055
<b>01 Jan. 2014</b>	<b>Less than 1 year</b>	<b>From 1- 5 years</b>	<b>Total</b>
Borrowings	81,799,070,006	3,097,552,076	84,896,622,082
Trade and other payables	82,102,848,797	-	82,102,848,797
Accruals	1,899,071,476	1,740,666,667	3,639,738,143

The management assessed the liquidity risk concentration at low level. The management believes that the Group will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	VND		
<b>01 Jan. 2014</b>	<b>Less than 1 year</b>	<b>From 1- 5 years</b>	<b>Total</b>
Trade and other receivables	212,598,285,414	-	212,598,285,414
Other financial assets	1,816,059,022	511,137,378	2,327,196,400
<b>01 Jan. 2014</b>	<b>Less than 1 year</b>	<b>From 1- 5 years</b>	<b>Total</b>
Trade and other receivables	177,870,528,682	-	177,870,528,682
Other financial assets	3,699,244,621	130,232,333	3,829,476,954



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**10. EVENTS AFTER THE END OF THE REPORTING PERIOD**

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

**11. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements for the financial year ended 31 December 2014 were authorised for issue by Chief Executive Officer on 19 March 2015.

Ho Chi Minh City, 19 March 2015

**PREPARED BY**

**CHIEF ACCOUNTANT**

**CHIEF EXECUTIVE OFFICER**



**NGUYEN THI THU HIEN**

**HO THI HONG HANH**

**TRAN ANH TUAN**

