

**SAOBACDAU TECHNOLOGIES  
CORPORATION AND ITS SUBSIDIARIES**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2015**



## CONTENTS

---

	<b>Page</b>
The management's report	01 - 02
Independent auditor's report	03 - 04
Audited consolidated financial statements	
Consolidated statement of financial position at 31 December 2015	05 - 06
Consolidated income statement for the financial year ended 31 December 2015	07
Consolidated cash-flow statement for the financial year ended 31 December 2015	08
Summary of significant accounting policies and other explanatory information	09 - 32

# SAOBACDAU TECHNOLOGIES CORPORATON AND ITS SUBSIDIARIES

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 subsidiaries (together with the Company hereinafter referred to as "the Group") for the financial year ended 31 December 2015.

### 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 21 September 2015 granted by Ho Chi Minh City's Department of Planning and Investment.

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 82,879,070,000.

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

Members of the Board of Directors of the Company during the year 2015 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 of the Company during the year 2015 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 of the Company during the year 2015 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
Mr. Nguyen Xuan Quang	Vice President of Sale
Mr. Nguyen Viet Thang	Vice President of Sale
Mr. Nguyen Xuan Truong	Vice President of Sale

# SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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 Trung Dung	Vice President of ICT Service (Resigned wef 20 July 2015)
Mr. Pham Thanh Nam	Vice Managing Director (Resigned wef 16 April 2015)

### 3. RESPONSIBILITY OF THE MANAGEMENT

The Group's Management is responsible for preparing the consolidated financial statements of each financial 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, the 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.

The 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 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.

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

### 4. AUDITOR

DTL Auditing Company Ltd, a member firm of RSM International, have expressed their willingness to accept re-appointment as auditors.

### 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 2015 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 Accounting System and prevailing accounting regulations in Vietnam.

Ho Chi Minh City, 21 March 2016

For and on behalf of the Management

**CHIEF EXECUTIVE OFFICER**



**TRAN ANH TUAN**

No: 16.223HN/BCKT-DTL

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the financial statements

We have audited the accompanying consolidated financial statements of SaoBacDau Technologies Corporation and its subsidiaries (hereinafter referred to as "the Group") prepared on 21 March 2016 as set out from page 05 to page 32, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, and consolidated cash-flow statement for the financial year then ended, and summary of significant accounting policies and other explanatory information.

### Management's Responsibility

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 have 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.

**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 subsidiaries as at 31 December 2015, 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 System and relevant legislation as to the preparation and presentation of consolidated financial statements.

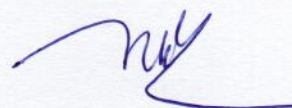
Ho Chi Minh City, 21 March 2016

**DTL AUDITING COMPANY LTD**

**GENERAL DIRECTOR**



**AUDITOR**



**DANG XUAN CANH**

Audit Practice Registration Certificate

No. 0067-2013-026-1

**HUYNH THI NGOC TRINH**

Audit Practice Registration Certificate

No. 2124-2013-026-1

**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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 2015

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>438,558,949,252</b>	<b>290,638,420,891</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	(5.1)	<b>17,554,131,683</b>	<b>17,140,596,821</b>
1. Cash	111		17,409,684,609	12,649,553,792
2. Cash equivalents	112		144,447,074	4,491,043,029
<b>II. Current account receivables</b>	<b>130</b>		<b>324,708,037,645</b>	<b>233,116,068,521</b>
1. Trade receivables	131	(5.2)	224,332,800,601	213,990,323,318
2. Advances to suppliers	132	(5.3)	65,235,552,121	16,770,725,511
3. Other current receivables	136	(5.4)	37,647,147,559	4,111,136,094
4. Provision for doubtful debts	137		(2,507,462,636)	(1,756,116,402)
<b>III. Inventories</b>	<b>140</b>	(5.5)	<b>59,994,516,090</b>	<b>34,409,592,785</b>
1. Inventories	141		61,868,793,714	36,283,870,409
2. Provision for decline in value of inventories	149		(1,874,277,624)	(1,874,277,624)
<b>IV. Other current assets</b>	<b>150</b>		<b>36,302,263,834</b>	<b>5,972,162,764</b>
1. Current prepayments	151	(5.8)	34,236,157,896	5,603,759,926
2. Value added tax deductible	152		2,066,105,938	368,402,838
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>76,007,563,437</b>	<b>55,299,049,982</b>
<b>I. Non-current account receivables</b>	<b>210</b>		<b>474,623,325</b>	<b>511,137,378</b>
1. Other non-current receivables	216	(5.4)	474,623,325	511,137,378
<b>II. Fixed assets</b>	<b>220</b>		<b>63,442,279,993</b>	<b>42,961,225,825</b>
1. Tangible fixed assets	221	(5.6)	63,384,776,582	42,950,311,018
+ Cost	222		114,315,384,065	76,888,671,285
+ Accumulated depreciation	223		(50,930,607,483)	(33,938,360,267)
2. Intangible fixed assets	227	(5.7)	57,503,411	10,914,807
+ Cost	228		1,341,223,555	1,269,840,011
+ Accumulated amortisation	229		(1,283,720,144)	(1,258,925,204)
<b>IV. Non-current assets in progress</b>	<b>240</b>		<b>189,342,393</b>	
1. Construction in progress	242		189,342,393	
<b>VI. Other non-current assets</b>	<b>260</b>		<b>11,901,317,726</b>	<b>11,826,686,779</b>
1. Non-current prepayments	261	(5.8)	11,693,678,059	11,619,047,112
2. Deferred income tax assets	262		207,639,667	207,639,667
<b>TOTAL ASSETS</b>	<b>270</b>		<b>514,566,512,689</b>	<b>345,937,470,873</b>

(See the next page)

**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

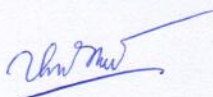
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 31 December 2015

Expressed in VND

RESOURCES	Code	Notes	Ending balance	Beginning balance
<b>A. LIABILITIES</b>	<b>300</b>		<b>410,282,390,931</b>	<b>247,891,155,719</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>403,398,290,300</b>	<b>245,729,310,028</b>
1. Trade payables	311	(5.10)	185,415,514,987	142,101,493,016
2. Advances from customers	312	(5.11)	71,244,473,871	9,205,411,365
3. Taxes and amounts payable to the state budget	313	(5.12)	8,738,591,587	7,368,039,415
4. Payables to employees	314	(5.13)	5,006,983,420	4,315,822,000
5. Accrued expenses	315	(5.14)	11,027,914,309	3,990,624,990
6. Current unearned revenue	318	(5.16)	4,920,184,534	5,568,285,342
7. Other current payables	319	(5.15)	3,316,676,161	1,826,943,177
8. Current loans and obligations under finance leases	320	(5.9)	113,727,951,431	71,352,690,723
<b>II. Non-current liabilities</b>	<b>330</b>		<b>6,884,100,631</b>	<b>2,161,845,691</b>
1. Accrued expenses	333	(5.14)	1,239,101,631	1,187,145,065
2. Non-current loans and obligations under finance leases	338	(5.9)	5,644,999,000	974,700,626
<b>B. OWNER'S EQUITY</b>	<b>400</b>		<b>104,284,121,758</b>	<b>98,046,315,154</b>
<b>I. Equity</b>	<b>410</b>	(5.17.1)	<b>104,284,121,758</b>	<b>98,046,315,154</b>
1. Owner's contributed capital	411	(5.17.2)	82,879,070,000	80,000,000,000
Ordinary shares carrying voting rights	411a		82,879,070,000	80,000,000,000
2. Share premium	412			1,123,900
3. Treasury shares	415			(3,963,240,000)
4. Investment and development fund	418		136,338,550	1,710,667,069
5. Retained earnings	421		13,792,068,052	13,791,496,428
Beginning accumulated retained earnings	421a		(420,645,801)	
Ending accumulated retained earnings	421b		14,212,713,853	13,791,496,428
6. Non-Controlling interest	429		7,476,645,156	6,506,267,757
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>514,566,512,689</b>	<b>345,937,470,873</b>

PREPARED BY



NGUYEN THI THU HIEN

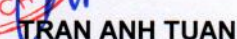
CHIEF ACCOUNTANT



HO THI HONG HANH

Ho Chi Minh City, 21 March 2016

CHIEF EXECUTIVE OFFICER



 TRAN ANH TUAN



**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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 financial year ended 31 December 2015

Expressed in VND

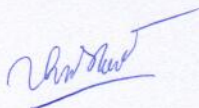
ITEMS	Code	Notes	Current year	Previous year
1. Revenue	01		727,556,983,409	542,992,604,483
2. Deductions	02		182,001,608	309,361,152
3. Net revenue	10	(6.1)	727,374,981,801	542,683,243,331
4. Cost of goods sold	11	(6.2)	600,873,704,717	449,293,197,623
5. Gross profit	20		126,501,277,084	93,390,045,708
6. Financial income	21		934,200,479	658,894,100
7. Financial expenses	22	(6.3)	12,534,668,610	7,555,855,650
<i>of which, interest expense</i>	23		10,346,681,352	7,299,696,804
8. Selling expense	25	(6.4)	47,783,239,922	26,678,853,372
9. General and administration expense	26	(6.5)	53,690,688,168	50,587,099,199
10. Operating profit/(loss)	30		13,426,880,863	9,227,131,587
11. Other income	31	(6.6)	4,636,288,266	4,232,677,204
12. Other expense	32		72,558,137	2,692,993
13. Net other income/(loss)	40		4,563,730,129	4,229,984,211
14. Accounting profit/(loss) before tax	50		17,990,610,992	13,457,115,798
15. Current corporate income tax expense	51	(6.8)	4,021,846,388	2,975,455,697
16. Deferred corporate income tax expense	52			249,220,706
17. Net profit/(loss) after tax	60		13,968,764,604	10,232,439,395
18. Owners of the parent company	61		13,631,387,205	9,547,574,799
19. Non-controlling interests	62		337,377,399	684,864,596
20. Basic earnings per share	70	(5.17.5)	1,653	1,158
21. Diluted earnings per share	71	(5.17.5)	1,653	1,158

Ho Chi Minh City, 21 March 2016

PREPARED

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER



NGUYEN THI THU HIEN



HO THI HONG HANH



TRAN ANH TUAN

**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

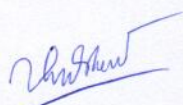
**CONSOLIDATED CASH FLOW STATEMENT (direct method)**

For the financial year ended 31 December 2015

Expressed in VND

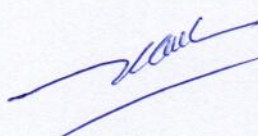
ITEMS	Code	Notes	Current year	Previous year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
1. Cash receipts from customers	01		838,624,027,886	540,150,450,252
2. Cash paid to suppliers	02		(756,778,878,730)	(489,839,267,192)
3. Cash paid to employees	03		(45,643,130,244)	(35,370,180,799)
4. Interest paid	04		(10,063,914,063)	(6,946,015,885)
5. Corporate income taxes paid	05		(3,132,255,079)	(1,809,384,846)
6. Other cash inflows from operating activities	06		39,065,639,385	15,485,130,307
7. Other cash outflows from operating activities	07		(63,832,883,206)	(7,440,460,118)
<b>Net cash from operating activities</b>	<b>20</b>		<b>(1,761,394,051)</b>	<b>14,230,271,719</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Purchase and construction of fixed assets and other long-term assets	21		(37,911,315,666)	(10,269,328,285)
2. Proceeds from disposals of fixed assets and other long-term assets	22		100,000,000	1,545,454
3. Interest and dividends received	27		363,407,318	358,154,391
<b>Net cash from investing activities</b>	<b>30</b>		<b>(37,447,908,348)</b>	<b>(9,909,628,440)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
1. Proceeds from issuing stocks and capital contribution from owners	31		850,000,000	
2. Proceeds from borrowings	33	(7.1)	425,301,891,937	195,789,579,362
3. Repayment of borrowings	34	(7.2)	(378,568,890,626)	(208,650,593,597)
4. Dividends paid	36		(7,960,164,050)	(3,856,230,900)
<b>Net cash from financing activities</b>	<b>40</b>		<b>39,622,837,261</b>	<b>(16,717,245,135)</b>
<b>Net increase/(decrease) in cash (20+30+40)</b>	<b>50</b>		<b>413,534,862</b>	<b>(12,396,601,856)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>60</b>		<b>17,140,596,821</b>	<b>29,537,198,677</b>
<b>Cash and cash equivalents at end of year (50+60+61)</b>	<b>70</b>	(5.1)	<b>17,554,131,683</b>	<b>17,140,596,821</b>

PREPARED



NGUYEN THI THU HIEN

CHIEF ACCOUNTANT



HO THI HONG HANH

Ho Chi Minh City, 21 March 2016

CHIEF EXECUTIVE OFFICER



TRAN ANH TUAN

# SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

*These notes are an integral part of and should be read in conjunction with the accompanying 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 transformed into a joint stock company by the name of SaoBacDau Technologies Corporation under Business Registration Certificate No. 4103002093 dated 11 February 2004 and other amended certificates thereafter with the latest one dated 21 September 2015 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 amended Business Registration Certificate is VND 82,879,070,000 (including treasury shares), as follows:

Investors	Ending Balance		Beginning Balance		VND
	Amount	%	Amount	%	
Founding shareholders	45,064,400,000	54%	44,973,080,000	56%	
Other shareholders	37,814,670,000	46%	35,026,920,000	44%	
Treasury shares	-	-	(3,963,240,000)	-	
<b>Total</b>	<b>82,879,070,000</b>	<b>100%</b>	<b>76,036,760,000</b>	<b>100%</b>	

The Company has 02 subsidiaries as represented in Note 1.5 below (together with the Company hereinafter referred to as “the Group”).

The Company’s components as at 31 December 2015 include:

- Ha Noi Branch: The 15th 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 2015 was 255 (31 December 2014: 215)

#### 1.2. Business field

Trading and services.

# SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

## 1.3. Operating industry and principal activities

According to the 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 month.

## 1.5. Consolidated subsidiaries

<u>No.</u>	<u>Name of subsidiaries</u>	<u>Address</u>	<u>Voting rights</u>	<u>Per cent interest</u>
1.	SaoBacDau Technology Service Joint Stock Company	Topaz Building, 92 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City	69%	69%
2.	SaoBacDau Digital Technologies Joint Stock Company	8th Floor, Loyal Building, 151 Vo Thi Sau Street, Ward 6, District 3, Ho Chi Minh City	74%	83%

## 2. FINANCIAL YEAR and REPORTING CURRENCY

### 2.1. Financial year

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

### 2.2. Reporting and functional currency

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

## 3. ACCOUNTING STANDARDS, ACCOUNTING SYSTEM

### 3.1. Accounting standards, accounting system

The Group has adopted Vietnamese Accounting Standards and System.

## **SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

---

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

The Group's financial statements for the year ended 31 December 2015 are prepared in accordance with Vietnamese Accounting Standards and System. In 2015, the Group adopted the new Accounting Standards and guidance issued by the Ministry of Finance as presented in Note 4.2 below.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

### **4.1. Applicable exchange rates**

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

### **4.2. Adoption of new accounting standards and regulations**

The Group has adopted Circular 202/2014/TT-BTC dated 22 December 2014 issued by Ministry of Finance in preparation and presentation of the consolidated financial statements for the year ended 31 December 2015.

### **4.3. 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 ended 31 December 2015. 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.

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

### **4.5. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and at bank, cash in transit, savings, deposits, 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.

## **SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

---

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

### **4.6. Account receivables**

#### ***Recognition method***

Account receivables are classified into trade receivables, intra-company receivables and other receivables based on the rule: Trade receivables represent those arising from purchase and sale related transactions; intra-company receivables represent those between the entity and its dependent accounting units having no legal status; the remaining receivables are classified as other receivables.

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

At the year end, the receivables satisfying the definition of 'monetary items denominated in foreign currency' are reported using the closing rate.

Account receivables are recognised only to the recoverable extent.

#### ***Provision for doubtful debts***

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

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

### **4.7. 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 discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase. Accessories added to inventories when purchased are measured at their fair value and deducted from the costs of inventories.

#### ***Inventory cost formulas***

Inventories are measured using the first-in, first-out 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.

## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

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

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

### 4.8. 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 these expenses.

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

- Land use right at Lot U12B - 16A, street 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;

### 4.9. Tangible fixed assets

#### *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.

#### *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:

	<b><u>2015</u></b>
+ Buildings, structures	15 years
+ Machinery and equipment	3 – 10 years
+ Motor, vehicles	6 years
+ Management equipment	2 – 8 years

## **SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

---

### **4.10. Intangible fixed assets**

#### ***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.

### **4.11. Leases**

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.

#### ***Operating leases***

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

Lease income from operating leases is recognised in income on a straight-line basis over the lease term without depending on the payment terms.

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

### **4.12. 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.

### **4.13. Liabilities**

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

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

At the year end, the liabilities satisfying the definition of 'monetary items denominated in foreign currency' are reported using the closing rate.

Liabilities are recognised at no less than the payment obligation.



## **SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

---

### **4.14. Accrued expenses**

Accrued expenses are amounts payable for goods or services received from the seller but not yet paid based on the information available at the year-end and estimates by past experience.

### **4.15. 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 the 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 for 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 2012.

### **4.16. Unearned revenues**

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

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

### **4.17. Owner's equity**

#### ***The owners' equity***

The owners' equity is recognised when contributed.

#### ***Share premiums***

Share premiums are recognised as the difference between the issue price and the par value of shares, and the difference between the re-purchase price and the re-issue price of treasury shares.

#### ***Treasury shares***

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

#### ***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 charter of the companies in the Group.

## **SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

---

### ***Retained earnings***

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

#### **4.18. Revenue, 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.

#### **4.19. Deductions**

Deductions include trade discounts, allowances and sale returns.

Deductions arising in the reporting period from consumption of products, goods and services are recognised as decreases in revenue in that period; Deductions arising after the end of the reporting period but prior to issuing the consolidated financial statements for the reporting period are recognised as decreases in revenue of the reporting period; Deductions arising after the end of the reporting period and after issuing the consolidated financial statements for the reporting period are recognised as decreases in revenue of the next period.

#### **4.20. Cost of sales**

Cost of sales is recognised in the period that is matched with the related revenue. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

#### **4.21. Financial expense**

Interest expense including accruals and losses from exchange differences of the reporting period are recognised in full in the financial statements.

#### **4.22. Selling expense and general and administration expense**

Selling expense and general and administration expense comprise all expenses incurred in the reporting period.

#### **4.23. Earnings per share**

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after payments to bonus and welfare funds) 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.

## **SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

---

### **4.24. Diluted earnings per share**

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

### **4.25. Taxation**

#### ***Corporate income tax***

##### *Current corporate income tax expense*

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

##### *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.

#### ***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%
- Equipment exported to non-tariff zones: 0%
- Goods: 10%
- Rental services and other services: 10%

#### ***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 assessments of the companies in the Group.

### **4.26. Consolidation principles**

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.

## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

### *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.

#### 4.27. Comparative figures

As presented in Note 4.2, since 2015, the Group has adopted Circular 202/2014/TT-BTC dated 22 December 2014 issued Ministry of Finance to prepare and present the consolidated financial statements. Due to effects of adoption of such a circular on the preparation and presentation of the consolidated financial statements, to ensure comparability, certain comparative figures have been restated as below:

#### Statement of financial position (excerpted):

	<b>Beginning balance</b> (Reclassified)	<b>VND Beginning balance</b> (As previously reported)
Other current receivables	4,111,136,094	364,078,498
Other current assets	-	3,747,057,596
Other non-current receivables	511,137,378	-
Other non-current assets	-	511,137,378
Intangible fixed assets	10,914,807	9,459,231,790
+ Cost	1,269,840,011	12,215,293,767
+ Accumulated depreciation	(1,258,925,204)	(2,756,061,977)
Non-current prepayments	11,619,047,112	2,170,730,129
Accrued expenses	3,990,624,990	5,177,770,055
Current unearned revenue	5,568,285,342	-
Other current payables	1,826,943,177	7,395,228,519
Non-current accrued expenses	1,187,145,065	-
Financial reserve fund	-	1,360,788,841
Investment and development fund	1,710,667,069	349,878,228

# SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

## Income statement (excerpted):

	<b>Previous year</b> (Reclassified)	<b>VND</b> Previous year (As previously reported)
Basic earnings per share	1,152	1,256

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

### 5.1. Cash and cash equivalents

	<b>Ending balance</b>	<b>VND</b> Beginning balance
Cash in hand	891,024,163	616,899,206
Cash at banks	16,518,660,446	12,032,654,586
Cash equivalents	144,447,074	4,491,043,029
<b>Total</b>	<b><u>17,554,131,683</u></b>	<b><u>17,140,596,821</u></b>

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

### 5.2. Trade receivables

	<b>Ending balance</b>	<b>VND</b> Beginning balance
Project Management Unit of construction of Ministry of Foreign Affairs headquarters	47,571,328,706	43,061,788,278
Department of Information Technology	21,813,890,700	-
Hai Thach Building Investment Joint Stock Company	-	22,884,152,489
Other	154,947,581,195	148,044,382,551
<b>Total</b>	<b><u>224,332,800,601</u></b>	<b><u>213,990,323,318</u></b>

## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

### 5.3. Advances to suppliers

	Ending balance	VND Beginning balance
Cuu Long Automation Technology Co., Ltd	32,814,376,320	-
Tri Nam Technology Development Investment Joint Stock Company	20,447,224,654	-
F5 Networks Inc	182,160,000	8,447,656,771
Vietnam High Technology Services and Solutions Providing Joint Stock Company	-	2,063,298,431
ADG National System Integration Corporation	-	1,834,023,492
Thai Minh Manufacturing and Trading Investment Co., Ltd	-	1,816,110,800
Other	11,791,791,147	2,609,636,017
<b>Total</b>	<b><u>65,235,552,121</u></b>	<b><u>16,770,725,511</u></b>

### 5.4. Other receivables

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
Current:				
Receivables from employees	2,116,814,971	-	1,930,998,574	-
Deposits	31,297,382,295	-	1,816,059,022	-
Other receivables	4,232,950,293	-	364,078,498	-
<b>Total</b>	<b><u>37,647,147,559</u></b>	<b><u>-</u></b>	<b><u>4,111,136,094</u></b>	<b><u>-</u></b>
Non-current:				
Deposits	474,623,325	-	511,137,378	-
<b>Total</b>	<b><u>474,623,325</u></b>	<b><u>-</u></b>	<b><u>511,137,378</u></b>	<b><u>-</u></b>

### 5.5. Inventories

	Ending Balance		Beginning Balance	
	Cost	Provision	Cost	Provision
The Company's stock	49,417,675,118	1,874,277,624	4,582,743,691	1,874,277,624
Goods issued to implement	11,542,859,799	-	31,102,126,733	-
Leased warehouse	49,244,921	-	66,956,150	-
Ha Noi Branch	328,992,814	-	113,832,531	-
Raw materials	325,876,801	-	376,151,725	-
Work in progress	204,144,261	-	42,059,579	-
<b>Total</b>	<b><u>61,868,793,714</u></b>	<b><u>1,874,277,624</u></b>	<b><u>36,283,870,409</u></b>	<b><u>1,874,277,624</u></b>

## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

### 5.6. Tangible fixed assets

Items	Buildings, structures	Machinery and equipment	Means of transportations	Management equipment	VND Total
<b>Cost:</b>					
Beginning balance	15,138,594,055	41,062,206,113	20,387,376,117	300,495,000	76,888,671,285
Purchase	-	38,525,409,099	1,508,222,432	82,839,423	40,116,470,954
Disposals	-	(2,436,658,160)	(253,100,014)	-	(2,689,758,174)
<b>Ending balance</b>	<b>15,138,594,055</b>	<b>77,150,957,052</b>	<b>21,642,498,535</b>	<b>383,334,423</b>	<b>114,315,384,065</b>
<b>Accumulated Depreciation:</b>					
Beginning balance	3,484,705,382	21,779,519,735	6,093,133,174	347,904,348	33,938,360,267
Depreciation	1,013,381,623	15,315,447,611	2,777,695,798	93,820,961	19,200,345,993
Disposals	-	(1,954,998,763)	(253,100,014)	-	(2,208,098,777)
<b>Ending balance</b>	<b>4,498,087,005</b>	<b>35,139,968,583</b>	<b>11,040,874,278</b>	<b>251,677,617</b>	<b>50,930,607,483</b>
<b>Net book value:</b>					
Beginning balance	11,653,888,673	19,282,686,378	11,871,097,623	142,638,344	42,950,311,018
<b>Ending balance</b>	<b>10,640,507,050</b>	<b>42,010,988,469</b>	<b>10,601,624,257</b>	<b>131,656,806</b>	<b>63,384,776,582</b>

The amount of year-end net book value of tangible fixed assets pledged/mortgaged as loan security totalled VND 30,191,147,215 – Refer to Note 5.9.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 15,421,976,530;

**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

**5.7. Intangible fixed assets**

				VND
Administration software	Beginning balance	Increase	Decrease	Ending balance
Cost	1,269,840,011	71,383,544	-	1,341,223,555
Accumulated amortization	(1,258,925,204)	(24,794,940)	-	(1,283,720,144)
<b>Net book value</b>	<b><u>10,914,807</u></b>			<b><u>57,503,411</u></b>

The historical cost of tangible fixed assets fully amortized but still in use totalled VND 1,269,840,011.

**5.8. Prepayments**

	Ending balance	VND Beginning balance
Current prepayments:		
Prepaid expenses for pending projects	34,006,622,423	5,148,146,123
Tools and consumable expenditure	76,721,976	455,613,803
Other	152,813,497	-
<b>Total</b>	<b><u>34,236,157,896</u></b>	<b><u>5,603,759,926</u></b>
Non-current prepayments:		
Land use rights	9,070,887,544	9,448,316,983
Tools and consumable expenditure	1,719,177,978	1,908,116,012
Other	903,612,537	262,614,117
<b>Total</b>	<b><u>11,693,678,059</u></b>	<b><u>11,619,047,112</u></b>

Of which, the land use right at Lot U12B-16A, Street 22, Tan Thuan Export Processing Zones, Tan Thuan Dong Ward, District 7, Ho Chi Minh City belonging to the Company was mortgaged as short-term loan security totalled VND 9,070,887,544 – Refer to Note 5.9.

(See the next page)



## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

### 5.9. Current and non-current loans and obligations under finance leases

Current and non-current loans are analysed as follows:

	Ending balance		Movements in the year		Beginning balance		VND
	Value	Payable value	Increase	Decrease	Value	Payable value	
Current loans:							
Bank loans	101,588,686,178	101,588,686,178	355,442,720,827	307,277,311,066	53,423,276,417	53,423,276,417	
Other loans	5,584,560,627	5,584,560,627	56,158,057,771	66,545,500,000	16,072,002,856	16,072,002,856	
Current portion of long-term liabilities	6,554,704,626	6,554,704,626	6,554,704,626	1,857,411,450	1,857,411,450	1,857,411,450	
<b>Subtotal</b>	<b>113,727,951,431</b>	<b>113,727,951,431</b>	<b>418,155,483,224</b>	<b>375,680,222,516</b>	<b>71,352,690,723</b>	<b>71,352,690,723</b>	
Non-current loans:							
Bank loans	11,225,003,000	11,225,003,000	13,950,000,000	2,724,997,000	-	-	
Other loans	974,700,626	974,700,626	-	1,857,411,450	2,832,112,076	2,832,112,076	
Less: Current portion of long-term liabilities	(6,554,704,626)	(6,554,704,626)	(6,554,704,626)	(1,857,411,450)	(1,857,411,450)	(1,857,411,450)	
<b>Subtotal</b>	<b>5,644,999,000</b>	<b>5,644,999,000</b>	<b>7,395,295,374</b>	<b>2,724,997,000</b>	<b>974,700,626</b>	<b>974,700,626</b>	
<b>Total</b>	<b>119,372,950,431</b>	<b>119,372,950,431</b>	<b>425,550,778,598</b>	<b>378,405,219,516</b>	<b>72,327,391,349</b>	<b>72,327,391,349</b>	

Current bank loans bear the interest rates from 8% per year to 9.7% per year for VND. Non-current bank loans with a term of 3 years bear the interest rates from 6.8% per year to 8.5% per year. These loans were mortgaged 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 at carrying amount of VND 10,640,507,050 and VND 9,070,887,544, respectively – Refer to Notes 5.6 and 5.8.
- Land use rights and the properties attached to the land at 83B Tran Ke Xuong, Ward 7, Phu Nhuan District, Ho Chi Minh City which belong to guarantee individuals.

## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

- Land use rights and the properties attached to the land at 43 Dang Dung, Tan Dinh Ward, District 1, Ho Chi Minh City which belong to guarantee individuals.
- The right to claims arising from the economic contracts signed between the Group and customers.
- Goods, account receivables, deposit contracts, saving accounts, deposit amounts, etc. created by these loans.
- Deposits, assets and receivables arising from the project financed by the loans
- Assets arising from these loans, server systems and network equipment carried at residual value of VND 19,550,640,165 - Refer to Note 5.6.

Other unsecured loans with terms from 6 months to 12 months and subject to interest rates from 9% to 11% per year for VND and 6.5% per year for USD.

### 5.10. Current trade payables

	VND			
	Ending balance		Beginning balance	
	Value	Payable value	Value	Payable value
Azbil Vietnam Co., Ltd	40,375,898,862	40,375,898,862	4,948,827,730	4,948,827,730
Blue Sky Solutions Global Trading Co., Ltd	24,566,071,853	24,566,071,853	29,810,324,114	29,810,324,114
Elite Technology., JSC	2,609,739,278	2,609,739,278	16,917,083,696	16,917,083,696
Other	117,863,804,994	117,863,804,994	90,425,257,476	90,425,257,476
<b>Total</b>	<b><u>185,415,514,987</u></b>	<b><u>185,415,514,987</u></b>	<b><u>142,101,493,016</u></b>	<b><u>142,101,493,016</u></b>

### 5.11. Current advances from customers

	VND	
	Ending balance	Beginning balance
Deo Ca Investment., JSC	32,834,213,620	-
Vietnam Coast Guard	11,686,078,905	-
Hai Thach Building Investment Joint Stock Company	10,000,000,000	-
Nam A Commercial Joint Stock Bank	9,542,618,000	-
CJ CGV Vietnam Co., Ltd	-	2,154,256,709
ITCOM Telecommunications., JSC	-	1,921,883,700
Espace Big C Hai Phong	-	1,300,761,990
Sun Ivy Joint Venture Co., Ltd	1,030,119,552	1,030,119,552
Other	6,151,443,794	2,798,389,414
<b>Total</b>	<b><u>71,244,473,871</u></b>	<b><u>9,205,411,365</u></b>

**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

**5.12. Taxes and amounts payable to the state budget**

	Beginning balance	Payable	Paid	VND Ending balance
Payables to the state budget:				
Value added tax	4,224,617,127	33,958,787,107	34,333,196,247	3,850,207,987
Export, import	239,336	16,308,667	16,486,442	61,561
Corporate income tax	2,868,407,926	4,021,846,388	3,132,255,079	3,757,999,235
Personal income tax	274,775,026	3,313,740,974	2,458,193,196	1,130,322,804
Other taxes	-	12,600,000	12,600,000	-
<b>Total</b>	<b><u>7,368,039,415</u></b>	<b><u>41,323,283,136</u></b>	<b><u>39,952,730,964</u></b>	<b><u>8,738,591,587</u></b>

**5.13. Payables to employees**Representing the 13<sup>th</sup> month salaries of 2015 payable to employees**5.14. Accrued expenses**

	Ending balance	VND Beginning balance
Current:		
Accrued expenses matched with service revenues	10,837,459,555	3,694,968,608
Cable television services payable	14,235,358	14,126,074
Other accrued expenses	176,219,396	281,530,308
<b>Total</b>	<b><u>11,027,914,309</u></b>	<b><u>3,990,624,990</u></b>
Non-current:		
Payables to the owner of the building	1,239,101,631	1,187,145,065
<b>Total</b>	<b><u>1,239,101,631</u></b>	<b><u>1,187,145,065</u></b>

**5.15. Other current payables**

	Ending balance	VND Beginning balance
Trade union dues	975,054,329	752,650,096
Current deposits	449,000,000	327,000,000
Borrowings	100,000,000	-
Other payables	1,792,621,832	747,293,081
<b>Total</b>	<b><u>3,316,676,161</u></b>	<b><u>1,826,943,177</u></b>

**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

---

**5.16. Unearned revenue**

Of which, unearned revenues from providing Internet services to the customer under Contract No.10 (DNG8b-DC) dated 25 August 2012 between SaoBacDau Technologies Corporation and Technology Development Project Management and Communication Board in Da Nang amounted to VND 4,460,000,000.

*(See the next page)*

9-C  
Y  
JH  
N  
H M

## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

### 5.17. Owner's equity

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

	Items of owner's equity							VND
	Owner's contributed capital	Capital surplus	Treasury shares	Investment & development fund	Retained earnings	Non-Controlling interest	Total	
Previous year's beginning balance	80,000,000,000	1,123,900	(3,963,240,000)	1,505,552,837	8,250,873,861	5,821,403,161	91,615,713,759	
Previous year's profits	-	-	-	-	9,547,574,799	684,864,596	10,232,439,395	
Dividends declared	-	-	-	-	(3,801,838,000)	-	(3,801,838,000)	
Distributed to funds	-	-	-	205,114,232	(205,114,232)	-	-	
Current year's beginning balance	80,000,000,000	1,123,900	(3,963,240,000)	1,710,667,069	13,791,496,428	6,506,267,757	98,046,315,154	
Current year's capital increase	2,879,070,000	(1,123,900)	-	(1,710,667,069)	(1,167,279,031)	850,000,000	850,000,000	
Current year's profits	-	-	-	-	13,631,387,205	337,377,399	13,968,764,604	
Dividends declared	-	-	-	-	(8,363,958,000)	(217,000,000)	(8,580,958,000)	
Distributed to funds	-	-	-	136,338,550	(136,338,550)	-	-	
Other	-	-	3,963,240,000	-	(3,963,240,000)	-	-	
<b>Current year ending balance</b>	<b>82,879,070,000</b>	-	-	<b>136,338,550</b>	<b>13,792,068,052</b>	<b>7,476,645,156</b>	<b>104,284,121,758</b>	

According to the Annual General Meeting's Decision No. 06/ NQ-AGM 2015 dated 18 April 2015, the Group distributed treasury shares to existing shareholders against retained earnings at a rate of 5.21%. In addition, the Group increased owner's equity in amount of VND 2,879,070,000 from capital surplus, the investment and development fund and retained earnings.

## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

### 5.17.2. Details of owner's equity

	Ending balance	VND Beginning balance
Founding shareholders	45,064,400,000	44,973,080,000
Other shareholders	37,814,670,000	35,026,920,000
Treasury shares	-	(3,963,240,000)
<b>Total</b>	<b><u>82,879,070,000</u></b>	<b><u>76,036,760,000</u></b>

### 5.17.3. Capital transactions with owners and dividend and profit distribution

	Current year	VND Previous year
Capital contributed by owners:		
Beginning balance	80,000,000,000	80,000,000,000
Capital contribution in the year	2,879,070,000	-
Ending balance	82,879,070,000	80,000,000,000
Dividend, profit declared	8,363,958,000	3,801,838,000

### 5.17.4. Shares

	Ending balance	Beginning balance
Number of common shares registered for issue	8,287,907	8,000,000
Number of common shares sold to public	8,287,907	8,000,000
Number of common shares repurchased (Treasury shares)	-	396,324
Number of common shares outstanding	8,287,907	7,603,676

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

### 5.17.5. Basic earnings per share and Diluted earnings per share

	Current year	VND Previous year
Owners of the parent company	13,631,387,205	9,547,574,799
Average number of outstanding shares	8,287,907	8,287,907
<b>Basic earnings per share (EPS) and Diluted earnings per share</b>	<b><u>1,645</u></b>	<b><u>1,152</u></b>

**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

**5.18. Off statement of financial position items**

	Ending Balance	Beginning Balance
Foreign currencies:		
USD	8,787.69	11,398.18

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

	Current year	Previous year
		VND
Sale of goods	581,606,041,771	450,147,799,488
Rendering of services	144,551,248,012	91,602,771,492
Other revenue	1,399,693,626	1,242,033,503
Sales returns	(182,001,608)	(309,361,152)
<b>Net revenue</b>	<b><u>727,374,981,801</u></b>	<b><u>542,683,243,331</u></b>

**6.2. Cost of sales**

	Current year	Previous year
		VND
Cost of merchandise sold	467,521,262,043	389,128,714,068
Cost of services rendered	132,117,679,948	59,417,733,945
Others	1,234,762,726	746,749,610
<b>Total</b>	<b><u>600,873,704,717</u></b>	<b><u>449,293,197,623</u></b>

**6.3. Financial expense**

	Current year	Previous year
		VND
Interest expense	10,158,861,915	7,299,696,804
Losses on exchange differences	2,335,888,899	233,364,258
Other financial expenses	39,917,796	22,794,588
<b>Total</b>	<b><u>12,534,668,610</u></b>	<b><u>7,555,855,650</u></b>

**SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES**

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

**6.4. Selling expense**

	VND	
	Current year	Previous year
Employee expenses	16,628,865,919	11,720,727,797
Stationery expenses	483,282,850	803,511,882
Depreciation expenses	13,761,637,170	6,603,651,692
Warranty expenses	121,442,432	444,634,017
Pre-sales expenses	1,616,424,331	1,213,844,101
Fees for issuance and extension of the letter of credit	5,966,022,412	819,700,517
Service expenses	1,379,877,974	1,469,301,995
Other expenses	7,825,686,834	3,603,481,371
<b>Total</b>	<b><u>47,783,239,922</u></b>	<b><u>26,678,853,372</u></b>

**6.5. General and administration expense**

	VND	
	Current year	Previous year
Employee expenses	36,944,577,213	32,825,630,387
Material, office stationery expenses	1,407,679,348	1,591,828,775
Depreciation expenses	3,511,704,075	4,461,908,635
Taxation, fee and charges	5,675,000	5,200,000
Provision expenses	845,264,674	500,902,380
Utility expenses	2,978,482,067	2,721,654,929
Service expenses	4,116,946,706	4,992,205,012
Other expenses	3,880,359,085	3,487,769,081
<b>Total</b>	<b><u>53,690,688,168</u></b>	<b><u>50,587,099,199</u></b>

**6.6. Other income**

	VND	
	Current year	Previous year
Gains from disposal and sale of fixed assets	45,813,834	1,818,181
Other income	4,590,474,432	4,230,859,023
<b>Total</b>	<b><u>4,636,288,266</u></b>	<b><u>4,232,677,204</u></b>



## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

### 6.7. Production and business costs by elements

	VND	
	Current year	Previous year
Material and package expense	911,836,015	1,053,564,863
Employee expense	53,625,668,532	44,546,358,184
Depreciation expense	19,996,766,930	13,499,177,030
Provision expenses	845,264,674	500,902,380
Service expense	99,257,414,542	135,833,724,137
Other	15,616,160,938	10,699,218,567
<b>Total</b>	<b><u>190,253,111,631</u></b>	<b><u>206,132,945,161</u></b>

### 6.8. Current corporate income tax expense

The current corporate income tax expense was consolidated from the income tax expenses of the companies in the Group with a rate of 22% applied to all of the companies in the Group.

## 7. ADDITIONAL INFORMATION FOR ITEMS IN CONSOLIDATED CASH FLOW STATEMENT

### 7.1. Cash receipts from loans in the year

	VND	
	Current year	Previous year
Cash receipts from loans under normal contracts	425,301,891,937	195,789,579,362

### 7.2. Cash repayments of principal amounts borrowed

	VND	
	Current year	Previous year
Cash repayment of principal amounts under normal contracts	378,568,890,626	208,650,593,597

## 8. SEGMENT REPORTING

According to the management's 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.
- Segment reporting according to the geographic areas: There is no segment reporting according to the geographical area as the operations of the Group are 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.

## SAOBACDAU TECHNOLOGIES CORPORATION AND ITS SUBSIDIARIES

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

### 9. RELATED PARTIES

In the year, the Group transacted with the following entities and individuals which fall into definition of related parties according to VAS 26 – Related Parties Disclosures:

<u>Name of related parties</u>	<u>Relationship</u>
1. SaoBacDau Technology Service Joint Stock Company	Subsidiary
2. SaoBacDau Digital Technologies Joint Stock Company	Subsidiary
3. Mr. Tran Anh Tuan	Chief Executive Officer

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

Remuneration of the Board of Directors and salaries of management:

		VND
	Current year	Previous year
Remuneration of the Board of Directors of the Company	623,220,000	654,765,000
Salaries of the Chief Executive Officer of the Company	984,183,048	833,803,454
<b>Total</b>	<b><u>1,607,403,048</u></b>	<b><u>1,488,568,454</u></b>

### 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

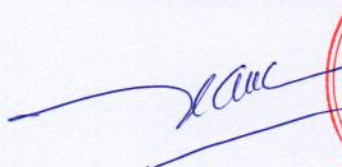
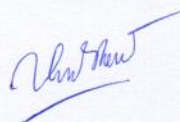
The consolidated financial statements for the financial year ended 31 December 2015 were authorised for issue by the Chief Executive Officer on 21 March 2016.

Ho Chi Minh City, 21 March 2016

PREPARED BY

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER



NGUYEN THI THU HIEN

HO THI HONG HANH

TRAN ANH TUAN