

# **CMC Corporation**

Separate financial statements

For the year ended 31 March 2019



# CMC Corporation

## CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Independent auditors' report	4 - 5
Separate balance sheet	6 - 7
Separate income statement	8
Separate cash flow statement	9 - 10
Notes to the separate financial statements	11 - 41

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# CMC Corporation

## GENERAL INFORMATION

### THE COMPANY

CMC Corporation ("the Company") is a joint stock company incorporated in pursuant to the Business Registration Certificate No. 0100244112 issued by the Department of Planning and Investment of Hanoi City on 7 February 2007 and the subsequent amended Enterprise Registration Certificates, with the latest is the 9<sup>th</sup> amendment being granted on 18 October 2018.

The current principal activities of the Company are:

- ▶ Provision of information technology services and other services relating to computers;
- ▶ Producing software and providing services and solutions relating to software and content;
- ▶ Manufacturing, trading, repairing machineries and electronic equipment, communications and information technology;
- ▶ Trading of real estate and land use rights and provision of leasing services;
- ▶ Provision of telecommunication services; and
- ▶ Other activities as registered in the Enterprise Registration Certificate.

The Company's head office is located at CMC Tower, No. 11 Duy Tan street, Dich Vong Hau ward, Cau Giay district, Hanoi, Vietnam. The Company has a branch located at 9<sup>th</sup> floor, TNA building, No. 111 – 112 Ngo Gia Tu street, district 10, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Nguyen Trung Chinh	Chairman	
Mr. Hoang Ngoc Hung	Deputy Chairman	
Mr. Dao Manh Khang	Deputy Chairman	Resigned on 24 April 2018
Mr. Nguyen Phuoc Hai	Member	
Mr. Nguyen Minh Duc	Member	
Mr. Nguyen Kim Cuong	Member	
Mr. Ta Hoang Linh	Member	
Mr. Truong Tuan Lam	Member	
Mr. Nguyen Danh Lam	Member	
Mr. Le Viet Ha	Member	Appointed on 4 July 2018

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms. Vu Thi Phuong Thanh	Head	Member of Board of Supervision. Appointed as the Head on 6 August 2018
Ms. Nguyen Thi Thanh Huyen	Head	Resigned on 6 August 2018
Mr. Truong Thanh Phuc	Member	
Mr. Nguyen Thanh Nam	Member	

# CMC Corporation

GENERAL INFORMATION (continued)

## MANAGEMENT

Members of the management during the year and at the date of this report are:

Mr. Nguyen Trung Chinh	Chief Executive Officer
Mr. Hoang Ngoc Hung	Deputy General Director
Mr. Nguyen Phuoc Hai	Deputy General Director
Mr. Nguyen Hong Son	Deputy General Director
Mr. Ho Thanh Tung	Deputy General Director
Mr. Le Thanh Son	Chief Finance Officer

## LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Trung Chinh, Chairman cum Chief Executive Officer.

## AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

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# CMC Corporation

## REPORT OF MANAGEMENT

Management of CMC Corporation ("the Company") is pleased to present this report and the separate financial statements of the Company for the year ended 31 March 2019.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company, and the separate results of its operations and its separate cash flows for the year. In preparing these separate financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 March 2019, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements.

The Company has subsidiaries as disclosed in the separate financial statements. The Company has prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. According to this Circular, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2019 dated 17 June 2019.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiaries.

Executed on behalf of management:



Nguyen Trung Chinh  
Chief Executive Officer

17 June 2019



Reference 61376291/20160708

## INDEPENDENT AUDITORS' REPORT

To: **The Shareholders of CMC Corporation**

We have audited the accompanying separate financial statements of CMC Corporation ("the Company") as prepared on 17 June 2019 and set out on pages 6 to 41, which comprise the separate balance sheet as at 31 March 2019, and the separate income statement and separate cash flow statement for the year then ended and the notes thereto.

### ***Management's responsibility***

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' responsibility***

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

### ***Opinion***

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 March 2019, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements.



**Emphasis of matter**

We draw attention to Note 2.1 of the separate financial statements. The Company has prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2019 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated 17 June 2019 expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

**Ernst & Young Vietnam Limited**



**Bui Anh Tuan**  
Deputy General Director  
Audit Practising Registration  
Certificate No.1067-2018-004-1



**Trinh Xuan Hoa**  
Auditor  
Audit Practising Registration  
Certificate No. 0754-2018-004-1

Hanoi, Viet Nam

17 June 2019



SEPARATE BALANCE SHEET  
as at 31 March 2019

Currency: VND


Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>522,041,916,822</b>	<b>204,882,561,375</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>300,722,408,901</b>	<b>1,494,635,604</b>
111	1. Cash		300,722,408,901	1,494,635,604
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>41,000,000,000</b>	<b>65,000,000,000</b>
123	1. Held-to-maturity investments		41,000,000,000	65,000,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>179,615,749,413</b>	<b>135,989,582,089</b>
131	1. Short-term trade receivables	6.1	14,258,509,258	15,904,749,307
132	2. Short-term advances to suppliers		1,187,234,351	1,691,987,445
135	3. Short-term loan receivables	7	2,170,000,000	-
136	4. Other short-term receivables	8	173,567,204,202	129,960,043,735
137	5. Provision for doubtful short-term receivables	6.2	(11,567,198,398)	(11,567,198,398)
<b>140</b>	<b>IV. Inventories</b>		<b>-</b>	<b>31,753,808</b>
141	1. Inventories		-	31,753,808
<b>150</b>	<b>V. Other current assets</b>		<b>703,758,508</b>	<b>2,366,589,874</b>
151	1. Short-term prepaid expenses		394,760,104	610,568,495
152	2. Value-added tax deductible		273,026,361	1,735,709,156
153	3. Tax and other receivables from the State		35,972,043	20,312,223
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>855,845,110,766</b>	<b>788,327,118,684</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>5,000,000,000</b>	<b>29,426,945,000</b>
211	1. Long-term trade receivables	8	5,000,000,000	29,426,945,000
<b>220</b>	<b>II. Fixed assets</b>		<b>247,216,209,700</b>	<b>267,564,674,778</b>
221	1. Tangible fixed assets	10	240,533,852,816	258,650,982,252
222	Cost		378,467,725,498	377,574,118,998
223	Accumulated depreciation		(137,933,872,682)	(118,923,136,746)
227	2. Intangible fixed assets	11	6,682,356,884	8,913,692,526
228	Cost		21,316,266,204	20,837,488,023
229	Accumulated amortisation		(14,633,909,320)	(11,923,795,497)
<b>240</b>	<b>III. Long-term assets in progress</b>	<b>12</b>	<b>81,927,199,279</b>	<b>38,462,685,438</b>
242	1. Construction in progress		81,927,199,279	38,462,685,438
<b>250</b>	<b>IV. Long-term investments</b>	<b>13</b>	<b>511,801,048,066</b>	<b>442,137,909,243</b>
251	1. Investments in subsidiaries		536,196,014,767	498,897,033,010
252	2. Investments in jointly controlled entities and associates		7,258,356,000	7,258,356,000
254	3. Provision for diminution in value of long-term investments		(40,033,322,701)	(64,017,479,767)
255	4. Held-to-maturity investment		8,380,000,000	-
<b>260</b>	<b>V. Other long-term assets</b>		<b>9,900,653,721</b>	<b>10,734,904,225</b>
261	1. Long-term prepaid expenses	14	9,900,653,721	10,734,904,225
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,377,887,027,588</b>	<b>993,209,680,059</b>




SEPARATE BALANCE SHEET (continued)  
as at 31 March 2019


Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>495,654,915,991</b>	<b>153,966,602,593</b>
<b>310</b>	<b>i. Current liabilities</b>		<b>139,321,734,612</b>	<b>128,008,484,973</b>
311	1. Short-term trade payables	15	11,973,359,186	9,879,960,059
312	2. Short-term advances from customers		288,000,000	668,127,240
313	3. Statutory obligations	16	1,564,052,477	119,395,915
314	4. Payables to employees		5,036,240,152	4,332,277,069
315	5. Short-term accrued expenses	17	14,517,083,262	10,598,516,044
318	6. Short-term unearned revenue	18	7,047,133,893	7,262,673,801
319	7. Other short-term payables	19	16,373,965,337	7,115,009,433
320	8. Short-term loans and finance lease obligations	20	72,266,071,104	77,677,002,822
322	9. Bonus and welfare fund	21	10,255,829,201	10,355,522,590
<b>330</b>	<b>ii. Non-current liabilities</b>		<b>356,333,181,379</b>	<b>25,958,117,620</b>
337	1. Other long-term liabilities	19	8,714,787,107	11,304,006,023
338	2. Long term borrowing	20	326,674,883,982	-
341	3. Deferred tax liabilities	30.2	1,589,251,625	1,647,247,965
343	4. Scientific and technological development fund	22	19,354,258,665	13,006,863,632
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>882,232,111,597</b>	<b>839,243,077,466</b>
<b>410</b>	<b>i. Capital</b>	<b>23</b>	<b>882,232,111,597</b>	<b>839,243,077,466</b>
411	1. Share capital		720,552,100,000	673,419,530,000
411a	- Shares with voting rights		720,552,100,000	673,419,530,000
411b	- Preference shares		-	-
412	3. Share premium		34,444,340,400	34,444,340,400
421	4. Undistributed earnings		127,235,671,197	131,379,207,066
421a	- Undistributed earnings by the end of prior year		30,373,074,666	9,116,692,850
421b	- Undistributed earnings of current year		96,862,596,531	122,262,514,216
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,377,887,027,588</b>	<b>993,209,680,059</b>

  
Chief Accountant  
Nguyen Hong Phuong

  
Chief Finance Officer  
Le Thanh Son




  
Chief Executive Officer  
Nguyen Trung Chinh

17 June 2019


SEPARATE INCOME STATEMENT  
for the year ended 31 March 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	25.1	140,949,081,591	153,504,372,757
02	2. Deductions	25.1	-	-
10	3. Net revenue from sale of goods and rendering of services [10 = 01 - 02]	25.1	140,949,081,591	153,504,372,757
11	4. Cost of goods sold and services rendered	26	85,201,169,392	108,579,294,679
20	5. Gross profit from sale of goods and rendering of services [20 = 10 - 11]		55,747,912,199	44,925,078,078
21	6. Finance income	25.2	107,431,506,674	114,212,096,667
22	7. Finance expenses	27	(18,284,040,044)	(22,081,799,069)
23	<i>In which: Interest expenses</i>		5,685,738,874	2,954,243,684
25	8. Selling expenses		540,179,563	724,882,310
26	9. General and administrative expenses	28	63,024,408,835	42,586,043,332
30	10. Operating profit [30 = 20 + 21 - 22 - 25 - 26]		117,898,870,519	137,908,048,172
31	11. Other income		1,044,320,544	1,293,924,632
32	12. Other expenses		365,568,820	176,478,419
40	13. Other profit [40 = 31 - 32]		678,751,724	1,117,446,213
50	14. Accounting profit before tax [50 = 30 + 40]		118,577,622,243	139,025,494,385
51	15. Current corporate income tax expenses	30.1	1,424,392,870	-
52	16. Deferred tax income	30.2	(57,996,340)	(57,996,340)
60	17. Net profit after tax [60 = 50 - 51 - 52]		117,211,225,713	139,083,490,725



Chief Accountant  
Nguyen Hong Phuong



Chief Finance Officer  
Le Thanh Son



Chief Executive Officer  
Nguyen Trung Chinh

17 June 2019



SEPARATE CASH FLOW STATEMENT  
for the year ended 31 March 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>118,577,622,243</b>	<b>139,025,494,385</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets	10, 11	21,734,125,361	20,694,404,334
03	Reversal of provisions		(23,984,157,066)	(22,684,658,373)
04	Unrealised foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		8,675,092	112,168,553
05	Profits from investing activities		(107,431,506,674)	(112,642,397,099)
06	Interest expenses	27	5,685,738,874	2,954,243,684
08	<b>Operating profit before changes in working capital</b>		<b>14,590,497,830</b>	<b>27,459,255,484</b>
09	Decrease/(increase) in receivables		3,055,847,046	(3,916,095,221)
10	Decrease in inventories		31,753,808	25,896,192
11	Increase in payables (other than interest, corporate income tax payables)		14,282,770,081	7,210,849,846
12	Decrease/(increase) in prepaid expenses		1,350,283,293	(736,027,419)
14	Interest paid		(5,610,778,042)	(2,912,215,266)
17	Other cash outflows for operating activities		(14,100,927,538)	(5,063,156,378)
20	<b>Net cash flows from operating activities</b>		<b>13,599,446,478</b>	<b>22,068,507,238</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase, construction of fixed assets and other long-term assets		(51,148,398,522)	(50,488,429,854)
22	Proceeds from disposals of fixed assets and other long-term assets		-	1,493,127,837
23	Loans to other entities and payments for purchase of debt instruments of other entities		(54,050,000,000)	(62,000,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		67,500,000,000	57,000,000,000
25	Payments for investments in other entities		(26,998,876,250)	(62,901,123,750)
26	Proceeds from sale of investments in other entities		-	340,597,333
27	Interest and dividends received		82,667,835,279	76,784,181,812
30	<b>Net cash flows from/(used in) investing activities</b>		<b>17,970,560,507</b>	<b>(39,771,646,622)</b>




SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 March 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution, issuance of shares and re-issuance of treasury shares		-	26,389,088,400
33	Drawdown of borrowings		564,304,846,790	282,504,476,979
34	Repayment of borrowings		(243,040,894,526)	(224,813,909,790)
36	Dividends paid		(53,611,896,610)	(65,930,522,710)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>267,652,055,654</b>	<b>18,149,132,879</b>
<b>50</b>	<b>Net cash flow for the year</b>		<b>299,222,062,639</b>	<b>445,993,495</b>
<b>60</b>	<b>Cash at the beginning of the year</b>		<b>1,494,635,604</b>	<b>1,048,642,109</b>
61	Impact of exchange rate fluctuation		5,710,658	-
<b>70</b>	<b>Cash at the end of the year</b>	<b>4</b>	<b>300,722,408,901</b>	<b>1,494,635,604</b>



Chief Accountant  
Nguyen Hong Phuong



Chief Finance Officer  
Le Thanh Son



Chief Executive Officer  
Nguyen Trung Chinh



17 June 2019

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
as at 31 March 2019 and for the year then ended

## 1. CORPORATE INFORMATION

CMC Corporation ("the Company") is a joint stock company incorporated in pursuant to the Business Registration Certificate No. 0100244112 issued by the Department of Planning and Investment of Hanoi City on 7 February 2007 and the subsequent amended Enterprise Registration Certificates, with the latest is the 9<sup>th</sup> amendment being granted on 18 October 2018.

The current principal activities of the Company are:

- ▶ Provision of information technology services and other services relating to computers;
- ▶ Producing software and providing services and solutions relating to software and content;
- ▶ Manufacturing, trading, repairing machineries and electronic equipment, communications and information technology;
- ▶ Trading of real estate and land use rights and provision of lease services;
- ▶ Provision of telecommunication services; and
- ▶ Other activities as registered in the Enterprise Registration Certificate.

The Company's normal course of business cycle is 12 months.

The Company's head office is located at CMC Tower, No. 11 Duy Tan street, Dich Vong Hau ward, Cau Giay district, Hanoi, Vietnam. The Company also has a branch located at 9<sup>th</sup> floor, TNA building, No.111 – 112 Ngo Gia Tu street, district 10, Ho Chi Minh city, Vietnam.

The number of the Company's employees as at 31 March 2019 is 84 (31 March 2018: 83).

### **Corporate structure**

As at 31 March 2019, the Company has 12 subsidiaries. Details on these subsidiaries and the Company's ownership interest in these subsidiaries are as follows:

<i>Name of the entity</i>	<i>Head office's address</i>	<i>Principal activities</i>	<i>Equity interest</i>	<i>Voting rights</i>
CMC Software Solutions Company Limited	Hanoi	Software services	100%	100%
CMC Technology and Solution Company Limited (previously known as CMC System Integration Company Limited)	Hanoi	Providing IT solutions	100%	100%
CMC Information Security Joint Stock Company	Hanoi	Providing security information and security solution	99.94%	99.94%
CMC Production and Trading Company Limited	Hanoi	Distribution of IT products	100%	100%
CMC Blue France Company Limited (*)	France	BPO, ITO outsourcing services	100%	100%
CMC Telecommunication Infrastructure Corporation	Hanoi	Providing telecommunications services	54.63%	54.63%
CMC Global Company Limited	Hanoi	Software services	100%	100%
CMC Institute of Science and Technology	Hanoi	Research and application of high technology, new technologies in ICT fields	100%	100%



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

1. **CORPORATE INFORMATION** (continued)

**Corporate structure** (continued)

<i>Name of the entity</i>	<i>Head office's address</i>	<i>Principal activities</i>	<i>Equity interest</i>	<i>Voting rights</i>
CMC Saigon Technology and Solution Company Limited (previously known as CMC Saigon System Integration Company Limited) (**)	Ho Chi Minh City	Providing security solution	100%	100%
CMC Production and Service Company Limited (previously known as CMS Computer Company Limited)	Hanoi	Production, assembly and distribution of computer	100%	100%
CMC Japan Joint Stock Company (**)	Japan	Software services	100%	100%
Ciber - CMC Joint Venture Company	Hanoi	Software services	51%	51%

(\*) The operations of this company have been temporarily suspended.

(\*\*) The Company indirectly exercises control over these entities through its subsidiaries, including CMC Technology and Solution Company Limited and CMC Global Company Limited.

2. **BASIS OF PREPARATION**

2.1 **Purpose of preparing the separate financial statements**

The Company has subsidiaries as disclosed in Note 1 and Note 13. The Company has prepared these separate financial statements in order to meet the reporting requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC, which provide guidance on public announcement of financial information on the stock exchange issued by the Ministry of Finance on 6 October 2015. According to this Circular, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2019 dated 17 June 2019.

Users of the separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated financial position, the consolidated results of operations and the consolidated cash flows of the Company and its subsidiaries.

2.2 **Accounting standards and system**

The separate financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**2. BASIS OF PREPARATION** (continued)

**2.2 Accounting standards and system** (continued)

Accordingly, the accompanying separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**2.3 Applied accounting documentation system**

The Company's applied accounting documentation system is the General Journal system.

**2.4 Fiscal year**

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 April and ends on 31 March of the subsequent year.

**2.5 Accounting currency**

The separate financial statements are prepared in VND which is also the Company's accounting currency.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash**

Cash comprise cash on hand and cash at banks.

**3.2 Inventories**

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories (i.e. material and tools) whose costs are valued on a weighted average basis.

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 *Receivables*

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the separate income statement.

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separate income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

#### 3.5 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

*Where the Company is the lessee*

Rentals under operating leases are charged to the separate income statement on a straight-line basis over the lease term.

*Where the Company is the lessor*

Assets subject to operating leases are included as the Company's investment properties in the separate balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the separate income statement as incurred. Lease income is recognised in the separate income statement on a straight-line basis over the lease term.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the separate income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

#### 3.7 *Depreciation and amortization*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	39 - 48 years
Machinery and equipment	3 - 15 years
Office equipment	3 - 5 years
Copy rights, patent	5 years
Computer software	3 - 8 years

#### 3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

##### *Prepaid land rental*

The prepaid land rental represents the unamortised balance of advance payment made in accordance with lease contract signed with the Management Board of Ho Chi Minh City's Hi-tech Park on 11 August 2011 for a period of 50 years. According to Circular 45/2013/TT-BTC dated 25 April 2013, such prepaid rental is classified as long-term prepaid expenses for allocation to the separate income statement over the remaining lease period.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 *Investments*

##### *Investments in subsidiaries*

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

##### *Investments in associates*

Investments in associates over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

##### *Provision for diminution in value of investments in entities*

Provision is made for any diminution in value of investments in other entities at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance, amending and supplementing Circular 228. Increases or decreases to the provision balance are recorded as finance expense in the separate income statement.

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the separate income statement and deducted against the value of such investments.

#### 3.11 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

#### 3.12 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 *Foreign currency transactions* (continued)

At the end of the fiscal year, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the separate balance sheet date which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year end are taken to the separate income statement.

#### 3.13 *Scientific and technological development fund*

The scientific and technological development fund is created in order to invest in science and technology projects of the Company in accordance with Decree No. 95/2014/ND-CP issued by the Government on 17 October 2014 and Joint Circular No. 12/2016/TTLT-BKHCHN-BTC issued by the Ministry of Science and Technology ("MOSC") and the Ministry of Finance on 28 June 2016. The fund appropriation is approved by the Company's Board of Directors based on the budget for annual expenditure for scientific and technological development activities and appropriated from the net profit after corporate income tax.

#### 3.14 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

##### *Investment and development fund*

This fund is set aside for use in the Company's expansion of its operation or of in-depth investment.

##### *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the separate balance sheet.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

##### *Rendering of services*

Revenue arising from provision of services are recognised when services are rendered.

##### *Rental income*

Rental income arising from office rental is accounted for on a straight line basis over the terms of the lease.

##### *Dividends*

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

##### *Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

#### 3.16 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the separate balance sheet date.

Current income tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.16 Taxation (continued)**

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.
- ▶ in respect of taxable temporary differences associated with investments in and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.
- ▶ in respect of deductible temporary differences associated with investments in associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each separate balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each separate balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the separate balance sheet date.

Deferred tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.17 Segment information**

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's business segments are derived mainly from sales of products and provision of services.

**3.18 Related parties**

Parties are considered to be related parties of the Company 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, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

**4. CASH**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	416,441,686	572,709,033
Cash at banks	300,305,967,215	921,926,571
<b>TOTAL</b>	<b>300,722,408,901</b>	<b>1,494,635,604</b>

**5. HELD-TO-MATURITY INVESTMENTS**

Held-to-maturity investments as at 31 March 2019 include short-term bank deposits in VND with term of 12 months and earn interest at the rate of 6.5% per annum (as at 31 March 2018: from 6.8% per annum).

The Company used all bank deposits as collaterals for the Company's bank overdrafts at Joint Stock Commercial Bank for Investment and Development of Vietnam – BIDV (Note 20).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

## 6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 6.1 Short-term trade receivables

	Currency: VND	
	Ending balance	Beginning balance
Trade receivables from customers	11,455,959,406	9,797,055,394
- Vietnam Bank for Agriculture and Rural Development	8,926,802,500	6,125,625,000
- Other customers	2,529,156,906	3,671,430,394
Trade receivables from related parties (Note 31)	2,802,549,852	6,107,693,913
<b>TOTAL</b>	<b>14,258,509,258</b>	<b>15,904,749,307</b>
Provision for doubtful debts (Note 6.2)	(938,064,932)	(938,064,932)

### 6.2 Provision for doubtful debts

	Currency: VND	
	Current year	Previous year
Opening balance	11,567,198,398	8,817,198,398
Provision created during the year	-	2,750,000,000
<b>Ending balance</b>	<b>11,567,198,398</b>	<b>11,567,198,398</b>
<i>In which:</i>		
Provision for short-term trade receivables (Note 6.1)	938,064,932	938,064,932
Provision for short-term advances to suppliers	164,759,188	164,759,188
Provision for other short-term receivables (Note 8)	10,464,374,278	10,464,374,278

## 7. SHORT-TERM LOAN RECEIVABLES

Short-term loan receivables mainly represent a VND loan of 2 billion provided to an individual with term of 12 months and earns interest at the rate at 11% per annum. This loan is secured by IT solutions and software which were/are/shall be registered at the government authorities by this individual.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**8. OTHER RECEIVABLES**

Currency: VND

	Ending balance		Beginning balance	
	Balance	Provision	Balance	Provision
<b>Short-term</b>				
Dividends, distributed profit receivables	126,346,517,386	-	77,031,672,470	-
Payments on behalf	37,727,200,158	(6,250,054,278)	38,685,989,475	(6,250,054,278)
Receivables from the transfer of shares	3,500,000,000	(3,500,000,000)	3,500,000,000	(3,500,000,000)
Advances to employees	2,320,351,800	-	3,679,598,300	-
Interest receivables	1,756,690,922	-	3,006,544,443	-
Other short-term receivables	1,916,443,936	(714,320,000)	4,056,239,047	(714,320,000)
<b>TOTAL</b>	<b>173,567,204,202</b>	<b>(10,464,374,278)</b>	<b>129,960,043,735</b>	<b>(10,464,374,278)</b>
<b>Long-term</b>				
Long-term deposits	5,000,000,000	-	-	-
Dividends, distributed profit receivables	-	-	29,426,945,000	-
<b>TOTAL</b>	<b>5,000,000,000</b>	<b>-</b>	<b>29,426,945,000</b>	<b>-</b>
<i>In which:</i>				
<i>Other short-term receivables from related parties (Note 31)</i>	166,487,135,785	-	119,160,323,023	-
<i>Other short-term receivables from third parties</i>	7,080,068,417	-	10,799,720,712	-
<i>Other long-term receivables from related parties (Note 31)</i>	-	-	29,426,945,000	-
<i>Other long-term receivables from third parties</i>	5,000,000,000	-	-	-

**9. BAD DEBTS**

Currency: VND

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
CMC Blue France Company Limited	6,250,054,278	-	6,250,054,278	-
Geleximco Export-Import Company	3,500,000,000	-	3,500,000,000	-
Other overdue receivables	1,817,144,120	-	1,817,144,120	-
<b>TOTAL</b>	<b>11,567,198,398</b>	<b>-</b>	<b>11,567,198,398</b>	<b>-</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

#### 10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
<b>Cost:</b>					
Beginning balance	205,829,862,300	161,758,642,522	6,277,280,000	3,708,334,176	377,574,118,998
- New purchase	-	993,606,500	-	213,500,000	1,207,106,500
- Reclassification to prepaid expenses	-	-	(313,500,000)	-	(313,500,000)
Ending balance	205,829,862,300	162,752,249,022	5,963,780,000	3,921,834,176	378,467,725,498
<i>In which:</i>					
Fully depreciated	-	12,326,192,270	-	973,458,046	13,299,650,316
<b>Accumulated depreciation:</b>					
Beginning balance	30,843,811,232	85,754,171,691	104,621,334	2,220,532,489	118,923,136,746
- Depreciation for the year	4,541,003,004	13,430,714,854	600,702,134	451,591,546	19,024,011,538
- Reclassification to prepaid expenses	-	-	(13,275,602)	-	(13,275,602)
Ending balance	35,384,814,236	99,184,886,545	692,047,866	2,672,124,035	137,933,872,682
<b>Net carrying amount:</b>					
Beginning balance	174,986,051,068	76,004,470,831	6,172,658,666	1,487,801,687	258,650,982,252
Ending balance	170,445,048,064	63,567,362,477	5,271,732,134	1,249,710,141	240,533,852,816
<i>In which:</i>					
Pledged/mortgaged as loan security	154,410,109,069	57,617,179,799	-	-	212,027,288,868

The Company used certain floor areas at CMC building, No. 11 Duy Tan street, Dich Vong Hau ward, Cau Gay district, Hanoi as office for rent to subsidiaries, associates and other parties.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

11. INTANGIBLE FIXED ASSETS

	Currency: VND			
	<i>Copy right and patent</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>				
Beginning balance	195,615,549	20,542,872,474	99,000,000	20,837,488,023
- New purchase	-	412,500,000	66,278,181	478,778,181
Ending balance	<u>195,615,549</u>	<u>20,955,372,474</u>	<u>165,278,181</u>	<u>21,316,266,204</u>
<i>In which:</i>				
<i>Fully amortised</i>	-	41,671,043		41,671,043
<b>Accumulated amortisation:</b>				
Beginning balance	45,643,626	11,875,151,871	3,000,000	11,923,795,497
- Amortisation for the year	39,123,108	2,600,626,471	70,364,244	2,710,113,823
Ending balance	<u>84,766,734</u>	<u>14,475,778,342</u>	<u>73,364,244</u>	<u>14,633,909,320</u>
<b>Net carrying amount:</b>				
Beginning balance	<u>149,971,923</u>	<u>8,667,720,603</u>	<u>96,000,000</u>	<u>8,913,692,526</u>
Ending balance	<u>110,848,815</u>	<u>6,479,594,132</u>	<u>91,913,937</u>	<u>6,682,356,884</u>

12. CONSTRUCTION IN PROGRESS

	Currency: VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
"CMC creative space" Project – CMC Saigon Tower (*)	81,927,199,279	37,894,585,438
Others	-	568,100,000
<b>TOTAL</b>	<u><b>81,927,199,279</b></u>	<u><b>38,462,685,438</b></u>

(\*) The Company used all assets being formed in the future from this project as collaterals for long-term loan at the commercial bank as disclosed in Note 20.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

## 12. LONG-TERM INVESTMENTS

Currency: VND

	Ending balance			Beginning balance		
	Costs	Provision	Carrying value	Costs	Provision	Carrying value
<b>Investments in subsidiaries</b>	<b>536,196,014,767</b>	<b>(40,033,322,701)</b>	<b>496,162,692,066</b>	<b>498,897,033,010</b>	<b>(64,017,479,767)</b>	<b>434,879,553,243</b>
CMC Software Solutions Company Limited	50,000,000,000	-	50,000,000,000	50,000,000,000	-	50,000,000,000
CMC Technology and Solution Company Limited (previously known as CMS Integration Company Limited)	80,000,000,000	-	80,000,000,000	80,000,000,000	-	80,000,000,000
CMC Information Security Joint Stock Company	30,756,000,000	(7,980,680,194)	22,775,319,806	30,756,000,000	(8,106,205,158)	22,649,794,842
CMC Production and Trading Company Limited	100,000,000,000	(26,688,106,507)	73,311,893,493	100,000,000,000	(50,546,738,609)	49,453,261,391
CMC Blue France Company Limited	5,364,536,000	(5,364,536,000)	-	5,364,536,000	(5,364,536,000)	-
CMC Telecommunication Infrastructure Corporation	184,544,390,000	-	184,544,390,000	184,544,390,000	-	184,544,390,000
CMC Institute of Science and Technology	5,000,000,000	-	5,000,000,000	3,101,123,750	-	3,101,123,750
CMC Global Company Limited	60,000,000,000	-	60,000,000,000	40,000,000,000	-	40,000,000,000
Ciber - CMC Joint Venture Company	10,230,983,260	-	10,230,983,260	5,130,983,260	-	5,130,983,260
CMC Production and Service Company Limited (previously known as CMS Computer Company Limited) (*)	10,300,105,507	-	10,300,105,507	-	-	-
<b>Investments in associates</b>	<b>7,258,356,000</b>	<b>-</b>	<b>7,258,356,000</b>	<b>7,258,356,000</b>	<b>-</b>	<b>7,258,356,000</b>
Netnam Joint Stock Company	7,258,356,000	-	7,258,356,000	7,258,356,000	-	7,258,356,000
<b>Held-to-maturity investment</b>	<b>8,380,000,000</b>	<b>-</b>	<b>8,380,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>551,834,370,767</b>	<b>(40,033,322,701)</b>	<b>511,801,048,066</b>	<b>506,155,389,010</b>	<b>(64,017,479,767)</b>	<b>442,137,909,243</b>

(\*) This is a subsidiary of CMC Production and Trading Company Limited, a subsidiary of the Company, and has been transferred to the Company during the year. Such transfer was completed on 20 February 2019 according to the transfer contract No. 01/2019/HDCN-CMC signed between the Company and CMC Production and Trading Company Limited. Accordingly, CMC Production and Service Company Limited has become a subsidiary directly owned by the Company from that date.

The Company has not been able to determine the fair value of its investments in subsidiaries and associates since these shares have not yet been listed on the stock exchange.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**13. LONG-TERM INVESTMENTS (continued)**

**13.1 Investments in subsidiaries**

Name	Ending balance		Beginning balance	
	Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
CMC Software Solutions Company Limited	100.0%	100.0%	100.0%	100.0%
CMC Technology and Solution Company Limited	100.0%	100.0%	100.0%	100.0%
CMC Information Security Joint Stock Company	99.94%	99.94%	99.94%	99.94%
CMC Production and Trading Company Limited	100.0%	100.0%	100.0%	100.0%
CMC Blue France Company Limited	100.0%	100.0%	100.0%	100.0%
CMC Telecommunication Infrastructure Corporation	54.63%	54.63%	54.63%	54.63%
CMC Institute of Science and Technology	100.0%	100.0%	100.0%	100.0%
CMC Global Company Limited	100.0%	100.0%	100.0%	100.0%
Ciber - CMC Joint Venture Company	51.0%	51.0%	51.0%	51.0%
CMC Production and Service Company Limited	100.0%	100.0%	100.0%	100.0%

Details of investments in subsidiaries are presented in Note 1.

**13.2 Investments in associates**

	Ending balance		Beginning balance	
	Ownership (%)	Voting rights (%)	Ownership (%)	Voting rights (%)
Netnam Joint Stock Company	41.1%	41.1%	41.1%	41.1%

Netnam Joint Stock Company is a joint stock company established in pursuant to the Business License No. 0100896284 issued by Hanoi Department of Planning and Investment for the first time on 2 June 2010. This company's headquarter is at 18 Hoang Quoc Viet street, Nghia Do ward, Cau Giay district, Hanoi. The Company's principal activities are to provide internet services. As at 31 March 2019, the Company holds 41.1% equity interest in this associate.

**13.3 Held-to-maturity investment**

	Ending balance		Beginning balance	
	Cost	Carrying value	Currency: VND	
			Cost	Carrying value
Bonds (*)	8,380,000,000	8,380,000,000	-	-
<b>TOTAL</b>	<b>8,380,000,000</b>	<b>8,380,000,000</b>	-	-

(\*) This represents an unsecured investment in bonds issued by Joint Stock Commercial Bank for Investment and Development of Vietnam with term of 7 years and earns floating interest rate equal to reference interest rate + 0.8% per annum and matures on 19 December 2025. The bond interest will be paid on an annual basis and principal will be paid on maturity date.

The Company also used this bond as collateral for bank overdrafts at Joint Stock Commercial Bank for Investment and Development of Vietnam (Note 20).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

14. LONG-TERM PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Prepaid land rental	7,777,916,412	8,047,759,383
Agent fees for office lease contracts	517,317,474	977,592,157
Tools and supplies	556,652,470	965,838,651
Other long-term prepaid expenses	1,048,767,365	743,714,034
<b>TOTAL</b>	<b><u>9,900,653,721</u></b>	<b><u>10,734,904,225</u></b>

15. SHORT-TERM TRADE PAYABLES

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Payable amount</i>	<i>Balance</i>	<i>Payable amount</i>
Trade payables to suppliers	221,608,947	221,608,947	1,302,894,521	1,302,894,521
Trade payables to related parties (Note 31)	11,751,750,239	11,751,750,239	8,577,065,538	8,577,065,538
<b>TOTAL</b>	<b><u>11,973,359,186</u></b>	<b><u>11,973,359,186</u></b>	<b><u>9,879,960,059</u></b>	<b><u>9,879,960,059</u></b>

16. STATUTORY OBLIGATIONS

	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Corporate income tax (Note 30.1)	(20,312,223)	1,424,392,870	-	1,404,080,647
Personal income tax	119,395,915	3,119,633,690	(3,115,029,818)	123,999,787
<b>TOTAL</b>	<b><u>99,083,692</u></b>	<b><u>4,544,026,560</u></b>	<b><u>(3,115,029,818)</u></b>	<b><u>1,528,080,434</u></b>
<i>In which:</i>				
Payables	119,395,915			1,564,052,477
Receivables	(20,312,223)			(35,972,043)



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**17. SHORT-TERM ACCRUED EXPENSES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction and repair expenses	7,221,293,618	5,998,000,000
Accrued service expenses	3,406,055,517	4,038,499,971
Bond issue costs	3,200,000,000	-
Land rental expenses	251,229,150	247,787,655
Remuneration for the Board of Directors and Board of Supervision	248,100,000	268,200,000
Other expenses	190,404,977	46,028,418
<b>TOTAL</b>	<b><u>14,517,083,262</u></b>	<b><u>10,598,516,044</u></b>

**18. SHORT-TERM UNEARNED REVENUE**

Unearned revenue includes prepaid office rental fees received from third-parties.

**19. OTHER PAYABLES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Payables for the acquisition of subsidiary (Note 13)	10,300,105,507	-
Short-term deposits, mortgages received	2,968,828,278	1,204,753,056
Dividend, profit payable	1,203,964,560	942,298,770
Loan payable	576,418,154	587,710,554
Trade union fee	325,109,114	189,878,320
Other payables	999,539,724	4,190,368,733
<b>TOTAL</b>	<b><u>16,373,965,337</u></b>	<b><u>7,115,009,433</u></b>
<b>Long-term</b>		
Long-term deposits, mortgages received	8,714,787,107	11,304,006,023
<b>TOTAL</b>	<b><u>8,714,787,107</u></b>	<b><u>11,304,006,023</u></b>
<i>In which:</i>		
Other payables to related parties (Note 31)	10,876,523,661	587,710,554
Other payables to third parties	14,212,228,783	17,831,304,902

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

## 20. SHORT-TERM LOANS AND FINANCE LEASES

	Beginning balance		Movement during the year		Ending balance		Currency: VND
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount	
<b>Short-term</b>							
Bank overdrafts (i)	46,826,266,933	46,826,266,933	195,138,426,779	(204,405,094,957)	37,559,598,755	37,559,598,755	
Loans from others (ii)	30,850,735,889	30,850,735,889	26,491,536,029	(22,635,799,569)	34,706,472,349	34,706,472,349	
Loans from related parties	-	-	16,000,000,000	(16,000,000,000)	-	-	
<b>TOTAL</b>	<b>77,677,002,822</b>	<b>77,677,002,822</b>	<b>237,629,962,808</b>	<b>(243,040,894,526)</b>	<b>72,266,071,104</b>	<b>72,266,071,104</b>	
<b>Long-term</b>							
Loan from bank (iii)	-	-	29,874,883,982	-	29,874,883,982	29,874,883,982	
Bonds (iv)	-	-	296,800,000,000	-	296,800,000,000	296,800,000,000	
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>326,674,883,982</b>	<b>-</b>	<b>326,674,883,982</b>	<b>326,674,883,982</b>	

(i) This represents bank overdrafts from Joint Stock Commercial Bank for Investment and Development of Vietnam, bearing interest rate at 6.5% per annum. The Company used bank deposits and a part of its tangible fixed assets (Note 10) as collaterals for these overdrafts.

(ii) These represent loans from two individuals with term of 1 year from the loan drawdown dates and the final withdrawal falling due on 15 October 2019. The interest rate applicable to these loans is from 6.5% to 8.4% per annum and is accrued and added into the outstanding loan principal on a quarterly basis, after deducting personal income tax.

(iii) This represents a long-term loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Vietcombank, bearing interest rate at 8% per annum. The Company used all machineries, land use right and assets on the land being formed in future from the "CMC creative space" project - CMC Saigon Tower as collaterals for this long-term loan. The loan principal and interest is payable semi-annually in accordance with the repayment schedule as noticed by the Bank.

(iv) This represents bonds issued by the Company on 29 March 2019 for Joint Stock Commercial Bank for Investment and Development of Vietnam with term of 5 years and bear fixed interest rate of 8.8% per annum, being applicable for the first 2 interest calculation periods and floating interest rate for the following periods. The Company used all assets on the land of CMC Tower Building and share ownership, benefits arising from the investment in CMC Global Company Limited, CMC Software Solutions Company Limited and CMC Technology and Solution Company Limited as collaterals for this bond. The bond principal is fully payable at the maturity date and interest is payable semi-annually.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**21. BONUS AND WELFARE FUND**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	10,355,522,590	5,393,701,356
Created during the year (Note 23.1)	8,627,506,611	10,024,977,612
Utilized during the year	(8,727,200,000)	(5,063,156,378)
<b>Ending balance</b>	<b><u>10,255,829,201</u></b>	<b><u>10,355,522,590</u></b>

**22. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	13,006,863,632	6,052,689,096
Created during the year (Note 23.1)	11,721,122,571	6,954,174,536
Utilized during the year	(5,373,727,538)	-
<b>Ending balance</b>	<b><u>19,354,258,665</u></b>	<b><u>13,006,863,632</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

### 23. OWNERS' EQUITY

#### 23.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Undistributed earnings	Total
<b>Previous year</b>					
Beginning balance	673,419,530,000	14,895,512,634	(6,840,260,634)	75,639,918,701	757,114,700,701
- Net profit for the year	-	-	-	139,083,490,725	139,083,490,725
- Re-issuance of treasury shares	-	19,548,827,766	6,840,260,634	-	26,389,088,400
- Dividends declared	-	-	-	(66,242,694,000)	(66,242,694,000)
- Appropriation of bonus for the Board of Directors and Supervisory Board	-	-	-	(1,679,968,168)	(1,679,968,168)
- Appropriation of bonus and welfare fund	-	-	-	(8,345,009,444)	(8,345,009,444)
- Appropriation of scientific and technological development fund	-	-	-	(6,954,174,536)	(6,954,174,536)
- Other decrease	-	-	-	(122,356,212)	(122,356,212)
Ending balance	673,419,530,000	34,444,340,400	-	131,379,207,066	839,243,077,466
<b>Current year</b>					
Beginning balance	673,419,530,000	34,444,340,400	-	131,379,207,066	839,243,077,466
- Net profit for the year	-	-	-	117,211,225,713	117,211,225,713
- Stock dividends declared (*)	47,132,570,000	-	-	(47,132,570,000)	-
- Cash dividends declared (*)	-	-	-	(53,873,562,400)	(53,873,562,400)
- Appropriation of bonus for the Board of Directors and Supervisory Board (**)	-	-	-	(1,594,833,068)	(1,594,833,068)
- Appropriation of bonus and welfare fund (**)	-	-	-	(7,032,673,543)	(7,032,673,543)
- Appropriation of scientific and technological development fund (**)	-	-	-	(11,721,122,571)	(11,721,122,571)
Ending balance	720,552,100,000	34,444,340,400	-	127,235,671,197	882,232,111,597

(\*) The Company declared dividends from undistributed earnings for the year ended 31 March 2018 in accordance with the Resolution No. 02/2018 NQ-DHDCĐ of the Annual General Meeting of shareholders for the year 2018 dated 4 July 2018 ("Resolution for the year 2018"). Accordingly, the Company has announced and paid stock dividends and cash dividends at the rate of 7% and 8%, respectively.

(\*\*) The Company also provisionally appropriated funds from profit after tax for the year ended 31 March 2019 in accordance with the approved profit appropriation plan as set out in the Resolution for the year 2018.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**23. OWNERS' EQUITY** (continued)

**23.2 Contributed share capital**

Currency: VND

	Ending balance			Beginning balance		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
MVI Investment Company Limited	13,942,849	13,942,849	-	13,030,700	13,030,700	-
Hanoi General Import Export Joint Stock Company	10,051,147	10,051,147	-	9,393,596	9,393,596	-
Funds PYN Elite	4,396,555	4,396,555	-	4,053,810	4,053,810	-
My Linh Investment Company Limited	3,970,584	3,970,584	-	8,151,210	8,151,210	-
Vietnam Bank for Agriculture and Rural Development	3,629,440	3,629,440	-	3,392,000	3,392,000	-
Bao Viet Group	3,629,440	3,629,440	-	3,392,000	3,392,000	-
Other shareholders	32,435,195	32,435,195	-	25,928,637	25,928,637	-
<b>TOTAL</b>	<b>72,055,210</b>	<b>72,055,210</b>	<b>-</b>	<b>67,341,953</b>	<b>67,341,953</b>	<b>-</b>

**23.3 Capital transactions with owners and distribution of dividends, profits**

Currency: VND

	Current year	Previous year
<b>Contributed capital</b>		
Beginning balance	673,419,530,000	673,419,530,000
Increase during the year	47,132,570,000	-
Ending balance	<b>720,552,100,000</b>	<b>673,419,530,000</b>
<b>Dividends declared</b>	<b>101,006,132,400</b>	<b>66,242,694,000</b>
<b>Dividends paid</b>	<b>100,744,466,610</b>	<b>65,930,522,710</b>

**23.4 Shares**

	Ending balance	Beginning balance
<b>Issued shares</b>	<b>72,055,210</b>	<b>67,341,953</b>
Ordinary shares	72,055,210	67,341,953
<b>Treasury shares</b>	-	-
Ordinary shares	-	-
<b>Shares in circulation</b>	<b>72,055,210</b>	<b>67,341,953</b>
Ordinary shares	72,055,210	67,341,953

The par value of share in circulation during the year is VND 10,000/share.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

## 24. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign Currency		
- US Dollar (USD)	10,253	25,537

## 25. REVENUE

### 25.1 Revenue from sale of goods and rendering of services

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Gross revenue</b>	<b>140,949,081,591</b>	<b>153,504,372,757</b>
<i>In which:</i>		
Revenue from office leasing	104,664,569,295	96,228,306,867
Rendering of other services	36,284,512,296	33,404,031,607
Sale of goods	-	23,872,034,283
<b>Deductions</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>140,949,081,591</b>	<b>153,504,372,757</b>

<i>In which:</i>		
Sales to third parties	94,317,341,198	108,806,477,592
Sales to related parties (Note 31)	46,631,740,393	44,697,895,165

### 25.2 Finance income

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income	3,352,094,580	4,638,591,986
Dividends earned, profit distributed	104,079,412,094	109,571,410,947
Others	-	2,093,734
<b>TOTAL</b>	<b>107,431,506,674</b>	<b>114,212,096,667</b>

## 26. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of rendering office leasing services	48,916,657,096	51,303,228,789
Cost of rendering other services	36,284,512,296	33,404,031,607
Cost of goods sold	-	23,872,034,283
<b>TOTAL</b>	<b>85,201,169,392</b>	<b>108,579,294,679</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

27. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	5,685,738,874	2,954,243,684
Foreign exchange losses	14,378,148	112,168,553
Reversal of provision for financial investments	(23,984,157,066)	(25,434,658,373)
Others	-	286,447,067
<b>TOTAL</b>	<b><u>(18,284,040,044)</u></b>	<b><u>(22,081,799,069)</u></b>

28. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Đơn vị tính: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	28,258,261,276	23,980,142,135
Raw materials expenses	359,150,925	384,763,168
Depreciation and amortisation expenses	4,581,091,196	4,472,006,794
Provision for bad debts	-	2,750,000,000
Expenses for external services	21,123,221,726	3,203,540,006
Others	8,702,683,712	7,795,591,229
<b>TOTAL</b>	<b><u>63,024,408,835</u></b>	<b><u>42,586,043,332</u></b>

29. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	658,097,289	612,996,006
Labour costs	28,258,261,276	23,980,142,135
Expenses for external services	74,677,638,006	55,732,995,278
Depreciation and amortisation	21,734,125,361	20,694,404,334
Others	23,437,635,858	26,997,648,285
<b>TOTAL</b>	<b><u>148,765,757,790</u></b>	<b><u>128,018,186,038</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

### 30. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Company is 20% of taxable profits.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the separate financial statements could change at a later date upon final determination by the tax authorities.

#### 30.1 CIT expenses

The reconciliation between the accounting profit before tax and the taxable income is presented below:

	Currency: VND	
	Current year	Previous year
<b>Accounting profit before tax</b>	<b>118,577,622,243</b>	<b>139,025,494,385</b>
<b>Adjustments to increase/(decrease) accounting profit</b>		
<i>Adjustments to increase:</i>		
Non-deductible expenses	-	4,968,093,425
Allowance for non-executive members of the Board of Directors and Supervisory Board	580,500,000	814,800,000
Others	289,981,704	289,981,704
<i>Adjustments to decrease:</i>		
Dividends earned, profit distributed	(104,079,412,094)	(109,571,410,947)
<b>Estimated current taxable profit for the year</b>	<b>15,368,691,853</b>	<b>35,526,958,567</b>
Tax loss carried forward	(8,246,727,503)	(35,526,958,567)
<b>Taxable profit after deduction tax loss carried forward</b>	<b>7,121,964,350</b>	-
<b>Estimated current CIT expenses for the year</b>	<b>1,424,392,870</b>	-
CIT prepayment at the beginning of the year	(20,312,223)	(20,312,223)
CIT paid during the year	-	-
<b>CIT payable/(prepaid) at the end of the year</b>	<b>1,404,080,647</b>	<b>(20,312,223)</b>

#### 30.2 Deferred tax

	Currency: VND			
	<u>Separate balance sheet</u>		<u>Separate income statement</u>	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax liabilities</b>				
Temporary differences from depreciable lives of fixed assets	1,589,251,625	1,647,247,965		
<b>Net deferred tax income charged to separate income statement</b>			<b>57,996,340</b>	<b>57,996,340</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**31. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties for the current and previous year were as follows:

Related parties	Relationship	Transactions	Currency: VND	
			Current year	Previous year
CMC Technology and Solution Company Limited	Subsidiary	Rendering of services	5,225,071,780	6,159,651,187
		Purchases of services	29,602,012,439	57,152,728,858
		Dividends received	59,802,551,894	49,770,862,447
		Capital contribution	-	10,000,000,000
CMC Software Solution Company Limited	Subsidiary	Rendering of services	4,634,625,400	6,201,873,870
		Purchases of services	2,374,790,800	1,265,492,440
CMC Telecommunication Infrastructure Corporation	Subsidiary	Rendering of services	30,114,442,385	27,827,293,536
		Purchases of services	69,829,282	1,230,728,983
		Dividends received	31,781,100,000	47,727,284,112
CMC Production and Trading Company Limited	Subsidiary	Rendering of services	1,051,808,050	1,061,722,859
		Transfer of subsidiary	10,300,105,507	-
CMC Information Security Joint Stock Company	Subsidiary	Rendering of services	1,280,781,895	1,308,639,468
		Purchase services	7,191,850,000	-
		Capital contribution	-	10,000,000,000
CMC Saigon Technology and Solution Company Limited	Subsidiary	Rendering of services	523,078,274	2,138,714,245
		Purchase of services	45,194,364	-
CMC Institute of Science and Technology	Subsidiary	Capital contribution	1,898,876,250	2,901,123,750
CMC Global Company Limited	Subsidiary	Rendering of services	3,801,932,609	-
		Capital contribution	20,000,000,000	40,000,000,000
Netnam Joint Stock Company	Associate	Dividends received	8,145,760,200	6,973,264,500
Ciber - CMC Joint Venture Company	Subsidiary	Dividends received	4,350,000,000	5,100,000,000
		Capital contribution	5,100,000,000	-
My Linh Investment Company Limited	Major shareholder	Consultant costs	-	3,686,671,393

*Terms and conditions of transactions with related parties*

The sales to and purchases from related parties are made based on contract negotiation.

Outstanding balances at 31 March 2019 are unsecured, interest free and will be settled in cash. For the year ended 31 March 2019, the Company has made a provision for doubtful debts of VND 6,250,054,278 relating to amounts owed by related parties (31 March 2018: VND 6,250,054,278). This assessment is undertaken each financial year through the examination of the financial position of the related party.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**31. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Currency: VND</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade receivables (Note 6.1)</b>				
CMC Global Company Limited	Subsidiary	Rendering of services	1,129,337,440	475,613,721
CMC Software Solution Company Limited	Subsidiary	Rendering of services	1,011,535,683	733,378,795
CMC Telecom Infrastructure Corporation	Subsidiary	Rendering of services	501,140,170	2,160,999,657
CMC Technology and Solution Company Limited	Subsidiary	Rendering of services	126,601,765	-
Ciber - CMC Joint Venture Company	Subsidiary	Rendering of services	31,235,721	21,535,734
CMC Saigon Technology and Solution Company Limited	Subsidiary	Rendering of services	2,699,073	145,967,430
CMC Information Security Joint Stock Company	Subsidiary	Rendering of services	-	2,569,126,076
CMC Institute of Science and Technology	Subsidiary	Rendering of services	-	1,072,500
<b>TOTAL</b>			<b>2,802,549,852</b>	<b>6,107,693,913</b>
<b>Short-term advance to suppliers</b>				
CMC Technology and Solution Company Limited	Subsidiary	Advances of services rendered	-	495,000,000
<b>TOTAL</b>			<b>-</b>	<b>495,000,000</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**31. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows:  
(continued)

Related parties	Relationship	Transactions	Currency: VND	
			Ending balance	Beginning balance
<b>Other short-term receivables (Note 8)</b>				
CMC Technology and Solution Company Limited	Subsidiary	Dividend and profit receivable	68,054,607,363	49,770,862,447
		Payment on behalf	5,468,934,565	5,616,439,822
CMC Software Solution Company Limited	Subsidiary	Dividend and profit receivable	22,160,810,023	22,160,810,023
		Payment on behalf	13,312,088,500	13,600,411,453
CMC Telecom Infrastructure Corporation	Subsidiary	Dividend and profit receivables	31,781,100,000	-
		Payment on behalf	11,056,595	758,432,848
CMC Saigon Technology and Solution Company Limited	Subsidiary	Payment on behalf	6,696,222,869	8,149,962,710
CMC Blue France Company Limited	Subsidiary	Payment on behalf	6,250,054,278	6,250,054,278
Ciber - CMC Joint Venture Company	Subsidiary	Dividend and profit receivables	4,350,000,000	5,100,000,000
		Payment on behalf	14,930,308	169,694,550
CMC Institute of Science and Technology	Subsidiary	Payment on behalf	1,316,844,855	749,465,703
CMC Information Security Joint Stock Company	Subsidiary	Payment on behalf	1,569,356,592	3,236,995,169
CMC Global Company Limited	Subsidiary	Dividend and profit receivables	3,087,711,596	154,532,942
Other related parties	Other related parties	Other receivables	2,413,418,241	3,442,661,078
<b>TOTAL</b>			<b>166,487,135,785</b>	<b>119,160,323,023</b>
<b>Other long-term receivables (Note 8)</b>				
CMC Telecom Infrastructure Corporation	Subsidiary	Dividend receivable	-	29,426,945,000
<b>TOTAL</b>			<b>-</b>	<b>29,426,945,000</b>
<b>Short-term trade payables (Note 15)</b>				
CMC Production and Trading Company Limited	Subsidiary	Purchase of services	431,582,407	122,183,205
CMC System Integration Company Limited	Subsidiary	Purchase of services	11,320,167,832	8,454,882,333
<b>TOTAL</b>			<b>11,751,750,239</b>	<b>8,577,065,538</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**31. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Currency: VND</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>
<b><i>Other short-term payables (Note 19)</i></b>				
CMC Production and Trading Company Limited	Subsidiary	Transfer of subsidiary	10,300,105,507	-
Other related parties	Other related parties	Other payables	576,418,154	587,710,554
<b>TOTAL</b>			<b>10,876,523,661</b>	<b>587,710,554</b>

***Transactions with other related parties***

Remuneration to members of the Board of Directors and Management:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus for Board of Management	4,332,000,000	3,781,000,000
Remuneration to Board of Directors	989,300,000	1,072,800,000
<b>TOTAL</b>	<b>5,321,300,000</b>	<b>4,853,800,000</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

**32. SEGMENT INFORMATION**

The primary segment reporting format is determined to be business segments as the Company's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The following tables present revenue and profit and certain assets and liability information regarding the Company's business segment:

	<i>Office rental</i>	<i>Other services</i>	<i>Currency: VND</i>
			<i>Total</i>
<b>As at 31 March 2019 and for the year then ended</b>			
<b>Revenue</b>			
Sales to external customers	104,664,569,295	36,284,512,296	140,949,081,591
Total revenue	104,664,569,295	36,284,512,296	140,949,081,591
<b>Results</b>			
Segment gross profit	55,747,912,199	-	55,747,912,199
Selling expenses	(540,179,563)	-	(540,179,563)
Unallocated income, expense			63,369,889,607
Net profit before tax			118,577,622,243
Corporate income tax expenses			(1,424,392,870)
Deferred tax income			57,996,340
Net profit after tax for the year			117,211,225,713
<b>Assets and liabilities</b>			
<i>Segment assets</i>	210,332,789,945	9,123,402,535	219,456,192,480
<i>Unallocated assets</i>			1,158,430,835,108
Total assets			1,377,887,027,588
<i>Segment liabilities</i>	7,047,133,893	12,039,750,239	19,086,884,132
<i>Unallocated liabilities</i>			476,568,031,859
Total liabilities			495,654,915,991
<b>As at 31 March 2018 and for the year then ended</b>			
Sales to external customers	96,228,306,867	57,276,065,890	153,504,372,757
Total revenue	96,228,306,867	57,276,065,890	153,504,372,757
<b>Results</b>			
Segment gross profit	44,925,078,078	-	44,925,078,078
Selling expenses	(724,882,310)	-	(724,882,310)
Unallocated income			93,375,533,997
Net profit before tax			139,025,494,385
Corporate income tax expenses			-
Deferred tax income			57,996,340
Net profit after tax for the year			139,083,490,725
<b>Assets and liabilities</b>			
<i>Segment assets</i>	213,291,146,119	9,323,032,368	222,614,178,487
<i>Unallocated assets</i>			770,595,501,572
Total assets			993,209,680,059
<i>Segment liabilities</i>	7,262,673,801	9,245,192,778	16,507,866,579
<i>Unallocated liabilities</i>			137,458,736,014
Total liabilities			153,966,602,593

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 March 2019 and for the year then ended

### 33. COMMITMENTS AND CONTINGENCIES

#### *Operating lease commitment as a lessor*

The Company lets out certain floor areas under operating lease arrangements. The minimum lease commitment as at the balance sheet dates under these operating lease agreements are as follows:

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	51,937,618,167	59,654,207,300
From 1 - 5 years	33,468,412,601	82,448,999,755
<b>TOTAL</b>	<b><u>85,406,030,768</u></b>	<b><u>142,103,207,055</u></b>

#### *Operating lease commitment as a lessee*

The Company leases assets under operating lease arrangements. The minimum lease commitment as at the balance sheet dates under these operating lease agreements are as follows:

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	1,052,595,000	1,052,595,000
From 1 - 5 years	4,210,380,000	4,210,380,000
More than 5 years	33,283,700,230	34,336,295,230
<b>TOTAL</b>	<b><u>38,546,675,230</u></b>	<b><u>39,599,270,230</u></b>

### 34. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the separate balance sheet date that requires adjustment or disclosure in the separate financial statements of the Company.

  
\_\_\_\_\_  
Chief Accountant  
Nguyen Hong Phuong

  
\_\_\_\_\_  
Chief Finance Officer  
Le Thanh Son

  
\_\_\_\_\_  
Chief Executive Officer  
Nguyen Trung Chinh

17 June 2019