



CMC CORPORATION

ASPIRE TO INSPIRE THE DIGITAL WORLD

ANNUAL
REPORT | **2018**



ASPIRE TO INSPIRE
THE DIGITAL WORLD

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The soft copy of AR 2018 is available at www.cmc.com.vn
or the QR code on the left.

THE CHAIRMAN'S MESSAGE

Dear precious shareholders,

The Digital life and digital era is opening up a great opportunity for everyone, especially for enterprises in technology industry, but at the same time bringing new challenges. Cisco's forecasts estimated that in 2020 there will be around 50 billion IoT devices all over the world, providing huge volume of data that requires technology companies to actively convert to the services basing on internet and cloud platform. Not to be outdone, CMC Corporation keeps changing, creating values and differences. CMC is leading in innovation and investment in new areas such as Cyber Security, Big Data, artificial intelligence (AI), BlockChain, from which building C.OPE2N (CMC Open Ecosystem for Enterprise) with the desire to make Vietnam a "Digital Hub" that converges, connects data and shares knowledge.

At the end of the fiscal year 2018, the Corporation's revenue reached nearly VND 6,000 billion, profit before tax reached nearly VND 300 billion. Not only maintains its growth rate, CMC also sets challenging goals for the next 5 years: to become a world-class global corporation with 1 billion USD scale and 10,000 headcounts in 2023. To achieve the goal, CMC has restructured into 3 main business divisions: Technology & Solution, Global Business) and Telecommunication Services. Not only resorganizing its business and technological capacity, CMC also strives to equip the most important luggage that creating a strong motivation for CMC people to take confident steps to the new stage. It is CMC Culture - a factor that determines the development and longevity of the Corporation. It is the change of Vision - Mission - Core Value (Creativity - Cspeed - Commitment - Customer Centricity) expressing the desire to conquer the digital world, the aspiration towards leading position. Entering 2019, CMC has also changed its slogan to "Aspire to inspire the digital world". With the philosophy of focusing on aspiring and inspiring, CMC wants to build trust with customers and motivate technology lovers.

CMC aspires to become a global corporation, aspires to create breakthroughs in the new wave of technology, aspries to become a digital corporation leading in digital transformation, regionally and internationally providing digital services. Only with desire and passion, CMC people can together create outstanding values for customers, promote social progress and conquer the digital world!

Thank you, the Shareholders who always believe in the development of CMC Corporation!

Chairman of Board



Nguyen Trung Chinh



“ CMC aspires to become a global corporation, aspires to create breakthroughs in the new wave of technology, aspires to become a digital corporation ”



CREATIVITY

OVERVIEW

CMC CORPORATION JOINT STOCK COMPANY

📍 CMC Tower, No.11 Duy Tan St., Cau Giay Dist., Hanoi,

☎ 84-24 3795 8668 📞 84-24 3795 8989

🌐 www.cmc.com.vn

Stock symbol : CMG

Charter Capital : 720.552.100.000 VND

The owner's equity : 720.552.100.000 VND

Company registration certificate: 0100244112

DEVELOPMENT MILESTONES



1993 - 1999

Established HT&NT Co., Ltd. (predecessor of the Corporation) on 26/5/1993

Established CMC Computer Company (CMS), the first enterprise to manufacture Vietnamese brand computers

2013 - 2014

2013 CMC Soft was honored in Top 20 ASEAN Famous Brands

Security service of CMC Infosec was the most favorite of the year as voted by VNISA

2014 CMC was given the flag of "Institution with excellent achievements" of Hanoi

CMS, CMC Telecom and CMC SISG received ICT Gold Medal and were ranked among Top 5 ICT Vietnam

CMC Soft was honored in Top 30 Leading IT Enterprises in Vietnam

1993 - 2019





2007 - 2008



2007 Officially changed into CMC Corporation
Simultaneously established 2 companies: CMC Distribution Company (CMC Distribution) and CMC Telecommunication Services JSC (CMC Telecom)

2008 Established CMC Information Security JSC (CMC Infosec), established CMC-SE joint venture with Segmenta of Denmark (later Ciber CMC)

Established CMC Telecommunication Infrastructure JSC (CMC TI)

2010 - 2012

2010 Officially registered over 63.5 million shares with code of CMG on Ho Chi Minh Stock Exchange

Became strategic investor of NetNam, holding 43.8% of shares

Grand opening of CMC Tower the building for celebration of Millennium Anniversary of Thang Long - Hanoi

2011 Established CMC System Integration Saigon Co., Ltd. (CMC SISG)

2012 Merged CMC Telecom Service JSC and CMC Telecom Infrastructure JSC to establish CMC Telecom Infrastructure Corporation (CMC Telecom)

2015

TOP 5

CMC Corporation was ranked 1st among "Top 5 ICT institutions 2015" and honored by Ministry of Finance as "Prominent Partner in IT field"

CMC Telecom signed a Strategic Investment Agreement with Time dotcom Berhad (Malaysia)

CMC Infosec was handed over the flag to host AVAR International Conference 2015 for global prevention of malware by Association of Anti-Virus Asia Researchers (AVAR)

2016

CMC received certificate of merit of Ministry of Information and Communications

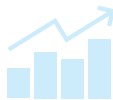
CMC Software was ranked among Top 50 Leading IT Enterprises in Vietnam

CMC SI received the award of "The National Partner of the year 2016" by Microsoft

CMC Telecom was ranked among Top 25 Most Promising Telecom Solution Providers by APAC CIO Outlook

CMC Infosec received the award of "Prominent Asia-Pacific Network Security Vendor 2016" by Frost & Sullivan

2017



CMC Corporation launched new brand identity system and development strategy to 2020

Established CMC Innovation Center, launched CMC Innovation Fund and CMC Lab

Launched "Go Global" strategy and established CMC Global

7 November 2017: CMC Japan was established in Yokohama, Kanagawa Prefecture, Japan

December 2017: CMC Telecom launched Cross Vietnam Cable System (CVCS)

2018



CMC honorably received the Third-class Labor Order for the second time, the Merit from the Ministry of Information & Communications for 7 outstanding individuals and 4 members.

CMC and SAMSUNG SDS signed agreement on strategic cooperation on implementing the smart factory management and operation solution in Vietnam in June 2018.

CMC Telecom was on Top 25 Leading Service Providers in Asia - Pacific (voted by CIO Outlook).

CMC was on Top 5 prestigious Vietnamese IT - Telecommunications enterprises in 2018 (voted by Vietnam Report).

BUSINESS SECTORS



Technology & Solution

- IT Services
- Production
- Software services
- System Intergration
- Cyber Secutity
- Digital transformation



Global Business

- Software export/ IT
- BPO Services
- Cloud Services
- Telecommunication Services
- Cyber Security
- SAP/CRM consulting
& implementation services



Telecommunication Services

- Data Center
- Multi Cloud
- VAS
- Internet and Data transmission

GEOGRAPHICAL COVERAGE



BUSINESS NETWORK
IN 63 CITIES
PROVINCES OF VIETNAM

Dien Bien

Hanoi

Hai Phong

Nghe An

Hue

Da Nang

Nha Trang

Ho Chi Minh City

Binh Duong

Can Tho

Ca Mau

GEOGRAPHICAL COVERAGE



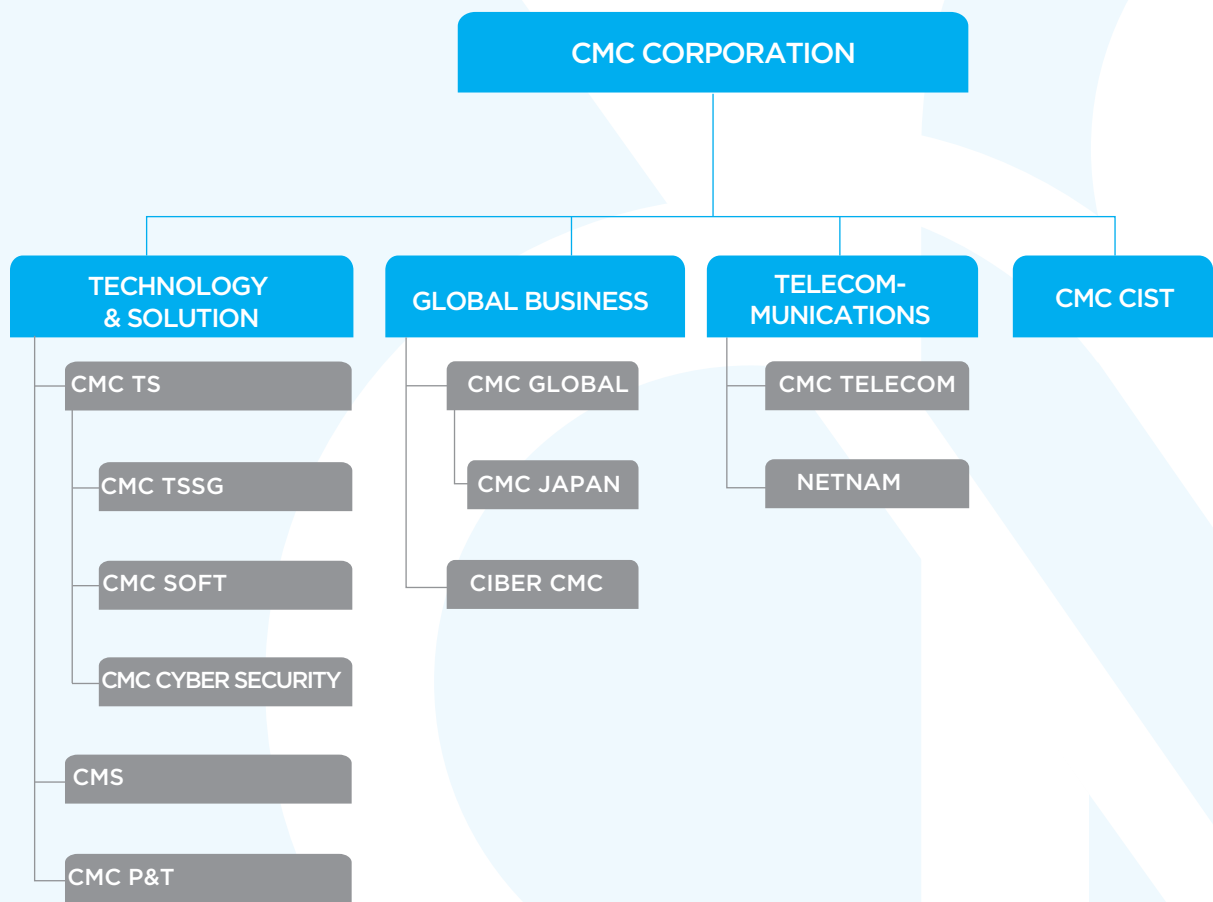
NETWORK IN 
25 COUNTRIES

- | | |
|-----------|-------------|
| Australia | Japan |
| Belgium | Korea |
| Canada | Malaysia |
| Denmark | Hong Kong |
| Italy | Netherlands |

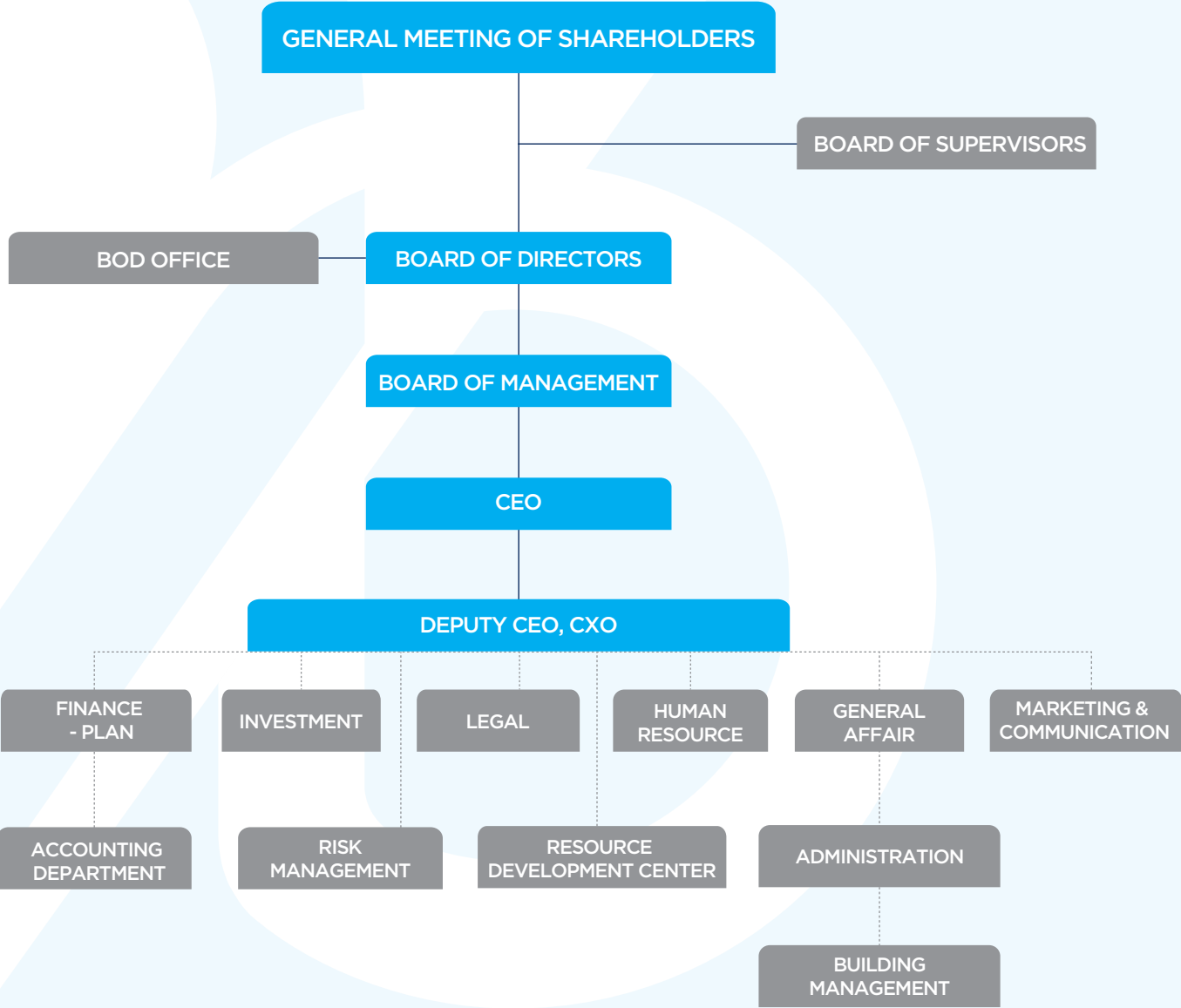


France	Taiwan	Laos
Finland	Nigeria	Thailand
Germany	Norway	United Kingdom
India	Switzerland	United States
Cambodia	Singapore	Vietnam

BUSINESS AND ORGANIZATION STRUCTURE



CORPORATE GOVERNANCE STRUCTURE



LEADERSHIP

Mr. Nguyen Trung Chinh

Chairman of Board of Directors
CEO

- 1987 ■ Graduated from Hanoi University of Science and Technology, Faculty of Electronics Engineering
- 2000 ■ Red Star Entrepreneur Certificate of Merit
- 2000 ■ Certificate of Merit of Prime Minister
- 2008 ■ Prominent Entrepreneur of Vietnam
- 2013 ■ Title of Entrepreneur with achievements in enterprise emulation movement
- 2015 ■ Top 10 Excellent Entrepreneurs
- 2016 ■ Became Chairman of CMC Corp's Board of Directors
- 2017 ■ Top 10 Most Influential People to Vietnam Internet development in 10 years (2007-2017)



Mr. Nguyen Phuoc Hai

Member of Board of Directors
Deputy CEO

- 1999 ■ Graduated from Vinnytsia Polytechnic University-Ukraine, specialty: Radio
- CMC established CMS Computer Company and Mr. Hai was appointed as CEO
- One of the 13 founding shareholders and member of CMC Corp's Board of Directors
- 2009 ■ Appointed as DCEO of CMC Corp.



Mr. Nguyen Hong Son

Deputy CEO
Chief Human Resources Officer

- 1991 ■ Automatic Control System Engineer – Leningrad Electrotechnical University – Russia
- 1998 ■ Key member, holding many key positions at CMC
- 2006 ■ Deputy CEO of CMC System Integration Co.,Ltd.
- 2007 ■ Member of Board of Directors of CMC Corp.
- 2011 ■ Member of Supervisory Board of CMC Corp.
- 2013 ■ Head of Supervisory Board of CMC Corp.
- 2017 ■ Appointed as DCEO/ Chief Human Resources Officer of CMC Corp.



Mr. Hoang Ngoc Hung

Vice Chairman of Board of Directors
Deputy CEO

- 1985 ■ Graduated from Budapest University of Technology, Hungary
- Joined leading research institutions in Vietnam
- 2007 ■ Member of CMC Corp's Board of Directors and CEO of CMC Software Solution
- 3/2016 ■ CEO of Ciber-CMC JV
- 6/2016 ■ Became Vice Chairman of CMC Corp's Board of Directors.
- 7/2016 ■ Appointed as DCEO of CMC Corp.




Mr. Ho Thanh Tung

Deputy CEO

Mr. Le Thanh Son

Chief Financial Officer

- Graduated from University of Moldova, specialty: Applied Mathematics
- Master of Business Administration, Washington State University, USA
- More than 23 years of working experience at multinational IT companies in Vietnam
- 15 years as CEO of Oracle Indochina and Myanmar
- Member of the panel of prestigious Vietnam and international IT awards
- 2017 ■ Appointed as DCEO/ Chief Strategy Officer of CMC Corp.

- 2000 ■ Graduated from National Economics University of Vietnam
- 5 year experience as a Head of Audit at KPMG
- 2005 ■ Head of Internal Audit of HBL Vietnam
- Chief of Investment Officer at Phú Thái Group
- 2007 ■ Chief Financial Officer of CMC Corp., in charge of planning and supervising business plans and financial plans of the Corporation, organizing financial management at subsidiaries and affiliates of CMC Corp.

DEVELOPMENT ORIENTATION



Vision - Mission

With desire and passion, CMC strives to become the world leader in IT and Telecommunication.

Leading the wave of new technologies, making efforts to develop world-class products - services - technology solutions, bringing outstanding values to customers, contributing to enhancing Vietnam's position in the digital era, toward a powerful nation.

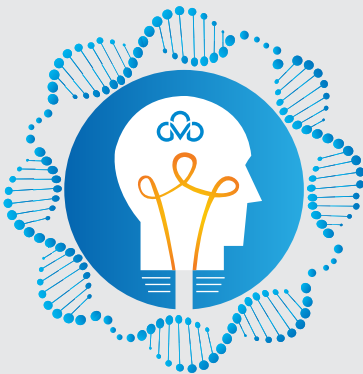
Core Values

4C (Creativity, C-Speed, Commitment, Customer Centricity)

Every single action of CMC people comes from the heart of Customer Centricity. With a restlessly desire and a passion for Creativity, CMC people are determined in thinking and doing to reach the greatest speed, Speed of Light, to inspire and fulfill their commitments.

Slogan

Aspire to inspire the digital world



#1. Creativity - Creativity is passion!

CMC is passionate about creativity right from the very first step and is always dedicated to that passion. With CMC, creativity is about accepting differences, desire to change and willing to try new ideas. CMC always encourages their people to be enterprising, keep learning, actively exploit the advancement of technology, create distinctive perfect products and services.

CMC believes that only innovation can drastically change lives, bring pride to CMC people and promote social development.



#2. C-Speed – Speed is advantage!

According to Einstein's Theory of General Relativity, nothing can be faster than the speed of light. With "the desire to conquer the digital world", CMC is determined to choose C-Speed, as fast as light, as a guideline for thinking and doing. CMC always challenges themselves to be "Fast, Faster, Fastest" to further rise, create a competitive advantage for the outstanding development.

CMC believes that speed will create miracles, C-Speed will bring CMC to new heights!



#3. Commitment – Commitment is power !

With CMC, the commitment is to translate agreements and goals into reality. CMC is committed to integrity in all activities, making every effort to ensure the best quantity of products and services and progress.

CMC believes that the commitment is the appreciation in cooperation, the convergence of will power, exercising full capacity, promoting CMC people to reach new heights.



#4. Customer Centricity

Customer Centricity is the philosophy of action

All core values of CMC are towards final goal - Customers. CMC always puts themselves in the position of customers, understands and strives to offer the most suitable solutions, bringing success to customers. Keeping in mind "What comes from the heart, touches the heart", CMC wholeheartedly focus on researching, developing effective products and services, customizing to customers, bringing to customers experience beyond expectations.

CMC believes that, with the effort to reevaluate customers, CMC will gain the trust and long-term commitment of customers.

STRATEGY ORIENTATION OF CORE BUSINESS FIELDS

● Become a global, world-class corporation.

● Focus on business development in 3 division:
Technology & Solution
Global Business
Telecommunication Services

Objectives and position

Build up an in-depth capacity on specialized solutions and core technologies, build an open platform ecosystem for businesses (C.OPE2N), provide multi-services to customers, and a platform to connect with technology solutions firms in the world.



Focusing on strategic markets: Banking and finance, Enterprises, government and expanding international markets.

The target is to reach USD 1 billion and 10,000 employees by 2023, in which the revenue of Technology Solution is VND 10 trillion, the Telecommunications service sector is VND 10 trillion and the Global Business is VND 5 trillion

Strategic orientation of core business divisions

Technology Solution

- Leading in Digital Transformation for organizations and enterprises. Leading in providing security solutions, Cloud computing and data services.
- Intensive investment in technology solutions for: Finance and banking, Enterprise and e-Government.
- Investing in intensive development of security products and solutions including: SoC, CISE ... basing on the platform of AI, Big Data ...
- Leading in providing security services: PCI DSS, Pentest

Global business

- Top 5 Technology solution provider and exporter of Vietnam with the headcount reaching 5,000 by 2023.
- Key markets: Japan, Korea, Southeast Asia, Europe, US ...
- Developing international service standards (CCMi), training and developing high quality resources to meet the requirements of the international market.
- Providing technology solutions (of CMC members) to international markets

Telecommunication

- Shifting business model from telecom infrastructure provider (ISP) to converged service provider (CSP) in Vietnam, basing on telecommunications infrastructure (connection, data center), developing and integrating IT solutions and services to provide multi-services to customers. Being the platform of C.OPE2N ecosystem of CMC.
- Focus on institutional customers: Finance and banking, enterprises, MNCs and major carriers.
- No.1 Clouds (Private & Public) provider.
- Together with other members of CMC, developing integrated solutions and applications on Cloud platform for customers; Cooperating with leading solutions firms in the world of Cloud (Amazon, Microsoft, Oracle, IBM ...) to provide services and multi connection to customers.
- Continuing to invest and upgrade telecommunication infrastructure (networks, data centers) according to international standards.

RISK MANAGEMENT

CMC Risk Management framework is built towards international standard and practice ISO 31000 yet in compliance with the organization structure and business environment in Vietnam. The risk management of CMC is developed and implemented to reach the following main objectives:

1. Risk assessment in the operation is carried out regularly and continuously;
2. To establish a mechanism and system to report risks fully, accurately and promptly;
3. Risk management is supported by qualitative and quantitative methods;
4. To develop a common language of risk management to enhance the the risk culture of the Corporation;

CMC Viewpoint of Risk Management is to link risk management activities to the daily business activities. Risk management not only includes risk reduction and risk control, but also full risk analysis to optimize the relationship between risk and opportunity, and acceptable risks of the Corporation. As a result, the Corporation can select and accept risks in a cautious and controlled manner in order to achieve its business targets

RISK MANAGEMENT ACTIVITIES IN 2018

In 2018, in the context of the constantly changing economy and society and the Technology Revolution 4.0, Risk Management has confirmed its role as an integral part of corporate governance of CMC. CMC has implemented risk management at many levels, in all activities and at all members.

Main risk management activities:

- CMC held quarterly regular meeting of Risk Management Council (RMC) to assess the key risks in the risk portfolio that have been identified and assessed.
- Setting up risk warning indicators (KRIs) for most key risks in the portfolio to track.
- Designing Control Self-Assessment to apply in assessments at all the members.
- Regularly organizing seminars, training, communication on risk management, updating changes in the regulations of law and legal environment for leadership and the whole staff.



MANAGEMENT OF KEY RISKS

In 2018, the risks that were assessed to have a major impact on the operation and prospects of the Corporation were regularly monitored and managed:

RISK	DESCRIPTION	MEASUREMENT
TECHNOLOGY	Risks related to failing to keep up with new technology trends affecting the business of the company	<ul style="list-style-type: none"> - CMC regularly cooperates closely with firms and strategic partners to hold seminars updating new technology trends for the Board of Directors and the staff. - In 2018, CMC Institute of Science and Technology (CIST) promoted deep research and implemented a series of new technologies including Artificial Intelligence (AI), Internet of Things (IoT), Robotics, Big Data), Block Chain... - CMC has a mechanism to encourage investment in new technology, at the same time offer the foundation technology directions to develop information technology and telecommunications products and services.
COMPETITION	The risk of losing competitive advantage, while the level of competition is increasing in both quantity and quality	<ul style="list-style-type: none"> - To increase competitiveness, CMC constantly improves the quality of products and services and commits the progress to customers. - “Customer Centricity” is considered be the Core value throughout the Corporation. - CMC always invests resources and time in researching special products, improving product quality, expanding infrastructure and developing technical capacities and specific solutions, helping to increase the value for customers, while widening the gap between CMC and competitors.
EXCHANGE RATE FLUCTUATIONS	Exchange rate fluctuations significantly affect the operation and profit of the company	<ul style="list-style-type: none"> - CMC highly appreciates the forecast of exchange rate fluctuations, sets up foreign currency demand, closely observes the market, increases the rate of loan in VND to minimize the impact of the risks
PROJECT MANAGEMENT	Slow implementation progress or not meeting customer requirements affecting the operation and reputation of the company	<ul style="list-style-type: none"> - CMC has promulgated and applied professional project management frameworks and processes, according to international standard CMMI3 to ensure the uniformity and quality consistency of projects. - Focus on planning, managing and updating work progress in a timely manner, building a project reporting system implemented on the software system
HUMAN RESOURCE	Risk of loss and lack of personnel, especially key and senior personnel	<ul style="list-style-type: none"> - Continues to implement competitive and transparent remuneration policies based on work results. - Regularly organizes training programs to improve professional skills and soft skills for majority of employees and potential leadership. - Human Resources Department together with each employee build up individual career and promotion pathway.

RISK	DESCRIPTION	MEASUREMENT
		<ul style="list-style-type: none"> - Continues to focus on promote the selection of young and talented personnel as the core of CMC's future. - Implement system Success Factor to improve the quality of personnel management and recruitment
INFORMATION SECURITY	Risks for information such as disclosure, change, loss seriously affect the operations, reputation and strategy of the company	<ul style="list-style-type: none"> - Thoroughly apply measures to prevent data loss to ensure information security of CMC. - Deploy the information security management system ISMS in some big members. - Apply the latest international security standards; Assign responsibilities to the individuals to avoid information safety violations leading to serious consequences. - Implement automatic network security monitoring through CMC Network Security Operations Center (CMC NextGen SOC) – that is integrated artificial intelligence & Automation technology.
COMPLIANCE	Risks related to non-compliance with laws affecting CMC's operation, reputation and profits	<ul style="list-style-type: none"> - Keeps updating the changes of the policy and the legal documents on IT, telecommunications, tax and customs in newsletters to inform all the staff of the company. - Trains staff on the culture of the host country before taking business trips and working abroad. - Stays ahead of change of the law to take advantage and promote their strengths in the best way, especially preferential policies to encourage the technology development and application of the government.

RISK MANAGEMENT IN 2019

Risk management activities in 2019 focus on deeply implementing risk management tools in members, activities / departments to enhance the effectiveness with the following main plans:

- Implement CSA the self-assessment program of internal control and complete the system of risk warning indicators of members KRIs.
- Initial report on loss data in members.
- Strengthen coordination, collection and information exchange between Risk management and Internal audit.
- Develop and promote risk management culture across the company by internal training, conferences, media ...



C-SPEED

OPERATION IN 2018

BUSINESS ACTIVITIES

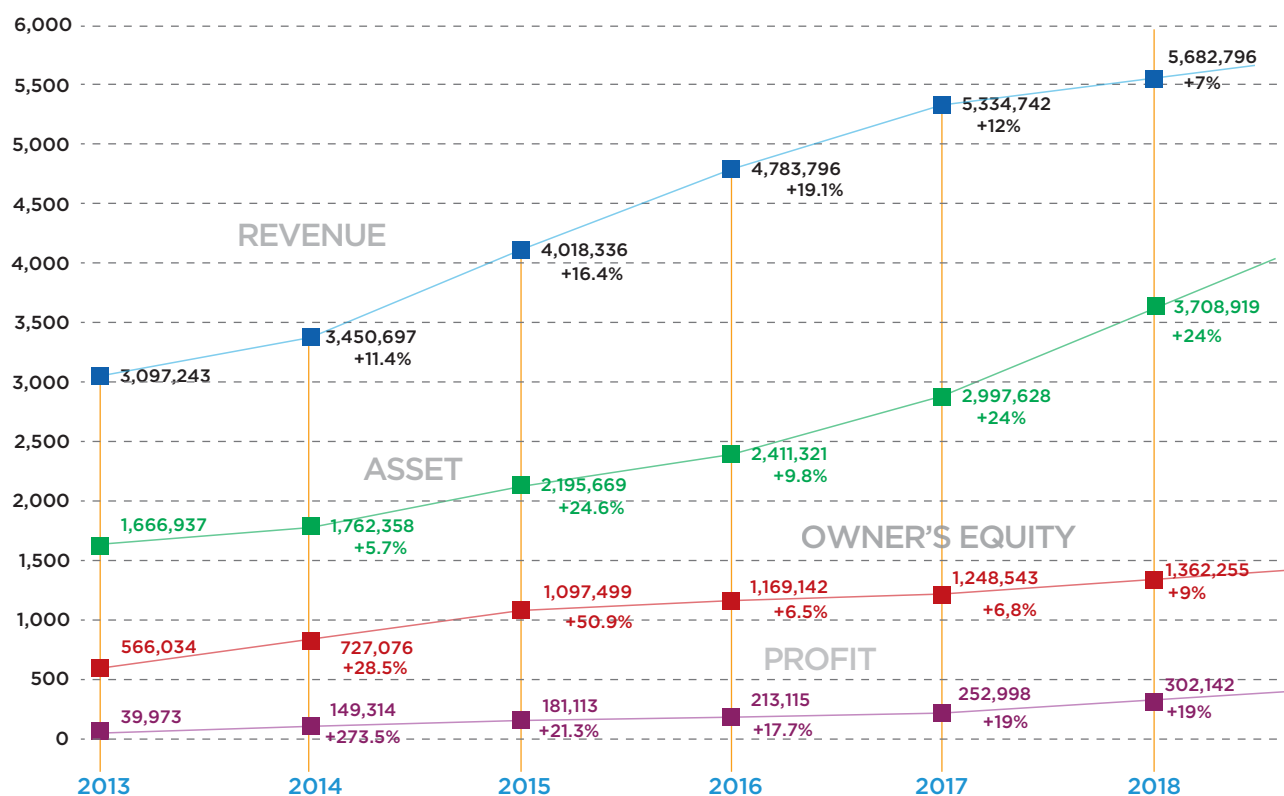
BUSINESS RESULT 2018

Unit: VND million

Indicators	Actual 2018	Plan 2017	Plan 2018	% growth	% Plan
Revenue (*)	5,682,796	5,334,742	6,129,776	7%	93%
Including consolidated revenue (excluding internal revenue of members and affiliated companies)	5,185,715	4,869,842	5,656,005	6%	92%
EBITDA	522,690	426,417	571,073	23%	92%
Profit before tax in consolidated financial statement	261,851	218,683	267,792	20%	98%
Profit before tax of CMC	159,483	133,844	147,505	19%	108%

(*) Including internal members, JV and affiliated companies.

In fiscal year 2018, the consolidated revenue was VND 5,235 billion, grew of 7.5% compared to 2017 and reaching 90% of the plan. Consolidated profit before tax reached 262.6 billion, up 19.4% over the previous year and reached 102% of the plan. Profit after tax belonging to CMC reached 158.8 billion, up 18% compared to 2017 and reaching 107.7% of the plan.





Corporate governance activities

The Corporation and its members have well performed some key governance activities in 2018 as follows:

- In 2018, the Corporation was restructured into 03 main business divisions including: Technology & Solution, Global Business and Telecommunication Services. For Technology & Solutions CMC Technology and Solutions Corporation Limited was established on the basis of merging CMC Soft into CMC SI.
- Completing strategy 2016-2018 review, building strategic goals for term of 2019 – 2021 with vision to 2023.
- Monthly monitoring of the implementation of production and business plans of members and timely deploying the measures to implement business plans.
- Operating and supervising the construction of the project “CMC Creative Space “ in Ho Chi Minh City as scheduled.
- Completing the matrix of authority delegation of the Board of Management.
- Perfecting CMC Corp’s organizational structure, functions and duties of its departments.
- Deploying and well implementing internal audit, risk management ...



Investment activities

Investment activities include investment in asset/infrastructure technology solutions and products /services.

Some key investments of 2018:

- CMC Creative Space Project (CCS) in Tan Thuan-Ho Chi Minh: A key project in the investment strategy with a total investment of VND 883 billion, VND 82 billion was disbursed in 2018. By the end of 2018, the project was started and expected to be completed in mid 2020.
- Telecommunications infrastructure: In 2018, over 326 billion VND of investment was made with the following main activities:
 - Opening new POPs in Hanoi and Ho Chi Minh / Target 1: New IP POP in Hanoi & Ho Chi Minh;
 - Upgrading international POP system to Hong Kong & Singapore, Cambodia project connecting AAE-1, deploying DDOS system.
 - OLT migrate and deploying backup CVCS node.
 - Deploying Metro DWDM route and deploying transmission system to Quang Ninh
- Technology solutions, products and services: In 2018, the Corporation implemented strategic investments in solutions, technologies and products and services, including:
 - Technology solutions: Data security services for the entire system; Solution of converged infrastructure; Solution of system integration, Cloud services; Security solution for Cloud system.
 - Products and services: Managing smart factories (Project of Samsung), Land management projects, electronic invoices.
 - Project of CMC Institute of Science and Technology: Bigdata / AI; Blockchain; IoT...





ORGANIZATION AND HUMAN RESOURCE

Head count: 2.836 (including NetNam)

The human resources continue to grow in size and quality. By the end of the fiscal year 2018 (March 2019), the headcount reached 2,836, increased 16% compared to 2017, with over 90% of employees having university degrees or higher.

No	Division	2018	Actual 2017	% Growth
1	Solutions & Technology	1.107	1.045	6%
2	Global Business	569	322	77%
3	Telecommunication	1.077	996	8%
4	Others	83	75	11%
	Total	2.836	2.438	16%

HUMAN RESOURCE POLICY

Since the first day of establishment, CMC has always identified People as the most valuable asset of the company, the key factor for the success and sustainable development. Therefore, CMC especially pays attention to remuneration, training, development and life policies for all employees.

CMC has built the Human Resource Management System according to international standards yet adapting to the local environment, ensuring the rapid and stable development of CMC by promulgating the Regulation on organizational structure, functions and duties and deployment of the Human Resource Management Software System project.

Remuneration

The remuneration policy of CMC is built according to international standards to ensure competitiveness in the market, Encouraging basing on to Productivity and Quality of Work, Fairness and Transparency. Accordingly, at the end of each assessment period, employees can self-assess their income based on the level of plan completion of the corporation, member companies, departments and individuals which motivates, encourages them to reach and exceed the plan.

Remuneration policies are always improved and updated to get the most efficiency. In 2018, CMC amended the Regulation on organizational structure, functions and duties and promulgated the Regulation on monthly bonus, continued to improve the regulation on income, productivity management and productivity bonus.

Recruitment & training

Maintaining a high and continuous growth rate requires strong human resources in both quantity and quality. CMC constantly improves recruitment and personnel training activities with projects and programs on the corporation scale which have been implemented throughout the corporation and its subsidiaries, creating a strong effect on human resource management.

- **Recruitment:** To meet the development in depth and scale enlargement, in 2018, CMC continued to attract many employees with qualifications, knowledge, skills to join CMC and take important positions of the corporation. In order to create a young and potential input source for the corporation in the long term, in 2018, CMC has organized many programs and activities associated with universities and institutes such as National University, Polytechnic University, National Economics University, University of Technology ... to find young talents, bridge the gap between training and practice, connect students and enterprises to develop current and future human resources.

- **Training:** CMC encourages and facilitates their employees to comprehensively develop both professional and soft skills through work and through training, self-training and knowledge improvement. Employees who participate in training are fully or partially sponsored by CMC.

Working conditions

CMC always focuses on developing facilities, building a friendly working environment for employees. CMC offices are built according to international standards and friendly ensuring the best conditions for creativity and full capacity at work.

- At CMC Tower in Hanoi and other offices nationwide the staff enjoy a nice working space with a lot of hi tech facilities.

- CMC Creative Center is designed for stimulating the imagination and creativity, a recreation place to renew energy and inspire CMC staff and their partners.

Emulation and Reward

- In 2018, the emulation movements were held regularly throughout the Corporation contributed significantly to the business performance results.
- Especially in the 26th anniversary of the Corporation's establishment, CMC has organized many sports, cultural and artistic activities such as football, running, CMC knowledge contest (CMC Index), ... On the occasion the Corporation praised and rewarded members, departments and individuals who have made achievements in production and business, contributing to the strong growth of the Corporation.



In 2018, CMC implemented modern human resource management and development system named Success Factor of SAP provider. This is one of the leading human resource management systems that support work performance management, build adjacent teams and foster talent.

In 2018, CMC was in Top 50 most attractive Vietnamese recruitment brands, Top 2 in IT / Outsourcing.



MEMBERS AND AFFILIATES

Company	Address	Business lines	Charter Capital	CMC ownership	CMC ownership ratio
CMC TS (Formerly CMC SI)	16 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	System Intergration	160	160	<div><div>100%</div></div>
CMC TSSG (Formerly CMC SISG)	111-121 Ngo Gia Tu, Ward 2, District 10, Ho Chi Minh	System Intergration	50	CMC TS owns of VND 50 billion	<div><div>100%</div></div>
CMC Soft	14 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	Software	50	CMC TS owns of VND 50 billion	<div><div>100%</div></div>
CMC P&T	6 &12 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	ICT products trade and distribution	100	100	<div><div>100%</div></div>
CMS	6 &12 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	Computer production and assembling	50	50	<div><div>100%</div></div>
CMC Global	6 & 9 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	Software publishing	60	60	<div><div>100%</div></div>
CMC Telecom	2,3,4,11,12 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	Telecommunications Internet	581	318	<div><div>54,6%</div></div>
CMC Cyber Security (Formerly CMC Infosec)	15 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	Software	30	CMC TS owns of VND 30 billion	<div><div>100%</div></div>
Ciber-CMC Joint Venture	8 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	Software	20	10.2	<div><div>51.0%</div></div>
NetNam	18 Hoang Quoc Viet, Cau Giay, Hanoi	Telecommunications Internet	18	7.39	<div><div>41,1%</div></div>
CMC Japan	Yokohama, Kanagawa, Japan	Software	10	CMC GLOBAL góp 4,5 tính đến 31/3/2018	<div><div>100%</div></div>
CMC Institute of Science and Technology	4 Floor, CMC Tower, 11 Duy Tan, Dich Vong Hau, Cau Giay, Hanoi	ICT	5	5	<div><div>100%</div></div>

MAIN FINANCIAL INDICATORS

Indicator	2018	2017
1 Liquidity		
Short term liquidity ratio	1.29	1.18
Quick ratio	1.17	1.04
2 Capital structure		
Liability/Total assets ratio	0.63	0.58
Liability/Owner's equity ratio	1.72	1.40
3 Operational Capacity		
Inventory cycle	22.1	19.58
Receivable turnover	5.8	7.26
Revenue/Total assets	1.55	1.8
4 Profitability		
Gross profit rate %	16.2%	15.5%
Profit before tax/Revenue %	5.0%	4.5%
Profit after tax/Revenue %	4.1%	3.7%
Profit after tax/Charter capital %	30.7%	26.7%
Profit after tax/Owner's equity %	16.4%	14.9%
Profit after tax/Total assets %	6.4%	4.95%

Assets & Capital source

Indicator	2018	2017	% growth
ASSETS AND CAPITAL SOURCE			
1. Assets	3.708.919	2.997.628	24%
Short term	2.198.562	1.663.914	32%
Long term	1.510.357	1.333.714	13%
2. Capital source	3.708.617	2.997.628	24%
Current liability	1.709.060	1.416.022	21%
Long term liability	637.302	333.063	91%
Owner's equity	1.362.255	1.248.543	9%

The Company has completed the capital raising of the holding company and 3 members as follows:

- Raising charter capital of CMC Corp from VND 673,419,530,000 (Six hundred seventy three billions, four hundred nineteen millions, three hundred and thirty thousands dong) to VND 720,552,100,000 (Seven hundred twenty billions, five hundred fifty two millions, one hundred thousands dong).

- Raising charter capital of CMC Global from VND 40,000,000,000 (Forty billions dong) to VND 60,000,000,000 (Sixty billions dong).

- Raising charter capital of CMC Telecom from VND 538.680.000.000 (Five hundred thirty eight billions, six hundred and eighty millions dong) to VND 581.774.370.000 (Five hundred eighty one billions, seven hundred seventy four millions, three hundred and seventy thousand dong).

- Raising charter capital of Ciber CMC JV from VND 10,000,000,000 (Ten billions dong) to VND 20,000,000,000 (Twenty billions dong).

SHAREHOLDER STRUCTURE

a) Shares:

- The total number of shares sold: 72.055.210
- The number of freely assign shares: 72.055.
- The number of restricted shares: 0
- The number of outstanding shares: 72.055.210
- The number of treasury shares: 0

b) Shareholder structure*:

No	Shareholder classification	Number of shares	Rate
1	Geographical classification		
	Domestic	65.672.078	91,14%
	Foreign	6.383.132	8,86%
2	Ownership classification		
	Ownership from 5%	39.619.785	54,99%
	Ownership below 5%	32.435.425	45,01%
3	Type of shareholder classification		
	Corporate	41.283.979	57,29%
	Individual	30.771.231	42,71%
4	Ownership representation classification		
	State owned	0	0%
	Others	72.055.210	100%

* According to the list of shareholders closed on 05/06/2019.

c) Change of owners' investment capital:

In 2018, CMC Corporation has the following changes in share capital:

- Owner's investment capital in 2017: VND 673,419,530,000
- Additional investment capital: VND 47,132,570,000 (*)
- Owner's investment capital in 2018: VND 720,552,100,000

Note: (*) On September 18, 2018, CMC Corporation made 2017 dividend payment for shareholders at the rate of 15%, of which:

- Cash dividend: 8%
- Stock dividend: 7%

d) Transaction of treasury stocks:

In fiscal year 2018, CMC Corporation has not performed any transaction of treasury stocks.
Current number of treasury shares: 0 shares

e) Other securities:

On March 29, 2019, CMC Corporation issued 300 billion dong of non-convertible bonds without rights issue, secured by company assets (par value of 1 billion dong / bond) . The bonds will be repurchased periodically before schedule: 20 billion dong in the third year, 30 billion dong in the fourth year and the remaining 250 billion dong on the maturity. Besides, bondholders and issuers can also negotiate to repurchase. The VND 200 billion mobilized from the issuance will be invested in CMC Creative Space Project (CMC Creative Space) in District 7, Ho Chi Minh City, the remaining VND 100 billion will be used to increase the scale of activities for the company and supplement working capital for members whole owned by CMC Corp through increasing charter capital for those companies.



SUSTAINABILITY DEVELOPMENT REPORT

Energy consumption

The head office of CMC Corporation and most of its members locate in CMC Tower. CMC believes that the green office model helps to achieve certain efficiency in saving energy, reducing office operating costs and improving the employees's awareness of environmental conservation.

Direct energy consumption index of CMC Tower in 2018 details as follows:

Total energy used in 2018
Sort by source
+ Electricity: 8,531,776 (kWh)
+ Diesel oil: 11,290 (lit)

The power supply for the building is provided by Cau Giay Power Corporation for the purpose of operating the building engineering system (air conditioning, public lighting) and office equipments.

Water consumption

The clean water supply for the building is provided by Cau Giay Clean Water Company, which is fully served for the employees' activities in the office building, operating the central air conditioning system, and the automatic fire fighting system.

Total energy used in 2018
Sort by source

Water (m3): 26,791

Compliance with the law on environmental conservation

CMC always complies with environmental laws and regulations.

- The building has been granted Permit to discharge waste water into the water source by Hanoi People's Committee (1st extension and adjustment) No. 27 / GP-UBND dated January 25, 2018.
- The building has signed environmental service contracts:
 - + Contract for wastewater monitoring service with Vietnam Green Chemistry Technology Joint Stock Company
 - + Contract of hazardous industrial waste collection, transportation, storage and treatment with Urenco 10
 - + Contract for environmental sanitation service with Vinh Yen Urban and Environment Services Joint Stock Company.
 - + Contract of septic tank suction

CMC regularly implements activities and propaganda programs to raise awareness of environmental reservation in employees:

- Cooperate with international and national organizations to propagate and raise awareness of environmental protection and energy saving of all employees.
- Develop and adjust the electricity usage system at all

office buildings of the Company. The use of electrical equipment of office staff is automatically managed by software.

- Encourage employees to take the stairs instead of elevators.
- Join the Earth Hour campaign.
- Ongoing roadmap to replace electrical equipments by energy-saving devices (led lights, automatic time adjustment, seasonal power off ...)

Risk /impact assessment between the core activities of the Company with the environment

Information technology - telecommunications is an environmentally friendly field, so the products and services of CMC do not have marked and direct affect to the environment. CMC Tower is an office building in which there is no production activity and has been certified by Hanoi City People's Committee to meet the prescribed parameters and granted the license for discharge into the environment. The Company has signed contracts of collecting garbage, septic tanks, collecting, transporting, treating hazardous waste ... to ensure there is no impact on the environment.

The business activities of CMC is always done simultaneously with the optical preservation and protection of environment through the following activities:

- Update and fully comply with the provisions of the law related to the environment.
- Periodically review and evaluate the impact of the Company's operations on the environment, economy and society from which determine the roles, responsibilities and measures to promptly minimize environmental pollution, thereby, ensure the sustainable development of the Company and contribute to the sustainable development of the country.
- Implement propaganda activities and programs to employees to raise awareness of environmental reservation.
- Prioritize the application of new technologies, environmentally friendly materials, recyclable resources, make the most of natural energy sources and energy-saving materials to minimize impacts to the environment.

With the role of the leading IT - Telecommunications enterprise in Vietnam, CMC is always pioneering in new technology trends, investing in research and development to minimize the use of natural resources and the use and discharge of raw materials of the business activities such as papers, archives ... to the environment. This is not only an important contribution to promote a clean and healthy environment, but also helps to modernize the country.

Policy of labor

In the context of scarcity of high quality human resources in the information technology industry, the training quality of universities has not entirely met the actual requirements, CMC Resource Development Center (CMC RDC) has proactively created high quality human resources through the construction and implementation of professional training program with a team of lecturers who are the leading experts of Vietnam in the field of IT. In 2018, the Center organized 117 courses with more than 3600 turns of students & 63,000 training hours. Particularly in IT, the Center has trained more than 256 students with 32,000 hours in the IT field to serve the needs of the Corporation in particular and the IT market in general. CMC Corporation has been focusing on investing in Resource Development with the view of providing high quality human resources not only for itself but for domestic IT industry and the world market as well.



Responsibility to the local community

Besides business activities, CMC Corporation regards the social activities as indispensable, and mandatory responsibility. CMC wants to contribute to the development of the community, the IT industry as well as other social activities.



For the community:

In 2018, CMC continued to have practical activities towards the community. CMC has provided regular subsidies for 15 disadvantaged children in Cau Giay district since 2010. Over the past years, CMC has maintained to take care of the entire life of 2 martyrs' mothers in Hien Ninh commune - Soc Son district. With the spirit of mutual support to share with the loss and support the school to restore the facilities soon to prepare for the new school year, CMC visited and equipped the computer room of the Hoa Lan kindergarten with 05 CMS computers and of Primary & Secondary Town school with 35 CMS computers with the total value of VND 400 million.

Moreover, CMC regularly supports the activities of the Veterans Association, the former Volunteer Youth Association

...



For information technology industry:

- On April 9, 2019, CMC launched C.OPE2N (CMC Open Ecosystem for Enterprises) - an open architecture system, integrating the technology strength of CMC including Multi-Cloud Data Lake, AI and application platform. The C.OPE2N ecosystem will help enterprises and organizations succeed in digital transform, quickly catch up with the rapidly growing digital economy.





- At the end of December 2017, CMC started CMC Creative Space project - the office complex and data center in Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, with land area of 13,133 m². With a total investment of around VND 1 trillion, it is expected to provide solutions for large-scale information technology and telecommunications services, contributing to society in the era of the Industrial revolution 4.0.

- Established in 2014, CMC Institute of Science and Technology (CIST) has continuously made scientific research achievements, applied technology and got initial results in the field of Big Data, AI, IoT ... In 2018, CIST organized the "CMC-AI Contest" for students and researchers from universities and research institutes in the North of Vietnam.

- CMC Innovation Fund was established in 2017 with the scale of 50 billion VND, aiming to find and develop ideas, products, solutions and services on the technology platform . The fund operates as a venture capital model and has supported number of small and large start-up projects national wide. As of 2018, there were 476 projects to access CMC, in which CIF has accessed and exchanged information with 30 projects in the fields of corporate governance, finance, education, health, social networking, applying new technologies such as AI, Big Data, IoT, VR / AR, Robotics ...



COMMITMENT

BOARD OF MANAGEMENT'S REPORT

PERFORMANCE REPORT 2018

REVENUE

No	Indicators	Actual 2018	Actual 2017	Plan 2018	% Growth	% Plan
I	Technology & Solution	3,459,197	3,006,054	3,781,933	115%	91%
II	Global business	170,344	87,478	189,073	95%	90%
III	Telecommunication Services	1,690,476	1,445,167	1,881,676	17%	90%
IV	Other	362,779	796,043	277,093	-54%	131%
VI	Total	5,682,796	5,334,742	6,129,776	7%	93%
	Consolidated result (*)	5,185,715	4,869,842	5,656,005	6%	92%

PROFIT BEFORE TAX

STT	Indicators	Actual 2018	Actual 2017	Plan 2018	% Growth	% Plan
I	Technology & Solution	63,926	52,784	71,253	21%	90%
II	Global business	-15,932	-13,071	-12,294	22%	130%
III	Telecommunication Services	206,069	175,022	228,606	18%	90%
IV	Other	48,078	38,253	9,739	26%	494%
VI	Total	302,142	252,988	297,304	19%	102%
	Consolidated result (*)	261,851	218,683	267,792	20%	98%

(*) Consolidated revenue excludes the revenues of internal, affiliate and joint venture companies. Consolidated profit excludes the profit not belonging to CMC of affiliate and joint venture companies.

Technology and Solutions

Business results: Revenue grew 15%, profit increased 12% in comparison with fiscal year 2017.

System Intergration:

- Business result: Revenue reached VND 2,915 billion, increased 17% compared to 2017; Profit achieved 101% of the plan, grew 31% compared to 2017.

Market:

- Northern market: Strong growth in the enterprise segment (ENT) in accordance with the Company's strategy, in which Oil & Gas, Electricity achieved the strongest development... Financial market customers are expanding, signing contracts with all commercial banks and securities.
- Southern market: Fairly strong growth in banking and financial (FSI).

Solutions, technologies and services

- Building data security services for the entire system; Solution of converged infrastructure; Solution of system integration, Cloud Services; Security solution for Cloud system.
- Deploying services and products towards cloud computing with MS Office 365, Cloud services.
- Starting the phase of selection and deployment of Customer360;
- Leading the Contact center solution.
- Consulting the solutions on Core Banking and Digital Banking.
- Building capacity of Credit Risk Management, piloting SAS Credit Scoring and Real-Time Decision Management.
- Completing solutions on security, PCI DSS; SOC.

IT services

In 2018, the Company focused on expanding investment, developing capacity for maintenance, warranty and electronic repair services. The Company continued to promote access to target customers including Banking, FDI and Production – Service chains.

Domestic software:

The company continued to invest and develop CMC-branded packaging products such as: Electronic Invoices, Land Management, Smart Plant Management Solutions ... Moreover, the Company well developed particular solutions for Bank, Tax, Customs.

International Business Division

Accumulated revenue in 2018 reached 170.3 billion VND, growing 95% compared to the same period last year and fulfilling 90% of the plan. Accumulated profit reached (-15.9) billion, down 22% compared to the same period last year and completing 70% of the accumulated plan.

Market: 2018 was the year strong development in the foreign customer market.

- Singapore : Maintained and expanded more opportunities with current customers and developed 4 new customers as Key Accounts.
- Korean: Expanded the Korean market, cooperating with some big customers ..
- Japan: Continued to invest in CMC Japan to expand the Japanese market. In 2018, there was improvement in sales and revenue.
- Others: In Vietnam, opened up opportunities to cooperate with some Key Accounts with great demand (120 headcount), potentially becoming a mega account and setting the premise to develop a branch in Ho Chi Minh. The Australian market has its first customers, creating a premise for the next year. EU market signed contracts with 2 big customers, one of which has potential high-growth in 2019.

Business, product and service capacity:

Human Resource

In 2018, the software export segment reached nearly 500 people, doubling compared to the end of 2017 (250 people) which focusing on the main set skills such as Java, .Net, PHP.

Built up a team of highly qualified, professionally trained personnel to serve the European market (the first customer in Denmark).

Process: Completed and implemented the CMMI3 standard process set (100% of CMC Global's projects).

Products / Services: Built high quality and diversified products and services: Process Consulting; Project management; Solutions architect; Functional consultants; ABAP programming; Data Migration; Post Production Supports; SAP Upgrading, SAP Data Migration to S4HANA, SAP Process Integration; SAP business by Design; SAP Successfactor.



Telecommunication

Business results: Revenue of the telecommunications reached 1,690 billion VND, up 17% compared to the same period last year and gained 90% of the plan. The Profit reached 206 billion, up 18% compared to the same period last year and reached 90% of the plan.

Market:

International

- Growth exceeds the plan with the cooperation with many large customers.
- MNC segment growth with big customers in the field of e-commerce and technology.

Domestic

- Financial: Providing services for Top 4 State Bank, especially IDC project. Expand market share for Commercial and foreign banks to 60%.

Telecommunication: Market share growth with strategic customers and market expansion with customers in banking, digital television ...

- Government: Expanding services for customers in Transportation, Education
- Business, product and service capacity:

Investment in infrastructure capacity: In 2018, CMC Telecom focused on investing in infrastructure capacity such as Peripheral Network (trunk cable + bus cable + ring cable), International network system and Backbone and the provincial inter-network transmission.. Investing IDC assets such as DC infrastructure, Server, Rack ...

Products and services: In 2018, CMC Telecom focused on improving the quality of professional and intensive products and services according to international standards, receiving PCI DSS 3.2, MEF 3.0 certificates ... CMC Telecom pioneered creativity and providing “Cloud ecosystem” services including transmission infrastructure, data centers, solutions and applications to support the handling of complex problems such as Machine Learning, intelligence Artificial (AI), video / image analysis, big data analysis (Big Data) ... CMC Telecom’s CMC Cloud is also the leading cloud ecosystem in Vietnam, the only provider in Vietnam providing data connection services directly to AWS, Microsoft Azure, Google and IBM, meeting the needs of many different customer segments from state units, chains, education, and services, e-commerce, multinational corporations, industrial parks to banks and financial institutions.



ANNUAL OPERATION PLAN 2019

Macroeconomic forecasting

Indicator	2014	2015	2016	2017	2018	2019F	2020F
GDP yoy (%)	5,98	6,68	6,21	6,81	7,08	6,8	6,45
CPI yoy (%)	1,84	0,60	2,7	3,53	3,54	3,8	4,7
Total State Budget Revenue	814,10	884,80	1.039	1.104	1.350	1.411	
Total State Budget Expenditure State	968,50	1.064,50	1.293	1.219	1.560	1.633	
budget overspending	154,40	179,70	254	115,5	240	222	
FDI registered (USD billion)	20,20	22,76	24,5	35,88	25,58	27	37-39
FDI disbursed (USD billion)	12,40	14,50	15,8	17,5	19	20	22
Export (USD billion)	150,00	162,40	176	213,77	244,7	262,8	291,4
Import (USD billion)	148,05	165,60	173	211,1	237,51	259,88	293,1
Balance of trade (USD billion)	1,98	(3,17)	2,6	2,7	7,19	(2,95)	1,65
Exchange rate (VND/USD)	21,388	22,485	22,800	22,425	23,345	23,800	24,270
Lending rate (%)	8,16	8,10	6,8 - 9	6,4-7,2	6-9	7.5	
Credit growth (%)	14,16	17,17	16,42	18,17	14%	15%	+17-18%
Bad debts (%)	3,25	2,72	<3	3	<3	<3	<3

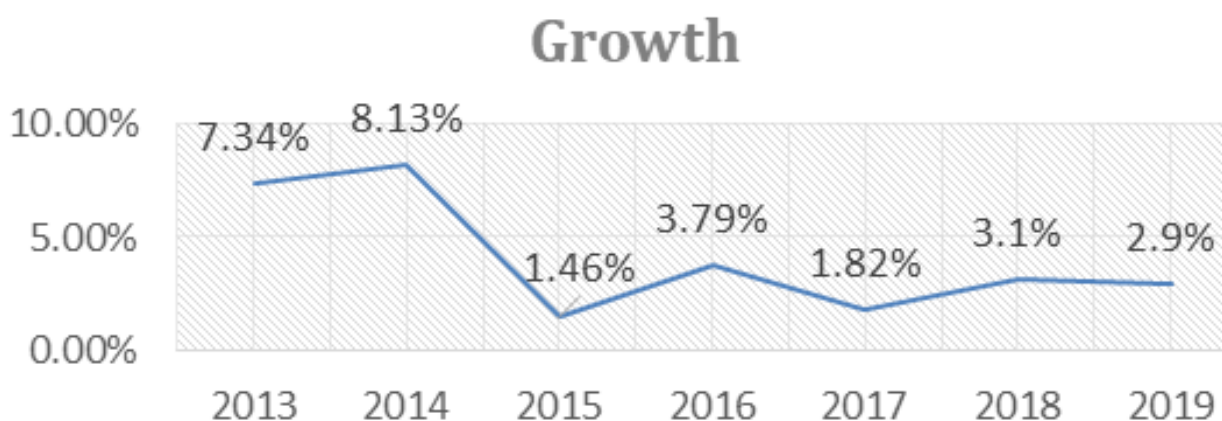
**Sources: Central Statistical Office, The Prime Minister's consultants on economy's estimated cost, IMF, ADB, ABS*
Advantages: Vietnam economy in the period of 2019 - 2020 is forecasted to have many bright spots with stable macroeconomic indicators.

- GDP is expected to continue to grow at about 6.5% - 6.7%.
- Inflation in 2019 is forecasted to be stable at about 4% - 4.5%.
- Attracting foreign investment is expected to maintain the prosperity next year. The value of registered FDI will remain at USD 26-27 billion; disbursed FDI value will also continue to increase.
- Exports in 2019 are expected to continue to grow, the balance of export and import may be surplus.

Difficulty: Total budget revenue in 2019 VND will be 1,411 trillion, increases of approximately 4.5% compared to 2018; However, Budget 2019 will continue to be overspending (approximately VND 222 trillion).

IT & Telecommunication market 2019 forecasting(IDC)

TGrowth rate of Vietnam's IT market



The growth rate of the IT industry (excluding Smartphone and Feature phones) is forecasted 2.9% lower than in 2018.

Market growth rate by Products / Services (M USD)

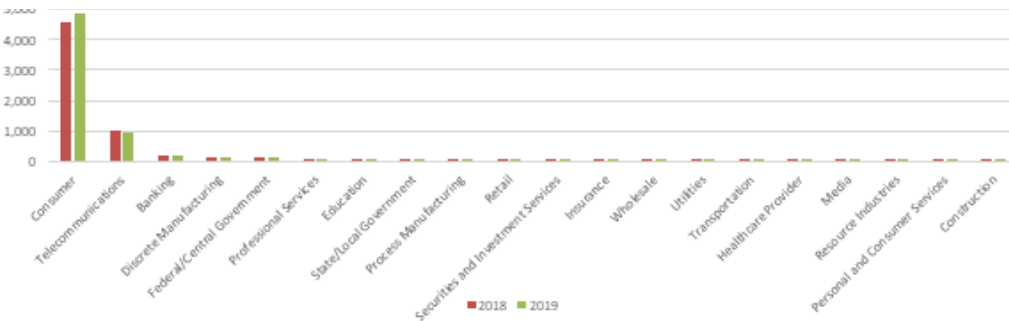
Unit: M USD

Product/Service	2017	2018	2019	% TT 2018	% TT 2019
Hardware	1,918	1,906	1,885	-0.63%	-1.10%
IT services	417	463	511	11.03%	10.37%
Software	319	369	421	15.67%	14.09%
Grant total	2,654	2,737	2,818	3.13%	2.96%

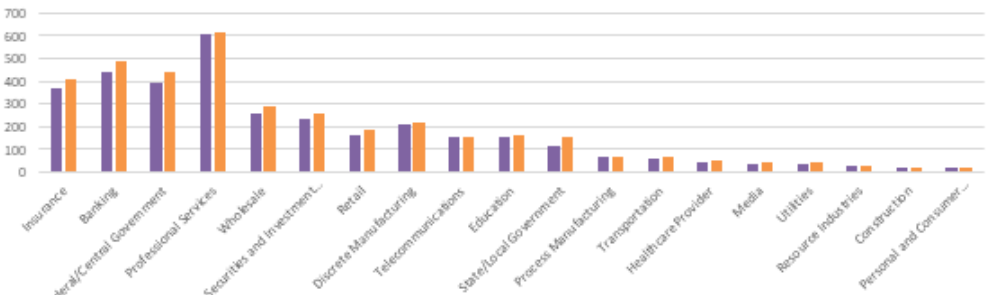
- Hardware Market continues to decline by 1.1% in 2019
- IT and Software Services market continues to maintain high growth rates: IT Services (10.4%) and Software (14.1%)

Vietnam's telecommunication market 2019

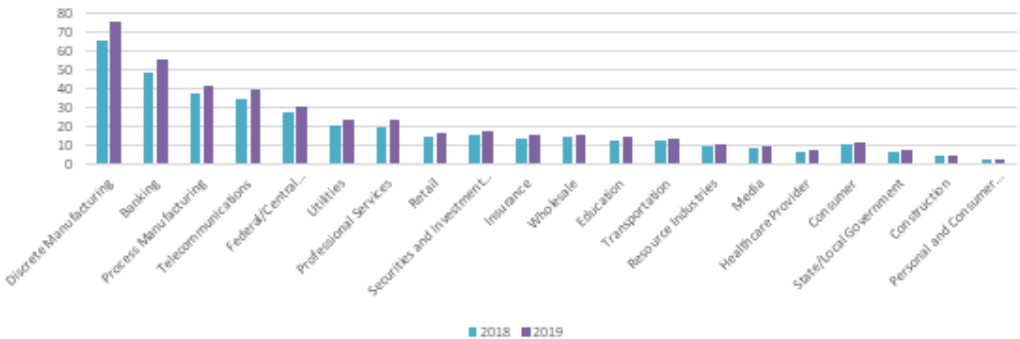
Hardware



IT Services



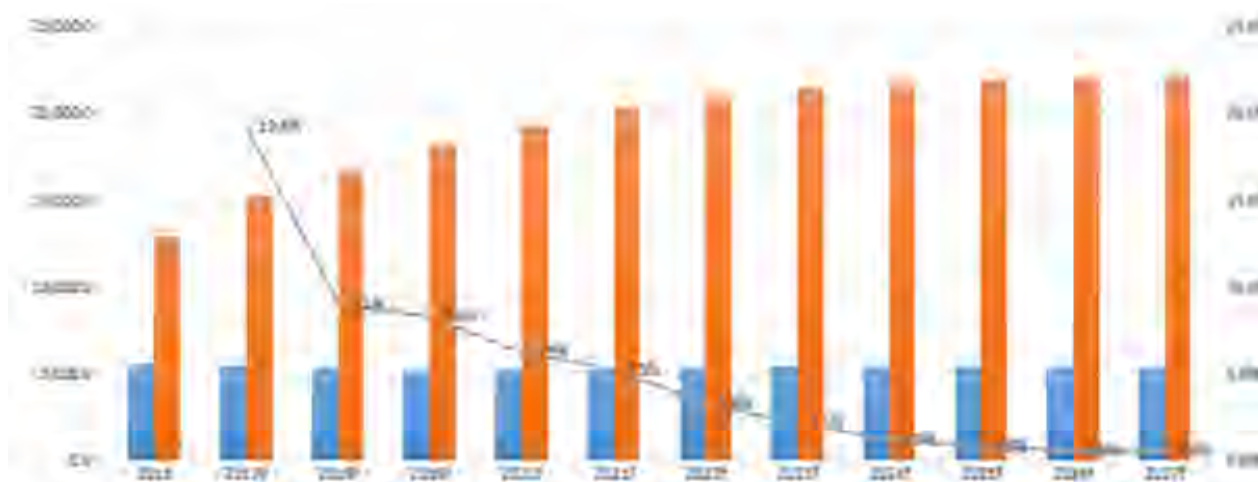
Software



General comments: Consumer, Telecommunications, Banking-Finance, Manufacturing enterprises and the Government continue to have significant incetment in IT, especially software.

- Consumer: Hardware demand is expected to grow 6% compared to 2018 and still hold the highest proportion.
- Telecommunications: Increasing demand in two areas: IT services (4.8%) and Software (13.4%)
- Banking: Increasing hardware demand by 0.2%, at the same time, the demand for IT and Software services continues to increase: IT services (up 10.9%); Software (up 13.4%)
- Government sector: Hardware demand decreases by 1.3% compared to 2018, however, demand for IT services increases sharply by 32.7% and Software increases by 12.8%.

Vietnam's telecommunication market 2019



- Vietnam's telecommunications continue the process of investing in digital transformation. There are some trends of telecommunications development.
- Industrial Revolution 4.0 has become a hot topic between the government and industry enterprises (Companies begin their digital transformation due to Bandwagon effect).
- The number of Cloud platform service providers increases.
- FTTO continues to grow, demand for BW / high-end equipment is growing.
- DC services continue to grow strongly, diversify services, develop Manage Service / Add on services in Data Center.

BUSINESS TARGETS 2019

Revenue, cost, profit targets of 2019

Indicators	Plan 2019	Actual 2018	Growth
Operational efficiency			
Revenue (*)	6,781,453	5,682,796	19%
Consolidated revenue (excluding revenues of internal, affiliate and joint venture companies)	6,188,271	5,185,715	19%
EBITDA	656,328	523,386	25%
Earning before tax (EBT) (*)	362,482	302,142	20%
Profit before tax in consolidated statement	313,328	261,851	20%

(*) including internal, affiliate and joint venture companies

Targets by division

Indicator	Plan 2019		TH 2018		Tăng trưởng	
	Revenue	PBT	Revenue	PBT	Revenue	PBT
Solutions & Technology	4,200,444	85,341	3,459,197	63,926	21%	33%
Global Business	388,326	2,053	170,344	-15,932	128%	113%
Telecommunication	2,084,286	274,073	1,690,476	206,069	23%	33%
Others	108,396	1,015	362,779	48,078	-70%	-98%
Total	6,781,453	362,482	5,682,796	302,142	19%	20%
excluding revenues of internal, affiliate and joint venture companies	593,182	49,154	497,081	40,291	19%	22%
Consolidated results before tax (*)	6,188,271	313,328	5,185,715	261,851	19%	20%

(*) Consolidated revenue excludes revenues of affiliate and joint venture companies and internal transactions. Consolidated profits excludes profits of affiliate and joint venture companies not belonging to CMC.



CUSTOMER CENTRICITY

BOARD OF DIRECTORS' REPORT

ASSESSMENT OF THE BOARD OF DIRECTORS ON THE OPERATION OF THE COMPANY IN 2018

Business results 2018

In fiscal year 2018, CMC Corporation has achieved the revenue and profit targets approved by the General Meeting of Shareholders at the beginning of the year as follows:

- Total consolidated net revenue (after excluding revenue of internal and affiliated companies) reached approximately VND 5,186.9 billion, grew up 6.5% compared to 2017 and reached 91.7% of the plan.
- Consolidated pre-tax profit reached VND 261.8 billion; grew up 19.7% compared to 2017, and reached 98% of the year plan. Profit after tax of holding company shareholders CMC Corp reached VND 159.4 billion, met 108.09% of the year plan and increased 19.1% compared to 2017. Although revenue reached 91.7% of the plan, due to good control of operating costs and financial costs, basically the profit before tax nearly reached the target and the after-tax profit of shareholders exceeded 8.09 % plan. EPS reached: 2,213 VND / share.

It can be said that in 2018 “Cloud” is the key word of the Corporation that is associated with the 3 main business pillars: SI - System Integration, Software and Telecommunications all of which have seen the mark of cloud computing (computing model using computer technology and internet-based development). Specifically, in 2018, CMC System Integration (CMC SI) has changed the service direction to infrastructure - application - data - security, focusing on Cloud security, Hybrid Cloud, multi-platform integration & API, develop customer experience solution 360 (CSS) ... towards the vision of 2023 becoming the No.1 System Integration company in Vietnam, aiming at providing global services and No. 1 digital services On Cloud provider in Vietnam. At the same time CMC is focusing on investing in information security and achieved initial success through CMC Information Security Joint Stock Company (CMC Infosec) as in strategic cooperation with the 4 pillars of Government Information Security, CISE capturing the biggest market share in key ministries, security services being deployed for 50% of banks in Vietnam...

As one of the main pillars of CMC, CMC Telecommunication Infrastructure Joint Stock Company (CMC Telecom) is currently in the Top 5 Telecommunications - Internet enterprises in Vietnam. In 2018, CMC Telecom focuses on improving the quality of professional and intensive products and services according to international standards, receiving PCI DSS 3.2, MEF 3.0 certificates ... CMC Telecom pioneers in creating and providing service “Cloud ecosystem” including transmission infrastructure, data centers, solutions and applications to help solve complex problems such as machine learning, artificial intelligence (AI), and video / image analysis, big data analysis (Big Data) ... CMC Cloud is also the leading cloud ecosystem in Vietnam, CMC Telecom is the only provider in Vietnam providing data connection services directly to AWS, Microsoft Azure, Google and IBM, meeting the needs of various customer segments from government, chains, education, e-commerce, multinational corporations, industrial zones to banks and financial institutions.

Strategy development activities:

In fiscal year 2018, CMC pays special attention to strategy planning and development of the period 2019 - 2023:

- To become a global, world-class corporation.
- To focus on 3 areas: Solutions and Information Technology, Telecommunication Services and Global Business.
- To build up specialized capacity on professional solutions and core technologies; to build an open platform ecosystem for enterprises (COPE2N), to provide multi-services to customers, to be the foundation connecting with technology solution firms all over the world.

- To focus on strategic markets: Banking and finance, enterprises, government and expanding international markets.

CMC also set challenging targets: achieving billion dollar revenue and 10,000 headcounts in 2023. Entering 2019, CMC also changed its slogan from “Toward to the digital future” to “Aspire to inspire the digital world”. With the philosophy of focusing on aspiring and inspiring, CMC wants to build trust with customers and motivate technology lovers, CMC is willing to share knowledge with people fairly and equally. That is the reason CMC built C.OPE2N ecosystem for everyone to join and share knowledge - OPEN & CONNECT.

CMC has restructured into 3 main business divisions: Technology & Solution, Telecommunication Services (CMC Telecom) and Global Business . At the end of March 2019, CMC completed the restructuring of the System and System Integration, Software Solution, IT Services into Technology & Solution, and officially launched the CMC Technology and Solution Corporation (CMC TS) at the beginning of April 2019. CMC TS was built by combining the experience and capacity of 4 member companies from CMC Corporation, including: CMC SI, CMC SI Saigon, CMC Soft and CMC Infosec. After the period of research and implementation, on April 9, 2019, CMC launched the open infrastructure ecosystem C.OPE2N with the desire to make Vietnam a “Digital Hub” of Asia, converging and connecting data and sharing knowledge, the C.OPE2N ecosystem will bring benefit to government and enterprises, creating a foundation for a “Vietnam 4.0”. In addition to serving the business activities of CMC and their partners and customers, C.OPE2N ecosystem is also a miniature simulation environment of a modern digital society through which , CMC wishes to contribute to building e-Government and digital nation. C.OPE2N Ecosystem can promptly create, quick, safe and efficient public administration services, e-government with high quality tools, reducing IT infrastructure investment costs for government agencies, catching up with the trend of Industrial Revolution 4.0 of the world. Basing on Data Center infrastructure and information security system with international quality, C.OPE2N will be the optimal choice for government agencies against cyber wars and reducing the risk of cyber-attacks in the context of implementing Cybersecurity Law.

Finding strategic investors

2018 is also the year CMC focused on seeking strategic investors who can cooperate with CMC to expand and develop business to the region and all over the world. Among many other potential investors, CMC chooses SAMSUNG SDS as a strategic investor. Not only wishing to become a strategic shareholder of CMC, Samsung SDS shares the common strategic orientation with CMC, and also aims to become a leading company in providing digital transformation services based on data by taking advantage of the most advanced technology and IT solutions. SAMSUNG SDS will strengthen comprehensive cooperation with CMC in: Smart Factory, Cloud, Cyber Security, and exploit other areas such as Blockchain and Big Data in future, promote strong growth to expand the scope to Asia - Pacific market and develop global business.

ASSESSMENT OF BOARD ON THE ACTIVITY OF BOARD OF MANAGEMENT

Board of Directors highly appreciate the business result of 2018 as well as the effort of Board of Management in trying to complete the tasks assigned.

- The Company also strictly oversight the operation of its members by review on business result and monthly, quarterly development indicators to timely find out and deal with the weakness.
- Supervising and promoting the members to implement business strategies and functional strategies to achieve the targets of 2018; at the same time, studying and building a long-term strategy for the term of 2019 - 2023 and submitting to the Board of Directors for approval.
- Reports on financial status, management status, investment situations were regularly submitted to BOD. With such quick and timely exchange and update of information, the Board of Directors knows the operation of the Company thoroughly and directs the company to operate effectively according to the proposed strategy.

ACTIVITIES OF THE BOARD

List of Board members

Name	Position	Date of inauguration	Ownership rate	Number of position of Board member acting
Mr. Nguyen Trung Chinh	Chairman	7/7/2011	1,01%	2
Mr. Hoang Ngoc Hung	Vice Chairman	7/7/2011	0,16%	3
Mr. Ta Hoang Linh	Member	7/7/2011	0,38%	0
Mr. Nguyen Phuoc Hai	Member	7/7/2011	3,09%	0
Mr. Nguyen Minh Duc	Member	7/7/2011	0,0%	1
Mr. Truong Tuan Lam	Independent member	7/7/2011	0,0%	0
Mr. Nguyen Kim Cuong	Member	29/6/2016	0,32%	1
Mr. Nguyen Danh Lam	Independent member	26/6/2017	0,0%	0
Mr. Le Viet Ha	Independent member	04/7/2018	0,0%	1

List of outgoing, resigning, dismissing members

Name	Position	Term of office
Mr. Dao Manh Khang	Member	29/6/2016 - 24/4/2018

List of Board members



Mr. Nguyen Trung Chinh
Chairman



Mr. Hoang Ngoc Hung
Vice Chairman



Mr. Ta Hoang Linh
Member



Mr. Nguyen Phuoc Hai
Member



Mr. Nguyen Minh Duc
Member



Mr. Nguyen Kim Cuong
Member



Mr. Truong Tuan Lam
Member



Mr. Nguyen Danh Lam
Member



Mr. Le Viet Ha
Member

Activities of the Board

In fiscal year 2018, the Board of Directors had 04 regular meetings and regularly consulting opinion by email. The Board of Directors has issued 42 Meeting minutes and Resolutions and 21 Decisions.

The contents approved by the Board of Directors in 2018 are as follows:

Resolution/Decision	Date	Content
12/2018/NQ-HĐQT	05/4/2018	To approve the supplement of the investment in CCS Project in Ho Chi Minh
13/2018/NQ-HĐQT	20/4/2018	To approve Credit line of CMC P&T at Mbank Hoan Kiem Branch
14/2018/NQ-HĐQT	11/5/2018	Regular Meeting Quarter 1/2018
15/2018/NQ-HĐQT	11/5/2018	To approve AOP 2018 of members
16/2018/NQ-HĐQT	22/05/2018	To approve Regulation on income of CMC Corporation (2nd amendment)
17/2018/NQ-HĐQT	12/6/2018	To approve of raising Charter capital of Ciber CMC JV
18/2018/NQ-HĐQT	19/6/2018	To approve of appointing CFO of CMC SI Saigon
19/2018/NQ-HĐQT	19/6/2018	To approve of appointing Operation Deputy General Director of CMC P&T
20/2018/NQ-HĐQT	19/6/2018	To approve credit line at VP Bank
21/2018/NQ-HĐQT	22/6/2018	To approve of the nomination to Board of Directors and Board of Supervisors of CMC Telecom and NetNam
22/2018/NQ-HĐQT	19/6/2018	To approve of 2018 AGM criterias
23/2018/NQ-HĐQT	07/8/2018	Regular meeting Quarter 2/2018
24/2018/NQ-HĐQT	09/8/2018	To approve of the bonus fund allocation for BOD and BOS 2017
25/2018/NQ-HĐQT	16/8/2018	To approve of exempting and appointing Head of CMC Institute of Science and Technology
26/2018/NQ-HĐQT	27/08/2018	To approve of supplementing business activities of CMC P&T
27/2018/NQ-HĐQT	25/09/2018	To approve the result of issuance of share to pay stock dividend 2017
28/2018/NQ-HĐQT	12/10/2018	To approve of appointing Business Deputy General Director of CMC P&T
29/2018/NQ-HĐQT	17/10/2018	To establish ESOP Executive Board
30/2018/NQ-HĐQT	19/10/2018	To approve the credit line at Mbank Hoan Kiem Branch of CMC Soft
31/2018/NQ-HĐQT	22/10/2018	To approve the credit line at Vietinbank Branch 10 Ho Chi Minh of CMC SI Saigon
32/2018/NQ-HĐQT	02/11/2018	To approve the credit line at MBank Hoan Kiem Branch of CMC SI
33/2018/NQ-HĐQT	14/11/2018	To appoint the representative and nominate to BOD and BOS of Ciber CMC JV for the term 2018 2023
34/2018/NQ-HĐQT	15/11/2018	To approve of raising Charter capital of CMC Global and CMC Japan
35/2018/NQ-HĐQT	14/11/2018	Regular meeting Quarter 3/2018
36/2018/NQ-HĐQT	27/11/2018	To approve the credit line at Techcombank Branch Ba Dinh of CMC Infosec
37/2018/NQ-HĐQT	29/11/2018	To approve the mortgage asset and guarantee for the obligations of CMC Telecom at Vietcombank Transaction Center
38/2018/NQ-HĐQT	01/12/2018	To approve of appointing Deputy General Director of Ciber CMC JV

Resolution/Decision	Date	Content
39/2018/NQ-HĐQT	16/12/2018	To approve the credit line at BIDV Transaction Center 1 of CMC Corp
40/2018/NQ-HĐQT	18/12/2018	To approve the amendment and supplement of the organization structure and functions of departments of CMC Corp
41/2018/NQ-HĐQT	19/12/2018	To approve the adjustment of Regulations on productivity management and productivity bonus of CMC Corp
42/2018/NQ-HĐQT	20/12/2018	To approve of adjusting the income package of leadership level of CMC Corp and members
43/2018/NQ-HĐQT	25/12/2018	To approve the adjustment of CCS Project in Ho Chi Minh
44/2018/NQ-HĐQT	27/12/2018	To approve the security measure for the loan to invest in CCS Project in Ho Chi Minh
01/2019/NQ-HĐQT	03/01/2019	To approve of appointing CEO of CMC Global
02/2019/NQ-HĐQT	11/01/2019	To issue ESOP Regulation
03/2019/NQ-HĐQT	15/01/2019	To approve the plan of issuance of bond
04/2019/NQ-HĐQT	28/01/2019	To approve the credit line at MB Sai Gon of CMC SI Saigon
05/2019/NQ-HĐQT	31/01/2019	To approve of transferring capital in CMS and supplementing business activities and changing the name of CMC
06/2019/NQ-HĐQT	28/02/2019	Regular meeting Quarter 4/2018
07/2019/NQ-HĐQT	28/02/2019	To approve of the counselling contract between CMC Corp and An Binh Bank Securities Investment Fund Management Joint Stock Company
08/2019/NQ-HĐQT	04/03/2019	To approve of the business target of period from 2019 to 2023
09/2019/ NQ-HĐQT	11/03/2019	To approve of raising Charter capital of CMC SI, transferring capital in CMC Infosec and CMC Infosec

REMUNERATION PACKAGE

Fixed payment

Name	Position	2018 payment (VND)
Mr. Nguyen Trung Chinh	<i>Chairman of BOD</i>	118.800.000
Mr. Hoang Ngoc Hung	<i>Vice Chairman of BOD</i>	99.600.000
Mr. Ta Hoang Linh	<i>Board Member</i>	79.200.000
Mr. Nguyen Phuoc Hai	<i>Board Member</i>	79.200.000
Mr. Nguyen Minh Duc	<i>Board Member</i>	79.200.000
Mr. Truong Tuan Lam	<i>Board Member</i>	79.200.000
Mr. Nguyen Kim Cuong	<i>Board Member</i>	79.200.000
Mr. Nguyen Danh Lam	<i>Board Member</i>	79.200.000
Mr. Le Viet Ha	<i>Board Member</i>	59.400.000
Ms. Nguyen Thi Thanh Huyen	<i>Head of BOS Resigned on August 3, 2018</i>	33.200.000
Ms. Vu Thi Phuong Thanh	<i>Head of BOS Appointed on August 3, 2018</i>	82.269.000
Mr. Truong Thanh Phuc	<i>Supervisor</i>	60.000.000
Mr. Nguyen Thanh Nam	<i>Supervisor</i>	60.000.000

* Including income tax of 10%

Bonus

According to Resolution No. 01/2018-NQ-ĐHCD adopted by Annual General Meeting of Shareholders 2018, bonus package for BOD and BOS when the consolidated after tax profit 2017 reached around 120% of plan was VND 1,521,792,529. The actual payment that was made due to the contribution of each member was VND 1,521,792,529.

PLAN AND DIRECTION IN 2019

The BOD set the target for 2019 as follows:

- Consolidated Revenue (excluding revenue of internal and affiliated companies): VND 6,442.5 billions

- Consolidated Profit before tax: VND 304.9 billions

The Board of Directors continues focusing on safety and feasibility factors, making efforts to implement the set targets, minimizing risks with the main measures as follows:

- (1) To focus on monitoring and controlling the implementation of strategy 2019 - 2023. To implement component strategies including synergy, leadership development and corporate culture development.
- (2) To enhance the management and controlling activity, give out timely direction for business activities in order to complete the business plan.
- (3) Risk controlling
- (4) Control costs to improve profitability
- (5) To develop and attract talent, especially leadership and management level in order to serve for the robust development of the company in the coming years

This is the report of BOD in 2018 and plan for the year 2019. On behalf of BOD, I would like to thank you for your trust and support which play key role in continuing success of CMC Corporation.

Board of Directors, together with Board of Management and all CMC people, are trying our best to execute specific activities to achieve business target of the year 2018. We are also looking forward to receiving your trust in the next coming years.

Date 15/ 6/ 2019

For and on behalf of BOM

CEO



Nguyen Trung Chinh





Vu Thi Phuong Thanh



Truong Thanh Phuc



Nguyen Thanh Nam

List of Supervisors

Name	Position	Term of office	Tỷ lệ SH CP	Number of Board meeting attended	Attendance rate
Ms. Vu Thi Phuong Thanh	Head of BOS	29/6/2016	0,0%	2/2	100%
Mr. Truong Thanh Phuc	Supervisor	01/7/2013	0,0%	2/2	100%
Mr. Nguyen Thanh Nam	Supervisor	29/6/2016	0,0%	2/2	100%

List of resigned supervisors

Name	Position	Number of Board meeting attended
Ms Nguyen Thi Thanh Huyen	Head of BOS	29/6/2016 - 06/8/2018

2018 Activities

To supervise Company's activities under the Enterprise Law, Company's Charter and AGM resolutions.

To participate and comment on meetings of the Board of Directors and the Board of Management on Company's business strategy, AOP, business orientation of members, appointment and dismissal of leadership; issuance of internal regulations and implementation of AGM resolutions.

To cooperate with Internal Audit, Finance and Legal to organize the internal audit in members.

To assess on 2018 Financial Statements.

To discuss with Independent Auditor before auditing 2018 Financial Statements and join meetings of Risk Management Council.

FINANCIAL REPORT AUDIT IN 2018

31 | 03 | 2019

THE COMPANY

CMC Corporation (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam 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 Business Registration Certificates, with the latest is the 9th amendment being granted on 18 October 2018.

The current principal activities of the Company are:

- Provision of information technology services and products;
- Produce software, provision of software service and solution;
- Manufacturing, trading, repairing information technology machine and equipment;
- Real estate trading, provision of office for lease;
- Provision telecommunication service; and
- Other activities as registered in the Business Registration Certificate.

The Group’s head office is located at CMC Tower, No. 11 Duy Tan street, Cau Giay district, Hanoi, Vietnam, and a branch is located at 9th floor, TNA building, 111 – 112 Ngo Gia Tu street, 10 district, 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 of Board of Supervision	Members of the Board of Supervision. Appointed as the Head on 6 August 2018
Ms. Nguyen Thi Thanh Huyen	Head of Board of Supervision	Resigned on 6 August 2018
Mr. Truong Thanh Phuc	Member	
Mr. Nguyen Thanh Nam	Member	

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 Group is Ernst & Young Vietnam Limited.

REPORT OF THE BOARD OF DIRECTORS

Management of CMC Corporation (“the Company”) is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2019.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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 to ensure that the accounting records comply with the applied accounting system. It 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.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated 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.

For and on behalf of management:

17 June 2019



Nguyen Trung Chinh
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of CMC Corporation

We have audited the accompanying consolidated financial statements of CMC Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group") as prepared on 17 June 2019 and set out on pages 6 to 50, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated income statement and consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Group'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 Group'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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 March 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated 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

Hanoi, Viet Nam
17 June 2019

Trinh Xuan Hoa

Auditor
Audit Practising Registration
Certificate No. 0754-2018-004-1

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		522,041,916,822	204,882,561,375
110	I. Cash	4	300,722,408,901	1,494,635,604
111	1. Cash		300,722,408,901	1,494,635,604
120	II. Short-term investments	5	41,000,000,000	65,000,000,000
123	1. Held-to-maturity investments		41,000,000,000	65,000,000,000
130	III. Current accounts receivable		179,615,749,413	135,989,582,089
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)
140	IV. Inventories		-	31,753,808
141	1. Inventories		-	31,753,808
150	V. Other current assets		703,758,508	2,366,589,874
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
200	B. NON-CURRENT ASSETS		855,845,110,766	788,327,118,684
210	I. Long-term receivables		5,000,000,000	29,426,945,000
211	1. Long-term trade receivables	8	5,000,000,000	29,426,945,000
220	II. Fixed assets		247,216,209,700	267,564,674,778
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)
240	III. Long-term assets in progress	12	81,927,199,279	38,462,685,438
242	1. Construction in progress		81,927,199,279	38,462,685,438
250	IV. Long-term investments	13	511,801,048,066	442,137,909,243
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	-
260	V. Other long-term assets		9,900,653,721	10,734,904,225
261	1. Long-term prepaid expenses	14	9,900,653,721	10,734,904,225
270	TOTAL ASSETS		1,377,887,027,588	993,209,680,059

SEPARATE BALANCE SHEET (continued)

as at 31 March 2019

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		495,654,915,991	153,966,602,593
310	I. Current liabilities		139,321,734,612	128,008,484,973
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
330	II. Non-current liabilities		356,333,181,379	25,958,117,620
337	1. Other long-term liabilities	19	8,714,787,107	11,304,006,023
338	1. 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
400	D. OWNERS' EQUITY		882,232,111,597	839,243,077,466
410	I. Capital	23	882,232,111,597	839,243,077,466
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	2. Share premium		34,444,340,400	34,444,340,400
421	3. 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
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,377,887,027,588	993,209,680,059

Chief Accountant

Chief Finance Officer

Chief Executive Officer



Nguyen Hong Phuong
17 June 2019



Le Thanh Son




Nguyen Trung Chinh

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

17 June 2019

Chief Finance Officer



Le Thanh Son

Chief Executive Officer



Nguyen Trung Chinh

SEPARATE CASH FLOW STATEMENT

for the year ended 31 March 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		118,577,622,243	139,025,494,385
	<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	Operating profit before changes in working capital		14,590,497,830	27,459,255,484
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	Net cash flows from operating activities		13,599,446,478	22,068,507,238
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
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	Net cash flows from/(used in) investing activities		17,970,560,507	(39,771,646,622)

SEPARATE CASH FLOW STATEMENT (continued)

for the year ended 31 March 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
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)
40	Net cash flows from financing activities		267,652,055,654	18,149,132,879
50	Net cash flow for the year		299,222,062,639	445,993,495
60	Cash at the beginning of the year		1,494,635,604	1,048,642,109
61	Impact of exchange rate fluctuation		5,710,658	-
70	Cash at the end of the year	4	300,722,408,901	1,494,635,604

Chief Accountant



Nguyen Hong Phuong

17 June 2019

Chief Finance Officer



Le Thanh Son

Chief Executive Officer



Nguyen Trung Chinh

FINANCIAL REPORT BEST AUDIT IN 2018

31 | 03 | 2019

THE COMPANY

CMC Corporation (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam 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 Business Registration Certificates, with the latest is the 9th amendment being granted on 18 October 2018.

The current principal activities of the Company are:

- Provision of information technology services and products;
- Produce software, provision of software service and solution;
- Manufacturing, trading, repairing information technology machine and equipment;
- Real estate trading, provision of office for lease;
- Provision telecommunication service; and
- Other activities as registered in the Business Registration Certificate.

The Group’s head office is located at CMC Tower, No. 11 Duy Tan street, Cau Giay district, Hanoi, Vietnam, and a branch is located at 9th floor, TNA building, 111 – 112 Ngo Gia Tu street, 10 district, 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 of Board of Supervision	Members of the Board of Supervision. Appointed as the Head on 6 August 2018
Ms. Nguyen Thi Thanh Huyen	Head of Board of Supervision	Resigned on 6 August 2018
Mr. Truong Thanh Phuc	Member	
Mr. Nguyen Thanh Nam	Member	

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 Group is Ernst & Young Vietnam Limited.

REPORT OF THE BOARD OF DIRECTORS

Management of CMC Corporation (“the Company”) is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2019.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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 to ensure that the accounting records comply with the applied accounting system. It 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.

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

For and on behalf of management:

17 June 2019



Nguyen Trung Chinh
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To: *The Shareholders of CMC Corporation*

We have audited the accompanying consolidated financial statements of CMC Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as prepared on 17 June 2019 and set out on pages 6 to 50, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated income statement and consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Group'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 Group'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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 March 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited

Bui Anh Tuan

Deputy General Director
Audit Practising Registration
Certificate No. 1067-2018-004-1

Hanoi, Viet Nam

17 June 2019

Trinh Xuan Hoa

Auditor
Audit Practising Registration
Certificate No. 0754-2018-004-1

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		2,198,562,190,256	1,663,913,682,023
110	I. Cash and cash equivalents	4	432,733,780,074	143,491,061,936
111	1. Cash		394,999,780,074	109,591,061,936
112	2. Cash equivalents		37,734,000,000	33,900,000,000
120	II. Short-term investments		223,273,612,595	193,092,020,501
123	1. Held-to-maturity investments	5	223,273,612,595	193,092,020,501
130	III. Current accounts receivable		1,209,652,157,070	994,916,060,113
131	1. Short-term trade receivables	6.1	1,177,437,249,302	993,913,371,831
132	2. Short-term advances to suppliers	6.2	53,463,614,559	32,617,454,592
135	3. Short-term loan receivables	7	2,620,000,000	14,623,582,080
136	4. Other short-term receivables	8	67,635,261,284	71,337,053,547
137	5. Provision for doubtful short-term receivables	6.3	(91,503,968,075)	(117,575,401,937)
140	IV. Inventories	10	200,237,606,967	192,684,097,017
141	1. Inventories		203,267,845,570	194,858,149,499
149	2. Provision for obsolete inventories		(3,030,238,603)	(2,174,052,482)
150	V. Other current assets		132,665,033,550	139,730,442,456
151	1. Short-term prepaid expenses	16	20,493,276,813	17,919,597,290
152	2. Value-added tax deductible	11	111,683,475,762	121,167,599,708
153	3. Tax and other receivables from the State	19	488,280,975	643,245,458
200	B. NON-CURRENT ASSETS		1,510,357,168,585	1,333,714,379,617
210	I. Long-term receivables		12,463,472,294	7,640,220,204
216	1. Other long-term receivables	8	12,463,472,294	7,640,220,204
220	II. Fixed assets		1,122,560,465,601	1,067,837,375,513
221	1. Tangible fixed assets	12	970,508,528,299	904,035,754,174
222	Cost		1,581,610,843,473	1,380,346,567,370
223	Accumulated depreciation		(611,102,315,174)	(476,310,813,196)
227	2. Intangible fixed assets	13	152,051,937,302	163,801,621,339
228	Cost		233,728,041,098	223,579,485,553
229	Accumulated amortisation		(81,676,103,796)	(59,777,864,214)
240	III. Long-term assets in progress		180,387,839,413	97,345,519,308
242	1. Construction in progress	14	180,387,839,413	97,345,519,308
250	IV. Long-term investments		46,954,808,087	28,308,030,413
252	1. Investments in associates	15	38,574,808,087	27,301,030,413
253	2. Investment in other entities		-	980,000,000
255	3. Held-to-maturity investments	5	8,380,000,000	27,000,000
260	V. Other long-term assets		147,990,583,190	132,583,234,179
261	1. Long-term prepaid expenses	16	144,921,360,502	128,792,735,705
262	2. Deferred tax assets	35.3	666,848,377	774,497,957
269	3. Goodwill	17	2,402,374,311	3,016,000,517
270	TOTAL ASSETS		3,708,919,358,841	2,997,628,061,640

CONSOLIDATED BALANCE SHEET (continued)

as at 31 March 2019

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		2,346,363,852,243	1,749,084,725,166
310	I. Current liabilities		1,709,060,892,455	1,416,021,913,453
311	1. Short-term trade payables	18.1	585,503,818,147	532,115,754,871
312	2. Short-term advances from customers	18.2	67,366,085,045	103,694,757,256
313	3. Statutory obligations	19	42,540,361,401	33,669,667,569
314	4. Payables to employees		135,544,727,568	114,439,822,076
315	5. Short-term accrued expenses	20	282,580,257,484	246,142,641,726
318	6. Short-term unearned revenue	22	80,998,477,844	78,792,922,631
319	7. Other short-term payables	21	78,542,413,476	45,197,188,876
320	8. Short-term loans and finance lease obligations	23	412,315,744,530	240,031,831,833
321	9. Short-term provisions	24	10,065,211,922	8,276,507,185
322	10. Bonus and welfare fund	25	13,603,795,038	13,660,819,430
330	II. Non-current liabilities		637,302,959,788	333,062,811,713
336	1. Long-term unearned revenue	22	19,127,495,202	19,956,611,796
337	2. Other long-term liabilities	21	9,161,886,549	36,180,446,022
338	3. Long-term loans and finance lease obligations	23	588,094,030,002	261,077,425,415
341	4. Deferred tax liabilities	35.3	1,589,251,625	1,647,247,965
343	5. Scientific and technological development fund	26	19,330,296,410	14,201,080,515
400	D. OWNERS' EQUITY		1,362,555,506,598	1,248,543,336,474
410	I. Capital	27	1,362,555,506,598	1,248,543,336,474
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	2. Share premium		34,444,340,400	34,444,340,400
414	3. Other owners' capital		134,807,600,821	111,266,061,120
417	4. Investment and development fund		372,410,000	471,314,384
421	5. Undistributed earnings		167,459,270,889	156,183,722,979
421a	- Undistributed earnings by the end of prior year		29,300,143,388	39,160,241,315
421b	- Undistributed earnings of current year		138,159,127,501	117,023,481,664
429	6. Non-controlling interests		304,919,784,488	272,758,367,591
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,708,919,358,841	2,997,628,061,640

Chief Accountant



Nguyen Hong Phuong

17 June 2019

Chief Finance Officer



Le Thanh Son

Chief Executive Officer



Nguyen Trung Chinh

CONSOLIDATED 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	29.1	5,186,931,126,613	4,872,015,704,030
02	2. Deductions	29.1	1,215,750,948	2,173,679,639
10	3. Net revenue from sale of goods and rendering of services [10 = 01 - 02]	29.1	5,185,715,375,665	4,869,842,024,391
11	4. Cost of goods sold and services rendered	30	4,344,603,933,188	4,116,422,640,212
20	5. Gross profit from sale of goods and rendering of services [20 = 10 - 11]		841,111,442,477	753,419,384,179
21	6. Finance income	29.2	25,332,247,651	18,887,764,877
22	7. Finance expenses	31	50,428,877,857	28,692,050,183
23	<i>In which: Interest expenses</i>		47,649,698,941	28,218,630,957
24	8. Shares of profit of associates	15	20,733,263,357	17,952,134,556
25	9. Selling expenses	32	319,716,926,552	288,578,126,415
26	10. General and administrative expenses	32	269,835,733,846	269,855,905,234
30	11. Operating profit [30 = 20 + 21 - 22 + 24 - 25 - 26]		247,195,415,230	203,133,201,780
31	12. Other income	33	18,760,574,293	18,406,144,597
32	13. Other expenses	33	4,104,367,229	2,856,254,438
40	14. Other profit [40 = 31 - 32]	33	14,656,207,064	15,549,890,159
50	15. Accounting profit before tax [50 = 30 + 40]		261,851,622,294	218,683,091,939
51	16. Current corporate income tax expenses	35.2	47,549,485,720	39,139,402,938
52	17. Deferred tax expense/(income)	35.3	49,653,240	(442,983,805)
60	18. Net profit after tax [60 = 50 - 51 - 52]		214,252,483,334	179,986,672,806
61	19. Net profit after tax attributable to shareholders of the parent	27.1	159,483,306,813	133,844,458,173
62	20. Net profit after tax attributable to non-controlling interests	27.1	54,769,176,521	46,142,214,633
70	21. Basic earnings per share	37	1,917	1,624
71	22. Diluted earnings per share	37	1,917	1,624

Chief Accountant



Nguyen Hong Phuong

17 June 2019

Chief Finance Officer



Le Thanh Son

Chief Executive Officer



Nguyen Trung Chinh

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		261,851,622,294	218,683,091,939
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and amortisation of intangible fixed assets (including amortisation of goodwill)	12,13, 17	160,964,047,443	131,072,064,716
03	(Reversal of provision)/provisions		(23,426,543,004)	35,329,873,599
04	Foreign exchange losses/(gains) arisen from revaluation of monetary accounts denominated in foreign currency		320,317,366	(70,330,757)
05	Profits from investing activities		(38,743,424,276)	(35,753,661,523)
06	Interest expenses	31	47,649,698,941	28,218,630,957
08	Operating profit before changes in working capital		408,615,718,764	377,479,668,931
09	Increase in receivables		(193,250,165,031)	(367,609,237,046)
10	(Increase)/decrease in inventories		(8,409,696,071)	35,239,570,887
11	Increase in payables		172,403,932,585	220,398,132,703
12	Increase in prepaid expenses		(18,402,079,921)	(209,354,059)
14	Interest paid		(45,421,610,271)	(28,301,266,934)
15	Corporate income tax paid	19	(41,934,058,926)	(33,374,670,681)
17	Other cash outflows for operating activities		(16,713,409,516)	(4,114,516,321)
20	Net cash flows from operating activities		256,888,631,613	199,508,327,480
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase, construction of fixed assets and other long-term assets		(387,706,532,175)	(369,763,522,056)
22	Proceeds from disposals of fixed assets and other long-term assets		419,030,284	3,640,514,223
23	Loans to other entities and payments for purchase of debt instruments of other entities		(136,893,523,500)	(191,845,597,626)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		110,362,513,486	235,307,290,250
25	Payments for investments in other entities (net of cash held by entity being acquired)		-	16,751,172,457
26	Proceeds from sale of investments in other entities		980,000,000	399,970,333
27	Interest and dividends received		24,868,881,592	29,487,686,953
30	Net cash flows used in investing activities		(387,969,630,313)	(276,022,485,466)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares and reissuance of treasury shares		4,900,000,000	26,389,088,400
33	Drawdown of borrowings		2,799,023,093,312	3,648,195,497,086
34	Repayment of borrowings		(2,299,722,576,028)	(3,498,574,319,499)
36	Dividends paid		(83,602,952,528)	(81,130,183,598)
40	Net cash flows from financing activities		420,597,564,756	94,880,082,389
50	Net increase in cash for the year		289,516,566,056	18,365,924,403
60	Cash and cash equivalents at the beginning of the year		143,491,061,936	125,069,823,641
61	Impact of exchange rate fluctuation		(273,847,918)	55,313,892
70	Cash and cash equivalents at the end of the year	4	432,733,780,074	143,491,061,936

Chief Accountant



Nguyen Hong Phuong

17 June 2019

Chief Finance Officer



Le Thanh Son

Chief Executive Officer



Nguyen Trung Chinh



CMC CORPORATION

Head Office: 17th Floor, CMC Tower, 11 Duy Tan St.,
Dich Vong Hau Ward, Cau Giay Dist., Hanoi
Tel: +8424. 3795 8668 | Fax: +8424. 3795 8989

www.cmc.com.vn

Branch: 111-121 Ngo Gia Tu St.,
Ward 2, Dist. 10, Ho Chi Minh City
Tel: +8428. 3833 0579 | Fax: +8428. 3833 0580