

# CMC Corporation

Consolidated financial statements

For the year ended 31 March 2020



# CMC Corporation

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# CMC Corporation

## GENERAL INFORMATION

### 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 11<sup>th</sup> amendment being granted on 12 September 2019.

The current principal activities of the Company are:

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

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

### BOARD OF DIRECTORS

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

Mr. Nguyen Trung Chinh	Chairman	
Mr. Hoang Ngoc Hung	Deputy Chairman	Resigned on 26 June 2019
Mr. Nguyen Phuoc Hai	Member	
Mr. Nguyen Minh Duc	Member	
Mr. Truong Tuan Lam	Member	
Mr. Nguyen Danh Lam	Member	
Mr. Le Viet Ha	Member	
Mr. Ha The Vinh	Member	Appointed on 26 June 2019
Mr. Jeong Sam Yong	Member	Appointed on 18 November 2019
Mr. Suh Jae Il	Member	Appointed on 18 November 2019
Mr. Nguyen Kim Cuong	Member	Resigned on 1 October 2019
Mr. Ta Hoang Linh	Member	Resigned on 1 October 2019

### 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
Mr. Truong Thanh Phuc	Member
Mr. Nguyen Thanh Nam	Member

# CMC Corporation

## GENERAL INFORMATION (continued)

### MANAGEMENT

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

Mr. Nguyen Trung Chinh	Chief Executive Officer	
Mr. Hoang Ngoc Hung	Deputy General Director	
Mr. Nguyen Phuoc Hai	Deputy General Director	
Mr. Ho Thanh Tung	Deputy General Director	
Mr. Nguyen Hong Son	Deputy General Director	Resigned on 1 February 2020
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.



# CMC Corporation

## REPORT OF MANAGEMENT

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 2020.

### 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 2020, 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:



Nguyễn Trung Chinh  
Chief Executive Officer

29 June 2020

Reference: 61376291/21377543 - HN

## 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 29 June 2020 and set out on pages 6 to 50, which comprise the consolidated balance sheet as at 31 March 2020, 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.

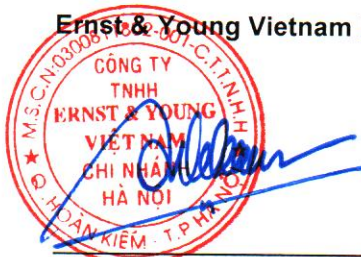
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### **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 2020, 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**



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



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Nguyen Thu Hang  
Auditor  
Audit Practising Registration  
Certificate No. 3342-2020-004-1

Hanoi, Viet Nam

29 June 2020

CONSOLIDATED BALANCE SHEET  
as at 31 March 2020

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,925,508,090,945</b>	<b>2,198,562,190,256</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>213,481,918,455</b>	<b>432,733,780,074</b>
111	1. Cash		123,041,918,455	394,999,780,074
112	2. Cash equivalents		90,440,000,000	37,734,000,000
<b>120</b>	<b>II. Short-term investments</b>		<b>1,130,980,894,357</b>	<b>223,273,612,595</b>
123	1. Held-to-maturity investments	5	1,130,980,894,357	223,273,612,595
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,233,579,861,084</b>	<b>1,209,652,157,070</b>
131	1. Short-term trade receivables	6.1	1,133,248,019,898	1,177,437,249,302
132	2. Short-term advances to suppliers	6.2	65,362,211,586	53,463,614,559
135	3. Short-term loan receivables		-	2,620,000,000
136	4. Other short-term receivables	7	108,727,694,844	67,635,261,284
137	5. Provision for doubtful short-term receivables	6.3	(73,758,065,244)	(91,503,968,075)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>207,177,327,359</b>	<b>200,237,606,967</b>
141	1. Inventories		210,618,687,283	203,267,845,570
149	2. Provision for obsolete inventories		(3,441,359,924)	(3,030,238,603)
<b>150</b>	<b>V. Other current assets</b>		<b>140,288,089,690</b>	<b>132,665,033,550</b>
151	1. Short-term prepaid expenses	15	28,582,980,714	20,493,276,813
152	2. Value-added tax deductible	10	111,594,826,076	111,683,475,762
153	3. Tax and other receivables from the State	18	110,282,900	488,280,975
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,723,877,303,526</b>	<b>1,510,357,168,585</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>14,408,347,518</b>	<b>12,463,472,294</b>
216	1. Other long-term receivables	7	14,408,347,518	12,463,472,294
<b>220</b>	<b>II. Fixed assets</b>		<b>1,183,135,710,561</b>	<b>1,122,560,465,601</b>
221	1. Tangible fixed assets	11	1,031,008,011,213	970,508,528,299
222	Cost		1,803,621,998,298	1,581,610,843,473
223	Accumulated depreciation		(772,613,987,085)	(611,102,315,174)
227	2. Intangible fixed assets	12	152,127,699,348	152,051,937,302
228	Cost		257,981,280,281	233,728,041,098
229	Accumulated amortisation		(105,853,580,933)	(81,676,103,796)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>224,241,944,139</b>	<b>180,387,839,413</b>
242	1. Construction in progress	13	224,241,944,139	180,387,839,413
<b>250</b>	<b>IV. Long-term investments</b>		<b>96,726,133,547</b>	<b>46,954,808,087</b>
252	1. Investments in associates	14	53,346,133,547	38,574,808,087
255	2. Held-to-maturity investments	5	43,380,000,000	8,380,000,000
<b>260</b>	<b>V. Other long-term assets</b>		<b>205,365,167,761</b>	<b>147,990,583,190</b>
261	1. Long-term prepaid expenses	15	203,017,220,859	144,921,360,502
262	2. Deferred tax assets	34.3	559,198,797	666,848,377
269	3. Goodwill	16	1,788,748,105	2,402,374,311
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,649,385,394,471</b>	<b>3,708,919,358,841</b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 March 2020

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>2,396,982,618,727</b>	<b>2,346,363,852,243</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,663,814,076,265</b>	<b>1,709,060,892,455</b>
311	1. Short-term trade payables	17.1	601,772,206,435	585,503,818,147
312	2. Short-term advances from customers	17.2	30,956,389,724	67,366,085,045
313	3. Statutory obligations	18	41,249,486,261	42,540,361,401
314	4. Payables to employees		130,192,941,775	135,544,727,568
315	5. Short-term accrued expenses	19	199,458,207,378	282,580,257,484
318	6. Short-term unearned revenue	21	105,386,458,162	80,998,477,844
319	7. Other short-term payables	20	94,888,807,825	78,542,413,476
320	8. Short-term loans and finance lease obligations	22	444,333,244,559	412,315,744,530
321	9. Short-term provisions	23	3,193,909,521	10,065,211,922
322	10. Bonus and welfare fund	24	12,382,424,625	13,603,795,038
<b>330</b>	<b>II. Non-current liabilities</b>		<b>733,168,542,462</b>	<b>637,302,959,788</b>
336	1. Long-term unearned revenue	21	30,888,343,257	19,127,495,202
337	2. Other long-term liabilities	20	6,879,998,177	9,161,886,549
338	3. Long-term loans and finance lease obligations	22	672,419,097,400	588,094,030,002
341	4. Deferred tax liabilities	34.3	1,531,255,285	1,589,251,625
343	5. Scientific and technological development fund	25	21,449,848,343	19,330,296,410
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>2,252,402,775,744</b>	<b>1,362,555,506,598</b>
<b>410</b>	<b>I. Capital</b>	<b>26</b>	<b>2,252,402,775,744</b>	<b>1,362,555,506,598</b>
411	1. Share capital		999,998,660,000	720,552,100,000
411a	- Shares with voting rights		999,998,660,000	720,552,100,000
411b	- Preference shares		-	-
412	2. Share premium		599,555,780,400	34,444,340,400
414	3. Other owners' capitals		134,807,600,821	134,807,600,821
417	4. Foreign exchange differences reserve		67,172,434	372,410,000
421	5. Undistributed earnings		182,539,470,277	167,459,270,889
421a	- Undistributed earnings by the end of prior year		58,209,946,591	29,300,143,388
421b	- Undistributed earnings of current year		124,329,523,686	138,159,127,501
429	6. Non-controlling interests		335,434,091,812	304,919,784,488
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,649,385,394,471</b>	<b>3,708,919,358,841</b>

Chief Accountant  
Nguyen Hong Phuong

Chief Finance Officer  
Le Thanh Son

Chief Executive Officer  
Nguyen Trung Chinh

29 June 2020

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 March 2020

Currency: VND


Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	4,864,151,736,653	5,186,931,126,613
02	2. Deductions	28.1	8,346,067,406	1,215,750,948
10	3. Net revenue from sale of goods and rendering of services [10 = 01 - 02]	28.1	4,855,805,669,247	5,185,715,375,665
11	4. Cost of goods sold and services rendered	29	3,956,367,797,661	4,344,603,933,188
20	5. Gross profit from sale of goods and rendering of services [20 = 10 - 11]		899,437,871,586	841,111,442,477
21	6. Finance income	28.2	61,930,167,701	25,332,247,651
22	7. Finance expenses	30	72,435,751,345	50,428,877,857
23	- In which: Interest expenses		69,879,533,415	47,649,698,941
24	8. Shares of profit of associates	14	25,092,671,510	20,733,263,357
25	9. Selling expenses	31	379,119,050,422	319,716,926,552
26	10. General and administrative expenses	31	287,831,337,237	269,835,733,846
30	11. Operating profit [30 = 20 + 21 - 22 + 24 - 25 - 26]		247,074,571,793	247,195,415,230
31	12. Other income	32	15,098,094,041	18,760,574,293
32	13. Other expenses	32	3,219,404,647	4,104,367,229
40	14. Other profit [40 = 31 - 32]	32	11,878,689,394	14,656,207,064
50	15. Accounting profit before tax [50 = 30 + 40]		258,953,261,187	261,851,622,294
51	16. Current corporate income tax expenses	34.2	50,333,114,539	47,549,485,720
52	17. Deferred tax expense	34.3	49,653,240	49,653,240



CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 March 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
60	18. Net profit after tax [60 = 50 - 51 - 52]		208,570,493,408	214,252,483,334
61	19. Net profit after tax attributable to shareholders of the parent	26.1	144,047,373,783	159,483,306,813
62	20. Net profit after tax attributable to non-controlling interests	26.1	64,523,119,625	54,769,176,521
70	21. Basic earnings per share	36	1,393	1,842
71	22. Diluted earnings per share	36	1,393	1,842

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

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



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

29 June 2020

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 March 2020

Currency: VND


Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>258,953,261,187</b>	<b>261,851,622,294</b>
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and amortisation of intangible fixed assets (including amortisation of goodwill)	11,12,16	192,045,945,931	160,964,047,443
03	Reversal of provision		(4,364,961,747)	(23,426,543,004)
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency		1,401,749,208	320,317,366
05	Profits from investing activities		(80,633,652,271)	(38,743,424,276)
06	Interest expenses	30	69,879,533,415	47,649,698,941
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>437,281,875,723</b>	<b>408,615,718,764</b>
09	Decrease/(increase) in receivables		8,345,776,828	(193,250,165,031)
10	Increase in inventories		(7,350,841,713)	(8,409,696,071)
11	Increase in payables		35,828,108,283	172,403,932,585
12	Increase in prepaid expenses		(66,185,564,258)	(18,402,079,921)
14	Interest paid		(71,383,692,599)	(45,421,610,271)
15	Corporate income tax paid	18	(49,067,939,468)	(41,934,058,926)
17	Other cash outflows for operating activities		(18,819,668,575)	(16,713,409,516)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>268,648,054,221</b>	<b>256,888,631,613</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase, construction of fixed assets and other long-term assets		(402,430,753,835)	(387,706,532,175)
22	Proceeds from disposals of fixed assets and other long-term assets		397,189,268	419,030,284
23	Loans to other entities and payments for purchase of debt instruments of other entities		(1,193,576,958,904)	(136,893,523,500)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		253,489,677,142	110,362,513,486
26	Proceeds from sale of investments in other entities		-	980,000,000
27	Interest and dividends received		27,237,032,624	24,868,881,592
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(1,314,883,813,705)</b>	<b>(387,969,630,313)</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 March 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution and issuance of shares		844,558,000,000	4,900,000,000
33	Drawdown of borrowings		3,128,841,627,636	2,799,023,093,312
34	Repayment of borrowings		(3,012,499,060,209)	(2,299,722,576,028)
36	Dividends paid		(133,966,461,664)	(83,602,952,528)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>826,934,105,763</b>	<b>420,597,564,756</b>
<b>50</b>	<b>Net (decrease)/increase in cash for the year</b>		<b>(219,301,653,721)</b>	<b>289,516,566,056</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>432,733,780,074</b>	<b>143,491,061,936</b>
61	Impact of exchange rate fluctuation		49,792,102	(273,847,918)
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>213,481,918,455</b>	<b>432,733,780,074</b>

  
Chief Accountant  
Nguyen Hong Phuong

  
Chief Finance Officer  
Le Thanh Son

  
Chief Executive Officer  
Nguyen Trung Chinh



29 June 2020



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 March 2020 and for the year then ended

## 1. CORPORATE INFORMATION

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. 010024412 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 11<sup>th</sup> amendment being granted on 12 September 2019.

The current principal activities of the Company are:

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

The normal course of business cycle of the Company and its subsidiaries ("the Group") is 12 months.

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

The number of the Group's employees as at 31 March 2020 is 2,583 (as at 31 March 2019: 2,362).

### **Corporate structure**

As at 31 March 2020, the Company has 12 subsidiaries. Details on these subsidiaries and the Company's ownership interest in these subsidiaries are as follows:

<i>Name of the entity</i>	<i>Head office's address</i>	<i>Principal activities</i>	<i>Equity interest</i>	<i>Voting rights</i>
CMC Technology and Solution Company Limited	Hanoi	Providing IT solutions	100%	100%
CMC Saigon Technology and Solution Company Limited (*)	Ho Chi Minh City	Providing security solution	100%	100%
CMC Telecommunication Infrastructure Corporation	Hanoi	Providing telecommunications services	54.63%	54.63%
CMC Production and Trading Company Limited	Hanoi	Distribution of IT products	100%	100%
CMC Global Company Limited	Hanoi	Software services	100%	100%
CMC Production and Service Company Limited	Hanoi	Production, assembly and distribution of computer	100%	100%
Ciber - CMC Joint Venture Company	Hanoi	Software services	51%	51%
CMC Blue France Company Limited (**)	France	BPO, ITO outsourcing services	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**1. CORPORATE INFORMATION** (continued)

**Corporate structure** (continued)

<i>Name of the entity</i>	<i>Head office's address</i>	<i>Principal activities</i>	<i>Equity interest</i>	<i>Voting rights</i>
CMC Institute of Science and Technology	Hanoi	Research and application of high technology, new technologies in ICT fields	100%	100%
CMC Software Solutions Company Limited (*)	Hanoi	Software services	100%	100%
CMC Cyber Security Company Limited (previously known as CMC Information Security Joint Stock Company) (*)	Hanoi	Providing security information and security solution	100%	100%
CMC Japan Joint Stock Company (*)	Japan	Software services	100%	100%

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

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

**The Group's restructuring transactions**

During the year, the Group has exercised restructuring transactions by transferring all of its share investments in subsidiaries, including CMC Software Solutions Company Limited and CMC Cyber Security Company Limited to CMC Technology and Solution Company Limited, another subsidiary of the Group.

**2. BASIS OF PREPARATION**

**2.1 Accounting standards and system**

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

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

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

**2.2 *Applied accounting documentation system***

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

**2.3 *Fiscal year***

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

**2.4 *Accounting currency***

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

**2.5 *Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 March 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtained control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 *Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

**3.2 Inventories**

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

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

The perpetual method is used to record inventories, which are valued as follows:

Raw materials and goods	- cost of purchase on a weighted average basis.
Finished goods and work-in process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

*Provision for obsolete inventories*

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

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

**3.3 Receivables**

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

**3.5 Leased assets**

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

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

*Where the Group is the lessee*

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

*Where the Group is the lessor*

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

**3.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

**3.7 Depreciation and amortization**

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

Buildings and structures	39 - 48 years
Machinery and equipment	2 - 8 years
Means of transportation	3 - 10 years
Office equipment	3 - 8 years
Copyrights, patent	5 years
Trademark	3 - 10 years
Computer software	3 - 8 years
Others	5 - 7 years



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

**3.8 *Borrowing costs***

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as they are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

**3.9 *Prepaid expenses***

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

*Prepaid land rental*

The prepaid land rental represents the unamortised balance of advance payment made in accordance with lease contract signed with Board of Management of Saigon Hi-tech Park on 11 August 2011 for a period of 50 years. Such prepaid rental is classified as long-term prepaid expenses for allocation to the consolidated income statement over the remaining lease period, according to Circular 45.

**3.10 *Business combinations and goodwill***

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-year period on a straight-line basis. The Group annually carries out test of impairment of goodwill, and if there is indicator that the impairment amount is higher than the annual amortisation, the excess of goodwill impairment over annual amortisation will be recorded in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

**3.11 Investments**

*Investment in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that are neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights in the investee.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. The Group does not charge any amortisation on the goodwill, but annually carries out test of impairment of goodwill. The consolidated income statement reflects the Group's share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting year as the Group and using the consistent accounting policies with the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

*Investments in other entities*

Investments in other entities are stated at their acquisition cost.

*Provision for diminution in value of held-for-trading securities and other investments*

Provision is made for any diminution in value of held-for-trading securities and investments in other entities, which the Group assesses at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

*Held-to-maturity investments*

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

**3.12 Payables and accruals**

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

**3.13 Foreign currency transactions**

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

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

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

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

All foreign exchange differences incurred are taken to the consolidated income statement.

**3.14 Scientific and technological development fund**

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

**3.15 Appropriation of net profits**

Net profit after tax (excluding gain from bargain purchases) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and the Vietnamese regulatory requirements.

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

*Investment and development fund*

This fund is set aside for use in the Group's expansion of its operations or of in-depth investments.

*Bonus and welfare fund*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

**3.16 Revenue recognition**

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

*Sale of goods*

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

*Revenue from rendering of information technology services*

Revenue is recognised when services are rendered and completed at the end of the year.

*Provision of software services*

Revenue from provision of software services is recognised based on the volume of work completed and accepted by customers.

*Monthly charges from subscribers of telecommunication services*

Monthly subscription charges are recognised in the consolidated income statement on a straight-line basis over the subscription term of each customer.

*Interconnection fees with other telecom operators*

Revenue from interconnection fees is recorded when services are rendered and recorded at the amount of interconnection charges earned and based on the monthly reconciliation report between the Group and other telecom operators.

*Rental income*

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

*Dividends*

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

*Interest*

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

**3.17 Taxation**

*Current income tax*

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

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

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

*Deferred tax*

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

**3.17 Taxation** (continued)

*Deferred tax* (continued)

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

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

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

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

**3.18 Segment information**

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

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

**3.19 Related parties**

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**4. CASH AND CASH EQUIVALENTS**

	Currency: VND	
	Ending balance	Beginning balance
Cash on hand	4,947,743,404	3,161,645,366
Cash at banks	118,035,170,103	390,919,766,588
Cash in transit	59,004,948	918,368,120
Cash equivalents (*)	90,440,000,000	37,734,000,000
<b>TOTAL</b>	<b>213,481,918,455</b>	<b>432,733,780,074</b>

(\*) Cash equivalents comprise of bank deposits in VND with terms less than 3 months and earn interest at the rates ranging from 4.75% to 4.9% per annum (as at 31 March 2019: from 4.2% to 5.5% per annum).

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

	Currency: VND			
	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
<b>Short-term</b>				
Term deposits (*)	1,130,980,894,357	1,130,980,894,357	223,273,612,595	223,273,612,595
	<b>1,130,980,894,357</b>	<b>1,130,980,894,357</b>	<b>223,273,612,595</b>	<b>223,273,612,595</b>
<b>Long-term</b>				
Bonds (**)	43,380,000,000	43,380,000,000	8,380,000,000	8,380,000,000
<b>TOTAL</b>	<b>43,380,000,000</b>	<b>43,380,000,000</b>	<b>8,380,000,000</b>	<b>8,380,000,000</b>

(\*) These represent bank deposits in VND with term from 6 months to 12 months and earn interest at the rates from 4.8% to 7.5% per annum (as at 31 March 2019: from 4.3% to 7% per annum).

(\*\*) These represent investments in unsecured bonds issued by Joint Stock Commercial Bank for Investment and Development of Vietnam with term of 7 years and earn floating interest rate equal to reference interest rate + 0.8% per annum and mature on 19 December 2025 and 25 November 2026. The interest of bonds will be paid on an annual basis and principal will be paid at maturity dates.

The Group used certain bank deposits and bonds as collaterals for bank overdrafts at Joint Stock Commercial Bank for Investment and Development of Vietnam (Note 22.1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

## 6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 6.1 Short-term trade receivables

	Currency: VND	
	Ending balance	Beginning balance
Trade receivables from customers	1,133,248,019,898	1,174,658,249,302
Trade receivables from related parties (Note 35)	-	2,779,000,000
<b>TOTAL</b>	<b>1,133,248,019,898</b>	<b>1,177,437,249,302</b>
Provision for doubtful debts	(64,767,038,537)	(86,512,941,368)

### 6.2 Short-term advances to suppliers

	Currency: VND	
	Ending balance	Beginning balance
IBM Vietnam Company Limited	850,249,323	15,659,805,480
Central Construction Joint Stock Company	38,848,099,685	-
Advances to other suppliers	25,663,862,578	37,803,809,079
<b>TOTAL</b>	<b>65,362,211,586</b>	<b>53,463,614,559</b>
Provision for doubtful debts	(164,759,188)	(164,759,188)

### 6.3 Provision for doubtful debts

	Currency: VND	
	Current year	Previous year
Opening balance	91,503,968,075	117,575,401,937
Provision created during the year	7,843,069,329	2,194,581,923
Reversal of provision during the year	(5,747,849,996)	(28,266,015,785)
Utilisation of provision during the year	(19,841,122,164)	-
<b>Ending balance</b>	<b>73,758,065,244</b>	<b>91,503,968,075</b>

In which:

Provision for short-term trade receivables (Note 6.1)	(64,767,038,537)	(86,512,941,368)
Provision for short-term advances to suppliers (Note 6.2)	(164,759,188)	(164,759,188)
Provision for other short-term receivables (Note 7)	(8,826,267,519)	(4,826,267,519)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**7. OTHER RECEIVABLES**

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Provision</i>	<i>Balance</i>	<i>Provision</i>
<b>Short-term</b>				
Interest receivable	46,099,435,019	-	9,067,566,431	-
Advances for projects' implementation activities	39,418,933,995	(4,000,000,000)	33,316,640,931	-
Receivables from unbilled revenue	11,653,416,514	-	10,213,369,206	-
Deposits and mortgages	2,857,799,910	-	4,050,011,403	-
Receivables from the transfer of shares	3,500,000,000	(3,500,000,000)	3,500,000,000	(3,500,000,000)
Others	5,198,109,406	(1,326,267,519)	7,487,673,313	(1,326,267,519)
<b>TOTAL</b>	<b>108,727,694,844</b>	<b>(8,826,267,519)</b>	<b>67,635,261,284</b>	<b>(4,826,267,519)</b>
<b>Long-term</b>				
Deposits and mortgages	14,408,347,518	-	12,463,472,294	-
<b>TOTAL</b>	<b>14,408,347,518</b>	<b>-</b>	<b>12,463,472,294</b>	<b>-</b>
<i>In which:</i>				
<i>Other short-term receivables from related parties (Note 35)</i>	1,719,251,865	-	2,413,418,241	-
<i>Other receivables from third parties</i>	121,416,790,497	(8,826,267,519)	77,685,315,337	(4,826,267,519)

**8. BAD DEBTS**

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Overdue subscription charges from individual customers	36,527,140,849	-	33,648,915,667	-
Other overdue receivables	37,230,924,395	-	58,441,547,871	586,495,463
<b>TOTAL</b>	<b>73,758,065,244</b>	<b>-</b>	<b>92,090,463,538</b>	<b>586,495,463</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**9. INVENTORIES**

Currency: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Goods in transit	6,687,311,816	-	4,256,796,063	-
Raw materials	94,316,185,415	-	63,388,186,568	-
Tools and supplies	856,190,222	-	934,901,708	-
Finished goods	538,563,974	-	18,345,753,006	-
Merchandise	65,551,893,380	(3,257,721,407)	71,633,510,317	(2,846,600,086)
Work in process	41,873,139,749	-	44,525,059,391	-
Goods on consignment	795,402,727	(183,638,517)	183,638,517	(183,638,517)
<b>TOTAL</b>	<b>210,618,687,283</b>	<b>(3,441,359,924)</b>	<b>203,267,845,570</b>	<b>(3,030,238,603)</b>

**Movements of provision for obsolete inventories:**

Currency: VND

	Current year	Previous year
Beginning balance	3,030,238,603	2,174,052,482
Provision created during the year	1,878,498,526	1,699,491,536
Reversal of provision during the year	(1,467,377,205)	(843,305,415)
<b>Ending balance</b>	<b>3,441,359,924</b>	<b>3,030,238,603</b>

**10. DEDUCTIBLE VALUE ADDED TAX**

The balance as at 31 March 2020 mainly represents deductible value added tax ("VAT") of VND 100.5 billion arising from the export of goods at CMC Production and Trading Company Limited, a subsidiary of the Company. These input VAT amounts were declared in previous years and the current year but have not yet been refunded by the local tax authorities as of 31 March 2020.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**11. TANGIBLE FIXED ASSETS**

	Currency: VND					
	<i>Buildings, structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Other assets</i>	<i>Total</i>
<b>Cost:</b>						
Beginning balance	210,726,319,839	713,105,014,195	607,841,939,365	43,345,998,478	6,591,571,596	1,581,610,843,473
- New purchase	-	17,604,455,006	3,168,280,000	5,569,404,496	-	26,342,139,502
- Transfer from construction in progress	8,554,498,031	169,254,235,629	23,842,275,060	-	-	201,651,008,720
- Disposal	-	(280,000,000)	(75,000,000)	(5,626,993,397)	-	(5,981,993,397)
Ending balance	<u>219,280,817,870</u>	<u>899,683,704,830</u>	<u>634,777,494,425</u>	<u>43,288,409,577</u>	<u>6,591,571,596</u>	<u>1,803,621,998,298</u>
<i>In which:</i>						
<i>Fully depreciated</i>	<i>1,087,959,036</i>	<i>129,362,291,254</i>	<i>91,983,508,701</i>	<i>23,535,065,784</i>	<i>2,838,273,506</i>	<i>248,807,098,281</i>
<b>Accumulated depreciation:</b>						
Beginning balance	36,789,898,186	336,799,389,934	205,310,171,014	29,185,770,274	3,017,085,766	611,102,315,174
- Depreciation for the year	5,406,098,284	105,859,037,260	46,552,329,517	9,118,829,936	318,547,591	167,254,842,588
- Disposal	-	(15,572,407)	(75,000,000)	(5,652,598,270)	-	(5,743,170,677)
Ending balance	<u>42,195,996,470</u>	<u>442,642,854,787</u>	<u>251,787,500,531</u>	<u>32,652,001,940</u>	<u>3,335,633,357</u>	<u>772,613,987,085</u>
<b>Net carrying amount:</b>						
Beginning balance	<u>173,936,421,653</u>	<u>376,305,624,261</u>	<u>402,531,768,351</u>	<u>14,160,228,204</u>	<u>3,574,485,830</u>	<u>970,508,528,299</u>
Ending balance	<u>177,084,821,400</u>	<u>457,040,850,043</u>	<u>382,989,993,894</u>	<u>10,636,407,637</u>	<u>3,255,938,239</u>	<u>1,031,008,011,213</u>
<i>In which:</i>						
<i>Pledged/mortgaged as loan security</i>	<i>158,592,775,681</i>	<i>324,676,333,439</i>	<i>3,728,999,523</i>	<i>-</i>	<i>-</i>	<i>486,998,108,643</i>

The Group used certain floor areas at CMC building, No. 11 Duy Tan street, Dich Vong Hau ward, Cau Giay district, Hanoi as office for lease to other parties.

The Group also used certain tangible fixed assets of CMC Telecommunication Infrastructure Corporation - a subsidiary of the Group as collaterals for bank loans as presented in Note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

12. INTANGIBLE FIXED ASSETS

	Currency: VND				
	Copyright, patent, exploitation right	Trademark	Computer software	Others	Total
<b>Cost:</b>					
Beginning balance	176,320,706,381	551,086,545	47,766,979,533	9,089,268,639	233,728,041,098
- New purchase	7,435,160,104	-	15,644,022,218	-	23,079,182,322
- Transfer from construction in progress	833,110,909	-	340,945,952	-	1,174,056,861
Ending balance	184,588,977,394	551,086,545	63,751,947,703	9,089,268,639	257,981,280,281
<i>In which:</i>					
<i>Fully amortised</i>	5,153,049,393	551,086,545	6,684,274,262	-	12,388,410,200
<b>Accumulated amortisation:</b>					
Beginning balance	47,753,193,302	551,086,545	29,089,298,626	4,282,525,323	81,676,103,796
- Amortization for the year	15,073,352,335	-	8,358,908,966	745,215,836	24,177,477,137
Ending balance	62,826,545,637	551,086,545	37,448,207,592	5,027,741,159	105,853,580,933
<b>Net carrying amount:</b>					
Beginning balance	128,567,513,079	-	18,677,680,907	4,806,743,316	152,051,937,302
Ending balance	121,762,431,757	-	26,303,740,111	4,061,527,480	152,127,699,348



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

### 13. CONSTRUCTION IN PROGRESS

	Currency: VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
"CMC creative space" project (*)	135,864,385,254	81,927,199,279
Customer data storage project	22,080,578,653	32,175,095,557
Development costs for provision of public digital signature authentication service	10,434,135,290	-
Repair costs for office and data center	8,740,218,688	19,447,338,533
Edocman product development project	7,867,040,000	6,995,040,000
North-South backbone project (Hanoi - Lang Son)	7,225,004,508	-
Materials for construction of cable networks	6,065,791,099	5,041,525,873
"Development of registration management of land and assets on lands system" project	5,028,834,407	4,984,944,407
Optical fibre transmission project	1,154,453,231	4,769,257,086
Cable transmission project	639,182,786	8,570,682,332
Others	19,142,320,223	16,476,756,346
<b>TOTAL</b>	<b>224,241,944,139</b>	<b>180,387,839,413</b>

(\*) This represents construction costs for the Company's office building at Tan Thuan Export Processing Zone, Tan Thuan Dong ward, district 7, Ho Chi Minh City. The Group used all assets being formed in future from this project as collaterals for the long-term loans at the commercial bank as disclosed in Note 22.

### 14. INVESTMENTS IN ASSOCIATES

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Ownership (%)</i>	<i>Voting rights (%)</i>	<i>Ownership (%)</i>	<i>Voting rights (%)</i>
Netnam Joint Stock Company	41.1%	41.1%	41.1%	41.1%

Netnam Joint Stock Company is a joint stock company established in pursuant to the Business License No. 0100896284 issued by Hanoi Department of Planning and Investment for the first time on 2 June 2010. This company's headquarter is at No. 18 Hoang Quoc Viet street, Nghia Do ward, Cau Giay district, Hanoi. The Company's principal activities are to provide internet services. As at 31 March 2020, the Company holds 41.1% equity interest in this associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**14. INVESTMENTS IN ASSOCIATES** (continued)

Details of investments in associates are as follows:

*Currency: VND*

*Netnam Joint  
Stock Company*

**Investment costs:**

Beginning and ending balance	7,258,356,000
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**Accumulated profit in associates:**

Beginning balance	31,316,452,087
Profit from associate	25,092,671,510
Dividends received	(8,886,287,000)
Reserve appropriation at associates	(1,435,059,050)
Ending balance	46,087,777,547

**Ending value:**

Beginning balance	38,574,808,087
Ending balance	53,346,133,547

**15. PREPAID EXPENSES**

*Currency: VND*

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Prepaid rental for office and infrastructure	9,693,279,247	9,191,168,100
Tools and supplies	4,744,474,202	2,416,649,070
Software license set up fee	4,514,130,079	1,430,126,176
Repairs and maintenance	1,422,596,568	1,102,991,577
Others	8,208,500,618	6,352,341,890
<b>TOTAL</b>	<b>28,582,980,714</b>	<b>20,493,276,813</b>
<b>Long-term</b>		
Channel and server rental fees	89,563,401,571	39,845,176,401
Tools and supplies	87,767,778,800	79,986,146,861
Prepaid land rental	7,592,198,880	7,777,916,412
Incident response and repair costs	3,814,118,899	3,188,660,430
Project implementation expenses	2,700,073,754	2,518,346,265
CMC Internet Security Enterprise anti-virus software development costs	2,410,614,945	3,214,153,257
Others	9,169,034,010	8,390,960,876
<b>TOTAL</b>	<b>203,017,220,859</b>	<b>144,921,360,502</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

16. GOODWILL

Currency: VND

	Goodwill from acquisition of CMC Telecommunication Infrastructure Joint Stock Company	Goodwill from acquisition of CMC Information Security Joint Stock Company	Total
<b>Historical costs:</b>			
Beginning and ending balance	3,328,783,614	2,807,478,449	6,136,262,063
<b>Accumulated allocation:</b>			
Beginning balance	2,330,148,527	1,403,739,225	3,733,887,752
- Allocation for the year	332,878,361	280,747,845	613,626,206
Ending balance	2,663,026,888	1,684,487,070	4,347,513,958
<b>Carrying value:</b>			
Beginning balance	998,635,087	1,403,739,224	2,402,374,311
Ending balance	665,756,726	1,122,991,379	1,788,748,105

17. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

17.1 Short-term trade payables

Currency: VND

	Ending balance		Beginning balance	
	Balance	Payable amount	Balance	Payable amount
Trade payables to suppliers	601,722,596,435	601,722,596,435	585,414,718,147	585,414,718,147
Trade payables to related parties (Note 35)	49,610,000	49,610,000	89,100,000	89,100,000
<b>TOTAL</b>	<b>601,772,206,435</b>	<b>601,772,206,435</b>	<b>585,503,818,147</b>	<b>585,503,818,147</b>

17.2 Short-term advances from customers

Currency: VND

	Ending balance	Beginning balance
Advances from customers	30,956,389,724	67,366,085,045
<b>TOTAL</b>	<b>30,956,389,724</b>	<b>67,366,085,045</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**18. STATUTORY OBLIGATIONS**

Currency: VND

	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Corporate income tax (Note 34.2)	30,048,981,761	50,333,114,539	(49,067,939,468)	31,314,156,832
Personal income tax	3,277,804,243	40,191,118,787	(40,197,703,199)	3,271,219,831
Import, export tax	162,768,853	906,616,049	(950,112,290)	119,272,612
Value added tax	1,605,492,849	107,763,750,134	(106,610,017,162)	2,759,225,821
Value added tax from imported goods	93,899,303	11,451,153,326	(11,545,052,629)	-
Foreign Contractor Tax	6,122,915,950	33,085,124,448	(35,956,019,106)	3,252,021,292
Other taxes	740,217,467	3,833,513,785	(4,150,424,279)	423,306,973
<b>TOTAL</b>	<b>42,052,080,426</b>	<b>247,564,391,068</b>	<b>(248,477,268,133)</b>	<b>41,139,203,361</b>
<i>In which:</i>				
Receivables	(488,280,975)			(110,282,900)
Payables	42,540,361,401			41,249,486,261

**19. SHORT-TERM ACCRUED EXPENSES**

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Expenses for external services	108,945,910,155	156,806,368,562
Expenses for integrated projects	56,424,273,727	87,090,613,765
Accruals for costs of completed assets	11,763,466,332	12,495,771,309
Payables for BCC contracts	8,362,742,941	8,963,287,280
VMS5 project expenses	8,473,811,644	9,920,665,802
Others	5,488,002,579	7,303,550,766
<b>TOTAL</b>	<b>199,458,207,378</b>	<b>282,580,257,484</b>
<i>In which:</i>		
Accrued expenses to related parties (Note 35)	76,050,000	65,000,000
Accrued expenses to third parties	199,382,157,378	282,515,257,484



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**20. OTHER PAYABLES**

	Currency: VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Dividend payable	33,912,260,397	27,600,301,560
Interest-free loan payable	28,675,176,985	21,860,815,658
Payable to a joint venture partner	6,281,753,767	5,480,866,749
Deposits, mortgages received	4,509,849,634	2,968,828,278
Social, health, unemployment insurance	4,675,681,736	2,992,763,797
Trade union fee	4,378,397,753	2,789,211,068
Payable to Public-utility Telecommunication Service Fund	3,804,390,180	1,904,258,892
Interest payable	1,833,429,485	818,410,714
Discount, support costs collected on behalf of customers	16,509,292	4,484,859,565
Others	6,801,358,596	7,642,097,195
<b>TOTAL</b>	<b>94,888,807,825</b>	<b>78,542,413,476</b>
<b>Long-term</b>		
Deposits, mortgages received	6,879,998,177	9,161,886,549
<b>TOTAL</b>	<b>6,879,998,177</b>	<b>9,161,886,549</b>
<i>In which:</i>		
Other short-term payables to related parties (Note 35)	19,100,127,798	21,860,815,658
Other payables to third parties	82,668,678,204	65,843,484,367

**21. UNEARNED REVENUE**

	Currency: VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Unearned revenue from provision of telecommunication services	98,081,052,014	71,077,965,871
Unearned revenue from office rental	6,433,400,771	7,047,133,893
Unearned revenue from system integration services	872,005,377	2,873,378,080
<b>TOTAL</b>	<b>105,386,458,162</b>	<b>80,998,477,844</b>
<b>Long-term</b>		
Unearned revenue from provision of telecommunication services	30,888,343,257	19,127,495,202
<b>TOTAL</b>	<b>30,888,343,257</b>	<b>19,127,495,202</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

## 22. LOANS AND FINANCE LEASE OBLIGATIONS

Currency: VND						
	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short- term loans						
Bank overdrafts (Note 22.1)	108,070,701,316	108,070,701,316	506,909,394,009	(530,721,038,323)	84,259,057,002	84,259,057,002
Short-term loans from banks (Note 22.2)	231,999,693,821	231,999,693,821	2,386,793,415,318	(2,384,621,929,664)	234,171,179,475	234,171,179,475
Loans from others (Note 22.3)	43,305,599,393	43,305,599,393	40,693,584,396	(15,822,565,632)	68,176,618,157	68,176,618,157
Current portion of long-term loans from banks (Note 22.4)	28,939,750,000	28,939,750,000	110,120,166,515	(81,333,526,590)	57,726,389,925	57,726,389,925
TOTAL	412,315,744,530	412,315,744,530	3,044,516,560,238	(3,012,499,060,209)	444,333,244,559	444,333,244,559
Long-term loans						
Long-term loans from banks (Note 22.4)	291,294,030,002	291,294,030,002	193,485,233,909	(110,120,166,515)	374,659,097,396	374,659,097,396
Bonds (Note 22.5)	296,800,000,000	296,800,000,000	960,000,004	-	297,760,000,004	297,760,000,004
TOTAL	588,094,030,002	588,094,030,002	194,445,233,913	(110,120,166,515)	672,419,097,400	672,419,097,400



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**22. LOANS AND FINANCE LEASE OBLIGATIONS (continued)**

**22.1 Bank overdrafts**

These represent bank overdrafts from Joint Stock Commercial Bank for Investment and Development of Vietnam bearing interest from 6.1% to 6.9% per annum. The Group used certain bank deposits and a portion of its tangible fixed assets (Note 11) as collaterals for these overdrafts.

**22.2 Short-term loans from banks**

Details of short-term loans from banks are as follows:

<i>Bank</i>	<i>Ending balance (VND)</i>	<i>Principal and interest repayment term</i>	<i>Interest rate per annum</i>	<i>Description of collateral</i>
Military Commercial Joint Stock Bank	124,660,183,286	Term of each withdrawal is from 2 months to 12 months, with the final withdrawal being repayable on 27 December 2020. Interest is payable on a monthly basis.	6.3% - 8.4%	Unsecured.
Vietnam Joint Stock Commercial Bank for Industry and Trade	71,257,040,718	Term of each withdrawal within 6 months, with the final withdrawal being repayable on 25 September 2020. Interest is payable on a monthly basis.	6.7% - 7%	Unsecured.
Joint Stock Commercial Bank for Investment and Development of Vietnam	35,089,136,903	Term of each withdrawal is from 5 months to 12 months, with the final withdrawal being repayable on 24 September 2020. Interest is payable on a monthly basis.	5.9% - 8%	Term deposit contracts No. 01/2017/2570354/HDTG/CMCTI with an amount of VND 26 billion; Term deposit contract No. 02/2017/2570354/HDTG/CMCTI with an amount of VND 14 billion and Term deposit contract No. 01/2018/2570354/HDTG/CMCTI with an amount of VND 20 billion.
Vietnam Technology and Commercial Joint Stock Bank	3,164,818,568	Term of each withdrawal is from 3 months to 6 months, with the final withdrawal being repayable on 3 August 2020. Interest is payable on a monthly basis.	7.8%	Unsecured.
<b>TOTAL</b>	<b><u>234,171,179,475</u></b>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**22. LOANS AND FINANCE LEASE OBLIGATIONS (continued)**

**22.3 Short-term loans from others**

These represent unsecured loans from individuals with terms from 3 months to less than 1 year, with the final withdrawal being repayable on 15 October 2020. These loans bear interest at rates from 5.5% - 8.4% per annum and interest is payable on a monthly basis.

**22.4 Long-term loans from banks**

Details of long-term loans from banks are as follows:

<i>Bank</i>	<i>Ending balance (VND)</i>	<i>Principal and interest repayment term</i>	<i>Interest rate per annum</i>	<i>Description of collateral</i>
Joint Stock Commercial Bank for Foreign Trade of Vietnam	198,361,502,459	Loan principal and interest are payable on a quarterly basis up to 29 March 2023.	8.4%	A part of tangible fixed assets of CMC Telecommunication Infrastructure Joint Stock Company.
	137,032,609,705	Loan principal and interest are payable on a quarterly basis in accordance with the repayment schedule notified by the Bank.	8%	A part of tangible fixed assets of CMC Telecommunication Infrastructure Joint Stock Company.
	31,368,474,902	Loan principal and interest are payable on a semi-annual basis in accordance with the repayment schedule notified by the Bank.	For the first year, at the 12 months VND saving interest from individual and interest is payable at maturity date, plus interest rate at 2.6% per annum and from the second year, plus interest rate at 3% per annum.	All machineries, equipment, land use right and assets on the land being formed in future from the "CMC creative space" project.
Joint Stock Commercial Bank for Investment and Development of Vietnam	43,619,520,000	Loan principal and interest are payable on a quarterly basis in accordance with the repayment schedule notified by the Bank.	8.5%	Assets and exploitation rights of the Investment and Upgrade AAE-1 project.
Vietnam Joint Stock Commercial Bank for Industry and Trade	22,003,380,255	Loan principal and interest are payable on a monthly basis in accordance with the repayment schedule notified by the Bank.	8.1%	A part of tangible fixed assets of CMC Telecommunication Infrastructure Joint Stock Company.
<b>TOTAL</b>	<b>432,385,487,321</b>			
<i>In which:</i>				
- Current portion of long-term loans	57,726,389,925			
- Long-term loans	374,659,097,396			



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**22. LOANS AND FINANCE LEASE OBLIGATIONS (continued)**

**22.5 Bonds**

This represents bonds issued by the Company on 29 March 2019 for Joint Stock Commercial Bank for Investment and Development of Vietnam with term of 5 years and bear fixed interest rate at 8.8% per annum, being applicable for the first 2 interest payment periods and for the following periods, at the average 12 months VND saving interest from individual and payable in arrear, of 4 Vietnam Commercial Banks. The Company used all assets on the land of CMC Tower Building and share ownership, benefits arising from the investment in CMC Global Company Limited, CMC Software Solutions Company Limited and CMC Technology and Solution Company Limited as collaterals for this bond. The bond principal is fully payable at the maturity date and interest is payable semi-annually.

**23. SHORT-TERM PROVISIONS**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Provisions for warranty costs	3,193,909,521	10,065,211,922
<b>TOTAL</b>	<b>3,193,909,521</b>	<b>10,065,211,922</b>

**24. BONUS AND WELFARE FUND**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	13,603,795,038	13,660,819,430
Created during the year (Note 26.1)	9,160,534,133	10,064,478,448
Utilized during the year	(10,381,904,546)	(10,121,502,840)
<b>Ending balance</b>	<b>12,382,424,625</b>	<b>13,603,795,038</b>

**25. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	19,330,296,410	14,201,080,515
Created during the year (Note 26.1)	10,557,315,964	11,721,122,571
Utilized during the year	(8,437,764,031)	(6,591,906,676)
<b>Ending balance</b>	<b>21,449,848,343</b>	<b>19,330,296,410</b>

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as at 31 March 2020 and for the year then ended

**26. OWNERS' EQUITY**

**26.1 Increase and decrease in owners' equity**

*Currency: VND*

	<i>Share capital</i>	<i>Share premium</i>	<i>Other capital</i>	<i>Foreign exchange differences reserve</i>	<i>Undistributed earnings</i>	<i>Non-controlling interests</i>	<i>Total</i>
<b>Previous year:</b>							
Beginning balance	673,419,530,000	34,444,340,400	111,266,061,120	471,314,384	156,183,722,979	272,758,367,591	1,248,543,336,474
- Increase in capital during the year	-	-	-	-	-	4,900,000,000	4,900,000,000
- Profit for the year	-	-	-	-	159,483,306,813	54,769,176,521	214,252,483,334
- Stock dividends declared	47,132,570,000	-	-	-	(47,132,570,000)	-	-
- Cash dividends declared	-	-	-	-	(53,873,562,401)	(27,046,337,917)	(80,919,900,318)
- Appropriation of bonus and welfare fund	-	-	-	-	(8,008,223,673)	(461,421,707)	(8,469,645,380)
- Bonus for the Board of Directors and Supervisory Board	-	-	-	-	(1,594,833,068)	-	(1,594,833,068)
- Appropriation of scientific and technological development fund	-	-	-	-	(11,721,122,571)	-	(11,721,122,571)
- Changes due to the bonus issue at subsidiary	-	-	23,541,539,701	-	(23,541,539,701)	-	-
- Other decreases	-	-	-	(98,904,384)	(2,335,907,489)	-	(2,434,811,873)
<b>Ending balance</b>	<u>720,552,100,000</u>	<u>34,444,340,400</u>	<u>134,807,600,821</u>	<u>372,410,000</u>	<u>167,459,270,889</u>	<u>304,919,784,488</u>	<u>1,362,555,506,598</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

26. OWNERS' EQUITY (continued)

26.1 Increase and decrease in owners' equity (continued)

Currency: VND

	Share capital	Share premium	Other capital	Foreign exchange differences reserve	Undistributed earnings	Non-controlling interests	Total
<b>Current year:</b>							
Beginning balance	720,552,100,000	34,444,340,400	134,807,600,821	372,410,000	167,459,270,889	304,919,784,488	1,362,555,506,598
- Profit for the year	-	-	-	-	144,047,373,783	64,523,119,625	208,570,493,408
- Share offering under private placement (i)	250,000,000,000	600,000,000,000	-	-	-	-	850,000,000,000
- Capitalisation of share premium reserve (ii)	29,446,560,000	(29,446,560,000)	-	-	-	-	-
- Dividend declared (iii)	-	-	-	-	(108,082,814,999)	(32,195,605,502)	(140,278,420,501)
- Share issue costs	-	(5,442,000,000)	-	-	-	-	(5,442,000,000)
- Appropriation of bonus and welfare fund (iv)	-	-	-	-	(9,160,534,133)	-	(9,160,534,133)
- Appropriation of scientific and technological development fund (iv)	-	-	-	-	(10,557,315,964)	-	(10,557,315,964)
- Adjustment due to change in ownership at subsidiary	-	-	-	-	(6,793,201)	(13,206,799)	(20,000,000)
- Other decreases	-	-	-	(305,237,566)	(1,159,716,098)	(1,800,000,000)	(3,264,953,664)
<b>Ending balance</b>	<u>999,998,660,000</u>	<u>599,555,780,400</u>	<u>134,807,600,821</u>	<u>67,172,434</u>	<u>182,539,470,277</u>	<u>335,434,091,812</u>	<u>2,252,402,775,744</u>

- (i) As at 20 August 2019 and 22 August 2019, the Board of Directors of the Company approved the Resolution No. 36/2019/NQ-HĐQT on the share offering under private placement to a potential investor and the Resolution No. 37/2019/NQ-HĐQT on the result of the share offering under private placement. Accordingly, total share offered and distributed to the potential investor, namely Samsung SDS Asia Pacific Pte., a company established in Singapore, is 25,000,000 shares with the selling price of VND 34,000/share.
- (ii) The Company capitalized share premium reserve in accordance with the Resolution No. 01/2019/NQ-ĐHĐCĐ of the Annual General Meeting of shareholders for the year 2019 dated 26 June 2019 ("Resolution for the year 2019").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**26. OWNERS' EQUITY (continued)**

**26.1 Increase and decrease in owners' equity (continued)**

- (iii) The Company and its subsidiaries, including CMC Telecommunication Infrastructure Corporation and Ciber - CMC Joint Venture Company, declared dividends from profit after tax for the year ended 31 March 2019 in accordance with the Resolutions of Annual General Meeting of shareholders for the year 2019 of these subsidiaries.
- (iv) The Company also provisionally appropriated funds from profit after tax for the year ended 31 March 2020 in accordance with the approved profit appropriation plan as set out in the Resolution for the year 2019.

**26.2 Details of owners' shares capital**

	Ending balance			Beginning balance		
	Total	Ordinary shares	Preferred shares	Total	Ordinary shares	Preferred shares
Samsung SDS Asia Pacific Pte., Ltd.	29,999,959	29,999,959	-	-	-	-
MVI Investment Limited Company	13,542,066	13,542,066	-	13,942,849	13,942,849	-
Hanoi General Import Export Joint Stock Company	10,012,037	10,012,037	-	10,051,147	10,051,147	-
PYN Elite Fund	4,996,316	4,996,316	-	4,396,555	4,396,555	-
My Linh Investment Limited Company	4,132,900	4,132,900	-	3,970,584	3,970,584	-
Vietnam Bank for Agriculture and Rural Development	3,777,811	3,777,811	-	3,629,440	3,629,440	-
Bao Viet Group	3,777,811	3,777,811	-	3,629,440	3,629,440	-
Other shareholders	29,760,966	29,760,966	-	32,435,195	32,435,195	-
<b>TOTAL</b>	<b>99,999,866</b>	<b>99,999,866</b>	<b>-</b>	<b>72,055,210</b>	<b>72,055,210</b>	<b>-</b>

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

	Currency: VND	
	Current year	Previous year
<b>Contributed capital</b>		
Beginning balance	720,552,100,000	673,419,530,000
Increase during the year	279,446,560,000	47,132,570,000
Ending balance	<b>999,998,660,000</b>	<b>720,552,100,000</b>
<b>Dividends/ profit declared</b>	<b>108,082,814,999</b>	<b>101,006,132,400</b>
<b>Dividends/ profit paid</b>	<b>107,570,124,664</b>	<b>100,744,466,610</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**26. OWNERS' EQUITY (continued)**

**26.4 Shares**

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Issued shares</b>	<b>99,999,866</b>	<b>72,055,210</b>
Ordinary shares	99,999,866	72,055,210
<b>Treasury shares</b>	-	-
Ordinary shares	-	-
<b>Shares in circulation</b>	<b>99,999,866</b>	<b>72,055,210</b>
Ordinary shares	99,999,866	72,055,210

Par value of outstanding share: VND 10,000/share.

**27. OFF BALANCE SHEET ITEMS**

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign Currency		
- US Dollar (USD)	266,815	825,352

**28. REVENUE**

**28.1 Revenue from sale of goods and rendering of services**

	<i>Current year</i>	<i>Previous year</i>
	<i>Currency: VND</i>	
<b>Gross revenue</b>	<b>4,864,151,736,653</b>	<b>5,186,931,126,613</b>
<i>In which:</i>		
Sale of goods	2,310,489,424,714	2,993,157,467,446
Rendering of services	2,553,662,311,939	2,030,996,038,399
Sale of finished goods	-	162,777,620,768
<b>Less</b>	<b>(8,346,067,406)</b>	<b>(1,215,750,948)</b>
Trade discounts	-	(577,316,713)
Sales returns	(7,493,324,433)	-
Sales allowances	(852,742,973)	(638,434,235)
<b>Net revenue</b>	<b>4,855,805,669,247</b>	<b>5,185,715,375,665</b>
<i>In which:</i>		
Sales to others	4,853,697,667,219	5,183,300,772,438
Sales to related parties (Note 35)	2,108,002,028	2,414,603,227

**28.2 Finance income**

	<i>Current year</i>	<i>Previous year</i>
	<i>Currency: VND</i>	
Interest income	55,382,614,212	18,011,639,715
Foreign exchange gains	6,547,553,489	7,320,607,936
<b>TOTAL</b>	<b>61,930,167,701</b>	<b>25,332,247,651</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**29. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of goods sold	2,054,895,464,271	2,686,730,105,354
Cost of services rendered	1,901,472,333,390	1,510,727,145,746
Cost of finished goods sold	-	147,146,682,088
<b>TOTAL</b>	<b><u>3,956,367,797,661</u></b>	<b><u>4,344,603,933,188</u></b>

**30. FINANCE EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	69,879,533,415	47,649,698,941
Foreign exchange losses	2,424,714,706	1,885,756,910
Other finance expenses	131,503,224	893,422,006
<b>TOTAL</b>	<b><u>72,435,751,345</u></b>	<b><u>50,428,877,857</u></b>

**31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses incurred during the year</b>	<b>379,119,050,422</b>	<b>319,716,926,552</b>
- Labour costs	243,165,546,623	189,626,039,403
- Raw materials	11,806,937,578	9,359,082,208
- Tools and supplies expenses	1,329,736,455	2,534,468,375
- Depreciation expenses	5,651,824,629	3,677,541,029
- (Reversal)/provision for warranty costs for products, goods and services	(5,019,836,467)	3,156,479,914
- Expenses for external services	82,686,896,890	71,692,621,140
- Others	39,497,944,714	39,670,694,483
<b>General and administrative expenses incurred during the year</b>	<b>287,831,337,237</b>	<b>269,835,733,846</b>
- Labour costs	158,751,622,102	173,006,578,034
- Raw materials	7,737,769,399	5,030,046,511
- Depreciation and amortisation expenses	8,838,761,621	9,005,329,893
- Provision/(reversal of provision) for doubtful debts	2,622,618,306	(26,071,433,862)
- Expenses for external services	67,556,349,000	66,893,622,592
- Others	42,324,216,809	41,971,590,678
<b>TOTAL</b>	<b><u>666,950,387,659</u></b>	<b><u>589,552,660,398</u></b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**32. OTHER INCOME AND EXPENSES**

	Currency: VND	
	Current year	Previous year
<b>Other income</b>	<b>15,098,094,041</b>	<b>18,760,574,293</b>
Support fees for marketing activities	8,596,919,684	15,968,365,987
Doubtful debts written off	2,911,131,273	-
Others	3,590,043,084	2,792,208,306
<b>Other expenses</b>	<b>3,219,404,647</b>	<b>4,104,367,229</b>
Others	3,219,404,647	4,104,367,229
<b>OTHER NET INCOME</b>	<b>11,878,689,394</b>	<b>14,656,207,064</b>

**33. PRODUCTION AND OPERATING COSTS**

	Currency: VND	
	Current year	Previous year
Raw materials	170,670,359,825	185,157,017,342
Labour costs	651,021,271,292	513,507,064,412
Depreciation and amortisation	192,045,945,931	160,350,421,235
Expenses for external services	1,377,774,954,069	1,271,564,669,913
Others	156,451,081,258	139,167,131,424
<b>TOTAL</b>	<b>2,547,963,612,375</b>	<b>2,269,746,304,326</b>

**34. CORPORATE INCOME TAX**

The corporate income tax ("CIT") rate applicable to the Company and subsidiaries is 20% of taxable profits, except for the following entities:

- ▶ CMC Software Solution Company Limited: CIT rate is 10% for software production income within 15 years from the establishment year (2006). This subsidiary is also entitled to CIT exemption for 4 years starting from 2006 to 2009, and 50% reduction of CIT for 9 years from 2010 to 2018;
- ▶ CMC Cyber Security Company Limited: CIT rate is 10% for software production income within 15 years from the establishment year (2008). This subsidiary is also entitled to CIT exemption for 4 years from 2011 to 2014, and 50% reduction of CIT for 9 years from 2015 to 2023; and
- ▶ Ciber-CMC Joint Venture Company: CIT rate is 10% for software production income within 15 years from the establishment year (2008). This subsidiary is also entitled to CIT exemption for 4 years starting from 2008 to 2011, and 50% reduction of CIT for 9 years from 2012 to 2020.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

**34. CORPORATE INCOME TAX (continued)**

**34.1 CIT expenses**

	Currency: VND	
	Current year	Previous year
Current tax expenses	50,333,114,539	47,549,485,720
Deferred tax expense	49,653,240	49,653,240
<b>TOTAL</b>	<b>50,382,767,779</b>	<b>47,599,138,960</b>

**34.2 Current tax expenses**

The current CIT payable is based on taxable profit for the current year. The taxable profit of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

The reconciliation between taxable profit and accounting profit multiplied by CIT rate is presented below:

	Currency: VND	
	Current year	Previous year
<b>Accounting profit before tax</b>	<b>258,953,261,187</b>	<b>261,851,622,294</b>
<b>Adjustments to (decrease)/increase accounting profit</b>	<b>(21,589,260,257)</b>	<b>10,698,271,889</b>
Adjustments to increase:		
Non-deductible expenses	3,894,877,333	7,277,188,627
Allowance for non-executive members of the Board of Directors and Supervisory Board	496,200,000	580,500,000
Impact of consolidation entries	(25,651,779,367)	3,230,311,769
Adjustments to decrease:		
Other decreases	(328,558,223)	(389,728,507)
<b>Adjusted profit before tax losses carried forward</b>	<b>237,364,000,930</b>	<b>272,549,894,183</b>
Carried forward tax losses	(59,568,893)	(48,514,263,078)
<b>Estimated current taxable profit</b>	<b>237,304,432,037</b>	<b>224,035,631,105</b>
Losses of subsidiaries	(15,691,966,918)	(22,507,223,161)
<b>Taxable profit</b>	<b>252,996,398,955</b>	<b>246,542,854,266</b>
In which:		
Taxable income at the tax rate of 20%	251,450,059,462	234,815,620,046
Taxable income at the tax rate of 10%	1,546,339,493	11,727,234,220
<b>Estimated current CIT</b>	<b>50,444,645,842</b>	<b>48,135,847,431</b>
Adjustment for CIT reduction	(389,759,203)	(586,361,711)
Adjustment of CIT payable in prior year	278,227,900	-
<b>Current CIT expense for the year</b>	<b>50,333,114,539</b>	<b>47,549,485,720</b>
CIT payable at beginning of year	30,048,981,761	24,433,554,967
CIT paid during the year	(49,067,939,468)	(41,934,058,926)
<b>CIT payable at the end of year</b>	<b>31,314,156,832</b>	<b>30,048,981,761</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**34. CORPORATE INCOME TAX (continued)**

**34.3 Deferred tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Group, and the movements thereon, during the current and previous year:

Currency: VND

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
<b>Deferred tax assets</b>				
Unrealised profit from intra-group transactions	559,198,797	666,848,377	(107,649,580)	(107,649,580)
<b>Deferred tax liabilities</b>				
Temporary differences from depreciable lives of fixed assets	(1,531,255,285)	(1,589,251,625)	57,996,340	57,996,340
<b>Net deferred tax charge to consolidated income statement</b>			<b>(49,653,240)</b>	<b>(49,653,240)</b>

**34.4 Unrecognised deferred tax assets**

**Tax losses carried forward**

The Company and its subsidiaries have tax losses carried forward from previous years and these tax losses are to be carried forward to the subsequent years to offset against taxable profits arising within 5 years subsequent to the year in which the loss was incurred. During the year ended 31 March 2020, subsidiaries of the Group which incurred tax losses are CMC Institute of Science and Technology, CMC Cyber Security Company Limited and CMC Global Company Limited. These are the estimated tax losses which have not been finalized by the local tax authorities as of the date of these consolidated financial statements.

The Company and its subsidiaries have not yet recognized deferred tax assets in respect of these carried forward tax losses due to uncertainty of future taxable profits.

**35. TRANSACTIONS WITH RELATED PARTIES**

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

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Netnam Joint Stock Company	Associate	Sales of goods and services	2,108,002,028	2,414,603,227
		Purchase of goods and services	3,384,866,715	3,622,550,000
		Dividend received	8,886,287,000	8,145,760,200

*Terms and conditions of transactions with related parties*

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

Outstanding balances at 31 March 2020 are unsecured, interest free and will be settled in cash. For the year ended 31 March 2020, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (as at 31 March 2019: 0 VND). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

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

Amounts due to and due from related parties as at consolidated balance sheet dates were as follows:

			Currency: VND	
<i>Related parties</i>	<i>Relationships</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade receivables (Note 6.1)</b>				
Netnam Joint Stock Company	Associate	Receivables from providing services	-	2,779,000,000
<b>TOTAL</b>			<b>-</b>	<b>2,779,000,000</b>
<b>Other short-term receivables (Note 8)</b>				
Other related parties	Other related parties	Advances	1,719,251,865	2,413,418,241
<b>TOTAL</b>			<b>1,719,251,865</b>	<b>2,413,418,241</b>
<b>Short-term trade payables (Note 17.1)</b>				
Netnam Joint Stock Company	Associate	Purchases of services and other payables	49,610,000	89,100,000
<b>TOTAL</b>			<b>49,610,000</b>	<b>89,100,000</b>
<b>Short-term accrued expenses (Note 19)</b>				
Netnam Joint Stock Company	Associate	Purchase of services	76,050,000	65,000,000
<b>TOTAL</b>			<b>76,050,000</b>	<b>65,000,000</b>
<b>Other short-term payables (Note 20)</b>				
Other related parties	Other related parties	Interest-free loans	19,100,127,798	21,860,815,658
<b>TOTAL</b>			<b>19,100,127,798</b>	<b>21,860,815,658</b>

**Transactions with other related parties**

Remuneration to members of the Board of Directors and Management:

			Currency: VND	
			<i>Current year</i>	<i>Previous year</i>
Salaries and bonus for the Management			3,939,900,000	4,332,000,000
Remuneration to Board of Directors			957,300,000	989,300,000
<b>TOTAL</b>			<b>4,897,200,000</b>	<b>5,321,300,000</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**36. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Currency: VND	
	Current year	Previous year (Restated)
Net profit after tax attributable to ordinary shareholders	144,047,373,783	159,483,306,813
Appropriation of Bonus and Welfare fund	(9,160,534,133)	(8,008,223,673)
Bonus for Boards of Management, Directors and Supervisory	-	(1,594,833,068)
Appropriation of scientific and technological development fund	(10,557,315,964)	(11,721,122,571)
<b>Net profit attributable to ordinary equity holders for basic earnings</b>	<b>124,329,523,686</b>	<b>138,159,127,501</b>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	89,275,822	74,999,866
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b>89,275,822</b>	<b>74,999,866</b>
<b>Earnings per share</b>		
- Basic earnings per share	1,393	1,842
- Diluted earnings per share	1,393	1,842

Net profit used to compute earnings per share for the year ended 31 March 2020 was adjusted for the allocation from retained earnings to Bonus and Welfare funds, bonus for Boards of Management, Director and Supervisory and to scientific and technological development fund in accordance with the approved profit appropriation plan as set out in the Resolution of Annual General Shareholders Meeting of 2019.

The weighted average number of ordinary shares (excluding treasury shares) for computing basic earnings per share for the year ended 31 March 2019 has been also adjusted to reflect the effect of an increase in share capital from share premium during the current year.

There were no ordinary share transactions or other potential transactions of ordinary shares occurring from the balance sheet date to the date of completion of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 37. SEGMENT INFORMATION

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

#### 37.1 Business segment

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

Currency: VND

	Information technology and distribution and assembling and IT services	Telecommunication services	Other services	Consolidation adjustments	Total
<b>As at 31 March 2020 and for the year then ended</b>					
<b>Revenue</b>					
Sales to external customers	3,198,983,105,248	1,582,272,150,077	74,550,413,922	-	4,855,805,669,247
Inter-segment sales	166,877,775,838	7,905,113,404	55,748,187,053	(230,531,076,295)	-
Total revenue	3,365,860,881,086	1,590,177,263,481	130,298,600,975	(230,531,076,295)	4,855,805,669,247
<b>Expenses</b>					
Segment expenses	3,317,060,650,115	1,390,449,729,918	146,359,463,517	(230,551,658,230)	4,623,318,185,320
<b>Results</b>					
Segment net profit before tax	48,800,230,971	199,727,533,563	(16,060,862,542)	20,581,935	232,487,483,927
Unallocated income, expenses (i)					26,465,777,260
Net profit before corporate income tax	48,800,230,971	199,727,533,563	9,031,808,968	1,393,687,685	258,953,261,187
<b>Assets and liabilities</b>					
Segment assets	1,290,487,320,730	1,580,111,811,689	549,290,486,043	-	3,419,889,618,462
Unallocated assets (ii)					1,229,495,776,009
Total assets					4,649,385,394,471
Segment liabilities	915,666,062,001	974,083,157,468	485,783,550,915	-	2,375,532,770,384
Unallocated liabilities (iii)					21,449,848,343
Total liabilities					2,396,982,618,727



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 37. SEGMENT INFORMATION (continued)

#### 37.1 Business segment (continued)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment: (continued)

Currency: VND

	Information technology and distribution and assembling and IT services	Telecommunication services	Other services	Consolidation adjustments	Total
<b>As at 31 March 2019 and for the year then ended</b>					
<b>Revenue</b>					
Sales to external customers	3,703,129,723,613	1,394,686,887,091	87,898,764,961	-	5,185,715,375,665
Inter-segment sales	157,358,021,612	7,167,370,251	53,394,684,448	(217,920,076,311)	-
Total revenue	3,860,487,745,225	1,401,854,257,342	141,293,449,409	(217,920,076,311)	5,185,715,375,665
<b>Expenses</b>					
Segment expenses	3,764,322,206,513	1,239,946,037,845	148,765,757,789	(218,877,408,561)	4,934,156,593,586
<b>Results</b>					
Segment net profit before tax	96,165,538,712	161,908,219,497	(7,472,308,380)	957,332,250	251,558,782,079
Unallocated income, expenses (i)					10,292,840,215
Net profit before corporate income tax	96,165,538,712	161,908,219,497	13,260,954,977	(9,483,090,892)	261,851,622,294
<b>Assets and liabilities</b>					
Segment assets	1,245,899,666,811	1,522,257,205,237	668,131,691,800	-	3,436,288,563,848
Unallocated assets (ii)					272,630,794,993
Total assets					3,708,919,358,841
Segment liabilities	895,998,736,551	977,265,499,797	453,769,319,485	-	2,327,033,555,833
Unallocated liabilities (iii)					19,330,296,410
Total liabilities					2,346,363,852,243

- (i) Unallocated income, expenses mainly comprise of finance income and finance expense.  
(ii) Unallocated assets comprise of investments and goodwill.  
(iii) Unallocated liabilities represent scientific and technological development fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 March 2020 and for the year then ended

### 38. COMMITMENTS AND CONTINGENCIES

#### *Commitments relating to construction investment activities*

As at 31 December 2020, the Group had contractual commitments with an amount of VND 218.7 billion relating to the construction of "CMC creative space" project.

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

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

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	37,509,033,833	27,458,030,388
From 1 - 5 years	19,601,380,457	19,465,163,656
<b>TOTAL</b>	<b>57,110,414,290</b>	<b>46,923,194,044</b>


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


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

	Ending balance	Beginning balance
Less than 1 year	1,052,595,000	1,052,595,000
From 1 - 5 years	4,210,380,000	4,210,380,000
More than 5 years	32,227,065,666	33,283,700,230
<b>TOTAL</b>	<b>37,490,040,666</b>	<b>38,546,675,230</b>

### 39. EVENTS AFTER THE BALANCE SHEET DATE

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

  
Chief Accountant  
Nguyen Hong Phuong

  
Chief Financial Officer  
Le Thanh Son

  
Chief Executive Officer  
Nguyen Trung Chinh



29 June 2020