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M.S.C.N. 92

REPORT OF THE EXECUTIVE OFFICERS

The Executive Officers of CMC Corporation (hereinafter called "the Corporation") present this report together with the consolidated financial statements for the fiscal year ended 31 March 2017 including the combined financial statements of the Corporation and its subsidiaries (generally called "the Group").

Business highlights

CMC Corporation (transformed from CMC Computer Telecommunication Co., Ltd.) was incorporated in accordance with the Business Registration Certificate No. 0103015824 dated 7 February 2007 granted by Hanoi Authority for Planning and Investment.

During the operation course, the Corporation has been additionally 7 times granted by Hanoi Authority for Planning and Investment with the Business Registration Certificates due to changes in business code, business operations, foundation shareholders and head office's address.

Head office

- Address : CMC Tower, No. 11 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi City, Vietnam
- Tel : 04. 3 795 8668
- Fax : 04. 3 795 8898

Business operations of the Corporation as in the Business Registration Certificate include:

- Researching and developing natural science and technology experiments - details: researching science and conducting technology in the field of information technology and telecommunication, deploying experiments and trial production upon scientific research result;
- Other professional, scientific and technological operations not classified yet - details: supplying services of science and technology; consulting and transferring technology, scientific and technological information;
- Trading real estate, land use right of owners, users of renting services - details: supplying houses, offices, workshops and warehouses for rent;
- Supplying services of consulting, brokerage and auction of real estate, land use right – details: Trading, investment, brokerage and management of real estate;
- Being agency, brokerage, auction - details: trading agency and goods consignment services;
- Wholesaling machinery, equipment and other spare parts – details: trading healthy equipment;
- Operating services of information technology and other services relating to computers – details: supplying training services on information technology;
- Producing electronic components - details: producing, assembling equipment for information technology, electronics, broadcasting, telecommunication equipment;
- Producing computers and peripheral equipment of computers – details: producing, assembling informatic products;
- Producing communication equipment;
- Producing office machinery and equipment (except for computers and peripheral equipment of computers) – details: producing, assembling, trading, maintaining and hiring office products, services and equipment;
- Repairing machinery and equipment - details: maintaining and hiring products, services, equipment for electronic information technology, broadcasting, telecommunication equipment, office equipment;
- Publishing software – details: producing software, supplying software solution services and contents, selling software, supplying data processing service and activities relating to data; software processing and exporting;

CMC CORPORATION

REPORT OF THE EXECUTIVE OFFICERS (cont.)

- Other information services not classified yet – details: integrating system, investment consultancy, supplying general solution and infrastructure services in the fields of information technology, electronics, telecommunication and broadcasting;
- Organizing commercial introduction and promotion – details: participating in training, fostering profession;
- Other education not classified yet – details: participating in training, fostering profession.

The Executive officers

The Executive Officers of the Corporation during the year include:

The Board of Management

| Full names | Position | Appointment date/Re-appointment date/Resigning date |
|------------------------|---------------|---|
| Mr. Nguyen Trung Chinh | Chairman | Re-appointed on 29 June 2016 |
| Mr. Hoang Ngoc Hung | Vice Chairman | Appointed on 29 June 2016 |
| Mr. Dao Manh Khang | Vice Chairman | Appointed on 29 June 2016 |
| Ms. Nguyen Tuong Vy | Member | Appointed on 29 June 2016 |
| Mr. Nguyen Kim Cuong | Member | Appointed on 29 June 2016 |
| Mr. Nguyen Phuoc Hai | Member | Re-appointed on 29 June 2016 |
| Mr. Nguyen Minh Duc | Member | Re-appointed on 29 June 2016 |
| Mr. Ta Hoang Linh | Member | Re-appointed on 29 June 2016 |
| Mr. Truong Tuan Lam | Member | Re-appointed on 29 June 2016 |
| Mr. Ha The Minh | Chairman | Mr. Ha The Minh died on 19 June 2016 |
| Mr. Vu Van Tien | Vice Chairman | Termination of appointment on 29 June 2016 |

The Board of Supervision

| Full names | Position | Appointment date/Re-appointment date/Resigning date |
|-------------------------|------------------|---|
| Mr. Nguyen Duc Khuong | Chief Supervisor | Appointed on 29 June 2016 |
| Mr. Truong Thanh Phuc | Member | Re-appointed on 29 June 2016 |
| Ms. Vu Thi Phuong Thanh | Member | Appointed on 29 June 2016 |
| Mr. Nguyen Thanh Nam | Member | Appointed on 29 June 2016 |
| Mr. Nguyen Kim Cuong | Chief Supervisor | Termination of appointment on 29 June 2016 |
| Mr. Dao Manh Khang | Member | Termination of appointment on 29 June 2016 |

The Board of General Directors

| Full names | Position |
|------------------------|-------------------------|
| Mr. Nguyen Trung Chinh | General Director |
| Mr. Nguyen Phuoc Hai | Deputy General Director |
| Mr. Hoang Ngoc Hung | Deputy General Director |
| Mr. Le Thanh Son | Chief Financial Officer |

Legal representative

The legal representative of the Corporation during the year and as of the date of this report is Mr. Nguyen Trung Chinh.

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the consolidated financial statements for the fiscal year ended 31 March 2017 of the Group.

Responsibilities of the Executive Officers

The Executive Officers of the Corporation are responsible for the preparation of the consolidated financial statements to give a true and fair view on the consolidated financial position, the consolidated business results and the consolidated cash flows of the Group during the year. In order to prepare these consolidated financial statements, the Executive Officers must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- point out whether the accounting standards applied to the Group have been complied or not and all material errors in comparison with these standards have been presented and explained in the consolidated financial statements;
- prepare the consolidated financial statements of the Group on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the consolidated financial statements are free from material misstatements due to frauds or errors.

The Executive Officers hereby ensure that all the accounting books have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applied accounting standards. The Executive Officers are also responsible for protecting the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Executive Officers hereby ensure that all the requirements above have been followed when the consolidated financial statements are prepared.

Approval to the financial statements

The Executive Officers of the Corporation approve the attached consolidated financial statements. The consolidated financial statements give a true and fair view of the financial position as of 31 March 2017, the business results and the cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System and the legal regulations related to the preparation and presentation of consolidated financial statements.

For and on behalf of the Executive Officers,
Board Chairman
cum General Director



Nguyen Trung Chinh

15 June 2017



**BAKER TILLY
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C
A&C AUDITING AND CONSULTING CO., LTD.**



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No. 386/2017/BCTC-KTTV

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE EXECUTIVE OFFICERS CMC CORPORATION

We have audited the accompanying consolidated financial statements of CMC Corporation (hereinafter called "the Corporation") and its subsidiaries (generally called "the Group"), which were prepared on 15 June 2017, from page 7 to page 57, including the consolidated balance sheet as of 31 March 2017, the consolidated income statement, the consolidated cash flow statement for the fiscal year then ended and the notes to the consolidated financial statements.

The Executive Officers' Responsibility

The Executive Officers of the Corporation are responsible for the preparation, true and fair presentation of these consolidated financial statements in accordance with the Vietnamese accounting standards and system and the legal regulations related to the preparation and presentation of consolidated financial statements and responsible for such internal control which the Executive Officers determine is necessary to enable the preparation and presentation of the consolidated financial statements to be free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and true 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Officers, 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.

Handwritten red stamp: 02/06/2017, ANPHU, TY, V HUE, VA TI, & C, A HOE, TREN

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the financial position of CMC Corporation as of 31 March 2017, its financial performance and its cash flows for the fiscal year then ended in accordance with Vietnamese accounting standards and system and the legal regulations related to the preparation and presentation of consolidated financial statements.

A&C Auditing and Consulting Co., Ltd.

Branch in Hanoi



Pham Quang Huy – Deputy Director

Audit Practice Registration Certificate:

No. 1409-2013-008-1

Tran Anh Tuan – Auditor

Audit Practice Registration Certificate:

No. 1708-2013-008-1

Hanoi, 16 June 2017



CMC CORPORATION

Address: CMC Tower, No. 11 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 March 2017

CONSOLIDATED BALANCE SHEET

As of 31 March 2017

Unit: VND

| ASSETS | Code | Note | As of 31 March 2017 | As of 1 April 2016 |
|--|------------|------------|--------------------------|--------------------------|
| A - CURRENT ASSETS | 100 | | 1,369,834,579,129 | 1,303,118,952,471 |
| I. Cash and cash equivalents | 110 | V.1 | 125,069,823,641 | 87,680,257,918 |
| 1. Cash | 111 | | 63,865,046,141 | 82,650,257,918 |
| 2. Cash equivalents | 112 | | 61,204,777,500 | 5,030,000,000 |
| II. Short-term financial investments | 120 | | 240,801,057,700 | 238,980,223,937 |
| 3. Investments held to maturity date | 123 | V.2a | 240,801,057,700 | 238,980,223,937 |
| III. Short-term accounts receivable | 130 | | 710,502,382,912 | 716,529,219,782 |
| 1. Short-term receivable from customers | 131 | V.3 | 687,830,624,697 | 649,537,457,371 |
| 2. Short-term prepayments to suppliers | 132 | V.4 | 28,784,636,556 | 40,371,186,168 |
| 5. Receivable on short-term loans | 135 | V.5 | - | 3,900,000,000 |
| 6. Other short-term receivable | 136 | V.6a | 75,773,534,036 | 101,500,873,156 |
| 7. Provision for short-term bad debts | 137 | V.7 | (81,886,412,377) | (78,780,296,913) |
| IV. Inventories | 140 | V.8 | 209,148,554,633 | 198,201,591,456 |
| 1. Inventories | 141 | | 211,517,622,322 | 201,587,034,367 |
| 2. Provision for devaluation of inventories | 149 | | (2,369,067,689) | (3,385,442,911) |
| V. Other current assets | 150 | | 84,312,760,243 | 61,727,659,378 |
| 1. Short-term prepaid expenses | 151 | V.9a | 27,071,245,952 | 23,971,301,685 |
| 2. VAT deductible | 152 | | 56,268,961,939 | 34,450,852,993 |
| 3. Taxes and accounts receivable from the State budget | 153 | V.16 | 972,552,352 | 3,305,504,700 |
| B - LONG-TERM ASSETS | 200 | | 1,049,004,759,182 | 892,550,508,826 |
| I. Long-term accounts receivable | 210 | | 7,912,585,366 | 3,744,317,514 |
| 6. Other long-term receivable | 216 | V.6b | 7,912,585,366 | 3,744,317,514 |
| II. Fixed assets | 220 | | 788,617,102,999 | 571,360,503,670 |
| 1. Tangible assets | 221 | V.10 | 618,925,049,185 | 532,482,358,768 |
| <i>Historical costs</i> | 222 | | 984,054,623,940 | 805,725,117,076 |
| <i>Accumulated depreciation</i> | 223 | | (365,129,574,755) | (273,242,758,308) |
| 3. Intangible assets | 227 | V.11 | 169,692,053,814 | 38,878,144,902 |
| <i>Historical costs</i> | 228 | | 210,308,356,361 | 68,102,437,249 |
| <i>Accumulated depreciation</i> | 229 | | (40,616,302,547) | (29,224,292,347) |
| III. Investment property | 230 | | - | - |
| IV. Long-term assets in progress | 240 | | 81,237,350,418 | 151,700,808,422 |
| 2. Construction in progress | 242 | V.12 | 81,237,350,418 | 151,700,808,422 |
| V. Long-term financial investments | 250 | | 30,540,987,817 | 24,817,732,234 |
| 2. Investments in associates and joint ventures | 252 | V.2b | 29,437,750,312 | 23,837,732,234 |
| 3. Investments, capital contribution in other entities | 253 | V.2c | 1,666,417,400 | 1,666,417,400 |
| 4. Provision for long-term financial investments | 254 | V.2c | (686,417,400) | (686,417,400) |
| 5. Investments held to maturity date | 255 | V.2a | 123,237,505 | - |
| VI. Other long-term assets | 260 | | 140,696,732,582 | 140,927,146,986 |
| 1. Long-term prepaid expenses | 261 | V.9b | 136,677,595,367 | 136,233,644,225 |
| 2. Deferred income tax assets | 262 | V.22b | 389,510,492 | 450,249,832 |
| 5. Trade advantage | 269 | V.13 | 3,629,626,723 | 4,243,252,929 |
| TOTAL ASSETS | 270 | | 2,418,839,338,311 | 2,195,669,461,297 |

This statement should be read in conjunction with the notes to the consolidated financial statements

CMC CORPORATION

Address: CMC Tower, No. 11 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 March 2017

Consolidated balance sheet (Cont.)

| CAPITAL SOURCES | Code | Note | As of 31 March 2017 | As of 1 April 2016 |
|---|------------|-------------|--------------------------|--------------------------|
| C - LIABILITIES | 300 | | 1,249,697,834,052 | 1,098,170,069,890 |
| I. Current liabilities | 310 | | 1,161,233,431,986 | 938,146,865,715 |
| 1. Short-term payable to suppliers | 311 | V.14 | 396,555,674,639 | 315,110,390,205 |
| 2. Short-term prepayments from customers | 312 | V.15 | 60,580,210,150 | 54,512,039,866 |
| 3. Taxes and other obligations to the State Budget | 313 | V.16 | 26,635,773,592 | 31,208,612,230 |
| 4. Payable to employees | 314 | | 78,145,894,307 | 62,035,344,557 |
| 5. Short-term accrued expenses | 315 | V.17 | 104,556,998,450 | 70,067,833,171 |
| 8. Short-term unrealized revenue | 318 | V.18a | 128,338,818,935 | 48,267,456,530 |
| 9. Other payable | 319 | V.19a | 44,242,169,618 | 41,832,036,185 |
| 10. Short-term loans and financial lease debts | 320 | V.20a | 309,290,894,478 | 300,858,966,483 |
| 11. Provision for current liabilities | 321 | V.21 | 6,104,784,784 | 6,627,712,387 |
| 12. Bonus and welfare funds | 322 | | 6,782,213,033 | 7,626,474,101 |
| II. Long-term liabilities | 330 | | 88,464,402,066 | 160,023,204,175 |
| 6. Long-term unrealized revenue | 336 | V.18b | 25,247,342,200 | 41,178,132,848 |
| 7. Other long-term payable | 337 | V.19b | 9,835,237,742 | 14,858,414,063 |
| 8. Long-term loans and financial lease debts | 338 | V.20b | 42,197,185,183 | 100,835,467,983 |
| 11. Deferred income tax payable | 341 | V.22b | 1,705,244,305 | 1,763,240,645 |
| 12. Provision for long-term liabilities | 342 | | 35,000,000 | - |
| 13. Scientific and technological development fund | 343 | V.23 | 9,444,392,636 | 1,387,948,636 |
| D - OWNER'S EQUITY | 400 | | 1,169,141,504,259 | 1,097,499,391,407 |
| I. Owner's equity | 410 | V.24 | 1,169,141,504,259 | 1,097,499,391,407 |
| 1. Owner's contribution capital | 411 | | 673,419,530,000 | 673,419,530,000 |
| - Common shares with voting right | 411a | | 673,419,530,000 | 673,419,530,000 |
| 2. Share premiums | 412 | | 14,895,512,634 | 14,895,512,634 |
| 5. Treasury stocks | 415 | | (6,840,260,634) | (6,840,260,634) |
| 7. Foreign exchange rate differences | 417 | | 431,436,000 | 431,436,000 |
| 11. Retained profit after tax | 421 | | 224,324,078,760 | 176,375,861,039 |
| - Retained profit after tax accumulated to the end of previous period | 421a | | 117,326,511,958 | 176,375,861,039 |
| - Retained profit after tax of the current period | 421b | | 106,997,566,802 | - |
| 13. Interest of non-controlling shareholders | 429 | | 262,911,207,499 | 239,217,312,368 |
| II. Other sources and funds | 430 | | - | - |
| TOTAL CAPITAL SOURCES | 440 | | 2,418,839,338,311 | 2,195,669,461,297 |

Prepared by/Chief Accountant



Nguyen Hong Phuong

Chief Financial Officer



Le Thanh Son

Prepared on 15 June 2017

Board Chairman
General Director



Nguyen Trung Chinh

