CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31 MARCH 2016

CMC CORPORATION

CONTENTS

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of CMC Corporation (hereinafter called "the Corporation") presents this report together with the consolidated financial statements for the fiscal year ended 31 March 2016 including the financial statements of the Corporation and its subsidiaries (generally called "the Group").

Business highlights

CMC Corporation was transformed from CMC Computer Telecommunication Co., Ltd. The Corporation has operated in accordance with the Business Registration Certificate No. 0103015824 which was first granted by Hanoi Authority for Planning and Investment on 7 February 2007.

During the operation course, the Corporation has been additionally 6 times granted the amended Business Registration Certificates by Hanoi Authority for Planning and Investment due to changes in business code, business operations and foundation shareholders.

Head office

- Address	: CMC Tower, Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi City, Vietnam
- Tel	: 04. 3 795 8989
- Fax	: 04. 3 795 8668

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

- Supplying houses, offices, workshops and warehouses for rent;
- Trading, investment, brokerage and management of real estate;
- Trading agency and goods consignment services;
- Trading productive and consumption documentation, equipment in production, technology science and technology transferring;
- Producing, trading healthy equipment;
- Supplying training services on information technology;
- Producing, assembling, trading, maintaining and hiring product, equipment for information technology, electronics and broadcasting, telecommunication and office equipment;
- Producing software, supplying software solution services and contents, selling software, supplying data processing service and activities relating to data; software processing and exporting;
- Integrating system, investment consultancy, supplying general solution and infrastructure services in the fields of information technology, electronics, telecommunication and broadcasting.

The Board of Management and Executive officers

The Board members and Board of General Directors of the Corporation during the year and as of the date of this report include:

The Board of Management

Full names	Position	Appointment date/Re-appointment date/Resigning date/Dismissing date
Mr. Ha The Minh	Chairman	
Mr. Nguyen Trung Chinh	Vice Chairman	
Mr. Vu Van Tien	Vice Chairman	
Mr. Truong Ngoc Lan	Member	Resigned on 10 November 2015
Mr. Nguyen Phuoc Hai	Member	

Full names	Position	Appointment date/Re-appointment date/Resigning date/Dismissing date
Mr. Nguyen Minh Duc	Member	
Mr. Hoang Ngoc Hung	Member	
Mr. Ta Hoang Linh	Member	
Mr. Truong Tuan Lam	Member	Appointed on 28 January 2016

The Board of Supervision

Full names	Position	Appointment date/Re-appointment date/ Dismissing date
Mr. Nguyen Hong Son	Chief Supervisor	Dismissed on 14 July 2015
Mr. Nguyen Kim Cuong	Chief Supervisor	Appointed on 14 July 2015
Mr. Dao Manh Khang	Member	
Mr. Truong Thanh Phuc	Member	

The Board of General Directors

Full names	Position
Mr. Nguyen Trung Chinh	General Director
Mr. Nguyen Phuoc Hai	Deputy General Director
Mr. Le Thanh Son	Chief Financial Officer
Mr. Nguyen Duc Hoang	Chief Administrative 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 2016 of the Group.

Responsibilities of the Board of General Directors

The Corporation's Board of General Directors is 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 Board of General Directors 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 Board of General Directors hereby ensures 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 Board of General Directors is also responsible for protecting the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of General Directors hereby ensures that all the requirements above have been followed when the consolidated financial statements are prepared.

Approval to the financial statements

The Board of General Directors approves the attached consolidated financial statements. The consolidated financial statements give a true and fair view of the financial position as of 31 March 2016, 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 Board of General Directors,

General Director

CÔNG TY CỔ PHẦN TẬP ĐOÀN CÔNG NGHỆ CMC

Nguyen Trung Chinh

16 June 2016

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

Headquarters : 2 Truong Son St., W. 2, Tan Binh Dist., Ho Chi Minh City
Tel: (84.8) 3 5472972 - Fax: (84.8) 3 5472970
Branch in Ha Noi : 40 Giang Vo St., Dong Da Dist., Ha Noi City
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No. 353/2016/BCTC-KTTV

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF GENERAL DIRECTORS
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 16 June 2016, from page 7 to page 60, including the consolidated balance sheet as of 31 March 2016, the consolidated income statement, the consolidated cash flow statement for the fiscal year then ended and the notes to the consolidated financial statements.

The General Directors' Responsibility

The Board of General Directors of the Corporation is 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 Board of General Directors determines 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 Board of General Directors, 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.

Auditor's Opinion

In our opinion, the consolidated financial statements referred to above give a true and fair view, in all material respects, of the financial position of CMC Corporation as of 31 March 2016, 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.

Other issue

The Corporation's consolidated financial statements for the fiscal year ended 31 March 2015 were audited by another auditing firm and that Auditor raised unqualified opinion on those consolidated financial statements on 29 June 2015.

This report is made in Vietnamese and English of equal validity. The Vietnamese version will be the original for reference when needed.

A&C Auditing and Consulting Co., Ltd.
Branch in Hanoi

CHI NHÁNH CÔNG TY TRÁCH NHIỆM HỮU HẠN KIỂM TOÁN VÀ TƯ VẤN A & C TẠI HÀ NỘI

Nguyen Hoang Duc – Director	**Pham Quang Huy – Auditor**
Audit Practice Registration Certificate: No. 0368-2013-008-1	*Audit Practice Registration Certificate: No. 1409-2013-008-1*

Hanoi, 17 June 2016

CONSOLIDATED BALANCE SHEET

As of 31 March 2016

Unit: VND

	ASSETS	Code	Note	As of 31 Mar. 2016	As of 1 Apr. 2015
A -	**CURRENT ASSETS**	**100**		**1,303,118,952,471**	**934,212,419,029**
I.	**Cash and cash equivalents**	**110**	V.1	**87,680,257,918**	**78,178,073,117**
1.	Cash	111		82,650,257,918	61,103,073,117
2.	Cash equivalents	112		5,030,000,000	17,075,000,000
II.	**Short-term financial investments**	**120**		**238,980,223,937**	**48,000,000**
3.	Investments held to maturity date	123	V.2a	238,980,223,937	48,000,000
III.	**Short-term accounts receivable**	**130**		**716,529,219,782**	**691,362,143,149**
1.	Short-term receivable from customers	131	V.3	649,537,457,371	597,715,127,782
2.	Short-term prepayments to suppliers	132	V.4	40,371,186,168	64,109,183,181
5.	Receivable on short-term loans	135	V.5	3,900,000,000	1,386,471,763
6.	Other short-term receivable	136	V.6a	101,500,873,156	107,183,463,322
7.	Provision for short-term bad debts	137	V.7	(78,780,296,913)	(79,270,875,548)
8.	Deficient assets to be treated	139		-	238,772,649
IV.	**Inventories**	**140**	V.8	**198,201,591,456**	**133,506,951,104**
1.	Inventories	141		201,587,034,367	137,746,664,517
2.	Provision for devaluation of inventories	149		(3,385,442,911)	(4,239,713,413)
V.	**Other current assets**	**150**		**61,727,659,378**	**31,117,251,659**
1.	Short-term prepaid expenses	151	V.9a	23,971,301,685	2,787,822,686
2.	VAT deductible	152		34,450,852,993	25,416,898,383
3.	Taxes and accounts receivable from the State budget	153	V.17	3,305,504,700	2,912,530,590
B -	**LONG-TERM ASSETS**	**200**		**892,550,508,826**	**828,145,405,575**
I.	**Long-term accounts receivable**	**210**		**3,744,317,514**	**2,891,643,406**
6.	Other long-term receivable	216	V.6b	3,744,317,514	2,891,643,406
II.	**Fixed assets**	**220**		**571,360,503,670**	**540,093,287,702**
1.	Tangible assets	221	V.10	532,482,358,768	493,467,307,516
	Historical costs	*222*		*805,725,117,076*	*702,219,981,091*
	Accumulated depreciation	*223*		*(273,242,758,308)*	*(208,752,673,575)*
2.	Financial leasehold assets	224	V.11	-	-
	Historical costs	*225*		-	*121,596,000*
	Accumulated depreciation	*226*		-	*(121,596,000)*
3.	Intangible assets	227	V.12	38,878,144,902	46,625,980,186
	Historical costs	*228*		*68,102,437,249*	*67,088,010,249*
	Accumulated depreciation	*229*		*(29,224,292,347)*	*(20,462,030,063)*
III.	**Investment property**	**230**		-	-
IV.	**Long-term assets in progress**	**240**		**151,700,808,422**	**130,327,750,254**
2.	Construction in progress	242	V.13	151,700,808,422	130,327,750,254
V.	**Long-term financial investments**	**250**		**24,817,732,234**	**17,564,453,976**
2.	Investments in associates and joint ventures	252	V.2b	23,837,732,234	17,564,453,976
3.	Investment, capital contribution in other entities	253	V.2c	1,666,417,400	686,417,400
4.	Provision for long-term financial investments	254	V.2c	(686,417,400)	(686,417,400)
VI.	**Other long-term assets**	**260**		**140,927,146,986**	**137,268,270,237**
1.	Long-term prepaid expenses	261	V.9b	136,233,644,225	130,228,963,218
2.	Deferred income tax assets	262	V.24a	450,249,832	610,259,884
5.	Trade advantage	269	V.14	4,243,252,929	6,429,047,135
	TOTAL ASSETS	**270**		**2,195,669,461,297**	**1,762,357,824,604**

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

Consolidated balance sheet (Cont.)

CAPITAL SOURCES	Code	Note	As of 31 Mar. 2016	As of 1 Apr. 2015
C - LIABILITIES	**300**		**1,098,170,069,890**	**1,035,281,776,031**
I. Current liabilities	**310**		**938,146,865,715**	**836,513,592,129**
1. Short-term payable to suppliers	311	V.15	315,110,390,205	267,701,003,043
2. Short-term prepayments from customers	312	V.16	54,512,039,866	33,816,136,629
3. Taxes and other obligations to the State Budget	313	V.17	31,208,612,230	19,759,943,691
4. Payable to employees	314		62,035,344,557	62,084,752,831
5. Short-term accrued expenses	315	V.18	70,067,833,171	72,194,728,701
8. Short-term unrealized revenue	318	V.19a	48,267,456,530	50,359,080,365
9. Other payable	319	V.20a	41,832,036,185	35,010,425,394
10. Short-term loans and financial lease debts	320	V.21a	300,858,966,483	291,995,259,459
11. Provision for current liabilities	321	V.22	6,627,712,387	3,101,365,021
12. Bonus and welfare funds	322	V.23	7,626,474,101	490,896,995
II. Long-term liabilities	**330**		**160,023,204,175**	**198,768,183,902**
6. Long-term unrealized revenue	336	V.19b	41,178,132,848	6,544,395,148
7. Other long-term payable	337	V.20b	14,858,414,063	15,887,779,043
8. Long-term loans and financial lease debts	338	V.21b	100,835,467,983	174,508,973,090
11. Deferred income tax payable	341	V.24b	1,763,240,645	1,827,036,621
13. Scientific and technological development fund	343	V.25	1,387,948,636	-
D - OWNER'S EQUITY	**400**		**1,097,499,391,407**	**727,076,048,573**
I. Owner's equity	**410**		**1,097,499,391,407**	**727,076,048,573**
1. Owner's contribution capital	411	V.26	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	V.26	14,895,512,634	15,307,031,884
5. Treasury stocks	415	V.26	(6,840,260,634)	(6,840,260,634)
7. Foreign exchange rate differences	417	V.26	431,436,000	431,436,000
8. Business promotion fund	418	V.26	-	988,924,517
11. Retained profit after tax	421	V.26	176,375,861,039	(15,299,081,895)
- *Retained profit after tax accumulated to the end of previous period*	*421a*		*76,765,022,739*	*(15,299,081,895)*
- *Retained profit after tax of the current period*	*421b*		*99,610,838,300*	-
13. Interest of non-controlling shareholders	429	V.27	239,217,312,368	59,068,468,701
II. Other sources and funds	**430**		-	-
TOTAL CAPITAL SOURCES	**440**		**2,195,669,461,297**	**1,762,357,824,604**

Prepared on 16 June 2016

Chief Accountant	Chief Financial Officer	General Director
Nguyen Hong Phuong	Le Thanh Son	Nguyen Trung Chinh

CÔNG TY CỔ PHẦN TẬP ĐOÀN CÔNG NGHỆ CMC

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

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 March 2016

Unit: VND

	ITEMS	Code	Note	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
1.	Sales	01	VI.1	3,704,396,584,216	3,290,052,850,930
2.	Deductions	02		10,583,369,477	25,345,747,909
3.	Net sales	10	VI.2	3,693,813,214,739	3,264,707,103,021
4.	Costs of goods sold	11	VI.3	3,166,506,566,261	2,747,630,041,722
5.	Gross profit	20		527,306,648,478	517,077,061,299
6.	Financial income	21	VI.4	16,623,336,361	5,281,343,638
7.	Financial expenses	22	VI.5	32,705,994,655	44,875,731,880
	In which: Loan interest expenses	23		25,970,916,609	35,374,748,936
8.	Gain/loss in joint ventures, associates	24		9,726,293,956	8,409,409,604
9.	Selling expenses	25	VI.6	210,271,613,834	205,421,937,586
10.	Administrative overheads	26	VI.7	160,344,859,063	150,552,698,467
11.	Net operating profit	30		150,333,811,243	129,917,446,608
12.	Other income	31	VI.8	15,946,822,110	6,763,340,459
13.	Other expenses	32	VI.9	5,903,411,805	7,116,123,517
14.	Other profit	40		10,043,410,305	(352,783,058)
15.	Profit before tax	50		160,377,221,548	129,564,663,550
16.	Current corporate income tax	51	V.17	23,553,516,206	10,691,389,168
17.	Deferred corporate income tax	52	VI.10	96,214,076	1,047,410,951
18.	Profit after tax	60		136,727,491,266	117,825,863,431
19.	Profit after tax of the Holding Company	61		107,516,208,600	109,036,134,257
20.	Profit after tax of non-controlling shareholders	62		29,211,282,666	8,789,729,174
21.	Basic earnings per share	70	VI.11	1,518	1,512
22.	Declined interest per share	71	VI.12	1,518	1,512

Prepared on 16 June 2016

Chief Accountant	Chief Financial Officer	General Director
Nguyen Hong Phuong	Le Thanh Son	Nguyen Trung Chinh

CÔNG TY CỔ PHẦN TẬP ĐOÀN CÔNG NGHỆ CMC

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

CONSOLIDATED CASH FLOW STATEMENT

(Under indirect method)
For the fiscal year ended 31 March 2016

Unit: VND

ITEMS	Code	Note	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
I. Cash flows from operating activities				
1. Profit before tax	*01*		*160,377,221,548*	*129,564,663,550*
2. Adjustments				
- Depreciation of fixed assets and investment property	02		80,949,207,881	69,564,784,314
- Provisions	03		2,181,498,229	23,188,035,298
- Gain/ loss from exchange rate differences due to revaluation of monetary items in foreign currencies	04		661,961,884	1,373,596,244
- Gain/ loss from investing activities	05		(18,258,777,931)	(3,086,042,562)
- Loan interest expenses	06		25,970,916,609	35,374,748,936
- Others	07		1,387,948,636	-
3. Operating profit before changes of working capital	*08*		*253,269,976,856*	*255,979,785,780*
- Increase/ decrease of accounts receivable	09		(25,227,616,494)	(118,206,706,836)
- Increase/ decrease of inventories	10		(66,211,546,865)	(12,178,950,549)
- Increase/ decrease of accounts payable	11		102,192,522,144	50,690,119,684
- Increase/ decrease of prepaid expenses	12		(27,188,160,006)	(13,590,909,108)
- Increase/ decrease of trading securities	13		-	-
- Loan interests already paid	14		(25,233,139,156)	(34,714,162,132)
- Corporate income tax already paid	15		(12,621,498,213)	(8,982,774,288)
- Other gains	16		-	-
- Other disbursements	17		(10,232,289,954)	(4,466,591,375)
Net cash flows from operating activities	*20*		*188,748,248,312*	*114,529,811,176*
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(140,432,232,101)	(79,510,964,521)
2. Gains from disposal and liquidation of fixed assets and other long-term assets	22		9,568,472,553	10,736,364
3. Loans given and purchases of debt instruments of other entities	23		(252,359,670,937)	(1,628,572,529)
4. Recovery of loan given and disposal of debt instruments of other entities	24		13,427,447,000	16,995,461,854
5. Investments in other entities	25		(980,000,000)	(1,900,000,000)
6. Withdrawals of investments in other entities	26		-	2,000,000,000
7. Receipts of loans given, dividends and profit shared	27		3,364,316,371	5,122,519,361
Net cash flows from investing activities	*30*		*(367,411,667,114)*	*(58,910,819,471)*

Consolidated cash flow statement (Cont.)

ITEMS	Code	Note	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
III. Cash flows from financial activities				
1. Gains from stock issuance and capital contributions from shareholders	31		253,651,462,326	-
3. Receipts from loans	33		1,691,817,508,505	1,221,220,788,200
4. Payment of loan principal	34		(1,756,892,480,701)	(1,294,665,207,288)
6. Dividends and profit shared to the owners	36		(2,112,200)	-
Net cash flows from financial activitites	***40***		***188,574,377,930***	***(73,444,419,088)***
Net cash flows during the year	**50**		**9,910,959,128**	**(17,825,427,383)**
Beginning cash and cash equivalents	**60**	**V.1**	**78,178,073,117**	**95,796,892,297**
Effects of fluctuations in foreign exchange rates	61		(408,774,327)	206,608,203
Ending cash and cash equivalents	**70**	**V.1**	**87,680,257,918**	**78,178,073,117**

Prepared on 16 June 2016

Chief Accountant	Chief Financial Officer	General Director
Nguyen Hong Phuong	**Le Thanh Son**	**Nguyen Trung Chinh**

M.S.D.N: 010024... CÔNG TY CỔ PHẦN TẬP ĐOÀN CÔNG NGHỆ CMC C.T.C.P Q. CẦU GIẤY - TP. H...

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the fiscal year ended 31 March 2016

I. OPERATION FEATURES

1. Investment form
CMC Corporation (hereinafter called "the Corporation" or "the Holding Company") is a joint stock company.

2. Operating field
Business operations of the Corporation include industrial production, trading and services.

3. Main operations
Main operations of the Corporation include:
- Supplying houses, offices, workshops and warehouses for rent;
- Trading, investment, brokerage and management of real estate;
- Trading agency and goods consignment services;
- Trading productive and consumption documentation, equipment in production, technology science and technology transferring;
- Producing, trading healthy equipment;
- Supplying training services on information technology;
- Producing, assembling, trading, maintaining and hiring products, equipment for information technology, electronics and broadcasting, telecommunication and office equipment;
- Producing software, supplying software solution services and contents, selling software, supplying data processing service and activities relating to data; software processing and exporting;
- Integrating system, investment consultancy, supplying general solution and infrastructure services in the fields of information technology, electronics, telecommunication and broadcasting.

4. Ordinary course of business
The Corporation's ordinary course of business does not exceed 12 months.

5. Structure of Group
The Group includes the Holding Company and 8 subsidiaries which are controlled by the Holding Company. All subsidiaries are consolidated in these consolidated financial statements.

5a. Information on re-structure of Group
Additional purchase of contribution capital in subsidiaries

On 31 December 2015, the Group additionally purchased 7.5% shares of CMC InfoSec, increasing the rate of contribution capital in this subsidiary to 95.50% since that day. Additional purchasing price was paid in cash to non-controlling shareholders. Book value of net assets of CMC InfoSec as of the purchasing date was VND 11,054,038,058, and book value of the ownership additionally purchased was VND 829,052,854. Difference between purchasing price and book value of the ownership additionally purchased was recognized into the item of "Retained profit after tax" on the consolidated balance sheet.

Additional issuance of capital for strategic shareholders in subsidiary
In the 1st quarter of the fiscal year ended 31 March 2016, CMC Telecom successfully issued 8,500,000 shares for the strategic partner, which is TIME dotCom Berhad Inc, and earned VND 253,651,462,326. This additional share issuance has made the rate of interest as well as the rate of voting right of the Holding Company in CMC Telecom decrease from 73.2% at the beginning of year down to 54.63%.

5b. *List of subsidiaries consolidated*

Names	Address of head office	Main operations	Rate of interest		Rate of voting right	
			As of 31 Mar. 2016	As of 1 Apr. 2015	As of 31 Mar. 2016	As of 1 Apr. 2015
CMC Software	Hanoi	Software service	100%	100%	100%	100%
CMC SI	Hanoi	Providing IT Telecommunication solutions	100%	100%	100%	100%
CMC P&T	Hanoi	Distributing IT-Telecommunication productions	100%	100%	100%	100%
CMC Telecom	Hanoi	Providing Telecommunication services	54.63%	73.2%	54.63%	73.2%
CMC InfoSec	Hanoi	Providing information security solutions	95.5%	88%	95.5%	88%
CMC Blue France Co., Ltd.	France	Delivering outsourcing services (ITO, BPO)	100%	100%	100%	100%
CMC Institute of Science and Technology– CIST	Hanoi	Researching, and deploying application on producing high-tech, new technologies in the fields of ICT	100%	100%	100%	100%
CMC SI Saigon (i)	Ho Chi Minh City	Providing IT Telecommunication solutions	100%	100%	100%	100%
CMS Computer Co., Ltd. (ii)	Hanoi	Manufacturing, assembling and distributing computers	100%	100%	100%	100%

(i) The Corporation holds 100% of voting right in CMC SI Saigon through CMC SI.

(ii) The Corporation holds 100% of voting right in CMS Computer Co., Ltd. through CMC P&T.

5c. *List of associates reflected in the consolidated financial statements in accordance with the owner's equity method*

Names	Address of head office	Main operations	Rate of ownership		Rate of voting right	
			As of 31 Mar. 2016	As of 1 Apr. 2015	As of 31 Mar. 2016	As of 1 Apr. 2015
Ciber - CMC	Hanoi	Producing, providing software services	49.90%	49.90%	49.90%	49.90%
Netnam JSC.	Hanoi	Providing internet services	41.14%	41.14%	41.14%	41.14%

6. Statement on comparison of information in consolidated financial statements

As presented in Note III.1, since 1 January 2015, the Group has been applying the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance on guidelines for accounting policies for enterprises instead of the Decision No. 15/2006/QD-BTC dated 20 March 2006 of the Finance Minister and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance as well as the Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance instead of Part XIII – the Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance giving guidance on the preparation and the presentation of consolidated financial statements in accordance with the Vietnamese Accounting Standard No. 25 "Consolidated financial statements and accounting for investments in subsidiaries". The regulations of this new accounting system have caused no material effects on the figures of the Group and the Group has re-presented the comparative figures on the consolidated balance sheet as of 31 March 2016, therefore the corresponding figures in the previous year can be compared with those in the current year.

7. Personnel

As of the balance sheet date, the Group had 1,611 employees (at the beginning of the year, the Group had 1,602 employees).

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

The fiscal year of the Group is from 1 April of the previous year to 31 March of the following year.

2. Standard currency unit

The standard currency unit used in accounting is Vietnam Dong (VND) as most of transactions are mainly carried out in VND.

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting standards and system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC on guidelines for accounting policies for enterprises as a replacement for the Decision No. 15/2006/QD-BTC dated 20 March 2006 of the Finance Minister and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance as well as the Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance instead of Part XIII – the Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance giving guidance on the preparation and the presentation of consolidated financial statements in accordance with the Vietnamese Accounting Standard No. 25 "Consolidated financial statements and accounting for investments in subsidiaries". These Circulars take effect and are applied to fiscal years beginning on or after 1 January 2015. The Group has applied the accounting standards, these Circulars and other Circulars giving guidance on the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of the consolidated financial statements.

2. Statement on the compliance with the accounting standards and system

The Board of General Directors ensures to follow all the requirements of the prevailing Vietnamese Accounting Standards and System issued together with the Decision No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as the Circulars giving guidance on the implementation of accounting standards and system of the Ministry of Finance in the preparation of these consolidated financial statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the consolidated financial statements are prepared on the basis of accrued accounting (except for information related to cash flows).

2. Consolidation basis

The consolidated financial statements include the combined financial statements of the Holding Company and the financial statements of its subsidiaries. A subsidiary is a business that is controlled by the Holding Company. The control exists when the Holding Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the potential voting right arising from the acquisition selection rights or liabilities and capital instruments which can be converted into common shares as of the balance sheet date.

The business results of the subsidiaries which are acquired or disposed during the period are included in the consolidated income statement from the date of acquisition until the date of disposal of the investments in those subsidiaries.

The financial statements of the Holding Company and subsidiaries used for consolidation are prepared for the same accounting period and apply the consistent accounting policies for similar transactions and events in similar circumstances. In case that the accounting policies of the subsidiaries are different from those which are applied consistently within the Group, the appropriate adjustments should be made to the financial statements of the subsidiaries before they are used to prepare the consolidated financial statements.

Intra-group balances in the balance sheet in the same Group and intra-group transactions and unrealized intra-group profits resulting from these transactions are entirely eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless costs which cause those losses cannot be recovered.

Interest of non-controlling shareholders shows gains/losses on the business results and net assets of a subsidiary which is not held by of the Group and is presented in a specific item in the consolidated income statement and the consolidated balance sheet (the owner's equity). Interest of non-controlling shareholders includes value of interest of non-controlling shareholders as of the initial business consolidation date and that in the fluctuation of owner's equity commencing from the business consolidation date. Losses arising in subsidiaries are allocated equivalent to the ownership rate of non-controlling shareholders, even if those losses are higher than the ownership rate of non-controlling shareholders in net assets of subsidiaries.

When the Group invests to increase the rate of interest held in its subsidiaries, the differences between additionally invested costs and book value of net assets of subsidiaries additionally purchased as of the acquisition date are directly recognized into the item of "retained profit after tax" in the consolidated balance sheet.

In case the subsidiaries additionally mobilize contribution capital from owners, if the rate of additional contribution capital of parties is not equivalent to the current rate, the differences between the additional contribution capital of the Group and the additional increase ownership in net assets of the subsidiaries will be recognized into the item of "Retained profit after tax" in the consolidated balance sheet.

3. Transactions in foreign currencies

Transactions in foreign currencies are converted at the actual exchange rates as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rate as of the balance sheet.

Foreign exchange rate differences arising during the period from transactions in foreign currencies are included in financial income or financial expenses. Foreign exchange rate differences due to revaluation of monetary items in foreign currencies at the end of period after offsetting increase differences and decrease differences are recorded into financial income or financial expenses.

Foreign exchange rate used to translate transactions occurred in foreign currencies is the actual exchange rate at the time of transaction. The actual exchange rate for transactions in foreign currencies is determined as follows:

- For foreign exchange sale contract (spot contracts of foreign exchange sale, forward contracts, futures contracts, options contracts, swap contracts): it is exchange rate concluded in contracts of foreign exchange sale between the Group and banks.
- Actual exchange rate upon capital contribution or receipt of contributed capital: it is buying exchange rate of foreign currencies of the bank where the Group opens the account to receive capital from investors at the date of the capital contribution.
- For liabilities receivable: it is buying exchange rate of foreign currencies disclosed by the commercial bank where the Group assigns customers to make payment at the time of transaction.
- For accounts payable: it is selling exchange rate of foreign currencies disclosed by the commercial bank where the Group intends to have transactions at the time of transaction.
- For transactions of purchasing assets or expenses paid immediately in foreign currencies (instead of accounts payable): it is buying exchange rate of foreign currencies disclosed by the commercial bank where the Group makes payment.

Foreign exchange rate used to revaluate ending balances of monetary items in foreign currencies is determined as follows:

- For foreign currencies deposited in bank: it is buying exchange rate of foreign currencies of the bank where the Group opens foreign currency accounts.
- For monetary items in foreign currencies classified as other assets: it is buying exchange rate of foreign currencies of BIDV (with which the Group usually has transactions).
- For monetary items in foreign currencies classified as liabilities payable: it is selling exchange rate of foreign currencies of BIDV (with which the Group usually has transactions).

Foreign exchange rates used when converting the financial statements of subsidiaries prepared in foreign currencies into the accounting currency of the Holding Company are as follows:

- Assets and trade advantage arising when buying subsidiaries abroad are converted at buying exchange rate of the bank as of the balance sheet date.
- Liabilities payable are converted at selling exchange rate of the bank as of the balance sheet date.
- Net asset values of subsidiaries held by the Holding Company at the acquisition date are converted at book exchange rate as of the purchasing date.
- Retained profit after tax arising after the acquisition date of subsidiaries is converted by the calculation in accordance with the items of revenue, expenses in the income statement.
- Dividends already paid are converted at actual exchange rate as of the dividend payment date.
- Items in the income statement and the cash flow statement are converted at actual exchange rates at the time of transaction. If the average exchange rate of the reporting period approximates the actual exchange rate at the time of transaction (difference of no more than

2%), the average exchange rate is applied. If the fluctuation range of exchange rate between the beginning and the end of year is more than 20%, the exchange rate as of the balance sheet date is applied.

Foreign exchange rate differences arising upon the conversion of financial statements of subsidiaries are accumulatedly reflected in the owner's equity of the consolidated balance sheet under the following principles:

- Foreign exchange rate differences allocated for the Holding Company are presented in the item of "Foreign exchange rate differences" of the owner's equity in the consolidated balance sheet.
- Foreign exchange rate differences allocated for the non-controlling shareholders are presented in the item of "Interest of non-controlling shareholders".

Foreign exchange rate differences arising related to the conversion of trade advantage, which have not been fully allocated as of the balance sheet date are entirely included in the Holding Company and recognized into the item of "Foreign exchange rate differences" of the owner's equity on the consolidated balance sheet.

4. Cash and cash equivalents

Cash includes cash on hand and demand deposits in bank. Cash equivalents include short-term investments of which the due dates cannot exceed 3 months from the dates of investment and the convertibility into cash is easy, and which do not have risks in the conversion into cash as of the reporting time.

5. Financial investments

Investments held to maturity dates

Investments are classified as held-to-maturity investments when the Group intends and is able to hold to maturity. Investments held to maturity dates include termed deposits in bank.

Investments held to maturity dates are initially recognized at original costs, including the cost of purchase plus other directly attributable transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Group's acquisition of held-to-maturity investments are recorded as a decrease in the costs at the acquisition time.

When there are reliable evidences proving that a part or whole of the investment may be unrecoverable and the losses can be measured reliably, the losses are recognized as financial expenses during the period while the investment value is derecognized.

Loans given

Loans given are determined in accordance with the historical costs less provision for bad debts. Their provision for bad debts is made basing on estimated loss.

Investments in associates

An associate is an enterprise in which the Group has significant influence but not control over the financial policies and activities. Significant influence is the right to participate in making decisions about financial policies and business operations of the investee but not control those policies.

Investments in associates are recognized in accordance with the owner's equity method. Accordingly, the investments in associates are presented in the consolidated financial statements by the initial investment costs and adjusted for changes in benefits on net assets of associates after the investment date. If the benefits of the Group in losses of associates are higher than or equal to book value of the investments, the value of investments will be presented in the consolidated financial statements as zero unless the Group has an obligation to make the payment instead of associates.

The financial statements of associates are prepared for the same accounting period of the Group. In case the accounting policies of an associate are different from those consistently applied in the Group, the financial statements of that associate will be suitably adjusted before being used to prepare the consolidated financial statements.

Unrealized gains/losses from transactions with associates are excluded equivalent to those of the Group when the consolidated financial statements are prepared.

Investments in equity instruments of other entities
Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Group to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at original costs, including the cost of purchase plus other directly attributable transaction costs. Dividends and profits of the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit arising in the periods after the purchase of investments are recorded into the Group's revenue. Dividends received by shares are followed by the increasing number of shares but not recognized with the value of shares received.

Provision for impairment of investments in equity instruments of other entities is made as follows:

- For investments in listed shares or fair value of investments is reliably measured, provision is made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provision is made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital invested by investors and the actual owner's equity multiplying (x) by the Group's rate of capital contribution over the total actual capital of parties in other entities.

Increases/ (decreases) in provision for impairment of investments in equity instruments of other entities which need appropriating at the balance sheet date are recognized into financial expenses.

6. Accounts receivable

Accounts receivable are presented in accordance with book values less provisions for bad debts.

The classification of accounts receivable into receivables from customers and other receivables is done as follows:

- Receivables from customers reflect commercial receivables generating from purchase-sale related transactions between the Group and buyers which are independent units against the Group.
- Other receivables reflect non-commercial or non-trading receivables, unrelated to purchase-sale transactions.

Provision is made for each bad debt basing on the debt age or the estimated loss. Details are as follows:

- As for overdue debts:
  - 30% of the value for debts overdue from over 6 months to under 1 year.
  - 50% of the value for debts overdue from 1 year to under 2 years.
  - 70% of the value for debts overdue from 2 years to under 3 years.
  - 100% of the value for debts overdue from 3 years and over.
- As for doubtful debts: provision is made basing on the estimated loss.

Increases/decreases of balance of provision for bad debts which need appropriating as of the balance sheet date are recorded into administrative overheads.

7. Inventories

Inventories are recorded in accordance with the lower value between the original costs and the net realizable values.

Original cost of inventories is determined as follows:

- For materials and merchandises: They comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- For finished products: They comprises costs of materials, direct labor and directly relevant general manufacturing expenses allocated on the basis of normal operations.
- Expenses for work in progress: They comprise costs of main materials, labor and other direct costs.

Ex warehouse prices of inventories are determined in accordance with the weighted average method and recorded in line with the perpetual recording method.

Net realizable values are the estimated selling prices of inventories in an ordinary course of business less the estimated expenses on product completion and other necessary expenses on product consumption.

Provision for devaluation of inventories is made for each item of inventories which have original costs higher than net realizable values. Increases/decreases of balance of provision for devaluation of inventories which need appropriating as of the balance sheet date are recorded into costs of goods sold.

8. Prepaid expenses

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods. Prepaid expenses of the Group include:

Expenses for tools, instruments

Expenses for tools, instruments being put into use are allocated into expenses in accordance with the straight line method for the maximum period of 36 months.

Fixed asset repair costs

Asset repair costs once with a large value are allocated into expenses in accordance with the straight-line method for the maximum period of 36 months.

Prepaid land rental

Prepaid land rental represents the rental already prepaid for the land being used by the Corporation. Land rental is allocated into expenses in accordance with the straight-line method over the leasing period (48 years).

Expenses for investment in software products

The projects of investment in software products which are completed and not registered for the intellectual property are allocated into expenses in accordance with the straight-line method for the period from 3 to 10 years.

9. Tangible fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the period.

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the year.

Fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years are as follows:

Fixed assets	Years
Fixed assets	03 - 45
Machinery and equipment	03 - 20
Vehicles	06 - 10
Office equipment	03 - 08
Other fixed assets	05 - 07

10. Financial leasehold assets

A lease of asset is considered a financial lease in case most of the risks and rewards associated with the ownership of that asset belong to the lessee. Fixed assets under financial lease are determined by their historical costs less accumulated depreciation. Historical cost is the lower between the reasonable value of the assets at the starting date of the lease agreement and the current value of the minimum lease payment. The discounting rate used to calculate the current value of the minimum lease payment for leasing assets is the interest rate as agreed by implication or as mentioned in the lease agreement. In case the interest rate as agreed by implication in the lease agreement cannot be determined, the interest rate for loan at the starting date of the lease agreement will be applied.

Fixed assets under financial lease are depreciated in accordance with the straight-line method over their estimated useful lives. In case it is not sure that the Group will have the ownership over the asset upon the expiry date of the financial lease contract, the fixed asset must be depreciated at the shorter between the lease period and the estimated useful life. Financial leasehold assets are depreciated in 3 years.

11. Intangible fixed assets

Intangible fixed assets are determined by their historical costs less accumulated depreciation.

Historical costs of intangible fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Costs related to intangible fixed assets, which are incurred after initial recognition, are recognized as operating costs in the period unless these costs are associated with a specific intangible fixed asset and increase economic benefits from these assets.

When a intangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the year.

Intangible fixed assets of the Group include:

Software program

Costs are related to computer software which are not an integral part of related hardware are capitalized. Historical costs of computer software include all expenses paid by the Group until the date the software is put into use. Computer software is depreciated in accordance with the straight-line method in 3 – 10 years.

Copyright, patents

Historical costs of copyright, patents purchased from the third party include the purchasing price, purchasing tax non-refunded and registration fee for the period the duration from 3 – 10 years.

Merchandise trademark

Merchandise trademark is depreciated in accordance with the straight-line method for the period from 3 – 10 years.

Other intangible fixed assets

Other intangible fixed assets are amortized in accordance with the straight-line method with for the period from 3 – 7 years.

12. Construction in progress

Construction in progress reflects costs directly related (including related loan interest expenses in accordance with the Group's accounting policies) to assets in progress of construction and machinery, equipment in progress of installation to serve the purpose of production, lease and management as well as costs related to repair of fixed assets in progress. These assets are recognized in accordance with their original costs and not depreciated.

13. Business consolidation and trade advantage

The business consolidation is accounted for by applying the purchase method. Costs of business consolidation include the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus any costs directly attributable to the business consolidation. The assets acquired and identifiable liabilities and contingent liabilities in business consolidation are recognized at fair value as of the date of holding control right.

For business consolidation transactions through several phases, the cost of a business consolidation is calculated as the total of the cost of investment at the date of achieving control right on the subsidiary plus the cost of investment of the previous transactions which have been revaluated at fair value at the date of achieving control right on the subsidiary. The difference between revaluation cost and the historical cost of the investment is recognized into the business results if before the date of achieving control right, the Group does not have significant influence on its subsidiary and the investment is presented by historical cost method. If before the date of achieving control right, the Group has significant influence and the investment is presented by the owner's equity method, the difference between the revaluated cost and the value of the investment under the owner's equity method is recognized into the business results and the difference between the value of the investment under the owner's equity method and its historical cost is recognized directly into the item of " Retained profit after tax " in the consolidated balance sheet.

The higher difference of the business consolidation cost compared with the ownership rate of the Group in the net fair value of assets, identifiable and liabilities and contingent liabilities recognized at the date of achieving control right on the subsidiary is recognized as trade advantage. If the ownership share of the Group in the net fair value of assets identifiable liabilities and contingent liabilities recognized at the date of achieving control right on the subsidiary exceeds the business consolidation cost, the difference is recognized into the business results.

Trade advantage is allocated in accordance with the straight-line method in the duration of 10 years. When there is an evidence showing that trade advantage suffers losses more than the allocated amount, the allocated amount during the period is the loss incurred.

Interest of non-controlling shareholders at the date of initial business consolidation is determined on the basis of the rate of uncontrolled shareholders in the net fair value of assets, liabilities and contingent liabilities recognized.

14. Liabilities payable and accrued expenses

Liabilities payable and accrued expenses are recognized for the amount payable in the future related to goods and services already received. Accrued expenses are recognized based on reasonable estimates on the amount payable.

The classification of accounts payable into payables to suppliers, accrued expenses and other payables is done as follows:

- Payables to suppliers reflect trade payables occurred from purchase-sale transaction of goods, services, assets and the suppliers are independent units against the Group.
- Accrued expenses reflect payables for goods and services already received from suppliers or provided to customers but for which the payment has not been made due to lack of invoices or accounting documents and payables for employees on leave pay, appropriated operating costs.
- Other payables reflect non-trade payables or payables unrelated to purchase-sale transactions, provision of goods and services.

15. Provisions for accounts payable

Provision for payables are recognized when the Group has current debts obligation (legal obligation or jointly liable obligation) as a result of an event already happened and the payment of this obligation may lead to decrease in economic benefits and its value can be reliably estimated.

If impact of time is material, provision will be determined by discounting the amount paid in the future for debt obligation with the discount rate before tax and reflect current market assessment on time value of money and specific risks of that debt. Increase of provision due to time is recognized as financial expenses.

Provision for payables of the Group is the provision for warranty of products and merchandises. Provision for construction project warranty is appropriated for each construction project with warranty commitment.

Appropriation of provision for warranty of products and merchandises is 0.5% on revenue of products and merchandises (that in the previous year was 0.5%). This rate is estimated based on data on warranty costs in the previous years and the weighted rate of all consequences may occur with the corresponding probability. Increases, decreases in provision for warranty of products and merchandises which need appropriating as of the balance sheet date are recognized into selling expenses.

16. Scientific and technological development fund

Scientific and technological development fund is established to create financial resources for investment in the Group's scientific and technological activities as follows:

- Financing to carry out scientific and technological theme and projects.
- Supporting scientific and technological development:
  - Equipping facilities – techniques for scientific and technological activities.
  - Purchasing machinery, equipment to renew technology directly used in production.
  - Purchasing technology copyrights, patent use and ownership right, useful solutions, industrial design, scientific and technological information related documents and products to serve scientific and technological activities.
  - Paying salary, hiring experts or signing contracts with scientific and technological organizations to implement scientific and technological activities.
  - Expenses for training scientific and technological human resources as legally stipulated on science and technology.
  - Disbursing for initiative of technical improvement, production rationalization.
  - Expenses for activities of research co-operation, scientific and technological implementation with Vietnamese organizations and enterprises.

Fixed assets formed by scientific and technological development fund are recognized as a decrease in corresponding fund and there is no amortization.

Appropriation of scientific and technological development fund is 10% on taxable income during the year in accordance with the organization and operation charter of the fund and is recorded into expenses. In case during the year, disbursement for scientific and technological activities exceeds current balance of the fund, the exceeding disbursement is derived from fund appropriation of the following years.

17. Owner's equity

Owner's contribution capital

Owner's contribution capital is recognized in line with the amount actually contributed by the shareholders of the Corporation.

Share premiums

Share premiums are recorded in accordance with the difference between issuance price and face value of shares in the first issuance, additional issuance or the difference between reissuance price and book value of treasury stocks and the equity component of convertible bonds upon maturity. Direct expenses related to the additional issuance of shares and reissuance of treasury stocks are recorded to decrease share premiums.

Treasury stocks

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury stocks and is recorded as a decrease in owner's equity. When re-issuing, the differences between re-issuance price and book value of treasury stocks are recognized into item of share premium.

18. Profit distribution

Profit after corporate income tax is distributed to the shareholders after appropriation of funds in accordance with the Corporation's Charter as well as legal regulations and being approved by the General Meeting of Shareholders.

The profit distribution to the shareholders considers non-monetary items in retained profit after tax which can have impacts on cash flows and possibility of profit payment such as gains from revaluation of assets for capital contribution, revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities payable when it is approved by the General Meeting of Shareholders.

19. Recognition of revenue and income

Revenue of selling goods

Revenue of selling goods is recognized when the following conditions are satisfied:

- The Group transfers most of risks and benefits incident to the ownership of products or goods to customers.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- Revenue can be measured reliably. Where the contracts stipulate that buyers are entitled to return products, goods purchased under specific conditions, revenue is only recognized when such specific conditions are no longer exist and buyers retains no right to return products, goods (except for the case that such returns are in exchange for other goods or services).
- The Group has received or will receive economic benefits from sale transactions.
- Costs for sale transactions can be determined.

Revenue of service provision

Revenue of service provision is recognized when it simultaneously satisfies the following conditions:

- Revenue is determined reliably. When contracts define that buyers are entitled to return services purchased under specific conditions, revenue is only recognized when such specific conditions no longer exist and buyers are not entitled to return services provided.
- The Group has received or will receive economic benefits from the transaction of providing such services.
- The completed work may be determined at the time of reporting.
- Incurred costs for the transaction and the costs to complete the transaction of providing such services can be determined.

In case the service is carried out in many accounting periods, the revenue is recognized during the period based on the result of completed work as of the balance sheet date.

Part of service provision completed is determined by the method of evaluating percentage (%) of labor costs already arising in comparison with total estimated labor costs to complete the entire transaction of service provision.

For the 1st-time prepaid fee of FTTH and EOC services from the customers newly arising during the fiscal year, the Group records revenue of service provision which is the total prepaid fee from these customers does not allocate revenue for the corresponding periods.

Interests

Interests are recorded based on the term and the interest rates applied for each period.

Dividends and profit shared

Dividends and profit shared are recognized when the Group has the right to receive dividends or profit from the capital contribution. Dividends received by shares are only followed by the increasing number of shares but not recognized with the value of shares received.

20. Revenue deductions

Revenue deductions include trade discounts, sales returns and allowances incurred in the same period of consumption of products, goods and services are adjusted a decrease in revenue in the incurring period.

In case products, goods and services are sold from the previous periods, until the next period are incurred trade discounts, sales returns and allowances, enterprises record a decrease in revenue under the principles:

- In case trade discounts, sales returns and allowances incurred prior to the issuance of consolidated financial statements, enterprises record a decrease in revenue, on the consolidated financial statements of the current year.
- In case trade discounts, sales returns and allowances incurred after the issuance of consolidated financial statements, enterprises record a decrease in revenue on the consolidated financial statements of the next year.

21. Borrowing costs

Borrowing costs include loan interest and other costs directly related to borrowings. Borrowing costs are recognized into expenses when arising.

22. Costs

Costs are amounts reducing economic benefits, recorded at the time the transaction arises or shall be likely to arise in the future regardless of spending money or not.

Costs and revenues set up by it must be recognized simultaneously on the principle of conformity. In case, conformity principle may conflict with precautionary principle in accounting, costs are recognized based on the nature and regulations of accounting standards to reflect transactions honestly and reasonably.

23. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses transferred.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet date and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used. Deferred income tax assets which have not been recognized are considered at the balance sheet dates and recognized when it is certain to have enough taxable income to use these assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

Deferred income tax assets and liabilities payable are offset when:

- The Group has a legal right to offset current income tax assets and current income tax payable; and
- The deferred income tax assets and deferred income tax payable relate to corporate income tax managed by the same Tax Office:
  - For the same taxable entity; and
  - The Group intends to pay current income tax payable and current income tax assets on the net basis or recover assets simultaneously with payment of liabilities in each future period when material accounts of deferred income tax payable or deferred income tax assets are paid or recovered.

24. Related parties

A party is considered a related party in case one party is able to control the other or to cause considerable effects on the financial decisions as well as the operations of the other. A party is also considered a related party in case of together being controlled or affected significantly.

In the consideration of relations among related parties, the nature of relations is paid more attention than the legal form.

25. Segment reporting

A business segment is a distinguishable component that is engaged in producing or providing products, services and that is subject to risks and returns different from those of other business segments.

A geographical segment is a distinguishable component that is engaged in producing or providing products, services within a particular economic environment and that is subject to risks and returns different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policy applied for the preparation and presentation of the Group's consolidated financial statements.

26. Financial instruments

Financial assets

The classification of financial assets depends on the nature and the purpose of them and is determined at the date of initial recognition. Financial assets of the Group include cash and cash equivalents, loans given, accounts receivable from customers, other receivable, listed and unlisted financial instruments.

At the date of initial recognition, financial assets are initially recognized at historical cost plus other costs directly related to those financial assets.

Financial liabilities

The classification of financial liabilities depends on the natures and purposes of the financial liabilities and is determined at the date of initial recognition. Financial liabilities of the Group include accounts payable to suppliers, loans and debts and other payable.

At the date of initial recognition, financial liabilities are initially recognized at historical cost less other costs directly related to those financial liabilities.

Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the company after deducting all of its liabilities.

Offsetting financial instruments against each other

Financial assets and financial liabilities will be offset against each other and are reflected at their net values on the balance sheet when, and only when, the Group:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to realize the asset and to settle the liabilities simultaneously.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET

1. Cash and cash equivalents

	As of 31 Mar. 2016	As of 1 Apr. 2015
Cash on hand	4,092,369,876	10,155,069,324
Demand deposits in bank	78,557,888,042	50,948,003,793
Cash equivalents	5,030,000,000	17,075,000,000
- *Under-3-month termed deposits*	*5,030,000,000*	*17,075,000,000*
Total	**87,680,257,918**	**78,178,073,117**

2. Financial investments

The Group's financial investments include investments held to maturity date, investments in associates and capital contribution in other entities. Information on the Group's financial investments is as follows:

2a. Investments held to maturity date

Including deposits in bank with the term from over 3 months to under 1 year.

2b. *Investments in associates*

	As of 31 Mar. 2016			As of 1 Apr. 2015		
	Historical costs	Profit after investment	Total	Historical costs	Profit after investment	Total
- Ciber - CMC	4,990,000,000	1,908,891,693	6,898,891,693	4,990,000,000	791,838,907	5,781,838,907
- Netnam JSC.	7,258,356,000	9,680,484,541	16,938,840,541	7,258,356,000	4,524,259,069	11,782,615,069
Total	**12,248,356,000**	**11,589,376,234**	**23,837,732,234**	**12,248,356,000**	**5,316,097,976**	**17,564,453,976**

The ownership value of the Group in associates is as follows:

	Ciber - CMC	Netnam JSC.	Total
Ownership value as of 1 Apr. 2015	5,781,838,907	11,782,615,069	17,564,453,976
Gains or losses during the year	1,117,052,786	8,609,241,170	9,726,293,956
Appropriation of funds in associates		(787,743,698)	(787,743,698)
Other decreases in associates		(2,665,272,000)	(2,665,272,000)
Ownership value as of 31 Mar. 2016	**6,898,891,693**	**16,938,840,541**	**23,837,732,234**

Operation of associates

The associates are in normal business condition, with no major changes compared to the previous year.

Transactions with associates

Material transactions between the Group and associates are as follows:

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Sales of selling goods and providing services to		
Ciber – CMC	*1,960,607,024*	*2,175,768,830*
Netnam JSC.	*238,783,815*	*136,813,402*
Purchasing goods and services from		
Ciber – CMC	*19,491,811,801*	
Netnam JSC.	*1,650,073,342*	*3,238,518,246*
Dividends, profit shared from		
Ciber – CMC		
Netnam JSC.	*4,237,440,000*	*2,879,814,000*

2c. *Capital contribution to other entities*

	As of 31 Mar. 2016		As of 1 Apr. 2015	
	Historical costs	Provision	Historical costs	Provision
Vijasgate Co., Ltd.	627,044,400	(627,044,400)	627,044,400	(627,044,400)
VTVCAB & CMC Telecom Co., Ltd.	980,000,000	-		
Thong Nhat Software Co., Ltd.	59,373,000	(59,373,000)	59,373,000	(59,373,000)
Total	**1,666,417,400**	**(686,417,400)**	**686,417,400**	**(686,417,400)**

Fair value
The Group has not determined the fair value of investments as there have not any detailed guidelines on determination of fair value.

3. Short-term receivable from customers

	As of 31 Mar. 2016	As of 1 Apr. 2015
Receivable from related parties	*1,845,470,685*	*2,274,159,186*
Ciber – CMC	1,845,470,685	25,033,944
Netnam JSC.		2,249,125,242
Receivable from other customers	*647,691,986,686*	*595,440,968,596*
Total	**649,537,457,371**	**597,715,127,782**

4. Short-term prepayments to suppliers

	As of 31 Mar. 2016	As of 1 Apr. 2015
Prepayments to related parties	-	-
Prepayments to other suppliers	40,371,186,168	64,109,183,181
Total	**40,371,186,168**	**64,109,183,181**

5. Receivable on short-term loans

	As of 31 Mar. 2016	As of 1 Apr. 2015
Receivable from related parties	*3,900,000,000*	-
Ciber – CMC	3,900,000,000	
Receivable from other organizations and individuals	-	*1,386,471,763*
Loans given to other organizations and individuals		1,386,471,763
Total	**3,900,000,000**	**1,386,471,763**

6. Other short-term/long-term receivable

6a. *Other short-term receivable*

	As of 31 Mar. 2016		As of 1 Apr. 2015	
	Value	Provision	Value	Provision
Receivable from related parties	*336,512,551*			
Ciber – CMC	331,924,932			
Netnam JSC.	4,587,619			
Receivable from other organizations and individuals	*101,164,360,605*	*(1,464,320,000)*	*107,183,463,322*	*(7,714,374,278)*
Advances	51,130,797,733		66,145,097,346	
Geleximco	7,500,000,000	(750,000,000)	7,500,000,000	(750,000,000)
Loan interest	2,999,809,529		4,904,236,274	
Short-term deposits and mortgages	18,124,013,481		15,777,536,425	

	As of 31 Mar. 2016		As of 1 Apr. 2015	
	Value	Provision	Value	Provision
Estimated interest on termed deposits	10,955,488,895			
Others	10,454,250,967	(714,320,000)	12,856,593,277	(6,964,374,278)
Total	**101,500,873,156**	**(1,464,320,000)**	**107,183,463,322**	**(7,714,374,278)**

6b. *Other long-term receivable*

	As of 31 Mar. 2016		As of 1 Apr. 2015	
	Value	Provision	Value	Provision
Receivable from related parties				
Receivable from other organizations and individuals	*3,744,317,514*		*2,891,643,406*	
Deposits and mortgages	3,744,317,514		2,891,643,406	
Total	**3,744,317,514**		**2,891,643,406**	

7. Bad debts

	As of 31 Mar. 2016		As of 1 Apr. 2015	
	Historical costs	Value recoverable	Historical costs	Value recoverable
Related parties				
Other organizations and individuals	*85,530,296,913*	*6,750,000,000*	*86,020,875,548*	*6,750,000,000*
Receivable on other organizations and individuals	85,530,296,913	6,750,000,000	86,020,875,548	6,750,000,000
Total	**85,530,296,913**	**6,750,000,000**	**86,020,875,548**	**6,750,000,000**

Situation of fluctuations in provision for liabilities receivable and bad debts is as follows:

	Short-term liabilities receivable and loans given	Long-term liabilities receivable and loans given	Total
As of 1 Apr. 2015	(79,270,875,548)		(79,270,875,548)
Additional appropriation of provision	(6,849,949,923)		(6,849,949,923)
Refund of provision	1,090,474,280		1,090,474,280
Decrease of provision due to consolidation of financial statements	6,250,054,278		6,250,054,278
As of 31 Mar. 2016	**(78,780,296,913)**		**(78,780,296,913)**

8. Inventories

	As of 31 Mar. 2016		As of 1 Apr. 2015	
	Historical costs	**Provision**	**Historical costs**	**Provision**
Goods in transit	168,440,000		712,581,115	
Materials and supplies	43,134,789,015	(575,254,692)	12,466,871,396	
Tools, instruments	73,590,100		12,119,236,238	
Expenses for work in progress	5,848,974,667		18,900,069,332	
Finished products	361,926,603		4,916,979,949	
Merchandises	151,815,675,465	(2,810,188,219)	88,406,176,667	(4,239,713,413)
Goods on consignment	183,638,517		224,749,820	
Total	**201,587,034,367**	**(3,385,442,911)**	**137,746,664,517**	**(4,239,713,413)**

Increases/decreases of provision for devaluation of inventories are as follows:

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Beginning balance	(4,239,713,413)	(6,736,713,443)
Additional appropriation of provision	(1,446,691,408)	
Refund of provision	2,300,961,910	2,497,000,030
Ending balance	**(3,385,442,911)**	**(4,239,713,413)**

9. Short-term/long-term prepaid expenses

9a. Short-term prepaid expenses

	As of 31 Mar. 2016	As of 1 Apr. 2015
Expenses for tools, instruments	203,135,218	210,877,174
Repair costs	343,130,383	133,472,550
Housing, infrastructure rental	1,568,685,245	82,399,168
Service fee to be allocated	1,726,336,688	411,232,426
Cable infrastructure maintenance costs	9,354,806	971,208,519
Maintenance costs and corporate governance system support	1,550,000,000	
Prepaid expenses for projects	17,161,916,642	
Others	1,408,742,703	978,632,849
Total	**23,971,301,685**	**2,787,822,686**

9b. *Long-term prepaid expenses*

	As of 31 Mar. 2016	As of 1 Apr. 2015
Expenses for tools, instruments	95,434,206,278	79,483,463,202
Land rental (i)	8,419,194,447	2,875,773,031
Expenses for office leasing brokerage	650,972,168	1,273,014,751
Expenses for office improvement	4,312,934,841	2,383,750,135
Expenses for VinE-com Project (ii)	4,407,352,145	12,902,352,149
Trade advantage	3,746,400,000	4,281,600,000
Expenses for periodically updating and upgrading antivirus software of CMC Internet Security Enterprise	5,624,768,199	6,427,549,692
Expenses for project implementation	5,370,463,191	6,889,377,189
Expenses for Livecore Framework and live stream (IPTV) software	1,008,080,000	1,008,080,000
Expenses for incident rescue, repair	682,563,071	3,536,449,527
Others	6,576,709,885	9,167,553,542
Total	**136,233,644,225**	**130,228,963,218**

(i) This is the land rental in Hi-tech Area of Ho Chi Minh City to serve for the purpose of building station with the leasing duration of 50 years. The Corporation has allocated within 48 years since 2013 which was the first revenue-making year from the project of station.

(ii) The Corporation leased the system of server and informatics equipment to Vinecom Co., Ltd. The contract performance duration extends 2 years and the rental charge is monthly paid. After the contract terminates, this system of server and informatics equipment will belong to the ownership of Vinecom Co., Ltd. Total purchase costs of service provision equipment system for contract performance are VND 16,990,000,000. The Corporation is following that value in the item of "Long-term prepaid expenses" and it is equally allocated in 2 years, the accumulated allocated cost until 31 March 2016 was VND 8,335,147,853. This system is being used to guarantee the loan at BIDV in accordance with the loan contract No. 02/2014/2570354/11DTDTH dated 19 November 2014.

10. Tangible fixed assets

	Buildings & structures	Machinery & equipment	Vehicles	Office equipment	Other fixed assets	Total
Historical costs						
As of 1 Apr. 2015	226,727,257,691	321,120,423,202	137,776,276,343	13,721,109,749	2,874,914,106	702,219,981,091
Purchases during the year		18,608,658,018	12,385,531,002	694,377,000		31,688,566,020
Completed construction	2,753,524,633	41,102,822,063	42,499,834,217			86,356,180,913
Goods forming fixed assets				2,371,177,015		2,371,177,015
Other increase				15,808,551		15,808,551
Liquidation and disposal		(3,560,798,990)	(13,332,797,524)	(33,000,000)		(16,926,596,514)
Re-classification of items	(26,643,532,820)	26,643,622,833		(90,013)		-
As of 31 Mar. 2016	**202,837,249,504**	**403,914,727,126**	**179,328,844,038**	**16,769,382,302**	**2,874,914,106**	**805,725,117,076**
In which:						
Fully depreciated but being still in use	321,610,484	24,099,392,812	17,413,311,924	3,102,720,771	243,895,600	45,180,931,591
To be liquidated						
Depreciation						
As of 1 Apr. 2015	21,218,557,836	123,801,810,855	54,522,481,700	7,351,416,433	1,858,406,751	208,752,673,575
Depreciation during the year	4,617,376,424	39,511,619,705	24,191,658,469	3,353,596,427	512,694,572	72,186,945,597
Other increase				15,808,551		15,808,551
Decrease due to liquidation and disposal		(1,777,946,504)	(5,924,933,899)	(9,789,012)		(7,712,669,415)
Re-classification of items	(2,930,130,822)	2,929,455,787	-	675,035		-
As of 31 Mar. 2016	**22,905,803,438**	**164,464,939,843**	**72,789,206,270**	**10,711,707,434**	**2,371,101,323**	**273,242,758,308**
Net book value						
As of 1 Apr. 2015	205,508,699,855	197,318,612,347	83,253,794,643	6,369,693,316	1,016,507,355	493,467,307,516
As of 31 Mar. 2016	**179,931,446,066**	**239,449,787,283**	**106,539,637,768**	**6,057,674,868**	**503,812,783**	**532,482,358,768**
In which:						
Temporarily unused						
To be liquidated						

Some tangible fixed assets of which the net book value is VND 304,350,319,916 have been mortgaged to secure loans of the Group and to be granted with credit limit, guarantee and open LC at BIDV – Transaction Office I.

11. Financial leasehold fixed assets

Including office equipment	Historical costs	Accumulated depreciation	Net book value
As of 1 Apr. 2015	121,596,000	(121,596,000)	-
Decrease adjustment due to being ineligible to be recorded as fixed assets	(121,596,000)	121,596,000	-
As of 31 Mar. 2016	-	-	-

12. Intangible fixed assets

	Copyright, patents	Trademark, trade name	Computer software	Other intangible fixed assets	Total
Historical costs					
As of 1 Apr. 2015	30,939,433,245	551,086,545	28,936,880,001	6,660,610,458	67,088,010,249
Purchases during the year			1,014,427,000		1,014,427,000
As of 31 Mar. 2016	**30,939,433,245**	**551,086,545**	**29,951,307,001**	**6,660,610,458**	**68,102,437,249**
In which:					
Fully depreciated but being still in use	39,000,000		1,368,475,910	664,373,952	2,071,849,862
Depreciation					
As of 1 Apr. 2015	11,308,136,270	327,402,033	8,057,509,071	768,982,689	20,462,030,063
Depreciation during the year	3,879,848,123	88,708,656	3,992,787,988	800,917,517	8,762,262,284
As of 31 Mar. 2016	**15,187,984,393**	**416,110,689**	**12,050,297,059**	**1,569,900,206**	**29,224,292,347**
Net book value					
As of 1 Apr. 2015	19,631,296,975	223,684,512	20,879,370,930	5,891,627,769	46,625,980,186
As of 31 Mar. 2016	**15,751,448,852**	**134,975,856**	**17,901,009,942**	**5,090,710,252**	**38,878,144,902**
In which:					
Temporarily unused					
To be liquidated					

13. Construction in progress

	As of 1 Apr. 2015	Increase during the year	Transfer to fixed assets during the year	Transfer to business results	As of 31 Mar. 2016
Purchase of fixed assets	1,165,176,460	3,930,405,000	(227,400,000)	-	4,868,181,460
Construction in progress	129,162,573,794	123,001,945,567	(86,356,180,913)	(18,975,711,486)	146,832,626,962
- Project of APG maritime cable (i)	*85,974,116,129*	*9,860,500,360*	-	-	*95,834,616,489*
- Project of implementing network infrastructure in Da Nang	*889,803,228*	*11,230,909,641*	-	-	*12,120,712,869*
- Project of expanding, upgrading CoreIP, Router NAT IP and Metro-NQ networks	-	*16,999,763,559*	-	-	*16,999,763,559*
- Costs of material for installing cable network and incident rescue	*6,408,049,043*	*1,970,185,905*	-	-	*8,378,234,948*
- Other projects	*35,890,605,394*	*82,940,586,102*	*(86,356,180,913)*	*(18,975,711,486)*	*13,499,299,097*
Total	130,327,750,254	126,932,350,567	(86,583,580,913)	(18,975,711,486)	151,700,808,422

(i) According to the Business Co-operation Contract dated December 2011 among VIETTEL, FPT Telecom and CMC Telecom, three parties together contribute capital at the rates of 62.50%; 25.00% and 12.50% respectively in order to implement the project of APG Maritime Cable with total investment as in the contract of USD 40 million equivalent to VND 840,440,000,000 (converted at the exchange rate disclosed by Vietcombank on 9 December 2011). The Corporation has contributed capital in accordance with "Investment contribution notice "of VIETTEL and recognized in the item of "Construction in progress". Total capital contribution value to the project of the Corporation accumulated until 31 March 2016 was VND 95,834,616,489.

14. Trade advantage

	Netnam JSC.	CMC Telecom	CMC InfoSec	Total
Historical costs				
As of 1 Apr. 2015	3,144,336,000	3,328,783,614	2,807,478,449	9,280,598,063
Adjustment recognized into investment value of associate	(1,572,168,000)	-		(1,572,168,000)
As of 31 Mar. 2016	**1,572,168,000**	**3,328,783,614**	**2,807,478,449**	**7,708,430,063**
Amount already allocated				
As of 1 Apr. 2015	1,572,168,000	998,635,083	280,747,845	2,851,550,928
Allocation during the year		332,878,361	280,747,845	613,626,206
As of 31 Mar. 2016	**1,572,168,000**	**1,165,074,264**	**421,121,768**	**3,465,177,134**

	Netnam JSC.	CMC Telecom	CMC InfoSec	Total
Net book value				
As of 1 Apr. 2015	1,572,168,000	2,330,148,531	2,526,730,604	6,429,047,135
As of 31 Mar. 2016	**-**	**2,163,709,350**	**2,386,356,681**	**4,243,252,929**

15. Short-term payable to suppliers

	As of 31 Mar. 2016	As of 1 Apr. 2015
Payable to related parties	*7,199,147,646*	*74,068,840*
Ciber – CMC	7,195,680,988	-
Netnam JSC.	3,466,658	74,068,840
Payable to other suppliers	*307,911,242,559*	*267,626,934,203*
Others	307,911,242,559	267,626,934,203
Total	**315,110,390,205**	**267,701,003,043**

The Group has had no outstanding overdue liabilities payable to suppliers.

16. Short-term prepayments from customers

	As of 31 Mar. 2016	As of 1 Apr. 2015
Prepayments from related parties	-	-
Prepayments from other customers	*54,512,039,866*	*33,816,136,629*
Other customers	54,512,039,866	33,816,136,629
Total	**54,512,039,866**	**33,816,136,629**

17. Taxes and other obligations to the State budget

	As of 1 Apr. 2015		Increase during the year		As of 31 Mar. 2016	
	Payable	Receivable	Amount payable	Amount already paid	Payable	Receivable
VAT on local sales	4,359,145,574		30,589,417,216	(30,577,649,104)	4,370,913,686	
VAT on imports	1,286,611	476,477,374	78,985,350,793	(79,513,590,255)		1,003,430,225
Import-export duties	969,562,988	1,497,398,290	438,008,965	(1,251,409,583)	127,405,289	1,468,641,209
Corporate income tax	8,961,939,977	762,286,164	23,553,516,206	(12,621,498,213)	19,868,175,488	736,503,682
Personal income tax	3,566,213,203	171,643,381	7,297,168,433	(6,486,762,399)	4,268,075,552	63,099,696
Withholding tax	1,819,880,137		15,426,593,396	(14,767,414,091)	2,479,059,442	-
Other taxes	81,915,201		371,458,173	(387,676,857)	94,801,024	29,104,507
Fees, legal fees and other duties		4,725,381	356,814	(175,065)	181,749	4,725,381
Total	**19,759,943,691**	**2,912,530,590**	**156,661,869,996**	**(145,606,175,567)**	**31,208,612,230**	**3,305,504,700**

Value added tax (VAT)
The Companies in the Group have to pay VAT in accordance with the deduction method at the rate of 10%.

Import - export duties
The Group has declared and paid these duties in line with the Customs' notices.

Corporate income tax
The Companies in the Group enjoy corporate income tax incentives as follows:

- According to the Circular No. 96/2015/TT-BTC dated 22 June 2015 and the Circular No. 78/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance, CMC Software operates in the field of software production, therefore, it enjoys tax incentive at the tax rate of 10% within 15 years from the establishment date, in which: exempted from tax within 4 years (since 2006), reduced 50% of payable taxes in the 9 following years. The year 2015 is the 6th year when the Company is reduced 50% of payable taxes.
- According to the Circular No. 96/2015/TT-BTC dated 22 June 2015 and the Circular No. 78/2014/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance, CMC InfoSec operates in the field of software production, therefore, it enjoys tax incentive at the tax rate of 10% within 15 years from the establishment date, in which: The Company was established in 2008, made the first profit in 2013, is exempted from tax within 4 years (since 2011), reduced 50% of payable taxes in the 9 following years.

The Companies in the Group has to pay corporate income tax for income from other activities at the tax rate of 22% for average income from 1 April 2015 to 31 December 2015 and at the tax rate of 20% for average income from 1 January 2016 to 31 March 2016.

Average income is determined by income from other activities from 1 April 2015 to 31 March 2016 divided by 12 months.

Corporate income tax payable during the year is estimated as follows:

	From 1 Apr. 2015 to 31 Mar. 2016
Total accounting profit before tax	160,377,221,548
Increase/decrease adjustments of accounting profit to determine profit subject to corporate income tax:	19,987,455,676
Adjustments of increasing taxable profit in the Holding Company and subsidiaries	*21,022,428,245*
Adjustments of decreasing taxable profit in the Holding Company and subsidiaries	*(1,034,972,569)*
Increase/ (decrease) due to consolidation of financial statements	4,610,352,806
Income subject to tax	***184,975,030,030***
Income exempted from tax	
Loss of previous years brought forward	(76,523,304,937)
Taxable income	***108,451,725,093***
Corporate income tax rate from 1 Apr. 2015 to 31 Dec. 2015	22%
Corporate income tax payable at the common tax rate from 1 Apr. 2015 ton 31 Dec. 2015	17,894,534,640
Corporate income tax rate from 1 Jan. 2016 to 31 Mar. 2016	20%
Corporate income tax payable at the common tax rate from 1 Jan. 2016 to 31 Mar. 2016	5,422,586,256

	From 1 Apr. 2015 to 31 Mar. 2016
Difference of corporate income tax due to application of other tax rate than the common tax rate	(192,176,256)
Corporate income tax exempted, deducted	(83,554,894)
Corporate income tax payable	*23,041,389,746*
Adjustment of corporate income tax payable of the previous years	512,126,460
Total corporate income tax payable	**23,553,516,206**

The determination of corporate income tax payable of the Companies in the Group is based on the prevailing regulations on taxes. However, these regulations change for each period and the regulations on taxes for various transactions can be explained in various ways. Therefore, the tax amount presented in the consolidated financial statements could change when being examined by the Tax Office.

Pursuant to the Law No. 32/2013/QH13 on amending and supplementing a number of Articles of the Law on Corporate Income Tax approved by the XIII[th] National Assembly of the Socialist Republic of Vietnam at its 5[th] session on 19 June 2013, the common corporate income tax rate shall decrease from 22% to 20% from 01 January 2016.

Other taxes

The Group has declared and paid these taxes in line with the prevailing regulations.

18. Short-term accrued expenses

	As of 31 Mar. 2016	As of 1 Apr. 2015
Payable to related parties	-	-
Payable to other organizations and individuals	*70,067,833,171*	*72,194,728,701*
Appropriated costs for projects	7,143,385,336	17,397,239,251
Loan interest payable	684,845,549	769,987,081
Expenses for hiring collaborators	14,465,825,925	8,076,429,351
Bandwidth costs	13,633,290,860	8,916,345,936
Expenses for services of VOIP, 710, 1900	10,748,604,237	10,632,177,530
Expenses for SMS brandname service	2,177,580,904	1,616,647,380
Expenses divided for EOC service and other services	5,780,592,681	7,806,907,498
Fees for legal consultancy, administration, auditing	1,269,074,181	1,720,284,282
Expenses for leasing channels	4,102,909,021	2,568,288,144
Expenses for developing subscribers	1,045,400,684	1,382,050,526
Expenses for external hiring, purchasing	4,035,874,797	2,774,737,257
Expenses for VMS5 project	1,165,258,079	3,144,303,810
Expenses for the Building Management Unit	1,287,389,678	983,587,000
Others	2,527,801,239	4,405,743,655
Total	**70,067,833,171**	**72,194,728,701**

19. Short-term/long-term unrealized revenue

19a. Short-term unrealized revenue

	As of 31 Mar. 2016	As of 1 Apr. 2015
Unrealized revenue relating to related parties		
Unrealized revenue relating to organizations and individuals	***48,267,456,530***	***50,359,080,365***
Prepayment for office rental	7,351,570,058	7,928,500,836
Prepayment for providing system integration service	22,263,523,578	18,892,957,720
Prepayment for providing telecommunication service	18,652,362,894	23,537,621,809
Total	**48,267,456,530**	**50,359,080,365**

19b. Long-term unrealized revenue

	As of 31 Mar. 2016	As of 1 Apr. 2015
Unrealized revenue relating to related parties		
Unrealized revenue relating to organizations and individuals	***41,178,132,848***	***6,544,395,148***
Prepayment for providing telecommunication service	41,178,132,848	6,544,395,148
Total	**41,178,132,848**	**6,544,395,148**

20. Other short-term/long-term payable

20a. Other short-term payable

	As of 31 Mar. 2016	As of 1 Apr. 2015
Payable to related parties		
Payable to other organizations and individuals	***41,832,036,185***	***35,010,425,394***
Redundant assets to be settled	19,919,112	27,829,679
Trade Union's expenditure	1,122,490,355	648,598,763
Social insurance, Health insurance, Unemployment insurance	2,800,600,392	2,643,567,084
Assuming short-term deposits and mortgages	403,950,000	1,822,617,000
Dividends, profit payable	98,697,000	100,809,200
Loan interest payable	2,963,854,772	2,140,935,787
Payable on loan without interest	12,141,603,770	20,818,008,982
Expenses for discount bonus, customer support paid on behalf of firms	3,477,809,764	3,415,576,291
Payable to Viet Nam Public Utility Telecommunication Service Fund	4,075,745,843	
Other payable to business cooperation partners	6,323,244,396	
Others	8,404,120,781	3,392,482,608
Total	**41,832,036,185**	**35,010,425,394**

20b. Other long-term accounts payable

	As of 31 Mar. 2016	As of 1 Apr. 2015
Payable to related parties		
Payable to other organizations and individuals	***14,858,414,063***	***15,887,779,043***
Assuming deposits and mortgages	14,858,414,063	15,887,779,043
Total	**14,858,414,063**	**15,887,779,043**

20c. Outstanding overdue debts

The Group has not had any outstanding overdue debts.

21. Short-term/long-term financial leasehold loans and debts

21a. Short-term financial leasehold loans and debts

	As of 31 Mar. 2016	As of 1 Apr. 2015
Short-term loans payable to related parties		
Short-term loans payable to other organizations and individuals	***300,858,966,483***	***291,995,259,459***
Short-term loans from banks	252,322,024,578	189,291,489,558
MB	*22,427,725,632*	*41,354,651,824*
BIDV	*159,254,502,560*	*93,616,059,654*
Vietinbank - Disrict 10 Branch	*22,739,796,386*	*-*
Agribank	*47,900,000,000*	*45,820,778,080*
DongA Bank		*8,500,000,000*
Short-term loans from individuals	13,536,941,905	25,883,709,901
Due long-term loans (see Note V.21b)	35,000,000,000	76,820,060,000
Total	**300,858,966,483**	**291,995,259,459**

Details of increases/decreases of short-term loans during the year are as follows:

	Short-term loans from banks	Short-term loans from individuals	Due long-term loans	Total
As of 1 Apr. 2015	189,291,489,558	25,883,709,901	76,820,060,000	291,995,259,459
Increase during the year	1,664,239,668,215	18,486,090,290	8,000,000,000	1,690,725,758,505
Transfer from long-term loans and debts			52,072,450,003	52,072,450,003
Interest included into principal		93,922,613		93,922,613
Increase due to revaluation of monetary items in foreign currencies		146,751,500		146,751,500
Amount already paid during the year	(1,601,209,133,195)	(31,073,532,399)	(101,892,510,003)	(1,734,175,175,597)
As of 31 Mar. 2016	**252,322,024,578**	**13,536,941,905**	**35,000,000,000**	**300,858,966,483**

The Group has absolute solvency to pay short-term loans.

21b. Long-term financial leasehold loans and debts

	As of 31 Mar. 2016	As of 1 Apr. 2015
Long-term loans payable to related parties		
Long-term loans payable to other organizations and individuals	*100,835,467,983*	*174,508,973,090*
Long-term loans from banks	99,719,217,983	174,508,973,090
BIDV	*99,719,217,983*	*174,508,973,090*
- CMC Corporation (i)		*17,072,450,003*
- CMC Telecom (ii)	*99,719,217,983*	*157,436,523,087*
Long-term loans from individuals (iii)	1,116,250,000	
Total	100,835,467,983	174,508,973,090

(i) This is the long-term loan in accordance with the long-term credit agreement No. 01.1200047/2006/HDTDH dated 6 December 2006 for the purpose of investing in the project of Tri Thuc Building in accordance with the Investment Decision No. 10/2004/CMC-QD HDTV dated 9 November 2004 and the Adjustment Decision on total investment No. 23/2006/CMC - QD HDTV of the Board of Members of Communication Computer Co., Ltd., at the flexible loan interest rate. This loan is secured by assets formed by loan capital.

(ii) This is the long-term loan from BIDV – Transaction Office I in accordance with the long-term credit agreement No. 01/2013/2570354/HDTDDH dated 2 July 2013. The loan limit is VND 200,000,000,000. The floating interest rate is adjusted every 3 months on the first date of each quarter. The loan term is 66 months from the initial disbursement date. The loans from bank are secured by the following assets: the whole machinery and equipment of CoreIP, CCBS, OLT, fixed assets of EOC and ODS; the exploitation right of APG Project; the project of construction on land located at Lot C1A, small handicraft and industrial zones of Cau Giay District, Dich Vong Hau Ward, Cau Giay District, Hanoi; 5 million shares of CMG owned by My Linh Investment Co., Ltd. (represented by Mr. Nguyen Trung Chinh – the Chairman of the Board of Members, and the General Director of CMC Corporation), 5 million shares of CMG owned by MVI Investment Co., Ltd. (represented by Mr. Ha The Minh – the Chairman of the Board of Members, and the Board Chairman of CMC Corporation); the guarantee of CMC Corporation; the whole assets on land of the project of building Internet Station in Hi-tech Area in Ho Chi Minh City owned by CMC Corporation; 2 Data Centers in Hanoi and Ho Chi Minh City.

(iii) This is the loan in accordance with the agreement No. 01.15/HDVV-CMS dated 29 June 2015 used for business purpose, the term of 2 years, the loan interest rate of 5%/year and adjusted every 3 months based on the loan interest rate of the Bank, the interest is paid every 3 months.

The Group has absolute solvency to pay long-term loans.

Payment terms of long-term loans are as follows:

	Total debts	Under 1 year	From 1 year to 5 years	Over 5 years
As of 31 Mar. 2016				
Long-term loans from banks	134,719,217,983	35,000,000,000	99,719,217,983	
Long-term loans from individuals	1,116,250,000		1,116,250,000	
Total	**135,835,467,983**	**35,000,000,000**	**100,835,467,983**	**-**
As of 1 Apr. 2015				
Long-term loans from banks	251,329,033,090	76,820,060,000	174,508,973,090	
Total	**251,329,033,090**	**76,820,060,000**	**174,508,973,090**	**-**

Details of increases/decreases of long-term loans are as follows:

	Long-term loans from banks	Long-term loans from individuals	Total
As of 1 Apr. 2015	174,508,973,090		174,508,973,090
Increase		1,091,750,000	1,091,750,000
Increase due to revaluation of loans in foreign currencies		24,500,000	24,500,000
Amount already paid	(22,717,305,104)		(22,717,305,104)
Transfer to short-term loans and debts	(52,072,450,003)		(52,072,450,003)
As of 31 Mar. 2016	**99,719,217,983**	**1,116,250,000**	**100,835,467,983**

21c. Outstanding overdue loans

The Group has had no outstanding overdue loans.

22. Provision for short-term payable

	Provision for warranty of goods, products	Provision for warranty of projects	Total
As of 1 Apr. 2015	3,101,365,021		3,101,365,021
Increase due to appropriation	3,823,165,929	256,845,208	4,080,011,137
Disbursement during the year	(553,663,771)		(553,663,771)
As of 31 Mar. 2016	**6,370,867,179**	**256,845,208**	**6,627,712,387**

23. Bonus, welfare funds

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Beginning balance	490,896,995	(2,105,469,108)
Increase due to appropriation from profit	15,415,768,398	7,062,957,478
Disbursement	(8,280,191,292)	(4,466,591,375)
Ending balance	**7,626,474,101**	**490,896,995**

24. Deferred income tax payable

24a. *Deferred income tax assets*

Deferred income tax assets of the Group related to the deductible temporary differences due to the consolidation of financial statements. Details of increases/decreases are as follows:

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Beginning balance	610,259,884	2,175,288,687
Inclusion into business results	(160,010,052)	(1,565,028,803)
Ending balance	**450,249,832**	**610,259,884**

24b. *Deferred income tax payable*

Deferred income tax payable related to depreciation expenses of equipment of Tri thuc Building. Details of increases/decreases are as follows:

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Beginning balance	1,827,036,621	2,344,654,473
Inclusion into business results	(63,795,976)	(517,617,852)
Ending balance	**1,763,240,645**	**1,827,036,621**

Corporate income tax rate used to determine deferred income tax assets and deferred income tax payable is 22% (that of the previous year was 22%).

25. Scientific and technological development fund

	Scientific and technological development fund	Scientific and technological development fund forming fixed assets	Total
As of 1 Apr. 2015			
Appropriation of fund	1,387,948,636		1,387,948,636
As of 31 Mar. 2016	**1,387,948,636**		**1,387,948,636**

26. Owner's equity

26a. Statement of fluctuations in owner's equity

	Owner's investment capital	Share premium	Treasury stocks	Exchange rate differences	Business promotion fund	Financial reserve fund	Interest of non-controlling shareholders	Total
As of 1 Apr. 2014	673,419,530,000	15,307,031,884	(6,840,260,634)	431,436,000	61,606,766	61,710,300	(116,406,651,223)	566,034,403,093
Profit in the previous year							109,036,134,257	109,036,134,257
Appropriation of bonus, welfare funds							(7,062,957,478)	(7,062,957,478)
Appropriation of business promotion fund					865,607,451		(865,607,451)	
Other adjustments								
As of 31 Mar. 2015	**673,419,530,000**	**15,307,031,884**	**(6,840,260,634)**	**431,436,000**	**927,214,217**	**61,710,300**	**(15,299,081,895)**	**668,007,579,872**
As of 1 Apr. 2015	673,419,530,000	15,307,031,884	(6,840,260,634)	431,436,000	988,924,517		(15,299,081,895)	668,007,579,872
Increase due to additional issuance of shares in subsidiaries (*)							98,283,495,489	98,283,495,489
Profit during the year							107,516,208,600	107,516,208,600
Increase/decrease due to re-purchasing shares from non-controlling shareholders in subsidiaries							(970,947,146)	(970,947,146)
Share of dividends during the year								
Appropriation of bonus, welfare funds in the Group							(11,814,415,416)	(11,814,415,416)
Appropriation of bonus fund for the Executive officers in the Holding Company							(1,285,500,000)	(1,285,500,000)
Appropriation of bonus, welfare funds in associates							(787,743,698)	(787,743,698)
Adjustment of profit/loss in associates		(411,519,250)			(988,924,517)		1,400,443,767	
Other increase/decrease from profit in subsidiaries							(666,598,662)	(666,598,662)
As of 31 Mar. 2016	**673,419,530,000**	**14,895,512,634**	**(6,840,260,634)**	**431,436,000**			**176,375,861,039**	**858,282,079,039**

(*) During the year, CMC Telecom additionally issued 8,500,000 shares for the strategic shareholders and earned VND 253,651,462,326 VND in which the value of owner's investment capital was correspondingly VND 85,000,000,000, the share premium was VND 168,651,462,326.

According to the regulations on consolidating financial statements, the share premium mentioned above and the retained profit after tax of CMC Telecom as of the date of additional share issuance will be reflected in the consolidated balance sheet of the Group as follows:

	Retained profit after tax of the Group	Interest of non-controlling shareholders
Share premium in CMC Telecom	91,835,117,521	76,816,344,805
Retained profit after tax of CMC Telecom	6,448,377,968	(6,448,377,968)
Total	**98,283,495,489**	**70,367,966,837**

26b. *Details of the owner's contribution capital*

	As of 31 Mar. 2016	As of 1 Apr. 2015
My Linh Investment Co., Ltd.	142,512,100,000	142,512,100,000
MVI Investment Co., Ltd.	141,616,000,000	141,616,000,000
Geleximco	93,935,960,000	89,039,960,000
Agribank	33,920,000,000	33,920,000,000
BaoViet Corporation	33,920,000,000	33,920,000,000
Other shareholders	216,522,880,000	221,418,880,000
Treasury stocks	10,992,590,000	10,992,590,000
Total	**673,419,530,000**	**673,419,530,000**

26c. *Shares*

	As of 31 Mar. 2016	As of 1 Apr. 2015
Number of shares registered to be issued	67,341,953	67,341,953
Number of common shares issued	67,341,953	67,341,953
- *Common share*	*67,341,953*	*67,341,953*
Number of common shares repurchased		
- *Common share*	*1,099,259*	*1,099,259*
Number of common shares repurchased		
- *Common share*	*66,242,694*	*66,242,694*

Face value per outstanding share: VND 10,000.

26d. *Profit distribution*

During the year, the Corporation has distributed profit in accordance with the Resolution of Year 2015 Annual General Meeting of Shareholders dated 14 July 2015 as follows:

- Appropriation for bonus, welfare funds : 1,876,403,316 VND
- Bonus for the Board of Management and the Board of Supervision for the year 2014 : 1,285,596,200 VND

Besides, the Corporation has temporarily appropriated bonus, welfare funds from retained profit in 2015 with the amount of VND 2,795,516,497.

27. Interest of non-controlling shareholders

The interest of non-controlling shareholders shows the benefit of non-controlling shareholders in net value of assets of subsidiaries. Situation of fluctuation in the interest of non-controlling shareholders is as follows:

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Beginning balance	59,068,468,701	49,907,233,958
Profit after tax of non-controlling shareholders	29,211,282,666	8,789,729,174
Appropriation for bonus, welfare funds	(3,601,352,982)	
Increase due to additional issuance of shares in subsidiaries	155,367,966,837	
Increase/decrease due to re-purchasing shares from non-controlling shareholders in subsidiaries	(829,052,854)	
Other adjustments		371,505,569
Ending balance	**239,217,312,368**	**59,068,468,701**

28. Off-balance sheet items

28a. Foreign currencies

	As of 31 Mar. 2016	As of 1 Apr. 2015
US Dollar (USD)	1,046,173.02	544,735.19
Euro (EUR)	-	19,980.85
Japan Yen (¥)	74,137.00	74,137.00

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

1. Sales of selling goods and providing services

1a. Gross sales

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Sales of selling goods	2,510,367,385,371	2,050,162,729,927
Sales of selling finished products	34,948,625,950	
Sales of providing services	1,158,175,731,173	1,209,890,121,003
Other sales	904,841,722	30,000,000,000
Total	**3,704,396,584,216**	**3,290,052,850,930**

1b. Sales of selling goods and providing services to related parties

Apart from transactions of selling goods and providing services to joint ventures, associates as presented in Note V.2c, the Group has not had any transactions of selling goods and providing services with related parties which are not associates.

2. Deductions

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Trade discounts	2,697,292,138	2,985,308,384
Sales returns	7,886,077,339	22,291,551,386
Sales allowances		68,888,139
Total	**10,583,369,477**	**25,345,747,909**

3. Costs of goods sold

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Costs of goods already sold	2,327,443,664,235	1,774,973,265,146
Costs of finished products already sold	31,922,163,199	
Costs of services already provided	806,710,512,506	974,339,832,413
Costs of other business operations	634,380,602	673,955,730
(Reversal of) provision for devaluation of inventories	(204,154,281)	(2,357,011,567)
Total	**3,166,506,566,261**	**2,747,630,041,722**

4. Financial income

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Deposit interest	12,415,378,521	2,029,073,198
Dividends, profit shared	-	1,046,233,000
Gain on exchange rate differences	3,808,043,327	2,004,203,634
Gain on exchange rate differences due to revaluation of monetary items in foreign currencies		111,833,806
Gain on deferred-payment goods	399,914,513	
Others		90,000,000
Total	**16,623,336,361**	**5,281,343,638**

5. Financial expenses

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Loan interest expenses	25,970,916,609	35,374,748,936
Loss from exchange rate differences	6,073,116,162	4,169,027,645
Loss from exchange rate differences due to revaluation of monetary items in foreign currencies	661,961,884	1,485,430,050
Provision for devaluation of trading securities and investment losses		3,845,951,524
Others		573,725
Total	**32,705,994,655**	**44,875,731,880**

6. Selling expenses

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Expenses for employees	121,245,132,218	101,768,020,675
Expenses for materials, packing	18,387,701,165	38,101,902,033
Depreciation of fixed assets	2,797,369,334	1,797,315,205
Provision for warranty of products, goods	4,276,528,409	7,680,762,482
External services hired and other expenses in cash	63,564,882,708	56,073,937,191
Total	**210,271,613,834**	**205,421,937,586**

7. Administrative overheads

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Expenses for employees	87,600,219,069	69,235,513,465
Expenses for managing materials	3,095,819,513	10,561,292,456
Depreciation of fixed assets	5,902,786,746	3,908,900,256
Taxes, fees and duties	651,083,777	678,958,970
Provision for bad debts	6,233,322,612	25,860,755,920
Appropriation of scientific and technological development fund	1,387,948,636	
External services hired	29,915,874,209	21,142,511,541
Other expenses	25,557,804,501	19,164,765,859
Total	**160,344,859,063**	**150,552,698,467**

8. Other income

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Gain on liquidation, disposal of fixed assets	354,545,454	24,372,727
Income from organizing Avar seminar	2,684,741,263	
Sponsor from IPP project	718,093,810	753,111,118
Fund Marketing supported	9,723,086,224	3,773,668,778
Taxes refunded	813,289,695	
Treatment of long-lasting liabilities	463,018,075	933,102,971
Others	1,190,047,589	1,279,084,865
Total	**15,946,822,110**	**6,763,340,459**

9. Other expenses

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Loss from liquidation, disposal of fixed assets	2,110,090	6,218,670
Expenses for organizing Avar seminar	3,218,349,626	
Tax fined and recovered	957,085,955	138,580,081
Others	1,725,866,134	6,971,324,766
Total	**5,903,411,805**	**7,116,123,517**

10. Deferred corporate income tax

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Deferred corporate income tax incurred from temporarily taxable differences	(63,795,976)	(31,897,988)
Deferred corporate income tax incurred from refund of deferred income tax assets	371,753,258	1,909,273,070
Income from deferred corporate income tax incurred from temporarily deductible differences	(211,743,206)	(344,244,267)
Income from deferred corporate income tax incurred from refund of deferred corporate income tax payable		(485,719,864)
Total	**96,214,076**	**1,047,410,951**

11. Earnings per share

11a. Basic earnings/declined interest per share

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Accounting profit after corporate income tax of the shareholders of the Holding Company	107,516,208,600	109,036,134,257
Appropriation for bonus, welfare funds	(6,934,423,154)	(8,8908,901,311)
Increase/decrease adjustments of accounting profit to determine profit contributed to the common shareholders		
Profit for determination of basic earnings/ declined interest	100,581,785,446	100,127,232,946
Weight average number of common shares outstanding during the year	66,242,694	66,242,694
Basic earnings/declined interest per share	**1,518**	**1,512**

Number of common shares used to calculate basic earnings/declined interest per share is as follows:

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Common shares outstanding at the beginning of the year	66,242,694	66,242,694
Effects of common shares repurchased during the year		
Effects of common shares issued during the year		
Average common shares outstanding during the year	**66,242,694**	**66,242,694**

11b. Other information

Basic earnings per share in the previous year have been re-calculated due to deduction of appropriation of bonus and welfare funds when determining profit used for calculation of basic earnings per share in accordance with the guidance of the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance. This application of new regulations has made basic earnings per share in the previous year decrease from VND 1,646 VND down to VND 1,512.

There have not been any transactions of common shares or potential transactions of common shares from the balance sheet date to the disclosure date of these consolidated financial statements.

11. Operating expenses per element

	From 1 Apr. 2015 to 31 Mar. 2016	From 1 Apr. 2014 to 31 Mar. 2015
Expenses for materials and supplies	116,309,536,860	151,854,813,360
Labor costs	267,297,665,746	282,154,076,322
Depreciation of fixed assets	80,949,207,881	69,564,784,310
Contingent expenses	6,233,322,612	20,161,102,744
Warranty costs	4,276,528,409	1,188,123,807
External services hired	631,886,688,453	832,716,510,014
Others	92,753,197,341	79,347,780,027
Total	**1,199,706,147,302**	**1,436,987,190,584**

VII. OTHER INFORMATION

1. Transactions and balances with related parties

Related parties of the Corporation include the key managers, their related individuals and other related parties.

1a. Transactions and balances with the key managers and their related individuals

The key managers include members of the Board of Management and members of the Executive Officers (the Board of General Directors, Chief Financial Officer, Chief Accountant). Related individuals with the key managers are their relatives.

Transactions with the key managers and their related individuals

The Corporation has not had any transactions of selling goods and providing services as well as other transactions with the key managers and their related individuals.

Liabilities with the key managers and their related individuals

The Corporation has not had any liabilities with the key managers and their related individuals.

1a. Transactions and balances with other related parties

Other related parties of the Group include:

Other related parties	Relationship
Ciber - CMC	Associate
Netnam JSC.	Associate

Transactions with other related parties

Apart from transactions with associates as presented in Note V.2c, the Group has not had any transactions with other related parties.

Liabilities with other related parties

Liabilities with other related parties are presented in the Notes V.3, V.4, V.5, V.6, V.15, V.16 and V.20.

Liabilities receivable from other related parties are unsecured and will be paid in cash. No provision for bad debts is made for liabilities receivable from other related parties.

2. Segment information

2a. Business segments

The Group has had the major business segments as follows:

- Segment of integration service: provided by 3 companies which are CMC SI, CMC SI Saigon, CMC InfoSec.
- Segment of software service: provided by CMC Software.
- Segment of telecommunication service: provided by CMC Telecom.
- Segment of distribution and assembling: provided by CMC P&T, CMC Computer Co., Ltd.
- Segment of other services: provided by CMC Corporation.

Information on the business results, fixed assets, other long-term assets and non-cash large expenses of business segments of the Group is presented as follows:

	Segment of integration service	Segment of software service	Segment of telecommunication service	Segment of distribution and assembling	Segment of other services	Adjustment due to consolidation	Total
From 1 Apr. 2015 to 31 Mar. 2016							
Net segment sales							
Net sales of selling goods and providing services externally	1.437.057.613.105	136.976.464.673	820.180.893.419	1.208.204.859.261	91.393.384.281	-	3.693.813.214.739
Net sales of selling goods and providing services among segments	78.334.869.125	12.217.668.441	4.356.250.618	7.827.378.500	25.931.920.044	(128.668.086.728)	-
Total net segment sales	***1.515.392.482.230***	***149.194.133.114***	***824.537.144.037***	***1.216.032.237.761***	***117.325.304.325***	***(128.668.086.728)***	***3.693.813.214.739***
Segment expenses (i)	1.467.905.489.704	147.709.130.118	746.030.763.788	1.201.817.878.775	101.674.904.571	(128.015.127.798)	3.537.123.039.158
Segment business results	47.486.992.526	1.485.002.996	78.506.380.249	14.214.358.986	15.650.399.754	(652.958.930)	156.690.175.581
Segment profit before corporate income tax	**46.776.215.666**	**1.620.926.153**	**77.427.511.128**	**14.293.676.501**	**11.943.489.765**	**8.315.402.335**	**160.377.221.548**
From 1 Apr. 2014 to 31 Mar. 2015							
Net segment sales							
Net sales of selling goods and providing services externally	960.639.181.856	102.486.224.528	692.014.025.684	1.169.220.440.317	340.347.230.636		3.264.707.103.021
Net sales of selling goods and providing services among segments	262.281.501.502	6.141.293.465	4.672.433.572	31.368.389.077	37.423.360.865	(341.886.978.481)	-
Total net segment sales	***1.222.920.683.358***	***108.627.517.993***	***696.686.459.256***	***1.200.588.829.394***	***377.770.591.501***	***(341.886.978.481)***	***3.264.707.103.021***

	Segment of integration service	Segment of software service	Segment of telecommunication service	Segment of distribution and assembling	Segment of other services	Adjustment due to consolidation	Total
Segment expenses (i)	1.173.928.037.861	96.359.890.778	650.172.857.488	1.190.630.833.355	334.043.137.446	(341.530.079.153)	3.103.604.677.775
Segment business results	48.992.645.497	12.267.627.215	46.513.601.768	9.957.996.039	43.727.454.055	(356.899.328)	161.102.425.246
Segment profit before corporate income tax	46.555.618.850	12.347.548.277	31.632.272.285	9.260.330.727	25.377.801.380	4.391.092.031	129.564.663.550

(i) Segment expenses include costs, selling expenses and administrative overheads (not including loan interest expenses and other expenses)
(ii) Segment business results are equal to net segment sales less segment expenses.

Assets and payable liabilities of the business segments of the Group are as follows:

	Segment of integration service	Segment of software service	Segment of telecommunication service	Segment of distribution and assembling	Segment of other services	Total
As of 31 Mar. 2016						
Direct assets of segments	452,083,855,680	114,668,507,054	842,998,978,023	175,942,983,097	341,483,678,511	1,927,178,002,365
Assets allocated for segments						
Assets not allocated for each segment						268,491,458,932
Total assets						***2,195,669,461,297***
Direct payable liabilities of segments	322,454,262,439	30,185,002,617	536,242,972,379	155,105,947,583	52,793,936,236	1,096,782,121,254
Payable liabilities allocated to segments						
Payable liabilities not allocated for each segment						1,387,948,636
Total liabilities payable						***1,098,170,069,890***
As of 1 Apr. 2015						
Direct assets of segments	272,566,277,225	115,375,464,878	678,734,986,079	155,542,836,333	515,486,499,094	1,737,706,063,609
Assets allocated for segments						
Assets not allocated for each segment						24,651,760,995
Total assets						***1,762,357,824,604***
Direct payable liabilities of segments	313,962,169,306	21,425,653,180	443,560,894,244	150,732,155,959	105,600,903,342	1,035,281,776,031
Payable liabilities allocated to segments						
Payable liabilities not allocated for each segment						
Total liabilities payable						***1,035,281,776,031***

2b. Geographical segments

All the operations of the Group only take place in Vietnamese territory.

3. Comparative figures

3a. Application of new accounting policies

As presented in Note III.1, since 1 January 2015, the Group has been applying the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance on guidelines for accounting policies for enterprises instead of the Decision No. 15/2006/QD-BTC dated 20 March 2006 of the Finance Minister and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance as well as the Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance replacing Part XIII – the Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance on guidelines for the preparation and presentation of consolidated financial statements in accordance with the Accounting Standard No. 25 "Consolidated financial statements and accounting for investments in subsidiaries". The Group has re-presented the comparative figures in accordance with these new accounting regulations.

3b. Effects of application of new accounting policies

Application of new accounting policies has caused no material effects on comparative figures in the consolidated financial statements. Effects of application of new accounting policies on comparative figures in the consolidated financial statements are as follows:

	Code	Figures before adjustment	Adjustment	Adjusted figures	Note
Consolidated balance sheet					
- Short-term financial investments	120	1,434,471,763	(1,386,471,763)	48,000,000	(i)
- Short-term accounts receivable	130	609,938,340,544	81,423,802,605	691,362,143,149	
Receivable from customers		*548,238,204,036*	*49,476,923,746*	*597,715,127,782*	(ii)
Receivable on short-term loans	*135*	-	*1,386,471,763*	*1,386,471,763*	(i)
Other short-term receivable	*136*	*76,861,828,875*	*30,321,634,447*	107,183,463,322	(ii), (iii)
Deficient assets to be treated	*139*	-	*238,772,649*	*238,772,649*	(ii)
- Other current assets	155	80,037,330,482	(80,037,330,482)	-	(iii)
- Other long-term receivable	216	160,000,000	2,731,643,406	2,891,643,406	(iv)
- Other long-term assets	268	2,731,643,406	(2,731,643,406)	-	(iv)
- Financial reserved fund		61,710,300	(61,710,300)	-	(vii)
- Business promotion fund		927,214,217	61,710,300	988,924,517	(vii)
Consolidated income statement					
Costs of goods sold	28	2,709,157,156,383	38,472,885,339	2,747,630,041,722	(v)
Selling expenses	31	243,894,822,925	(38,472,885,339)	205,421,937,586	(v)
Basic earnings per share	70	1,646	(134)	1,512	(vi)

(i) Reclassification of the item of "Other short-term loans" from "Other short-term financial investment" into the item of "Short-term receivable".

(ii) Reclassification of the item of Receivable on revenue temporarily calculated on the basis of estimated percentage of completed work from the item of "Other short-term receivable" into "Receivable from customers".

(iii) Reclassification of the item of "Advance", "Short-term deposits and mortgages" and "Deficient assets to be treated" from "Other short-term assets" into "Other short-term receivable".

(iv) Reclassification of the item of "Long-term deposits and mortgages" from "Other long-term assets" into "Other long-term receivable".

(v) Reclassification of the expenses in CMC Telecom.

(vi) Exclusion of appropriation for bonus and welfare funds when calculating profit to determine basic earnings and declined interest per share.

(vii) Reclassification of Financial reserved fund into Business promotion fund.

4. Financial risk management

Operations of the Group include the following financial risks: credit risk, liquidity risk and market risk. The Board of General Directors is responsible for designing policies and controls to minimize financial risks as well as supervising the application of those policies and controls.

4a. Credit risk

Credit risk is the risk that a contractual party cannot perform its responsibilities, leading to a financial loss to the Group.

The Group has had credit risks mainly from accounts receivable from customers, cash in bank and loans given.

Receivable from customers

The Group has minimized credit risk by only dealing with entities which have good financial resources, requiring to open the credit letter for entities with initial transaction or without information about financial resources. Moreover, the liabilities accountant often follows liabilities receivable for recovery.

Accounts receivable from customers of the Group relates to many units and entities, therefore, the concentrated credit risk of accounts receivable from customers is low.

Cash in bank

Demand and termed deposits of the Group are deposited in local banks. The Board of General Directors realizes that there is not any material risk from these deposits.

Loans given

The Group has given loans to its joint ventures, associates and the key managers. These entities and individuals are reputable and have good solvency, therefore, credit risk of loans given is low.

Maximum level of credit risk for financial assets is the net book value of the financial assets (See the Note VII.5 regarding net book value of financial assets).

Analysis of overdue time and devaluation of financial assets is as follows:

	Not yet overdue or devalued	Already overdue and/or devalued	Total
As of 31 Mar. 2016			
Cash and cash equivalents	87,680,257,918		87,680,257,918
Investments held to maturity date	238,980,223,937		238,980,223,937
Receivable from customers	572,221,480,458	77,315,976,913	649,537,457,371
Loans given	3,900,000,000		3,900,000,000
Other receivable	45,900,072,937	8,214,320,000	54,114,392,937
Financial assets available for sale	980,000,000	686,417,400	1,666,417,400
Total	**949,662,035,250**	**86,216,714,313**	**1,035,878,749,563**
As of 1 Apr. 2015			
Cash and cash equivalents	78,178,073,117		78,178,073,117
Investments held to maturity date	48,000,000		48,000,000
Receivable from customers	526,158,626,512	71,556,501,270	597,715,127,782
Loans given	1,386,471,763		1,386,471,763
Other receivable	27,326,527,104	14,464,374,278	41,790,901,382
Financial assets available for sale	-	686,417,400	686,417,400
Total	**633,097,698,496**	**86,707,292,948**	**719,804,991,444**

4b. *Liquidity risk*

Liquidity risk is the risk that the Group will have difficulties in paying its financial liabilities due to lack of cash.

The Group's liquidity risk is mainly from financial assets and financial liabilities with different maturity dates.

The Group has managed the liquidity risk by frequently following current and forecasted payment requests to maintain a suitable amount of cash as well as loans at a reasonable level, supervising cash flow actually arising in comparison with estimation to minimize the effects of cash flow fluctuations.

The payment term of non-derivative financial liabilities (not including interest payable) is based on estimated payments according to the contracts but not discounted yet as follows:

	Under 1 year	From 1 year to 5 years	Over 5 years	Total
As of 31 Mar. 2016				
Loans and debts	300,858,966,483	100,835,467,983		401,694,434,466
Payable to suppliers	315,110,390,205			315,110,390,205
Other payable	104,308,159,176	14,858,414,063		119,166,573,239
Total	**720,277,515,864**	**115,693,882,046**	-	**835,971,397,910**
As of 1 Apr. 2015				
Loans and debts	291,995,259,459	174,508,973,090		466,504,232,549
Payable to suppliers	267,701,003,043			267,701,003,043
Other payable	100,974,235,701	15,887,779,043		116,862,014,744
Total	**660,670,498,203**	**190,396,752,133**	-	**851,067,250,336**

The Board of General Directors realizes risk level for debt payment is low. The Group has liquidity of due debts by cash flows from business operations and receipts from due financial assets.

4c. Market risk

Market risk is the risk that fair value or cash flows in the future of financial instruments will change according to the market price's changes.

The market risk related to operations of the Group includes foreign currency risk, interest rate risk and risk related to price of goods.

The analyses of sensitivity and evaluations hereafter are related to the financial position of the Group as of 31 March 2016 and 1 Apr. 2015 and are based on the value of net liabilities. Changes in foreign exchange rates, interest rates, price of goods used in the analyses of sensitivity are based on the evaluation of ability to occur within the next one year under observable circumstances of the market at present.

Foreign currency risk

Foreign currency risk is the risk that fair value or cash flows in the future of financial instruments will change according to the fluctuations of foreign exchange rates.

The Group manages risks concerning fluctuations in exchange rates by optimizing maturity of debts, forecasting foreign exchange rates, maintaining reasonably structure of borrowing and loans between foreign currencies and VND, choosing time of buying and paying of items in foreign currencies at the time of low foreign exchange rate, utilizing available cash resources to balance between foreign exchange risk and liquidity risk.

The Group has not used any derivative instruments to prevent foreign currency risk.

Net assets/(liabilities) in foreign currency of the Group are as follows:

	As of 31 Mar. 2016 (USD)	As of 1 Apr. 2015 (USD)
Cash and cash equivalents	1,046,173.02	544,735.19
Loans and debts		(369,500.00)
Net assets in foreign currency	**1,046,173.02**	**175,235.19**

The Board of General Directors realizes risk due to fluctuations in foreign exchange rate on profit after tax and owners' equity of the Group is not material as net liabilities are of small value.

Interest rate risk

Interest rate risk is the risk that fair value or cash flows in the future of financial instrument will change according to the market interest rate's changes.

Interest rate risk of the Group is mainly related to termed deposits and loans with floating interest rate.

The Group has managed the interest rate risk by analyzing the market situation to make reasonable decisions in choosing time of loans with suitable terms as to gain the most profitable interest rates as well as maintaining the suitable structure of termed deposits at floating rates and fixed rates.

Financial instruments with floating interest rate of the Corporation are as follows:

	As of 31 Mar. 2016		As of 1 Apr. 2015	
	VND	USD	VND	USD
Cash and cash equivalents	64,397,677,358	1,046,173.02	66,425,411,394	544,735.19
Investments held to maturity date	238,980,223,937		48,000,000	
Loans and debts	(466,504,232,549)		(458,532,270,050)	(369,500,00)
Net assets/(liabilities)	**(163,126,331,254)**	**1,046,173.02**	**(392,058,858,656)**	**175,235.19**

As of the balance sheet date, with the assumption of other unchangeable variables, if the interest rate of loans in VND with floating rate increased/decreased by 2%/year, profit after tax and owner's equity of the current period of the Group would decrease/increase by VND 2,610,021,300 (last year they would have decreased/increased by VND 6,116,118,195).

Risk related to price of goods
The Group has risk related to fluctuations of price of goods. The Group manages this risk by strictly following up related information and situation of the market in order to manage purchasing time, production plan and inventory level appropriately.

The Group has not used any derivative instruments to prevent risk related to price of goods, materials.

4d. ***Collaterals***
The Group had no financial assets used as collaterals to other entities as well as no collaterals received from other entities as of 31 March 2016 and as of 1 April 2015.

5. **Financial assets and liabilities**
Financial assets
Net book value of financial assets is as follows:

	As of 31 Mar. 2016		As of 1 Apr. 2015	
	Historical costs	Provision	Historical costs	Provision
Cash and cash equivalents	87,680,257,918		78,178,073,117	
Investments held to maturity date	238,980,223,937		48,000,000	
Receivable from customers	649,537,457,371	(77,315,976,913)	597,715,127,782	(71,556,501,270)
Loans given	3,900,000,000		1,386,471,763	
Other receivables	54,114,392,937	(1,464,320,000)	41,790,901,382	(7,714,374,278)
Financial assets available for sale	1,666,417,400	(686,417,400)	686,417,400	(686,417,400)
Total	**1,035,878,749,563**	**(79,466,714,313)**	**719,804,991,444**	**(79,957,292,948)**

Financial liabilities
Net book value of financial liabilities is as follows:

	As of 31 Mar. 2016	As of 1 Apr. 2015
Loans and debts	401,694,434,466	466,504,232,549
Payable to suppliers	315,110,390,205	267,701,003,043
Other payables	122,815,273,560	119,772,937,612
Total	**839,620,098,231**	**853,978,173,204**

Fair value

The Group has not determined the fair values of financial assets and liabilities as the Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance as well as the prevailing regulations have not given out any detailed guidance.

6. Subsequent event

There have been no events after the balances sheet date which have not been considered to make adjustments on the figures or the disclosures in the consolidated financial statements.

7. Other information

Comparative figures on the consolidated financial statements are derived from the figures of the consolidated financial statement for the fiscal year ended 31 March 2015 which were audited by AASC Auditing Firm Co., Ltd., a number of items in the balance sheet and the income statement have been reclassified to be suitable (see Note VII.3b).

Hanoi, 16 June 2016

Chief Accountant	Chief Financial Officer	General Director
Nguyen Hong Phuong	Le Thanh Son	Nguyen Trung Chinh

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