

CMC Corporation

Separate financial statements

For the year ended 31 March 2020



CMC Corporation

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CMC Corporation

GENERAL INFORMATION

THE COMPANY

CMC Corporation ("the Company") is a joint stock company incorporated pursuant to the Business Registration Certificate No. 0100244112 issued by the Department of Planning and Investment of Hanoi City on 7 February 2007 and the subsequent amended Enterprise Registration Certificates, with the latest is the 11th amendment being granted on 12 September 2019.

The current principal activities of the Company are:

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

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

BOARD OF DIRECTORS

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

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

BOARD OF SUPERVISION

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

Ms. Vu Thi Phuong Thanh	Head
Mr. Truong Thanh Phuc	Member
Mr. Nguyen Thanh Nam	Member

CMC Corporation

GENERAL INFORMATION (continued)

MANAGEMENT

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

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

LEGAL REPRESENTATIVE

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

AUDITOR

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

CMC Corporation

REPORT OF MANAGEMENT

Management of CMC Corporation (“the Company”) is pleased to present this report and the separate financial statements of the Company for the year ended 31 March 2020.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 March 2020, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

The Company has subsidiaries as disclosed in the separate financial statements. The Company has prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. According to this Circular, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2020 dated 29 June 2020.

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

For and on behalf of management:



Nguyễn Trung Chinh
Chief Executive Officer

29 June 2020

Reference: 61376291/21377543

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of CMC Corporation

We have audited the accompanying separate financial statements of CMC Corporation ("the Company") as prepared on 29 June 2020 and set out on pages 6 to 42, which comprise the separate balance sheet as at 31 March 2020, and the separate income statement and separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 March 2020, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements.

Ernst & Young Vietnam Limited



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



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

Hanoi, Viet Nam

29 June 2020

SEPARATE BALANCE SHEET
as at 31 March 2020


Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,159,260,332,095	522,041,916,822
110	I. Cash and cash equivalents	4	72,190,196,947	300,722,408,901
111	1. Cash		2,190,196,947	300,722,408,901
112	2. Cash equivalents		70,000,000,000	-
120	II. Short-term investments	5	860,000,000,000	41,000,000,000
123	1. Held-to-maturity investments		860,000,000,000	41,000,000,000
130	III. Current accounts receivable		225,204,930,644	179,615,749,413
131	1. Short-term trade receivables	6.1	14,798,201,882	14,258,509,258
132	2. Short-term advances to suppliers	6.2	42,835,375,833	1,187,234,351
135	3. Short-term loan receivables	7	6,006,000,000	2,170,000,000
136	4. Other short-term receivables	8	173,132,551,327	173,567,204,202
137	5. Provision for doubtful short-term receivables	6.3	(11,567,198,398)	(11,567,198,398)
150	IV. Other current assets		1,865,204,504	703,758,508
151	1. Short-term prepaid expenses		233,042,854	394,760,104
152	2. Value-added tax deductible		1,611,949,427	273,026,361
153	3. Tax and other receivables from the State	16	20,212,223	35,972,043
200	B. NON-CURRENT ASSETS		1,065,750,701,097	855,845,110,766
210	I. Long-term receivables		25,000,000,000	5,000,000,000
216	1. Other long-term receivables	8	25,000,000,000	5,000,000,000
220	II. Fixed assets		227,261,251,379	247,216,209,700
221	1. Tangible fixed assets	10	223,298,452,848	240,533,852,816
222	Cost		379,056,087,898	378,467,725,498
223	Accumulated depreciation		(155,757,635,050)	(137,933,872,682)
227	2. Intangible fixed assets	11	3,962,798,531	6,682,356,884
228	Cost		21,352,336,204	21,316,266,204
229	Accumulated amortisation		(17,389,537,673)	(14,633,909,320)
240	III. Long-term assets in progress		136,728,965,454	81,927,199,279
242	1. Construction in progress	12	136,728,965,454	81,927,199,279
250	IV. Long-term investments	13	667,820,899,728	511,801,048,066
251	1. Investments in subsidiaries		645,440,014,767	536,196,014,767
252	2. Investments in jointly controlled entities and associates		7,258,356,000	7,258,356,000
254	3. Provision for diminution in value of long-term investments		(28,257,471,039)	(40,033,322,701)
255	4. Held-to-maturity investment		43,380,000,000	8,380,000,000
260	V. Other long-term assets		8,939,584,536	9,900,653,721
261	1. Long-term prepaid expenses	14	8,939,584,536	9,900,653,721
270	TOTAL ASSETS		2,225,011,033,192	1,377,887,027,588

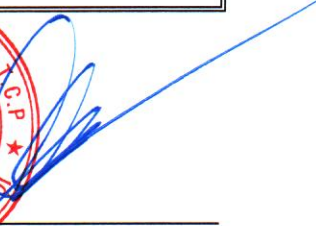
SEPARATE BALANCE SHEET (continued)
as at 31 March 2020

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		517,622,282,504	495,654,915,991
310	I. Current liabilities		166,723,418,041	139,321,734,612
311	1. Short-term trade payables	15	18,944,283,238	11,973,359,186
312	2. Short-term advances from customers		181,499,819	288,000,000
313	3. Statutory obligations	16	4,257,709,940	1,564,052,477
314	4. Payables to employees		5,884,327,455	5,036,240,152
315	5. Short-term accrued expenses	17	8,922,853,244	14,517,083,262
318	6. Short-term unearned revenue	18	6,433,400,771	7,047,133,893
319	7. Other short-term payables	19	8,873,950,569	16,373,965,337
320	8. Short-term loans and finance lease obligations	20	106,888,074,226	72,266,071,104
322	9. Bonus and welfare fund	21	6,337,318,779	10,255,829,201
330	II. Non-current liabilities		350,898,864,463	356,333,181,379
337	1. Other long-term liabilities	19	6,356,936,469	8,714,787,107
338	2. Long term loans and finance lease obligations	20	323,696,676,906	326,674,883,982
341	3. Deferred tax liabilities	30.2	1,531,255,285	1,589,251,625
343	4. Scientific and technological development fund	22	19,313,995,803	19,354,258,665
400	D. OWNERS' EQUITY		1,707,388,750,688	882,232,111,597
410	I. Capital	23	1,707,388,750,688	882,232,111,597
411	1. Share capital		999,998,660,000	720,552,100,000
411a	- Shares with voting rights		999,998,660,000	720,552,100,000
411b	- Preference shares		-	-
412	2. Share premium		599,555,780,400	34,444,340,400
421	3. Undistributed earnings		107,834,310,288	127,235,671,197
421a	- Undistributed earnings by the end of prior year		19,152,856,197	30,373,074,666
421b	- Undistributed earnings of current year		88,681,454,091	96,862,596,531
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,225,011,033,192	1,377,887,027,588


Chief Accountant
Nguyen Hong Phuong


Chief Finance Officer
Le Thanh Son


Chief Executive Officer
Nguyen Trung Chinh



29 June 2020


SEPARATE INCOME STATEMENT
for the year ended 31 March 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from rendering of services	25.1	130,298,547,648	140,949,081,591
02	2. Deductions	25.1	-	-
10	3. Net revenue from rendering of services [10 = 01 - 02]	25.1	130,298,547,648	140,949,081,591
11	4. Cost of services rendered	26	75,956,905,085	85,201,169,392
20	5. Gross profit from rendering of services [20 = 10 - 11]		54,341,642,563	55,747,912,199
21	6. Finance income	25.2	128,382,792,103	107,431,506,674
22	7. Finance expenses	27	3,418,229,894	(18,284,040,044)
23	<i>In which: Interest expenses</i>		15,194,081,556	5,685,738,874
25	8. Selling expenses		478,161,317	540,179,563
26	9. General and administrative expenses	28	69,924,397,116	63,024,408,835
30	10. Operating profit [30 = 20 + 21 - 22 - 25 - 26]		108,903,646,339	117,898,870,519
31	11. Other income		684,398,518	1,044,320,544
32	12. Other expenses		-	365,568,820
40	13. Other profit [40 = 31 - 32]		684,398,518	678,751,724
50	14. Accounting profit before tax [50 = 30 + 40]		109,588,044,857	118,577,622,243
51	15. Current corporate income tax expenses	30.1	4,072,881,565	1,424,392,870
52	16. Deferred tax income	30.2	(57,996,340)	(57,996,340)
60	17. Net profit after tax [60 = 50 - 51 - 52]		105,573,159,632	117,211,225,713



Chief Accountant
Nguyen Hong Phuong



Chief Finance Officer
Le Thanh Son



Chief Executive Officer
Nguyen Trung Chinh



29 June 2020

SEPARATE CASH FLOW STATEMENT
for the year ended 31 March 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		109,588,044,857	118,577,622,243
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets	10,11	20,579,390,721	21,734,125,361
03	Reversal of provisions		(11,775,851,662)	(23,984,157,066)
04	Unrealised foreign exchange (gains)/losses arising from revaluation of monetary accounts denominated in foreign currency		(896,049)	8,675,092
05	Profits from investing activities		(128,381,896,060)	(107,431,506,674)
06	Interest expenses	27	15,194,081,556	5,685,738,874
08	Operating profit before changes in working capital		5,202,873,363	14,590,497,830
09	Decrease in receivables		5,696,617,272	3,055,847,046
10	Decrease in inventories		-	31,753,808
11	(Decrease)/increase in payables (other than interest, corporate income tax payables)		(19,386,118,329)	14,282,770,081
12	Decrease in prepaid expenses		1,122,786,435	1,350,283,293
14	Interest paid		(14,419,775,029)	(5,610,778,042)
15	Corporate income tax paid	16	(1,424,292,870)	-
17	Other cash outflows for operating activities		(14,383,656,161)	(14,100,927,538)
20	Net cash flows (used in)/from operating activities		(37,591,565,319)	13,599,446,478
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets and other long-term assets		(89,989,352,011)	(51,148,398,522)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(1,011,006,000,000)	(54,050,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		153,170,000,000	67,500,000,000
25	Payments for investments in other entities		(110,000,000,000)	(26,998,876,250)
27	Interest and dividends received		99,213,033,997	82,667,835,279
30	Net cash flows (used in)/from investing activities		(958,612,318,014)	17,970,560,507

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

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		844,558,000,000	-
33	Drawdown of borrowings		258,897,960,886	564,304,846,790
34	Repayment of borrowings		(228,214,164,843)	(243,040,894,526)
36	Dividends paid		(107,570,124,664)	(53,611,896,610)
40	Net cash flows from financing activities		767,671,671,379	267,652,055,654
50	Net cash flow for the year		(228,532,211,954)	299,222,062,639
60	Cash at the beginning of the year		300,722,408,901	1,494,635,604
61	Impact of exchange rate fluctuation		-	5,710,658
70	Cash and cash equivalents at the end of the year	4	72,190,196,947	300,722,408,901



Chief Accountant
Nguyen Hong Phuong



Chief Finance Officer
Le Thanh Son



Chief Executive Officer
Nguyen Trung Chinh

29 June 2020

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

1. CORPORATE INFORMATION

CMC Corporation ("the Company") is a joint stock company incorporated in pursuant to the Business Registration Certificate No. 0100244112 issued by the Department of Planning and Investment of Hanoi City on 7 February 2007 and the subsequent amended Enterprise Registration Certificates, with the latest is the 11th amendment being granted on 12 September 2019.

The current principal activities of the Company are:

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

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

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

The number of the Company's employees as at 31 March 2020 is 97 (31 March 2019: 84).

Corporate structure

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

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

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

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

<i>Name of the entity</i>	<i>Head office's address</i>	<i>Principal activities</i>	<i>Equity interest</i>	<i>Voting rights</i>
CMC Software Solutions Company Limited (*)	Hanoi	Software services	100%	100%
CMC Cyber Security Company Limited (previously known as CMC Information Security Joint Stock Company) (*)	Hanoi	Providing security information and security solution	100%	100%
CMC Japan Joint Stock Company (*)	Japan	Software services	100%	100%

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

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

2. BASIS OF PREPARATION

2.1 Purpose of preparing the separate financial statements

The Company has subsidiaries as disclosed in Note 1 and Note 13. The Company has prepared these separate financial statements in order to meet the reporting requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC, which provide guidance on public announcement of financial information on the stock exchange issued by the Ministry of Finance on 6 October 2015. According to this Circular, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2020 dated 29 June 2020.

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

2.2 Accounting standards and system

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

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

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

2. BASIS OF PREPARATION (continued)

2.2 *Accounting standards and system* (continued)

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

2.3 *Applied accounting documentation system*

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

2.4 *Fiscal year*

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

2.5 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

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

3.2 *Receivables*

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

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

3.3 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Leased assets

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

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

Where the Company is the lessee

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

Where the Company is the lessor

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

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

3.6 Depreciation and amortization

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Borrowing costs*

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

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

3.8 *Prepaid expenses*

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

Prepaid land rental

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

3.9 *Investments*

Investments in subsidiaries

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

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

Investments in associates

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

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

Provision for diminution in value of securities and investments in entities

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investments* (continued)

Held-to-maturity investments

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

3.10 *Payables and accruals*

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

3.11 *Foreign currency transactions*

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

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

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

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

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

3.12 *Scientific and technological development fund*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Appropriation of net profits*

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

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

Bonus and welfare fund

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

3.14 *Revenue recognition*

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

Rendering of services

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

Rental income

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

Dividends

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

Interest

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

3.15 *Taxation*

Current income tax

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Taxation (continued)

Current income tax (continued)

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

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

Deferred tax

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Taxation* (continued)

Deferred tax (continued)

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

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

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

3.16 *Segment information*

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

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

3.17 *Related parties*

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

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	586,527,349	416,441,686
Cash at banks	1,603,669,598	300,305,967,215
Cash equivalents (*)	70,000,000,000	-
TOTAL	72,190,196,947	300,722,408,901

(*) These represent short-term bank deposits in VND with term of 1 month and earn interest at the rates from 4.75% to 4.9% per annum.

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

5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments as at 31 March 2020 include short-term bank deposits in VND with term from 6 months to 12 months and earn interest at the rates from 6.1% to 7.5% per annum (as at 31 March 2019: 6.5% per annum).

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

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

	Currency: VND	
	Ending balance	Beginning balance
Trade receivables from customers	8,580,622,924	11,455,959,406
- Vietnam Bank for Agriculture and Rural Development	4,798,475,000	8,926,802,500
- Joint Stock Commercial Bank for Investment and Development of Vietnam	2,329,257,332	-
- Other customers	1,452,890,592	2,529,156,906
Trade receivables from related parties (Note 31)	6,217,578,958	2,802,549,852
TOTAL	14,798,201,882	14,258,509,258
Provision for doubtful debts (Note 6.3)	(938,064,932)	(938,064,932)

6.2 Short-term advances to suppliers

	Currency: VND	
	Ending balance	Beginning balance
Advances to suppliers	40,189,470,392	1,187,234,351
- Central Construction Joint Stock Company	38,848,099,685	-
- Other suppliers	1,341,370,707	1,187,234,351
Advances to related parties (Note 31)	2,645,905,441	-
TOTAL	42,835,375,833	1,187,234,351
Provision for doubtful advance to suppliers (Note 6.3)	(164,759,188)	(164,759,188)

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

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

6.3 Provision for doubtful debts

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Opening balance	11,567,198,398	11,567,198,398
Provision created during the year	-	-
Ending balance	<u>11,567,198,398</u>	<u>11,567,198,398</u>
<i>In which:</i>		
<i>Provision for short-term trade receivables</i> (Note 6.1)	938,064,932	938,064,932
<i>Provision for short-term advances to suppliers</i> (Note 6.2)	164,759,188	164,759,188
<i>Provision for other short-term receivables</i> (Note 8)	10,464,374,278	10,464,374,278

7. SHORT-TERM LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loan to individuals	-	2,170,000,000
Loan to related party (*) (Note 31)	6,006,000,000	-
TOTAL	<u>6,006,000,000</u>	<u>2,170,000,000</u>

(*) This represents an unsecured loan provided to CMC Saigon Technology and Solution Company Limited, a subsidiary being indirectly controlled interest through CMC Technology and Solution Company Limited, with term of 12 months and earn at the rate of 6% per annum.

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

8. OTHER RECEIVABLES

Currency: VND

	Ending balance		Beginning balance	
	Balance	Provision	Balance	Provision
Short-term				
Dividends, profit receivables	108,276,462,106	-	126,346,517,386	-
Interest receivables	39,588,066,908	-	1,756,690,922	-
Payments on behalf Advances to employees	11,684,694,727	(6,250,054,278)	37,727,200,158	(6,250,054,278)
Receivables from the transfer of shares	8,899,805,152	-	2,320,351,800	-
Other short-term receivables	3,500,000,000	(3,500,000,000)	3,500,000,000	(3,500,000,000)
	1,183,522,434	(714,320,000)	1,916,443,936	(714,320,000)
TOTAL	173,132,551,327	(10,464,374,278)	173,567,204,202	(10,464,374,278)
Long-term				
Dividends, profit receivables	20,000,000,000	-	-	-
Deposits and mortgages	5,000,000,000	-	5,000,000,000	-
TOTAL	25,000,000,000	-	5,000,000,000	-
<i>In which:</i>				
<i>Other short-term receivables from related parties (Note 31)</i>	121,680,408,698	-	166,487,135,785	-
<i>Other long-term receivables from related parties (Note 31)</i>	20,000,000,000	-	-	-
<i>Other short-term receivables from third parties</i>	51,452,142,629	-	7,080,068,417	-
<i>Other long-term receivables from third parties</i>	5,000,000,000	-	5,000,000,000	-

9. BAD DEBTS

Currency: VND

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

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

10. TANGIBLE FIXED ASSETS

	<i>Currency: VND</i>				
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
Cost:					
Beginning balance	205,829,862,300	162,752,249,022	6,277,280,000	3,608,334,176	378,467,725,498
- New purchase	-	453,088,400	-	135,274,000	588,362,400
Ending balance	<u>205,829,862,300</u>	<u>163,205,337,422</u>	<u>6,277,280,000</u>	<u>3,743,608,176</u>	<u>379,056,087,898</u>
<i>In which:</i>					
Fully depreciated	-	12,401,192,270	-	973,458,046	13,374,650,316
Accumulated depreciation:					
Beginning balance	35,384,814,236	99,272,656,071	710,728,642	2,565,673,733	137,933,872,682
- Depreciation for the year	4,541,003,004	12,158,320,972	595,296,965	529,141,427	17,823,762,368
Ending balance	<u>39,925,817,240</u>	<u>111,430,977,043</u>	<u>1,306,025,607</u>	<u>3,094,815,160</u>	<u>155,757,635,050</u>
Net carrying amount:					
Beginning balance	<u>170,445,048,064</u>	<u>63,479,592,951</u>	<u>5,566,551,358</u>	<u>1,042,660,443</u>	<u>240,533,852,816</u>
Ending balance	<u>165,904,045,060</u>	<u>51,774,360,379</u>	<u>4,971,254,393</u>	<u>648,793,016</u>	<u>223,298,452,848</u>
<i>In which:</i>					
Pledged/mortgaged as loans security	150,227,442,457	49,860,670,710	-	-	200,088,113,167

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

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

11. INTANGIBLE FIXED ASSETS

	Currency: VND			
	<i>Copyright and patent</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
Cost:				
Beginning balance	195,615,549	20,955,372,474	165,278,181	21,316,266,204
- New purchase	-	-	36,070,000	36,070,000
Ending balance	<u>195,615,549</u>	<u>20,955,372,474</u>	<u>201,348,181</u>	<u>21,352,336,204</u>
<i>In which:</i>				
<i>Fully amortised</i>	-	41,671,043	-	41,671,043
Accumulated amortisation:				
Beginning balance	123,889,842	14,471,019,478	39,000,000	14,633,909,320
- Amortisation for the year	10,520,419	2,647,892,099	97,215,835	2,755,628,353
Ending balance	<u>134,410,261</u>	<u>17,118,911,577</u>	<u>136,215,835</u>	<u>17,389,537,673</u>
Net carrying amount:				
Beginning balance	<u>71,725,707</u>	<u>6,484,352,996</u>	<u>126,278,181</u>	<u>6,682,356,884</u>
Ending balance	<u>61,205,288</u>	<u>3,836,460,897</u>	<u>65,132,346</u>	<u>3,962,798,531</u>

12. CONSTRUCTION IN PROGRESS

	Currency: VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
"CMC creative space" project (*)	135,864,385,254	81,927,199,279
Other projects	864,580,200	-
TOTAL	<u>136,728,965,454</u>	<u>81,927,199,279</u>

(*) This represents construction costs for the Company's office building at Tan Thuan Export Processing Zone, Tan Thuan Dong ward, district 7, Ho Chi Minh City. The Company used all assets being formed in the future from this project as collaterals for long-term loan at the commercial bank as disclosed in Note 20.

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

13. LONG-TERM INVESTMENTS

Currency: VND

	<i>Ending balance</i>			<i>Beginning balance</i>		
	<i>Costs</i>	<i>Provision</i>	<i>Carrying value</i>	<i>Costs</i>	<i>Provision</i>	<i>Carrying value</i>
Investments in subsidiaries	645,440,014,767	(28,257,471,039)	617,182,543,728	536,196,014,767	(40,033,322,701)	496,162,692,066
CMC Technology and Solution Company Limited	200,000,000,000	-	200,000,000,000	80,000,000,000	-	80,000,000,000
CMC Telecommunication Infrastructure Corporation	184,544,390,000	-	184,544,390,000	184,544,390,000	-	184,544,390,000
CMC Global Company Limited	130,000,000,000	-	130,000,000,000	60,000,000,000	-	60,000,000,000
CMC Production and Trading Company Limited	100,000,000,000	(22,892,935,039)	77,107,064,961	100,000,000,000	(26,688,106,507)	73,311,893,493
CMC Production and Service Company Limited	10,300,105,507	-	10,300,105,507	10,300,105,507	-	10,300,105,507
Ciber - CMC Joint Venture Company	10,230,983,260	-	10,230,983,260	10,230,983,260	-	10,230,983,260
CMC Blue France Company Limited	5,364,536,000	(5,364,536,000)	-	5,364,536,000	(5,364,536,000)	-
CMC Institute of Science and Technology	5,000,000,000	-	5,000,000,000	5,000,000,000	-	5,000,000,000
CMC Software Solutions Company Limited (*)	-	-	-	50,000,000,000	-	50,000,000,000
CMC Cyber Security Company Limited (*)	-	-	-	30,756,000,000	(7,980,680,194)	22,775,319,806
Investment in associate	7,258,356,000	-	7,258,356,000	7,258,356,000	-	7,258,356,000
Netnam Joint Stock Company	7,258,356,000	-	7,258,356,000	7,258,356,000	-	7,258,356,000
Held-to-maturity investments	43,380,000,000	-	43,380,000,000	8,380,000,000	-	8,380,000,000
TOTAL	696,078,370,767	(28,257,471,039)	667,820,899,728	551,834,370,767	(40,033,322,701)	511,801,048,066

(*) During the year, the Company has transferred its investments in these subsidiaries to CMC Technology and Solution Company Limited, another subsidiary of the Company, in accordance with the Resolution No. 09/2019/NQ-HĐQT of the Company's Board of Directors dated 11 March 2019. These transfers were completed in April 2019.

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

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

13. LONG-TERM INVESTMENTS (continued)

13.1 Investments in subsidiaries

Name	Ending balance		Beginning balance	
	Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
CMC Technology and Solution Company Limited	100%	100%	100%	100%
CMC Telecommunication Infrastructure Corporation	54.63%	54.63%	54.63%	54.63%
CMC Global Company Limited	100%	100%	100%	100%
CMC Production and Trading Company Limited	100%	100%	100%	100%
CMC Production and Service Company Limited	100%	100%	100%	100%
Ciber - CMC Joint Venture Company	51%	51%	51%	51%
CMC Blue France Company Limited	100%	100%	100%	100%
CMC Institute of Science and Technology	100%	100%	100%	100%
CMC Software Solutions Company Limited	-	-	100.0%	100.0%
CMC Cyber Security Company Limited	-	-	99.94%	99.94%

Details of investments in subsidiaries are presented in Note 1.

13.2 Investment in associate

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

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

13.3 Held-to-maturity investments

Currency: VND

	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Bonds (*)	43,380,000,000	43,380,000,000	8,380,000,000	8,380,000,000
TOTAL	43,380,000,000	43,380,000,000	8,380,000,000	8,380,000,000

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

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

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

14. LONG-TERM PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Prepaid land rental	7,592,198,880	7,777,916,412
Brokerage fees for office lease contracts	39,156,157	517,317,474
Tools and supplies	415,738,908	556,652,470
Other long-term prepaid expenses	892,490,591	1,048,767,365
TOTAL	<u>8,939,584,536</u>	<u>9,900,653,721</u>

15. SHORT-TERM TRADE PAYABLES

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Payable amount</i>	<i>Balance</i>	<i>Payable amount</i>
Trade payables to suppliers	5,964,351,398	5,964,351,398	221,608,947	221,608,947
- <i>Hung Long Phuoc Production and Construction Joint Stock Company</i>	5,617,421,515	5,617,421,515	-	-
- <i>Other suppliers</i>	346,929,883	346,929,883	221,608,947	221,608,947
Trade payables to related parties (Note 31)	12,979,931,840	12,979,931,840	11,751,750,239	11,751,750,239
TOTAL	<u>18,944,283,238</u>	<u>18,944,283,238</u>	<u>11,973,359,186</u>	<u>11,973,359,186</u>

16. STATUTORY OBLIGATIONS

	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Value added tax	-	1,569,374,638	(1,569,374,638)	-
Corporate income tax (Note 30.1)	1,404,080,647	4,072,881,565	(1,424,292,870)	4,052,669,342
Personal income tax	123,999,787	4,683,504,034	(4,622,675,446)	184,828,375
TOTAL	<u>1,528,080,434</u>	<u>10,325,760,237</u>	<u>(7,616,342,954)</u>	<u>4,237,497,717</u>
<i>In which:</i>				
<i>Payables</i>	1,564,052,477			4,257,709,940
<i>Receivables</i>	(35,972,043)			(20,212,223)

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

17. SHORT-TERM ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction and repair expenses	5,788,221,818	7,221,293,618
Accrued service expenses	2,451,820,458	3,406,055,517
Consultancy for bond issuance	-	3,200,000,000
Land rental expenses	251,229,150	251,229,150
Remuneration for the Board of Directors and Board of Supervision	243,000,000	248,100,000
Other expenses	188,581,818	190,404,977
TOTAL	<u>8,922,853,244</u>	<u>14,517,083,262</u>

18. SHORT-TERM UNEARNED REVENUE

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

19. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Short-term deposits, mortgages received	4,509,849,634	2,968,828,278
Dividend, profit payable	1,716,654,895	1,203,964,560
Loan payable	1,673,106,621	576,418,154
Trade union fee	275,881,714	325,109,114
Payables for the acquisition of subsidiary	-	10,300,105,507
Other payables	698,457,705	999,539,724
TOTAL	<u>8,873,950,569</u>	<u>16,373,965,337</u>
Long-term		
Long-term deposits, mortgages received	6,356,936,469	8,714,787,107
TOTAL	<u>6,356,936,469</u>	<u>8,714,787,107</u>
<i>In which:</i>		
Other payables to related parties (Note 31)	573,247,654	10,876,523,661
Other payables to third parties	14,657,639,384	14,212,228,783

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

20. LOANS AND FINANCE LEASE OBLIGATIONS

Currency: VND

	<i>Beginning balance</i>		<i>Movement during the year</i>		<i>Ending balance</i>	
	<i>Balance</i>	<i>Payable amount</i>	<i>Increase</i>	<i>Decrease</i>	<i>Balance</i>	<i>Payable amount</i>
Short-term						
Bank overdrafts (i)	37,559,598,755	37,559,598,755	229,584,413,614	(217,914,827,256)	49,229,185,113	49,229,185,113
Loans from others (ii)	34,706,472,349	34,706,472,349	25,104,057,352	(7,583,438,588)	52,227,091,113	52,227,091,113
Current portion of long-term loans from banks (iii)	-	-	8,147,697,000	(2,715,899,000)	5,431,798,000	5,431,798,000
TOTAL	72,266,071,104	72,266,071,104	262,836,167,966	(228,214,164,844)	106,888,074,226	106,888,074,226
Long-term						
Loan from bank (iii)	29,874,883,982	29,874,883,982	4,209,489,920	(8,147,697,000)	25,936,676,902	25,936,676,902
Bonds (iv)	296,800,000,000	296,800,000,000	960,000,004	-	297,760,000,004	297,760,000,004
TOTAL	326,674,883,982	326,674,883,982	5,169,489,924	(8,147,697,000)	323,696,676,906	323,696,676,906

- (i) This represents bank overdrafts from Joint Stock Commercial Bank for Investment and Development of Vietnam - BIDV, bearing interest rate at 6.9% per annum. The Company used bank deposits, bonds and a part of its tangible fixed assets as collaterals for these overdrafts.
- (ii) These represent loans from three individuals with term of 1 year from the loan drawdown dates and the final withdrawal falling due on 27 December 2020. The interest rates applicable to these loans are from 6% to 8.4% per annum and are accrued and added into the outstanding loan principal on a quarterly basis, after deducting personal income tax.
- (iii) This represents a long-term loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Vietcombank, bearing interest rate at 8% for the first year and from the second year, at the 12 months VND saving interest from individual and interest is payable at maturity date, plus interest rate at 2.6% per annum. The Company used all machineries, land use right and assets on the land being formed in future from the "CMC creative space" project as collaterals for this long-term loan. The principal and interest are payable on a semi-annual basis in accordance with the repayment schedule as noticed by the Bank.
- (iv) This represents bonds issued by the Company on 29 March 2019 for Joint Stock Commercial Bank for Investment and Development of Vietnam - BIDV with term of 5 years and bear fixed interest rate at 8.8% per annum, being applicable for the first 2 interest payment periods and for the following periods, at the average 12 months VND saving interest from individual and payable in arrear, of 4 Vietnam Commercial Banks. The Company used all assets on the land of CMC Tower Building and share ownership, benefits arising from the investment in CMC Global Company Limited, CMC Software Solutions Company Limited and CMC Technology and Solution Company Limited as collaterals for this bond. The bond principal is fully payable at the maturity date and interest is payable semi-annually.

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

21. BONUS AND WELFARE FUND

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	10,255,829,201	10,355,522,590
Created during the year (Note 23.1)	6,334,389,578	8,627,506,611
Utilized during the year	<u>(10,252,900,000)</u>	<u>(8,727,200,000)</u>
Ending balance	<u>6,337,318,779</u>	<u>10,255,829,201</u>

22. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	19,354,258,665	13,006,863,632
Created during the year (Note 23.1)	10,557,315,964	11,721,122,571
Utilized during the year	<u>(10,597,578,826)</u>	<u>(5,373,727,538)</u>
Ending balance	<u>19,313,995,803</u>	<u>19,354,258,665</u>

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

23. OWNERS' EQUITY

23.1 Increase and decrease in owners' equity

	Currency: VND			
	Share capital	Share premium	Undistributed earnings	Total
Previous year:				
Beginning balance	673,419,530,000	34,444,340,400	131,379,207,066	839,243,077,466
- Net profit for the year	-	-	117,211,225,713	117,211,225,713
- Stock dividends declared	47,132,570,000	-	(47,132,570,000)	-
- Cash dividends declared	-	-	(53,873,562,400)	(53,873,562,400)
- Appropriation of bonus for the Board of Directors and Supervisory Board	-	-	(1,594,833,068)	(1,594,833,068)
- Appropriation of bonus and welfare fund	-	-	(7,032,673,543)	(7,032,673,543)
- Appropriation of scientific and technological development fund	-	-	(11,721,122,571)	(11,721,122,571)
Ending balance	<u>720,552,100,000</u>	<u>34,444,340,400</u>	<u>127,235,671,197</u>	<u>882,232,111,597</u>
Current year:				
Beginning balance	720,552,100,000	34,444,340,400	127,235,671,197	882,232,111,597
- Net profit for the year	-	-	105,573,159,632	105,573,159,632
- Share offering under private placement (i)	250,000,000,000	600,000,000,000	-	850,000,000,000
- Capitalisation of share premium reserve (ii)	29,446,560,000	(29,446,560,000)	-	-
- Share issue costs	-	(5,442,000,000)	-	(5,442,000,000)
- Dividends declared (ii)	-	-	(108,082,814,999)	(108,082,814,999)
- Appropriation of bonus and welfare fund (iii)	-	-	(6,334,389,578)	(6,334,389,578)
- Appropriation of scientific and technological development fund (iii)	-	-	(10,557,315,964)	(10,557,315,964)
Ending balance	<u>999,998,660,000</u>	<u>599,555,780,400</u>	<u>107,834,310,288</u>	<u>1,707,388,750,688</u>

(i) As at 20 August 2019 and 22 August 2019, the Board of Directors of the Company approved the Resolution No. 36/2019/NQ-HĐQT on the share offering under private placement to a potential investor and the Resolution No. 37/2019/NQ-HĐQT on the result of the share offering under private placement. Accordingly, total share offered and distributed to the potential investor, namely Samsung SDS Asia Pacific Pte. Ltd., a company established in Singapore, is 25,000,000 shares with the selling price of VND 34,000/share.

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

23. OWNERS' EQUITY (continued)

23.1 Increase and decrease in owners' equity (continued)

- (ii) The Company declared dividends from undistributed earnings for the year ended 31 March 2019 and capitalized share premium reserve in accordance with the Resolution No. 01/2019/NQ-ĐHĐCĐ of the Annual General Meeting of shareholders for the year 2019 dated 26 June 2019 ("Resolution for the year 2019").
- (iii) The Company also provisionally appropriated funds from profit after tax for the year ended 31 March 2020 in accordance with the approved profit appropriation plan as set out in the Resolution for the year 2019.

23.2 Contributed share capital

Currency: VND

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

23.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

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

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

23. OWNERS' EQUITY (continued)

23.4 Shares

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

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

24. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign Currency		
- US Dollar (USD)	1,227	10,253

25. REVENUE

25.1 Revenue from rendering of services

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Gross revenue	130,298,547,648	140,949,081,591
<i>In which:</i>		
Revenue from office leasing	107,806,243,483	104,664,569,295
Rendering of other services	22,492,304,165	36,284,512,296
Deductions	-	-
Net revenue	130,298,547,648	140,949,081,591
<i>In which:</i>		
Sales to third parties	74,550,360,596	94,317,341,198
Sales to related parties (Note 31)	55,748,187,052	46,631,740,393

25.2 Finance income

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Dividends earned, profit distributed	90,009,818,737	104,079,412,094
Interest income	38,372,077,317	3,352,094,580
Foreign exchange gains	896,049	-
TOTAL	128,382,792,103	107,431,506,674

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

26. COST OF SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of rendering office leasing services	53,464,600,920	48,916,657,096
Cost of rendering other services	22,492,304,165	36,284,512,296
TOTAL	<u>75,956,905,085</u>	<u>85,201,169,392</u>

27. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	15,194,081,556	5,685,738,874
Foreign exchange losses	-	14,378,148
Reversal of provision for financial investments	(11,775,851,662)	(23,984,157,066)
TOTAL	<u>3,418,229,894</u>	<u>(18,284,040,044)</u>

28. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	31,505,522,155	28,258,261,276
Raw materials expenses	626,699,062	359,150,925
Depreciation and amortisation expenses	4,665,750,439	4,581,091,196
Expenses for external services	23,788,956,646	21,123,221,726
Others	9,337,468,814	8,702,683,712
TOTAL	<u>69,924,397,116</u>	<u>63,024,408,835</u>

29. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	1,722,768,057	658,097,289
Labour costs	31,505,522,155	28,258,261,276
Expenses for external services	66,603,174,643	74,677,638,006
Depreciation and amortisation	20,579,390,721	21,734,125,361
Others	25,948,607,942	23,437,635,858
TOTAL	<u>146,359,463,518</u>	<u>148,765,757,790</u>

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

30. CORPORATE INCOME TAX

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

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

30.1 CIT expenses

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	109,588,044,857	118,577,622,243
Adjustments to increase/(decrease) accounting profit		
<i>Adjustments to increase:</i>		
Allowance for non-executive members of the Board of Directors and Supervisory Board	496,200,000	580,500,000
Others	289,981,704	289,981,704
<i>Adjustments to decrease:</i>		
Dividends earned, profit distributed	(90,009,818,737)	(104,079,412,094)
Estimated current taxable profit for the year	20,364,407,824	15,368,691,853
Tax loss carried forward	-	(8,246,727,503)
Taxable profit after deduction tax loss carried forward	20,364,407,824	7,121,964,350
Estimated current CIT expenses for the year	4,072,881,565	1,424,392,870
CIT payable/(prepaid) at the beginning of the year	1,404,080,647	(20,312,223)
CIT paid during the year	(1,424,292,870)	-
CIT payable at the end of the year	4,052,669,342	1,404,080,647

30.2 Deferred tax

	<i>Currency: VND</i>			
	<u>Separate balance sheet</u>		<u>Separate income statement</u>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Deferred tax liabilities				
Temporary differences from depreciable lives of fixed assets	1,531,255,285	1,589,251,625		
Net deferred tax income charged to separate income statement			57,996,340	57,996,340

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

31. TRANSACTIONS WITH RELATED PARTIES

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

Related parties	Relationship	Transactions	Currency: VND	
			Current year	Previous year
CMC Telecommunication Infrastructure Corporation	Subsidiary	Rendering of services	34,117,489,281	30,114,442,385
		Purchases of services	907,556,561	69,829,282
		Dividends received	38,137,318,899	31,781,100,000
CMC Technology and Solution Company Limited	Subsidiary	Rendering of services	9,956,130,260	5,225,071,780
		Purchases of services	24,638,531,815	29,602,012,439
		Dividends received	39,506,212,838	59,802,551,894
		Capital contribution	120,000,000,000	-
		Transfer of subsidiaries in the Group	80,000,000,000	-
CMC Global Company Limited	Subsidiary	Rendering of services	6,525,884,436	3,801,932,609
		Capital contribution	70,000,000,000	20,000,000,000
Ciber - CMC Joint Venture Company	Subsidiary	Rendering of services	1,889,870,550	-
		Purchase of services	445,570,831	-
		Dividends received	3,480,000,000	4,350,000,000
		Capital contribution	-	5,100,000,000
CMC Production and Service Company Limited	Subsidiary	Rendering of services	1,807,536,390	-
		Purchases of services	2,583,799,900	-
CMC Cyber Security Company Limited	Subsidiary	Rendering of services	1,298,571,897	1,280,781,895
		Purchase services	3,030,000,000	7,191,850,000
CMC Saigon Technology and Solution Company Limited	Subsidiary	Rendering of services	152,704,238	523,078,274
		Purchase of services	6,699,988,909	45,194,364
		Loans receivables	6,006,000,000	-
CMC Software Solution Company Limited	Subsidiary	Rendering of services	-	4,634,625,400
		Purchases of services	10,020,000,000	2,374,790,800
		Dividends received	39,217,869	-
CMC Production and Trading Company Limited	Subsidiary	Rendering of services	-	1,051,808,050
		Receipt of transfer of subsidiary	-	10,300,105,507
CMC Institute of Science and Technology	Subsidiary	Capital contribution	-	1,898,876,250
Netnam Joint Stock Company	Associate	Dividends received	8,886,287,000	8,145,760,200

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

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Terms and conditions of transactions with related parties

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

Outstanding balances at 31 March 2020 are unsecured, interest free and will be settled in cash. For the year ended 31 March 2020, the Company has made a provision for doubtful debts of VND 6,250,054,278 relating to amounts owed by related parties (31 March 2019: VND 6,250,054,278). This assessment is undertaken each financial year through the examination of the financial position of the related party.

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

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables (Note 6.1)				
CMC Technology and Solution Company Limited	Subsidiary	Rendering of services	2,845,700,066	126,601,765
CMC Global Company Limited	Subsidiary	Rendering of services	2,530,980,949	1,129,337,440
CMC Telecom Infrastructure Corporation	Subsidiary	Rendering of services	840,897,943	501,140,170
CMC Software Solution Company Limited	Subsidiary	Rendering of services	-	1,011,535,683
Ciber - CMC Joint Venture Company	Subsidiary	Rendering of services	-	31,235,721
CMC Saigon Technology and Solution Company Limited	Subsidiary	Rendering of services	-	2,699,073
TOTAL			<u>6,217,578,958</u>	<u>2,802,549,852</u>
Short-term advance to suppliers (Note 6.2)				
Ciber - CMC Joint Venture Company	Subsidiary	Advances for services rendered	2,645,905,441	-
TOTAL			<u>2,645,905,441</u>	<u>-</u>
Short-term loan receivables (Note 7)				
CMC Saigon Technology and Solution Company Limited	Subsidiary	Loan receivables	6,006,000,000	-
TOTAL			<u>6,006,000,000</u>	<u>-</u>

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

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

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Currency: VND</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>
<i>Other short-term receivables</i> (Note 8)				
CMC Technology and Solution Company Limited	Subsidiary	Dividend and profit receivable	74,599,547,980	68,054,607,363
		Payment on behalf	2,507,762,741	5,468,934,565
CMC Telecom Infrastructure Corporation	Subsidiary	Dividend and profit receivables	18,137,318,899	31,781,100,000
		Payment on behalf	5,766,915	11,056,595
CMC Software Solution Company Limited	Subsidiary	Dividend and profit receivable	12,059,595,227	22,160,810,023
		Payment on behalf	-	13,312,088,500
CMC Blue France Company Limited	Subsidiary	Payment on behalf	6,250,054,278	6,250,054,278
CMC Saigon Technology and Solution Company Limited	Subsidiary	Payment on behalf	2,715,010,723	6,696,222,869
Ciber - CMC Joint Venture Company	Subsidiary	Dividend and profit receivables	3,480,000,000	4,350,000,000
		Payment on behalf	-	14,930,308
CMC Global Company Limited	Subsidiary	Dividend and profit receivables	206,100,070	3,087,711,596
CMC Cyber Security Company Limited	Subsidiary	Payment on behalf	-	1,569,356,592
CMC Institute of Science and Technology	Subsidiary	Payment on behalf	-	1,316,844,855
Other related parties	Other related parties	Other receivables	1,719,251,865	2,413,418,241
TOTAL			<u>121,680,408,698</u>	<u>166,487,135,785</u>
<i>Other long-term receivables</i> (Note 8)				
CMC Telecom Infrastructure Corporation	Subsidiary	Dividend, profit receivable	20,000,000,000	-
TOTAL			<u>20,000,000,000</u>	<u>-</u>

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

31. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Currency: VND</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables (Note 15)				
CMC Technology and Solution Company Limited	Subsidiary	Purchase of services	11,362,696,332	11,320,167,832
CMC Cyber Security Company Limited	Subsidiary	Purchase of services	1,000,251,764	-
CMC Saigon Technology and Solution Company Limited	Subsidiary	Purchase of services	338,164,081	-
CMC Production and Service Company Limited	Subsidiary	Purchase of services	278,819,663	-
CMC Production and Trading Company Limited	Subsidiary	Purchase of services	-	431,582,407
TOTAL			12,979,931,840	11,751,750,239
Other short-term payables (Note 19)				
CMC Production and Trading Company Limited	Subsidiary	Transfer of subsidiary	-	10,300,105,507
Other related parties	Other related parties	Other payables	573,247,654	576,418,154
TOTAL			573,247,654	10,876,523,661

Transactions with other related parties

Remuneration to members of the Board of Directors and Management:

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

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

32. SEGMENT INFORMATION

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

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

	Office rental	Other services	Currency: VND Total
As at 31 March 2020 and for the year then ended			
Revenue			
Sales to external customers	107,806,243,483	22,492,304,165	130,298,547,648
Total revenue	107,806,243,483	22,492,304,165	130,298,547,648
Results			
Segment gross profit	54,341,642,563	-	54,341,642,563
Selling expenses	(478,161,317)	-	(478,161,317)
Unallocated income, expenses (i)			55,724,563,611
Net profit before tax			109,588,044,857
Corporate income tax expenses			(4,072,881,565)
Deferred tax income			57,996,340
Net profit after tax for the year			105,573,159,632
Assets and liabilities			
Segment assets	188,066,887,842	9,986,127,308	198,053,015,150
Unallocated assets (ii)			2,026,958,018,042
Total assets			2,225,011,033,192
Segment liabilities	6,433,400,771	13,161,431,659	19,594,832,430
Unallocated liabilities (iii)			498,027,450,074
Total liabilities			517,622,282,504
As at 31 March 2019 and for the year then ended			
Sales to external customers	104,664,569,295	36,284,512,296	140,949,081,591
Total revenue	104,664,569,295	36,284,512,296	140,949,081,591
Results			
Segment gross profit	55,747,912,199	-	55,747,912,199
Selling expenses	(540,179,563)	-	(540,179,563)
Unallocated income, expenses (i)			63,369,889,607
Net profit before tax			118,577,622,243
Corporate income tax expenses			(1,424,392,870)
Deferred tax income			57,996,340
Net profit after tax for the year			117,211,225,713
Assets and liabilities			
Segment assets	210,332,789,945	9,123,402,535	219,456,192,480
Unallocated assets (ii)			1,158,430,835,108
Total assets			1,377,887,027,588
Segment liabilities	7,047,133,893	12,039,750,239	19,086,884,132
Unallocated liabilities (iii)			476,568,031,859
Total liabilities			495,654,915,991

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

32. SEGMENT INFORMATION (continued)

- (i) Unallocated income, expenses mainly comprise of finance income, finance expense and general and administrative expenses;
- (ii) Unallocated assets mainly comprise of cash and cash equivalents, investments, advances to suppliers, other receivables and construction in progress;
- (iii) Unallocated liabilities mainly comprise of accrued expenses, other payables, loans and finance lease obligations, bonus and welfare fund and scientific and technological development fund.

33. COMMITMENTS AND CONTINGENCIES

Commitments relating to construction investment activities

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

Operating lease commitment as a lessor

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

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	49,560,041,633	51,937,618,167
From 1 - 5 years	<u>24,862,308,981</u>	<u>33,468,412,601</u>
TOTAL	<u>74,422,350,614</u>	<u>85,406,030,768</u>

Operating lease commitment as a lessee

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

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

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

34. EVENTS AFTER THE BALANCE SHEET DATE


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



Chief Accountant
Nguyen Hong Phuong



Chief Finance Officer
Le Thanh Son



Chief Executive Officer
Nguyen Trung Chinh

29 June 2020

