

# **CMC Corporation**

Interim separate financial statements

For the six-month period ended 30 September 2019



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# CMC Corporation

## GENERAL INFORMATION

### THE COMPANY

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 on 7 February 2007 and the subsequent amended Enterprise Registration Certificates, with the latest is the 11<sup>th</sup> amendment being granted on 12 September 2019.

The current principal activities of the Company are:

- ▶ Provision of information technology services and other services relating to computers;
- ▶ Producing software and providing services and solutions relating to software and content;
- ▶ Manufacturing, trading, repairing machineries and electronic equipments, communications and information technology;
- ▶ 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 9<sup>th</sup> floor, TNA building, No. 111 – 112 Ngo Gia Tu street, district 10, Ho Chi Minh city, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the period 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. Nguyen Kim Cuong	Member	Resigned on 18 November 2019
Mr. Ta Hoang Linh	Member	Resigned on 18 November 2019
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

### BOARD OF SUPERVISION

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

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

### MANAGEMENT

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

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

# CMC Corporation

## GENERAL INFORMATION (continued)

### **LEGAL REPRESENTATIVE**

The legal representative of the Company during the period 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 interim separate financial statements of the Company for the six-month period ended 30 September 2019.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

Management is responsible for the interim separate financial statements of each financial period which give a true and fair view of the interim separate financial position of the Company and the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim 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 interim separate financial statements; and
- ▶ prepare the interim 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 interim 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 interim separate financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 September 2019, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim separate financial statements.

The Company has subsidiaries as disclosed in the interim separate financial statements. The Company has prepared these interim 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 interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 September 2019 dated 28 November 2019.

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

For and on behalf of management.



Nguyễn Trung Chinh  
Chief Executive Officer

28 November 2019



Reference: 61376291/21377543 - LR

## **REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS**

**To: The Shareholders of CMC Corporation**

We have reviewed the accompanying interim separate financial statements of CMC Corporation ("the Company") as prepared on 28 November 2019 and set out on pages 6 to 41, which comprise the interim separate balance sheet as at 30 September 2019, and the interim separate income statement and interim separate cash flow statement for the six-month period then ended and the notes thereto.

### ***Management's responsibility***

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

### ***Auditors' responsibility***

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 September 2019, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim separate financial statements.

***Emphasis of matter***

We draw attention to Note 2.1 of the interim separate financial statements. The Company has prepared the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 September 2019 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements. We have reviewed these interim consolidated financial statements and our review report dated 28 November 2019 has expressed an unmodified conclusion.

Our review conclusion on the interim separate financial statement is not modified in respect of this matter.

**Ernst & Young Vietnam Limited**



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

Hanoi, Viet Nam

28 November 2019



INTERIM SEPARATE BALANCE SHEET  
as at 30 September 2019


Currency: VND


Code	ASSETS	Notes	30 September 2019	31 March 2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,210,910,920,198</b>	<b>522,041,916,822</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>86,571,614,652</b>	<b>300,722,408,901</b>
111	1. Cash		26,571,614,652	300,722,408,901
112	2. Cash equivalents		60,000,000,000	-
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>970,000,000,000</b>	<b>41,000,000,000</b>
123	1. Held-to-maturity investments		970,000,000,000	41,000,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>151,448,441,046</b>	<b>179,615,749,413</b>
131	1. Short-term trade receivables	6.1	23,977,576,344	14,258,509,258
132	2. Short-term advances to suppliers	6.2	3,798,888,313	1,187,234,351
135	3. Short-term loan receivables		70,000,000	2,170,000,000
136	4. Other short-term receivables	7	135,169,174,787	173,567,204,202
137	5. Provision for doubtful short-term receivables	6.3	(11,567,198,398)	(11,567,198,398)
<b>150</b>	<b>IV. Other current assets</b>		<b>2,890,864,500</b>	<b>703,758,508</b>
151	1. Short-term prepaid expenses		664,786,830	394,760,104
152	2. Value-added tax deductible		2,205,865,447	273,026,361
153	3. Tax and other receivables from the State	15	20,212,223	35,972,043
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>965,694,167,832</b>	<b>855,845,110,766</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>5,000,000,000</b>	<b>5,000,000,000</b>
211	1. Long-term trade receivables	7	5,000,000,000	5,000,000,000
<b>220</b>	<b>II. Fixed assets</b>		<b>237,486,894,423</b>	<b>247,216,209,700</b>
221	1. Tangible fixed assets	9	232,142,524,424	240,533,852,816
222	Cost		378,973,063,898	378,467,725,498
223	Accumulated depreciation		(146,830,539,474)	(137,933,872,682)
227	2. Intangible fixed assets	10	5,344,369,999	6,682,356,884
228	Cost		21,352,336,204	21,316,266,204
229	Accumulated amortisation		(16,007,966,205)	(14,633,909,320)
<b>240</b>	<b>III. Long-term assets in progress</b>	<b>11</b>	<b>109,478,717,514</b>	<b>81,927,199,279</b>
242	1. Construction in progress		109,478,717,514	81,927,199,279
<b>250</b>	<b>IV. Long-term investments</b>	<b>12</b>	<b>604,258,530,714</b>	<b>511,801,048,066</b>
251	1. Investments in subsidiaries		615,440,014,767	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		(26,819,840,053)	(40,033,322,701)
255	4. Held-to-maturity investment		8,380,000,000	8,380,000,000
<b>260</b>	<b>V. Other long-term assets</b>		<b>9,470,025,181</b>	<b>9,900,653,721</b>
261	1. Long-term prepaid expenses	13	9,470,025,181	9,900,653,721
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,176,605,088,030</b>	<b>1,377,887,027,588</b>

INTERIM SEPARATE BALANCE SHEET (continued)  
as at 30 September 2019

Currency: VND

Code	RESOURCES	Notes	30 September 2019	31 March 2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>536,166,742,048</b>	<b>495,654,915,991</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>182,195,665,865</b>	<b>139,321,734,612</b>
311	1. Short-term trade payables	14	21,012,614,780	11,973,359,186
312	2. Short-term advances from customers		386,641,530	288,000,000
313	3. Statutory obligations	15	4,372,963,691	1,564,052,477
314	4. Payables to employees		1,825,657,772	5,036,240,152
315	5. Short-term accrued expenses	16	2,241,711,084	14,517,083,262
318	6. Short-term unearned revenue	17	6,688,038,359	7,047,133,893
319	7. Other short-term payables	18	95,449,405,957	16,373,965,337
320	8. Short-term loan and finance lease obligations	19	48,621,803,491	72,266,071,104
322	9. Bonus and welfare fund	20	1,596,829,201	10,255,829,201
<b>330</b>	<b>II. Non-current liabilities</b>		<b>353,971,076,183</b>	<b>356,333,181,379</b>
337	1. Other long-term liabilities	18	8,083,502,745	8,714,787,107
338	2. Long-term loans and finance lease obligations	19	327,354,883,984	326,674,883,982
341	3. Deferred tax liabilities	29.2	1,560,253,455	1,589,251,625
343	4. Scientific and technological development fund	21	16,972,435,999	19,354,258,665
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,640,438,345,982</b>	<b>882,232,111,597</b>
<b>410</b>	<b>I. Capital</b>	<b>22</b>	<b>1,640,438,345,982</b>	<b>882,232,111,597</b>
411	1. Share capital		999,998,660,000	720,552,100,000
411a	- Shares with voting rights		999,998,660,000	720,552,100,000
411b	- Preference shares		-	-
412	2. Share premium		599,555,780,400	34,444,340,400
421	3. Undistributed earnings		40,883,905,582	127,235,671,197
421a	- Undistributed earnings by the end of prior period		19,152,856,198	30,373,074,666
421b	- Undistributed earnings of current period/year		21,731,049,384	96,862,596,531
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,176,605,088,030</b>	<b>1,377,887,027,588</b>

  
 Chief Accountant  
 Nguyen Hong Phuong

  
 Chief Finance Officer  
 Le Thanh Son

  
 Chief Executive Officer  
 Nguyen Trung Chinh



28 November 2019





INTERIM SEPARATE INCOME STATEMENT  
for the six-month period ended 30 September 2019

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 September 2019	For the six-month period ended 30 September 2018
01	1. Revenue from sale of goods and rendering of services	24.1	62,003,714,269	67,661,369,854
02	2. Deductions	24.1	-	-
10	3. Net revenue from sale of goods and rendering of services [10 = 01 - 02]	24.1	62,003,714,269	67,661,369,854
11	4. Cost of goods sold and services rendered	25	30,037,678,381	36,068,067,670
20	5. Gross profit from sale of goods and rendering of services [20 = 10 - 11]		31,966,035,888	31,593,302,184
21	6. Finance income	24.2	15,026,203,474	8,646,704,876
22	7. Finance expenses	26	(5,814,761,052)	(23,210,791,497)
23	In which: Interest expenses		7,398,721,596	2,331,209,138
25	8. Selling expenses		263,392,896	269,946,121
26	9. General and administrative expenses	27	27,432,266,715	33,936,108,889
30	10. Operating profit [30 = 20 + 21 - 22 - 25 - 26]		25,111,340,803	29,244,743,547
31	11. Other income		348,071,428	135,714,736
32	12. Other expenses		-	3,079,600
40	13. Other profit [40 = 31 - 32]		348,071,428	132,635,136
50	14. Accounting profit before tax [50 = 30 + 40]		25,459,412,231	29,377,378,683
51	15. Current corporate income tax expenses	29.1	3,757,361,017	2,929,613,566
52	16. Deferred tax income	29.2	(28,998,170)	(28,998,170)
60	17. Net profit after tax [60 = 50 - 51 - 52]		21,731,049,384	26,476,763,287

  
Chief Accountant  
Nguyen Hong Phuong

  
Chief Finance Officer  
Le Thanh Son

  
Chief Executive Officer  
Nguyen Trung Chinh



28 November 2019



INTERIM SEPARATE CASH FLOW STATEMENT  
for the six-month period ended 30 September 2019

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 September 2019	For the six-month period ended 30 September 2018
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>25,459,412,231</b>	<b>29,377,378,683</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets	9,10	10,270,723,677	10,880,492,642
03	Reversal of provisions	26	(13,213,482,648)	(25,542,000,635)
05	Profits from investing activities	24.2	(15,026,203,474)	(8,646,704,876)
06	Interest expenses	26	7,398,721,596	2,331,209,138
08	<b>Operating profit before changes in working capital</b>		<b>14,889,171,382</b>	<b>8,400,374,952</b>
09	Increase in receivables		(17,928,359,239)	(5,740,838,002)
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(2,459,718,641)	9,442,426,549
12	Decrease in prepaid expenses		160,601,814	502,097,320
14	Interest paid		(7,505,876,573)	(2,139,313,649)
15	Corporate income tax paid	15	(1,424,292,870)	-
17	Other cash outflows for operating activities		(11,040,822,667)	(10,198,423,750)
20	<b>Net cash flows (used in)/from operating activities</b>		<b>(25,309,296,794)</b>	<b>266,323,420</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase, construction of fixed assets and other long-term assets		(31,045,893,752)	(51,024,167,846)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(970,000,000,000)	(45,500,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		43,100,000,000	67,500,000,000
25	Payments for investments in other entities		(80,000,000,000)	(16,998,876,250)
27	Interest and dividends received		57,860,791,814	79,028,527,652
30	<b>Net cash flows (used in)/from investing activities</b>		<b>(980,085,101,938)</b>	<b>33,005,483,556</b>

INTERIM SEPARATE INCOME STATEMENT (continued)  
for the six-month period ended 30 September 2019

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 September 2019	For the six-month period ended 30 September 2018
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of shares		844,558,000,000	-
33	Drawdown of borrowings		104,880,438,918	155,252,711,723
34	Repayment of borrowings		(128,524,706,530)	(143,035,221,084)
36	Dividends paid		(29,670,127,905)	(37,576,324,170)
<b>40</b>	<b>Net cash flows from/(used in) financing activities</b>		<b>791,243,604,483</b>	<b>(25,358,833,531)</b>
<b>50</b>	<b>Net cash flow for the period</b>		<b>(214,150,794,249)</b>	<b>7,912,973,445</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the period</b>		<b>300,722,408,901</b>	<b>1,494,635,604</b>
61	Impact of exchange rate fluctuation		-	-
<b>70</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>86,571,614,652</b>	<b>9,407,609,049</b>



Chief Accountant  
Nguyen Hong Phuong



Chief Finance Officer  
Le Thanh Son



Chief Executive Officer  
Nguyen Trung Chinh

28 November 2019



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
as at 30 September 2019 and for the six-month period 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 on 7 February 2007 and the subsequent amended Enterprise Registration Certificates, with the latest is the 11<sup>th</sup> amendment being granted on 12 September 2019.

The current principal activities of the Company are:

- ▶ Provision of information technology services and other services relating to computers;
- ▶ Producing software and providing services and solutions relating to software and content;
- ▶ Manufacturing, trading, repairing machineries and electronic equipments, communications and information technology;
- ▶ 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 city, Vietnam. The Company has a branch located at 9<sup>th</sup> floor, TNA building, No. 111 – 112 Ngo Gia Tu street, district 10, Ho Chi Minh city, Vietnam.

The number of the Company's employees as at 30 September 2019 is 83 (31 March 2019: 84).

**Corporate structure**

As at 30 September 2019, 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 IT solutions	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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

**1. CORPORATE INFORMATION** (continued)

**Corporate structure** (continued)

<i>Name</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 Information Security Joint Stock Company (*)	Hanoi	Providing security information and security solution	100%	100%
CMC Japan Joint Stock Limited (*)	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 interim separate financial statements**

The Company has subsidiaries as disclosed in Note 1 and Note 12. The Company has prepared these interim 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 interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 September 2019 dated 28 November 2019.

Users of the interim separate financial statements should read them together with the interim consolidated financial statements ended 30 September 2019 in order to obtain full information on the interim consolidated financial position, the interim consolidated results of operations and the interim consolidated cash flows of the Company and its subsidiaries.

**2.2 Accounting standards and system**

The interim separate financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

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

Accordingly, the accompanying interim 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 interim 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 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 Inventories**

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

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

The perpetual method is used to record inventories (i.e. material and tools) whose costs are valued on a weighted average basis.

*Provision for obsolete inventories*

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

#### 3.3 *Receivables*

Receivables are presented in the interim 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 and decreases to the provision balance are recorded as general and administrative expense in the interim separate income statement.

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

#### 3.5 *Leased assets*

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

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

*Where the Company is the lessee*

Rentals under operating leases are charged to the interim 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 interim separate balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the interim separate income statement as incurred. Lease income is recognised in the interim separate income statement on a straight-line basis over the lease term.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

#### 3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

#### 3.7 *Depreciation and amortization*

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

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

#### 3.8 *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 period in which they are incurred, except the 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.

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.

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim 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 payments 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. Such prepaid rental is classified as long-term prepaid expenses for allocation to the interim separate income statement over the remaining lease period, according to Circular 45/2013/TT-BTC dated 25 April 2013 guiding on management, usage and depreciation of fixed assets.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

#### **3.10 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 interim 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 interim 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 interim separate income statement.

##### *Held-to-maturity investments*

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

#### **3.11 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.

#### **3.12 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.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

**3.12 Foreign currency transactions (continued)**

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the interim 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 during the period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim separate income statement.

**3.13 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-BKHCN-BTC issued by the Ministry of Science and Technology ("MOSC") and the Ministry of Finance on 28 June 2016. The fund appropriation is approved by the Company's Board of Directors based on the budget for annual expenditure and the Company's taxable profit. The amount of scientific and technological development fund is appropriated from the net profit after corporate income tax.

**3.14 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 interim separate balance sheet.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

#### 3.15 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:

##### *Sale of goods*

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

##### *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.

#### 3.16 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior periods 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 interim separate balance sheet date.

Current income tax is charged or credited to the interim 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 interim financial reporting purposes.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

#### 3.16 *Taxation* (continued)

##### *Deferred tax* (continued)

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 interim 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 interim 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 interim separate balance sheet date.

Deferred tax is charged or credited to the interim 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

#### 3.17 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.

#### 3.18 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>30 September 2019</i>	<i>31 March 2019</i>
Cash on hand	958,587,530	416,441,686
Cash at banks	25,613,027,122	300,305,967,215
Cash equivalents (*)	60,000,000,000	-
<b>TOTAL</b>	<b>86,571,614,652</b>	<b>300,722,408,901</b>

(\*) These represent short-term bank deposits in VND with term of 1 month and earn interest rate from 5.1% to 5.5% per annum.

### 5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments as at 30 September 2019 represent short-term bank deposits with term from 6 months to 12 months and earn interest at the rate from 6.9% to 7.5% per annum (as at 31 March 2019: 6.5% per annum).

The Company used certain bank deposits as collateral for the Company's bank overdrafts at Joint Stock Commercial Bank for Investment and Development of Vietnam - BIDV (Note 19).



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

## 6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 6.1 Short-term trade receivables

	Currency: VND	
	30 September 2019	31 March 2019
Trade receivables from customers	12,921,603,360	11,455,959,406
- Vietnam Bank for Agriculture and Rural Development	9,261,876,250	8,926,802,500
- Joint Stock Commercial Bank for Investment and Development of Vietnam	1,196,682,666	-
- Other customers	2,463,044,444	2,529,156,906
Trade receivables from related parties (Note 30)	11,055,972,984	2,802,549,852
<b>TOTAL</b>	<b>23,977,576,344</b>	<b>14,258,509,258</b>
Provision for doubtful debts	(938,064,932)	(938,064,932)

### 6.2 Short-term advances to suppliers

	Currency: VND	
	30 September 2019	31 March 2019
Advances to suppliers	2,086,311,471	1,187,234,351
Advances to related parties (Note 30)	1,712,576,842	-
<b>TOTAL</b>	<b>3,798,888,313</b>	<b>1,187,234,351</b>
Provision for doubtful debts	(164,759,188)	(164,759,188)

### 6.2 Provision for doubtful debts

	Currency: VND	
	30 September 2019	31 March 2019
Opening balance	11,567,198,398	11,567,198,398
<b>Ending balance</b>	<b>11,567,198,398</b>	<b>11,567,198,398</b>
<i>In which:</i>		
Provision for short-term trade receivables (Note 6.1)	938,064,932	938,064,932
Provision for short-term advances to suppliers (Note 6.2)	164,759,188	164,759,188
Provision for other short-term receivables (Note 7)	10,464,374,278	10,464,374,278

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

## 7. OTHER SHORT-TERM RECEIVABLES

Currency: VND				
	30 September 2019		31 March 2019	
	Balance	Provision	Balance	Provision
<b>Short-term</b>				
Dividends, distributed profit receivables	77,445,542,420	-	126,346,517,386	-
Payments on behalf	35,972,360,191	(6,250,054,278)	37,727,200,158	(6,250,054,278)
Interest receivables	13,427,113,123	-	1,756,690,922	-
Receivables from the transfer of shares	3,500,000,000	(3,500,000,000)	3,500,000,000	(3,500,000,000)
Advances to employees	2,940,932,800	-	2,320,351,800	-
Other short-term receivables	1,883,226,253	(714,320,000)	1,916,443,936	(714,320,000)
<b>TOTAL</b>	<b>135,169,174,787</b>	<b>(10,464,374,278)</b>	<b>173,567,204,202</b>	<b>(10,464,374,278)</b>
<b>Long-Term</b>				
Deposits, mortgage	5,000,000,000	-	5,000,000,000	-
<b>TOTAL</b>	<b>5,000,000,000</b>	<b>-</b>	<b>5,000,000,000</b>	<b>-</b>
<i>In which:</i>				
Other short-term receivables from related parties (Note 30)	115,336,959,481	-	166,487,135,785	-
Other short-term receivables from third parties	19,832,215,306	-	7,080,068,417	-
Other long-term receivables from third parties	5,000,000,000	-	5,000,000,000	-

## 8. BAD DEBTS

Currency: VND				
	30 September 2019		31 March 2019	
	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	-
<b>TOTAL</b>	<b>11,567,198,398</b>	<b>-</b>	<b>11,567,198,398</b>	<b>-</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

**9. TANGIBLE FIXED ASSETS**

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Currency: VND Total
<b>Cost:</b>					
As at 31 March 2019	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	-	52,250,000	505,338,400
As at 30 September 2019	205,829,862,300	163,205,337,422	6,277,280,000	3,660,584,176	378,973,063,898
<i>In which:</i>					
Fully depreciated	-	12,326,192,270	-	973,458,046	13,299,650,316
<b>Accumulated depreciation:</b>					
As 31 March 2019	35,384,814,236	99,272,656,071	710,728,642	2,565,673,733	137,933,872,682
- Depreciation for the period	2,270,501,502	6,065,099,207	297,648,482	263,417,601	8,896,666,792
As at 30 September 2019	37,655,315,738	105,337,755,278	1,008,377,124	2,829,091,334	146,830,539,474
<b>Net carrying amount:</b>					
As at 31 March 2019	170,445,048,064	63,479,592,951	5,566,551,358	1,042,660,443	240,533,852,816
As at 30 September 2019	168,174,546,562	57,867,582,144	5,268,902,876	831,492,842	232,142,524,424
<i>In which:</i>					
Pledged/mortgaged as loan security	152,318,775,763	55,635,110,535	-	-	207,953,886,298

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



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

# 10. INTANGIBLE FIXED ASSETS

	Currency: VND			
	Copyright and patent	Computer software	Others	Total
<b>Cost:</b>				
As at 31 March 2019	195,615,549	20,955,372,474	165,278,181	21,316,266,204
- New purchase	-	-	36,070,000	36,070,000
As at 30 September 2019	195,615,549	20,955,372,474	201,348,181	21,352,336,204
<i>In which:</i>				
Fully amortised	-	41,671,043	-	41,671,043
<b>Accumulated amortisation:</b>				
As at 31 March 2019	123,889,842	14,471,019,478	39,000,000	14,633,909,320
- Amortisation for the period	19,561,554	1,323,946,050	30,549,281	1,374,056,885
As at 30 September 2019	143,451,396	15,794,965,528	69,549,281	16,007,966,205
<b>Net carrying amount:</b>				
As at 31 March 2019	71,725,707	6,484,352,996	126,278,181	6,682,356,884
As at 30 September 2019	52,164,153	5,160,406,946	131,798,900	5,344,369,999

# 11. CONSTRUCTION IN PROGRESS

	Currency: VND	
	30 September 2019	31 March 2019
"CMC creative space" project (*)	109,343,738,850	81,927,199,279
Others	134,978,664	-
<b>TOTAL</b>	<b>109,478,717,514</b>	<b>81,927,199,279</b>

(\*) 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 19.

# CMC Corporation

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

## 12. LONG-TERM INVESTMENTS

	30 September 2019			31 March 2019			Currency: VND
	Costs	Provision	Carrying value	Costs	Provision	Carrying value	
<b>Investments in subsidiaries</b>							
CMC Technology and Solution Company Limited	615,440,014,767	(26,819,840,053)	588,620,174,714	536,196,014,767	(40,033,322,701)	496,162,692,066	
CMC Telecommunication Infrastructure Corporation	200,000,000,000	-	200,000,000,000	80,000,000,000	-	80,000,000,000	
CMC Production and Trading Company Limited	184,544,390,000	-	184,544,390,000	184,544,390,000	-	184,544,390,000	
CMC Global Company Limited	100,000,000,000	(21,455,304,053)	78,544,695,947	100,000,000,000	(26,688,106,507)	73,311,893,493	
CMC Production and Service Company Limited	100,000,000,000	-	100,000,000,000	60,000,000,000	-	60,000,000,000	
Ciber – CMC Joint Venture Company	10,300,105,507	-	10,300,105,507	10,300,105,507	-	10,300,105,507	
CMC Blue France Company Limited	10,230,983,260	-	10,230,983,260	10,230,983,260	-	10,230,983,260	
CMC Institute of Science and Technology	5,364,536,000	(5,364,536,000)	-	5,364,536,000	(5,364,536,000)	-	
CMC Software Solutions Company Limited (*)	5,000,000,000	-	5,000,000,000	5,000,000,000	-	5,000,000,000	
CMC Information Security Joint Stock Company (*)	-	-	-	50,000,000,000	-	50,000,000,000	
	-	-	-	30,756,000,000	(7,980,680,194)	22,775,319,806	
<b>Investments in associates</b>							
Netnam Joint Stock Company	7,258,356,000	-	7,258,356,000	7,258,356,000	-	7,258,356,000	
	7,258,356,000	-	7,258,356,000	7,258,356,000	-	7,258,356,000	
<b>Held-to-maturity investment</b>	8,380,000,000	-	8,380,000,000	8,380,000,000	-	8,380,000,000	
<b>TOTAL</b>	<b>631,078,370,767</b>	<b>(26,819,840,053)</b>	<b>604,258,530,714</b>	<b>551,834,370,767</b>	<b>(40,033,322,701)</b>	<b>511,801,048,066</b>	

(\*) During the period, the Company has transferred 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-HDQT of the Group's Board of Directors dated 11 March 2019. These transfers were completed in April 2019.

The Company has not been able to obtain information on the fair value of its investments in subsidiaries and associates since these shares have not yet been listed on the Stock Exchange.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

## 12. LONG-TERM INVESTMENTS (continued)

### 12.1 Investments in subsidiaries

Name	30 September 2019		31 March 2019	
	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 Production and Trading Company Limited	100%	100%	100%	100%
CMC Global 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%	100%
CMC Information Security Joint Stock Company	-	-	99.94%	99.94%

Details of investments in subsidiaries are presented in Note 1.

### 12.2 Investments in associates

	30 September 2019		31 March 2019	
	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 License No. 0100896284 issued by Hanoi Department of Planning and Investment for the first time on 2 June 2010. This company's headquarter is at 18 Hoang Quoc Viet street, Nghia Do ward, Cau Giay district, Hanoi. Its principal activity is to provide internet services. As at 30 September 2019, the Company holds 41.1% equity interest in this associate.

### 12.3 Held-to-maturity investment

	30 September 2019		31 March 2019	
	Carrying value		Carrying value	
	Cost		Cost	
Bonds (*)	8,380,000,000	8,380,000,000	8,380,000,000	8,380,000,000
<b>TOTAL</b>	<b>8,380,000,000</b>	<b>8,380,000,000</b>	<b>8,380,000,000</b>	<b>8,380,000,000</b>

(\*) This represents an unsecured investment in bonds issued by Joint Stock Commercial Bank for Investment and Development of Vietnam – BIDV with term of 7 years and earns floating interest rate equal to reference interest rate + 0.8% per annum and matures on 19 December 2025. The bond interest will be paid on an annual basis and principal will be paid on maturity date.

The Company also used this bond as collateral for bank overdrafts at Joint Stock Commercial Bank for Investment and Development of Vietnam (Note 19).



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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**13. LONG-TERM PREPAID EXPENSES**

	Currency: VND	
	30 September 2019	31 March 2019
Prepaid land rental	7,685,057,646	7,777,916,412
Brokerage fees for office lease contracts	253,924,578	517,317,474
Tools and supplies	638,602,586	556,652,470
Other long-term prepaid expenses	892,440,371	1,048,767,365
<b>TOTAL</b>	<b>9,470,025,181</b>	<b>9,900,653,721</b>

**14. TRADE PAYABLES**

	Currency: VND			
	30 September 2019		31 March 2019	
	Balance	Payable amount	Balance	Payable amount
Trade payables to suppliers	7,789,261,231	7,789,261,231	221,608,947	221,608,947
- Hung Long Phuoc Production and Construction JSC	7,512,652,284	7,512,652,284	-	-
- Other suppliers	276,608,947	276,608,947	221,608,947	221,608,947
Trade payables to related parties (Note 30)	13,223,353,549	13,223,353,549	11,751,750,239	11,751,750,239
<b>TOTAL</b>	<b>21,012,614,780</b>	<b>21,012,614,780</b>	<b>11,973,359,186</b>	<b>11,973,359,186</b>

**15. STATUTORY OBLIGATIONS**

	Currency: VND			
	31 March 2019	Payable for the period	Payments made in the period	30 September 2019
Value added tax	-	1,100,723,940	(664,498,940)	436,225,000
Corporate income tax (Note 29.1)	1,404,080,647	3,757,361,017	(1,424,292,870)	3,737,148,794
Personal income tax	123,999,787	1,901,525,305	(1,846,147,418)	179,377,674
<b>TOTAL</b>	<b>1,528,080,434</b>	<b>6,759,610,262</b>	<b>(3,934,939,228)</b>	<b>4,352,751,468</b>
In which:				
Payables	1,564,052,477			4,372,963,691
Reveivables	(35,972,043)			(20,212,223)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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**16. SHORT-TERM ACCRUED EXPENSES**

	<i>Currency: VND</i>	
	<i>30 September 2019</i>	<i>31 March 2019</i>
Accrued service expenses	1,910,361,084	3,406,055,517
Remuneration for the Board of Directors and Board of Supervision	248,100,000	248,100,000
Other expenses	83,250,000	190,404,977
Construction and repair expenses	-	7,221,293,618
Bond and share issue costs	-	3,200,000,000
Land rental prepaid expenses	-	251,229,150
<b>TOTAL</b>	<b>2,241,711,084</b>	<b>14,517,083,262</b>

**17. SHORT-TERM UNEARNED REVENUE**

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

**18. OTHER PAYABLES**

	<i>Currency: VND</i>	
	<i>30 September 2019</i>	<i>31 March 2019</i>
<b>Short-term</b>		
Dividend, profit payable	79,616,651,655	1,203,964,560
Payables for the acquisition of subsidiary	10,300,105,507	10,300,105,507
Short-term deposits, mortgages received	3,676,838,791	2,968,828,278
Loan payable	576,418,154	576,418,154
Trade union fee	397,084,114	325,109,114
Other payables	882,307,736	999,539,724
<b>TOTAL</b>	<b>95,449,405,957</b>	<b>16,373,965,337</b>
<b>Long-term</b>		
Long-term deposits, mortgages received	8,083,502,745	8,714,787,107
<b>TOTAL</b>	<b>8,083,502,745</b>	<b>8,714,787,107</b>
<i>In which:</i>		
Other payables to related parties (Note 30)	10,876,523,661	10,876,523,661
Other payables to third parties	92,656,385,041	14,212,228,783



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

# 19. SHORT-TERM LOANS AND FINANCE LEASE OBLIGATIONS

	31 March 2019		Movement during the period		30 September 2019	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
<b>Short-term loans</b>						
Bank overdrafts (i)	37,559,598,755	37,559,598,755	94,157,761,016	(123,347,359,771)	8,370,000,000	8,370,000,000
Loans from others (ii)	34,706,472,349	34,706,472,349	10,722,677,902	(5,177,346,760)	40,251,803,491	40,251,803,491
<b>TOTAL</b>	<b>72,266,071,104</b>	<b>72,266,071,104</b>	<b>104,880,438,918</b>	<b>(128,524,706,531)</b>	<b>48,621,803,491</b>	<b>48,621,803,491</b>
<b>Long-term loans</b>						
Loans from bank (iii)	29,874,883,982	29,874,883,982	-	-	29,874,883,982	29,874,883,982
Bonds (iv)	296,800,000,000	296,800,000,000	680,000,002	-	297,480,000,002	297,200,000,002
<b>TOTAL</b>	<b>326,674,883,982</b>	<b>326,674,883,982</b>	<b>680,000,002</b>	<b>-</b>	<b>327,354,883,984</b>	<b>327,354,883,984</b>

(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 20 September 2020. The interest rate applicable to these loans is from 6.5% to 8.4% per annum and is 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 with term of 5 years and bear fixed interest rate at 8.8% per annum, being applicable for the first 2 interest calculation periods and from the following period, at the average 12 months VND saving interest from individual and interest is payable at maturity date, 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

**20. BONUS AND WELFARE FUND**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 September 2019</i>	<i>For the six-month period ended 30 September 2018</i>
Beginning balance	10,255,829,201	10,355,522,590
Utilized during the period	<u>(8,659,000,000)</u>	<u>(8,297,300,000)</u>
<b>Ending balance</b>	<b><u>1,596,829,201</u></b>	<b><u>2,058,222,590</u></b>

**21. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 September 2019</i>	<i>For the six-month period ended 30 September 2018</i>
Beginning balance	19,354,258,665	13,006,863,632
Utilized during the period	<u>(2,381,822,666)</u>	<u>(1,901,123,750)</u>
<b>Ending balance</b>	<b><u>16,972,435,999</u></b>	<b><u>11,105,739,882</u></b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

**22. OWNERS' EQUITY**

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

	Share capital	Share premium	Undistributed earnings	Currency: VND Total
<b>For the six-month period ended 30 September 2018</b>				
As at 31 March 2018	673,419,530,000	34,444,340,400	131,379,207,066	839,243,077,466
- Net profit for the period	-	-	26,476,763,287	26,476,763,287
- Dividends declared	47,132,570,000	-	(101,006,132,400)	(53,873,562,400)
As at 30 September 2018	720,552,100,000	34,444,340,400	56,849,837,953	811,846,278,353
<b>For the six-month period ended 30 September 2019</b>				
As at 31 March 2019	720,552,100,000	34,444,340,400	127,235,671,197	882,232,111,597
- Net profit for the period	-	-	21,731,049,384	21,731,049,384
- 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)
As at 30 September 2019	999,998,660,000	599,555,780,400	40,883,905,582	1,640,438,345,982

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

(ii) The Company 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-DHĐCĐ of the Annual General Meeting of shareholders for the year 2019 dated 26 June 2019.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

**22. OWNERS' EQUITY (continued)**

**22.2 Contributed share capital**

	30 September 2019			31 March 2019		
	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	13,542,066	13,542,066	-	13,942,849	13,942,849	-
Hanoi General Import Export Joint Stock Company	10,092,155	10,092,155	-	10,051,147	10,051,147	-
Funds PYN Elite	4,355,273	4,355,273	-	4,396,555	4,396,555	-
My Linh Investment Company Limited	3,986,783	3,986,783	-	3,970,584	3,970,584	-
Vietnam Bank for Agriculture and Rural Development	3,644,248	3,644,248	-	3,629,440	3,629,440	-
Bao Viet Group	3,644,248	3,644,248	-	3,629,440	3,629,440	-
Other shareholders	30,735,134	30,735,134	-	32,435,195	32,435,195	-
<b>TOTAL</b>	<b>99,999,866</b>	<b>99,999,866</b>	<b>-</b>	<b>72,055,210</b>	<b>72,055,210</b>	<b>-</b>

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

	Currency: VND	
	For the six-month period ended 30 September 2019	For the six-month period ended 30 September 2018
<b>Contributed capital</b>		
Beginning balance	720,552,100,000	673,419,530,000
Increase during the period	279,446,560,000	47,132,570,000
Ending balance	<b>999,998,660,000</b>	<b>720,552,100,000</b>
<b>Dividends/ profit declared</b>	108,082,814,999	101,006,132,400
<b>Dividends/ profit paid</b>	59,116,687,905	84,708,894,170

**22.4 Shares**

	30 September 2019	31 March 2019
<b>Issued shares</b>	<b>99,999,866</b>	<b>72,055,210</b>
Ordinary shares	99,999,866	72,055,210
<b>Treasury shares</b>	-	-
Ordinary shares	-	-
<b>Shares in circulation</b>	<b>99,999,866</b>	<b>72,055,210</b>
Ordinary shares	99,999,866	72,055,210

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



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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**23. OFF BALANCE SHEET ITEMS**

	30 September 2019	31 March 2019
Foreign Currency		
- US Dollar (USD)	1,240	10,253

**24. REVENUE**

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

	Currency: VND	
	For the six-month period ended 30 September 2019	For the six-month period ended 30 September 2018
<b>Gross revenue</b>	<b>62,003,714,269</b>	<b>67,661,369,854</b>
<i>In which:</i>		
Revenue from office lease	53,414,784,270	52,934,343,390
Rendering of other services	8,588,929,999	14,727,026,464
<b>Deductions</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>62,003,714,269</b>	<b>67,661,369,854</b>
<i>In which:</i>		
Sales to third parties	34,898,038,338	41,967,686,325
Sales to related parties (Note 30)	27,105,675,931	25,693,683,529

**24.2 Finance income**

	Currency: VND	
	For the six-month period ended 30 September 2019	For the six-month period ended 30 September 2018
Interest income	7,991,225,474	1,611,730,676
Dividends earned, profit distributed	7,034,978,000	7,034,974,200
<b>TOTAL</b>	<b>15,026,203,474</b>	<b>8,646,704,876</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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**25. COST OF GOODS SOLD AND SERVICES RENDERED**

	Currency: VND	
	<i>For the six-month period ended 30 September 2019</i>	<i>For the six-month period ended 30 September 2018</i>
Cost of rendering office leasing services	21,448,748,382	21,341,041,206
Cost of rendering other services	8,588,929,999	14,727,026,464
<b>TOTAL</b>	<b>30,037,678,381</b>	<b>36,068,067,670</b>

**26. FINANCE EXPENSES**

	Currency: VND	
	<i>For the six-month period ended 30 September 2019</i>	<i>For the six-month period ended 30 September 2018</i>
Interest expenses	7,398,721,596	2,331,209,138
Reversal of provision for financial investments	(13,213,482,648)	(25,542,000,635)
<b>TOTAL</b>	<b>(5,814,761,052)</b>	<b>(23,210,791,497)</b>

**27. GENERAL AND ADMINISTRATIVE EXPENSES**

	Đơn vị tính: VND	
	<i>For the six-month period ended 30 September 2019</i>	<i>For the six-month period ended 30 September 2018</i>
Labour costs	13,202,105,279	16,865,478,172
Raw materials expenses	489,444,874	294,726,827
Depreciation and amortisation expenses	2,329,006,483	2,262,340,796
Expenses for external services	9,583,077,451	11,203,059,147
Others	1,828,632,628	3,310,503,947
<b>TOTAL</b>	<b>27,432,266,715</b>	<b>33,936,108,889</b>

**28. PRODUCTION AND OPERATING COSTS**

	Currency: VND	
	<i>For the six-month period ended 30 September 2019</i>	<i>For the six-month period ended 30 September 2018</i>
Raw materials	489,444,874	396,307,463
Labour costs	13,202,105,279	16,865,478,172
Depreciation and amortisation	10,270,723,677	10,880,492,642
Expenses for external services	29,530,919,430	36,046,962,143
Others	4,240,144,732	6,084,882,260
<b>TOTAL</b>	<b>57,733,337,992</b>	<b>70,274,122,680</b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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## 29. 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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

### 29.1 CIT expenses

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

	Currency: VND	
	For the six-month period ended 30 September 2019	For the six-month period ended 30 September 2018
<b>Accounting profit before tax</b>	<b>25,459,412,231</b>	<b>29,377,378,683</b>
<b>Adjustments to increase/(decrease) accounting profit</b>		
<i>Adjustments to increase:</i>		
Allowance for non-executive members of the Board of Directors and Supervisory Board	217,380,000	407,400,000
Others	144,990,852	144,990,852
<i>Adjustments to decrease:</i>		
Dividends earned, profit distributed	(7,034,978,000)	(7,034,974,200)
<b>Estimated current taxable profit during the period</b>	<b>18,786,805,083</b>	<b>22,894,795,335</b>
Tax loss carried forward	-	(8,246,727,503)
<b>Taxable profit after deduction tax loss carried forward</b>	<b>18,786,805,083</b>	<b>14,648,067,832</b>
<b>Estimated current CIT expenses during the period</b>	<b>3,757,361,017</b>	<b>2,929,613,566</b>
CIT payable/(prepayment) at the beginning of the period	1,404,080,647	(20,312,223)
CIT paid during the period	(1,424,292,870)	-
<b>CIT payable at the end of the period</b>	<b>3,737,148,794</b>	<b>2,909,301,343</b>

### 29.2 Deferred tax

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

	Currency: VND			
	Interim separate balance sheet		Interim separate income statement	
	30 September 2019	31 March 2019	Current period	Previous period
<b>Deferred tax liabilities</b>				
Temporary differences from depreciable lives of fixed assets	1,560,253,455	1,589,251,625		
<b>Net deferred tax income charged to interim separate income statement</b>			<b>28,998,170</b>	<b>28,998,170</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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**30. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties during current and previous period were as follows:

			Currency: VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 September 2019</i>	<i>For the six-month period ended 30 September 2018</i>
CMC Technology and Solution Company Limited	Subsidiary	Rendering of services	4,964,272,500	2,635,326,260
		Purchases of services	3,524,328,180	12,149,360,220
		Capital contribution	120,000,000,000	-
		Transfer of subsidiaries in the Group	80,000,000,000	-
CMC Software Solution Company Limited	Subsidiary	Rendering of services	-	2,082,662,400
		Purchases of services	130,505,682	1,976,830,880
CMC Telecommunication Infrastructure Corporation	Subsidiary	Rendering of services	16,844,521,291	17,445,320,069
		Purchases of services	542,897,115	-
CMC Production and Service Company Limited	Subsidiary	Rendering of services	879,097,793	-
		Purchases of services	1,445,088,400	-
CMC Information Security Joint Stock Company	Subsidiary	Rendering of services	720,408,189	471,960,000
		Purchases of services	319,545,455	292,850,000
CMC Saigon Technology and Solution Company Limited	Subsidiary	Rendering of services	150,904,238	196,335,360
CMC Global Company Limited	Subsidiary	Rendering of services	2,610,475,220	1,637,719,440
		Capital contribution	40,000,000,000	10,000,000,000
Netnam Joint Stock Company	Associate	Dividends received	7,034,978,000	7,034,974,200
Ciber-CMC Joint Venture Company	Subsidiary	Rendering of services	935,996,700	853,632,000
		Purchases of services	134,978,664	-
		Capital contribution	-	5,100,000,000
CMC Production and Trading Company Limited	Subsidiary	Rendering of services	-	370,728,000

*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 30 September 2019 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 September 2019, 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 period through the examination of the financial position of the related party.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

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

				Currency: VND	
Related parties	Relationship	Transactions	30 September 2019	31 March 2019	
<b>Trade receivables (Note 6.1)</b>					
CMC Telecom Infrastructure Corporation	Subsidiary	Rendering of services	3,792,528,398	501,140,170	
CMC Global Company Limited	Subsidiary	Rendering of services	2,997,686,682	1,129,337,440	
Ciber-CMC Joint Venture Company	Subsidiary	Rendering of services	1,060,832,091	31,235,721	
CMC Software Solution Company Limited	Subsidiary	Rendering of services	977,872,647	1,011,535,683	
CMC Production and Service Company Limited	Subsidiary	Rendering of services	960,732,072	-	
CMC Information Security Joint Stock Company	Subsidiary	Rendering of services	792,449,008	-	
CMC Technology and Solution Company Limited	Subsidiary	Rendering of services	470,027,586	126,601,765	
CMC Saigon Technology and Solution Company Limited	Subsidiary	Rendering of services	3,844,500	2,699,073	
<b>TOTAL</b>			<b>11,055,972,984</b>	<b>2,802,549,852</b>	
<b>Short-term advance to suppliers (Note 6.2)</b>					
Ciber-CMC Joint Venture Company	Subsidiary	Advance for services rendered	1,712,576,842	-	
<b>TOTAL</b>			<b>1,712,576,842</b>	<b>-</b>	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

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

			Currency: VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 September 2019</i>	<i>31 March 2019</i>
<b>Other receivables (Note 7)</b>				
CMC Technology and Solution Company Limited	Subsidiary	Receivable of dividends, profit distributed	55,284,732,397	68,054,607,363
		Payment on behalf	3,567,352,206	5,468,934,565
CMC Software Solution Company Limited	Subsidiary	Receivable of dividends, profit distributed	22,160,810,023	22,160,810,023
		Payment on behalf	13,197,852,502	13,312,088,500
CMC Saigon Technology and Solution Company Limited	Subsidiary	Payment on behalf	7,409,273,548	6,696,222,869
CMC Blue France Company Limited	Subsidiary	Payment on behalf	6,250,054,278	6,250,054,278
CMC Institute of Science and Technology	Subsidiary	Payment on behalf	2,579,229,071	1,316,844,855
CMC Information Security Joint Stock Company	Subsidiary	Payment on behalf	1,315,974,864	1,569,356,592
CMC Global Company Limited	Subsidiary	Receivable of dividends, profit distributed	1,282,550,691	3,087,711,596
CMC Production and Service Company Limited	Subsidiary	Payment on behalf	155,195,681	-
CMC Production and Trading Company Limited	Subsidiary	Payment on behalf	50,875,000	-
Ciber-CMC Joint Venture Company	Subsidiary	Receivable of dividends, profit distributed	-	4,350,000,000
		Payment on behalf	164,002,350	14,930,308
CMC Telecom Infrastructure Corporation	Subsidiary	Receivable of dividends, profit distributed	-	31,781,100,000
		Payment on behalf	-	11,056,595
Other related parties	Other related parties	Other receivables	1,919,056,870	2,413,418,241
<b>TOTAL</b>			<b>115,336,959,481</b>	<b>166,487,135,785</b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

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

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

			Currency: VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 September 2019</i>	<i>31 March 2019</i>
<b>Short-term payables (Note 14)</b>				
CMC Technology and Solution Company Limited	Subsidiary	Purchase of services	10,790,371,916	11,320,167,832
CMC Production and Service Company Limited	Subsidiary	Purchase of services	1,589,597,240	-
CMC Production and Trading Company Limited	Subsidiary	Purchase of services	431,582,407	431,582,407
Ciber-CMC Joint Venture Company	Subsidiary	Purchase of services	408,600,557	-
CMC Telecom Infrastructure Corporation	Subsidiary	Purchase of services	3,201,429	-
<b>TOTAL</b>			<b>13,223,353,549</b>	<b>11,751,750,239</b>
<b>Other payables (Note 18)</b>				
CMC Production and Trading Company Limited	Subsidiary	Transfer of subsidiary	10,300,105,507	10,300,105,507
Other related parties	Other related parties	Other payables	576,418,154	576,418,154
			<b>10,876,523,661</b>	<b>10,876,523,661</b>

**Transactions with other related parties**

Remuneration to members of the Board of Directors and Management during the period:

			Currency: VND	
			<i>For the six-month period ended 30 September 2019</i>	<i>For the six-month period ended 30 September 2018</i>
Salaries and bonus for Board of Management			2,357,500,000	2,166,000,000
Remuneration to Board of Directors			491,100,000	486,600,000
<b>TOTAL</b>			<b>2,848,600,000</b>	<b>2,652,600,000</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

**31. 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:

Currency: VND

Office rental      Other services      Total

**As at 30 September 2019 and for the six-month period then ended**

Sales to external customers	53,414,784,270	8,588,929,999	62,003,714,269
Total revenue	53,414,784,270	8,588,929,999	62,003,714,269

**Results**

Segment gross profit	31,966,035,888	-	31,966,035,888
Selling expenses	(263,392,896)	-	(263,392,896)
Unallocated income			(6,243,230,761)
Net profit before tax			25,459,412,231
Corporate income tax expenses			(3,757,361,017)
Deferred tax income			28,998,170
Net profit for the period			21,731,049,384

**Assets and liabilities**

Segment assets	212,536,247,035	7,745,810,793	220,282,057,828
Unallocated assets			1,956,323,030,202
Total assets			2,176,605,088,030
Segment liabilities	6,688,038,359	13,609,995,079	20,298,033,438
Unallocated liabilities			515,868,708,610
Total liabilities			536,166,742,048

**As at 31 March 2019 and for the six-month period ended 30 September 2018**

Sales to external customers	52,934,343,390	14,727,026,464	67,661,369,854
Total revenue	52,934,343,390	14,727,026,464	67,661,369,854

**Results**

Segment gross profit	31,593,302,184	-	31,593,302,184
Selling expenses	(269,946,121)	-	(269,946,121)
Unallocated income			(1,945,977,380)
Net profit before tax			29,377,378,683
Corporate income tax expenses			(2,929,613,566)
Deferred tax income			28,998,170
Net profit for the period			26,476,763,287

**Assets and liabilities**

Segment assets	210,332,789,945	9,123,402,535	219,456,192,480
Unallocated assets			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			476,568,031,859
Total liabilities			495,654,915,991



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 September 2019 and for the six-month period then ended

### 32. COMMITMENTS AND CONTINGENCIES

#### *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:

	Currency: VND	
	30 September 2019	31 March 2019
Less than 1 year	41,586,269,174	51,937,618,167
From 1 - 5 years	19,390,340,943	33,468,412,601
<b>TOTAL</b>	<b>60,976,610,117</b>	<b>85,406,030,768</b>

#### *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:

	Currency: VND	
	30 September 2019	31 March 2019
Less than 1 year	1,052,595,000	1,052,595,000
From 1 - 5 years	4,210,380,000	4,210,380,000
More than 5 years	32,755,094,408	33,283,700,230
<b>TOTAL</b>	<b>38,018,069,408</b>	<b>38,546,675,230</b>

### 33. EVENTS AFTER THE BALANCE SHEET DATE

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

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

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

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



28 November 2019