



**FPT CORPORATION**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED SEPARATE  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2018**



**FPT CORPORATION**

FPT Cau Giay Building, Duy Tan Street  
Dich Vong Hau Ward, Cau Giay District  
Hanoi, Vietnam

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**FPT CORPORATION**

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Dich Vong Hau Ward, Cau Giay District  
Hanoi, Vietnam

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**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of FPT Corporation (the "Company") presents this report together with the Company's separate financial statements for the year ended 31 December 2018.

**THE BOARDS OF DIRECTORS AND MANAGEMENT**

The members of the Boards of Directors and Management of the Company who held office during the year and to the date of this report are as follows:

**Board of Directors**

Mr. Truong Gia Binh	Chairman
Mr. Bui Quang Ngoc	Vice Chairman
Mr. Do Cao Bao	Member
Mr. Jean Charles Belliol	Member
Mr. Le Song Lai	Member
Mr. Tomokazu Hamaguchi	Member
Mr. Dan E Khoo	Member

**Board of Management**

Mr. Bui Quang Ngoc	Executive President
Mr. Nguyen The Phuong	Executive Vice President
Mr. Do Cao Bao	Executive Vice President
Mr. Hoang Viet Anh	Executive Vice President (assigned on 01 March 2018)
Mr. Nguyen Van Khoa	Executive Vice President (assigned on 01 March 2018)
Mr. Duong Dung Trieu	Executive Vice President (resigned on 15 January 2018)

**BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of 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 principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

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**FPT CORPORATION**

FPT Cau Giay Building, Duy Tan Street  
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Hanoi, Vietnam

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**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Company has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Board of Management,



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**Nguyen The Phuong**

**Executive Vice President**

Power of Attorney No. 94.3-2013/QĐ-FPT-TGD  
dated 05 August 2013

*Hanoi, 04 March 2019*

## INDEPENDENT AUDITORS' REPORT

**To: The shareholders  
The Boards of Directors and Management  
FPT Corporation**

We have audited the accompanying separate financial statements of FPT Corporation (the "Company"), prepared on 04 March 2019 as set out from page 04 to page 28, which comprise the balance sheet as at 31 December 2018, the statement of income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the separate financial statements**

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as management determines is necessary to enable the preparation of 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



**Vũ Đức Nguyễn**  
Deputy General Director  
Audit Practising Registration Certificate  
No. 0764-2018-001-1

**Tao Hai Nhan**  
Auditor  
Audit Practising Registration Certificate  
No. 1576-2018-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

04 March 2019  
Hanoi, S.R. Vietnam

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**FPT CORPORATION**

FPT Cau Giay Building, Duy Tan Street  
Dich Vong Hau Ward, Cau Giay District  
Hanoi, Vietnam

**FORM B 01-DN**

Issued under Circular No.200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**BALANCE SHEET**

As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>3,950,524,016,425</b>	<b>5,329,441,848,610</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>1,028,875,665,356</b>	<b>1,543,531,025,225</b>
1. Cash	111		203,875,665,356	159,931,025,225
2. Cash equivalents	112		825,000,000,000	1,383,600,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>5</b>	<b>1,743,000,000,000</b>	<b>2,681,400,000,000</b>
1. Held-to-maturity investments	123		1,743,000,000,000	2,681,400,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,148,997,297,100</b>	<b>1,093,590,824,150</b>
1. Short-term trade receivables	131	6	131,485,453,330	61,914,578,338
2. Short-term advances to suppliers	132	7	75,775,137,683	1,811,627,443
3. Short-term loan receivables	135	8	48,500,000,000	34,500,000,000
4. Other short-term receivables	136	9	904,199,706,087	995,364,618,369
5. Provision for short-term	137		(10,963,000,000)	-
<b>IV. Inventories</b>	<b>140</b>		<b>181,147,253</b>	<b>298,547,253</b>
1. Inventories	141		181,147,253	298,547,253
<b>V. Other short-term assets</b>	<b>150</b>		<b>29,469,906,716</b>	<b>10,621,451,982</b>
1. Short-term prepayments	151		8,407,028,221	9,619,131,985
2. Value added tax deductibles	152		21,028,075,866	967,517,368
3. Taxes and other receivables from the State budget	153	16	34,802,629	34,802,629
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>6,151,516,292,720</b>	<b>4,892,386,193,050</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>79,901,500,337</b>	<b>79,231,338,997</b>
1. Tangible fixed assets	221	10	64,758,165,082	66,433,143,142
- Cost	222		212,352,634,975	202,962,167,963
- Accumulated depreciation	223		(147,594,469,893)	(136,529,024,821)
2. Intangible assets	227	11	15,143,335,255	12,798,195,855
- Cost	228		77,789,991,892	71,226,891,892
- Accumulated amortisation	229		(62,646,656,637)	(58,428,696,037)
<b>II. Long-term assets in progress</b>	<b>240</b>	<b>12</b>	<b>796,443,112,117</b>	<b>399,733,566,606</b>
1. Long-term construction in progress	242		796,443,112,117	399,733,566,606
<b>III. Long-term financial investments</b>	<b>250</b>	<b>5</b>	<b>5,272,613,409,012</b>	<b>4,411,264,696,145</b>
1. Investments in subsidiaries	251		4,779,613,409,012	3,929,613,409,012
2. Investments in associates	252		492,500,000,000	492,500,000,000
3. Equity investments in other entities	253		500,000,000	500,000,000
4. Provision for impairment of long-term	254		-	(11,348,712,867)
<b>IV. Other long-term assets</b>	<b>260</b>		<b>2,558,271,254</b>	<b>2,156,591,302</b>
1. Long-term prepayments	261		2,558,271,254	2,156,591,302
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>10,102,040,309,145</b>	<b>10,221,828,041,660</b>

The accompanying notes are an integral part of these separate financial statements

**FPT CORPORATION**

FPT Cau Giay Building, Duy Tan Street  
Dich Vong Hau Ward, Cau Giay District  
Hanoi, Vietnam

**FORM B 01-DN**

Issued under Circular No.200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**BALANCE SHEET (Continued)**

As at 31 December 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>1,068,438,706,363</b>	<b>971,355,319,833</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,068,438,706,363</b>	<b>971,355,319,833</b>
1. Short-term trade payables	311	15	210,736,755,515	79,608,251,523
2. Short-term advances from customers	312		505,359,606	388,359,606
3. Taxes and amounts payable to the State budget	313	16	4,672,010,155	50,961,962,268
4. Payables to employees	314		2,686,194	2,686,194
5. Short-term accrued expenses	315	17	38,119,024,140	30,738,911,788
6. Other current payables	319	18	241,635,921,451	396,530,752,152
7. Short-term loans and obligations	320	19	530,000,000,000	400,000,000,000
8. Short-term provisions	321		14,217,000,000	-
9. Bonus and welfare funds	322		28,549,949,302	13,124,396,302
<b>D. EQUITY</b>	<b>400</b>		<b>9,033,601,602,782</b>	<b>9,250,472,721,827</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>20</b>	<b>9,033,601,602,782</b>	<b>9,250,472,721,827</b>
1. Owner's contributed capital	411		6,136,367,720,000	5,309,611,050,000
- Ordinary shares carrying voting rights	411a		6,136,367,720,000	5,309,611,050,000
2. Share premium	412		49,941,441,360	49,941,441,360
3. Treasury shares	415		(823,760,000)	(823,760,000)
4. Investment and development fund	418		103,009,261	103,009,261
5. Other reserves	420		87,203,093,024	87,203,093,024
6. Retained earnings	421		2,760,810,099,137	3,804,437,888,182
- Retained earnings accumulated to the prior year end	421a		2,203,926,850,682	1,362,856,000,825
- Retained earnings of the current year	421b		556,883,248,455	2,441,581,887,357
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>10,102,040,309,145</b>	<b>10,221,828,041,660</b>

  
**La Hung Hai**  
Preparer

  
**Hoang Huu Chien**  
Chief Accountant

  
**Nguyen The Phuong**  
Executive Vice President

04 March 2019



The accompanying notes are an integral part of these separate financial statements

**FPT CORPORATION**

FPT Cau Giay Building, Duy Tan Street  
 Dich Vong Hau Ward, Cau Giay District  
 Hanoi, Vietnam

**FORM B 02-DN**

Issued under Circular No.200/2014/TT-BTC  
 dated 22 December 2014 of the Ministry of Finance

**INCOME STATEMENT**

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>21</b>	<b>265,724,099,691</b>	<b>248,419,557,089</b>
2. Deductions	02	21	4,209,804,435	1,940,969,031
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>	<b>21</b>	<b>261,514,295,256</b>	<b>246,478,588,058</b>
4. Cost of sales from goods sold and services rendered	11	22	106,074,366,404	92,557,473,890
<b>5. Gross profit from goods sold and services rendered (20=10-11)</b>	<b>20</b>		<b>155,439,928,852</b>	<b>153,921,114,168</b>
6. Financial income	21	24	1,357,839,245,972	3,335,876,605,771
7. Financial expenses	22	25	36,439,308,955	93,797,603,167
- In which: Interest expense		23	32,537,002,190	91,142,970,660
8. Selling expenses	25		4,565,276,713	3,586,769,981
9. General and administration expenses	26		288,793,958,191	210,067,318,025
<b>10. Operating profit (30=20+(21-22)-(25+26))</b>	<b>30</b>		<b>1,183,480,630,965</b>	<b>3,182,346,028,766</b>
11. Other income	31		4,527,288,786	1,259,479,491
12. Other expenses	32		86,647,043	1,239,817,156
<b>13. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>4,440,641,743</b>	<b>19,662,335</b>
<b>14. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>1,187,921,272,708</b>	<b>3,182,365,691,101</b>
15. Current corporate income tax expense	51	26	17,483,628,253	203,370,592,277
<b>16. Net profit after corporate income tax (60=50-51)</b>	<b>60</b>		<b>1,170,437,644,455</b>	<b>2,978,995,098,824</b>

La Hung Hai  
Preparer

Hoang Huu Chien  
Chief Accountant

Nguyen The Phuong  
Executive Vice President

04 March 2019

The accompanying notes are an integral part of these separate financial statements



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**FORM B 03-DN**

Issued under Circular No.200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**CASH FLOW STATEMENT**

For the year ended 31 December 2018

ITEMS	Codes	Unit: VND	
		Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>1,187,921,272,708</b>	<b>3,182,365,691,101</b>
<b>2. Adjustments for:</b>			
Depreciation and amortisation of fixed assets and investment properties	02	15,283,602,932	18,344,176,302
Provisions	03	13,831,287,133	(1,179,900,000)
Foreign exchange losses arising from translating foreign currency items	04	1,020,732,929	912,877,057
(Gain) from investing activities	05	(1,342,644,405,411)	(3,332,010,217,761)
Interest expense	06	32,537,002,190	91,142,970,660
<b>3. Operating losses before movements in working capital</b>	<b>08</b>	<b>(92,050,507,519)</b>	<b>(40,424,402,641)</b>
Decreases in receivables	09	282,935,337,184	552,205,112,131
Decrease/(increase) in inventories	10	117,400,000	(153,860,000)
Decreases in payables (excluding accrued loan interest and corporate income tax payable)	11	(146,466,900,866)	(373,310,071,453)
(Increase)/decrease in prepaid expenses	12	(19,250,134,686)	11,737,387,683
Interest paid	14	(34,105,964,096)	(96,907,339,413)
Corporate income tax paid	15	(62,737,419,509)	(8,075,229,843)
Other cash inflows	16	31,200,253,000	18,373,600,000
Other cash outflows	17	(15,774,699,999)	(11,623,317,533)
<b>Net cash (used in)/generated by operating activities</b>	<b>20</b>	<b>(56,132,636,491)</b>	<b>51,821,878,931</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(394,466,758,336)	(409,000,458,960)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	76,824,733	1,214,036,364
3. Cash outflow for lending, buying debt instruments of other entities	23	(3,456,300,000,000)	(4,569,400,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	4,394,700,000,000	3,688,439,400,000
5. Equity investments in other entities	25	(900,000,000,000)	(100,000,000,000)
6. Cash recovered from investments in other entities	26	-	1,416,380,907,967
7. Interest earned, dividends and profits received	27	1,153,445,378,000	1,946,773,390,671
<b>Net cash generated by investing activities</b>	<b>30</b>	<b>797,455,444,397</b>	<b>1,974,407,276,042</b>

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 Hanoi, Vietnam

**FORM B 03-DN**

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**CASH FLOW STATEMENT (Continued)**

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from share issue and owners' contributed capital	31	26,545,560,000	22,963,700,000
2. Proceeds from borrowings	33	2,096,000,000,000	9,518,400,000,000
3. Repayment of borrowings	34	(1,966,000,000,000)	(11,886,400,000,000)
4. Dividends and profits paid	36	(1,412,523,727,775)	(991,471,811,175)
<b>Net cash (used in) financing activities</b>	<b>40</b>	<b>(1,255,978,167,775)</b>	<b>(3,336,508,111,175)</b>
<b>Net decreases in cash (50=20+30+40)</b>	<b>50</b>	<b>(514,655,359,869)</b>	<b>(1,310,278,956,202)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>1,543,531,025,225</b>	<b>2,853,809,981,427</b>
<b>Cash and cash equivalents at the end of the year (70=50+60)</b>	<b>70</b>	<b>1,028,875,665,356</b>	<b>1,543,531,025,225</b>

  
 La Hung Hai  
 Preparer

  
 Hoang Huu Chien  
 Chief Accountant

  
 Nguyen The Phuong  
 Executive Vice President



04 March 2019

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**FORM B 09-DN**

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements.*

**1. GENERAL INFORMATION****Structure of ownership**

FPT Corporation (the "Company") was incorporated as a State-owned company in Vietnam and subsequently equitised in accordance with Decision No. 178/QĐ-TTg, following which the Company officially operated as a joint stock company. FPT Corporation operates under Business Registration Certificate No. 0103001041 issued for the first time by Hanoi Authority for Planning and Investment dated 13 May 2002 and its amendments.

According to the amended Business Registration Certificate dated 19 December 2008, the Company changed its name from the Corporation for Financing and Promoting Technology to FPT Corporation.

According to the latest amended Business Registration Certificate dated 19 June 2018, the Company's total charter capital is VND 6,136,367,720,000.

Since December 2006, the Company's shares have been listed on Ho Chi Minh City Stock Exchange.

The number of employees of the Company as at 31 December 2018 was 190 (31 December 2016: 162).

**Operating industry and principal activities**

The principal activities of the Company are to provide information technology and telecommunication products and services and to make investments. The main products and services provided are system integration; software production and development; IT services, ERP services; IT product manufacturing and distribution; mobile phone distribution; software solution services; telecommunication and internet services; training; warranty and maintenance of telecommunication and IT equipment and other telecommunication services.

**Normal production and business cycle**

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

**Characteristics of the business activities in the fiscal year which have impact on the separate financial statements**

During the year, FPT Media Company Limited was dissolved under Resolution No. 02.12-2018/NQ-HĐQT/FPT dated 24 December 2018 of the Board of Directors of FPT Corporation.

**Business structure**

As at 31 December 2018, FPT Corporation had 6 subsidiaries, as follows:

- FPT Information System Corporation;
- FPT Telecom Joint Stock Company;
- FPT Software Company Limited;
- FPT Education Company Limited;
- FPT Online Service Joint Stock Company; and
- FPT Investment Company Limited.

And 2 associates:

- FPT Digital Retail Joint Stock Company; and
- Synnex FPT Joint Stock Company.

**Disclosure of information comparability in the separate financial statements**

Comparative figures are the figures of the audited separate financial statements for the year ended 31 December 2017.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR****Accounting convention**

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

**Financial year**

The Company's financial year begins on 01 January and ends on 31 December.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Company in the preparation of these separate financial statements, are as follows:

**Estimates**

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Financial investments*****Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.



Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

***Loan receivables***

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

***Investments in subsidiaries, associates***

*Investment in subsidiaries*

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

*Investments in associates*

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Investment in subsidiaries, associates are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries, associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries, associates are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

***Equity investments in other entities***

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

***Receivables***

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

***Inventories***

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and where applicable direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost of inventories within the Company is calculated using the first in, first out (FIFO) method and inventory recording method is the perpetual method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations, which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at the balance sheet date.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Current year</u>
	(Years)
Buildings and structures	10 - 25
Machinery and equipment	5 - 25
Office equipment	3 - 5
Motor vehicles	4 - 6
Other assets	3 - 4

#### **Intangible assets and amortisation**

##### *Computer software*

Purchase price of new computer software which is not an integral part of related hardware is capitalized and accounted for as intangible assets. Computer software is amortised into the income statement on a straight-line basis from 3 to 5 years.

#### **Construction in progress**

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### **Prepayments**

Prepayments comprise tools and supplies issued for consumption, office refurbishment expenses.

Tools, supplies issued for consumption, small devices and office refurbishment expenses are stated at cost and expensed pursuant to the prevailing regulations.

**Revenue recognition**

Revenue from the sale of goods

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with neither ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transaction can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

**Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

**Borrowing costs**

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

#### Related parties

Related parties comprise subsidiaries, associates and key management personnel of the Company.

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

#### 4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	539,067,633	258,025,392
Bank demand deposits	203,336,597,723	159,672,999,833
Cash equivalents (i)	825,000,000,000	1,383,600,000,000
	<u>1,028,875,665,356</u>	<u>1,543,531,025,225</u>

- (i) Cash equivalents represent time deposits at banks and loans to subsidiaries with terms of three months or less.



5. FINANCIAL INVESTMENTS

a. Held-to-maturity investments

	Closing balance		Opening balance	
	Cost	Carrying amount	Cost	Carrying amount
- Term deposits (i)	1,743,000,000,000	1,743,000,000,000	2,681,400,000,000	2,681,400,000,000

(i) Term deposits reflect bank deposits with a term of more than 3 months and 12 months or less.

b. Long-term investments

	Closing balance				Opening balance			
	Cost	Provision	Fair value	VND Note	Cost	Provision	Fair value	VND
<b>b1) Investments in subsidiaries</b>	<b>4,779,613,409,012</b>	-	<b>11,304,358,703,371</b>		<b>3,929,613,409,012</b>	<b>(11,348,712,867)</b>		
FPT Information System Corporation	850,000,000,000	-	1,087,103,578,387	(*)	850,000,000,000	-	Unidentified	(***)
FPT Investment Company Limited	800,000,000,000	-	953,170,272,644	(*)	800,000,000,000	-	Unidentified	(***)
FPT Education Company Limited	450,000,000,000	-	642,454,500,452	(*)	250,000,000,000	-	Unidentified	(***)
FPT Software Company Limited	2,012,073,500,000	-	2,900,034,457,168	(*)	1,312,073,500,000	-	Unidentified	(***)
FPT Telecom Joint Stock Company	585,592,515,312	-	5,255,020,446,800	(**)	585,592,515,312	-	5,217,688,607,500	(**)
FPT Online Service Joint Stock Company	81,947,393,700	-	466,575,447,920	(**)	81,947,393,700	-	Unidentified	(***)
FPT Media Company Limited	-	-	-		50,000,000,000	(11,348,712,867)	Unidentified	(***)
<b>b2) Investment in associates</b>	<b>492,500,000,000</b>	-	<b>3,084,846,199,961</b>		<b>492,500,000,000</b>	-		
Synnex FPT Joint Stock Company	398,500,000,000	-	786,922,199,961	(*)	398,500,000,000	-	Unidentified	(***)
FPT Digital Retail Joint Stock Company	94,000,000,000	-	2,297,924,000,000	(**)	94,000,000,000	-	Unidentified	(***)
<b>b3) Investments in others entities</b>	<b>500,000,000</b>	-	<b>500,000,000</b>		<b>500,000,000</b>	-		
Ring road No.4 construction project	500,000,000	-	500,000,000	(*)	500,000,000	-	Unidentified	(***)

In accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014, the fair value of investments in associates and investments in other entities as at 31 December 2018 should be presented. According to assessment of Board of Management, the fair value of the investments presented above is prudent and attainable.

- (\*) The minimum value can be achieved based on of book value or corresponding valuations according to market prices of these investments.
- (\*\*) Fair value is determined based on the closing price on the stock exchange and the number of shares held by the Company at the date of the consolidated financial statements.
- (\*\*\*) In 2017, the Company had not determined fair value of these investments.

	<u>Current year</u>	<u>Prior year</u>
<b>b4) The performance of subsidiaries during the year:</b>		
<i>FPT Information System Corporation</i>	<i>Profitable operation</i>	<i>Profitable operation</i>
<i>FPT Media Company Limited</i>	<i>Dissolution (*)</i>	<i>Suspended operation</i>
<i>FPT Investment Company Limited</i>	<i>Profitable operation</i>	<i>Profitable operation</i>
<i>FPT Education Company Limited</i>	<i>Profitable operation</i>	<i>Profitable operation</i>
<i>FPT Software Company Limited</i>	<i>Profitable operation</i>	<i>Profitable operation</i>
<i>FPT Telecom Joint Stock Company</i>	<i>Profitable operation</i>	<i>Profitable operation</i>
<i>FPT Online Service Joint Stock Company</i>	<i>Profitable operation</i>	<i>Profitable operation</i>

(\*) In 2018, FPT Media Company Limited was dissolved under Resolution No. 02.12-2018 / NQ-HDQT FPT dated December 24, 2018 by the Board of Directors of FPT Corporation.

The significant transactions between the Company and the subsidiaries, associates during the year are presented in Note 27.

## 6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Berjaya Gia Thinh Investment Technology	78,916,560,457	27,379,011,042
FPT Telecom Joint Stock Company	34,934,927,551	17,052,157,038
FPT Software Company Limited	11,961,489,787	8,363,572,130
FPT Digital Retail Joint Stock Company	2,703,490,636	5,800,492,542
Synnex FPT Joint Stock Company	1,689,699,099	2,959,179,640
Others	1,279,285,800	360,165,946
	<u><b>131,485,453,330</b></u>	<u><b>61,914,578,338</b></u>
Short-term receivables from related parties - (Details stated in Note 27)	<u>52,144,151,451</u>	<u>34,276,982,374</u>

## 7. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Vietnam Construction and Trading Investment Joint Stock Company (i)	72,489,748,706	-
Other suppliers	<u>3,285,388,977</u>	<u>1,811,627,443</u>
	<u><b>75,775,137,683</b></u>	<u><b>1,811,627,443</b></u>

- (i) Reflect the prepayment for FPT Tower Building project.



8. SHORT-TERM LOAN RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
FPT Technology Solution Company Limited	17,500,000,000	17,500,000,000
FPT Land Joint Stock Company	11,000,000,000	17,000,000,000
FPT Digital Retail Joint Stock Company	20,000,000,000	-
	<u>48,500,000,000</u>	<u>34,500,000,000</u>

Short-term loan receivables represent loans to inter-group companies with terms of more than three months and less than one year at banks' interest rates.

9. OTHER SHORT-TERM RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Deposits and mortgages	4,635,071,541	4,347,418,869
Dividends receivable from subsidiaries	400,000,000,000	437,656,070,000
Accrued deposit and loan interest	53,021,582,020	48,278,836,594
Others	446,543,052,526	505,082,292,906
- FPT Investment Company Limited	144,777,571,255	224,488,080,991
- King's Eye Investments Limited	90,606,000,000	90,606,000,000
- FPT City Da Nang Joint Stock Company	-	34,872,248,954
- Others	211,159,481,271	155,115,962,961
	<u>904,199,706,087</u>	<u>995,364,618,369</u>

10. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
Opening balance	94,646,794,786	46,645,198,075	50,595,713,696	10,697,570,455	376,890,951	202,962,167,963
Additions	-	49,168,360	9,413,298,652	-	-	9,462,467,012
Disposals	-	-	(72,000,000)	-	-	(72,000,000)
<b>Closing balance</b>	<b>94,646,794,786</b>	<b>46,694,366,435</b>	<b>59,937,012,348</b>	<b>10,697,570,455</b>	<b>376,890,951</b>	<b>212,352,634,975</b>
<b>ACCUMULATED DEPRECIATION</b>						
Opening balance	44,407,503,053	46,599,969,648	42,412,302,330	2,732,358,839	376,890,951	136,529,024,821
Charge for the year	3,357,937,340	28,768,543	5,896,008,041	1,782,928,408	-	11,065,642,332
Disposals	-	-	(197,260)	-	-	(197,260)
<b>Closing balance</b>	<b>47,765,440,393</b>	<b>46,628,738,191</b>	<b>48,308,113,111</b>	<b>4,515,287,247</b>	<b>376,890,951</b>	<b>147,594,469,893</b>
<b>NET BOOK VALUE</b>						
<b>Opening balance</b>	<b>50,239,291,733</b>	<b>45,228,427</b>	<b>8,183,411,366</b>	<b>7,965,211,616</b>	<b>-</b>	<b>66,433,143,142</b>
<b>Closing balance</b>	<b>46,881,354,393</b>	<b>65,628,244</b>	<b>11,628,899,237</b>	<b>6,182,283,208</b>	<b>-</b>	<b>64,758,165,082</b>

As at 31 December 2018, the cost of the Company's tangible fixed assets includes VND 104,306,723,441 (as at 31 December 2017: VND 97,572,728,900) of machinery, equipment, motor vehicles and office equipment which have been fully depreciated but are still in use.

Some floors of FPT Cau Giay Building under "Buildings and structures" item are being rented for use as subsidiaries' offices.

**11. INCREASE, DECREASE IN INTANGIBLE ASSETS**

	<u>Computer software VND</u>	<u>Total VND</u>
<b>COST</b>		
Opening balance	71,226,891,892	71,226,891,892
Purchase	683,600,000	683,600,000
Transfer from construction in progress	5,879,500,000	5,879,500,000
<b>Closing balance</b>	<b><u>77,789,991,892</u></b>	<b><u>77,789,991,892</u></b>
<b>ACCUMULATED DEPRECIATION</b>		
Opening balance	58,428,696,037	58,428,696,037
Charge for the year	4,217,960,600	4,217,960,600
<b>Closing balance</b>	<b><u>62,646,656,637</u></b>	<b><u>62,646,656,637</u></b>
<b>NET BOOK VALUE</b>		
<b>Opening balance</b>	<b><u>12,798,195,855</u></b>	<b><u>12,798,195,855</u></b>
<b>Closing balance</b>	<b><u>15,143,335,255</u></b>	<b><u>15,143,335,255</u></b>

**12. LONG-TERM CONSTRUCTION IN PROGRESS**

	<u>Closing balance VND</u>	<u>Opening balance VND</u>
FPT Tower building project	712,296,937,417	393,003,100,000
FPT University Project	83,186,174,700	2,290,466,606
Other	960,000,000	4,440,000,000
	<b><u>796,443,112,117</u></b>	<b><u>399,733,566,606</u></b>

**13. INVESTMENTS IN SUBSIDIARIES**

During the year, FPT Media Company Limited was dissolved under Resolution No. 02.12-2018/NQ-HDQT FPT dated 24 December 2018 of the Board of Directors of FPT Joint Stock Company, accordingly, as at 31 December 2018, FPT Corporation had 6 subsidiaries.

Details of the Company's subsidiaries as at 31 December 2018 are as follows:

<u>Name of subsidiary</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest (direct and indirect)</u>	<u>Proportion of voting power held</u>	<u>Principal activities</u>
FPT Information System Corporation	Floor 22, Keangnam Landmark 72, E6, Pham Hung Street, Me Tri, Tu Liem, Hanoi	100%	100%	Providing application software solution, ERP services, IT services and integrated system services
FPT Software Company Limited	Floor 6-12, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing software services and products
FPT Telecom Joint Stock Company (i)	Floor 2, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	45.65%	45.65%	Providing ADSL services, fixed line internet services, online advertising and other online services

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest (direct and indirect)	Proportion of voting power held	Principal activities
FPT Education Company Limited	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing training and technology services
FPT Online Service Joint Stock Company	408 Dien Bien Phu Street, Ward 11, District 10, Ho Chi Minh City	49.48%	80.09%	Providing online services
FPT Investment Company Limited	Floor 13, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing financial services activities (investment consulting services, excluding legal and financial consulting services)

- (i) As at 31 December 2018, FPT Corporation holds 45.65% ownership interest (31 December 2017: 45.65%) and 45.65% of voting rights (31 December 2017: 45.65%) at FPT Telecom Joint Stock Company. However, the Company has the power to cast the majority of votes at meetings of the Board of Directors of FPT Telecom Joint Stock Company. Thus, the Company has the power to control the financial and operating policies of FPT Telecom Joint Stock Company. Accordingly, the Company has controlling power over FPT Telecom Joint Stock Company and therefore, FPT Telecom Joint Stock Company is regarded as a subsidiary.

**14. INVESTMENT IN ASSOCIATES**

Name of associate	Place of incorporation and operation	Proportion of ownership interest and voting power held	Principal activities
Synnex FPT Joint Stock Company	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	48%	Producing technology products and distributing IT devices and mobile phones; and manufacturing computers
FPT Digital Retail Joint Stock Company	261-263 Khanh Hoi Street, Ward 5, District 4, Ho Chi Minh City	47%	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent

**15. SHORT-TERM TRADE PAYABLES**

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
FPT Education Company Limited	94,134,808,494	2,724,524,897
FPT Information System Corporation	53,836,619,119	31,819,513,264
FPT Software Company Limited	20,423,793,186	19,485,208,666
FPT Telecom Joint Stock Company	4,789,346,002	3,675,712,736
Others	37,552,188,714	21,903,291,960
	<b><u>210,736,755,515</u></b>	<b><u>79,608,251,523</u></b>
Payables to related parties (Details stated in Note 27)	<u>173,184,566,801</u>	<u>57,704,959,563</u>

## 16. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance VND	Payables/ Receivables VND	Paid/Received during the year VND	Closing balance VND
<b>a. Receivables</b>				
Import duty	34,802,629	-	-	34,802,629
	<b>34,802,629</b>	<b>-</b>	<b>-</b>	<b>34,802,629</b>
<b>b. Payables</b>				
Value added tax	1,006,986,642	2,995,761,364	4,000,454,834	2,293,172
- Output Value added tax	1,004,694,470	2,995,761,364	4,000,454,834	1,000
- VAT on imported goods	2,292,172	-	-	2,292,172
Corporate income tax	48,807,843,352	17,483,628,253	62,737,419,509	3,554,052,096
Other taxes	1,147,132,274	37,570,772,347	37,602,239,734	1,115,664,887
License tax	-	3,000,000	3,000,000	-
Personal income tax	859,471,864	36,783,136,321	36,623,956,483	1,018,651,702
Other taxes	287,660,410	784,636,026	975,283,251	97,013,185
	<b>50,961,962,268</b>	<b>58,050,161,964</b>	<b>104,340,114,077</b>	<b>4,672,010,155</b>

## 17. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Accrued employees payable	28,042,000,000	18,460,000,000
Interest payable	7,423,687,349	8,992,649,255
Other accruals	2,653,336,791	3,286,262,533
	<b>38,119,024,140</b>	<b>30,738,911,788</b>

## 18. OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Union fee	6,361,804,702	4,643,183,262
Social insurance	302,118,355	309,707,649
Health insurance	70,820,933	72,529,775
Unemployment insurance	18,179,683	18,922,631
Short-term deposits received	523,000,000	653,000,000
Dividends payable	7,948,083,048	6,617,487,323
Other payables through central account	219,761,640,088	345,250,354,611
- FPT Information System Corporation	113,958,310,720	226,198,112,560
- FPT Education Company Limited	14,803,335,226	93,557,108,386
- FPT Software Company Limited	6,097,062,398	1,308,787,235
- FPT Telecom Joint Stock Company	3,033,497,296	4,653,862,834
- FPT Digital Retail Joint Stock Company	3,140,042,971	16,513,848,461
- FPT Investment Company Limited	78,729,391,477	3,018,635,135
Other current payables	6,650,274,642	38,965,566,901
- FPT Media Company Limited	-	33,904,130,386
- Others	6,650,274,642	5,061,436,515
	<b>241,635,921,451</b>	<b>396,530,752,152</b>

19. SHORT-TERM LOANS

Item	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
- Synnex FPT Joint Stock Company	200,000,000,000	200,000,000,000	-	200,000,000,000	-	-
- FPT Education Company Limited	200,000,000,000	200,000,000,000	836,000,000,000	706,000,000,000	330,000,000,000	330,000,000,000
- FPT Information System Corporation	-	-	1,260,000,000,000	1,060,000,000,000	200,000,000,000	200,000,000,000
	<b>400,000,000,000</b>	<b>400,000,000,000</b>	<b>2,096,000,000,000</b>	<b>1,966,000,000,000</b>	<b>530,000,000,000</b>	<b>530,000,000,000</b>

Short-term loans represent unsecured loans with terms of less than one year for business purpose.





20. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Share premium	Treasury shares	Other reserves	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND
Prior year's opening balance	4,594,266,840,000	49,941,441,360	(823,760,000)	87,203,093,024	103,009,261	2,516,877,188,825	7,247,567,812,470
Shares issued	22,963,700,000	-	-	-	-	-	22,963,700,000
Profit for the year	-	-	-	-	-	2,978,995,098,824	2,978,995,098,824
Transferred to bonus and welfare funds	-	-	-	-	-	(6,534,482,467)	(6,534,482,467)
Stock dividends declared	692,380,510,000	-	-	-	-	(692,380,510,000)	-
Cash dividends declared	-	-	-	-	-	(992,519,407,000)	(992,519,407,000)
<b>Current year's opening balance</b>	<b>5,309,611,050,000</b>	<b>49,941,441,360</b>	<b>(823,760,000)</b>	<b>87,203,093,024</b>	<b>103,009,261</b>	<b>3,804,437,888,182</b>	<b>9,250,472,721,827</b>
Shares issued	26,545,560,000	-	-	-	-	-	26,545,560,000
Profit for the year	-	-	-	-	-	1,170,437,644,455	1,170,437,644,455
Stock dividends declared (i)	800,211,110,000	-	-	-	-	(800,211,110,000)	-
Cash dividends declared	-	-	-	-	-	(1,413,854,323,500)	(1,413,854,323,500)
<b>Current year's closing balance</b>	<b>6,136,367,720,000</b>	<b>49,941,441,360</b>	<b>(823,760,000)</b>	<b>87,203,093,024</b>	<b>103,009,261</b>	<b>2,760,810,099,137</b>	<b>9,033,601,602,782</b>

(i) During the year, the Company issued 80,021,111 shares to pay dividends in 2017 according to the Resolution of the Company's Shareholders' Annual General Meeting in 2018.

**Dividends**

On 05 April 2018, at the Company's Shareholders' Annual General Meeting, shareholders approved the plan of stock dividend payment of 2017 at the pay-out ratio of 15% (03 new shares for every 20 shares held) and second cash dividend payment of 2017 at the pay-out ratio of 15% of par value (VND 1,500/share).

According to Resolution of the Board of Directors No. 01.07-2018/NQ-HDQT-FPT dated 31 July 2018, the Company made the first cash dividend advance of 2018 at the pay-out ratio of 10% of par value (VND 1,000/share). The cash dividend pay-out ratio of the whole year 2018 will be decided by the Company's Shareholders' Annual General Meeting in 2019.



Number of outstanding shares

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
<b>Authorised share capital</b>	<b>613,636,772</b>	<b>530,961,105</b>
<b>Issued share capital</b>	<b>613,636,772</b>	<b>530,961,105</b>
Ordinary shares	613,636,772	530,961,105
<i>Of which shares subject to restriction in ownership transfer</i>	8,016,294	7,925,466
<b>Treasury shares</b>	<b>(82,376)</b>	<b>(82,376)</b>
<i>Of which shares subject to restriction in ownership transfer</i>	-	-
<b>Number of outstanding shares in circulation</b>	<b>613,554,396</b>	<b>530,878,729</b>
Ordinary shares	613,554,396	530,878,729
<i>Of which shares subject to restriction in ownership transfer</i>	8,016,294	7,925,466

All ordinary shares have a par value of VND 10,000. Each share is entitled to one vote at the Company shareholders' meetings. Shareholders are entitled to receive dividends as declared at each point of time. All ordinary shares are ranked equally with regard to the Company's residual assets. With respect to the shares bought back by the Company, all rights are suspended until those shares are re-issued.

Shares subject to ownership transfer restriction have a par value of VND 10,000. These shares are subject to restrictions according to which share owners are not allowed to resell their shares within specified term from the date of issuance.

21. REVENUE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
<b>Sales of merchandise and services</b>		
- Sales of merchandise and services	265,724,099,691	248,419,557,089
	<b>265,724,099,691</b>	<b>248,419,557,089</b>
<b>Deductions</b>		
- Sales return	4,209,804,435	1,913,433,697
- Sales rebate	-	27,535,334
	<b>4,209,804,435</b>	<b>1,940,969,031</b>
<b>Net revenue from goods sold and services rendered</b>	<b>261,514,295,256</b>	<b>246,478,588,058</b>
Revenue from related parties (Details stated in Note 27)	164,992,897,403	163,160,826,298

22. COST OF SALES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Cost of merchandise sold and services rendered	106,074,366,404	92,557,473,890
	<b>106,074,366,404</b>	<b>92,557,473,890</b>

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23. PRODUCTION COST BY NATURE

	<u>Current year</u> VND	<u>Prior year</u> VND
Labour	104,187,743,682	74,643,875,991
Depreciation and amortisation	15,283,602,932	18,344,176,302
Out-sourced services	279,962,254,694	213,223,509,603
	<u><b>399,433,601,308</b></u>	<u><b>306,211,561,896</b></u>

24. FINANCIAL INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Bank and loan interest	241,981,382,722	237,120,379,248
Dividends and profits received (i)	1,115,789,308,000	1,950,797,376,000
Foreign exchange gain	11,346,324	17,229,462
Other financial income	57,208,926	1,147,941,621,061
	<u><b>1,357,839,245,972</b></u>	<u><b>3,335,876,605,771</b></u>

(i) Represent dividends received from investments in and profits transferred from subsidiaries.

25. FINANCIAL EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Interest expense	32,537,002,190	91,142,970,660
Foreign exchange loss	119,712,370	-
Other financial expense	3,782,594,395	2,654,632,507
	<u><b>36,439,308,955</b></u>	<u><b>93,797,603,167</b></u>

26. CORPORATE INCOME TAX EXPENSE

	<u>Current year</u> VND	<u>Prior year</u> VND
<b>Current corporate income tax expenses</b>		
- Corporate income tax expense based on taxable profit in the current year	17,865,478,201	203,351,197,278
- Adjustments for corporate income tax expense in previous years to the current year	(381,849,948)	19,394,999
	<u><b>17,483,628,253</b></u>	<u><b>203,370,592,277</b></u>
<b>Total current corporate income tax expenses</b>		

The current corporate income tax expense for the year was computed as follows:

	<u>Current year</u> VND	<u>Prior year</u> VND
<b>Current Corporate income tax</b>		
<b>Profit before tax</b>	<b>1,187,921,272,708</b>	<b>3,182,365,691,101</b>
<b>Adjustments for taxable profit</b>		
Less: non-taxable income		
<i>Dividends and profit received</i>	(1,115,789,308,000)	(2,171,040,308,579)
<i>Others</i>	(915,348,109)	(929,033,877)
Add back: non-deductible expenses	18,110,774,405	6,359,637,745
<b>Taxable profit</b>	<b>89,327,391,004</b>	<b>1,016,755,986,390</b>
Loss carry-forward	-	-
<b>Taxable profit</b>	<b>89,327,391,004</b>	<b>1,016,755,986,390</b>
Normal tax rate	20%	20%
<b>Corporate income tax expense based on taxable profit in the current year</b>	<b>17,865,478,201</b>	<b>203,351,197,278</b>

27. RELATED PARTY TRANSACTIONS AND BALANCES

*List of related parties who have significant transactions or balances during the year:*

<u>Related parties</u>	<u>Relationship</u>
FPT Investment Company Limited	Susidiary
FPT Software Company Limited	Susidiary
FPT Information System Corporation	Susidiary
FPT Education Company Limited	Susidiary
FPT Telecom Joint Stock Company	Susidiary
FPT Online Service Joint Stock Company	Susidiary
FPT Informatics Services Company Limited	Affiliate
FPT Technology Solution Company Limited	Affiliate
FPT Land Joint Stock Company	Affiliate
Synnex FPT Joint Stock Company	Associate
FPT Digital Retail Joint Stock Company	Associate

*Significant related party balances as at the balance sheet date were as follows:*

	<u>Current year</u> VND	<u>Prior year</u> VND
<b>Balances of loans</b>	<b>48,500,000,000</b>	<b>34,500,000,000</b>
FPT Technology Solution Company Limited	17,500,000,000	17,500,000,000
FPT Land Joint Stock Company	11,000,000,000	17,000,000,000
FPT Digital Retail Joint Stock Company	20,000,000,000	-
<b>Balances of borrowings</b>	<b>530,000,000,000</b>	<b>400,000,000,000</b>
Synnex FPT Joint Stock Company	-	200,000,000,000
FPT Education Company Limited	330,000,000,000	200,000,000,000
FPT Information System Company Limited	200,000,000,000	-
<b>Dividends/profits receivable from subsidiaries</b>	<b>400,000,000,000</b>	<b>437,656,070,000</b>
FPT Software Company Limited	300,000,000,000	200,000,000,000
FPT Telecom Joint Stock Company	-	137,656,070,000
FPT Education Company Limited	100,000,000,000	100,000,000,000
<b>Short-term trade receivables</b>	<b>52,144,151,451</b>	<b>34,276,982,374</b>
FPT Telecom Joint Stock Company	34,934,927,551	17,052,157,038
FPT Software Company Limited	11,961,489,787	8,363,572,130
FPT Digital Retail Joint Stock Company	2,703,490,636	101,581,024
Synnex FPT Joint Stock Company	1,689,699,099	2,959,179,640
FPT Information System Company Limited	854,544,378	5,800,492,542
<b>Other short-term receivables</b>	<b>335,904,473,801</b>	<b>275,768,120,974</b>
FPT Investment Company Limited	144,777,571,255	224,488,080,991
FPT Information System Company Limited	139,641,223,675	-
FPT Land Joint Stock Company	51,485,678,871	51,280,039,983
<b>Short-term trade payables</b>	<b>173,184,566,801</b>	<b>57,704,959,563</b>
FPT Education Company Limited	94,134,808,494	2,724,524,897
FPT Information System Company Limited	53,836,619,119	31,819,513,264
FPT Software Company Limited	20,423,793,186	19,485,208,666
FPT Telecom Joint Stock Company	4,789,346,002	3,675,712,736
<b>Payables through central account</b>	<b>219,761,640,088</b>	<b>345,250,354,611</b>
FPT Information System Company Limited	113,958,310,720	226,198,112,560
FPT Education Company Limited	14,803,335,226	93,557,108,386
FPT Software Company Limited	6,097,062,398	1,308,787,235
FPT Telecom Joint Stock Company	3,033,497,296	4,653,862,834
FPT Digital Retail Joint Stock Company	3,140,042,971	16,513,848,461
FPT Investment Company Limited	78,729,391,477	3,018,635,135

*During the year, the Company entered into the following significant transactions with its related parties:*

	Current year	Prior year
	VND	VND
<b>Capital contribution</b>	<b>900,000,000,000</b>	<b>300,000,000,000</b>
FPT Software Company Limited	700,000,000,000	300,000,000,000
FPT Education Company Limited	200,000,000,000	-
<b>Sales of services</b>	<b>164,992,897,403</b>	<b>163,160,826,298</b>
FPT Software Company Limited	55,698,447,570	47,089,175,424
FPT Telecom Joint Stock Company	54,532,559,142	45,699,933,783
FPT Information System Corporation	37,196,210,655	38,782,307,011
FPT Online Service Joint Stock Company	8,801,993,387	8,797,640,929
FPT Digital Retail Joint Stock Company	6,688,269,356	6,357,530,067
Synnex FPT Joint Stock Company	2,075,417,293	16,434,239,084
<b>Purchases of goods and services</b>	<b>246,015,202,539</b>	<b>135,832,751,292</b>
FPT Education Company Limited	98,944,914,781	5,773,409,724
FPT Information System Corporation	97,922,985,461	77,509,882,515
FPT Software Company Limited	24,301,276,687	22,814,346,811
FPT Telecom Joint Stock Company	20,549,019,085	24,411,509,817
Synnex FPT Joint Stock Company	3,132,842,243	4,161,030,107
FPT Digital Retail Joint Stock Company	1,164,164,282	1,162,572,318
<b>Dividends/profits transferred from subsidiaries</b>	<b>1,115,789,308,000</b>	<b>1,950,797,376,000</b>
FPT Software Company Limited	794,000,000,000	771,000,000,000
FPT Education Company Limited	208,000,000,000	200,000,000,000
FPT Telecom Joint Stock Company	103,242,052,000	269,055,046,000
FPT Online Service Joint Stock Company	10,547,256,000	10,533,330,000
Synnex FPT Joint Stock Company	-	638,209,000,000
FPT Information System Corporation	-	62,000,000,000
<b>Interest income</b>	<b>5,627,185,929</b>	<b>10,413,217,957</b>
FPT Investment Company Limited	3,850,213,127	7,793,467,947
FPT Information System Corporation	1,776,972,802	2,619,750,010
<b>Interest expense</b>	<b>31,379,904,894</b>	<b>90,712,159,381</b>
FPT Information System Corporation	22,316,537,547	12,578,153,054
FPT Education Company Limited	8,778,416,301	7,285,966,843
FPT Digital Retail Joint Stock Company	147,701,046	16,228,445,303
Synnex FPT Joint Stock Company	137,250,000	54,619,594,181

**Board of Management's salary**

The salary of the Board of Directors in 2018 is VND 9,151,500,000 (2017 is VND 9,627,400,000).

  
La Hung Hai  
Preparer

  
Hoang Huu Chien  
Chief Accountant

  
Nguyen The Phuong  
Executive Vice President



04 March 2019