



**FPT CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE QUARTER I - 2018**

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Hanoi, April 2018



**CONSOLIDATED BALANCE SHEET**  
*As at 31 Mar 2018*

**FORM B 01-DN/HN**  
 Unit: VND

NO.	ASSET	Codes	Notes	31/3/2018	31/12/2017
<b>A - CURRENT ASSETS</b>		<b>100</b>		<b>15,891,378,282,225</b>	<b>16,059,937,820,645</b>
<b>I. Cash and cash equivalents</b>		<b>110</b>	5	<b>3,076,144,406,971</b>	<b>3,480,659,514,788</b>
1	Cash	111		1,543,897,642,209	1,886,435,218,720
2	Cash equivalents	112		1,532,246,764,762	1,594,224,296,068
<b>II. Short-term financial investments</b>		<b>120</b>	6	<b>4,798,538,245,584</b>	<b>4,379,446,212,073</b>
1	Held-to-maturity investments	123		4,798,538,245,584	4,379,446,212,073
<b>III. Short-term receivables</b>		<b>130</b>		<b>5,709,635,608,502</b>	<b>6,151,782,399,408</b>
1	Short-term trade receivables	131	7	4,294,239,451,525	5,038,378,935,917
2	Short-term advances to suppliers	132		277,095,606,491	95,340,696,039
3	Receivables from construction contracts under percentage of completion method	134		397,506,401,676	431,581,193,340
4	Other short-term receivables	136	8	936,916,307,722	767,000,371,499
5	Provision for short-term doubtful debts	137		(196,122,158,912)	(180,518,797,387)
<b>IV. Inventories</b>		<b>140</b>	10	<b>1,181,169,445,667</b>	<b>1,020,212,423,590</b>
1	Inventories	141		1,184,516,592,782	1,024,043,952,523
2	Provision for devaluation of inventories	149		(3,347,147,115)	(3,831,528,933)
<b>V. Other short-term assets</b>		<b>150</b>		<b>1,125,890,575,501</b>	<b>1,027,837,270,786</b>
1	Short-term prepayments	151		879,062,494,371	759,948,049,853
2	Value added tax deductibles	152		151,913,612,547	156,145,888,056
3	Taxes and other receivables from the State budget	153	18	94,914,468,583	111,743,332,877
<b>B - NON-CURRENT ASSETS</b>		<b>200</b>		<b>9,119,541,571,431</b>	<b>8,939,739,075,221</b>
<b>I. Long-term receivables</b>		<b>210</b>		<b>247,216,967,692</b>	<b>231,657,122,488</b>
1	Long-term trade receivables	211		161,551,680,000	161,551,680,000
2	Other long-term receivables	216	8	140,394,461,510	124,834,616,306
3	Provision for long-term doubtful debts	219		(54,729,173,818)	(54,729,173,818)
<b>II. Fixed assets</b>		<b>220</b>		<b>5,189,934,475,460</b>	<b>5,247,285,021,701</b>
1	Tangible fixed assets	221	11	<b>4,541,394,101,405</b>	<b>4,585,493,059,313</b>
	<i>Cost</i>	222		<i>8,419,195,875,081</i>	<i>8,260,173,587,144</i>
	<i>Accumulated depreciation</i>	223		<i>(3,877,801,773,676)</i>	<i>(3,674,680,527,831)</i>
2	Finance lease assets	224		<b>3,495,231,807</b>	<b>3,656,116,414</b>
	<i>Cost</i>	225		<i>4,877,814,576</i>	<i>4,702,426,443</i>
	<i>Accumulated depreciation</i>	226		<i>(1,382,582,769)</i>	<i>(1,046,310,029)</i>
3	Intangible fixed assets	227	12	<b>645,045,142,248</b>	<b>658,135,845,974</b>
	<i>Cost</i>	228		<i>1,136,457,956,217</i>	<i>1,117,419,385,566</i>
	<i>Accumulated amortisation</i>	229		<i>(491,412,813,969)</i>	<i>(459,283,539,592)</i>
<b>III. Long-term assets in progress</b>		<b>240</b>		<b>970,306,572,989</b>	<b>805,559,896,217</b>
1	Long-term construction in progress	242	13	970,306,572,989	805,559,896,217
<b>IV. Long-term financial investments</b>		<b>250</b>		<b>1,850,084,969,756</b>	<b>1,783,369,007,284</b>
1	Investments in joint-ventures, associates	252	15	1,411,807,900,711	1,333,704,438,239
2	Equity investments in other entities	253	6	749,294,842,700	749,259,852,282
3	Provision for impairment of long-term financial investments	254		(311,017,773,655)	(299,595,283,237)
<b>VI. Other long-term assets</b>		<b>260</b>		<b>861,998,585,534</b>	<b>871,868,027,531</b>
1	Long-term prepayments	261		822,692,250,912	811,433,621,590
2	Deferred tax assets	262	16	39,306,334,622	60,434,405,941
<b>TOTAL ASSETS</b>		<b>270</b>		<b>25,010,919,853,656</b>	<b>24,999,676,895,866</b>

**CONSOLIDATED BALANCE SHEET (Continued)**

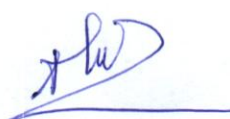
As at 31 Mar 2018

**FORM B 01-DN/HN**

Unit: VND

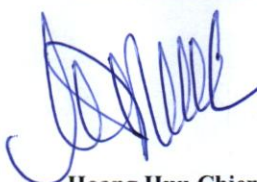
NO.	RESOURCES	Codes	Notes	31/3/2018	31/12/2017
<b>A - LIABILITIES</b>		<b>300</b>		<b>11,111,083,511,698</b>	<b>11,761,300,662,093</b>
<b>I. Current liabilities</b>		<b>310</b>		<b>10,523,957,829,819</b>	<b>11,100,344,738,740</b>
1	Short-term trade payables	311	17	1,619,004,057,743	2,279,172,467,047
2	Short-term advances from customers	312		650,265,625,121	561,261,495,876
3	Taxes and amounts payable to the State Budget	313	18	200,483,212,608	320,421,087,431
4	Payables to employees	314		650,692,627,199	830,413,330,203
5	Short-term accrued expenses	315	19	596,563,173,742	918,418,793,263
6	Payables relating to construction contracts under percentage of completion method	317		20,401,408,500	20,380,725,175
7	Short-term unearned revenue	318	20	1,275,503,032,848	1,293,630,917,628
8	Other current payables	319	21	289,020,263,287	439,490,212,823
9	Short-term loans and obligations under finance leases	320	22	4,993,557,964,115	4,116,988,708,324
10	Short-term provisions	321	23	5,390,121,823	6,051,424,047
11	Bonus and welfare funds	322		223,076,342,833	314,115,576,923
<b>II. Long-term liabilities</b>		<b>330</b>		<b>587,125,681,879</b>	<b>660,955,923,353</b>
1	Long-term advances from customers	332		40,000,000,000	40,000,000,000
2	Long-term unearned revenue	336	20	48,843,957,931	47,796,539,629
3	Other long-term payables	337	21	407,510,920	1,525,469,921
4	Long-term loans and obligations under finance leases	338	24	491,988,687,629	565,209,817,637
5	Deferred tax liabilities	341		2,864,161,020	2,853,492,585
6	Long-term provisions	342	23	2,829,268,096	3,378,507,298
7	Scientific and technological development fund	343		192,096,283	192,096,283
<b>B - EQUITY</b>		<b>400</b>		<b>13,899,836,341,958</b>	<b>13,238,376,233,773</b>
<b>I. Owner's equity</b>		<b>410</b>		<b>13,897,086,341,958</b>	<b>13,235,626,233,773</b>
1	Owner's contributed capital	411	25	5,309,611,050,000	5,309,611,050,000
	- Ordinary shares carrying voting rights	411a		5,309,611,050,000	5,309,611,050,000
2	Share premium	412	25	49,465,703,201	49,465,703,201
3	Other capital	414		287,829,523,052	287,829,523,052
4	Treasury shares	415	25	(823,760,000)	(823,760,000)
5	Foreign exchange reserve	417	25	16,226,773,656	10,358,539,447
6	Investment and development funds	418	25	173,708,814,233	171,160,597,046
7	Other reserves	420	25	87,231,276,674	87,230,351,424
8	Retained earnings	421	25	6,019,674,680,916	5,511,408,650,206
	- Retained earnings accumulated to the prior period	421a		5,510,660,958,805	3,323,086,196,728
	- Retained earnings of the current period	421b		509,013,722,111	2,188,322,453,478
9	Non-controlling interests	429		1,954,162,280,226	1,809,385,579,397
<b>II. Other resources and funds</b>		<b>430</b>		<b>2,750,000,000</b>	<b>2,750,000,000</b>
1	Non-business expenditure fund	431		2,750,000,000	2,750,000,000
<b>TOTAL RESOURCES</b>		<b>440</b>		<b>25,010,919,853,656</b>	<b>24,999,676,895,866</b>

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien

Hanoi, 27 April 2018  
Executive Vice President



Nguyen The Phuong

CONSOLIDATED INCOME STATEMENT  
For the period ended 31 Mar 2018

FORM B 02-DN/HN  
Unit: VND

No.	ITEMS	Codes	Notes	In period		Year to date	
				2018	2017	2018	2017
1	Gross revenue from goods sold and services rendered	01		4,756,965,340,838	9,606,952,451,575	4,756,965,340,838	9,606,952,451,575
2	Deductions	02		6,196,729,221	188,832,883,954	6,196,729,221	188,832,883,954
3	Net revenue from goods sold and services rendered	10	26	4,750,768,611,617	9,418,119,567,621	4,750,768,611,617	9,418,119,567,621
4	Cost of sales	11	27	2,895,208,284,813	7,342,606,178,604	2,895,208,284,813	7,342,606,178,604
5	Gross profit from sales	20		1,855,560,326,804	2,075,513,389,017	1,855,560,326,804	2,075,513,389,017
6	Financial income	21	28	153,492,560,984	165,921,890,251	153,492,560,984	165,921,890,251
7	Financial expenses	22	29	142,295,399,439	200,267,169,456	142,295,399,439	200,267,169,456
	<i>In which: interest expense</i>	23		46,408,615,422	112,871,916,941	46,408,615,422	112,871,916,941
8	Share of profit of associates	24		97,762,341,652	10,193,812,104	97,762,341,652	10,193,812,104
9	Selling expenses	25		422,707,405,722	729,390,435,161	422,707,405,722	729,390,435,161
10	General and administration expenses	26		770,426,481,175	692,060,517,287	770,426,481,175	692,060,517,287
11	Operating profit	30		771,385,943,104	629,910,969,468	771,385,943,104	629,910,969,468
12	Other income	31		33,761,809,018	26,062,430,404	33,761,809,018	26,062,430,404
13	Other expenses	32		24,369,541,270	12,728,605,121	24,369,541,270	12,728,605,121
14	Profit from other activities	40		9,392,267,748	13,333,825,283	9,392,267,748	13,333,825,283
15	Accounting profit before tax	50		780,778,210,852	643,244,794,751	780,778,210,852	643,244,794,751
16	Current tax expense	51		106,062,709,043	107,047,737,440	106,062,709,043	107,047,737,440
17	Deferred tax expense/(income)	52		21,947,069,543	(4,142,876,155)	21,947,069,543	(4,142,876,155)
18	Profit after tax (60=50-51-52)	60		652,768,432,266	540,339,933,466	652,768,432,266	540,339,933,466
	- Equity holders of the Holding Company	61		509,013,722,111	412,899,887,330	509,013,722,111	412,899,887,330
	- Non-controlling interests	62		143,754,710,155	127,440,046,137	143,754,710,155	127,440,046,137
19	Basic earnings per share	70	30	959	781	959	781
20	Diluted earnings per share	71		959	781	959	781

Since 18 December 2017, FPT Digital Retail Joint Stock Company and FPT Trading Company Limited have no longer been subsidiaries of FPT but its associates. For comparison purpose, please see more at Note 4 "Segment reporting".

**FPT CORPORATION**

17 Duy Tan Street, Dich Vong Hau Ward  
Cau Giay District, Hanoi, S.R. Vietnam

**Consolidated financial statements**

For the period ended 31 Mar 2018

**EXPLANATION ON HIGHER PROFIT AFTER TAX IN 2018 IN COMPARISON TO 2017:**

FPT Corporation explains the variation of business results in 2018, in comparison with the same period last year as follows:

Unit: million VND

Item	Year 2018		Year 2017		Increase/Decrease			
	Quarter 1	Accumulated	Quarter 1	Accumulated	Quarter 1		Accumulated	
					Amount	Percentage	Amount	Percentage
Net revenue from goods sold and services rendered	4,750,769	4,750,769	9,418,120	9,418,120	(4,667,351)	-50%	(4,667,351)	-50%
Profit after tax	652,768	652,768	540,340	540,340	112,428	21%	112,428	21%

Revenue in 2018 decreased sharply as FPT Digital Retail Joint Stock Company and Synnex FPT Joint Stock Company have no longer been subsidiaries of FPT (but its associates) and hence, in 2018, revenue of these companies was not consolidated into FPT's revenue.

FPT's profit has increased thanks to good performance of Technology sector and Telecom sector, whose Profit before tax increased by 37% and 15%, respectively.

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien

Hanoi, 27 April 2018  
Executive Vice President



Nguyen The Phuong

**CONSOLIDATED CASH FLOW STATEMENT**  
*For the period ended 31 Mar 2018*

FORM B 03-DN/HN  
Unit: VND

No.	ITEMS	Codes	YEAR	
			2018	2017
<b>I</b>	<b>Cash flows from operating activities</b>			
1	<i>Profit before tax</i>	01	780,778,210,852	643,244,794,751
2	<i>Adjustments for:</i>			
	- Depreciation and amortisation	02	274,120,905,699	240,877,160,280
	- Provisions	03	28,467,536,958	32,079,200,825
	- Foreign exchange (gain)/ loss arising from translating foreign currency items	04	36,234,011,948	(4,276,764,673)
	- (Gain)/losses from investing activities	05	(172,895,957,104)	(93,661,195,649)
	- Interest expense	06	46,408,615,422	112,871,916,941
3	<i>Operating profit before movements in working capital</i>	08	993,113,323,775	931,135,112,475
	- (Increase)/Decrease in receivables	09	430,508,628,152	717,745,206,261
	- (Increase)/Decrease in inventories	10	(117,726,206,731)	(311,261,568,352)
	- (Decrease)/Increase in accounts payable (not including accrued interest and corporate income tax payable)	11	(997,380,363,984)	(1,909,817,307,407)
	- (Increase)/Decrease in prepaid expenses	12	(130,373,073,840)	91,883,152
	- Interest paid	14	(44,399,653,219)	(116,865,618,894)
	- Corporate income tax paid	15	(162,818,299,787)	(174,796,036,102)
	- Other cash inflows/(outflows)	17	(88,490,091,653)	(189,268,473,329)
	<i>Net cash from operating activities</i>	20	(117,565,737,287)	(1,053,036,802,197)
<b>II</b>	<b>Cash flows from investing activities</b>			
1	Acquisition of fixed assets and other long-term assets	21	(602,935,284,388)	(187,864,270,732)
2	Proceeds from sale, disposal of fixed assets and other long-term	22	16,349,167	3,292,174,348
3	Cash inflow/outflow from lending and trading debt instruments	23	(420,153,483,511)	(736,288,338,008)
4	Cash recovered from investments in other entities	26	-	946,800,000
5	Interest earned, dividends received	27	96,312,241,294	90,781,467,399
	<i>Net cash (used in) investing activities</i>	30	(926,760,177,438)	(829,132,166,993)
<b>III</b>	<b>Cash flows from financing activities</b>			
1	Proceeds from issuing stocks	31	-	15,500,000,000
2	Capital withdrawals, buying treasury shares and proceeds from shares re-issued	32	-	(120,000,000)
3	Proceeds from borrowings	33	2,963,896,342,683	6,454,882,031,000
4	Repayments of borrowings	34	(2,160,548,216,900)	(6,481,311,328,384)
5	Dividends paid	36	(163,537,318,875)	(84,231,718,193)
	<i>Net cash from/(used in) financing activities</i>	40	639,810,806,908	(95,281,015,576)
	<b>Net (decrease) in cash</b>	50	(404,515,107,817)	(1,977,449,984,766)
	<b>Cash and cash equivalents at the beginning of the period</b>	60	3,480,659,514,788	6,013,361,389,774
	<b>Cash and cash equivalents at the end of the period</b>	70	3,076,144,406,971	4,035,911,405,008

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien

Hanoi, 27 April 2018  
Executive Vice President



Nguyen The Phuong

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

FPT Corporation 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 was established under the Business Registration Certificate No. 0103001041 issued for the first time by Hanoi Department of Planning and Investment dated on 13 May 2002 and its amendments.

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

According to the amended Business Registration Certificate dated 22 June 2017, the Company's charter capital is VND 5,309,611,050,000.

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

The total number of the Corporation's employees as at 31 March 2018 was 26,066 (at 31 December 2017 was 25,322).

**Operating industry and principal activities**

The principal activities of the Corporation are to provide IT and telecommunication products and services. The main products and services provided are (i) software development including software outsourcing; software solutions, software services and ERP services; (ii) system integration; (iii) informatics services including system management, BPO service, Data Center service etc.; (iv) telecommunication services including internet services and value added services; (v) digital content service including online advertising, etc.; (vi) college, university and postgraduate training services.

**Normal production and business cycle**

The Corporation's normal production and business cycle is carried out for a time period of 12 months or less except some system integration projects are carried out for a time period of more than 12 months.

**The Corporation's structure**

Since 18 December 2017, FPT's proportions of ownership interest in FPT Digital Retail Joint Stock Company ("FRT") and FPT Trading Company Limited ("FTG") have been reduced to 47% and 48%, respectively. Accordingly, FRT and FTG are no longer subsidiaries of FPT but its associates. FTG's official name is also changed to "Synnex FPT Joint Stock Company".

As at 31 March 2018, FPT Corporation had 7 subsidiaries, as follows:

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

and 4 associates:

- FPT Fund Management Joint Stock Company;
- FPT Securities Joint Stock Company;
- FPT Digital Retail Joint Stock Company;
- Synnex FPT Joint Stock Company.

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD****Accounting convention**

The accompanying consolidated 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 consolidated 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.

**Accounting period**

The Corporation's financial year begins on 01 January and ends on 31 December. These consolidated financial statements have been prepared for the period from 01 January 2018 to 31 March 2018.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Estimates**

The preparation of 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 consolidated financial statements and the reported amounts of revenues and expenses during the financial year (reporting period). Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries). Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent's ownership interests in them. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**Business combination**

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to consolidated profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders's proportion of the net fair value of the assets, liabilities, and contingent liabilities recognised.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Investments in associates**

An associate is an entity over which the Corporation 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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

**Goodwill**

Goodwill represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. After acquisition date, if the Parent continues making investment in the subsidiary, it should determine the cost of additional investment and corresponding increase in ownership of the carrying value of the acquired net asset of the subsidiary (not applying fair value as on acquisition date). The difference between the cost of additional investment and the carrying value of the acquired net asset should be recorded directly into retained earnings (similar to transactions among internal shareholders).

Goodwill arising on the acquisition date is presented separately as an intangible asset in the consolidated balance sheet and is amortised on the straight-line basis in the consolidated income statement according to current regulation. In case where the amount of goodwill impairment loss in the period is more than the annual amortised amount on the straight-line basis, the loss amount shall be recognised.

On disposal of a subsidiary, the attributable amount of unmortised goodwill is reduced corresponding to the disposed share proportion and included in retained earnings in case where the Parent remains its control of the subsidiary, or reduced in full and included in the determination of the profit or loss in case where the Parent loses the control.

**Financial instruments****Initial recognition***Financial assets*

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Corporation comprise cash and cash equivalents, trade and other receivables, short-term and long-term investments, and other financial assets.

*Financial liabilities*

At the date of initial recognition, financial liabilities are recognised at cost.

Financial liabilities of the Corporation comprise trade and other payables, accruals, borrowings, obligations under finance leases and accrued expenses.

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

#### **Subsequent measurement after initial recognition**

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

#### **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.

##### ***Equity investments in other entities***

Equity investments in other entities represent the Corporation'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.

##### ***Provision for impairment of long-term financial investment***

Provisions for impairment of long-term financial investments 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. In some cases, according to estimate of the Board of Director, the Corporation prudently makes more provision for impairment of long-term financial investment than requisition of prevailing accounting regulations.

#### **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.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****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 Corporation 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 realisable values as at the balance sheet date.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased tangible fixed assets comprises their purchase price 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 following estimated useful lives:

	<b>2018</b> <b>(Years)</b>
Buildings and structures	5 – 25
Machinery and equipment	3 – 25
Motor vehicles	3 – 10
Office equipment	3 – 8
Other assets	3 – 25

**Finance lease assets and depreciation**

Finance lease assets acquired from finance lease transactions, whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Corporation at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Corporation's general policy on borrowing costs.

**Intangible fixed assets and amortization****(i) Land use rights**

Intangible assets represent land use rights that are stated at cost less accumulated amortisation. Definite land use rights are amortised using the straight-line method over the duration of the right to use the land. Indefinite land use rights are not amortised.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****(ii) License, copyright and patent**

Purchase price of license is accounted for as intangible fixed asset. License is amortised on straight-line basis from 3 to 5 years. The right to operate the high-speed internet line is amortised over 15 years of the operation right.

Purchase price of copyright and patent is capitalized and accounted for as intangible fixed asset. Copyright and patent are amortised on straight-line basis from 3 to 5 years.

**(iii) Trademark**

Purchase price of trademark and brand name are recorded as intangible fixed asset. Trademark and brand name are amortised on straight-line basis over the estimated useful lives.

**(iv) Computer software**

Purchase price of new computer software, which is not an integral part of related hardware is capitalized and accounted for as intangible fixed asset. Computer software is amortised on 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 current accounting regulation. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**Long-term prepayments**

Long-term prepayments comprise prepaid land rental and its attributable cost and office rental. Prepaid land rentals are charged to consolidated income statement using the straight-line method over the lease term.

Tools and supplies issued for consumption, small devices and office refurbishment are stated at cost and expensed in accordance with the prevailing regulations.

**Provisions**

Provisions are made when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the consolidated balance sheet date.

**Provision for warranties**

The provision for warranties relates mainly to goods sold and services rendered. The provision is based on estimates derived from historical warranty data associated with similar products and services.

**Provision for guarantees on student loans**

The provision for guarantees on student loans relates to guarantees made by FPT University to BIDV Ha Thanh Branch and Tien Phong Commercial Joint Stock Bank in regard of loans granted by the banks to selected students of FPT University, under FPT Education Company Limited, a subsidiary of the Corporation.

**Bonus and welfare funds**

The Corporation distributes up to 10% of net profit after tax of subsidiaries to bonus and welfare funds.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Revenue recognition**

Revenue is recognised when the outcome of such transactions can be measured reliably and it is probable that the economic benefits associated with the transactions will flow to the Corporation.

Revenue from the sale of goods

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

- (a) the Corporation has transferred to the buyer significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with 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 Corporation; 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 transactions 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 Corporation;
- (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.

Revenue from software development, system integration and informatics services

Revenue of a transaction involving the rendering of service is recognised in the consolidated income statement by reference to the percentage of completion of transaction at the year end. The percentage of completion is assessed by performance or the percentage of the incurred expense of the completed work over the total contract cost estimate. Revenue is not recognised if there is material unreliable element related to recovery of receivables.

Revenue from processing services

Revenue from processing services is recognised in the consolidated income statement when the goods have been processed and accepted by the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the receivables due.

Revenue from telecommunication services

Revenue from telecommunication services is recognised on pro-rata basis over the period during which the services were actually provided to customers.

Revenue from the sale of telephone and internet prepaid cards is recognised in the consolidated income statement based on the time units actually consumed by users. Subsequently, any unutilized credits are recognised as income upon the expiration of the period of use in accordance with the published expiration policy. Amounts received upon the sale of prepaid cards, but prior to usage or expiration of the value sold, are shown as advance from customers in the consolidated balance sheet.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Revenue from online advertising services

Revenue from online advertising services is recognised on the basis of work completed.

Revenue from tuition and fees

Revenue is recognised in the year when services are rendered. Tuition and fees collected in advance from the students are recorded as unearned revenue on the consolidated balance sheet and released to the consolidated income statement in the year in which the semester falls.

*Tuition and fee payment*

Tuition and fees are fully payable in advance prior to the beginning of each semester.

*Enrolment fee or application fee*

A one-time fixed application fee is charged per student and collected with applications for enrolment. Proceeds from the application fees are used to defray the costs associated with all procedures relating to processing each student's enrolment, including the administration of applicable assessment evaluation of prior school records and appropriate placement for the student. The application fee is not refundable.

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 Corporation's right to receive payment has been established.

**Foreign currencies**

The Corporation applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**Financial statements of foreign operations**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign operations (including comparative figures) are expressed in reporting currency using exchange rates prevailing on the balance sheet date. Income and expense items (including comparative figures) are translated at the regulated exchange rates. Exchange differences arising, if any, are classified as equity and transferred to the Corporation's foreign exchange reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

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

**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 "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.

**Earnings per share**

The Corporation presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by having the profit or loss attributable to the ordinary shareholders of the Corporation divided by the weighted average number of outstanding ordinary shares during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding taking into consideration the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

**Related parties**

Related parties include associates and key management personnel of the Corporation.

**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 consolidated 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 consolidated 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 period 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 Corporation 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. SEGMENT REPORTING**

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

The Corporation has two major business lines under management of FPT Corporation (the Corporation) as follows:

**Information Technology and Telecommunication**

- **Telecommunication:** providing internet services to individuals and households, internet services to enterprises such as providing internet leased line service, domestic and international telecommunication, domain, hosting, Web Portal services, IPTV etc.;
- **Digital content:** providing online services for enterprises and individual customers, including online newspapers (such as VnExpress.net, Ngoisao.net, iOne.net, PCWorld.com.vn, Gamethu.vn etc.); online advertising, AdNetwork, online music, e-payment etc.;
- **Software Outsourcing:** Software production, providing consultancy and deployment of S.M.A.C/IoT, digital transformation services, IT system transformation services, quality assurance testing, embedded software, ERP implementation and management services;
- **Software solutions, system integration and information services:** providing application software solutions, providing information system integration services, supplying IT equipment, data center services, networking and security system design/construction; authorized warranty and maintenance of IT products for hardware vendors.

**Investment and education:** including the following main activities:

- Providing training services in IT, business management majors at high education, university, and post-graduate levels;
- Managing investments in associates operating in the finance field;
- Managing and developing real estate projects relating to the Corporation's infrastructure needs.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

**4. SEGMENT REPORTING (Continued)**

**4.1 Segment reporting**

Unit: VND million

Items	Information Technology and Telecommunication					Investment and education	Elimination	Total
	Telecommunication	Digital content	Software outsourcing	Software solution, system integration and informatics services	Technology product manufacture, distribution and retail			
<b>Current year</b>								
Segment revenue	1,901,711	107,572	1,674,822	777,688	-	288,975	-	4,750,769
Segment profit before tax	287,508	51,707	235,484	14,213	-	538,792	(346,927)	780,778
<b>Previous year</b>								
Segment revenue	1,642,567	106,691	1,309,771	619,589	5,864,415	179,235	(304,147)	9,418,120
Segment profit before tax	242,436	52,877	189,857	(7,195)	116,818	417,062	(368,610)	643,245

**4.2 Restated segment reporting for comparison purpose (FTG and FRT are reported as FPT's associates from 01 January 2017 with FPT's current proportions of ownership interest in the two investees):**

Unit: VND million

Items	Information Technology and Telecommunication				Investment and education	Elimination	Total
	Telecommunication	Digital content	Software outsourcing	Software solution, system integration and informatics services			
<b>Current year</b>							
Segment revenue	1,901,711	107,572	1,674,822	777,688	288,975	-	4,750,769
Segment profit before tax	287,508	51,707	235,484	14,213	538,792	(346,927)	780,778
<b>Previous year</b>							
Segment revenue	1,642,567	106,691	1,309,771	619,589	179,235	-	3,857,852
Segment profit before tax	242,436	52,877	189,857	(7,195)	472,528	(368,610)	581,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5. CASH AND CASH EQUIVALENTS

	<u>31/3/2018</u>	<u>31/12/2017</u>
	VND	VND
Cash on hand	29,095,910,972	10,143,297,590
Cash in bank	1,514,801,731,237	1,874,995,984,980
Cash in transfer	-	1,295,936,150
Cash equivalents (i)	1,532,246,764,762	1,594,224,296,068
	<u>3,076,144,406,971</u>	<u>3,480,659,514,788</u>

(i) Cash equivalents represent bank deposits with terms of 3 months or less.

6. FINANCIAL INVESTMENTS

	31/3/2018		31/12/2017	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
<b>Held-to-maturity investments</b>				
- Term deposits	4,772,783,681,292	4,772,783,681,292	4,352,630,197,781	4,352,630,197,781
- Other investments	86,275,051,776	25,754,564,292	86,275,051,776	26,816,014,292
	<u>4,859,058,733,068</u>	<u>4,798,538,245,584</u>	<u>4,438,905,249,557</u>	<u>4,379,446,212,073</u>

	31/3/2018		31/12/2017	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
<b>Investment in other entities</b>				
- Viet Nam BVIM investment fund	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
- Other investments	747,194,842,700	436,177,069,045	747,159,852,282	447,564,569,046
	<u>749,294,842,700</u>	<u>438,277,069,045</u>	<u>749,259,852,282</u>	<u>449,664,569,046</u>

7. TRADE RECEIVABLES

As at 31/3/2018 trade receivables balance does not include balances of trade receivables which account for 10% or more of the total trade receivables balance.

8. OTHER RECEIVABLES

	<u>31/3/2018</u>	<u>31/12/2017</u>
	VND	VND
<b>a. Short-term</b>		
Receivables from maintenance service contracts in progress	229,155,694,526	98,011,262,505
Other receivables	707,760,613,196	668,989,108,994
	<u>936,916,307,722</u>	<u>767,000,371,499</u>
<b>b. Long-term</b>		
Deposits and mortgages	66,293,195,388	69,491,018,667
Other receivables	74,101,266,122	55,343,597,639
	<u>140,394,461,510</u>	<u>124,834,616,306</u>

9. BAD DEBTS

As at 31/3/2018 bad debts balance does not include bad debts by payees accounting for 10% or more of the total amount overdue.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FORM B 09-DN/HN**

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

**10. INVENTORIES**

	<b>31/3/2018</b>		<b>31/12/2017</b>	
	<b>Cost</b>	<b>Provision</b>	<b>Cost</b>	<b>Provision</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Goods in transit	14,860,807,511	-	120,106,386,194	-
Tools and supplies	96,156,717,267	-	89,770,774,162	-
Work in progress	386,036,761,602	-	308,795,278,723	-
Merchandise	687,462,306,402	(3,347,147,115)	505,371,513,444	(3,831,528,933)
<b>Total</b>	<b>1,184,516,592,782</b>	<b>(3,347,147,115)</b>	<b>1,024,043,952,523</b>	<b>(3,831,528,933)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

11. TANGIBLE FIXED ASSETS

	Structures and buildings	Machinery and equipment	Motor vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
As at 1/1/2018	1,625,144,590,958	5,896,081,735,959	55,111,745,719	673,046,279,078	10,789,235,430	8,260,173,587,144
Additions	-	218,029,053,798	2,396,016,800	18,204,002,849	186,900,000	238,815,973,447
Transfers from CIP	-	1,566,193,412	-	-	-	1,566,193,412
Disposals	-	-	-	(271,212,266)	-	(271,212,266)
Other increase/(decreases) (*)	-	(80,493,464,119)	-	(610,061,322)	14,858,785	(81,088,666,656)
<b>As at 31/3/2018</b>	<b>1,625,144,590,958</b>	<b>6,035,183,519,051</b>	<b>57,507,762,519</b>	<b>690,369,008,339</b>	<b>10,990,994,215</b>	<b>8,419,195,875,081</b>
<b>ACCUMULATED DEPRECIATION</b>						
As at 1/1/2018	286,531,243,345	2,842,976,166,514	29,136,268,306	509,366,106,971	6,670,742,695	3,674,680,527,831
Charge for the period	17,394,254,274	211,025,757,507	1,420,394,845	11,443,126,680	451,157,933	241,734,691,239
Disposals	-	-	-	(271,212,266)	-	(271,212,266)
Other increase/(decreases) (*)	-	(38,123,191,224)	-	(232,777,590)	13,735,686	(38,342,233,129)
<b>As at 31/3/2018</b>	<b>303,925,497,619</b>	<b>3,015,878,732,797</b>	<b>30,556,663,151</b>	<b>520,305,243,795</b>	<b>7,135,636,314</b>	<b>3,877,801,773,676</b>
<b>NET BOOK VALUE</b>						
<b>As at 31/3/2018</b>	<b>1,321,219,093,339</b>	<b>3,019,304,786,253</b>	<b>26,951,099,368</b>	<b>170,063,764,544</b>	<b>3,855,357,901</b>	<b>4,541,394,101,405</b>
<b>As at 1/1/2018</b>	<b>1,338,613,347,613</b>	<b>3,053,105,569,445</b>	<b>25,975,477,413</b>	<b>163,680,172,107</b>	<b>4,118,492,735</b>	<b>4,585,493,059,313</b>

(\*): Other decreases in fixed assets during the period mainly represent machinery and equipment from former telecommunications transmission infrastructure, which have been reclassified into inventory for disposal or replacement purpose.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**12. INTANGIBLE FIXED ASSETS**

	Land use right VND	Computer software VND	License, copyright, and patent VND	Total VND
<b>COST</b>				
As at 1/1/2018	139,115,531,399	325,037,602,836	653,266,251,331	1,117,419,385,566
Purchases	-	16,028,519,400	1,966,821,663	17,995,341,063
Other increases/(decreases)	-	1,043,229,588	-	1,043,229,588
<b>As at 31/3/2018</b>	<b>139,115,531,399</b>	<b>342,109,351,824</b>	<b>655,233,072,994</b>	<b>1,136,457,956,217</b>
<b>ACCUMULATED AMORTISATION</b>				
As at 1/1/2018	7,104,943,926	244,125,246,966	208,053,348,700	459,283,539,592
Charge for the period	683,370,927	10,399,714,147	20,966,856,647	32,049,941,720
Other increases/(decreases)	-	79,332,657	-	79,332,657
<b>As at 31/3/2018</b>	<b>7,788,314,853</b>	<b>254,604,293,769</b>	<b>229,020,205,347</b>	<b>491,412,813,969</b>
<b>NET BOOK VALUE</b>				
<b>As at 31/3/2018</b>	<b>131,327,216,546</b>	<b>87,505,058,055</b>	<b>426,212,867,648</b>	<b>645,045,142,248</b>
<b>As at 1/1/2018</b>	<b>132,010,587,473</b>	<b>80,912,355,870</b>	<b>445,212,902,631</b>	<b>658,135,845,974</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

13. CONSTRUCTION IN PROGRESS

	2018	2017
	VND	VND
<b>Opening balance</b>	<b>805,559,896,217</b>	<b>1,006,742,286,288</b>
Increase in the period	167,151,356,969	771,849,613,507
Transfer to fixed assets	(1,566,193,412)	(805,917,957,379)
Divestment of FRT, FTG	-	(123,243,421,629)
Other increase/decrease	(838,486,785)	(43,870,624,570)
<b>Closing balance</b>	<b>970,306,572,989</b>	<b>805,559,896,217</b>
	<b>31/3/2018</b>	<b>31/12/2017</b>
	VND	VND
<b>Detail by significant projects</b>		
AAE1 project	119,760,622,000	-
Nam An Khanh investment project	92,978,439,918	92,978,439,918
Tan Thuan 3 office building project	134,581,309,947	122,790,367,827
FPT Tower	393,003,100,000	393,003,100,000
Other projects	229,983,101,124	196,787,988,472
	<b>970,306,572,989</b>	<b>805,559,896,217</b>

14. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 31 March 2018 are as follows:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting right	Principal activities
FPT Information System Company Limited	Floor 22, Keangnam Landmark72 Tower, E6, Pham Hung street, Me Tri, Tu Liem, Hanoi	100.00%	100.00%	Providing application software solution, EPR service, IT service and integrated system service
FPT Software Company Limited	Floor 6-12 FPT Cau Giay Building, Pham Hung Street, Cau Giay District, Hanoi	100.00%	100.00%	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
FPT Education Company Limited	FPT Cau Giay Building, Pham Hung Street, Cau Giay District, Hanoi	100.00%	100.00%	Providing training and technology services

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**14. INVESTMENTS IN SUBSIDIARIES (Continued)**

Name of subsidiary	Place of incorporation and operation	Proportion of ownership	Proportion of voting right	Principal activities
FPT Online Service Joint Stock Company	408 Dien Bien Phu Street, Ward 11, District 10, Hochiminh City	51.95%	84.08%	Providing online services
FPT Investment Company Limited	Floor 13, FPT Cau Giay Building, Pham Hung Street, Cau Giay District, Hanoi	100.00%	100.00%	Providing financial services activities (investment consulting service, excluding legal and financial consulting services)
FPT Media Company Limited (ii)	FPT Cau Giay Building, Pham Hung Street, Cau Giay District, Hanoi	100.00%	100.00%	Producing news and entertainment shows; supplying telecom and advertising services

- (i) As at 31/3/2018, FPT Corporation holds 45.65% ownership interest (31/12/2017: 45.65%) and controls 45.65% of voting rights (31/12/2017: 45.65%) at FPT Telecom Joint Stock Company. However, the Corporation has the power to cast the majority of votes at meetings of the Board of Management of FPT Telecom Joint Stock Company and thus, the Corporation has the power to control the financial and operating policies of FPT Telecom Joint Stock Company. Therefore, the Corporation has control over FPT Telecom Joint Stock Company, and thus, the financial statements of FPT Telecom Joint Stock Company are incorporated into the Corporation's consolidated financial statements.
- (ii) On 8 August 2011, Executive President of FPT Corporation issued Decision No. 79.1-2011/QD-FPT TGD on temporarily narrowing the business activities of FPT Media Company Limited.

**15. INVESTMENTS IN ASSOCIATES**

	From 1/1/2018 to 31/3/2018	From 1/1/2017 to 31/12/2017
	VND	VND
<b>Opening balance</b>	<b>1,333,704,438,239</b>	<b>289,799,251,298</b>
Share of net profit of associates	78,103,462,472	56,959,207,134
Dividend received	-	(9,034,665,500)
Effects of subsidiaries becoming associates	-	995,980,645,307
<b>Closing balance</b>	<b>1,411,807,900,711</b>	<b>1,333,704,438,239</b>

Details of associates as at 31 March 2018 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest and voting right	Principal activities
FPT Securities Joint Stock Company	No. 52, Lac Long Quan Road, Buoï Ward, Tay Ho District, Hanoi	20%	Share trading, brokerage, investment advisory and share depository services
FPT Fund Management Joint Stock Company	Floor 9, TTC Building, Dich Vong Hau Ward Cau Giay District, Hanoi	25%	Portfolio and fund management and other services
FPT Digital Retail Joint Stock Company	261 - 263 Khanh Hoi, Ward 5, District 4, Hochiminh City	47%	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent
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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**16. DEFERRED TAX ASSETS**

	Fixed assets	Revenue	Others	Total
	VND	VND	VND	VND
As at 1/1/2018	17,795,401,242	33,040,140,028	9,598,864,671	60,434,405,941
As at 31/3/2018	17,580,830,426	11,886,877,642	9,838,626,554	39,306,334,622

**17. TRADE PAYABLES**

As at 31/3/2018 trade payables balance does not include balances of trade payables which account for 10% or more of the total trade payables balance.

**18. TAXES AND OTHER PAYABLES TO THE STATE BUDGET**

Items	Movement			31/3/2018
	31/12/2017	Amount payable	Amount paid and deducted	
	VND	VND	VND	
VAT	134,235,081,884	493,763,428,280	508,398,647,353	119,599,862,811
- Output VAT	133,534,552,671	444,899,130,976	459,534,387,717	118,899,295,930
- VAT on imports	700,529,213	48,864,297,304	48,864,259,636	700,566,881
Import duty	47,628,589	2,663,741,711	2,663,896,278	47,474,022
Corporate income tax	35,085,741,701	85,996,830,905	162,818,299,787	(41,735,727,180)
Other taxes	33,552,336,279	188,007,184,326	197,516,743,912	24,042,776,693
Personal income tax	27,320,187,842	173,534,752,236	181,235,074,595	19,619,865,483
Other taxes	6,232,148,437	14,472,432,090	16,281,669,317	4,422,911,210
Other payables	5,756,966,100	483,371,057	2,625,979,477	3,614,357,680
	<b>208,677,754,554</b>	<b>770,914,556,278</b>	<b>874,023,566,807</b>	<b>105,568,744,025</b>

Including:

- Taxes and other receivables from the state budget	111,743,332,877	94,914,468,583
- Taxes and other payables to the state budget	320,421,087,431	200,483,212,608

**Taxes and other receivables from the state budget**

	31/3/2018	31/12/2017
	VND	VND
VAT	3,152,150,255	1,155,425,702
Import duty	34,802,628	34,802,628
Corporate income tax	84,390,180,644	110,103,151,153
Personal income tax	7,006,072,033	99,858,547
Other taxes	331,263,023	350,094,847
<b>Total</b>	<b>94,914,468,583</b>	<b>111,743,332,877</b>

**Taxes and other payables to the state budget**

	31/3/2018	31/12/2017
	VND	VND
VAT	122,752,013,066	135,390,507,586
Import duty	82,276,650	82,431,217
Corporate income tax	42,654,453,464	145,188,892,854
Personal income tax	26,625,937,517	27,420,046,389
Foreign contractor tax	4,754,174,232	6,582,243,285
Other taxes	3,614,357,681	5,756,966,100
<b>Total</b>	<b>200,483,212,608</b>	<b>320,421,087,431</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

19. SHORT-TERM ACCRUED EXPENSES

	<u>31/3/2018</u>	<u>31/12/2017</u>
	VND	VND
Accrued expenses for system integration projects	378,744,896,530	408,455,330,656
Other accruals	217,818,277,212	509,963,462,607
	<u>596,563,173,742</u>	<u>918,418,793,263</u>

20. UNEARNED REVENUE

	<u>31/3/2018</u>	<u>31/12/2017</u>
	VND	VND
<b>a) Short-term</b>		
Unearned revenue related to telecom service	1,065,414,014,800	987,786,150,810
Unearned revenue related to tuition and fees	119,828,452,482	230,852,766,071
Other items	90,260,565,566	74,992,000,747
	<u>1,275,503,032,848</u>	<u>1,293,630,917,628</u>
<b>b) Long-term</b>		
Unearned revenue related to telecom service	8,812,223,634	7,373,253,511
Other items	40,031,734,297	40,423,286,118
	<u>48,843,957,931</u>	<u>47,796,539,629</u>

21. OTHER PAYABLES

	<u>31/3/2018</u>	<u>31/12/2017</u>
	VND	VND
<b>a) Short-term</b>		
Union fees	41,856,454,965	43,851,162,084
Social, health, unemployment insurance	42,063,167,052	10,125,934,480
Short-term deposits received	124,873,370,413	120,204,816,937
Dividends payable	7,586,432,281	171,123,751,156
Other current payables	72,640,838,576	94,184,548,166
	<u>289,020,263,287</u>	<u>439,490,212,823</u>
<b>b) Long-term</b>		
Long-term deposits received	407,510,920	205,725,910
Other payables	-	1,319,744,011
	<u>407,510,920</u>	<u>1,525,469,921</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

22. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASE

Items	31/12/2017		In the year		31/3/2018	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term loans from banks and economic entities (i)	3,754,428,452,147	3,754,428,452,147	2,793,365,028,017	1,927,993,311,034	4,619,800,169,130	4,619,800,169,130
Current portion of long-term loans and obligations under finance lease	362,560,256,177	362,560,256,177	121,987,576,893	110,790,038,084	373,757,794,986	373,757,794,986
- Current portion of long-term loans (ii)	361,663,699,034	361,663,699,034	121,713,345,889	110,601,516,578	372,775,528,345	372,775,528,345
- Current portion of long-term obligations under finance lease	896,557,143	896,557,143	274,231,004	188,521,506	982,266,641	982,266,641
<b>Total</b>	<b>4,116,988,708,324</b>	<b>4,116,988,708,324</b>	<b>2,915,352,604,910</b>	<b>2,038,783,349,118</b>	<b>4,993,557,964,115</b>	<b>4,993,557,964,115</b>

- (i) Short-term loans from banks and economic entities are mainly under trust and in the form of letter of credit. These credit facilities are unsecured and can be withdrawn in either Vietnam Dong or United State Dollars. Interest charge is determined per each specific withdrawal.
- (ii) Please see Note 24 for more.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**23. PROVISIONS**

	Short - term provisions for warranties and others	Long - term provisions for warranties	Provisions for guarantees on student loans	Total
	VND	VND	VND	VND
As at 1/1/2017	6,051,424,047	3,365,602,298	12,905,000	9,429,931,345
Additional provision	782,362,899	82,253,934	-	864,616,833
Utilisation/Reversal of provisions	(1,443,665,123)	(631,493,136)	-	(2,075,158,259)
As at 31/3/2018	5,390,121,823	2,816,363,096	12,905,000	8,219,389,919

***Warranties***

The provision for warranties relates mainly to goods sold and services rendered. The provision is based on estimates derived from historical warranty data associated with similar products and services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

24. LONG-TERM LOANS AND LIABILITIES

Items	31/12/2017		In the year		31/3/2018	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Long-term loans	923,986,391,690	923,986,391,690	48,608,236,641	110,601,516,578	861,993,111,753	861,993,111,753
Other long-term liabilities	3,783,682,125	3,783,682,125	158,210,244	188,521,506	3,753,370,862	3,753,370,862
<b>Total</b>	<b>927,770,073,815</b>	<b>927,770,073,815</b>	<b>48,766,446,885</b>	<b>110,790,038,084</b>	<b>865,746,482,615</b>	<b>865,746,482,615</b>

In which:

- Amount due for settlement within 12 months	362,560,256,178	373,757,794,986
- Amount due for settlement after 12 months	565,209,817,637	491,988,687,629

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**24. LONG-TERM LOANS AND LIABILITIES (Continued)**

	<u>31/3/2018</u>	<u>31/12/2017</u>
	VND	VND
Long-term loans:	861,993,111,752	923,986,391,690
- 3-year loans	440,120,987,300	457,674,918,560
- 4-year loans	156,161,617,281	190,193,709,103
- 5-year loans	265,710,507,171	276,117,764,027
Long-term obligations under finance leases	3,753,370,863	3,783,682,125
<b>Total</b>	<b><u>865,746,482,615</u></b>	<b><u>927,770,073,815</u></b>
<b>Of which</b>		
Amount due for settlement within 12 months	373,757,794,986	362,560,256,178
Amount due for settlement after 12 months	491,988,687,629	565,209,817,637
Long-term loans are repayable as follows:		
	<u>31/3/2018</u>	<u>31/12/2017</u>
	VND	VND
On demand or within one year	372,775,528,346	361,663,699,034
In the second year	356,131,691,043	339,004,368,712
In the third to fifth year inclusive	133,085,892,363	223,318,323,944
After five years	-	-
	<b><u>861,993,111,752</u></b>	<b><u>923,986,391,690</u></b>
Less: Amount due for settlement within 12 months (shown under current liabilities)	372,775,528,346	361,663,699,034
<b>Amount due for settlement after 12 months</b>	<b><u>489,217,583,406</u></b>	<b><u>562,322,692,656</u></b>

**FPT CORPORATION**17 Duy Tan Street, Dich Vong Hau Ward  
Cau Giay District, Hanoi, S.R. Vietnam**Consolidated financial statements**  
For the period ended 31 Mar 2018**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***25. SHAREHOLDERS' EQUITY****Equity movement**

	Charter capital	Share premium	Other owners' capital	Treasury shares	Foreign exchange reserve	Investment and development funds	Financial reserve fund	Retained earnings	Total
	VND	VND		VND	VND	VND	VND	VND	VND
As at 1/1/2017	4,594,266,840,000	49,465,703,201	56,882,670,000	(823,760,000)	(5,875,468,099)	126,889,833,508	87,227,200,764	4,614,339,862,503	9,522,372,881,877
Shares issued	22,963,700,000	-	-	-	-	-	-	-	22,963,700,000
Profit for the year	-	-	-	-	-	-	-	2,931,530,862,562	2,931,530,862,562
Stock dividends declared	692,380,510,000	-	62,570,940,000	-	-	-	-	(754,951,450,000)	-
Transferred to bonus and welfare funds	-	-	-	-	-	-	-	(212,329,680,082)	(212,329,680,082)
Transferred to and Utilization of Investment and development funds	-	-	-	-	-	44,270,763,538	-	(52,450,388,283)	(8,179,624,745)
Dividends declared	-	-	-	-	-	-	-	(992,519,407,000)	(992,519,407,000)
Others	-	-	168,375,913,052	-	16,234,007,546	-	3,150,660	(22,211,149,493)	162,401,921,765
As at 1/1/2018	5,309,611,050,000	49,465,703,201	287,829,523,052	(823,760,000)	10,358,539,447	171,160,597,046	87,230,351,424	5,511,408,650,207	11,426,240,654,378
Net profit for the year	-	-	-	-	-	-	-	509,013,722,111	509,013,722,111
Transferred to and Utilization of Investment and development funds	-	-	-	-	-	2,548,217,187	-	-	2,548,217,187
Others	-	-	-	-	5,868,234,209	-	925,250	(747,691,402)	5,121,468,057
As at 31/3/2018	5,309,611,050,000	49,465,703,201	287,829,523,052	(823,760,000)	16,226,773,656	173,708,814,233	87,231,276,674	6,019,674,680,916	11,942,924,061,732

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**25. SHAREHOLDERS' EQUITY (Continued)**

**Number of outstanding shares**

	<u>31/3/2018</u>	<u>31/12/2017</u>
	Number of shares	Number of shares
<b>Authorised share capital</b>	<b>530,961,105</b>	<b>530,961,105</b>
<b>Issued share capital</b>	<b>530,961,105</b>	<b>530,961,105</b>
Ordinary shares	530,961,105	530,961,105
<i>Of which Shares subject to restriction in ownership transfer</i>	<i>7,925,466</i>	<i>7,925,466</i>
<b>Treasury shares</b>	<b>(82,376)</b>	<b>(82,376)</b>
<i>Of which Shares subject to restriction in ownership transfer</i>	<i>-</i>	<i>-</i>
<b>Shares currently in circulation</b>	<b>530,878,729</b>	<b>530,878,729</b>
Ordinary shares	530,878,729	530,878,729
<i>Of which Shares subject to restriction in ownership transfer</i>	<i>7,925,466</i>	<i>7,925,466</i>

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

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

**26. REVENUE**

	<u>From 1/1/2018 to</u>	<u>From 1/1/2017 to</u>
	<u>31/3/2018</u>	<u>31/3/2017</u>
	VND	VND
<b>Revenue</b>	<b>4,756,965,340,838</b>	<b>9,606,952,451,575</b>
In which:		
- Revenue from goods sold	519,044,928,190	6,265,112,550,741
- Revenue from services rendered	4,237,920,412,648	3,341,839,900,834
Deductions	6,196,729,221	188,832,883,954
<b>Net revenue</b>	<b>4,750,768,611,617</b>	<b>9,418,119,567,621</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN**

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

**27. COSTS OF SALES**

	<u>From 1/1/2018 to</u> <u>31/3/2018</u>	<u>From 1/1/2017 to</u> <u>31/3/2017</u>
	VND	VND
Cost of goods sold	586,860,613,019	5,479,267,526,085
Cost of services rendered	2,308,832,053,612	1,868,633,476,314
Provision/(Reversal) for devaluation of inventories	(484,381,818)	(5,294,823,795)
<b>Total</b>	<b><u>2,895,208,284,813</u></b>	<b><u>7,342,606,178,604</u></b>

**28. FINANCIAL INCOME**

	<u>From 1/1/2018 to</u> <u>31/3/2018</u>	<u>From 1/1/2017 to</u> <u>31/3/2017</u>
	VND	VND
Interest from bank deposits, loans and bonds	94,712,257,643	89,406,253,428
Foreign exchange gain	58,385,115,821	50,668,026,380
Other financial income	395,187,520	25,847,610,443
	<b><u>153,492,560,984</u></b>	<b><u>165,921,890,251</u></b>

**29. FINANCIAL EXPENSES**

	<u>From 1/1/2018 to</u> <u>31/3/2018</u>	<u>From 1/1/2017 to</u> <u>31/3/2017</u>
	VND	VND
Interest expense	46,408,615,422	112,871,916,941
Foreign exchange loss	78,173,724,030	64,121,258,082
Other financial expenses	17,713,059,987	23,273,994,433
	<b><u>142,295,399,439</u></b>	<b><u>200,267,169,456</u></b>

**30. EARNINGS PER SHARE**

Basic earnings per share as at 31 March 2018 was calculated based on the profit attributable to ordinary shareholders and a weighted average number of outstanding ordinary shares during the year, as follows:

	<u>From 1/1/2018 to</u> <u>31/3/2018</u>	<u>From 1/1/2017 to</u> <u>31/3/2017</u>
	VND	VND
Accounting profit after tax	509,013,722,111	412,899,887,330
Allocation to bonus and welfare fund	-	-
Weighted average number of outstanding ordinary shares	530,878,729	528,582,359
<b>Basic earnings per share</b>	<b>959</b>	<b>781</b>

**Restatement of weighted average number of ordinary shares**

On 25 May 2017, FPT Corporation paid dividend in shares, which led to a retrospective adjustment to the weighted average number of outstanding ordinary shares of the period from 01 January 2017 to 31 March 2017, as follows:

	<u>Weighted average</u> <u>number of ordinary</u>	<u>Earning per share</u>
<b>As stated in the consolidated financial statements for the period from 01 January 2017 to 31 March 2017</b>	<b>459,344,308</b>	<b>899</b>
Effect of stock dividends issued on 25 May 2017	69,238,051	(118)
<b>As restated</b>	<b><u>528,582,359</u></b>	<b><u>781</u></b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**31. FINANCIAL INSTRUMENTS**

**Capital risk management**

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Corporation consists of net debt (borrowings disclosed in Note 22, Note 24 offset by cash and cash equivalents) and equity attributable to equity holders of the parent (comprising capital, reserves and retained earnings).

**Significant accounting policies**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

**Categories of financial instruments**

	<b>Carrying amounts</b>	
	<b>31/3/2018</b>	<b>31/12/2017</b>
	<b>VND</b>	<b>VND</b>
<b>Financial assets</b>		
Cash and cash equivalents	3,076,144,406,971	3,480,659,514,788
Trade and other receivables	5,265,092,247,319	5,265,092,247,319
Held-to-maturity investments	4,798,538,245,584	4,379,446,212,073
Equity investments in other entities	438,277,069,045	449,664,569,045
<b>Total</b>	<b>13,578,051,968,919</b>	<b>13,574,862,543,225</b>
<b>Financial liabilities</b>		
Loans and obligations under finance leases	5,505,948,060,244	4,682,198,525,961
Trade and other payables	1,845,954,086,991	2,821,874,588,734
Accruals	596,563,173,742	918,418,793,263
<b>Total</b>	<b>7,948,465,320,977</b>	<b>8,422,491,907,958</b>

The Corporation does not apply Circular No. 210/2009/TT-BTC dated 06 November 2009 since no specific guidance is available. Instead, the Corporation applies Vietnamese Accounting Standard No. 18 – “Provisions, Contingent Assets and Liabilities” and prevailing regulations to revalue the fair value of financial assets and financial liabilities as at the balance sheet date.

**Financial risk management objectives**

The Corporation has set up risk management system to identify and assess the risks exposed by the Corporation and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Corporation’s operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**31. FINANCIAL INSTRUMENTS (Continued)**

**Market risk**

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices.

*Foreign currency risk management*

Certain business operations of the Corporation are exposed to risk of foreign exchange rate fluctuation such as distribution, retail, system integration and software export. Despite the fact that for IT products, foreign exchange rate fluctuation is reflected into selling price, the Corporation still proactively hedges and mitigates unidentified risks by closely monitoring principal factors affecting exchange rates as well as taking into account assessments by big financial institutions, taking appropriate hedging measures such as forward contracts, option contracts and other natural hedging measures such as fixing selling exchange rates, advance payment and others.

*Interest rate risk management*

The Corporation has significant interest rate risk arising from interest bearing loans which are arranged. The Corporation is exposed to interest rate risk as the Corporation borrows funds in VND and foreign currencies at fixed rates and floating rates. To minimize risks, through analysis and projection, the Corporation has selected appropriate time and terms in the year to make appropriate decisions on maintaining borrowings as well as debt structure between VND and foreign currencies at fixed interest rates.

*Share price risk management*

Shares held by the Corporation are affected by market risks arising from the uncertainty about future prices of such shares. The Corporation manages this risk exposure by setting up investment limits. The Corporation's Board of Directors also assesses and approves decisions on share investments such as operating industry, investees, etc. The Corporation assesses the share price risk is immaterial.

The Corporation is also exposed to equity price risks arising from investments in subsidiaries and associates. The Corporation's Board of Directors assesses and approves decisions on investments in subsidiaries and associates such as operating industry, investees, etc. Investments in subsidiaries and associates are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments in the foreseeable future.

*Commodity price risk management*

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities. For risk mitigation, the Corporation pays due attention to inventory count, ensuring tight and effective management of inventories from importing stage by evaluating market demand, monitoring inventories on a daily basis to take proper and timely action on the slow-moving goods.

**Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has set up a constantly and systematically updated internal rating system in place for assessing and rating customers' financial capability over time, taking into account the ratings and assessments by intermediary financial organizations as basis for sales on credit to customers. In addition, guarantees are required for most of the Corporation's customers who are granted with sales on credit.

The Corporation monitors its liabilities on an on-going basis, including analysis of aging report and recovery dates, customer updates and assessment etc. to take proper actions. The Corporation also buys insurance for its receivables to mitigate unpredictable risks at reasonable cost.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
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**31. FINANCIAL INSTRUMENTS (Continued)**

**Liquidity risk management**

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that period. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets, if any and undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay.

31/3/2018	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Loans and obligations under finance leases	5,013,959,372,615	491,988,687,629	5,505,948,060,244
Trade and other payables	1,845,954,086,991	-	1,845,954,086,991
Accruals	596,563,173,742	-	596,563,173,742
31/12/2017	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Loans and obligations under finance leases	4,116,988,708,324	565,209,817,637	4,682,198,525,961
Trade and other payables	2,821,874,588,734	-	2,821,874,588,734
Accruals	918,418,793,263	-	918,418,793,263

The management assessed the liquidity risk concentration at low level. The management believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

The following table details the Corporation's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31/3/2018	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Cash and cash equivalents	3,076,144,406,971	-	3,076,144,406,971
Trade and other receivables	5,017,875,279,627	247,216,967,692	5,265,092,247,319
Held-to-maturity investments	4,798,538,245,584	-	4,798,538,245,584
Equity investments in other entities	-	438,277,069,045	438,277,069,045
31/12/2017	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Cash and cash equivalents	3,480,659,514,788	-	3,480,659,514,788
Trade and other receivables	5,033,435,124,831	231,657,122,488	5,265,092,247,319
Held-to-maturity investments	4,379,446,212,073	-	4,379,446,212,073
Equity investments in other entities	-	449,664,569,045	449,664,569,045

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)** **FORM B 09-DN/HN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**32. RELATED PARTY TRANSACTIONS AND BALANCES**

During the period, the Corporation entered into the following significant transactions with its related parties:

	From 1/1/2018 to 31/3/2018 VND	From 1/1/2017 to 31/3/2017 VND
<b>Purchases of goods and services</b>		
FPT Digital Retail Joint Stock Company	4,435,195,441	-
Synnex FPT Joint Stock Company	233,909,860,942	-
<b>Interest expense</b>		
Synnex FPT Joint Stock Company	6,897,750,000	-

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

	31/3/2018 VND	31/12/2017 VND
<b>Entrusted investments</b>		
FPT Fund Management Joint Stock Company	92,366,081,776	92,366,081,776
<b>Capital contribution</b>		
FPT Fund Management Joint Stock Company	27,500,000,000	27,500,000,000
FPT Securities Joint Stock Company	110,000,000,000	110,000,000,000
<b>Balances of borrowings</b>		
Synnex FPT Joint Stock Company	-	200,000,000,000
<b>Short-term payables</b>		
Synnex FPT Joint Stock Company	141,525,815,783	141,743,904,028

**33. COMMITMENTS**

On 25 February 2015, the Corporation entered into a comprehensive cooperation agreement with Tien Phong Commercial Joint Stock Bank for supporting students who joined the training courses under the 10,000 Bridge Software Engineer program. In this program, approximately 10,000 students will be trained in Japan within 6 -12 months. The students who participate in this training course in Japan will be rewarded financial guarantee by the Corporation equivalent to 90% of their total credit obligations arising at the Bank, with a maximum credit limit of VND 500 million. As at 31 March 2018, the number of students participating in the program in Japan are about 346 people, and the total estimated guarantee amount is VND 67,891,366,312, respectively.

**34. COMPARATIVE FIGURES**

Comparative figures of the consolidated balance sheet are the figures in the audited consolidated financial statements for the year ended 31 December 2017. Comparative figures of the consolidated income statement and consolidated cash flow statement are the figures in the consolidated financial statements for the period ended 31 March 2017.

Hanoi, 27 April 2018

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien

Executive Vice President



Nguyen The Phuong