

CÔNG TY CỔ PHẦN FPT
FPT CORPORATION

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc
THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Số/No.: 249/FPT-FAF

Hà Nội, ngày 19 tháng 08 năm 2021
Hanoi, August 19th, 2021

CÔNG BỐ THÔNG TIN
TRÊN CỔNG THÔNG TIN ĐIỆN
TỬ CỦA ỦY BAN CHỨNG KHOÁN
NHÀ NƯỚC VÀ SGDC TP.HCM

DISCLOSURE OF INFORMATION
ON THE STATE SECURITIES
COMMISSION'S PORTAL AND
HOCHIMINH STOCK EXCHANGE'S
PORTAL

Kính gửi/ To: - Ủy ban Chứng khoán Nhà nước/ *The State Securities Commission*
- Sở Giao dịch chứng khoán TP.HCM/ *Hochiminh Stock Exchange*

- Tên tổ chức / *Organization name*: Công ty Cổ phần FPT/ *FPT Corporation*
- Mã chứng khoán/ *Security Symbol*: FPT/ *FPT*
- Địa chỉ trụ sở chính/ *Address*: Số 10, phố Phạm Văn Bạch, Phường Dịch Vọng, Quận Cầu Giấy, Thành phố Hà Nội, Việt Nam/ *10 Pham Van Bach Street, Dich Vong Ward, Cau Giay District, Hanoi, Vietnam*
- Điện thoại/ *Telephone*: 024. 7300 7300
- Fax: 024. 3768 7410
- Người thực hiện công bố thông tin/ *Submitted by*: Ông Dương Hoàng Phú/ *Mr. Duong Hoang Phu*
Chức vụ/ *Position*: Quản lý Quan hệ nhà đầu tư/ *Investor Relations Manager*

Loại thông tin công bố: định kỳ bất thường 24h theo yêu cầu
Information disclosure type: Periodic Irregular 24 hours On demand

Nội dung thông tin công bố (*)/ Content of Information disclosure (*): Báo cáo tài chính riêng giữa niên độ đã được soát xét và Báo cáo tài chính hợp nhất giữa niên độ đã soát xét cho kỳ kế toán kết thúc ngày 30 tháng 06 năm 2021/*Reviewed Separate Interim Financial Statements and Reviewed Consolidated Interim Financial Statements for the six-month period ended 30th June 2021.*

Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 19/08/2021 tại đường dẫn: <http://fpt.com.vn/vi/nhadautu/cong-bo-thong-tin>

This information was disclosed on Company website

(<https://fpt.com.vn/en/ir/information-disclosure>) on August 19th, 2021.

Tôi cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố/ *I declare that all information provided in this paper is true and accurate; I shall be legally responsible for any misrepresentation.*

Tài liệu đính kèm/*Attachment*: Báo cáo tài chính riêng giữa niên độ đã được soát và Báo cáo tài chính hợp nhất giữa niên độ đã soát xét cho kỳ kế toán kết thúc ngày 30 tháng 06 năm 2021/*Reviewed Separate Interim Financial Statements and Reviewed Consolidated Interim Financial Statements for the six-month period ended 30th June 2021.*

Đại diện tổ chức

Organization representative

Người CBTT/Party to disclose information

Dương Hoàng Phú

Nơi nhận/Recipient:

-Nhu trên/*As above:*

-Lưu/*Archived by: VT, FAF/Admin, FAF*

FPT CORPORATION

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**



FPT CORPORATION

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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FPT CORPORATION

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 0103001041 was initially issued by the Hanoi City Department of Planning and Investment on 13 May 2002. The latest amendment (51st) to the Enterprise Registration Certificate was issued on 6 July 2021.

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 Supervision

Mr. Nguyen Viet Thang	Chief Supervisor
Mr. Nguyen Khai Hoan	Member
Ms. Nguyen Thi Kim Anh	Member

Board of Management

Mr. Nguyen Van Khoa	General Director
Mr. Nguyen The Phuong	Deputy General Director
Mr. Hoang Viet Anh	Deputy General Director

Legal Representatives

Mr. Truong Gia Binh	Chairman
Mr. Nguyen Van Khoa	General Director

Registered Office

No. 10, Pham Van Bach Street, Dich Vong Ward, Cau Giay District, Hanoi, Vietnam

Auditor

PwC (Vietnam) Limited

FPT CORPORATION

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of FPT Corporation ("the Company") is responsible for preparing the interim consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of the consolidated results of its operations and its consolidated cash flows for the six-month period then ended. In preparing these interim consolidated 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; and
- prepare the interim consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 Group and enable the interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

The Legal Representatives of the Company authorised the Deputy General Director to approve and sign the interim consolidated financial statements of the Group for the six-month period ended 30 June 2021 pursuant to the Authorisation Letter No. 74/2021/QD-FPT-TGD dated 29 March 2021.

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I hereby, approve the accompanying interim consolidated financial statements as set out on pages 5 to 59 which give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of the consolidated results of its operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.



Nguyen The Phuong
Deputy General Director
Authorised signatory

Ha Noi, S.R. Vietnam
18 August 2021



REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF FPT CORPORATION

We have reviewed the accompanying interim consolidated financial statements of FPT Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 30 June 2021 and approved by the Deputy General Director of the Company (as authorised by the Legal Representatives of the Company) on 18 August 2021. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2021, the interim consolidated income statement and the interim consolidated cash flows for the six-month period then ended, and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 5 to 59.

Responsibility of the Board of Management

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these interim consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements and for such internal control which the Board of Management determines necessary to enable the preparation and fair presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2021, its consolidated financial performance and consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of the interim consolidated financial statements.

Other Matters

The interim consolidated financial statements of the Group for the six-month period ended 30 June 2020 was reviewed by another auditor who expressed an unmodified conclusion on those statements on 7 August 2020. In addition, the consolidated financial statements of the Group for the year ended 31 December 2020 were also audited by this auditor who expressed an unmodified opinion on those statements on 4 March 2021.

The report on the review of interim consolidated financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran
Audit Practising Licence No. 0048-2018-006-1
Authorised signatory

Report reference number: HAN 2859
Hanoi, 18 August 2021

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND (As reclassified – Note 37)
100	CURRENT ASSETS		29,634,333,850,918	25,265,933,056,476
110	Cash and cash equivalents	4	4,978,881,337,221	4,686,191,374,038
111	Cash		2,671,613,358,430	2,216,742,790,757
112	Cash equivalents		2,307,267,978,791	2,469,448,583,281
120	Short-term investment		15,532,505,379,957	12,435,918,124,269
123	Investments held to maturity	5(a)	15,532,505,379,957	12,435,918,124,269
130	Short-term receivables		6,675,995,128,182	6,265,411,863,371
131	Short-term trade accounts receivable	6	5,531,866,163,327	5,564,392,191,491
132	Short-term prepayments to suppliers	7	579,927,721,506	459,336,196,478
134	Contract-in-progress receivables	8	204,224,676,753	197,972,680,487
135	Short-term lendings		235,416,520,000	185,532,228,683
136	Other short-term receivables	9(a)	632,605,399,042	480,833,352,415
137	Provision for doubtful debts – short-term	10	(508,045,352,446)	(622,654,786,183)
140	Inventories	11	1,849,606,883,871	1,290,091,524,352
141	Inventories		1,975,988,437,987	1,405,083,502,315
149	Provision for decline in value of inventories		(126,381,554,116)	(114,991,977,963)
150	Other current assets		597,345,121,687	588,320,170,446
151	Short-term prepaid expenses	12(a)	334,612,045,870	274,481,738,695
152	Value Added Tax ("VAT") to be reclaimed		240,684,478,781	268,314,490,280
153	Tax and other receivables from the State	13(a)	22,048,597,036	45,523,941,471

The notes on pages 12 to 59 are an integral part of these interim consolidated financial statements.

**INTERIM CONSOLIDATED BALANCE SHEET
(continued)**

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND (As reclassified – Note 37)
200	LONG-TERM ASSETS		17,346,167,199,680	16,468,390,178,718
210	Long-term receivables		326,698,907,178	242,872,863,326
212	Long-term prepayments to suppliers		380,000,000	380,000,000
215	Long-term lendings		93,335,081,908	93,992,225,574
216	Other long-term receivables	9(b)	287,712,999,088	203,229,811,570
219	Provision for doubtful debts – long-term	10	(54,729,173,818)	(54,729,173,818)
220	Fixed assets		8,292,676,926,263	8,317,822,707,614
221	Tangible fixed assets	14(a)	7,225,475,515,955	7,219,551,625,765
222	Historical cost		13,534,712,119,585	12,945,570,337,275
223	Accumulated depreciation		(6,309,236,603,630)	(5,726,018,711,510)
224	Finance lease fixed assets		2,823,139,478	2,902,077,617
225	Historical cost		6,266,133,543	6,031,445,271
226	Accumulated depreciation		(3,442,994,065)	(3,129,367,654)
227	Intangible fixed assets	14(b)	1,064,378,270,830	1,095,369,004,232
228	Historical cost		2,088,341,474,878	2,036,967,631,495
229	Accumulated amortisation		(1,023,963,204,048)	(941,598,627,263)
240	Long-term asset in progress		2,750,511,035,739	2,373,393,296,565
242	Construction in progress	15	2,750,511,035,739	2,373,393,296,565
250	Long-term investments		2,649,059,504,770	2,581,174,954,052
252	Investments in joint ventures, associates	5(b)	1,968,017,053,885	1,980,817,143,237
253	Investments in other entities	5(b)	1,344,680,826,356	903,457,236,286
254	Provision for long-term investments	5(b)	(663,838,375,471)	(303,299,425,471)
255	Investments held to maturity	5(a)	200,000,000	200,000,000
260	Other long-term assets		3,327,220,825,730	2,953,126,357,161
261	Long-term prepaid expenses	12(b)	2,723,167,857,012	2,613,622,547,729
262	Deferred income tax assets		107,814,099,860	139,469,584,405
269	Goodwill	16	496,238,868,858	200,034,225,027
270	TOTAL ASSETS		46,980,501,050,598	41,734,323,235,194

The notes on pages 12 to 59 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
300	LIABILITIES		26,922,972,857,653	23,128,655,834,466
310	Short-term liabilities		24,989,658,347,910	22,364,710,509,820
311	Short-term trade accounts payable	17	2,897,707,005,266	2,824,505,552,359
312	Short-term advances from customers	18	918,425,150,837	465,157,577,125
313	Tax and other payables to the State	13(b)	583,342,505,961	645,972,209,996
314	Payables to employees		1,547,517,480,131	1,968,364,078,549
315	Short-term accrued expenses	19	808,921,188,341	762,365,483,261
317	Contract-in-progress payables	8	80,303,148,269	64,245,054,184
318	Short-term unearned revenue	20(a)	1,864,518,601,891	1,962,878,574,530
319	Other short-term payables	21(a)	407,999,670,715	744,816,892,234
320	Short-term borrowings	22(a)	15,361,627,338,629	12,062,410,192,740
321	Provision for short-term liabilities		174,870,638,003	211,596,795,175
322	Bonus and welfare fund		344,425,619,867	652,398,099,667
330	Long-term liabilities		1,933,314,509,743	763,945,324,646
336	Long-term unearned revenue	20(b)	71,815,028,095	41,124,555,530
337	Other long-term payables	21(b)	51,433,459,343	38,492,884,032
338	Long-term borrowings	22(b)	1,800,034,282,871	677,796,913,413
341	Deferred income tax liabilities		4,557,313,213	258,372,310
342	Provision for long-term liabilities		5,282,329,938	6,080,503,078
343	Fund for scientific and technological development		192,096,283	192,096,283

The notes on pages 12 to 59 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
400	OWNERS' EQUITY		20,057,528,192,945	18,605,667,400,728
410	Capital and reserves		20,054,778,192,945	18,602,917,400,728
411	Owners' capital	23,24	9,075,516,490,000	7,839,874,860,000
411a	- Ordinary shares with voting rights		9,075,516,490,000	7,839,874,860,000
412	Share premium	24	49,713,213,411	49,713,213,411
414	Owners' other capital	24	1,176,568,596,721	920,081,410,199
415	Treasury shares	24	(823,760,000)	(823,760,000)
417	Foreign exchange differences	24	(6,623,756,873)	13,496,751,277
418	Investment and development fund	24	501,599,626,887	442,371,579,941
420	Other reserves	24	87,203,093,024	87,203,093,024
421	Undistributed earnings	24	5,900,973,399,171	6,390,906,128,452
421a	- Undistributed post-tax profits of previous years		3,994,895,351,529	4,049,855,354,550
421b	- Post-tax profits of current period/year		1,906,078,047,642	2,341,050,773,902
429	Non-controlling interests	24	3,270,651,290,604	2,860,094,124,424
430	Budget sources and other funds		2,750,000,000	2,750,000,000
431	Budget sources		2,750,000,000	2,750,000,000
440	TOTAL RESOURCES		46,980,501,050,598	41,734,323,235,194



Nguyen Trong Nhan
Preparer



Hoang Huu Chien
Chief Accountant




Nguyen The Phuong
Deputy General Director
Authorised signatory
18 August 2021

INTERIM CONSOLIDATED INCOME STATEMENT

Code		Note	For the six-month period ended 30 June	
			2021 VND	2020 VND (As reclassified – Note 37)
01	Revenue from sales of goods and rendering of services		16,231,179,121,836	13,642,277,860,771
02	Less deductions		3,144,167,061	31,710,450,996
10	Net revenue from sales of goods and rendering of services (10 = 01 - 02)	26	16,228,034,954,775	13,610,567,409,775
11	Cost of goods sold and services rendered	27	9,893,326,857,202	8,264,434,357,298
20	Gross profit from sales of goods and rendering of services (20 = 10 - 11)		6,334,708,097,573	5,346,133,052,477
21	Financial income	28	565,980,710,022	380,581,645,161
22	Financial expenses	29	502,967,169,131	287,204,830,889
23	- Including: Interest expense		224,347,661,405	200,992,205,231
24	Profit sharing from joint ventures and associates		264,929,093,949	149,499,798,843
25	Selling expenses	30	1,682,033,930,711	1,303,394,298,770
26	General and administration expenses	31	2,076,919,617,375	1,890,036,372,265
30	Net operating profit (30 = 20 + 21 - 22 + 24 - 25 - 26)		2,903,697,184,327	2,395,578,994,557
31	Other income		44,050,490,121	47,525,252,703
32	Other expenses		11,531,944,637	15,321,270,430
40	Net other income (40 = 31 - 32)		32,518,545,484	32,203,982,273
50	Net accounting profit before tax (50 = 30 + 40)		2,936,215,729,811	2,427,782,976,830
51	Business income tax ("BIT") - current	32	501,016,225,633	390,856,021,690
52	BIT - deferred	32	24,830,430,782	15,742,391,893
60	Net profit after tax (60 = 50 - 51 - 52) Attributable to:		2,410,369,073,396	2,021,184,563,247
61	Shareholders of the Company		1,906,173,757,166	1,625,815,656,552
62	Non-controlling interests		504,195,316,230	395,368,906,695
70	Basic earnings per share	25	2,107	1,805
71	Diluted earnings per share	25	2,107	1,805



Nguyen Trong Nhan
Preparer



Hoang Huu Chien
Chief Accountant



Nguyen The Phuong
Deputy General Director
Authorised signatory
18 August 2021

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND (As reclassified – Note 37)
CASH FLOWS FROM OPERATING ACTIVITIES			
01			
	Net accounting profit before tax	2,936,215,729,811	2,427,782,976,830
	Adjustments for:		
02	Depreciation of fixed assets and amortisation of goodwill	773,073,482,350	730,664,046,304
03	Provisions/(reversal of provisions)	219,794,762,104	(35,948,906,253)
04	Foreign exchange gains arising from translating monetary items denominated in foreign currencies	(56,801,784,121)	(11,130,727,346)
05	Profits from investing activities	(712,590,707,554)	(463,465,156,514)
06	Interest expenses	224,347,661,405	200,992,205,231
08	Operating profit before changes in working capital	3,384,039,143,995	2,848,894,438,252
09	(Increase)/decrease in receivables	(347,038,076,621)	722,112,383,454
10	(Increase)/decrease in inventories	(570,904,935,672)	133,073,265,697
11	Decrease in payables	(120,752,907,537)	(958,182,030,266)
12	(Increase)/decrease prepaid expenses	(169,675,616,459)	160,146,870
14	Interest paid	(199,375,991,235)	(209,667,020,662)
15	BIT paid	(408,154,907,811)	(332,557,258,749)
17	Other payments on operating activities	(248,744,432,853)	(227,394,763,140)
20	Net cash inflows from operating activities	1,319,392,275,807	1,976,439,161,456
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(1,422,856,669,438)	(1,334,502,110,035)
22	Proceeds from disposals of fixed assets and long-term assets	1,435,439,656	654,022,465
23	Loans granted, and purchases of debt instruments of other entities	(14,359,311,021,080)	(9,258,154,481,398)
24	Collection of loans, proceeds from sales of debt instruments of other entities	11,028,696,617,740	7,106,294,339,034
25	Investments in other entities	(284,703,099,126)	(12,854,827,059)
26	Proceeds from divestment in other entities	-	31,000,000,000
27	Dividends and interest received	634,026,966,869	509,285,526,209
30	Net cash outflows from investing activities	(4,402,711,765,379)	(2,958,277,530,784)

The notes on pages 12 to 59 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
(Indirect method)

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from shares issuance	58,471,404,675	33,770,672,149
33	Proceeds from borrowings	15,449,039,994,042	8,557,562,004,354
34	Repayments of borrowings	(10,931,762,420,767)	(6,045,036,239,185)
35	Finance lease principal repayments	(440,893,507)	(766,913,721)
36	Dividends paid, profits distributed to owners	(1,160,401,306,875)	(830,602,706,100)
40	Net cash inflows from financing activities	3,414,906,777,568	1,714,926,817,497
50	Net increase in cash and cash equivalents	331,587,287,996	733,088,448,169
60	Cash and cash equivalents at beginning of period	4,686,191,374,038	3,453,388,617,569
61	Effect of foreign exchange differences	(38,897,324,813)	(6,022,307,845)
70	Cash and cash equivalents at end of period	4,978,881,337,221	4,180,454,757,893



 Nguyen Trong Nhan
 Preparer



 Hoang Huu Chien
 Chief Accountant



 Nguyen The Phuong
 Deputy General Director
 Authorised signatory
 18 August 2021

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****1 GENERAL INFORMATION**

FPT Corporation (the "Company") was incorporated as a State-owned company in Vietnam and subsequently equitized to become a joint stock company in accordance with the Decision No. 178/QĐ-TTg dated 28 February 2002. The Company operates under the Enterprise Registration Certificate No. 0103001041 which was initially issued by the Hanoi City Department of Planning and Investment on 13 May 2002. The latest amendment (51st) to the Enterprise Registration Certificate was on 6 July 2021.

Since 13 December 2006, the Company's shares have been listed on Ho Chi Minh City Stock Exchange with ticker symbol of FPT.

The principal activities of the Company and its subsidiaries (together, "the Group") are to provide IT and telecommunication products and services. The main products and services include: (i) Software development including software outsourcing, provision of software package and solutions, software services and ERP services; (ii) Information technology services including digital transformation consulting and IT consulting, system management, BPO service, data center service, cloud computing service, and service based on new technologies such as artificial intelligence, automation; (iii) System integration; (iv) Telecommunication services including internet services, pay television and value added services; (v) Digital content services including online advertising; and (vi) General education, college, university and postgraduate training services.

The normal business cycle of the Group is within 12 months, except some system integration projects which are carried out for a time period of more than 12 months.

As at 30 June 2021, the Group had 33,001 employees (as at 31 December 2020: 30,651 employees).

As at 30 June 2021, the Group had 8 direct subsidiaries and 4 main associates. Details are presented on the following page.

In addition, information about other subsidiaries, joint ventures, and associates of the Company's direct subsidiaries is presented in Appendix 1 of the consolidated financial statements.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

1 GENERAL INFORMATION (CONTINUED)

(i) Direct subsidiaries:

Subsidiaries	Principal activities	Place of incorporation and operation	As at 30.6.2021		As at 31.12.2020	
			% of ownership	% of voting rights	% of ownership	% of voting rights
FPT Information System Corporation	Application software solutions, ERP services, IT service and system integration service	Floor 22, Keangnam Landmark 72, E6 Pham Hung, Me Tri, Tu Liem, Hanoi	100%	100%	100%	100%
FPT Software Company Limited	Software services and products	No. 17, Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	100%	100%	100%	100%
FPT Telecom Joint Stock Company (*)	ADSL services, line leasing, pay-TV and other online services	No. 17, Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	45.65%	45.65%	45.65%	45.65%
FPT Education Company Limited	Training and technological services	No. 17, Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	100%	100%	100%	100%
FPT Online Service Joint Stock Company	Online services	Lot L 29B-31B-33B, Tan Thuan Street, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	49.52%	80.15%	49.52%	80.15%
FPT Investment Company Limited	Financial investment services	No.10, Pham Van Bach Street, Dich Vong Ward, Cau Giay District, Hanoi	100%	100%	100%	100%
FPT Smart Cloud Company Limited	Information technology services	No.10, Pham Van Bach Street, Dich Vong Ward, Cau Giay District, Hanoi	100%	100%	100%	100%
FPT Digital Company Limited (**)	Digital transformation consulting services	No.10, Pham Van Bach Street, Dich Vong Ward, Cau Giay District, Hanoi	100%	100%	Not yet established	

(*) As at 30 June 2021 and 31 December 2020, the Company holds 45.65% of capital and 45.65% of voting rights at FPT Telecom Joint Stock Company ("FTEL"). However, the Company has the right to cast a majority voting at the meetings of the Board of Directors or equivalent management level of FTEL and therefore, the Company has the power to govern the financial and operating policies of FTEL. As a result, the Company has control over FTEL, and FTEL is a subsidiary of the Company.

(**) During the period, FPT Digital Co., Ltd. was established pursuant to the Enterprise Registration Certificate No. 0109525069 dated 8 February 2021 issued by the Hanoi City Department of Planning and Investment.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

1 GENERAL INFORMATION (CONTINUED)

(ii) Main associates:

Associates	Principal activities	Place of incorporation and operation	As at 30.6.2021		As at 31.12.2020	
			% of ownership	% of voting rights	% of ownership	% of voting rights
FPT Digital Retail Joint Stock Company	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent	No. 261 - 263 Khanh Hoi, Ward 2, District 4, Ho Chi Minh City	46.53%	46.53%	46.53%	46.53%
Synnex FPT Joint Stock Company	Producing technological products and distributing IT devices and mobile phone; and manufacturing computers	No. 17, Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	48%	48%	48%	48%
FPT Securities Joint Stock Company	Securities trading, brokerage, investment advisory and securities depository services	No.52, Lac Long Quan Road, Bui Ward, Tay Ho District, Hanoi	20%	20%	20%	20%
FPT Capital Management Joint Stock Company	Portfolio and fund management and other services	Floor 9, TTC Building, Lot B1A, Dich Vong Hau Ward, Cau Giay District, Hanoi	25%	25%	25%	25%

Disclosure of information comparability in the interim consolidated financial statements:

The comparative figures on the interim consolidated balance sheet and the relating notes are the figures of the audited consolidated financial statements for the year ended 31 December 2020. The comparative figures on the interim consolidated income statement, the interim consolidated cash flow statement and the relating notes are the figures of the reviewed interim consolidated financial statements for the six-month period ended 30 June 2020.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of consolidated financial statements**

The interim consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

The accompanying interim consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The interim consolidated financial statements in the Vietnamese language are the official interim consolidated financial statements of the Group. The interim consolidated financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December. The interim consolidated financial statements are prepared for the six-month period from 1 January to 30 June.

2.3 Currency used in preparation and presentation of interim consolidated financial statements

The interim consolidated financial statements are measured and presented in Vietnamese Dong ("VND").

On consolidation, if the currencies used on the financial statements of subsidiaries are different from that of the Group, the parent company translates those financial statements into the currency used in the Group's consolidated financial statements under the following principles:

- Assets, liabilities and goodwill incurred on acquisition of overseas subsidiaries is translated at actual exchange rate at the period/year end;
- Undistributed earnings or losses incurred after acquisition date are translated based on the translation of income and expenses in the income statement;
- Items of the income statement and the cash flow statement are translated at the average exchange rate of the accounting period/fiscal year if it approximates the actual rate at the time of the transaction (with the difference not exceeding 2%); and
- Accumulated exchange differences arising from translation are presented in equity of the consolidated balance sheet. Exchange differences attributable to the Company are presented in "Foreign exchange differences". Those attributable to non-controlling interests are allocated to "Non-controlling interests".

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.4 Exchange rates**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are mainly translated at the selling rate at the consolidated balance sheet date of the commercial banks where the Group regularly has transactions.

Foreign exchange differences arising from these translations are recognised in the interim consolidated income statement.

2.5 Basis of consolidation**Subsidiary**

The consolidated financial statements incorporate the financial statements of the parent company and enterprises controlled by the Group for the period from 1 January 2021 to 30 June 2021. Control is achieved where the Group 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 period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the acquirer's share of the fair value of the identifiable net assets of the acquired subsidiary is recorded as goodwill. If the cost of acquisition is less than the acquirer's share of the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the consolidated income statement of the fiscal year when the subsidiary is acquired.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation (continued)****Non-controlling transactions and interests**

The Group applies a policy for transactions with non-controlling interests as transactions with external parties to the Group.

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.

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

The divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity. In a divestment of the Group's interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or investment to be equity accounted for since the divestment date.

Joint ventures and associates

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which is subject to joint control. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. Interests in joint ventures and associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. The Group's investment in joint ventures, associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Profits from the joint ventures, associates on the consolidated income statement are proportional to the Group's ownership interest in the joint ventures and associates in respect of profit of the joint ventures and associates. When the Group's share of losses in an associate equals or exceeds its interest in the joint venture or associate, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures and associates.

Unrealized gains and losses on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the joint ventures and associates in accordance with current accounting regulations.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.6 Goodwill**

Goodwill in the consolidated financial statements represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition.

Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated period of benefit in accordance with current accounting regulations. Goodwill on acquisitions of investments in joint ventures and associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of the investments in subsidiaries or joint ventures and associates, the residual value of the goodwill that has not been fully depreciated is reduced in proportion to the percentage of capital withdrawn and included in the undistributed profit after tax when the parent company still holds control over the subsidiary or is reduced in its entirety and included in profit/loss on the consolidated income statement in case the parent company loses control.

Goodwill is tested annually for impairment. If there is evidence that the impairment during the period is higher than the annual goodwill charge, the Group records the impairment immediately in the period/year.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.8 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 each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into long-term and short-term receivables on the interim consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.9 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Group applies the perpetual system for inventories.

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of cost of goods sold in the period.

2.10 Investments**(a) Investments held to maturity**

Investments held to maturity are investments which the Group has a positive intention and ability to hold until maturity.

Investments held to maturity include bank term deposits, lendings held to maturity for interest earning, and other investments held to maturity. Those investments are initially accounted for at cost. Subsequently, the Group reviews all outstanding investments to determine the amount of provision to recognise at the period end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

(b) Investments in joint ventures and associates

Investments in joint ventures and associates are accounted for using the equity method when preparing the consolidated financial statements (Note 2.5).

(c) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are carried at cost less provision.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.10 Investments (continued)****(c) Investments in other entities (continued)**

Provision for investments in other entities is made when there is a diminution in value of the investments at the period end.

Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.11 Lendings

Lendings are lendings granted for interest earning under agreements among parties but not being traded as securities.

Lendings are recognised at cost less any provision for doubtful lendings. Provision for doubtful lendings is made based on the current accounting regulations. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lendings on the consolidated balance sheet based on the remaining term as the consolidated balance sheet date.

2.12 Contracts on software development and system integration

The Group applied the following accounting policies for contracts on software development and system integration.

When the outcome of a contract on software development and system integration can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in the accounting period.

When the outcome of a contract on software development and system integration cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are only recognised when incurred during the period.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and profits recognised (less recognised losses) exceed progress billings, the balance is presented as contracts-in-progress receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as contracts-in-progress payables.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Fixed assets

Tangible fixed assets and depreciation

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable condition 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. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred.

Tangible fixed assets are depreciated using the straight-line method over their following estimated useful lives. The estimated useful lives of each asset class are as follows:

Buildings and structures	8 – 25 years
Machinery and equipment	3 – 25 years
Motor vehicles	4 – 7 years
Office equipment	3 – 10 years
Others	3 – 5 years

Intangible fixed assets and amortisation

Intangible assets reflect the value of land use rights, license, operating rights, copyrights and patents, customer relationship, brand name, and computer software.

(i) Land use rights

Land use rights are comprised of land use rights with an indefinite useful life and land use rights with a definite useful life, as follows:

- Land use rights with an indefinite useful life are recorded at historical cost and are not amortised; and
- Land use rights with a definite useful life are recorded at cost and are amortised using a straight-line method over the terms from the date receiving the land use right certificates or the signing dates of transferring contracts to the ending dates in accordance with land use right certificates.

(ii) Licenses, operation rights, copyrights and patents

Purchase price of a license is accounted for as an intangible asset. The license is amortised to the consolidated income statement on a straight-line basis over a period of 3 to 5 years.

The right to operate the high-speed internet lines - Asia America Gateway ("AAG") and Asia Pacific Gateway ("APG") project and right of infinite use of AAE1 (Asia - Africa - Europe 1) are amortised over 15 years.

Purchase prices of copyrights and patents are capitalized and accounted for as intangible assets. Copyrights and patents are amortised to the consolidated income statement on a straight-line basis over a period of 3 to 5 years.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.13 Fixed assets (continued)***Intangible fixed assets and amortisation (continued)*

(iii) Customer relationships and brand name

The assets acquired after acquisition of Intellinet Consulting Co., Ltd. include 2 assets: customer relationship and brand name. Customer relationship and brand name are amortised on a straight-line basis over their estimated useful lives of 20 years and 10 years, respectively.

(iv) Computer software

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

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the interim consolidated income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and comprise of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.14 Leased assets

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of leased assets or the present value of the minimum lease payments.

Each lease payment is separated between the liability and finance charges to achieve a constant rate on the outstanding finance/lease balance. The corresponding rental obligations, net of finance charge, are included in long-term borrowings.

The interest element of the finance cost is charged to the consolidated income statement over the lease term. The property, plant and equipment acquired under finance leasing contracts is depreciated under the straight-line method over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.14 Leased assets (continued)**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

2.15 Prepaid expenses

Prepaid expenses are expenses which have already been paid but relate to results of operations of multiple accounting periods, including land rental, office rental, costs for deploying services for subscribers and other prepaid expenses.

Prepaid land rental includes land rental and its attributable costs. Prepaid land rental and office rental are charged to the interim consolidated income statement using the straight-line method over the lease term.

Expenses for deploying services for subscribers are charged to the interim consolidated income statement using the straight-line method over the estimated useful lives.

Other prepaid expenses comprise costs of small tools, supplies and spare parts issued for consumption, renovation of furniture and office, maintenance and other prepayments for services rendered contracts which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepaid expenses, and are allocated to the consolidated income statement using the straight-line method in accordance with the current accounting regulations.

2.16 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables and payables not relating to purchases of goods and services.

Payables are classified into long-term and short-term payables on the consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

2.17 Borrowings and finance lease liabilities

Borrowings and finance lease liabilities include borrowings and finance leases from banks, financial institutions, financial companies and other entities.

Borrowings and finance lease liabilities are classified into long-term and short-term borrowings and finance lease liabilities on the consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.17 Borrowings and finance lease liabilities (continued)**

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which is used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the interim consolidated income statement when incurred.

2.18 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the accounting period are recorded as an increase or decrease in operating expenses.

2.20 Unearned revenue

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting periods for telecommunication services, office rental, tuition fees and repair, maintenance services paid by the customers but not yet rendered. The Group records unearned revenue for the future obligations that the Group has to fulfill. Unearned revenue is recognised as revenue in the consolidated income statement to the extent that recognition criteria have been met.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 Capital and reserves**

Owners' capital is recorded according to the actual amounts contributed and is recorded according to the par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Owners' other capital represents other capital of the owners at the reporting date, mainly regarding accounting for the dividends in shares which the Company received from the subsidiaries.

Treasury shares are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Foreign exchange differences represent the differences in exchange rate occurred when converting the financial statements of the subsidiaries prepared and presented in foreign currency to VND for the financial statements consolidation purpose.

Undistributed earnings record the Group's accumulated results after BIT at the reporting date.

2.22 Appropriation of net profit

The Company's dividends are recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Shareholders' General Meeting.

Profit after BIT could be distributed to shareholders after approval at the Shareholders' General Meeting, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Group's funds are as below:

(a) Investment and development fund

The investment and development fund is mainly appropriated from profit after BIT of the Company and is used for providing capital funding for development projects of the Company. In addition, in education business, investment and development fund is appropriated from profit before BIT in accordance with the Law on Higher Education No. 8/2012/QH13 promulgated by the National Assembly of Vietnam on 18 June 2012 and used for investing in the development of higher education institutions and educational activities, building facilities, purchasing equipment, upskilling lecturers, educational administrators and employees, supporting learners and performing social responsibilities.

(b) Other reserves

Other reserves are appropriated from net profit after BIT. The appropriation and use of other reserves belonging to the owner's equity follow the prevailing financial policies of the Company and are approved by the shareholders.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.22 Appropriation of net profit (continued)****(c) Bonus and welfare fund**

Bonus and welfare fund is appropriated in accordance with the Group's policies and subject to shareholders' approval at the Shareholders' General Meeting. This fund is presented as a liability on the consolidated balance sheet. The fund is used for staff appraisal and improving the employees' welfare.

2.23 Revenue recognition**(a) Revenue from sales of goods**

Revenue from sales of goods is recognised in consolidated the consolidated income statement when all five (5) following conditions are satisfied:

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

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sale obligation.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.23 Revenue recognition (continued)****(b) Revenue from rendering of services (continued)**

Revenue from rendering of services includes:

Revenue from software export, software development, system integration and informatics services

Revenue is recognised in the consolidated income statement by reference to the percentage of completion of transactions at the year end. The percentage of completion is assessed by the survey of work performed, or the percentage incurred/time spent on the portion of work completed at the end of the period/year compared to the total estimated costs/expected implementation time of the contracts. When the performance of the contracts cannot be reliably estimated, the revenue is recognized only as the equivalent of the incurred contract costs, with which the reimbursement is relatively certain.

Revenue from telecommunication services

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

Revenue from online advertising services

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

Revenue from tuition fees and other fees

Revenue is recognised in the year when services are rendered. All tuition fees and other fees are collected in advance at the beginning of each semester. Tuition fees and other fees collected in advance from the students are recorded as unearned revenue on the consolidated balance sheet and recorded in the consolidated income statement in the accounting period/financial year in which the semester falls.

(c) Interest income and income from investments

Interest income is accrued on an accrual basis, by reference to the principal outstanding balances and at the applicable interest rate. Income from investments is recognised when the Group's right to receive the payment has been established.

2.24 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related revenue from sales of products, goods and rendering of services are recorded as deduction of revenue of that period.

Sales deductions for sales of products, goods or rendering of services which are sold in the period but are incurred after the interim consolidated balance sheet date but before the issuance of the interim consolidated financial statements are recorded as a deduction of revenue of that period.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.25 Cost of goods sold and services rendered**

Cost of goods sold and cost of services rendered are cost of finished goods, merchandise sold or services rendered during the period, and recorded on the basis of matching with revenue and on a prudence basis.

2.26 Financial expenses

Financial expenses are expenses incurred in the period for financial activities mainly including interest expenses, provision for diminution in value of investments in other entities, and losses from foreign exchange differences.

2.27 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services.

2.28 General and administration expenses

General and administration expenses represent expenses for the Group's administrative purposes.

2.29 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit at the current tax rates. Current and deferred tax should be recognised as an income or an expense and included in profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the interim consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.30 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Directors, the Board of Management and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Group considers the substance of the relationships, not merely the legal form.

2.31 Segment reporting

A segment is a component which can be separated by the Group engaged in providing products or services ("business segment"), or providing products or services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment of the Group is based on business activities.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of consolidated financial statements to understand and evaluate the situation and the operations of the Group in a comprehensive way.

Information technology and telecommunication

Telecommunication: including internet services to individuals and households, internet services to enterprises such as internet lease line, domestic and international telecommunication, domain, hosting, Web Portal services, IPTV,....;

Digital contents: including online services for enterprises and individual customers, including online newspapers (such as VnExpress.net, Ngoisao.net, iOne.net, Gamethu.vn...); online advertising (AdNetwork), online music, online payment, etc.;

Global IT services: including software production, providing consultancy and deployment of S.M.A.C/IoT, digital transformation services, IT system transformation services, quality assurance testing, embedded software design, ERP implementation and management services; and

Information technology services, software and software solutions, system integration: including application software solutions; information system integration services and solutions; IT equipment; data center; networking and security system design/development; warranty and maintenance of IT products authorized by hardware vendors;

Investment, education and others

Including training services on IT, business management majors at general education, high education, university, and post-graduate levels; managing financial investments; managing and developing real estate projects relating to the Group's infrastructure needs.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.32 Accounting estimates

The preparation of the interim consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements requires the Board of 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 accounting period.

The areas involving significant estimates and assumptions in interim consolidated financial statements are as follows:

- Estimation of percentage of completion of service contracts (Note 8);
- Provision for doubtful debts (Note 10);
- Provision for decline in value of inventories (Note 11);
- Useful lives of fixed assets (Note 2.13 and 14); and
- Classification and provision for long-term investments (Note 5).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group's interim consolidated financial statements and that the Board of Management believes to be reasonable under the circumstances.

3 BUSINESS COMBINATION

During the period, the Group acquired 80% total equity of Base Platform Pte. Ltd. (the company provides SaaS - Software as a service - for small and medium customers in Vietnam) and 100% total equity of Central Loi Trading and Service Co., Ltd. for purpose of building a high school in Bac Ninh. These business combinations generated goodwill as presented in Note 16.

4 CASH AND CASH EQUIVALENTS

	30.6.2021 VND	31.12.2020 VND
Cash on hand	2,794,094,504	3,411,896,435
Cash in banks	2,657,446,195,601	2,211,008,894,322
Cash in transit	11,373,068,325	2,322,000,000
Cash equivalents (*)	2,307,267,978,791	2,469,448,583,281
	<u>4,978,881,337,221</u>	<u>4,686,191,374,038</u>

(*) Cash equivalents mainly represent bank deposits with original maturity of less than 3 months.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

5 INVESTMENTS

(a) Investments held to maturity

	30.6.2021		31.12.2020	
	Cost VND	Fair value VND	Cost VND	Fair value VND
i. Short-term				
Bank term deposits with original maturity of more than 3 months and remaining term of less than 12 months	15,519,981,565,665	15,519,981,565,665	12,423,394,309,977	12,423,394,309,977
Others	35,275,051,776	12,523,814,292	35,275,051,776	12,523,814,292
	<u>15,555,256,617,441</u>	<u>15,532,505,379,957</u>	<u>12,458,669,361,753</u>	<u>12,435,918,124,269</u>
ii. Long-term				
Bank term deposits with remaining term of more than 12 months	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

5 INVESTMENTS (CONTINUED)

(b) Investments in other entities

i. Investments in joint ventures, associates

	30.6.2021			31.12.2020		
	Book value VND	Fair value VND	Provision VND	Book value VND	Fair value VND	Provision VND
FPT Digital Retail Joint Stock Company (*)	593,204,408,463	996,033,400,000	-	565,752,405,732	1,176,128,000,000	-
Synnex FPT Joint Stock Company	847,791,954,333	(**)	-	951,343,020,609	(**)	-
FPT Securities Joint Stock Company (*)	421,951,853,613	1,073,739,055,860	-	391,632,881,296	384,236,648,845	-
Others	105,068,837,476	(**)	-	72,088,835,600	(**)	-
	<u>1,968,017,053,885</u>	<u>2,069,772,455,860</u>	<u>-</u>	<u>1,980,817,143,237</u>	<u>1,560,364,648,845</u>	<u>-</u>

ii. Investments in other entities

	30.6.2021			31.12.2020		
	Book value VND	Fair value VND	Provision VND	Book value VND	Fair value VND	Provision VND
Tien Phong Commercial Joint Stock Bank (*)	494,371,420,000	2,916,029,775,750	-	494,371,420,000	2,126,519,673,200	-
Others	850,309,406,356	(**)	(663,838,375,471)	409,085,816,286	(**)	(303,299,425,471)
	<u>1,344,680,826,356</u>	<u>2,916,029,775,750</u>	<u>(663,838,375,471)</u>	<u>903,457,236,286</u>	<u>2,126,519,673,200</u>	<u>(303,299,425,471)</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

5 INVESTMENTS (CONTINUED)

(*) The fair value of these investments is determined on the basis of the closing price on the stock exchange and the number of shares held by the Group at the end of the financial year/period.

(**) Because the Vietnamese Accounting Standards, the Vietnamese Accounting System currently do not provide guidance on how to determine fair values using valuation techniques for investments without market prices, the Group has not determined the fair value of these investments to disclose in the interim consolidated financial statements. The fair value of these investments might differ from their book value.

Movements of investments in joint ventures, associates during the period/year are as follows:

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of the period/year	1,980,817,143,237	1,912,712,694,571
The Group's share of profits in joint ventures, associates' results	216,801,319,559	246,291,818,222
Dividends received	(247,110,500,700)	(219,912,930,500)
Change from investments in other entities to investments in associates	-	47,000,000,000
Others	17,509,091,789	(5,274,439,056)
End of the period/year	<u>1,968,017,053,885</u>	<u>1,980,817,143,237</u>

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2021 VND	31.12.2020 VND
Third parties	<u>5,531,866,163,327</u>	<u>5,564,392,191,491</u>

As at 30 June 2021 and 31 December 2020, there were no customers with balances accounting for more than 10% of the total short-term trade receivables.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2021 VND	31.12.2020 VND
Third parties	<u>579,927,721,506</u>	<u>459,336,196,478</u>

As at 30 June 2021 and 31 December 2020, there were no suppliers with balances accounting for more than 10% of the total short-term prepayment to suppliers.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

8 RECEIVABLES/PAYABLES RELATING TO CONTRACT-IN-PROGRESS

	30.6.2021 VND	31.12.2020 VND
In progress contracts as at the period/year end		
- Contract-in-progress receivables	204,224,676,753	197,972,680,487
- Contract-in-progress payables	(80,303,148,269)	(64,245,054,184)
	<u>123,921,528,484</u>	<u>133,727,626,303</u>
Contract costs incurred plus recognised profits less recognised losses to date	1,548,708,814,363	2,521,907,054,965
Less: Progress billings	(1,424,787,285,879)	(2,388,179,428,662)
	<u>123,921,528,484</u>	<u>133,727,626,303</u>

Accounting policies applied for contracts on software development and system integration are presented in Note 2.12.

9 OTHER RECEIVABLES

	30.6.2021 VND	31.12.2020 VND
(a) Short-term		
Interest from bank deposits and lendings	249,741,422,668	203,359,797,247
Receivables related to maintenance service contracts	195,572,919,083	134,891,879,306
Deposits	29,447,493,780	29,452,090,857
Others	157,843,563,511	113,129,585,005
	<u>632,605,399,042</u>	<u>480,833,352,415</u>
(b) Long-term		
Deposits	232,616,603,448	148,140,902,681
Others	55,096,395,640	55,088,908,889
	<u>287,712,999,088</u>	<u>203,229,811,570</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

10 DOUBTFUL DEBTS

	30.6.2021		
	Cost VND	Recoverable amount VND	Provision VND
Total receivables and lendings overdue or not yet overdue but irrecoverable	675,616,167,141	112,841,640,877	562,774,526,264
In which:			
Provision for doubtful debts – short-term			508.045.352.446
Provision for doubtful debts – long-term			54.729.173.818
	31.12.2020		
	Cost VND	Recoverable amount VND	Provision VND
Total receivables and lendings overdue or not yet overdue but irrecoverable	842,024,001,428	164,640,041,427	677,383,960,001
In which:			
Provision for doubtful debts – short-term			622.654.786.183
Provision for doubtful debts – long-term			54.729.173.818

11 INVENTORIES

	30.6.2021		31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	152,395,901,882	-	60,938,696,425	-
Raw materials	547,108,542,971	(75,462,625,582)	531,744,426,534	(69,717,642,107)
Tools and supplies	53,867,505,147	-	33,092,458,200	-
Work in progress	790,845,268,706	(32,143,439,918)	561,081,145,955	(32,143,439,918)
Goods on consignment	617,990,541	-	604,272,041	-
Merchandise	431,153,228,740	(18,775,488,616)	217,622,503,160	(13,130,895,938)
	1,975,988,437,987	(126,381,554,116)	1,405,083,502,315	(114,991,977,963)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

12 PREPAID EXPENSES

	30.6.2021 VND	31.12.2020 VND
(a) Short-term		
Rental fees (copyrights, office, channels, transmission line, cable)	103,569,048,533	109,438,158,509
Others	231,042,997,337	165,043,580,186
	<u>334,612,045,870</u>	<u>274,481,738,695</u>
(b) Long-term		
Costs for deploying service for subscribers	1,279,558,165,333	1,298,458,977,223
Land, office rental and office furniture	862,821,156,051	661,221,023,852
Others	580,788,535,628	653,942,546,654
	<u>2,723,167,857,012</u>	<u>2,613,622,547,729</u>

13 TAXES AND RECEIVABLES FROM/PAYABLES TO THE STATE

	30.6.2021 VND	31.12.2020 VND
(a) Receivables		
Value added tax	3,276,435,326	2,719,554,078
Export and import duties	180,924,828	181,397,817
BIT	14,472,415,237	37,690,945,630
Personal income tax	537,885,139	1,355,302,264
Others	3,580,936,506	3,576,741,682
	<u>22,048,597,036</u>	<u>45,523,941,471</u>
(b) Payables		
Value added tax	193,843,298,437	268,126,442,362
BIT	317,450,990,484	299,072,612,311
Personal income tax	58,229,831,758	69,975,457,505
Others	13,818,385,282	8,797,697,818
	<u>583,342,505,961</u>	<u>645,972,209,996</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

13 TAXES AND RECEIVABLES FROM/PAYABLES TO THE STATE (CONTINUED)

Movements in taxes and (receivables from)/payables to the State on a net basis are as follows:

	As at 1.1.2021 VND	Incurred during the period VND	Paid during the period VND	As at 30.6.2021 VND
Value added tax	265,406,888,284	1,744,352,755,933	1,819,192,781,106	190,566,863,111
- <i>Input VAT</i>	265,355,047,949	1,626,756,096,408	1,701,597,991,499	190,513,152,858
- <i>VAT on imported goods</i>	51,840,335	117,596,659,525	117,594,789,607	53,710,253
Export and import duties	(181,397,817)	3,014,186,421	3,013,713,432	(180,924,828)
BIT	261,381,666,681	449,751,816,377	408,154,907,811	302,978,575,247
Personal income tax	68,620,155,241	540,158,062,392	551,086,271,014	57,691,946,619
Others	5,220,956,136	86,144,829,855	81,128,337,215	10,237,448,776
	<u>600,448,268,525</u>	<u>2,823,421,650,978</u>	<u>2,862,576,010,578</u>	<u>561,293,908,925</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

14 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2021	3,160,000,058,025	8,946,345,707,791	89,014,958,416	669,091,345,219	81,118,267,824	12,945,570,337,275
New purchases	52,156,087,704	330,329,459,543	2,339,301,818	28,596,071,278	4,812,523,220	418,233,443,563
Transfers from construction in progress (Note 15)	188,338,094,934	153,047,854,812	-	5,499,211,272	99,250,000	346,984,411,018
Disposal, write-off	-	(3,161,119,031)	(3,156,894,726)	(7,148,721,483)	(913,332,423)	(14,380,067,663)
Others (*)	49,500,708,816	(225,137,796,748)	902,406,472	22,806,410,024	(9,767,733,172)	(161,696,004,608)
As at 30 June 2021	<u>3,449,994,949,479</u>	<u>9,201,424,106,367</u>	<u>89,099,771,980</u>	<u>718,844,316,310</u>	<u>75,348,975,449</u>	<u>13,534,712,119,585</u>
Accumulated depreciation						
As at 1 January 2021	(547,988,237,414)	(4,567,913,738,408)	(47,194,283,281)	(545,061,491,345)	(17,860,961,062)	(5,726,018,711,510)
Charge for the period	(80,189,594,064)	(564,645,476,089)	(5,389,112,970)	(18,749,914,433)	(3,856,012,239)	(672,830,109,795)
Disposal, write-off	-	2,850,307,105	3,070,892,235	7,023,013,451	913,332,423	13,857,545,214
Others (*)	(7,747,157,897)	89,975,638,785	(1,282,317,035)	(9,222,461,634)	4,030,970,242	75,754,672,461
As at 30 June 2021	<u>(635,924,989,375)</u>	<u>(5,039,733,268,607)</u>	<u>(50,794,821,051)</u>	<u>(566,010,853,961)</u>	<u>(16,772,670,636)</u>	<u>(6,309,236,603,630)</u>
Net book value						
As at 1 January 2021	<u>2,612,011,820,611</u>	<u>4,378,431,969,383</u>	<u>41,820,675,135</u>	<u>124,029,853,874</u>	<u>63,257,306,762</u>	<u>7,219,551,625,765</u>
As at 30 June 2021	<u>2,814,069,960,104</u>	<u>4,161,690,837,760</u>	<u>38,304,950,929</u>	<u>152,833,462,349</u>	<u>58,576,304,813</u>	<u>7,225,475,515,955</u>

(*) Other decreases in fixed assets during the period were mainly equipment removed from telecommunication infrastructure and returned to warehouses for liquidation or recycling.

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2021 was approximately VND 2,662,547 million (as at 31 December 2020: approximately VND 2,201,466 million).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

14 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Licenses, operation rights, copyrights and patents VND	Others VND	Total VND
Historical cost					
As at 1 January 2021	184,265,905,099	425,285,680,351	1,121,338,361,482	306,077,684,563	2,036,967,631,495
New purchases	15,492,020,000	17,138,108,174	13,152,050,422	294,825,646	46,077,004,242
Transfers from construction in progress (Note 15)	-	6,461,000,000	-	-	6,461,000,000
Disposal, write-off	-	(158,325,900)	-	-	(158,325,900)
Others	(2,679,656,044)	718,197,914	967,261,971	(11,638,800)	(1,005,834,959)
As at 30 June 2021	<u>197,078,269,055</u>	<u>449,444,660,539</u>	<u>1,135,457,673,875</u>	<u>306,360,871,409</u>	<u>2,088,341,474,878</u>
Accumulated amortisation					
As at 1 January 2021	(11,487,700,456)	(350,766,617,763)	(540,510,443,547)	(38,833,865,497)	(941,598,627,263)
Charge for the period	(729,641,140)	(25,021,764,862)	(49,087,212,757)	(7,583,832,144)	(82,422,450,903)
Disposal, write-off	-	158,325,900	-	-	158,325,900
Others	914,158,051	(783,600,468)	(242,648,165)	11,638,800	(100,451,782)
As at 30 June 2021	<u>(11,303,183,545)</u>	<u>(376,413,657,193)</u>	<u>(589,840,304,469)</u>	<u>(46,406,058,841)</u>	<u>(1,023,963,204,048)</u>
Net book value					
As at 1 January 2021	<u>172,778,204,643</u>	<u>74,519,062,588</u>	<u>580,827,917,935</u>	<u>267,243,819,066</u>	<u>1,095,369,004,232</u>
As at 30 June 2021	<u>185,775,085,510</u>	<u>73,031,003,346</u>	<u>545,617,369,406</u>	<u>259,954,812,568</u>	<u>1,064,378,270,830</u>

The historical cost of fully depreciated intangible fixed assets but still in use as at 30 June 2021 was approximately VND 461,279 million (as at 31 December 2020: approximately VND 387,954 million).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

15 CONSTRUCTION IN PROGRESS

	30.6.2021 VND	31.12.2020 VND
FPT Tower	1,486,175,540,426	1,333,086,970,636
FPT University in Da Nang City	309,081,302,514	249,816,768,557
Others	955,254,192,799	790,489,557,372
	<u>2,750,511,035,739</u>	<u>2,373,393,296,565</u>

Movements in construction in progress during the period/year are as follows:

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	2,373,393,296,565	1,650,470,873,492
Increase	731,315,457,072	1,672,569,037,318
Transfer to tangible fixed assets (Note 14(a))	(346,984,411,018)	(948,307,120,913)
Transfer to intangible fixed assets (Note 14(b))	(6,461,000,000)	-
Others	(752,306,880)	(1,339,493,332)
End of period/year	<u>2,750,511,035,739</u>	<u>2,373,393,296,565</u>

16 GOODWILL

Movements in goodwill during the period/year are as follows:

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	200,034,225,027	225,929,415,272
Increase (Note 3)	315,327,280,126	704,200,000
Allocation	(19,122,636,295)	(26,599,390,245)
End of period/year	<u>496,238,868,858</u>	<u>200,034,225,027</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

17 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2021	31.12.2020
	VND	VND
Third parties	2,585,490,411,272	2,683,096,353,039
Related parties (Note 35(b))	312,216,593,994	141,409,199,320
	<u>2,897,707,005,266</u>	<u>2,824,505,552,359</u>

As at 30 June 2021 and 31 December 2020, there were no suppliers with balances accounting for more than 10% of the total short-term trade payables.

18 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2021	31.12.2020
	VND	VND
Third parties	<u>918,425,150,837</u>	<u>465,157,577,125</u>

Details of customers accounting for more than 10% of the total short-term advances from customers:

	30.6.2021	31.12.2020
	VND	VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	150,102,679,880	97,956,901,700
Tien Phong Commercial Joint Stock Bank	<u>114,123,563,161</u>	<u>10,460,864,430</u>

19 SHORT-TERM ACCRUED EXPENSES

	30.6.2021	31.12.2020
	VND	VND
Costs related to system integration projects	285,740,346,716	310,458,800,267
Interest expense	146,306,592,545	116,284,054,146
Others	376,874,249,080	335,622,628,848
	<u>808,921,188,341</u>	<u>762,365,483,261</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

20 UNEARNED REVENUE

	30.6.2021 VND	31.12.2020 VND
(a) Short-term		
Telecommunication services	1,254,502,331,288	1,212,664,763,295
Education services	462,071,118,911	639,598,614,005
Others	147,945,151,692	110,615,197,230
	<u>1,864,518,601,891</u>	<u>1,962,878,574,530</u>
(b) Long-term		
Telecommunication services	37,682,017,278	6,064,949,466
Others	34,133,010,817	35,059,606,064
	<u>71,815,028,095</u>	<u>41,124,555,530</u>

21 OTHER PAYABLES

	30.6.2021 VND	31.12.2020 VND
(a) Short-term		
Dividend payables	12,120,630,131	308,649,574,006
Short-term deposits received	119,589,633,797	118,693,347,207
Social, health and unemployment insurance	19,098,570,638	90,077,629,985
Trade union fees	86,209,349,581	78,135,212,986
Others	170,981,486,568	149,261,128,050
	<u>407,999,670,715</u>	<u>744,816,892,234</u>
(b) Long-term		
Long-term deposits received	42,865,632,620	29,878,624,140
Others	8,567,826,723	8,614,259,892
	<u>51,433,459,343</u>	<u>38,492,884,032</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

22 BORROWINGS AND FINANCE LEASE LIABILITIES

	As at 1.1.2021		During the period			As at 30.6.2021	
	Value VND	Able-to-pay amount VND	Increase VND	Decrease VND	Unrealised foreign exchange gains VND	Value VND	Able-to-pay amount VND
(a) Short-term							
Short-term							
Borrowings from banks (i)	10,720,885,168,015	10,720,885,168,015	10,576,600,325,641	(7,992,842,323,151)	(63,756,671,758)	13,240,886,498,747	13,240,886,498,747
Borrowings from related parties (Note 35(a) and (b)) (ii)	845,000,000,000	845,000,000,000	3,490,000,000,000	(2,685,000,000,000)	-	1,650,000,000,000	1,650,000,000,000
Current portion of long-term borrowings and finance lease liabilities							
Borrowings from banks (iii)	495,589,576,655	495,589,576,655	240,224,566,962	(253,920,097,616)	(12,064,201,546)	469,829,844,455	469,829,844,455
Finance lease liabilities	935,448,070	935,448,070	469,456,899	(440,893,507)	(53,016,035)	910,995,427	910,995,427
	<u>12,062,410,192,740</u>	<u>12,062,410,192,740</u>	<u>14,307,294,349,502</u>	<u>(10,932,203,314,274)</u>	<u>(75,873,889,339)</u>	<u>15,361,627,338,629</u>	<u>15,361,627,338,629</u>
(b) Long-term							
Borrowings from banks (iii)	675,785,261,200	675,785,261,200	1,381,872,176,562	(240,224,566,962)	(19,381,328,322)	1,798,051,542,478	1,798,051,542,478
Finance lease liabilities	2,011,652,213	2,011,652,213	567,491,839	(469,456,899)	(126,946,760)	1,982,740,393	1,982,740,393
	<u>677,796,913,413</u>	<u>677,796,913,413</u>	<u>1,382,439,668,401</u>	<u>(240,694,023,861)</u>	<u>(19,508,275,082)</u>	<u>1,800,034,282,871</u>	<u>1,800,034,282,871</u>

(i) Short-term borrowings from banks are unsecured for supplementing the Group's working capital. Interest rate is specified in each withdrawal.

(ii) Short-term borrowings from a related party are unsecured with terms within 6 months for supplementing the Group's working capital. Interest rate is specified in each withdrawal.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

22 BORROWINGS AND FINANCE LEASE LIABILITIES (CONTINUED)

(iii) Most long-term borrowings from banks are unsecured. Interest rate is specified in each withdrawal.

Details of long-term borrowing balances by original terms are as follows:

	30.6.2021 VND	31.12.2020 VND
Long-term borrowings	2,267,881,386,933	1,171,374,837,855
- 3-year term	1,507,092,537,239	566,380,130,608
- 5-year term	682,066,153,174	538,064,707,247
- Over 5-year term	78,722,696,520	66,930,000,000
Long-term finance lease liabilities	2,893,735,820	2,947,100,283
	<u>2,270,775,122,753</u>	<u>1,174,321,938,138</u>

Long-term borrowings are repayable as follows:

	30.6.2021 VND	31.12.2020 VND
Within 1 year	469,829,844,455	495,589,576,655
Within 2 years	299,979,033,771	321,853,860,942
Within 3-5 years	1,480,908,969,067	323,714,066,958
After 5 years	17,163,539,640	30,217,333,300
	<u>2,267,881,386,933</u>	<u>1,171,374,837,855</u>
Less: Payables within 12 months	(469,829,844,455)	(495,589,576,655)
	<u>1,798,051,542,478</u>	<u>675,785,261,200</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

23 OWNERS' CAPITAL

(a) Number of shares

	30.6.2021 Ordinary shares	31.12.2020 Ordinary shares
Number of shares registered	907,551,649	783,987,486
Number of shares issued	907,551,649	783,987,486
<i>Ordinary shares</i>	907,551,649	783,987,486
- <i>In which: Shares subject to restriction in ownership transfer</i>	12,990,216	11,642,062
Number of shares repurchased	(82,376)	(82,376)
- <i>In which: Shares subject to restriction in ownership transfer</i>	-	-
Number of existing shares in circulation	907,469,273	783,905,110
<i>Ordinary shares</i>	907,469,273	783,905,110
- <i>In which: Shares subject to restriction in ownership transfer</i>	12,990,216	11,642,062

Each share is entitled to one vote at shareholders' meetings of the Company. The shareholders are entitled to receive dividends as declared from time to 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 and benefits associated with the shares are suspended until those shares are re-issued.

Shares subject to restriction in ownership transfer, which are mainly shares issued for employees with outstanding achievements and executive management, are subject to restrictions that the share owners are not allowed to resell their shares within a specified timeline from the date of issuance.

(b) Movement of share capital

	Number of shares	Ordinary shares VND	Treasury shares VND	Total VND
As at 1 January 2020	678,276,312	6,783,586,880,000	(823,760,000)	6,782,763,120,000
Shares issued	105,628,798	1,056,287,980,000	-	1,056,287,980,000
As at 31 December 2020	783,905,110	7,839,874,860,000	(823,760,000)	7,839,051,100,000
Shares issued	123,564,163	1,235,641,630,000	-	1,235,641,630,000
As at 30 June 2021	907,469,273	9,075,516,490,000	(823,760,000)	9,074,692,730,000

Par value per share: VND 10,000.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Other reserves VND	Undistributed earnings VND	Total VND
As at 1.1.2020	6,783,586,880,000	49,941,441,360	765,332,464,859	(823,760,000)	(7,773,137,062)	307,526,573,229	102,985,531,790	5,960,676,956,469	13,961,452,950,645
Capital increased during the year	33,917,900,000	(228,227,949)	-	-	-	-	-	-	33,689,672,051
Net profit for the year	-	-	-	-	-	-	-	-	3,539,673,675,225
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	(311,913,047,596)	(311,913,047,596)
Appropriation to and use of investment and development fund	-	-	-	-	-	134,811,709,648	-	(102,804,743,727)	32,006,965,921
Share dividends declared	1,022,370,080,000	-	131,859,930,515	-	-	-	-	(1,154,230,010,515)	-
Cash dividends declared	-	-	-	-	-	-	-	-	-
Others	-	-	22,889,014,825	-	21,269,888,339	33,297,064	(15,782,438,766)	(74,923,489,404)	(1,465,573,212,000)
As at 31.12.2020	7,839,874,860,000	49,713,213,411	920,081,410,199	(823,760,000)	13,496,751,277	442,371,579,941	87,203,093,024	6,390,906,128,452	15,742,823,276,304
Capital increased during the period	52,097,680,000	-	-	-	-	-	-	-	52,097,680,000
Net profit for the period	-	-	-	-	-	-	-	-	1,906,078,047,642
Appropriation and use of investment and development fund	-	-	-	-	-	59,228,046,946	-	-	59,228,046,946
Share dividends declared (*)	1,183,543,950,000	-	249,845,760,000	-	-	-	-	(1,433,389,710,000)	-
Cash dividends declared (*)	-	-	6,641,426,522	-	(20,120,508,150)	-	-	(789,114,878,000)	(789,114,878,000)
Others	-	-	-	-	(6,623,756,873)	501,599,626,887	87,203,093,024	5,900,973,399,171	(186,985,270,551)
As at 30.6.2021	9,075,516,490,000	49,713,213,411	1,176,568,596,721	(823,760,000)	(6,623,756,873)	501,599,626,887	87,203,093,024	5,900,973,399,171	16,784,126,902,341

Non-controlling interest presented by component of ownership in subsidiaries:

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Other reserves VND	Undistributed earnings VND	Total VND
As at 31.12.2020	1,609,937,256,478	45,177,850,175	30,103,744,793	-	96,837,829	448,213,156,949	-	726,565,278,200	2,860,094,124,424
As at 30.6.2021	1,903,889,712,428	45,182,401,700	30,103,729,672	-	(496,264,748)	448,213,156,949	-	843,758,554,603	3,270,651,290,604

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

24 MOVEMENTS IN OWNERS' EQUITY (CONTINUED)

(*) Dividends declared in the period:

Dividends of parent company

Pursuant to the Resolution of the 2021 Annual General Meeting of Shareholders dated 8 April 2021, the Company declared the 2020 share dividends at the rate of 15% and the 2020 cash dividends at a rate of 10% of par value. Accordingly, the Company issued 118,354,395 shares as share dividends of 2020 and declared cash dividends of VND 789,114,878,000.

Dividends of subsidiaries

During the period, the subsidiaries paid dividends in cash and shares pursuant to the Resolution of the General Meeting of Shareholders/Board of Directors of each subsidiary.

25 BASIC EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	From 1.1.2021 to 30.6.2021	From 1.1.2020 to 30.6.2020 (**)
Net profit attributable to shareholders (VND)	1,906,173,757,166	1,625,815,656,552
Bonus and welfare fund (VND) (*)	-	-
	<u>1,906,173,757,166</u>	<u>1,625,815,656,552</u>
Weighted average number of ordinary shares in circulation (shares)	904,706,081	900,582,246
Basic earnings per share (VND)	<u>2,107</u>	<u>1,805</u>

(*) As at 30 June 2021 and 30 June 2020, the Company did not determine the deduction amount for bonus and welfare funds for the 6-month period, so the amount of bonus and welfare fund was not reflected in the calculation of basic earnings per share.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

25 BASIC EARNINGS PER SHARE (CONTINUED)

(a) Basic earnings per share (continued)

(**) For the period from 1 January 2021 to 30 June 2021, the Company paid share dividends leading to the retrospective adjustment to the weighted average number of ordinary shares in circulation of the period from 1 January 2020 to 30 June 2020 as below:

	From 1.1.2020 to 30.6.2020		
	As previously reported	Retrospective adjustment	As represented
Net profit attributable to shareholders (VND)	1,625,815,656,552	-	1,625,815,656,552
Weighted average number of ordinary shares in circulation (shares)	782,227,851	118,354,395	900,582,246
Basic earnings per share (VND)	<u>2,078</u>	<u>(273)</u>	<u>1,805</u>

(b) Diluted earnings per share

Diluted earnings per share is equal to the basic earnings per share. The Company did not have any potential ordinary shares to be dilutive during the period and up to the date of these interim consolidated financial statements.

26 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Revenue		
Revenue from sales of merchandise	1,663,316,261,361	1,214,344,880,540
Revenue from rendering of services	14,567,862,860,475	12,427,932,980,231
	<u>16,231,179,121,836</u>	<u>13,642,277,860,771</u>
Sales deductions		
Revenue from sales of merchandise	(42,438,000)	(625,697,363)
Revenue from rendering of services	(3,101,729,061)	(31,084,753,633)
	<u>(3,144,167,061)</u>	<u>(31,710,450,996)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of merchandise	1,663,273,823,361	1,213,719,183,177
Net revenue from rendering of services	14,564,761,131,414	12,396,848,226,598
	<u>16,228,034,954,775</u>	<u>13,610,567,409,775</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

27 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Cost of merchandise sold	1,321,796,292,123	1,003,662,503,357
Cost of services rendered	8,560,140,988,926	7,251,478,918,636
Provision for decline in value of inventories	11,389,576,153	9,292,935,305
	<u>9,893,326,857,202</u>	<u>8,264,434,357,298</u>

28 FINANCIAL INCOME

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Interest income from deposits and lendings	441,243,327,798	312,992,396,087
Foreign exchange gains	119,261,006,962	65,850,325,866
Others	5,476,375,262	1,738,923,208
	<u>565,980,710,022</u>	<u>380,581,645,161</u>

29 FINANCIAL EXPENSES

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Provision/(reversal of provision) for diminution in value of investments	212,698,950,000	(36,707,800,000)
Interest expense	224,347,661,405	200,992,205,231
Foreign exchange losses	65,907,736,406	122,775,276,611
Others	12,821,320	145,149,047
	<u>502,967,169,131</u>	<u>287,204,830,889</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

30 SELLING EXPENSES

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Staff costs	1,238,590,416,601	949,175,345,639
Others (*)	443,443,514,110	354,218,953,131
	<u>1,682,033,930,711</u>	<u>1,303,394,298,770</u>

(*) In other selling expenses, there are no items with the amount accounting for more than 10% of total selling expenses.

31 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Staff costs	1,274,038,381,314	1,020,537,482,264
Others (*)	802,881,236,061	869,498,890,001
	<u>2,076,919,617,375</u>	<u>1,890,036,372,265</u>

(*) In other general and administration expenses, there are no items with the amount accounting for more than 10% of total general and administration expenses.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

32 BUSINESS INCOME TAX

Under the Enterprise Registration Certificate of the Company and its subsidiaries and prevailing tax regulations, the Company is obliged to pay BIT at the rate of 10% of taxable profits from education services; preferential tax rates by location for production and business activities in the hi-tech zones; and 20% of taxable profit from the remaining business activities. In addition, the subsidiaries in the foreign countries pay BIT at the applicable tax rates regulated in those countries.

	For the six-month period ended 30 June	
	2021 VND	2020 VND
BIT charged to the income statement:		
BIT – current	501,016,225,633	390,856,021,690
BIT – deferred	24,830,430,782	15,742,391,893
BIT charge (*)	<u>525,846,656,415</u>	<u>406,598,413,583</u>

(*) The BIT charge for the period is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

33 COSTS OF OPERATION BY FACTOR

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Staff costs	6,924,035,160,291	5,524,493,939,438
Outside services	3,348,396,433,642	3,023,327,927,742
Raw materials	2,242,192,883,193	1,539,485,158,340
Depreciation, amortisation and allocation of goodwill	773,073,482,350	730,664,046,304
Others	594,346,568,562	688,542,101,600
	<u>13,882,044,528,038</u>	<u>11,506,513,173,424</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

34 SEGMENT REPORTING

Segment information based on the business activities of the Group is as follows:

For the six-month period ended 30 June 2021 (Currency: million VND)

	Information technology and Telecommunication					Elimination	Total
	Telecommunication	Digital contents	Global IT services	Information technology services, software and software solutions, system integration	Investment, education and others		
Segment revenue	5,847,282	278,852	6,682,940	2,463,728	1,390,937	(435,704)	16,228,035
Segment expenses (*)	(4,853,017)	(160,017)	(5,722,813)	(2,279,391)	(1,090,979)	453,937	(13,652,280)
<i>In which:</i>							
- Total depreciation of fixed assets	(552,545)	(1,113)	(145,230)	(15,387)	(60,978)	2,180	(773,073)
- Total amortisation of long-term prepaid expenses	(569,764)	(1,661)	(24,082)	(16,063)	(54,895)	-	(666,465)
Share of profit from joint ventures, associates	-	-	(764)	-	265,693	-	264,929
Segment results	994,265	118,835	959,363	184,337	565,651	18,233	2,840,684
Segment profit before tax	1,068,593	128,263	1,060,622	219,465	2,212,486	(1,753,213)	2,936,216
Total expenses incurred for purchasing fixed assets and other long-term assets	1,110,392	393	252,629	78,304	633,470	(1,382)	2,073,806
Segment assets as at 30.6.2021	15,940,674	801,653	13,142,231	5,993,947	15,995,985	(4,893,989)	46,980,501
Segment liabilities as at 30.6.2021	10,718,962	257,585	8,992,134	4,539,384	6,787,162	(4,372,254)	26,922,973

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

34 SEGMENT REPORTING (CONTINUED)

Segment information based on the business activities of the Group is as follows (continued):

For the six-month period ended 30 June 2020 (Currency: million VND)

	Information technology and Telecommunication						Total
	Telecommunication	Digital contents	Global IT services	Information technology services, softwares and software solutions, system integration	Investment, education and others	Elimination	
Segment revenue	5,217,390	221,309	5,810,278	1,717,055	894,260	(249,725)	13,610,567
Segment expenses (*)	(4,395,879)	(138,577)	(4,839,820)	(1,652,971)	(687,399)	256,781	(11,457,865)
<i>In which:</i>							
- Total depreciation of fixed assets	(530,430)	(1,301)	(136,642)	(13,949)	(50,520)	2,178	(730,664)
- Total amortisation of long-term prepaid expenses	(751,061)	(2,274)	(47,412)	(9,454)	(45,169)	-	(855,370)
Share of profit from joint ventures, associates	-	-	(3,335)	-	152,835	-	149,500
Segment results	821,511	82,732	967,123	64,084	359,696	7,056	2,302,202
Segment profit before tax	833,280	104,927	895,610	71,172	2,243,413	(1,720,619)	2,427,783
Total expenses incurred for purchasing fixed assets and other long-term assets	1,538,133	1,881	357,077	36,975	793,394	-	2,727,460
Segment assets as at 30.6.2020	12,619,685	1,030,158	10,582,401	4,305,161	11,587,726	(4,212,322)	35,912,809
Segment liabilities as at 30.6.2020	7,768,627	282,340	6,718,681	2,967,218	4,691,459	(4,419,242)	18,009,083

(*) Segment expenses arising from the business activities of the segment are charged directly to that segment and part of the Company's expenses allocated to that segment, including outbound selling costs and expenses related to transactions with other segments of the business. Accordingly, segment expenses include cost of goods sold and services rendered, selling expenses, general and administration expenses.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

35 RELATED PARTY DISCLOSURES

During the period, the Group had transactions with the following related parties:

Company	Relationship
FPT Digital Retail Joint Stock Company	Associate
Synnex FPT Joint Stock Company	Associate
FPT Capital Management Joint Stock Company	Associate
HOMA Technologies Joint Stock Company	Associate
FPT Securities Joint Stock Company	Associate

(a) Related party transactions

During the period, the following significant transactions were carried out with related parties:

	For the six-month period ended 30 June	
	2021 VND	2020 VND
i) Sales of goods and rendering of services		
Synnex FPT Joint Stock Company	8,127,725,488	10,469,640,824
FPT Digital Retail Joint Stock Company	32,658,299,761	16,165,526,165
	<u>40,786,025,249</u>	<u>26,635,166,989</u>
ii) Purchases of goods and services		
Synnex FPT Joint Stock Company	684,047,459,220	443,411,426,101
FPT Digital Retail Joint Stock Company	47,741,660,884	22,380,528,186
	<u>731,789,120,104</u>	<u>465,791,954,287</u>
iii) Lendings		
FPT Digital Retail Joint Stock Company	-	450,000,000,000
	<u>-</u>	<u>450,000,000,000</u>
iv) Collection of lendings		
FPT Digital Retail Joint Stock Company	-	345,000,000,000
	<u>-</u>	<u>345,000,000,000</u>
v) Dividends received in cash		
Synnex FPT Joint Stock Company	233,882,847,700	171,133,791,000
FPT Securities Joint Stock Company	13,227,653,000	12,025,139,500
	<u>247,110,500,700</u>	<u>183,158,930,500</u>
vi) Drawdown of borrowings (Note 22(a))		
FPT Digital Retail Joint Stock Company	3,490,000,000,000	180,000,000,000
	<u>3,490,000,000,000</u>	<u>180,000,000,000</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

35 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

		For the six-month period ended 30 June	
		2021 VND	2020 VND
<i>vii)</i>	Repayment of borrowings (Note 22(a)) FPT Digital Retail Joint Stock Company	2,685,000,000,000	340,000,000,000
<i>viii)</i>	Compensation of key management Gross salaries and other benefits	8,825,600,000	8,254,200,000
(b) Period/year end balances with related parties			
		30.6.2021 VND	31.12.2020 VND
<i>i)</i>	Entrusted investments FPT Capital Management Joint Stock Company	41,366,081,776	41,366,081,776
<i>ii)</i>	Long-term lendings HOMA Technologies Joint Stock Company	90,500,000,000	90,500,000,000
<i>iii)</i>	Short-term trade payables (Note 17) Synnex FPT Joint Stock Company FPT Digital Retail Joint Stock Company	307,878,550,434 4,338,043,560	136,459,087,719 4,950,111,601
		312,216,593,994	141,409,199,320
<i>iv)</i>	Other short-term payables Payables via centrally managed account - FPT Digital Retail Joint Stock Company	2,075,999,072	1,526,452,162
<i>v)</i>	Short-term borrowings (Note 22(a)) FPT Digital Retail Joint Stock Company	1,650,000,000,000	845,000,000,000

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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36 CONTINGENT LIABILITY

Provision for restoration costs for land leases

The Group signed land lease contracts and carried out construction and infrastructure works on these leased lands. Majority of the land lease contracts do not explicitly state the Group's land restoration obligation after the lease term. So for these contracts, the Company's Board of Management is of the opinion that the Group may have future land restoration obligations related to the dismantling and removing the assets on lands and restoring the lands to their original conditions at the end of the lease term, and these obligations can only be ascertained when there are further events in the future, for example, additional discussion with the lessors or when the governmental authority promulgates additional legal documents for clarifying the lessees' obligations when the land lease contract does not contain any provisions for land restoration obligations.

In addition, the Company's Board of Management believes that the costs related to the land restoration cannot be reliably estimated because of the lack of information and reasonable assumptions such as: the possibility of extending the lease term, the extent to which the structures must be relocated or transferred to the lessors, as well as the method to estimate the unit price of relocation at the end of the lease term. As a result, the Group did not recognise a provision for land restoration costs in the Group's interim consolidated financial statements for the six-month period ended 30 June 2021.

37 COMPARATIVE FIGURES

Certain comparative items presented in the interim consolidated financial statements for the six-month period ended 30 June 2021 have been reclassified to conform to the presentation of the financial statements for the current period as follows:

The consolidated balance sheet (extracted):

Code		As at 31 December 2020		As reclassified VND
		Reported VND	Adjustment (*) VND	
100	CURRENT ASSETS	25,612,489,544,931	(346,556,488,455)	25,265,933,056,476
151	Short-term prepaid expenses	621,038,227,150	(346,556,488,455)	274,481,738,695
200	LONG-TERM ASSETS	16,121,833,690,263	346,556,488,455	16,468,390,178,718
261	Long-term prepaid expenses	2,267,066,059,274	346,556,488,455	2,613,622,547,729

(*) A subsidiary in the Group reclassified prepaid expenses from short-term to long-term based on estimated allocation period.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

37 COMPARATIVE FIGURES (CONTINUED)

The consolidated income statement (extracted):

Code		For the six-month period ended 30 June 2020		
		Reported VND	Adjustment (*) VND	As reclassified VND
25	Selling expenses	1,226,598,701,672	76,795,597,098	1,303,394,298,770
26	General and administration expenses	1,966,831,969,363	(76,795,597,098)	1,890,036,372,265

(*) A subsidiary in the Group reclassified salary expenses from general and administration expenses to selling expenses.

The consolidated cash flow statement (extracted):

Code		For the six-month period ended 30 June 2020		
		Reported VND	Adjustment (*) VND	As reclassified VND
23	Loans granted, purchases of debt instruments of other entities	(2,151,860,142,364)	(7,106,294,339,034)	(9,258,154,481,398)
24	Collection of loans, proceeds from sales of debt instruments of other entities	-	7,106,294,339,034	7,106,294,339,034

(*) The Group reclassified cash outflows for lendings, term deposits with original term over 3 months and cash inflow from lendings, term deposits with original term over 3 months during the period in the consolidated cash flow statement.

The interim consolidated financial statements for the six-month period ended 30 June 2021 were approved by the Deputy General Director of the Company on 18 August 2021.



Nguyen Trong Nhan
Preparer



Hoang Huu Chien
Chief Accountant



Nguyen The Phuong
Deputy General Director
Authorized signatory

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

**APPENDIX 1 – LIST OF OTHER SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATES OF
THE COMPANY’S DIRECT SUBSIDIARIES AS AT 30 JUNE 2021**

A. OTHER SUBSIDIARIES

No.	Company	Principal activities	Place of incorporation and operation	% of ownership	% of voting rights
1	FPT Japan Co., Ltd.	Software development	Japan	100%	100%
2	FPT Okinawa R&D Co., Ltd.	Software development	Japan	100%	100%
3	FPT Software Shanghai Co., Ltd.	Software development	Japan	100%	100%
4	FPT Techno Japan Co., Ltd.	Software development	Japan	100%	100%
5	FPT Indonesia Co., Ltd.	Software development	Japan	99.79%	99.79%
6	FPT Software Japan Co., Ltd.	Software development	Japan	100%	100%
7	Sofffront Service Development Co., Ltd.	Software development	Japan	100%	100%
8	FPT Taiwan Co., Ltd.	Software development	Taiwan	100%	100%
9	FPT Japan Consulting	Technology consulting	Japan	80%	80%
10	FPT Korea 2	Software development	Korea	100%	100%
11	FPT USA Corporation	Software development	USA	100%	100%
12	FPT Canada Co., Ltd.	Software development	Canada	100%	100%
13	Intellinet Consulting Co., Ltd.	Technology consulting	USA	90%	90%
14	FPT India., Ltd.	Software development	India	100%	100%
15	FPT Germany Co., Ltd.	Software development	Germany	100%	100%
16	FPT United Kingdom., Ltd.	Software development	United Kingdom	100%	100%
17	FPT Software Malaysia Co., Ltd.	Software development	Malaysia	100%	100%
18	FPT Asia Pacific Solutions Software Co., Ltd.	Software development	Singapore	100%	100%
19	FPT Software Australasia Co., Ltd.	Software development	Australia	100%	100%
20	FPT Software Europe Co., Ltd.	Software development	France	100%	100%
21	FPT Software Philippines Co., Ltd.	Software development	Philippines	100%	100%
22	FPT Slovakia Co., Ltd.	Software development	Slovakia	100%	100%
23	FPT Czech Co., Ltd.	Software development	Czech	100%	100%
24	FPT Asia Pacific Solutions Co., Ltd.	Software development	Singapore	100%	100%
25	FPT Siam Limited	Software development	Thailand	99.97%	99.97%
26	FPT Dubai Limited	Software development	UAE	100%	100%
27	FPT Hongkong Limited	Software development	HongKong	100%	100%
28	Singapore Information and System Co., Ltd.	Software development	Singapore	100%	100%
29	FPT Myanmar Co., Ltd.	Software development	Myanmar	100%	100%
30	FPT Software Ho Chi Minh Co., Ltd.	Software development	Vietnam	100%	100%
31	FPT Software Hanoi Co., Ltd.	Software development	Vietnam	100%	100%
32	FPT Software Central Region Co., Ltd.	Software development	Vietnam	100%	100%
33	FPT Software Thang Long Co., Ltd.	Software development	Vietnam	100%	100%
34	FPT Digital Processing Services Co., Ltd.	Software development	Vietnam	100%	100%
35	UTOP Technology JSC	Computer programming	Vietnam	59.52%	59.52%
36	Trandata Technology Engineering JSC	Computer programming	Vietnam	77.26%	77.26%
37	Gate Services JSC	Distribute prepaid cards: game card, telecommunication card	Vietnam	29.71%	60%

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No.	Company	Principal activities	Place of incorporation and operation	% of ownership	% of voting rights
38	FPT Land Co., Ltd.	Consult, brokerage, real estate auction, land use right auction	Vietnam	100%	100%
39	Cyradar JSC	IT and other computer-relating services	Vietnam	77.78%	77.78%
40	FPT High School	Education & Training	Vietnam	100%	100%
41	FPT Global Technology Innovation Co., Ltd.	Education & Training	Vietnam	100%	100%
42	FPT Primary and Secondary School	Education & Training	Vietnam	100%	100%
43	FPT High School (Da Nang)	Education & Training	Vietnam	100%	100%
44	FPT High School	Education & Training	Vietnam	100%	100%
45	FPT University	Education & Training	Vietnam	100%	100%
46	Thanh Sang Investment Co., Ltd.	Education & Training	Vietnam	100%	100%
47	FPT Polytechnic College	Education & Training	Vietnam	100%	100%
48	FPT Cau Glay Primary and Secondary School	Education & Training	Vietnam	100%	100%
49	Central Loi Trading and Services Co., Ltd.	Education & Training	Vietnam	100%	100%
50	FPT High School (Binh Dinh)	Education & Training	Vietnam	100%	100%
51	FUNIX Online Education JSC	Education & Training	Vietnam	70%	70%
52	Base Platform Pte. Ltd.	Software development	Singapore	80%	80%
53	Base Enterprise JSC	Software development	Vietnam	79.99%	99.98%
54	Telehouse International Corporation of Vietnam	Provide data center services	Vietnam	51%	51%
55	FPT Information System Cambodia Co., Ltd.	Provide system integration, software, solutions and services	Cambodia	100%	100%
56	FPT Technology Solutions Co., Ltd.	Provide system integration, software, solutions and services	Vietnam	100%	100%
57	FPT Telecom Tan Thuan Co., Ltd.	Provide high speed internet and other telecommunication services	Vietnam	45.65%	100%
58	FPT International Telecom Co., Ltd.	Provide internet services, agent for providing telecommunication services and other services	Vietnam	45.65%	100%
59	FPT Telecom Technology JSC	Provide high speed internet and other telecommunication services	Vietnam	45.65%	99.999%

B. OTHER JOINT VENTURES, ASSOCIATES

No.	Company	Principal activities	Place of incorporation and operation	% of ownership	% of voting rights
1	SBI FPT Co., Ltd.	Software development	Vietnam	30%	30%
2	MJS FPT Co., Ltd.	Software development	Vietnam	50%	50%
3	FPT Smart Technologies Co., Ltd.	Software development	Vietnam	50%	50%
4	Artificial Intelligence Quy Nhon Co., Ltd.	Real estate	Vietnam	49%	49%
5	HOMA Technologies JSC	Manufacture and repair of electronic components, communication equipment, and electrical equipment	Vietnam	30.43%	30.43%