



FPT CORPORATION

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2018



FPT CORPORATION

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

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FPT CORPORATION

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

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of FPT Corporation and its subsidiaries (herein collectively called the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2018.

THE BOARDS OF DIRECTORS AND MANAGEMENT

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

Board of Directors

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

Board of Management

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

BOARD OF MANAGEMENT' STATEMENT OF RESPONSIBILITY

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



FPT CORPORATION

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

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

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

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

For and on behalf of the Board of Management,



Nguyen The Phuong
Executive Vice President

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

04 March 2019

No.: 53 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of FPT Corporation and its subsidiaries (the "Corporation"), prepared on 04 March 2019 as set out from page 04 to page 42, which comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



Vu Duc Nguyen
Deputy General Director
Audit Practising Registration Certificate
No. 0764-2018-001-1

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

DELOITTE VIETNAM COMPANY LIMITED

04 March 2019
Hanoi, S.R. Vietnam

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FPT CORPORATION

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

FORM B 01-DN/HH

Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

CONSOLIDATED BALANCE SHEET

As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		18,406,087,226,041	16,059,937,820,645
I. Cash and cash equivalents	110	5	3,925,727,206,293	3,480,659,514,788
1. Cash	111		2,682,437,141,849	1,886,435,218,720
2. Cash equivalents	112		1,243,290,064,444	1,594,224,296,068
II. Short-term financial investments	120	6	5,568,623,727,137	4,379,446,212,073
1. Held-to-maturity investments	123		5,568,623,727,137	4,379,446,212,073
III. Short-term receivables	130		6,426,946,279,074	6,151,782,399,408
1. Short-term trade receivables	131		5,561,545,801,834	5,038,378,935,917
2. Short-term advances to suppliers	132		218,427,501,076	95,340,696,039
3. Receivables from construction contracts under percentage of completion method	134	7	251,954,356,007	431,581,193,340
4. Short-term loan receivables	135		910,049,188	-
5. Other short-term receivables	136	8	658,775,479,875	767,000,371,499
6. Provision for short-term doubtful debts	137		(264,666,908,906)	(180,518,797,387)
IV. Inventories	140	10	1,340,687,216,347	1,020,212,423,590
1. Inventories	141		1,401,302,666,378	1,024,043,952,523
2. Provision for devaluation of inventories	149		(60,615,450,031)	(3,831,528,933)
V. Other short-term assets	150		1,144,102,797,190	1,027,837,270,786
1. Short-term prepayments	151	11	962,477,975,930	759,948,049,853
2. Value added tax deductibles	152		138,812,602,015	156,145,888,056
3. Taxes and other receivables from the State budget	153	12	42,812,219,245	111,743,332,877
B. NON-CURRENT ASSETS	200		11,350,979,923,527	8,939,739,075,221
I. Long-term receivables	210		109,788,240,927	231,657,122,488
1. Long-term trade receivables	211		-	161,551,680,000
2. Long-term loans receivable	215		392,794,707	-
3. Other long-term receivables	216	8	164,124,620,038	124,834,616,306
4. Provision for long-term doubtful debts	219		(54,729,173,818)	(54,729,173,818)
II. Fixed assets	220		6,513,735,578,258	5,247,285,021,701
1. Tangible fixed assets	221	13	5,207,125,950,106	4,585,493,059,313
- Cost	222		9,471,984,147,609	8,260,173,587,144
- Accumulated depreciation	223		(4,264,858,197,503)	(3,674,680,527,831)
2. Finance lease assets	224		3,024,593,397	3,656,116,414
- Cost	225		5,208,542,803	4,702,426,443
- Accumulated depreciation	226		(2,183,949,406)	(1,046,310,029)
3. Intangible assets	227	14	1,303,585,034,755	658,135,845,974
- Cost	228		1,915,362,421,263	1,117,419,385,566
- Accumulated amortisation	229		(611,777,386,508)	(459,283,539,592)
III. Long-term assets in progress	240		1,174,778,083,753	805,559,896,217
1. Long-term construction in progress	242	15	1,174,778,083,753	805,559,896,217
IV. Long-term financial investments	250		2,202,466,649,730	1,783,369,007,284
1. Investments in associates	252	17	1,676,231,689,527	1,333,704,438,239
2. Equity investments in other entities	253	6	793,360,844,792	749,259,852,282
3. Provision for impairment of long-term financial investments	254		(267,125,884,589)	(299,595,283,237)
V. Other long-term assets	260		1,350,211,370,859	871,868,027,531
1. Long-term prepayments	261	11	986,963,791,569	811,433,621,590
2. Deferred tax assets	262	18	37,229,856,110	60,434,405,941
3. Goodwill	269	19	326,017,723,180	-
TOTAL ASSETS (270=100+200)	270		29,757,067,149,568	24,999,676,895,866

The notes are an integral part of these consolidated financial statements

FPT CORPORATION

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

FORM B 01-DN/HN

 Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		14,982,096,384,457	11,761,300,662,093
I. Current liabilities	310		14,451,149,990,521	11,100,344,738,740
1. Short-term trade payables	311		2,510,114,267,322	2,279,172,467,047
2. Short-term advances from customers	312		418,652,248,691	561,261,495,876
3. Taxes and amounts payable to the State budget	313	12	411,222,366,924	320,421,087,431
4. Payables to employees	314		1,191,302,627,829	830,413,330,203
5. Short-term accrued expenses	315	20	837,956,702,415	918,418,793,263
6. Payables relating to construction contracts under percentage of completion method	317	7	46,561,518,663	20,380,725,175
7. Short-term unearned revenue	318	21	1,610,921,248,698	1,293,630,917,628
8. Other current payables	319	22	341,063,193,828	439,490,212,823
9. Short-term loans and obligations under finance leases	320	23	6,598,868,849,348	4,116,988,708,324
10. Short-term provisions	321	24	31,354,115,546	6,051,424,047
11. Bonus and welfare funds	322		453,132,851,257	314,115,576,923
II. Long-term liabilities	330		530,946,393,936	660,955,923,353
1. Long-term advances from customers	332		-	40,000,000,000
2. Long-term unearned revenue	336	21	46,805,654,155	47,796,539,629
3. Other long-term payables	337	22	108,962,237,984	1,525,469,921
4. Long-term loans and obligations under finance leases	338	25	366,793,322,852	565,209,817,637
5. Deferred tax liabilities	341		335,327,364	2,853,492,585
6. Long-term provisions	342	24	7,857,755,298	3,378,507,298
7. Scientific and technological development fund	343		192,096,283	192,096,283
D. EQUITY	400		14,774,970,765,111	13,238,376,233,773
I. Owners' equity	410	26	14,772,220,765,111	13,235,626,233,773
1. Owners' contributed capital	411		6,136,367,720,000	5,309,611,050,000
- Ordinary shares carrying voting rights	411a		6,136,367,720,000	5,309,611,050,000
2. Share premium	412		49,465,703,201	49,465,703,201
3. Other owner's capital	414		667,035,271,273	287,829,523,052
4. Treasury shares	415		(823,760,000)	(823,760,000)
5. Foreign exchange reserve	417		14,965,650,460	10,358,539,447
6. Investment and development fund	418		222,962,521,203	171,160,597,046
7. Other reserves	420		87,230,283,704	87,230,351,424
8. Retained earnings	421		5,293,166,046,073	5,511,408,650,206
- Retained earnings accumulated to the prior year end	421a		3,515,481,219,969	3,323,086,196,728
- Retained earnings of the current year	421b		1,777,684,826,104	2,188,322,453,478
9. Non-controlling interests	429		2,301,851,329,197	1,809,385,579,397
II. Other resources and funds	430		2,750,000,000	2,750,000,000
1. Subsidised funds	431		2,750,000,000	2,750,000,000
TOTAL RESOURCES (440=300+400)	440		29,757,067,149,568	24,999,676,895,866



Nguyen Tien Hao
Preparer



Hoang Huu Chien
Chief Accountant




Nguyen The Phuong
Executive Vice President

04 March 2019

The notes are an integral part of these consolidated financial statements

FPT CORPORATION

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

FORM B 02-DN/HN

Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	27	23,259,126,277,266	43,298,396,301,993
2. Deductions	02	27	45,589,419,541	639,785,460,639
3. Net revenue from goods sold and services rendered (10=01-02)	10	27	23,213,536,857,725	42,658,610,841,354
4. Cost of sales	11	28	14,490,657,872,236	32,976,206,156,753
5. Gross profit from goods sold and services rendered (20=10-11)	20		8,722,878,985,489	9,682,404,684,601
6. Financial income	21	30	600,093,309,692	1,583,099,974,667
7. Financial expenses	22	31	361,046,565,710	600,871,831,217
- In which: Interest expense	23		238,344,431,747	368,545,679,548
8. Share of net profit from associates	24		439,027,114,689	71,085,355,123
9. Selling expenses	25		2,047,833,577,540	3,074,637,403,520
10. General and administration expenses	26		3,553,288,111,032	3,441,128,714,059
11. Operating profit (30=20+(21-22)+24-(25+26))	30		3,799,831,155,588	4,219,952,065,595
12. Other income	31		60,448,926,027	101,847,192,667
13. Other expenses	32		2,677,526,409	66,681,480,755
14. Profit from other activities (40=31-32)	40		57,771,399,618	35,165,711,912
15. Accounting profit before tax (50=30+40)	50		3,857,602,555,206	4,255,117,777,507
16. Current corporate income tax expense	51	32	599,214,896,970	698,493,915,640
17. Deferred corporate tax expense	52	32	24,390,517,191	28,509,947,486
18. Net profit after corporate income tax (60=50-51-52)	60		3,233,997,141,045	3,528,113,914,381
<i>In which:</i>				
18.1 Profit after tax attributable to Parent Company	61		2,620,178,631,986	2,931,530,862,562
18.2 Profit after tax attributable to non-controlling shareholders	62		613,818,509,059	596,583,051,819
19. Basic earnings per share	70	33	3,903	4,457
20. Diluted earnings per share	71		3,903	4,457


Nguyen Tien Hao
Preparer


Hoang Huu Chien
Chief Accountant


Nguyen The Phuong
Executive Vice President

04 March 2019

The notes are an integral part of these consolidated financial statements

FPT CORPORATION

FPT Cau Giay Building, Duy Tan Street
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 Hanoi, Vietnam

FORM B 03-DN/HN

Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	3,857,602,555,206	4,255,117,777,507
Depreciation and amortisation of fixed assets and goodwill	02	1,164,692,003,074	1,039,416,768,342
Provisions	03	120,544,469,503	184,568,266,739
Foreign exchange loss/(gain) arising from translating foreign currency items	04	18,627,355,032	(18,951,655,934)
Gain from investing activities	05	(761,304,152,101)	(1,330,954,022,321)
Interest expense	06	238,344,431,747	368,545,679,548
2. Operating profit before movements in working capital	08	4,638,506,662,461	4,497,742,813,881
Increases in receivables	09	(159,344,472,867)	(2,311,600,942,433)
Increases in inventories	10	(229,108,218,690)	(617,887,896,217)
Increases in payables (excluding accrued loan interest and corporate income tax payable)	11	644,985,031,490	1,709,299,259,291
Increases in prepaid expenses	12	(367,688,759,434)	(143,624,640,180)
Interest paid	14	(263,543,299,555)	(386,409,842,206)
Corporate income tax paid	15	(429,913,433,339)	(493,643,801,955)
Other cash inflows	17	(245,573,417,730)	(265,691,285,266)
Net cash generated by operating activities	20	3,588,320,092,336	1,988,183,664,915
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(2,453,675,554,507)	(1,104,370,928,512)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	773,278,807	3,873,003,435
3. Cash outflow for lending, buying debt instruments of other entities	23	(1,188,220,715,064)	(942,508,215,806)
4. Equity investments in other entities	25	(709,543,569,233)	-
5. Cash recovered from investments in other entities	26	180,229,124,836	(973,833,781,575)
6. Interest earned, dividends and profits received	27	473,705,873,732	408,056,318,390
Net cash used in investing activities	30	(3,696,731,561,429)	(2,608,783,604,068)

The notes are an integral part of these consolidated financial statements

FPT CORPORATION

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FORM B 03-DN/HN

Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from share issue and owners' contributed capital	31	26,545,560,000	39,143,700,000
2. Capital withdrawals, buy-back of issued shares	32	-	(130,000,000)
3. Proceeds from borrowings	33	10,281,501,672,838	21,302,571,414,666
4. Repayment of borrowings	34	(8,046,946,587,865)	(21,923,254,763,024)
5. Dividends and profits paid	36	(1,707,621,484,375)	(1,330,432,287,475)
Net cash generated by/(used in) financing activities	40	553,479,160,598	(1,912,101,935,833)
Net increase/(decrease) in cash (50=20+30+40)	50	445,067,691,505	(2,532,701,874,986)
Cash and cash equivalents at the beginning of the year	60	3,480,659,514,788	6,013,361,389,774
Cash and cash equivalents at the end of the year (70=50+60)	70	3,925,727,206,293	3,480,659,514,788



Nguyen Tien Hao
Preparer



Hoang Huu Chien
Chief Accountant




Nguyen The Phuong
Executive Vice President

04 March 2019

The notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

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

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

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

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

The total number of the Corporation's employees as at 31 December 2018 was 27,843 (31 December 2017: 25,322).

Operating industry and principal activities

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

Normal production and business cycle

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

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

On 12 July 2018, FPT Software Company Limited (a subsidiary of the Corporation) acquired a 90% shares in Intellinet Consulting, LLC, a technology consulting company based in the United States. Accordingly, Intellinet Consulting, LLC has become a subsidiary of the Corporation since then.

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

The Corporation's structure:

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

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

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

And 4 associates as follows:

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

Disclosure of information comparability in the consolidated financial statements

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) for the period from 01 January 2018 to 31 December 2018. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

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

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

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests 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.

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Business combinations

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

The interest of non-controlling shareholders is initially measured at the minority's proportion of the net fair value of the assets, liabilities, and contingent liabilities recognized.

Investments in associates

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

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

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

Goodwill

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

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

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

Cash and cash equivalents

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

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Financial investments

Held-to-maturity investments

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

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

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

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

Equity investments in other entities

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

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

Provisions for impairment of long-term financial investments

Provisions for impairment of long-term financial investments are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations. In some cases, according to the estimate of the Board of Management, the Corporation prudently makes more provision for impairment of long-term financial investments than required as per the prevailing accounting regulations.

Receivables

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

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

Inventories

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

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



Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

	Current year
	(Years)
Buildings and structures	5 - 25
Machinery and equipment	3 - 25
Motor vehicles	3 - 10
Office equipment	3 - 8
Other assets	3 - 25

Finance lease assets and depreciation

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

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

Intangible assets and amortisation

(i) Land use rights

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

(ii) License, copyright and patent

Purchase price of license is accounted for as intangible asset. License is amortised to the consolidated income statement on straight-line basis over a period of 3 to 5 years. The right to operate the high-speed internet lines are amortised over 15 years.

Purchase prices of copyright and patent are capitalized and accounted for as intangible asset. Copyright and patent are amortised to the consolidated income statement on straight-line basis over a period of 3 to 5 years.

(iii) Brand name, trademark and list of customers.

Purchase prices of trademark and brand name are recorded as intangible asset. Trademark, brand name and list of customers are amortised to the consolidated income statement on straight-line basis over their estimated useful lives.



(iv) Computer software

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

Construction in progress

Properties in the course of construction for production, rental, or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Long-term prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including land rentals and other types of long-term prepayments.

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

Other types of long-term prepayments comprise costs of small tools, supplies and spare parts issued for consumption, PayTV installation cost, Office and furniture repair, maintenance and prepayments for systems integration contracts which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as long-term prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payable provisions

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

Provision for warranties

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

Bonus and welfare funds

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

Revenue recognition

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

Revenue from the sale of goods

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

- (a) the Corporation has transferred to the buyer significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;

- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services

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

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

Revenue from software development, system intergration and informatics services

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

Revenue from processing services

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

Revenue from telecommunication services

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

Revenue from online advertising services

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

Revenue from tuition and fees

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

Tuition and fee payment

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

Enrolment fee or application fee

A one-time fixed application fee is charged per student and collected with applications for enrolment. Proceeds from the application fees are used to defray the costs associated with all procedures relating to processing each student's enrolment, including the administration of

applicable assessment evaluation of prior school records and appropriate placement for the student. The application fee is not refundable.

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

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

Foreign currencies

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

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

Financial statements of foreign operations

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

Borrowing costs

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

Earnings per share

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

Related parties

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

Taxation

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

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

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

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

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

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

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

4. SEGMENT REPORTING

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

The Corporation has two major segments under the management of FPT Corporation (the "Corporation") as follows:

Information Technology and Telecommunication

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

Investment and education: including the following main activities:

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

Unit: VND million

Current year

Items	Information Technology and Telecommunication				Investment and education	Elimination	Total
	Telecommunication	Digital content	Software outsourcing	Software solution, system integration and informatics services			
Segment revenue	8,293,162	537,841	8,443,472	4,958,102	1,375,177	(394,217)	23,213,537
Segment expenses (i)							
Directly attributable expenses	(7,142,274)	(274,049)	(7,024,252)	(4,803,757)	(1,218,535)	371,087	(20,091,780)
In which:							
- Depreciation and amortisation	(875,603)	(5,145)	(199,179)	(25,454)	(43,575)	4,291	(1,144,665)
- Allocation of long-term prepaid expenses	(391,055)	(5,836)	(164,826)	(63,736)	(82,518)	-	(707,971)
Segment operating result (ii)	1,150,888	263,792	1,419,220	154,345	156,643	(23,130)	3,121,757
Segment profit before tax	1,142,291	315,243	1,360,066	159,050	1,986,745	(1,105,792)	3,857,603
Segment assets	11,508,249	1,342,296	7,824,433	4,765,245	5,776,355	(1,459,511)	29,757,067
Segment liabilities	7,350,254	451,126	3,816,244	3,354,520	1,565,766	(1,555,814)	14,982,096
Total expenses for acquisition of fixed assets	2,291,534	9,060	401,620	171,563	767,883	-	3,641,660

- (i) Segment expenses arising from the business activities of the segment are charged directly to that segment and part of the business costs are allocated to that segment, including outbound sales costs and expenses related to transactions with other segments of the business. Accordingly, segment expenses include cost of sales, selling and administration expenses.
- (ii) Segment result is the segment revenue less segment expenses.



Unit: VND million

Prior year

Items	Information Technology and Telecommunication					Investment and education	Elimination	Total
	Telecommunication	Digital content	Software outsourcing	Software solution, system integration and informatics services	Technology product manufacture, distribution and retail			
Segment revenue	7.131.615	519.569	6.242.243	4.998.712	24.211.855	1.387.640	(1.833.023)	42.658.611
Segment expenses								
Directly attributable expenses	(6.197.119)	(243.771)	(5.053.257)	(4.934.853)	(23.637.499)	(1.285.668)	1.822.265	(39.529.902)
In which:								
- Depreciation and amortisation	(795.051)	(5.382)	(142.807)	(27.176)	(7.832)	(48.204)	(12.965)	(1.039.417)
- Allocation of long-term prepaid expenses	(324.548)	(8.820)	(415.826)	(71.537)	(141.688)	(105.253)	-	(1.067.672)
Segment operating result	934.496	275.798	1.188.986	63.859	574.356	101.972	(10.758)	3.128.709
Segment profit before tax	908.643	313.831	1.067.920	63.124	705.472	3.078.120	(1.881.992)	4.255.118
Segment assets	8.030.280	1.136.336	5.834.420	4.955.656	-	5.940.992	(898.007)	24.999.677
Segment liabilities	4.609.909	458.899	3.071.939	3.577.587	-	1.441.149	(1.397.775)	11.761.708
Total expenses for acquisition of fixed assets	1.321.096	10.441	757.111	201.901	267.483	562.308	(150.335)	2.970.005

5. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	60,166,021,396	10,143,297,590
Bank demand deposits	2,622,271,120,453	1,874,995,984,980
Cash in transit	-	1,295,936,150
Cash equivalents	1,243,290,064,444	1,594,224,296,068
	<u>3,925,727,206,293</u>	<u>3,480,659,514,788</u>



6. FINANCIAL INVESTMENTS

	Closing balance		Opening balance	
	Cost	VND Carrying amount	Cost	VND Carrying amount
a. Held-to-maturity investments				
Current investments	5,627,125,964,621	5,568,623,727,137	4,438,905,249,557	4,379,446,212,073
- Term deposits	5,540,850,912,845	5,540,850,912,845	4,352,630,197,781	4,352,630,197,781
- Other short-term investments	86,275,051,776	27,772,814,292	86,275,051,776	26,816,014,292

	Closing balance			Opening balance		
	Cost	Provision	VND Fair value	Cost	Provision	VND Fair value
b. Investments in other entities						
b1) Investments in associates	630,000,000,000	-	3,512,883,994,005	630,000,000,000	-	
- Synnex FPT Joint Stock Company (*)	398,500,000,000	-	786,922,199,961	398,500,000,000	-	(***)
- FPT Securities Joint Stock Company (**)	110,000,000,000	-	386,990,853,000	110,000,000,000	-	246,465,673,600
- FPT Digital Retail Joint Stock Company (**)	94,000,000,000	-	2,297,924,000,000	94,000,000,000	-	(***)
- FPT Fund Management Joint Stock Company (*)	27,500,000,000	-	41,046,941,044	27,500,000,000	-	(***)
b2) Long-term investments in other entities	793,360,844,792	(267,125,884,589)	1,493,917,131,037	749,259,852,282	(299,595,283,237)	(***)
- Viet Nam BVIM Investment Fund	-	-	-	2,100,000,000	-	(***)
- Other investments (*)	793,360,844,792	(267,125,884,589)	1,493,917,131,037	747,159,852,282	(299,595,283,237)	(***)

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

(*) The minimum value can be achieved based on of book value or corresponding valuations according to market prices of these investments.

(**) Fair value is determined based on the closing price on the stock exchange and the number of shares held by the Corporation at the date of the consolidated financial statements.

(***) In 2017, the Group had not determined fair value of these investments.

7. RECEIVABLES/PAYABLES FROM CONTRACTS UNDER PERCENTAGE OF COMPLETION METHOD

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Contracts in progress as at the balance sheet date:		
Receivables from construction contracts under percentage of completion method	251,954,356,007	431,581,193,340
Payables relating to construction contracts under percentage of completion method	(46,561,518,663)	(20,380,725,175)
	<u>205,392,837,344</u>	<u>411,200,468,165</u>
Contract costs incurred plus recognised profits less recognised losses to date	2,817,209,391,708	2,323,991,070,764
Less: progress billings	(2,611,816,554,364)	(1,912,790,602,599)
	<u><u>205,392,837,344</u></u>	<u><u>411,200,468,165</u></u>

8. OTHER RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Current		
- Receivable related to maintenance services	116,338,929,576	98,011,262,505
- Deposits and mortgages	138,075,168,759	137,469,600,809
- Other receivables	404,361,381,540	531,519,508,185
	<u>658,775,479,875</u>	<u>767,000,371,499</u>
b. Non-current		
- Deposits and mortgages	94,330,507,635	69,491,018,667
- Other receivables	69,794,112,403	55,343,597,639
	<u>164,124,620,038</u>	<u>124,834,616,306</u>

9. BAD DEBTS

	<u>Closing balance</u>		<u>Opening balance</u>	
	Cost	Recoverable amount (*)	Cost	Recoverable amount (*)
Total amount of receivables and loans past due or not past due but impaired	387,028,381,993	67,632,299,269	300,520,115,186	65,272,143,981
	<u><u>387,028,381,993</u></u>	<u><u>67,632,299,269</u></u>	<u><u>300,520,115,186</u></u>	<u><u>65,272,143,981</u></u>

(*) Recoverable amount of receivables and loans past due or not past due but impaired is the cost of receivables minus provision provided in accordance with current regulations for such receivables.

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	VND Provision	Cost	VND Provision
Goods in transit	79,165,032,088	-	120,106,386,194	-
Tools and supplies	142,325,344,375	-	89,770,774,162	-
Work in progress	393,823,125,241	-	308,795,278,723	-
Merchandise	785,989,164,674	(60,615,450,031)	505,371,513,444	(3,831,528,933)
	<u>1,401,302,666,378</u>	<u>(60,615,450,031)</u>	<u>1,024,043,952,523</u>	<u>(3,831,528,933)</u>

11. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
- Expenditure for transforming into optical fiber system	326,152,977,092	354,578,822,565
- Other current prepayments	636,324,998,838	405,369,227,288
	<u>962,477,975,930</u>	<u>759,948,049,853</u>
b. Non-current		
- PayTV installation cost	376,246,651,395	377,607,624,634
- Office and furniture repair, maintenance	247,789,391,074	220,347,451,792
- Prepayments for systems integration contracts	23,848,884,774	26,274,393,216
- Electronic equipment and computer system	72,378,708,677	53,718,966,212
- Other non-current prepayments	266,700,155,649	133,485,185,736
	<u>986,963,791,569</u>	<u>811,433,621,590</u>

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

Movement of taxes and other receivables from/payables to the State budget:

	Opening balance	Payables/ Receivables during the year	Paid/Received during the year	Closing balance
	VND	VND	VND	VND
Value added tax	134,235,081,884	2,541,256,421,852	2,469,759,669,465	205,731,834,271
- Output value added tax	133,534,552,671	2,281,746,502,823	2,209,984,059,361	205,296,996,133
- Value added tax on imports	700,529,213	259,509,919,029	259,775,610,104	434,838,138
Import duties	47,628,589	15,588,899,696	15,784,900,123	(148,371,838)
Corporate income tax	35,085,741,701	502,144,680,957	429,913,433,339	107,316,989,319
Personal income tax	27,320,187,842	366,851,130,810	349,325,548,715	44,845,769,937
Foreign contractor withholding tax	6,232,148,438	46,119,151,206	44,534,717,434	7,816,582,210
Other taxes and fees	5,756,966,100	5,033,947,804	7,943,570,124	2,847,343,780
	208,677,754,554	3,476,994,232,325	3,317,261,839,200	368,410,147,679
In which:				
- Taxes and other receivables from the State budget	111,743,332,877			42,812,219,245
- Taxes and amounts payable to the State budget	320,421,087,431			411,222,366,924



The balance of taxes and other receivables from/payables to the State budget in detail:

- Taxes and other receivables from the State budget

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Value added tax	28,309,830,938	1,155,425,702
Import duties	181,397,817	34,802,628
Corporate income tax	13,708,010,207	110,103,151,153
Personal income tax	299,101,470	99,858,547
Other taxes	313,878,813	350,094,847
	<u>42,812,219,245</u>	<u>111,743,332,877</u>

- Taxes and amounts payable to the State budget

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Value added tax	234,041,665,209	135,390,507,586
Import duties	33,025,979	82,431,217
Corporate income tax	121,024,999,526	145,188,892,854
Personal income tax	45,144,871,407	27,420,046,389
Foreign contractor withholding tax	8,130,461,023	6,582,243,285
Other taxes and fees	2,847,343,780	5,756,966,100
	<u>411,222,366,924</u>	<u>320,421,087,431</u>



13. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
Opening balance	1,625,144,590,958	5,896,081,735,959	673,046,279,078	55,111,745,719	10,789,235,430	8,260,173,587,144
Additions	13,571,261,757	1,529,467,003,748	59,745,653,438	4,076,306,839	5,708,610,106	1,612,568,835,888
Transfer from construction in progress	199,633,839,141	18,036,093,450	-	-	-	217,669,932,591
Disposals	-	(144,798,332,553)	(5,979,202,193)	(651,501,268)	-	(151,429,036,014)
Other increases/(decreases) (*)	46,931,421,853	(525,873,451,790)	11,248,065,851	-	694,792,086	(466,999,172,000)
Closing balance	1,885,281,113,709	6,772,913,048,814	738,060,796,174	58,536,551,290	17,192,637,622	9,471,984,147,609
ACCUMULATED DEPRECIATION						
Opening balance	286,531,243,345	2,842,976,166,514	509,366,106,971	29,136,268,306	6,670,742,695	3,674,680,527,831
Charge for the year	81,598,774,035	868,241,641,289	48,288,461,427	6,007,292,767	1,369,698,474	1,005,505,867,992
Disposals	-	(90,142,429,002)	(5,685,591,215)	(651,501,268)	-	(96,479,521,485)
Other increases/(decreases) (*)	5,173,132,444	(333,797,439,009)	9,087,576,237	-	688,053,493	(318,848,676,835)
Closing balance	373,303,149,824	3,287,277,939,792	561,056,553,420	34,492,059,805	8,728,494,662	4,264,858,197,503
NET BOOK VALUE						
Opening balance	1,338,613,347,613	3,053,105,569,445	163,680,172,107	25,975,477,413	4,118,492,735	4,585,493,059,313
Closing balance	1,511,977,963,885	3,485,635,109,022	177,004,242,754	24,044,491,485	8,464,142,960	5,207,125,950,106

(*) Other decreases in fixed assets during the year mainly represent machinery and equipment from former telecommunications fibre infrastructure, which had been retrieved after transforming into optical fibre infrastructure during the period from 2014 to 2016. Since 2017, the Corporation has no longer used such assets so the Corporation has reclassified them into inventory for disposal or replacement purpose.

As at 31 December 2018, the cost of the Corporation's assets including machinery and equipment, motor vehicles and office equipment which had been fully depreciated but are still in use was approximately VND 1,415,275 million (as at 31 December 2017: VND 1,124,840 million).

14. INCREASE, DECREASE IN INTANGIBLE ASSETS

	Land use rights	Computer software	License, copyright and patent	Other intangible assets	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	139,115,531,399	325,037,602,836	653,266,251,331	-	1,117,419,385,566
Additions	61,434,173,623	37,479,076,303	27,397,210,167	-	126,310,460,093
Transfer from construction in progress	-	16,890,185,008	268,537,589,989	-	285,427,774,997
Increase by buying company (*)	-	-	-	383,707,539,500	383,707,539,500
Other increases/(decreases)	-	2,711,217,749	(213,956,642)	-	2,497,261,107
Closing balance	200,549,705,022	382,118,081,896	948,987,094,845	383,707,539,500	1,915,362,421,263
ACCUMULATED DEPRECIATION					
Opening balance	7,104,943,926	244,125,246,966	208,053,348,700	-	459,283,539,592
Charge for the year	2,772,143,622	45,676,183,186	79,735,502,898	11,473,499,550	139,657,329,256
Other increases/(decreases)	-	1,561,121,347	11,275,396,313	-	12,836,517,660
Closing balance	9,877,087,548	291,362,551,499	299,064,247,911	11,473,499,550	611,777,386,508
NET BOOK VALUE					
Opening balance	132,010,587,473	80,912,355,870	445,212,902,631	-	658,135,845,974
Closing balance	190,672,617,474	90,755,530,397	649,922,846,934	372,234,039,950	1,303,585,034,755

(*) Cost of other intangible fixed assets increased during the year arising from the acquisition of Intellinet Consulting, LLC as stated in Note 1 of Notes to the consolidated financial statements.

15. CONSTRUCTION IN PROGRESS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Long-term construction in progress		
Opening balance	805,559,896,217	1,006,742,286,288
- Acquisition	1,029,543,672,496	771,849,613,507
- Transferred to fixed assets	(503,097,707,588)	(805,917,957,379)
- Decrease due to divestment	-	(123,243,421,629)
- Other decreases	(157,227,777,372)	(43,870,624,570)
Closing balance	1,174,778,083,753	805,559,896,217
<i>In which:</i>		
- FPT Tower Project	712,296,937,417	393,003,100,000
- Tan Thuan 3 office building project	-	122,790,367,827
- Nam An Khanh Investment project	-	92,978,439,918
- Other projects	462,481,146,336	196,787,988,472
	<u>1,174,778,083,753</u>	<u>805,559,896,217</u>

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16. INVESTMENTS IN SUBSIDIARIES

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

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

Name of subsidiaries	Place of incorporation and operation	Proportion of ownership rate	Proportion of voting power held	Principal activities
FPT Information System Corporation	Floor 22, Keangnam Landmark 72, E6 Pham Hung, Me Tri, Tu Liem, Hanoi	100%	100%	Providing application software solution, ERP services, IT services and integrated system services
FPT Software Company Limited	Floor 6-12 FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing software services and products
FPT Telecom Joint Stock Company (i)	Floor 2, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	45.65%	45.65%	Providing ADSL services, fixed line internet services, online advertising and other online services
FPT Education Company Limited	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing training and technology services
FPT Online Service Joint Stock Company	No. 408 Dien Bien Phu Street, Ward 11, District 10, Ho Chi Minh City	49.48%	80.09%	Providing online services
FPT Investment Company Limited	Floor 13, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing financial services activities (investment consulting service, excluding legal and financial consulting services)

- (i) As at 31 December 2018, FPT Corporation holds 45.65% ownership interest (31 December 2017: 45.65%) and 45.65% of voting rights (31 December 2017: 45.65%) at FPT Telecom Joint Stock Company. However, the Corporation has the power to cast the majority of votes at meetings of the Board of Directors of FPT Telecom Joint Stock Company and thus, the Corporation has the power to control the financial and operating policies of FPT Telecom Joint Stock Company. Therefore, the Corporation has control over FPT Telecom Joint Stock Company, and thus, the financial statements of FPT Telecom Joint Stock Company are incorporated in the Corporation's consolidated financial statements.

17. INVESTMENTS IN ASSOCIATES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Opening balance	1,333,704,438,239	289,799,251,298
Share of net profit after corporate income tax of associates	344,196,192,956	56,959,207,134
Dividends received	(9,938,132,000)	(9,034,665,500)
Increase due to subsidiaries changed to associates and other increases	8,269,190,332	995,980,645,307
Closing balance	<u>1,676,231,689,527</u>	<u>1,333,704,438,239</u>

Details of the Corporation's associates as at 31 December 2018 which the Corporation accounted for using the equity method in its consolidated financial statements are as follows:

<u>Name of associate</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership rate and voting power held</u>	<u>Principal activities</u>
FPT Digital Retail Joint Stock Company	261 - 263 Khanh Hoi, Ward 5, District 4, Ho Chi Minh City	47%	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent
Synnex FPT Joint Stock Company	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	48%	Producing technology products and distributing IT devices and mobile phone; and manufacturing computers
FPT Securities Joint Stock Company	No. 52, Lac Long Quan Road, Bui Ward, Tay Ho District, Hanoi	20%	Securities trading, brokerage, investment advisory and securities depository services
FPT Fund Management Joint Stock Company	Floor 9, TTC Building, Lot B1A, Dich Vong Hau Ward, Pham Hung Street, Cau Giay District, Hanoi	25%	Portfolio and investment fund management and other services



18. DEFERRED TAX ASSETS

	Fixed assets VND	Revenue VND	Others VND	Total VND
Opening balance	17,795,401,242	33,040,140,027	9,598,864,672	60,434,405,941
Transferred to the consolidated income statement of the year	(858,283,263)	(22,735,623,276)	-	(23,593,906,539)
Other increases	-	-	389,356,708	389,356,708
Closing balance	16,937,117,979	10,304,516,751	9,988,221,380	37,229,856,110

19. GOODWILL

	VND
COST	
Current year's opening balance	-
Additional amounts recognised from acquisition of a subsidiary (*)	344,408,889,629
Current year's closing balance	344,408,889,629
ACCUMULATED AMORTIZATION	
Current year's opening balance	-
Charge for the year	18,391,166,449
Current year's closing balance	18,391,166,449
CARRYING AMOUNT	
Opening balance	-
Closing balance	326,017,723,180

(*) Goodwill arising in the year is mainly from the acquisition of Intellinet Consulting, LLC as stated in Note 1 of Notes to the financial statements and from business consolidation transactions at other subsidiaries.

20. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Short-term accrued expenses		
Accrued expenses for system integration projects	433,736,466,400	408,455,330,656
Other accruals	404,220,236,015	509,963,462,607
	837,956,702,415	918,418,793,263

21. UNEARNED REVENUE

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Short-term unearned revenue		
Unearned revenue related to telecom services	1,185,633,003,915	987,786,150,810
Unearned revenue related to tuition and fees	354,079,691,773	230,852,766,071
Other unearned revenue	71,208,553,010	74,992,000,747
	<u>1,610,921,248,698</u>	<u>1,293,630,917,628</u>
Long-term unearned revenue		
Unearned revenue related to telecom services	8,132,337,054	7,373,253,511
Other unearned revenues	38,673,317,101	40,423,286,118
	<u>46,805,654,155</u>	<u>47,796,539,629</u>

22. OTHER PAYABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Current payables		
Trade union fee	33,766,080,660	43,851,162,084
Social, health and unemployment insurance	52,903,841,723	10,125,934,480
Short-term deposits received	209,967,971,512	120,204,816,937
Dividends payable	11,855,468,352	171,123,751,156
Others	32,569,831,581	94,184,548,166
	<u>341,063,193,828</u>	<u>439,490,212,823</u>
Long-term payables		
Long-term deposits received	334,215,970	205,725,910
Others	108,628,022,014	1,319,744,011
	<u>108,962,237,984</u>	<u>1,525,469,921</u>



23. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Amount	Opening balance	Increases	In the year	Amount	Closing balance
		VND		VND		VND
		Amount able to be paid off		Decreases		Amount able to be paid off
Short-term loans from banks and business entities (i)	3,754,428,452,146	3,754,428,452,146	10,013,536,957,046	7,554,123,934,884	6,213,841,474,308	6,213,841,474,308
Current portion of long-term loans and obligations under finance leases (see details in Note 25)	362,560,256,178	362,560,256,178	466,381,210,577	443,914,091,715	385,027,375,040	385,027,375,040
- Current portion of long-term loans	361,663,699,034	361,663,699,034	465,348,950,731	442,985,545,082	384,027,104,683	384,027,104,683
- Current portion of long-term obligations under finance leases	896,557,144	896,557,144	1,032,259,846	928,546,633	1,000,270,357	1,000,270,357
	4,116,988,708,324	4,116,988,708,324	10,479,918,167,623	7,998,038,026,599	6,598,868,849,348	6,598,868,849,348

- (i) Most of short-term loans from banks and business entities are unsecured. These loans can be withdrawn in either Vietnam Dong or United States Dollar. Interest rate is determined in respect of each specific withdrawal.

24. PROVISIONS

a. Short-term

	Short-term provisions for warranties VND	Other short-term provisions VND	Total VND
Opening balance	6,051,424,047	-	6,051,424,047
Additional provision for the year	16,929,137,777	14,217,000,000	31,146,137,777
Reversal of provisions	(5,843,446,278)	-	(5,843,446,278)
Closing balance	17,137,115,546	14,217,000,000	31,354,115,546

b. Long-term

	Long-term provisions for warranties VND	Long-term provisions for guarantees on student loans VND	Total VND
Opening balance	3,365,602,298	12,905,000	3,378,507,298
Additional provision for the year	6,785,044,863	-	6,785,044,863
Reversal of provisions	(2,305,796,863)	-	(2,305,796,863)
Closing balance	7,844,850,298	12,905,000	7,857,755,298

Warranties

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

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25. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		Increases	In the year		Closing balance	
	Amount	VND Amount able to be paid off		VND Decreases	Amount	VND Amount able to be paid off	
Long-term loans	923,986,391,690	923,986,391,690	290,095,739,392	465,348,950,731	748,733,180,351	748,733,180,351	
Long-term obligations under finance leases	3,783,682,125	3,783,682,125	232,382,049	928,546,633	3,087,517,541	3,087,517,541	
	927,770,073,815	927,770,073,815	290,328,121,441	466,277,497,364	751,820,697,892	751,820,697,892	
In which:							
- Amount due for settlement within 12 months	362,560,256,178	-	-	-	385,027,375,040	-	
- Amount due for settlement after 12 months	565,209,817,637	-	-	-	366,793,322,852	-	

Details of long-term loans by term:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Long-term loans	748,733,180,351	923,986,391,690
- 3 year-term	414,596,052,700	457,674,918,560
- 4 year-term	121,953,975,460	190,193,709,103
- 5 year-term	212,183,152,191	276,117,764,027
Long-term obligations under finance leases	3,087,517,541	3,783,682,125
	<u>751,820,697,892</u>	<u>927,770,073,815</u>
Of which:		
- Amount due for settlement within 12 months	385,027,375,040	362,560,256,178
- Amount due for settlement after 12 months	366,793,322,852	565,209,817,637

Long-term loans are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
On demand or within one year	384,027,104,683	361,663,699,034
In the second year	249,227,937,390	339,004,368,712
In the third to fifth year inclusive	115,478,138,278	223,318,323,944
	<u>748,733,180,351</u>	<u>923,986,391,690</u>
Less: Amount due for settlement within 12 months (shown under short - term loans)	384,027,104,683	361,663,699,034
Amount due for settlement after 12 months	<u><u>364,706,075,668</u></u>	<u><u>562,322,692,656</u></u>



26. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Share premium	Other owners' capital	Treasury shares	Foreign exchange reserve	Investment and development fund	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Prior year's opening balance	4,594,266,840,000	49,465,703,201	56,882,670,000	(823,760,000)	(5,875,468,099)	126,889,833,508	87,227,200,764	4,614,339,862,503	9,522,372,881,877
Shares issued	22,963,700,000	-	-	-	-	-	-	-	22,963,700,000
Profit for the year	-	-	-	-	-	-	-	2,931,530,862,562	2,931,530,862,562
Transferred to bonus and welfare funds	-	-	-	-	-	-	-	(212,329,680,082)	(212,329,680,082)
Distribution and utilisation of investment and development fund	-	-	-	-	-	44,270,763,538	-	(52,450,388,283)	(8,179,624,745)
Stock dividends declared	692,380,510,000	-	62,570,940,000	-	-	-	-	(754,951,450,000)	-
Cash dividends declared	-	-	-	-	-	-	-	(992,519,407,000)	(992,519,407,000)
Other movements	-	-	168,375,913,052	-	16,234,007,546	-	3,150,660	(22,211,149,494)	162,401,921,764
Current year's opening balance	5,309,611,050,000	49,465,703,201	287,829,523,052	(823,760,000)	10,358,539,447	171,160,597,046	87,230,351,424	5,511,408,650,206	11,426,240,654,376
Capital increase	26,545,560,000	-	-	-	-	-	-	-	26,545,560,000
Profit for the year	-	-	-	-	-	-	-	2,620,178,631,986	2,620,178,631,986
Stock dividends declared (i)	800,211,110,000	-	344,140,170,000	-	-	-	-	(1,144,351,280,000)	-
Transferred to bonus and welfare funds	-	-	-	-	-	-	-	(228,939,409,882)	(228,939,409,882)
Distribution and utilisation of investment and development fund	-	-	-	-	-	51,801,924,157	-	(65,242,772,744)	(13,440,848,587)
Cash dividends declared	-	-	-	-	-	-	-	(1,413,854,323,500)	(1,413,854,323,500)
Other movements	-	-	35,065,578,221	-	4,607,111,013	-	(67,720)	13,966,550,007	53,639,171,521
Current year's closing balance	6,136,367,720,000	49,465,703,201	667,035,271,273	(823,760,000)	14,965,650,460	222,962,521,203	87,230,283,704	5,293,166,046,073	12,470,369,435,914



- (i) In the year, the Corporation issued 80,021,111 shares for payment of 2017 dividend according to the Corporation's Shareholders' Annual General Meeting of 2018. FPT Telecom Joint Stock Company (a subsidiary of the Corporation) also issued shares to the Corporation as payment of 2017 dividend which was recorded as other owners' capital according to Circular No. 202/2014/TT-BTC dated 22 December 2014.

Dividends

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

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

Number of outstanding shares

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

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

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

27. REVENUE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Sales of merchandise and services	23,259,126,277,266	43,298,396,301,993
In which:		
- Sales of finished goods/merchandise	3,417,614,918,696	26,380,377,860,542
- Sales of services	19,841,511,358,570	16,918,018,441,451
Deductions	45,589,419,541	639,785,460,639
Net sales	<u>23,213,536,857,725</u>	<u>42,658,610,841,354</u>

28. COST OF SALES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Cost of finished products, goods sold	3,025,295,469,012	23,312,854,567,696
Cost of services rendered	11,408,578,482,126	9,653,397,556,140
Provision for inventory devaluation	56,783,921,098	9,954,032,917
	<u>14,490,657,872,236</u>	<u>32,976,206,156,753</u>

29. PRODUCTION COST BY NATURE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Cost of goods purchased	322,452,711,036	20,577,730,324,025
Raw materials	3,565,645,393,709	3,416,521,569,170
Labour	7,707,908,345,504	6,833,601,300,557
Depreciation and amortisation	1,872,663,628,552	2,115,909,682,562
Out-sourced services	5,700,557,333,979	5,412,822,134,539
Other monetary expenses	1,007,579,994,546	746,067,598,835
	<u>20,176,807,407,326</u>	<u>39,102,652,609,688</u>

30. FINANCIAL INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Bank and loan interest	442,698,835,799	396,519,971,984
Foreign exchange gain	117,005,565,834	114,316,322,519
Other financial income	40,388,908,059	1,072,263,680,164
	<u>600,093,309,692</u>	<u>1,583,099,974,667</u>

31. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expense	238,344,431,747	368,545,679,548
Foreign exchange loss	111,753,197,451	123,580,897,013
Other financial expenses	10,948,936,512	108,745,254,656
	<u>361,046,565,710</u>	<u>600,871,831,217</u>

32. CORPORATE INCOME TAX EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	606,393,662,428	694,439,378,600
Adjustments for corporate income tax expense in previous years to the current year	(7,178,765,458)	4,054,537,040
Total current corporate income tax expense	<u>599,214,896,970</u>	<u>698,493,915,640</u>

	<u>Current year</u> VND	<u>Prior year</u> VND
Deferred corporate income tax expense		
Deferred corporate income tax expenses arising from taxable temporary differences	24,390,517,191	28,509,947,486
Total deferred corporate income tax expense	<u>24,390,517,191</u>	<u>28,509,947,486</u>

Applicable tax rate

Under its Business Registration Certificate and prevailing tax regulations, the Corporation is obligated to pay CIT at the rate of 10% of taxable profit on software production and services, 10% of taxable profit on training education and 20% of taxable profit on goods sold and the other services rendered.

Tax rates applicable to subsidiaries of FPT Corporation are in accordance with the prevailing tax regulations.

33. BASIC EARNINGS PER SHARE

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

	<u>Current year</u> VND	<u>Prior year</u> VND
Accounting profit after corporate income tax	2,620,178,631,986	2,931,530,862,562
Appropriation to bonus and welfare funds	228,939,409,882	212,329,680,082
Average ordinary shares in circulation for the year	612,669,544	610,134,383
Basic earnings per share	<u>3,903</u>	<u>4,457</u>

Restatement of weighted average number of ordinary shares

In the year ended 31 December 2018, FPT Corporation paid dividends by shares, which led to a retrospective adjustment to the weighted average number of outstanding ordinary shares of the year ended 31 December 2017, as follows:

	<u>Current year</u> VND	<u>Prior year</u> VND
Ordinary share outstanding at the beginning of the year	530,113,272	5,129
Restatement as a result of shares from profit distribution during the year	80,021,111	(672)
As restated	<u>610,134,383</u>	<u>4,457</u>

34. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties having significant transactions and balances for the year:

Related party	Relationship
FPT Digital Retail Joint Stock Company	Associate
Synnex FPT Joint Stock Company	Associate
FPT Fund Management Joint Stock Company	Associate
FPT Securities Joint Stock Company	Associate

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

	<u>Current year</u> VND	<u>Prior year</u> VND
Dividends received in cash		
FPT Securities Joint Stock Company	9,938,132,000	9,034,665,500
Purchases of goods and services		
Synnex FPT Joint Stock Company	627,966,155,932	33,025,436,325
Sales of goods and services		
FPT Digital Retail Joint Stock Company	32,429,384,790	1,416,025,446

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


	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Entrusted investments and loans to		
FPT Fund Management Joint Stock Company	92,366,081,776	92,366,081,776
Capital contribution		
FPT Fund Management Joint Stock Company	27,500,000,000	27,500,000,000
FPT Securities Joint Stock Company	110,000,000,000	110,000,000,000
FPT Digital Retail Joint Stock Company	94,000,000,000	94,000,000,000
Synnex FPT Joint Stock Company	398,500,000,000	398,500,000,000
Payables		
Synnex FPT Joint Stock Company	96,403,126,093	141,743,904,028
Payable to centralized account		
FPT Digital Retail Joint Stock Company	3,140,042,971	16,513,848,461
Loans		
Synnex FPT Joint Stock Company	-	200,000,000,000

Board of Management's salary

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

35. CAPITAL COMMITMENTS

On 25 February 2015, the Corporation entered into a comprehensive cooperation agreement with Tien Phong Commercial Joint Stock Bank for supporting students who joined the training courses under the 10,000 Bridge Software Engineer program. In this program, approximately 10,000 students will be trained in Japan within 6 - 12 months. The students who participate in this training course in Japan will be rewarded financial guarantee by the Corporation equivalent to 90% of their total credit obligations arising at the Bank, with a maximum credit limit of VND 500 million. As at 31 December 2018, the number of students participating in the program in Japan are 337, and the total respective estimated guarantee amount is VND 62,902,753,547.



Nguyen Tien Hao
 Preparer



Hoang Huu Chien
 Chief Accountant




Nguyen The Phuong
 Executive Vice President

04 March 2019

