

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.: 445/FPT-FCC

Hà Nội, ngày 30 tháng 10 năm 2019
Hanoi, October 30th, 2019

CÔNG BỐ THÔNG TIN
TRÊN CÔNG THÔNG TIN ĐIỆN
TỬ CỦA ỦY BAN CHỨNG KHOÁN
NHÀ NƯỚC VÀ SGDCK 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 17 Duy Tân, Phường Dịch Vọng Hậu, Quận Cầu Giấy, Hà Nội/ *17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay Distric, Hanoi*
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- Người thực hiện công bố thông tin/ *Submitted by*: Bà Bùi Nguyễn Phương Châu/ *Ms. Bui Nguyen Phuong Chau*
Chức vụ/ *Position*: Giám đốc Truyền thông FPT/ *Chief of FPT's Communications Officer*

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 công ty mẹ quý 3 năm 2019 và Báo cáo tài chính hợp nhất quý 3 năm 2019/*Separate Financial Statements for Quarter 3 of 2019 and Consolidated Financial Statements for Quarter 3 of 2019.*

Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 30/10/2019 tại đường dẫn: <http://fpt.com.vn/vi/nhadautu/cong-bo-thong-tin>
This information was disclosed on Company/Fund's Portal on date October 30th, 2019
Available at: <https://fpt.com.vn/en/ir/information-disclosure>



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 công ty mẹ quý 3 năm 2019 và Báo cáo tài chính hợp nhất quý 3 năm 2019/*Separate Financial Statements for Quarter 3 of 2019 and Consolidated Financial Statements for Quarter 3 of 2019.*

Đại diện tổ chức

Organization representative

Người CBTT/*Party to disclose information*



Bùi Nguyễn Phương Châu

Nơi nhận/Recipient:

- Nhu trên/*As above:*
- Luu/*Archived by: VT, FCC/Admin, FCC*





FPT CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER III - 2019

Hanoi, October 2019



CONSOLIDATED BALANCE SHEET

As at 30 September 2019

FORM B 01-DN/HN

Unit: VND

| NO. | ASSET | Codes | Notes | 30/9/2019 | 31/12/2018 |
|---|-------|------------|-------|---------------------------|---------------------------|
| A - CURRENT ASSETS | | 100 | | 18,431,909,603,327 | 18,406,087,226,041 |
| I. Cash and cash equivalents | | 110 | 5 | 3,230,352,153,676 | 3,925,727,206,293 |
| 1 Cash | | 111 | | 2,416,994,911,003 | 2,682,437,141,849 |
| 2 Cash equivalents | | 112 | | 813,357,242,673 | 1,243,290,064,444 |
| II. Short-term financial investments | | 120 | 6 | 6,305,339,416,212 | 5,568,623,727,137 |
| 1 Held-to-maturity investments | | 123 | | 6,305,339,416,212 | 5,568,623,727,137 |
| III. Short-term receivables | | 130 | | 6,515,911,793,608 | 6,426,946,279,074 |
| 1 Short-term trade receivables | | 131 | 7 | 5,586,776,779,645 | 5,561,545,801,834 |
| 2 Short-term advances to suppliers | | 132 | | 398,988,974,061 | 218,427,501,076 |
| 3 Receivables from construction contracts under percentage of completion method | | 134 | | 283,478,423,283 | 251,954,356,007 |
| 4 Short-term loan receivables | | 135 | | 548,229,100 | 910,049,188 |
| 5 Other short-term receivables | | 136 | 8 | 543,711,556,443 | 658,775,479,875 |
| 6 Provision for short-term doubtful debts | | 137 | | (297,592,168,924) | (264,666,908,906) |
| IV. Inventories | | 140 | 10 | 1,425,172,257,953 | 1,340,687,216,347 |
| 1 Inventories | | 141 | | 1,491,094,975,154 | 1,401,302,666,378 |
| 2 Provision for devaluation of inventories | | 149 | | (65,922,717,201) | (60,615,450,031) |
| V. Other short-term assets | | 150 | | 955,133,981,878 | 1,144,102,797,190 |
| 1 Short-term prepayments | | 151 | | 754,311,711,208 | 962,477,975,930 |
| 2 Value added tax deductibles | | 152 | | 119,707,330,514 | 138,812,602,015 |
| 3 Taxes and other receivables from the State budget | | 153 | 18 | 81,114,940,156 | 42,812,219,245 |
| B - NON-CURRENT ASSETS | | 200 | | 13,844,914,861,433 | 11,350,979,923,527 |
| I. Long-term receivables | | 210 | | 249,946,553,286 | 109,788,240,927 |
| 1 Long-term loans receivable | | 215 | | 27,000,000,000 | 392,794,707 |
| 2 Other long-term receivables | | 216 | 8 | 277,675,727,104 | 164,124,620,038 |
| 3 Provision for long-term doubtful debts | | 219 | | (54,729,173,818) | (54,729,173,818) |
| II. Fixed assets | | 220 | | 7,184,933,236,936 | 6,513,735,578,258 |
| 1 Tangible fixed assets | | 221 | 11 | 5,921,194,339,384 | 5,207,125,950,106 |
| Cost | | 222 | | 10,758,325,050,019 | 9,471,984,147,609 |
| Accumulated depreciation | | 223 | | (4,837,130,710,635) | (4,264,858,197,503) |
| 2 Finance lease assets | | 224 | | 3,177,472,561 | 3,024,593,397 |
| Cost | | 225 | | 6,055,465,444 | 5,208,542,803 |
| Accumulated depreciation | | 226 | | (2,877,992,883) | (2,183,949,406) |
| 3 Intangible fixed assets | | 227 | 12 | 1,260,561,424,991 | 1,303,585,034,755 |
| Cost | | 228 | | 1,999,727,088,005 | 1,915,362,421,263 |
| Accumulated amortisation | | 229 | | (739,165,663,014) | (611,777,386,508) |
| III. Long-term assets in progress | | 240 | | 1,780,992,485,408 | 1,174,778,083,753 |
| 1 Long-term construction in progress | | 242 | 13 | 1,780,992,485,408 | 1,174,778,083,753 |
| IV. Long-term financial investments | | 250 | | 2,479,487,378,717 | 2,202,466,649,730 |
| 1 Investments in joint-ventures, associates | | 252 | 15 | 1,880,920,418,514 | 1,676,231,689,527 |
| 2 Equity investments in other entities | | 253 | 6 | 893,623,994,517 | 793,360,844,792 |
| 3 Provision for impairment of long-term financial investments | | 254 | | (295,057,034,314) | (267,125,884,589) |
| VI. Other long-term assets | | 260 | | 2,149,555,207,086 | 1,350,211,370,859 |
| 1 Long-term prepayments | | 261 | | 1,788,546,498,680 | 986,963,791,569 |
| 2 Deferred tax assets | | 262 | 16 | 38,988,752,556 | 37,229,856,110 |
| 3 Goodwill | | 269 | | 322,019,955,850 | 326,017,723,180 |
| TOTAL ASSETS | | 270 | | 32,276,824,464,760 | 29,757,067,149,568 |

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 September 2019

FORM B 01-DN/HN

Unit: VND

| NO. | RESOURCES | Codes | Notes | 30/9/2019 | 31/12/2018 |
|--------------------------------------|---|------------|-------|---------------------------|---------------------------|
| A - LIABILITIES | | 300 | | 16,025,694,080,600 | 14,982,096,384,457 |
| I. Current liabilities | | 310 | | 15,404,437,564,853 | 14,451,149,990,521 |
| 1 | Short-term trade payables | 311 | 17 | 2,035,447,166,969 | 2,510,114,267,322 |
| 2 | Short-term advances from customers | 312 | | 374,475,950,305 | 418,652,248,691 |
| 3 | Taxes and amounts payable to the State Budget | 313 | 18 | 449,736,383,363 | 411,222,366,924 |
| 4 | Payables to employees | 314 | | 938,386,722,765 | 1,191,302,627,829 |
| 5 | Short-term accrued expenses | 315 | 19 | 747,756,179,527 | 837,956,702,415 |
| 6 | Payables relating to construction contracts under percentage of completion method | 317 | | 47,915,602,389 | 46,561,518,663 |
| 7 | Short-term unearned revenue | 318 | 20 | 1,870,003,255,199 | 1,610,921,248,698 |
| 8 | Other current payables | 319 | 21 | 516,195,398,530 | 341,063,193,828 |
| 9 | Short-term loans and obligations under finance leases | 320 | 22 | 8,217,017,165,227 | 6,598,868,849,348 |
| 10 | Short-term provisions | 321 | 23 | 16,370,867,880 | 31,354,115,546 |
| 11 | Bonus and welfare funds | 322 | | 191,132,872,699 | 453,132,851,257 |
| II. Long-term liabilities | | 330 | | 621,256,515,747 | 530,946,393,936 |
| 1 | Long-term unearned revenue | 336 | 20 | 72,665,278,823 | 46,805,654,155 |
| 2 | Other long-term payables | 337 | 21 | 104,802,153,243 | 108,962,237,984 |
| 3 | Long-term loans and obligations under finance leases | 338 | 24 | 435,530,138,322 | 366,793,322,852 |
| 4 | Deferred tax liabilities | 341 | | - | 335,327,364 |
| 5 | Long-term provisions | 342 | 23 | 8,066,849,076 | 7,857,755,298 |
| 6 | Scientific and technological development fund | 343 | | 192,096,283 | 192,096,283 |
| B - EQUITY | | 400 | | 16,251,130,384,160 | 14,774,970,765,111 |
| I. Owner's equity | | 410 | | 16,248,380,384,160 | 14,772,220,765,111 |
| 1 | Owner's contributed capital | 411 | 25 | 6,783,586,880,000 | 6,136,367,720,000 |
| | - Ordinary shares carrying voting rights | 411a | | 6,783,586,880,000 | 6,136,367,720,000 |
| 2 | Share premium | 412 | 25 | 49,465,703,201 | 49,465,703,201 |
| 3 | Other capital | 414 | | 777,869,243,918 | 667,035,271,273 |
| 4 | Treasury shares | 415 | 25 | (823,760,000) | (823,760,000) |
| 5 | Foreign exchange reserve | 417 | 25 | 9,119,627,402 | 14,965,650,460 |
| 6 | Investment and development funds | 418 | 25 | 221,554,262,398 | 222,962,521,203 |
| 7 | Other reserves | 420 | 25 | 87,229,090,504 | 87,230,283,704 |
| 8 | Retained earnings | 421 | 25 | 5,649,074,093,096 | 5,293,166,046,073 |
| | - Retained earnings accumulated to the prior period | 421a | | 3,949,233,834,704 | 3,515,481,219,969 |
| | - Retained earnings of the current period | 421b | | 1,699,840,258,392 | 1,777,684,826,104 |
| 9 | Non-controlling interests | 429 | | 2,671,305,243,641 | 2,301,851,329,197 |
| II. Other resources and funds | | 430 | | 2,750,000,000 | 2,750,000,000 |
| 1 | Non-business expenditure fund | 431 | | 2,750,000,000 | 2,750,000,000 |
| TOTAL RESOURCES | | 440 | | 32,276,824,464,760 | 29,757,067,149,568 |

Preparer

Nguyen Tien Hao

Chief Accountant

Hoang Huu Chien

Hanoi, 30 October 2019

Executive Vice President



Nguyen The Phuong

FPT CORPORATION

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

Consolidated financial statements

For the period ended 30 Sep 2019

CONSOLIDATED INCOME STATEMENT

For the period ended 30 September 2019

FORM B 02-DN/HN

Unit: VND

| No. | ITEMS | Codes | Notes | In period | | Year to date | |
|-----|---|-------|-------|-------------------|-------------------|--------------------|--------------------|
| | | | | 2019 | 2018 | 2019 | 2018 |
| 1 | Gross revenue from goods sold and services rendered | 01 | | 7,138,804,848,615 | 6,047,729,557,924 | 19,645,112,595,811 | 16,284,044,227,402 |
| 2 | Deductions | 02 | | 34,430,711,072 | 11,670,624,489 | 48,340,317,606 | 22,953,958,250 |
| 3 | Net revenue from goods sold and services rendered | 10 | 26 | 7,104,374,137,543 | 6,036,058,933,435 | 19,596,772,278,205 | 16,261,090,269,152 |
| 4 | Cost of sales | 11 | 27 | 4,321,648,868,311 | 3,740,388,690,646 | 11,956,587,167,185 | 10,109,187,102,156 |
| 5 | Gross profit from sales | 20 | | 2,782,725,269,232 | 2,295,670,242,789 | 7,640,185,111,020 | 6,151,903,166,996 |
| 6 | Financial income | 21 | 28 | 165,793,907,640 | 124,076,383,785 | 483,486,663,963 | 390,268,815,090 |
| 7 | Financial expenses | 22 | 29 | 130,422,355,652 | 66,603,046,663 | 455,950,809,823 | 278,915,001,058 |
| | <i>In which: interest expense</i> | 23 | | 100,505,919,296 | 62,035,657,522 | 245,598,262,055 | 163,533,026,280 |
| 8 | Share of profit of associates | 24 | | 119,413,684,118 | 112,620,018,554 | 338,470,269,880 | 328,303,737,311 |
| 9 | Selling expenses | 25 | | 559,023,139,084 | 507,534,958,450 | 1,614,064,685,964 | 1,382,201,618,568 |
| 10 | General and administration expenses | 26 | | 1,031,084,693,003 | 900,927,435,586 | 2,942,954,264,433 | 2,501,119,953,665 |
| 11 | Operating profit | 30 | | 1,347,402,673,251 | 1,057,301,204,429 | 3,449,172,284,643 | 2,708,239,146,106 |
| 12 | Other income | 31 | | 34,369,794,908 | 13,190,925,207 | 77,978,326,696 | 74,644,832,012 |
| 13 | Other expenses | 32 | | 13,301,440,288 | 19,815,203,633 | 19,684,111,553 | 45,114,620,914 |
| 14 | Profit from other activities | 40 | | 21,068,354,620 | (6,624,278,426) | 58,294,215,143 | 29,530,211,098 |
| 15 | Accounting profit before tax | 50 | | 1,368,471,027,871 | 1,050,676,926,003 | 3,507,466,499,786 | 2,737,769,357,204 |
| 16 | Current tax expense | 51 | | 207,591,704,145 | 160,198,530,011 | 570,955,624,827 | 413,332,055,078 |
| 17 | Deferred tax expense/(income) | 52 | | 1,167,367,480 | 214,570,816 | (3,291,142,293) | 22,376,211,175 |
| 18 | Profit after tax (60=50-51-52) | 60 | | 1,159,711,956,246 | 890,263,825,176 | 2,939,802,017,252 | 2,302,061,090,951 |
| | - Equity holders of the Holding Company | 61 | | 960,108,010,842 | 724,917,924,600 | 2,378,116,570,392 | 1,828,213,992,584 |
| | - Non-controlling interests | 62 | | 199,603,945,404 | 165,345,900,576 | 561,685,446,860 | 473,847,098,367 |
| 19 | Basic earnings per share | 70 | 30 | 1,418 | 1,075 | 3,513 | 2,712 |
| 20 | Diluted earnings per share | 71 | | 1,418 | 1,075 | 3,513 | 2,712 |

EXPLANATION ON HIGHER PROFIT AFTER TAX IN 2019 IN COMPARISON TO 2018:

FPT Corporation explains the variation of business results in 2019, in comparison with the same period last year as follows:

Unit: million VND

| Item | Quarter 3 Year 2019 | Accumulated Year 2019 | Quarter 3 Year 2018 | Accumulated Year 2018 | Increase/Decrease | | | |
|---|------------------------|--------------------------|------------------------|--------------------------|-------------------|------------|-------------|------------|
| | | | | | Quarter 3 | | Accumulated | |
| | | | | | Amount | Percentage | Amount | Percentage |
| Net revenue from goods sold and services rendered | 7,104,374 | 19,596,772 | 6,036,059 | 16,261,090 | 1,068,315 | 17.70% | 3,335,682 | 20.51% |
| Profit after tax | 1,159,712 | 2,939,802 | 890,264 | 2,302,061 | 269,448 | 30.27% | 637,741 | 27.70% |

FPT's revenue and PBT in Q3 2019 increased by 17.7% and 30.2% year on year (YoY), achieved VND 7,104 billion and VND 1,368 billion, respectively, are mainly due to the sharp increase in Technology sector. In Q3 2019, Technology sector recorded revenue and PBT of VND 4,105 billion and VND 617 billion, up 22% and 39% YoY and accounted for 58% and 45% of Total Revenue and PBT, respectively.

In 9M2019, revenue and PBT increased by 20.5% and 28.1% YoY, achieved VND 19,597 billion and VND 3,507 billion, equal to 104.0% and 110.5% of the year to date (YTD) target. Profit after tax (PAT) and PAT attributed to parent company's shareholders was VND 2,940 billion and VND 2,378 billion, up 27.7% and 30.1% YoY, respectively. EPS was VND 3,513, up 29.5% YoY. Moreover, the PBT margin was improved to 17.9% (16.8% in 9M2018). As a key growth driver of FPT, Technology sector recorded revenue and PBT of VND 11,068 billion and VND 1,471 billion, equal to 104% and 108% of the YTD target, up 25.3% and 41.8% YoY, respectively. In which, the IT services from global market recorded revenue of VND 7,796 billion, up 32.1% YoY, PBT was VND 1,246 billion, up 33.9% YoY.

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien

Hanoi, 30 October 2019
Executive Vice President


Nguyen The Phuong

CONSOLIDATED CASH FLOW STATEMENT
For the period ended 30 September 2019

FORM B 03-DN/HN
Unit: VND

| No. | ITEMS | Codes | YEAR | |
|------------|---|-------|---------------------|---------------------|
| | | | 2019 | 2018 |
| I | Cash flows from operating activities | | | |
| 1 | <i>Profit before tax</i> | 01 | 3,507,466,499,786 | 2,737,769,357,204 |
| 2 | <i>Adjustments for:</i> | | | |
| | - Depreciation and amortisation | 02 | 997,943,544,161 | 870,802,326,822 |
| | - Provisions | 03 | 51,389,523,025 | 75,480,140,871 |
| | - Foreign exchange (gain)/ loss arising from translating foreign currency items | 04 | 21,074,557,803 | 2,744,379,125 |
| | - (Gain)/losses from investing activities | 05 | (600,788,595,916) | (553,594,075,814) |
| | - Interest expense | 06 | 245,598,262,055 | 163,533,026,280 |
| 3 | <i>Operating profit before movements in working capital</i> | 08 | 4,222,683,790,914 | 3,296,735,154,488 |
| | - (Increase)/Decrease in receivables | 09 | (396,192,436,329) | 481,191,356,786 |
| | - (Increase)/Decrease in inventories | 10 | 27,400,142,119 | (441,188,676,166) |
| | - (Decrease)/Increase in accounts payable (not including accrued interest and corporate income tax payable) | 11 | (392,853,445,202) | (157,765,113,179) |
| | - (Increase)/Decrease in prepaid expenses | 12 | (593,416,442,389) | (286,471,363,521) |
| | - Interest paid | 14 | (251,618,025,761) | (151,821,741,021) |
| | - Corporate income tax paid | 15 | (442,122,738,203) | (265,795,283,983) |
| | - Other cash inflows/(outflows) | 17 | (263,409,430,563) | (167,439,565,794) |
| | <i>Net cash from operating activities</i> | 20 | 1,910,471,414,586 | 2,307,444,767,610 |
| II | Cash flows from investing activities | | | |
| 1 | Acquisition of fixed assets and other long-term assets | 21 | (2,513,470,692,139) | (1,636,889,635,011) |
| 2 | Proceeds from sale, disposal of fixed assets and other long-term assets | 22 | 579,847,294 | 742,304,670 |
| 3 | Cash inflow/outflow from lending and trading debt instruments of other companies | 23 | (744,715,689,075) | (686,733,112,549) |
| 4 | Investments in other entities | 25 | (141,928,587,147) | (710,023,569,233) |
| 5 | Cash recovered from investments in other entities | 26 | 109,389,573,200 | 165,900,000,000 |
| 6 | Interest earned, dividends received | 27 | 445,618,145,365 | 335,375,276,618 |
| | <i>Net cash (used in) investing activities</i> | 30 | (2,844,527,402,502) | (2,531,628,735,505) |
| III | Cash flows from financing activities | | | |
| 1 | Proceeds from issuing stocks | 31 | 31,782,000,000 | 26,545,560,000 |
| 2 | Capital withdrawals, buying treasury shares and proceeds from shares re-issued | 32 | (269,625,000) | - |
| 3 | Proceeds from borrowings | 33 | 10,592,125,656,400 | 8,595,369,300,510 |
| 4 | Repayments of borrowings | 34 | (8,905,240,525,051) | (6,307,617,162,438) |
| 5 | Dividends paid | 36 | (1,479,716,571,050) | (1,588,628,110,300) |
| | <i>Net cash from/(used in) financing activities</i> | 40 | 238,680,935,299 | 725,669,587,772 |
| | <i>Net (decrease) in cash</i> | 50 | (695,375,052,617) | 501,485,619,877 |
| | Cash and cash equivalents at the beginning of the period | 60 | 3,925,727,206,293 | 3,480,659,514,788 |
| | Cash and cash equivalents at the end of the period | 70 | 3,230,352,153,676 | 3,982,145,134,665 |

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien

Hanoi, 30 October 2019
Executive Vice President



Nguyen The Phuong

FPT CORPORATION

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

Consolidated financial statements

For the period ended 30 Sep 2019

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

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

1. GENERAL INFORMATION**Structure of ownership**

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

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

According to the amended Business Registration Certificate dated 11 June 2019, the Company's charter capital is VND 6,783,586,880,000.

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 30 September 2019 was 28,711 (at 31 December 2018 was 27,843).

Operating industry and principal activities

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

Normal production and business cycle

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

The Corporation's structure

As at 30 September 2019, FPT Corporation had 6 subsidiaries, as follows:

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

and 4 associates:

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

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

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

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

Accounting period

The Corporation's financial year begins on 01 January and ends on 31 December. These consolidated financial statements have been prepared for the period from 01 January 2019 to 30 September 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

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

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

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

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combination

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

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

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

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

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

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

Goodwill

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

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

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

Cash and cash equivalents

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

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

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

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

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

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

Equity investments in other entities

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

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

Provision for impairment of long-term financial investment

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

Receivables

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

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

Inventories

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

| | 2019 |
|--------------------------|----------------|
| | (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 acquired from finance lease transactions, whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

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

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

(ii) License, copyright and patent

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

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

(iii) 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 fixed asset. Computer software is amortised on straight-line basis from 3 to 5 years.

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

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

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

Provisions

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

Provision for warranties

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

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

Revenue from the sale of goods

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

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

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

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

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

Revenue from software development, system integration and informatics services

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

Revenue from processing services

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

Revenue from telecommunication services

Revenue from telecommunication services is recognised on pro-rata basis over the period during which the services 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 accounted to the consolidated income statement in the year in which the semester falls.

Tuition and fee payment

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*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 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 consolidated 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 regulated exchange rates. Exchange differences arising, if any, are classified as equity and transferred to the Corporation's foreign exchange reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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 period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

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

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

4. SEGMENT REPORTING

A business segment is a distinguishable component of an enterprise that is engaged in producing or 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 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.;
- **Global IT services:** Software production, providing consultancy and deployment of S.M.A.C/IoT, digital transformation services, IT system transformation services, quality assurance testing, embedded software, ERP implementation and management services;
- **Software solutions, system integration and information services:** providing application software solutions, providing information system integration services, supplying IT equipment, data center services, networking and security system design//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, high education, university, and post-graduate levels;
- Managing investments in associates;
- Managing and developing real estate projects relating to the Corporation's infrastructure needs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

4. SEGMENT REPORTING (Continued)

Segment reporting

| Current year | | Information Technology and Telecommunication | | | | Investment and education | | Elimination | | Total | |
|--|-------------------|--|--------------------|--|--------------------------|--------------------------|--------------|-------------|--|-------|--|
| Items | Unit: VND million | | | | | | | | | | |
| | Telecommunication | Digital content | Global IT services | Software solution, system integration and informatics services | Investment and education | Elimination | Total | | | | |
| Segment revenue | 7,133,254 | 427,815 | 7,795,910 | 3,272,503 | 1,200,078 | (232,788) | 19,596,772 | | | | |
| Segment expenses (i) | | | | | | | | | | | |
| Directly attributable expenses | (6,047,085) | (232,990) | (6,499,932) | (3,049,800) | (919,805) | 236,006 | (16,513,606) | | | | |
| In which: | | | | | | | | | | | |
| - Depreciation and amortisation | (716,083) | (2,722) | (186,184) | (27,292) | (37,430) | 3,219 | (966,493) | | | | |
| - Allocation of long-term prepaid expenses | (462,278) | (4,294) | (113,414) | (22,349) | (70,184) | - | (672,519) | | | | |
| Segment operating result (ii) | 1,086,169 | 194,825 | 1,295,978 | 222,703 | 280,272 | 3,219 | 3,083,166 | | | | |
| Segment profit before tax | 1,073,624 | 220,684 | 1,246,182 | 224,514 | 2,107,049 | (1,364,587) | 3,507,466 | | | | |
| Segment assets | 12,053,658 | 967,442 | 8,043,939 | 4,593,098 | 6,906,473 | (285,822) | 32,278,788 | | | | |
| Segment liabilities | 7,400,064 | 278,510 | 4,210,201 | 3,255,992 | 1,586,055 | (705,128) | 16,025,694 | | | | |
| Total expenses for acquisition of fixed assets | 2,391,529 | 3,334 | 392,890 | 72,911 | 744,381 | - | 3,605,045 | | | | |

(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.

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| Previous year | Information Technology and Telecommunication | | | | Investment and education | Elimination | Total |
|--|--|-----------------|--------------------|--|--------------------------|------------------|-------------------|
| | Telecommunication | Digital content | Global IT services | Software solution, system integration and informatics services | | | |
| | Unit: VND million | | | | | | |
| Segment revenue | 6,106,555 | 378,588 | 6,017,182 | 3,014,032 | 948,887 | (204,153) | 16,261,090 |
| Segment expenses | | | | | | | |
| Directly attributable expenses | (5,204,961) | (189,342) | (5,045,676) | (2,902,954) | (856,947) | 207,372 | (13,992,509) |
| In which: | | | | | | | |
| - Depreciation and amortisation | (656,875) | (3,840) | (144,371) | (17,881) | (33,440) | 3,219 | (853,189) |
| - Allocation of long-term prepaid expenses | (272,319) | (9,033) | (125,909) | (46,061) | (46,737) | - | (500,059) |
| Segment operating result | 901,593 | 189,246 | 971,505 | 111,077 | 91,941 | 3,219 | 2,268,582 |
| Segment profit before tax | 931,520 | 217,421 | 929,161 | 106,594 | 1,190,513 | (637,440) | 2,737,769 |
| Segment assets | 11,948,981 | 1,175,453 | 7,587,665 | 4,402,663 | 5,649,620 | (2,683,513) | 28,080,869 |
| Segment liabilities | 6,980,142 | 371,267 | 3,890,720 | 3,035,923 | 1,597,191 | (1,959,183) | 13,916,060 |
| Total expenses for acquisition of fixed assets | 1,487,644 | 12,988 | 288,736 | 89,352 | 398,099 | - | 2,276,820 |

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5. CASH AND CASH EQUIVALENTS

| | <u>30/9/2019</u> | <u>31/12/2018</u> |
|----------------------|---------------------------------|---------------------------------|
| | VND | VND |
| Cash on hand | 18,046,309,362 | 60,166,021,396 |
| Cash in bank | 2,398,948,601,641 | 2,622,271,120,453 |
| Cash equivalents (i) | 813,357,242,673 | 1,243,290,064,444 |
| | <u>3,230,352,153,676</u> | <u>3,925,727,206,293</u> |

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

6. FINANCIAL INVESTMENTS

| | <u>30/9/2019</u> | | <u>31/12/2018</u> | |
|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Cost | Carrying amount | Cost | Carrying amount |
| | VND | VND | VND | VND |
| Held-to-maturity investments | | | | |
| - Term deposits | 6,285,566,601,920 | 6,285,566,601,920 | 5,540,850,912,845 | 5,540,850,912,845 |
| - Other investments | 78,275,051,776 | 19,772,814,292 | 86,275,051,776 | 27,772,814,292 |
| | <u>6,363,841,653,696</u> | <u>6,305,339,416,212</u> | <u>5,627,125,964,621</u> | <u>5,568,623,727,137</u> |

| | <u>30/9/2019</u> | | <u>31/12/2018</u> | |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Cost | Carrying amount | Cost | Carrying amount |
| | VND | VND | VND | VND |
| Investment in other entities | | | | |
| - Other investments | 893,623,994,517 | 598,566,960,203 | 793,360,844,792 | 526,234,960,203 |
| | <u>893,623,994,517</u> | <u>598,566,960,203</u> | <u>793,360,844,792</u> | <u>526,234,960,203</u> |

7. TRADE RECEIVABLES

As at 30/9/2019 trade receivables balance does not include balances of trade receivables which account for 10% or more of the total trade receivables balance.

8. OTHER RECEIVABLES

| | <u>30/9/2019</u> | <u>31/12/2018</u> |
|--|-------------------------------|-------------------------------|
| | VND | VND |
| a. Short-term | | |
| Receivables from maintenance service contracts in progress | 226,581,211,223 | 116,338,929,576 |
| Other receivables | 317,130,345,220 | 542,436,550,299 |
| | <u>543,711,556,443</u> | <u>658,775,479,875</u> |
| b. Long-term | | |
| Deposits and mortgages | 186,141,914,114 | 94,330,507,635 |
| Other receivables | 91,533,812,990 | 69,794,112,403 |
| | <u>277,675,727,104</u> | <u>164,124,620,038</u> |

9. BAD DEBTS

As at 30/9/2019 bad debts balance does not include bad debts by payees accounting for 10% or more of the total amount overdue.

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| | 30/9/2019 | | 31/12/2018 | |
|--------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | Cost | Provision | Cost | Provision |
| | VND | VND | VND | VND |
| Goods in transit | 14,772,482,673 | - | 79,165,032,088 | - |
| Tools and supplies | 63,959,845,272 | - | 142,325,344,375 | - |
| Work in progress | 462,855,153,291 | - | 393,823,125,241 | - |
| Merchandise | 949,507,493,918 | (65,922,717,201) | 785,989,164,674 | (60,615,450,031) |
| Total | 1,491,094,975,154 | (65,922,717,201) | 1,401,302,666,378 | (60,615,450,031) |

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11. TANGIBLE FIXED ASSETS

| | Structures and buildings | Machinery and equipment | Motor vehicles | Office equipment | Others | Total |
|---------------------------------|-----------------------------|----------------------------|-----------------------|------------------------|-----------------------|---------------------------|
| | VND | VND | VND | VND | VND | VND |
| COST | | | | | | |
| As at 1/1/2019 | 1,885,281,113,709 | 6,772,913,048,814 | 58,536,551,290 | 738,060,796,174 | 17,192,637,622 | 9,471,984,147,609 |
| Additions | 12,296,061,035 | 1,105,607,565,925 | 11,738,488,910 | 62,320,466,765 | 2,678,074,180 | 1,194,640,656,815 |
| Transfers from CIP | 208,036,129,693 | 36,221,706,178 | - | - | - | 244,257,835,871 |
| Disposals | (1,093,967,395) | (63,061,821,631) | (2,252,144,126) | (13,953,668,950) | (101,919,290) | (80,463,521,392) |
| Other increase/(decreases) (*) | (6,603,553,258) | 43,051,082,575 | (3,463,875,084) | (112,460,294,796) | 7,382,571,679 | (72,094,068,884) |
| As at 30/9/2019 | 2,097,915,783,784 | 7,894,731,581,861 | 64,559,020,990 | 673,967,299,193 | 27,151,364,191 | 10,758,325,050,019 |
| ACCUMULATED DEPRECIATION | | | | | | |
| As at 1/1/2019 | 373,303,149,824 | 3,287,277,939,792 | 34,492,059,805 | 561,056,553,420 | 8,728,494,662 | 4,264,858,197,503 |
| Charge for the period | 71,237,937,503 | 719,444,874,509 | 5,168,914,138 | 31,269,988,703 | 1,784,911,022 | 828,906,625,875 |
| Disposals | (506,677,996) | (43,998,346,509) | (2,147,770,018) | (5,041,254,187) | (37,627,590) | (51,731,676,300) |
| Other increase/(decreases) (*) | (4,611,113,223) | (175,629,408,890) | (1,385,318,327) | (24,086,790,750) | 810,194,746 | (204,902,436,444) |
| As at 30/9/2019 | 439,423,296,108 | 3,787,095,058,902 | 36,127,885,599 | 563,198,497,186 | 11,285,972,840 | 4,837,130,710,635 |
| NET BOOK VALUE | | | | | | |
| As at 1/1/2019 | <u>1,511,977,963,885</u> | <u>3,485,635,109,022</u> | <u>24,044,491,485</u> | <u>177,004,242,754</u> | <u>8,464,142,960</u> | <u>5,207,125,950,106</u> |
| As at 30/9/2019 | <u>1,658,492,487,676</u> | <u>4,107,636,522,959</u> | <u>28,431,135,391</u> | <u>110,768,802,007</u> | <u>15,865,391,351</u> | <u>5,921,194,339,384</u> |

(*) Other decreases in fixed assets during the period mainly represent machinery and equipment from former telecommunications fibre infrastructure, which had been collected 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.

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12. INTANGIBLE FIXED ASSETS

| | Land use right | Computer software | License, copyright, and patent | Others | Total |
|---------------------------------|------------------------|------------------------|-----------------------------------|------------------------|--------------------------|
| | VND | VND | VND | | VND |
| COST | | | | | |
| As at 1/1/2019 | 200,549,705,022 | 382,118,081,896 | 948,987,094,845 | 383,707,539,500 | 1,915,362,421,263 |
| Purchases | 30,803,353,937 | 7,662,555,061 | 54,921,185,916 | - | 93,387,094,914 |
| Transfers from CIP | - | 5,247,968,388 | - | - | 5,247,968,388 |
| Other increases/(decreases) | - | (12,774,935,803) | (1,909,508,077) | 414,047,319 | (14,270,396,560) |
| As at 30/9/2019 | 231,353,058,959 | 382,253,669,542 | 1,001,998,772,684 | 384,121,586,819 | 1,999,727,088,005 |
| ACCUMULATED AMORTISATION | | | | | |
| As at 1/1/2019 | 9,877,087,548 | 291,362,551,499 | 299,064,247,911 | 11,473,499,550 | 611,777,386,508 |
| Charge for the period | 2,074,446,706 | 30,875,752,934 | 92,195,311,188 | 17,303,191,867 | 142,448,702,695 |
| Other increases/(decreases) | - | (13,205,506,485) | (1,901,535,274) | 46,615,570 | (15,060,426,189) |
| As at 30/9/2019 | 11,951,534,254 | 309,032,797,948 | 389,358,023,825 | 28,823,306,987 | 739,165,663,014 |
| NET BOOK VALUE | | | | | |
| As at 1/1/2019 | 190,672,617,474 | 90,755,530,397 | 649,922,846,934 | 372,234,039,950 | 1,303,585,034,755 |
| As at 30/9/2019 | 219,401,524,705 | 73,220,871,593 | 612,640,748,859 | 355,298,279,833 | 1,260,561,424,991 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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13. CONSTRUCTION IN PROGRESS

| | 2019 | 2018 |
|---------------------------------------|--------------------------|--------------------------|
| | VND | VND |
| Opening balance | 1,174,778,083,753 | 805,559,896,217 |
| Increase in the period | 865,968,492,640 | 1,029,543,672,496 |
| Transfer to fixed assets | (249,505,804,259) | (503,097,707,588) |
| Other increase/decrease | (10,248,286,726) | (157,227,777,372) |
| Closing balance | 1,780,992,485,408 | 1,174,778,083,753 |
| | 30/9/2019 | 31/12/2018 |
| | VND | VND |
| Detail by significant projects | | |
| - FPT Tower | 938,407,508,210 | 712,296,937,417 |
| - FPT University in HCM City | 421,843,368,930 | 109,784,758,740 |
| - Other projects | 420,741,608,268 | 352,696,387,596 |
| | 1,780,992,485,408 | 1,174,778,083,753 |

14. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 30 September 2019 are as follows:

| Name of subsidiary | Place of incorporation and operation | Proportion of ownership interest | Proportion of voting right | Principal activities |
|--|---|---|-----------------------------------|---|
| FPT Information System Company Limited | Floor 22, Keangnam Landmark72 Tower, E6, Pham Hung street, Me Tri, Tu Liem, Hanoi | 100.00% | 100.00% | Providing application software solution, EPR service, IT service and integrated system service |
| FPT Software Company Limited | Floor 6-12 FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi | 100.00% | 100.00% | Providing software services and products |
| FPT Telecom Joint Stock Company (i) | Floor 2, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi | 45.65% | 45.65% | Providing ADSL services, fixed line internet services, online advertising and other online services |
| FPT Education Company Limited | FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi | 100.00% | 100.00% | Providing training and technology services |

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14. INVESTMENTS IN SUBSIDIARIES (Continued)

| Name of subsidiary | Place of incorporation and operation | Proportion of ownership | Proportion of voting right | Principal activities |
|--|--|-------------------------|----------------------------|--|
| FPT Online Service Joint Stock Company | Lot 29B-31B-33B, Tan Thuan Street, Tan Thuan Dong Ward, District 7, 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 | 100.00% | 100.00% | Providing financial services activities (investment consulting service, excluding legal and financial consulting services) |

- (i) As at 30/9/2019, FPT Corporation holds 45.65% ownership interest (31/12/2018: 45.65%) and controls 45.65% of voting rights (31/12/2018: 45.65%) at FPT Telecom Joint Stock Company. However, the Corporation has the power to cast the majority of votes at meetings of the Board of Management of FPT Telecom Joint Stock Company and thus, the Corporation has the power to control the financial and operating policies of FPT Telecom Joint Stock Company. Therefore, the Corporation has control over FPT Telecom Joint Stock Company, and thus, the financial statements of FPT Telecom Joint Stock Company are incorporated into the Corporation's consolidated financial statements.

15. INVESTMENTS IN ASSOCIATES

| | From 1/1/2019 to 30/9/2019 | From 1/1/2018 to 31/12/2018 |
|-----------------------------------|-------------------------------|--------------------------------|
| | VND | VND |
| Opening balance | 1,676,231,689,527 | 1,333,704,438,239 |
| Share of net profit of associates | 276,102,972,487 | 344,196,192,956 |
| Dividend received | (71,414,243,500) | (9,938,132,000) |
| Other increases/decreases | - | 8,269,190,332 |
| Closing balance | 1,880,920,418,514 | 1,676,231,689,527 |

Details of associates as at 30 September 2019 are as follows:

| Name of associate | Place of incorporation and operation | Proportion of ownership interest and voting right | Principal activities |
|---|---|---|---|
| FPT Digital Retail Joint Stock Company | 261 - 263 Khanh Hoi, Ward 5, District 4, Ho Chi Minh City | 46.53% | 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 | 48.00% | Producing technology products and distributing IT devices and mobile phone; and manufacturing computers |
| FPT Securities Joint Stock Company | No. 52, Lac Long Quan Road, Buoi Ward, Tay Ho District, Hanoi | 20.00% | Share trading, brokerage, investment advisory and share depository services |
| FPT Fund Management Joint Stock Company | Floor 9, TTC Building, Dich Vong Hau Ward, Cau Giay District, Hanoi | 25.00% | Portfolio and fund management and other services |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
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16. DEFERRED TAX ASSETS

| | Fixed assets | Revenue | Others | Total |
|-----------------|----------------|----------------|----------------|----------------|
| | VND | VND | VND | VND |
| As at 1/1/2019 | 16,937,117,979 | 10,304,516,751 | 9,988,221,380 | 37,229,856,110 |
| As at 30/9/2019 | 16,477,104,774 | 10,312,531,290 | 12,199,116,492 | 38,988,752,556 |

17. TRADE PAYABLES

As at 30/9/2019 trade payables balance does not include balances of trade payables which account for 10% or more of the total trade payables balance.

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

| Items | Movement | | | 30/9/2019 |
|----------------------|------------------------|--------------------------|--------------------------|------------------------|
| | 31/12/2018 | Amount payable | Amount paid and deducted | |
| | VND | VND | VND | |
| VAT | 205,731,834,271 | 2,069,250,311,505 | 2,146,139,115,704 | 128,843,030,072 |
| - Output VAT | 205,296,996,133 | 1,863,656,909,066 | 1,940,842,551,231 | 128,111,353,968 |
| - VAT on imports | 434,838,138 | 205,593,402,439 | 205,296,564,473 | 731,676,104 |
| Import duty | (148,371,838) | 11,918,020,496 | 12,020,175,318 | (250,526,660) |
| Corporate income tax | 107,316,989,319 | 517,726,424,918 | 442,122,738,203 | 182,920,676,034 |
| Other taxes | 52,662,352,147 | 483,818,347,308 | 485,721,152,136 | 50,759,547,320 |
| Personal income tax | 44,845,769,937 | 442,793,386,459 | 441,656,004,359 | 45,983,152,037 |
| Other taxes | 7,816,582,210 | 41,024,960,850 | 44,065,147,777 | 4,776,395,283 |
| Other payables | 2,847,343,780 | 5,936,335,224 | 2,434,962,562 | 6,348,716,442 |
| | 368,410,147,679 | 3,088,649,439,451 | 3,088,438,143,923 | 368,621,443,207 |

Including:

| | | |
|---|-----------------|-----------------|
| - Taxes and other receivables from the state budget | 42,812,219,245 | 81,114,940,156 |
| - Taxes and other payables to the state budget | 411,222,366,924 | 449,736,383,363 |

Taxes and other receivables from the state budget

| | 30/9/2019 | 31/12/2018 |
|----------------------|-----------------------|-----------------------|
| | VND | VND |
| VAT | 70,452,305,271 | 28,309,830,938 |
| Import duty | 283,552,639 | 181,397,817 |
| Corporate income tax | 10,348,283,170 | 13,708,010,207 |
| Personal income tax | 30,799,076 | 299,101,470 |
| Other taxes | - | 313,878,813 |
| Total | 81,114,940,156 | 42,812,219,245 |

Taxes and other payables to the state budget

| | 30/9/2019 | 31/12/2018 |
|------------------------|------------------------|------------------------|
| | VND | VND |
| VAT | 199,295,335,343 | 234,041,665,209 |
| Import duty | 33,025,979 | 33,025,979 |
| Corporate income tax | 193,268,959,204 | 121,024,999,526 |
| Personal income tax | 46,013,951,113 | 45,144,871,407 |
| Foreign contractor tax | 4,774,814,914 | 8,130,461,023 |
| Other taxes | 6,350,296,811 | 2,847,343,780 |
| Total | 449,736,383,363 | 411,222,366,924 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
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19. SHORT-TERM ACCRUED EXPENSES

| | <u>30/9/2019</u> | <u>31/12/2018</u> |
|--|------------------------|------------------------|
| | VND | VND |
| Accrued expenses for system integration projects | 350,072,590,981 | 433,736,466,400 |
| Other accruals | 397,683,588,546 | 404,220,236,015 |
| | <u>747,756,179,527</u> | <u>837,956,702,415</u> |

20. UNEARNED REVENUE

| | <u>30/9/2019</u> | <u>31/12/2018</u> |
|--|--------------------------|--------------------------|
| | VND | VND |
| a) Short-term | | |
| Unearned revenue related to telecom service | 1,297,476,134,565 | 1,185,633,003,915 |
| Unearned revenue related to tuition and fees | 504,604,659,240 | 354,079,691,773 |
| Other items | 67,922,461,394 | 71,208,553,010 |
| | <u>1,870,003,255,199</u> | <u>1,610,921,248,698</u> |
| b) Long-term | | |
| Unearned revenue related to telecom service | 35,436,393,053 | 8,132,337,054 |
| Other items | 37,228,885,770 | 38,673,317,101 |
| | <u>72,665,278,823</u> | <u>46,805,654,155</u> |

21. OTHER PAYABLES

| | <u>30/9/2019</u> | <u>31/12/2018</u> |
|--|------------------------|------------------------|
| | VND | VND |
| a) Short-term | | |
| Union fees | 52,269,127,547 | 33,766,080,660 |
| Social, health, unemployment insurance | 21,428,768,630 | 52,903,841,723 |
| Short-term deposits received | 137,039,400,785 | 209,967,971,512 |
| Dividends payable | 17,045,461,552 | 11,855,468,352 |
| Other current payables | 288,412,640,016 | 32,569,831,581 |
| | <u>516,195,398,530</u> | <u>341,063,193,828</u> |
| b) Long-term | | |
| Long-term deposits received | 5,307,422,400 | 334,215,970 |
| Other payables | 99,494,730,843 | 108,628,022,014 |
| | <u>104,802,153,243</u> | <u>108,962,237,984</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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22. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASE

| Items | 31/12/2018 | | In the year | | 30/9/2019 | |
|--|--------------------------|----------------------------|---------------------------|--------------------------|--------------------------|----------------------------|
| | Amount | Amount able to be paid off | Increase | Decrease | Amount | Amount able to be paid off |
| | VND | VND | VND | VND | VND | VND |
| Short-term loans from banks and economic entities (i) | 6,213,841,474,308 | 6,213,841,474,308 | 10,254,497,468,628 | 8,595,843,533,050 | 7,872,495,409,886 | 7,872,495,409,886 |
| Current portion of long-term loans and obligations under finance lease | 385,027,375,040 | 385,027,375,040 | 268,891,372,301 | 309,396,992,000 | 344,521,755,341 | 344,521,755,341 |
| - Current portion of long-term loans (ii) | 384,027,104,683 | 384,027,104,683 | 267,593,374,277 | 308,197,490,082 | 343,422,988,878 | 343,422,988,878 |
| - Current portion of long-term obligations under finance lease | 1,000,270,357 | 1,000,270,357 | 1,297,998,024 | 1,199,501,918 | 1,098,766,463 | 1,098,766,463 |
| Total | 6,598,868,849,348 | 6,598,868,849,348 | 10,523,388,840,929 | 8,905,240,525,051 | 8,217,017,165,227 | 8,217,017,165,227 |

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

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

| | Short - term provisions for warranties and others | Long - term provisions for warranties | Provisions for guarantees on student loans | Total |
|---------------------------------------|---|---|--|------------------|
| | VND | VND | VND | VND |
| As at 1/1/2019 | 31,354,115,546 | 7,844,850,298 | 12,905,000 | 39,211,870,844 |
| Additional provision | 4,238,542,209 | 2,049,995,836 | - | 6,288,538,045 |
| Utilisation/Reversal of provisions | (19,221,789,875) | (1,840,902,058) | - | (21,062,691,933) |
| As at 30/9/2019 | 16,370,867,880 | 8,053,944,076 | 12,905,000 | 24,437,716,956 |

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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24. LONG-TERM LOANS AND LIABILITIES

| Items | 31/12/2018 | | In the year | | 30/9/2019 | |
|-----------------------------|------------------------|----------------------------|------------------------|------------------------|------------------------|----------------------------|
| | Amount | Amount able to be paid off | Increase | Decrease | Amount | Amount able to be paid off |
| | VND | VND | VND | VND | VND | VND |
| Long-term loans | 748,733,180,351 | 748,733,180,351 | 336,241,804,731 | 308,197,490,082 | 776,777,495,000 | 776,777,495,000 |
| Other long-term liabilities | 3,087,517,541 | 3,087,517,541 | 1,386,383,040 | 1,199,501,918 | 3,274,398,663 | 3,274,398,663 |
| Total | 751,820,697,892 | 751,820,697,892 | 337,628,187,771 | 309,396,992,000 | 780,051,893,663 | 780,051,893,663 |

In which:

| | | |
|--|-----------------|-----------------|
| - Amount due for settlement within 12 months | 385,027,375,040 | 344,521,755,341 |
| - Amount due for settlement after 12 months | 366,793,322,852 | 435,530,138,322 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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24 LONG-TERM LOANS AND LIABILITIES (Continued)

| | <u>30/9/2019</u> | <u>31/12/2018</u> |
|---|-------------------------------|-------------------------------|
| | VND | VND |
| Long-term loans: | 776,777,494,999 | 748,733,180,351 |
| - 3-year loans | 607,557,880,477 | 414,596,052,700 |
| - 4-year loans | 34,999,591,818 | 121,953,975,460 |
| - 5-year loans | 134,220,022,704 | 212,183,152,191 |
| Long-term obligations under finance leases | 3,274,398,664 | 3,087,517,541 |
| Total | <u>780,051,893,663</u> | <u>751,820,697,892</u> |
| Of which | | |
| Amount due for settlement within 12 months | 344,521,755,341 | 385,027,375,040 |
| Amount due for settlement after 12 months | 435,530,138,322 | 366,793,322,852 |
| Long-term loans are repayable as follows: | | |
| | <u>30/9/2019</u> | <u>31/12/2018</u> |
| | VND | VND |
| On demand or within one year | 343,422,988,878 | 384,027,104,683 |
| In the second year | 282,880,326,620 | 249,227,937,390 |
| In the third to fifth year inclusive | 150,474,179,502 | 115,478,138,278 |
| After five years | - | - |
| | <u>776,777,495,000</u> | <u>748,733,180,351</u> |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | 343,422,988,878 | 384,027,104,683 |
| Amount due for settlement after 12 months | <u>433,354,506,122</u> | <u>364,706,075,668</u> |

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25. SHAREHOLDERS' EQUITY**Equity movement**

| | Charter capital | Share premium | Other owners' capital | Treasury shares | Foreign exchange reserve | Investment and development funds | Financial reserve fund | Retained earnings | Total |
|--|--------------------------|-----------------------|------------------------|----------------------|--------------------------|----------------------------------|------------------------|--------------------------|---------------------------|
| | VND | VND | | VND | VND | VND | VND | VND | VND |
| As at 1/1/2018 | 5,309,611,050,000 | 49,465,703,201 | 287,829,523,052 | (823,760,000) | 10,358,539,447 | 171,160,597,046 | 87,230,351,424 | 5,511,408,650,206 | 11,426,240,654,376 |
| Shares issued | 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 | 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) |
| Transferred to and Utilization of Investment and development funds | - | - | - | - | - | 51,801,924,157 | - | (65,242,772,744) | (13,440,848,587) |
| Dividends declared | - | - | - | - | - | - | - | (1,413,854,323,500) | (1,413,854,323,500) |
| Others | - | - | 35,065,578,221 | - | 4,607,111,013 | - | (67,720) | 13,966,550,007 | 53,639,171,521 |
| As at 1/1/2019 | 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 |
| Shares issued | 30,672,000,000 | - | - | - | - | - | - | - | 30,672,000,000 |
| Net profit for the year | - | - | - | - | - | - | - | 2,378,116,570,392 | 2,378,116,570,392 |
| Stock dividends declared | 616,547,160,000 | - | 103,242,050,000 | - | - | - | - | (719,789,210,000) | - |
| Transferred to and Utilization of Investment and development funds | - | - | - | - | - | (1,408,258,805) | - | - | (1,408,258,805) |
| Dividends declared | - | - | - | - | - | - | - | (1,294,897,908,000) | (1,294,897,908,000) |
| Others | - | - | 7,591,922,645 | - | (5,846,023,058) | - | (1,193,200) | (7,521,405,369) | (5,776,698,982) |
| As at 30/9/2019 | 6,783,586,880,000 | 49,465,703,201 | 777,869,243,918 | (823,760,000) | 9,119,627,402 | 221,554,262,398 | 87,229,090,504 | 5,649,074,093,096 | 13,577,075,140,519 |

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

25. SHAREHOLDERS' EQUITY (Continued)

Number of outstanding shares

| | 30/9/2019 | 31/12/2018 |
|---|-------------------|------------------|
| | Number of shares | Number of shares |
| Authorised share capital | 678,358,688 | 613,636,772 |
| Issued share capital | 678,358,688 | 613,636,772 |
| Ordinary shares | 678,358,688 | 613,636,772 |
| <i>Of which Shares subject to restriction in ownership transfer</i> | <i>10,234,643</i> | <i>9,160,857</i> |
| Treasury shares | (82,376) | (82,376) |
| <i>Of which Shares subject to restriction in ownership transfer</i> | <i>-</i> | <i>-</i> |
| Shares currently in circulation | 678,276,312 | 613,554,396 |
| Ordinary shares | 678,276,312 | 613,554,396 |
| <i>Of which Shares subject to restriction in ownership transfer</i> | <i>10,234,643</i> | <i>9,160,857</i> |

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

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

26. REVENUE

| | From 1/1/2019 to 30/9/2019 | From 1/1/2018 to 30/9/2018 |
|----------------------------------|-------------------------------|-------------------------------|
| | VND | VND |
| Revenue | 19,645,112,595,811 | 16,284,044,227,402 |
| In which: | | |
| - Revenue from goods sold | 2,483,996,231,892 | 2,048,366,474,885 |
| - Revenue from services rendered | 17,161,116,363,919 | 14,235,677,752,517 |
| Deductions | 48,340,317,606 | 22,953,958,250 |
| Net revenue | 19,596,772,278,205 | 16,261,090,269,152 |

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

27. COSTS OF SALES

| | <u>From 1/1/2019 to</u> <u>30/9/2019</u> | <u>From 1/1/2018 to</u> <u>30/9/2018</u> |
|---|---|---|
| | VND | VND |
| Cost of goods sold | 2,344,420,826,302 | 1,847,569,294,791 |
| Cost of services rendered | 9,614,123,660,583 | 8,262,102,189,183 |
| Provision/(Reversal) for devaluation of inventories | (1,957,319,700) | (484,381,818) |
| Total | <u>11,956,587,167,185</u> | <u>10,109,187,102,156</u> |

28. FINANCIAL INCOME

| | <u>From 1/1/2019 to</u> <u>30/9/2019</u> | <u>From 1/1/2018 to</u> <u>30/9/2018</u> |
|--|---|---|
| | VND | VND |
| Interest from bank deposits, loans and bonds | 349,496,289,512 | 320,724,340,738 |
| Foreign exchange gain | 114,061,521,364 | 65,864,075,251 |
| Other financial income | 19,928,853,087 | 3,680,399,101 |
| | <u>483,486,663,963</u> | <u>390,268,815,090</u> |

29. FINANCIAL EXPENSES

| | <u>From 1/1/2019 to</u> <u>30/9/2019</u> | <u>From 1/1/2018 to</u> <u>30/9/2018</u> |
|--------------------------|---|---|
| | VND | VND |
| Interest expense | 245,598,262,055 | 163,533,026,280 |
| Foreign exchange loss | 159,602,001,050 | 72,757,043,001 |
| Other financial expenses | 50,750,546,718 | 42,624,931,777 |
| | <u>455,950,809,823</u> | <u>278,915,001,058</u> |

30. EARNINGS PER SHARE

Basic earnings per share for the period ended 30 September 2019 was calculated based on the profit attributable to ordinary shareholders and a weighted average number of outstanding ordinary shares during the year, as follows:

| | <u>From 1/1/2019 to</u> <u>30/9/2019</u> | <u>From 1/1/2018 to</u> <u>30/9/2018</u> |
|--|---|---|
| | VND | VND |
| Accounting profit after tax | 2,378,116,570,392 | 1,828,213,992,584 |
| Allocation to bonus and welfare fund | - | - |
| Weighted average number of outstanding ordinary shares | 676,913,112 | 674,029,309 |
| Basic earnings per share | 3,513 | 2,712 |

Restatement of weighted average number of ordinary shares

On 11 June 2019, FPT Corporation paid dividend in shares, which led to a retrospective adjustment to the weighted average number of outstanding ordinary shares of the period from 01 January 2018 to 30 September 2018, as follows:

| | <u>Weighted average</u> <u>number of ordinary</u> | <u>Earning per share</u> |
|---|--|--------------------------|
| As stated in the consolidated financial statements for the period from 01 January 2018 to 30 September 2018 | 612,374,593 | 2,985 |
| Effect of stock dividends issued on 11 June 2019 | 61,654,716 | (273) |
| As restated | <u>674,029,309</u> | <u>2,712</u> |

FPT CORPORATION17 Duy Tan Street, Dich Vong Hau Ward
Cau Giay District, Hanoi, S.R. Vietnam**Consolidated financial statements**

For the period ended 30 Sep 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***31. RELATED PARTY TRANSACTIONS AND BALANCES**

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

| | <u>From 1/1/2019 to</u> <u>30/9/2019</u> | <u>From 1/1/2018 to</u> <u>30/9/2018</u> |
|--|---|---|
| | VND | VND |
| Dividends received in cash | | |
| FPT Securities Joint Stock Company | 10,931,945,000 | 9,938,132,000 |
| Synnex FPT Joint Stock Company | 28,522,298,500 | - |
| FPT Digital Retail Joint Stock Company | 31,960,000,000 | - |
| Purchases of goods and services | | |
| Synnex FPT Joint Stock Company | 731,254,430,110 | 503,875,543,571 |
| FPT Digital Retail Joint Stock Company | 14,837,452,408 | 15,173,489,358 |
| Recover from lending | | |
| FPT Digital Retail Joint Stock Company | 20,000,000,000 | - |

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

| | <u>30/9/2019</u> | <u>31/12/2018</u> |
|---|------------------|-------------------|
| | VND | VND |
| Entrusted investments | | |
| FPT Fund Management Joint Stock Company | 84,366,081,776 | 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 |
| Balances of loans | | |
| FPT Digital Retail Joint Stock Company | - | 20,000,000,000 |
| Balances of borrowings | | |
| FPT Digital Retail Joint Stock Company | 380,000,000,000 | - |
| Short-term payables | | |
| Synnex FPT Joint Stock Company | 272,761,269,127 | 96,403,126,093 |
| Payable to centralized account | | |
| FPT Digital Retail Joint Stock Company | 3,370,236,736 | 3,140,042,971 |

32. COMMITMENTS

On 25 February 2015, the Corporation entered into a comprehensive cooperation agreement with Tien Phong Commercial Joint Stock Bank for supporting students who join the training courses under the 10,000 Bridge Software Engineer program. This program aims to train Japanese (in 6-12 month courses) for 10,000 students in Japan in the next few years. 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 per person. As at 30 September 2019, the number of students participating in the program in Japan are 233, and the total estimated guarantee amount is correspondingly VND 42,700.101,758.

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

33. COMPARATIVE FIGURES

Comparative figures of the consolidated balance sheet are the figures in the audited consolidated financial statements for the year ended 31 December 2018. Comparative figures of the consolidated income statement and consolidated cash flow statement are the figures in the consolidated financial statements for the period ended 30 September 2018.

Hanoi, 30 October 2019

Preparer

Nguyen Tien Hao

Chief Accountant

Hoang Huu Chien

Executive Vice President

Nguyen The Phuong