



**FPT CORPORATION**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED SEPARATE  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2020**



**FPT CORPORATION**

No. 17 Duy Tan Street,  
Dich Vong Hau Ward, Cau Giay District,  
Hanoi, Vietnam

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**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
BALANCE SHEET	5 - 7
INCOME STATEMENT	8
CASH FLOW STATEMENT	9 - 10
NOTES TO THE SEPARATE FINANCIAL STATEMENTS	11 - 37



**FPT CORPORATION**

No. 17 Duy Tan Street,  
Dich Vong Hau Ward, Cau Giay District,  
Hanoi, Vietnam

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**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of FPT Corporation (the "Company") presents this report together with the Company's separate financial statements for the year ended 31 December 2020.

**THE BOARDS OF DIRECTORS AND MANAGEMENT**

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

**Board of Directors**

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

**Board of Management**

Mr. Nguyen Van Khoa	Executive President
Mr. Nguyen The Phuong	Executive Vice President
Mr. Hoang Viet Anh	Executive Vice President

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

The Board of Management of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

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**FPT CORPORATION**

No. 17 Duy Tan Street,  
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Hanoi, Vietnam

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

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

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

For and on behalf of the Board of Management,



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**Nguyen The Phuong**

**Executive Vice President**

Power of Attorney No. 63/2019/QD-FPT-TGD dated  
29 March 2019

*Hanoi, 04 March 2021*





No.: 0626 /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of FPT Corporation (the "Company"), prepared on 04 March 2021 as set out from page 05 to page 37, which comprise the balance sheet as at 31 December 2020, the statement of income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### ***Auditors' Responsibility***

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

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

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

## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



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**Tran Thi Thuy Ngoc**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No. 0031-2018-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

04 March 2021  
Hanoi, S.R. Vietnam

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**Pham Tuan Linh**  
**Auditor**  
Audit Practising Registration Certificate  
No. 3001-2019-001-1

**FPT CORPORATION**

No. 17 Duy Tan Street,  
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Hanoi, Vietnam

**FORM B 01-DN**

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

**BALANCE SHEET**

As at 31 December 2020

Unit: VND

<b>ASSETS</b>	<b>Codes</b>	<b>Notes</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>8,198,590,237,083</b>	<b>4,283,157,223,963</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>2,062,744,834,148</b>	<b>720,832,090,017</b>
1. Cash	111		151,644,834,148	334,832,090,017
2. Cash equivalents	112		1,911,100,000,000	386,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>4,534,100,000,000</b>	<b>2,526,500,000,000</b>
1. Held-to-maturity investments	123	5	4,534,100,000,000	2,526,500,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,530,680,636,913</b>	<b>1,013,646,698,994</b>
1. Short-term trade receivables	131	6	103,692,219,466	82,736,052,341
2. Short-term advances to suppliers	132	7	100,494,422,801	54,744,072,487
3. Short-term loan receivables	135	8	195,500,000,000	27,000,000,000
4. Other short-term receivables	136	9	1,139,494,264,022	860,989,278,890
5. Provision for short-term doubtful debts	137		(8,500,269,376)	(11,822,704,724)
<b>IV. Inventories</b>	<b>140</b>		<b>8,129,915,288</b>	<b>37,367,253</b>
1. Inventories	141		8,129,915,288	37,367,253
<b>V. Other short-term assets</b>	<b>150</b>		<b>62,934,850,734</b>	<b>22,141,067,699</b>
1. Short-term prepayments	151		3,370,626,124	2,119,551,836
2. Value added tax deductibles	152		59,529,421,982	19,986,713,235
3. Taxes and other receivables from the State budget	153	16	34,802,628	34,802,628

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



**BALANCE SHEET (Continued)**

As at 31 December 2020

Unit: VND

ASSETS	Codes	Notes	<u>Closing balance</u>	<u>Opening balance</u>
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>8,405,582,486,214</b>	<b>7,022,489,548,928</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>400,000,000</b>	-
1. Long-term loans receivable	215	8	400,000,000	-
<b>II. Fixed assets</b>	<b>220</b>		<b>340,335,618,970</b>	<b>146,855,224,517</b>
1. Tangible fixed assets	221	10	328,421,086,062	137,675,979,566
- Cost	222		494,420,950,331	293,931,450,901
- Accumulated depreciation	223		(165,999,864,269)	(156,255,471,335)
2. Intangible assets	227	11	11,914,532,908	9,179,244,951
- Cost	228		81,059,561,892	73,932,991,892
- Accumulated amortisation	229		(69,145,028,984)	(64,753,746,941)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>1,340,743,130,808</b>	<b>1,050,346,964,578</b>
1. Construction in progress	242	12	1,340,743,130,808	1,050,346,964,578
<b>IV. Long-term financial investments</b>	<b>250</b>		<b>6,722,613,409,012</b>	<b>5,822,613,409,012</b>
1. Investments in subsidiaries	251	5, 13	6,229,613,409,012	5,329,613,409,012
2. Investments in associates	252	5, 14	492,500,000,000	492,500,000,000
3. Equity investments in other entities	253	5	500,000,000	500,000,000
<b>V. Other long-term assets</b>	<b>260</b>		<b>1,490,327,424</b>	<b>2,673,950,821</b>
1. Long-term prepayments	261		1,490,327,424	2,673,950,821
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b><u>16,604,172,723,297</u></b>	<b><u>11,305,646,772,891</u></b>

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

**FPT CORPORATION**

No. 17 Duy Tan Street,  
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Hanoi, Vietnam

**FORM B 01-DN**

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

**BALANCE SHEET (Continued)**


As at 31 December 2020

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>5,498,847,412,441</b>	<b>1,621,704,112,496</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>5,249,581,662,441</b>	<b>1,371,611,362,496</b>
1. Short-term trade payables	311	15	473,313,612,285	284,069,594,062
2. Short-term advances from customers	312		365,063,567	415,359,606
3. Taxes and amounts payable to the State budget	313	16	4,357,222,239	1,016,234,712
4. Payables to employees	314		30,968,596,336	6,616,863
5. Short-term accrued expenses	315	17	39,671,569,536	48,517,203,398
6. Short-term unearned revenue	318		3,847,703,821	1,037,282,677
7. Other current payables	319	18	269,620,587,064	354,500,401,876
8. Short-term loans	320	20	4,295,030,000,000	597,000,000,000
9. Short-term provisions	321		10,189,080,000	20,368,500,000
10. Bonus and welfare funds	322		122,218,227,593	64,680,169,302
<b>II. Long-term liabilities</b>	<b>330</b>		<b>249,265,750,000</b>	<b>250,092,750,000</b>
1. Long-term unearned revenue	336	19	249,265,750,000	250,092,750,000
<b>D. EQUITY</b>	<b>400</b>		<b>11,105,325,310,856</b>	<b>9,683,942,660,395</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>21</b>	<b>11,105,325,310,856</b>	<b>9,683,942,660,395</b>
1. Owners' contributed capital	411		7,839,874,860,000	6,783,586,880,000
- Ordinary shares carrying voting rights	411a		7,839,874,860,000	6,783,586,880,000
2. Share premium	412		49,941,441,360	49,941,441,360
3. Treasury shares	415		(823,760,000)	(823,760,000)
4. Investment and development fund	418		103,009,261	103,009,261
5. Other reserves	420		87,203,093,024	87,203,093,024
6. Retained earnings	421		3,129,026,667,211	2,763,931,996,750
- Retained earnings accumulated to the prior year end	421a		1,028,610,004,465	1,527,643,010,297
- Retained earnings of the current year	421b		2,100,416,662,746	1,236,288,986,453
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>16,604,172,723,297</b>	<b>11,305,646,772,891</b>

  
Nguyen Trong Nhan  
Preparer

  
Hoang Huu Chien  
Chief Accountant

  
Nguyen The Phuong  
Executive Vice President



04 March 2021

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



**FPT CORPORATION**

No. 17 Duy Tan Street,  
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Hanoi, Vietnam

**FORM B 02-DN**

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

**INCOME STATEMENT**

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from services rendered	01	22	291,964,092,178	287,216,908,624
2. Deductions	02	22	-	11,915,344
3. Net revenue from services rendered (10=01-02)	10	22	291,964,092,178	287,204,993,280
4. Cost of sales from services rendered	11	23	70,845,327,323	94,889,359,725
5. Gross profit from services rendered (20=10-11)	20		221,118,764,855	192,315,633,555
6. Financial income	21	25	3,189,254,995,222	2,107,370,302,786
7. Financial expenses	22	26	139,062,950,468	51,489,613,035
- In which: Interest expense	23		138,911,372,017	51,462,109,416
8. Selling expenses	25		4,380,835,730	3,174,519,314
9. General and administration expenses	26	27	373,815,162,930	311,955,905,169
10. Operating profit (30=20+(21-22)-(25+26))	30		2,893,114,810,949	1,933,065,898,823
11. Other income	31		339,058,283	1,965,907,629
12. Other expenses	32		323,922,416	8,258,078,455
13. Profit/(loss) from other activities (40=31-32)	40		15,135,867	(6,292,170,826)
14. Accounting profit before tax (50=30+40)	50		2,893,129,946,816	1,926,773,727,997
15. Current corporate income tax expense	51	28	8,808,174,070	12,208,429,544
16. Net profit after corporate income tax (60=50-51)	60		2,884,321,772,746	1,914,565,298,453

  
Nguyen Trong Nhan  
Preparer

  
Hoang Huu Chien  
Chief Accountant



  
Nguyen The Phuong  
Executive Vice President

04 March 2021

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

**CASH FLOW STATEMENT**

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. <i>Profit before tax</i>	01	<b>2,893,129,946,816</b>	<b>1,926,773,727,997</b>
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets	02	21,262,963,030	19,964,873,678
Provisions	03	(13,501,855,348)	7,011,204,724
Foreign exchange losses arising from translating foreign currency items	04	944,683,303	823,406,129
(Gain) from investing activities	05	(3,187,425,347,830)	(2,100,548,849,731)
Interest expense	06	138,911,372,017	51,462,109,416
3. <i>Operating losses before movements in working capital</i>	08	<b>(146,678,238,012)</b>	<b>(94,513,527,787)</b>
(Increase)/decrease in receivables	09	(57,276,007,688)	169,078,665,699
(Increase)/decrease in inventories	10	(8,092,548,035)	143,780,000
Increases in payables (excluding accrued loan interest and corporate income tax payable)	11	70,737,025,368	441,004,502,508
(Increase)/decrease in prepaid expenses	12	(67,450,891)	6,171,796,818
Interest paid	14	(115,112,989,462)	(45,972,542,507)
Corporate income tax paid	15	(5,000,000,001)	(16,457,758,065)
Other cash inflows	16	99,000,000,000	74,204,050,000
Other cash outflows	17	(41,461,941,709)	(38,073,829,999)
<b>Net cash (used in)/generated by operating activities</b>	20	<b>(203,952,150,430)</b>	<b>495,585,136,667</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(505,388,867,077)	(349,033,283,112)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	335,860,063	1,764,181,818
3. Cash outflow for lending, buying debt instruments of other entities	23	(8,574,100,000,000)	(5,547,200,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	6,397,600,000,000	4,785,200,000,000
5. Equity investments in other entities	25	(900,000,000,000)	(550,000,000,000)
6. Cash recovered from investments in other entities	26	-	90,606,000,000
7. Interest earned, dividends and profits received	27	2,859,860,627,501	1,961,344,758,181
<b>Net cash generated by investing activities</b>	30	<b>(721,692,379,513)</b>	<b>392,681,656,887</b>

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



**CASH FLOW STATEMENT (Continued)**

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from share issue and owners' contributed capital	31	33,917,900,000	30,672,000,000
2. Proceeds from borrowings	33	10,657,030,000,000	2,689,000,000,000
3. Repayment of borrowings	34	(6,959,000,000,000)	(2,622,000,000,000)
4. Dividends and profits paid	36	(1,464,543,679,775)	(1,294,140,941,400)
<b>Net cash generated by/(used in) financing activities</b>	<b>40</b>	<b>2,267,404,220,225</b>	<b>(1,196,468,941,400)</b>
<b>Net increase/(decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>1,341,759,690,282</b>	<b>(308,202,147,846)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>720,832,090,017</b>	<b>1,028,875,665,356</b>
Effects of changes in foreign exchange rates	61	153,053,849	158,572,507
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>2,062,744,834,148</b>	<b>720,832,090,017</b>



Nguyen Trong Nhan  
Preparer



Hoang Huu Chien  
Chief Accountant




Nguyen The Phuong  
Executive Vice President

04 March 2021

**FPT CORPORATION**

No. 17 Duy Tan Street,  
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Hanoi, Vietnam

**FORM B 09-DN**

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

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

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

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

According to the latest amended Business Registration Certificate dated 04 June 2020, the Company's total charter capital is VND 7,839,874,860,000.

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

The number of employees of the Company as at 31 December 2020 was 243 (31 December 2019: 216).

**Operating industry and principal activities**

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

**Normal production and business cycle**

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

**The Corporation's structure:**

As at 31 December 2020, FPT Corporation had 01 branch including Branch in Ho Chi Minh City – FPT Corporation (Hanoi City), 7 subsidiaries and 2 associates.

Subsidiaries of the Company including:

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



Associates of the Company including:

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

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

Comparative figures are the figures of the audited separate financial statements for the year ended 31 December 2019.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

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

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

These separate financial statements are prepared exclusively for the Company and do not include financial statements of subsidiaries. Users of separate financial statements should read together with the Company's consolidated financial statements for the year ended 31 December 2020 for complete information on the Company's financial position as well as operating results and cash flows during the year.

**Financial year**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Estimates**

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



### **Cash and cash equivalents**

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

### **Financial investments**

#### ***Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits.

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

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

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

#### ***Loan receivables***

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

### ***Investments***

#### ***Investment in subsidiaries***

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

#### ***Investments in associates***

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

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

Interests in subsidiaries, associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries, joint ventures and associates are made when there is reliable evidence for declining in value of these investments at the balance sheet date.

*Equity investments in other entities*

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

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

**Receivables**

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

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

**Inventories**

Inventory recording method is the perpetual method. Inventories are stated at the lower of cost and net realizable value. Cost comprises cost of purchases and other directly attributable expenses. Cost of inventories is calculated using the first in, first out (FIFO) method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

	<b>Years</b>
Buildings and structures	10 - 25
Machinery and equipment	5 - 25
Office equipment	3 - 5
Motor vehicles	4 - 6
Other assets	3 - 4



Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the interim income statement.

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

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

#### **Construction in progress**

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes related professional fees, borrowing costs in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

#### **Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods.

Prepaid expenses include the value of tools, supplies, small equipment, and office renovation costs that expected to provide future economic benefits to the Company. These expenses are capitalized as prepayments and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

#### **Revenue recognition**

##### *Revenue from rendering of services*

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

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

##### *Interest income*

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

*Dividend income*

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

**Foreign currencies**

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

**Borrowing costs**

Borrowing costs are recognised in the income statement in the year.

**Related parties**

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

**Taxation**

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

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

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

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

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

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

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



4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	144,246,940	523,074,013
Bank demand deposits	151,500,587,208	334,309,016,004
Cash equivalents (i)	<u>1,911,100,000,000</u>	<u>386,000,000,000</u>
	<b><u>2,062,744,834,148</u></b>	<b><u>720,832,090,017</u></b>

(i) Cash equivalents represent time deposits at banks with original terms of three months or less.

5. FINANCIAL INVESTMENTS

a. Held-to-maturity investments

	<u>Closing balance</u>		<u>Opening balance</u>	
	VND		VND	
	Cost	Carrying amount	Cost	Carrying amount
Term deposits (i)	4,534,100,000,000	4,534,100,000,000	2,526,500,000,000	2,526,500,000,000

(i) Term deposits represent bank deposits with an original term of more than 3 months and the remaining maturity not exceeding 12 months.

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b. Long-term investments

	Closing balance			Opening balance	
	Cost	Fair value	VND Note	Cost	VND Fair value
<b>b1) Investments in subsidiaries</b>	<b>6,229,613,409,012</b>	<b>15,302,240,988,317</b>		<b>5,329,613,409,012</b>	<b>11,828,246,911,595</b>
<i>FPT Information System Corporation</i>	<i>850,000,000,000</i>	<i>1,374,337,963,283</i>	(i)	<i>850,000,000,000</i>	<i>1,271,323,740,373</i>
<i>FPT Investment Company Limited</i>	<i>800,000,000,000</i>	<i>1,058,195,532,749</i>	(i)	<i>800,000,000,000</i>	<i>909,072,750,414</i>
<i>FPT Education Company Limited (*)</i>	<i>1,000,000,000,000</i>	<i>1,431,741,260,414</i>	(i)	<i>600,000,000,000</i>	<i>876,363,953,331</i>
<i>FPT Software Company Limited (*)</i>	<i>2,812,073,500,000</i>	<i>3,880,399,379,399</i>	(i)	<i>2,412,073,500,000</i>	<i>3,365,656,284,576</i>
<i>FPT Telecom Joint Stock Company</i>	<i>585,592,515,312</i>	<i>7,008,173,680,200</i>	(ii)	<i>585,592,515,312</i>	<i>4,962,845,430,900</i>
<i>FPT Smart Cloud Company Limited (*)</i>	<i>100,000,000,000</i>	<i>86,192,846,272</i>	(i)	-	-
<i>FPT Online Service Joint Stock Company</i>	<i>81,947,393,700</i>	<i>463,200,326,000</i>	(ii)	<i>81,947,393,700</i>	<i>442,984,752,000</i>
<b>b2) Investment in associates</b>	<b>492,500,000,000</b>	<b>2,127,471,020,610</b>		<b>492,500,000,000</b>	<b>1,710,424,837,234</b>
<i>Synnex FPT Joint Stock Company</i>	<i>398,500,000,000</i>	<i>951,343,020,610</i>	(i)	<i>398,500,000,000</i>	<i>936,753,137,234</i>
<i>FPT Digital Retail Joint Stock Company</i>	<i>94,000,000,000</i>	<i>1,176,128,000,000</i>	(ii)	<i>94,000,000,000</i>	<i>773,671,700,000</i>
<b>b3) Equity investments in others entities</b>	<b>500,000,000</b>	<b>500,000,000</b>		<b>500,000,000</b>	<b>500,000,000</b>
<i>Ring road No.4 construction project</i>	<i>500,000,000</i>	<i>500,000,000</i>	(i)	<i>500,000,000</i>	<i>500,000,000</i>

(\*) During the year, the Company contributed capital in cash to FPT Education Company Limited, FPT Software Company Limited and FPT Smart Cloud Company Limited with the value of VND 400 billion, VND 400 billion and VND 100 billion respectively.

In accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014, the fair value of investments in subsidiaries, associates and equity investments in other entities as at 31 December 2020 should be presented. According to assessment of the Board of Management, the fair value of the investments presented above is determined as follows:

- (i) The minimum value that can be achieved based on book value or corresponding valuations according to market prices of these investments at the end of the financial year.
- (ii) Fair value that is determined based on the closing price on the stock exchange and the number of shares held by the Company at the end of the financial year.

	<u>Current year</u>	<u>Prior year</u>
<b>b4) The performance of subsidiaries during the year:</b>		
FPT Information System Corporation	Profitable operation	Profitable operation
FPT Investment Company Limited	Profitable operation	Profitable operation
FPT Education Company Limited	Profitable operation	Profitable operation
FPT Software Company Limited	Profitable operation	Profitable operation
FPT Telecom Joint Stock Company	Profitable operation	Profitable operation
FPT Online Service Joint Stock Company	Profitable operation	Profitable operation
FPT Smart Cloud Company Limited	Loss operation	Not yet established

**b5) The performance of associates during the year:**

Synnex FPT Joint Stock Company	Profitable operation	Profitable operation
FPT Digital Retail Joint Stock Company	Profitable operation	Profitable operation

Internal transactions between the Company and its subsidiaries and associates during the year are stated in Note 29.

**6. SHORT-TERM TRADE RECEIVABLES**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Berjaya Gia Thinh Investment Technology Joint Stock Company	47,124,798,719	44,947,786,921
FPT Software Company Limited	18,612,653,037	14,274,687,281
FPT Telecom Joint Stock Company	16,827,370,007	15,366,524,127
Others	21,127,397,703	8,147,054,012
	<b><u>103,692,219,466</u></b>	<b><u>82,736,052,341</u></b>
<b>Short-term receivables from related parties</b> (Details stated in Note 29)	<b><u>54,450,485,945</u></b>	<b><u>35,877,180,676</u></b>

**7. SHORT-TERM ADVANCES TO SUPPLIERS**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Phu Thai Industries Company Limited	26,720,495,049	-
319 Corporation - Ministry of National Defence	17,717,894,750	28,722,375,000
Vietnam Installation Construction and Refrigeratory Joint Stock Company	10,208,505,200	-
TID Facade Joint Stock Company	2,932,903,201	9,744,768,686
Vietnam Investment Construction and Trading Joint Stock Company	-	14,533,886,940
Other suppliers	42,914,624,601	1,743,041,861
	<b><u>100,494,422,801</u></b>	<b><u>54,744,072,487</u></b>



8. LOAN RECEIVABLES

	Closing balance	Opening balance
	VND	VND
<b>a. Short-term loan receivables</b>		
FPT Invest Company Limited	185,000,000,000	-
FPT Technology Solutions Company Limited	-	17,500,000,000
FPT Land Company Limited	10,500,000,000	9,500,000,000
	<b>195,500,000,000</b>	<b>27,000,000,000</b>
<b>b. Long-term loan receivables</b>		
FPT Land Company Limited	400,000,000	-
	<b>400,000,000</b>	-
<b>Loan receivables from related parties</b> (Details stated in Note 29)	<b>195,900,000,000</b>	<b>27,000,000,000</b>

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

Long-term loan receivables represent loans to inter-group companies with the remaining term of more than one year.

9. OTHER SHORT-TERM RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Dividends, profits receivable from subsidiaries	819,845,764,000	510,000,000,000
Bank and loan interest	106,302,578,474	88,665,255,547
Deposits and mortgages	4,629,892,952	4,634,837,367
Others	208,716,028,596	257,689,185,976
- <i>FPT Information System Corporation</i>	135,839,638,954	142,044,288,335
- <i>FPT Land Company Limited</i>	51,280,039,983	51,280,039,983
- <i>FPT Investment Company Limited</i>	5,916,577,555	40,921,089,055
- <i>Others</i>	15,679,772,104	23,443,768,603
	<b>1,139,494,264,022</b>	<b>860,989,278,890</b>
<b>Other short-term receivables from related parties</b> (Details stated in Note 29)	<b>1,014,442,550,596</b>	<b>744,519,334,038</b>

10. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
Opening balance	170,011,427,079	41,031,039,946	64,350,002,470	18,162,090,455	376,890,951	293,931,450,901
Additions	4,801,502,727	-	5,391,837,517	-	-	10,193,340,244
Transfer from construction	196,762,385,006	-	910,405,597	-	-	197,672,790,603
Disposals	-	(192,204,399)	(7,764,556,898)	-	-	(7,956,761,297)
Others	-	283,996,550	296,133,330	-	-	580,129,880
<b>Closing balance</b>	<b>371,575,314,812</b>	<b>41,122,832,097</b>	<b>63,183,822,016</b>	<b>18,162,090,455</b>	<b>376,890,951</b>	<b>494,420,950,331</b>
<b>ACCUMULATED DEPRECIATION</b>						
Opening balance	53,739,809,474	40,766,581,141	54,617,722,257	6,754,467,512	376,890,951	156,255,471,335
Charge for the year	7,426,239,705	121,451,719	6,313,641,155	3,010,348,408	-	16,871,680,987
Disposals	-	(192,204,399)	(7,515,213,534)	-	-	(7,707,417,933)
Others	-	291,354,980	288,774,900	-	-	580,129,880
<b>Closing balance</b>	<b>61,166,049,179</b>	<b>40,987,183,441</b>	<b>53,704,924,778</b>	<b>9,764,815,920</b>	<b>376,890,951</b>	<b>165,999,864,269</b>
<b>NET BOOK VALUE</b>						
<b>Opening balance</b>	<b>116,271,617,605</b>	<b>264,458,805</b>	<b>9,732,280,213</b>	<b>11,407,622,943</b>	<b>-</b>	<b>137,675,979,566</b>
<b>Closing balance</b>	<b>310,409,265,633</b>	<b>135,648,656</b>	<b>9,478,897,238</b>	<b>8,397,274,535</b>	<b>-</b>	<b>328,421,086,062</b>

As at 31 December 2020, the cost of the Company's tangible fixed assets includes VND 100,655,420,068 (as at 31 December 2019: VND 101,022,214,728) of machinery, equipment, motor vehicles and office equipment which have been fully depreciated but are still in use.

11. INCREASE, DECREASE IN INTANGIBLE ASSETS

	<u>Computer software</u>
	<u>VND</u>
<b>COST</b>	
Opening balance	73,932,991,892
Purchases	7,126,570,000
<b>Closing balance</b>	<b><u>81,059,561,892</u></b>
<b>ACCUMULATED AMORTIZATION</b>	
Opening balance	64,753,746,941
Charge for the year	4,391,282,043
<b>Closing balance</b>	<b><u>69,145,028,984</u></b>
<b>NET BOOK VALUE</b>	
Opening balance	<u>9,179,244,951</u>
<b>Closing balance</b>	<b><u>11,914,532,908</u></b>

The cost of intangible assets includes VND 59,763,566,560 (31 December 2019: VND 58,935,631,560) of assets which have been fully amortized but are still in use.

12. CONSTRUCTION IN PROGRESS

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
FPT Tower building project	1,333,086,970,636	978,819,494,856
FPT University Project	-	70,617,064,125
Others	7,656,160,172	910,405,597
	<b><u>1,340,743,130,808</u></b>	<b><u>1,050,346,964,578</u></b>



13. INVESTMENTS IN SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest (direct and indirect)	Proportion of voting power held	Principal activities
FPT Information System Corporation	Floor 22, Keangnam Landmark 72, E6, Pham Hung Street, Me Tri, Tu Liem, Hanoi	100%	100%	Providing application software solution, ERP services, IT services and integrated system services
FPT Software Company Limited	No. 17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	100%	100%	Providing software services and products
FPT Telecom Joint Stock Company (i)	No. 17 Duy Tan Street, Dich Vong Hau Ward, 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	No. 17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	100%	100%	Providing training and technology services
FPT Online Service Joint Stock Company	Lot L 29B-31B-33B Tan Thuan Street, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	49.52%	84.15%	Providing online services
FPT Investment Company Limited	No. 17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	100%	100%	Providing financial services activities (investment consulting services, excluding legal and financial consulting services)
FPT Smart Cloud Company Limited	No.17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	100%	100%	Providing IT services and other services related to computers

- (i) As at 31 December 2020, FPT Corporation holds 45.65% ownership interest (31 December 2019: 45.65%) and 45.65% of voting rights (31 December 2019: 45.65%) at FPT Telecom Joint Stock Company. However, the Company has the power to cast the majority of votes at meetings of the Board of Directors of FPT Telecom Joint Stock Company. Thus, the Company has the power to control the financial and operating policies of FPT Telecom Joint Stock Company. Accordingly, the Company has control over FPT Telecom Joint Stock Company and therefore, FPT Telecom Joint Stock Company is regarded as a subsidiary of the Company.

14. INVESTMENT IN ASSOCIATES

Details of the Company's associates as at 31 December 2020 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest and voting power held	Principal activities
Synnex FPT Joint Stock Company	No. 17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	48.00%	Producing technology products and distributing IT devices and mobile phones; and manufacturing computers
FPT Digital Retail Joint Stock Company	261-263 Khanh Hoi Street, Ward 5, District 4, Ho Chi Minh City	46.53%	Retail sales of computers, peripheral devices, software and telecommunication equipment; telecom service agent

15. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	VND	VND
FPT Education Company Limited	308,494,627,889	165,061,678,160
Vietnam Investment Construction and Trading Joint Stock Company	43,274,792,123	68,547,916,274
FPT Information System Corporation	25,685,136,785	27,057,527,104
319 Corporation Ministry Of National Defence	18,043,213,238	-
Vietnam Installation Construction and Refrigeratory Joint Stock Company (VMRC)	15,435,343,450	-
FPT Software Company Limited	8,818,320,750	42,208,742
FPT Telecom Joint Stock Company	5,551,413,133	7,272,024,339
Others	48,010,764,917	16,088,239,443
	<b>473,313,612,285</b>	<b>284,069,594,062</b>
<b>Payables to related parties</b> (Details stated in Note 29)	<b>355,293,513,784</b>	<b>199,558,938,345</b>

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

	Opening balance	Payables during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
<b>a. Receivables</b>				
Import duty	34,802,628	-	-	34,802,628
	<b>34,802,628</b>	<b>-</b>	<b>-</b>	<b>34,802,628</b>
<b>b. Payables</b>				
Value added tax (VAT)	2,843,172	28,308,089,081	28,308,639,081	2,293,172
- Output VAT	551,000	28,308,089,081	28,308,639,081	1,000
- VAT on imported goods	2,292,172	-	-	2,292,172
Corporate income tax	(695,276,425)	8,808,174,070	5,000,000,001	3,112,897,644
Other taxes	1,708,667,965	80,716,246,176	81,182,882,718	1,242,031,423
License tax	-	4,000,000	4,000,000	-
Personal income tax	1,652,648,182	43,356,018,742	43,820,562,793	1,188,104,131
Other taxes	56,019,783	37,356,227,434	37,358,319,925	53,927,292
	<b>1,016,234,712</b>	<b>117,832,509,327</b>	<b>114,491,521,800</b>	<b>4,357,222,239</b>

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Salary and bonus	-	32,589,235,656
Interest payables	38,724,752,245	14,926,369,690
Other accruals	946,817,291	1,001,598,052
	<b>39,671,569,536</b>	<b>48,517,203,398</b>





18. OTHER SHORT-TERM PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Union fee	20,307,660,693	9,020,195,164
Social insurance	310,109,478	303,663,013
Health insurance	71,656,820	71,710,826
Unemployment insurance	17,268,199	17,282,656
Short-term deposits received	523,000,000	553,000,000
Dividends payable	9,734,581,873	8,705,049,648
Payables through central account	232,927,859,519	328,385,314,580
- FPT Information System Corporation	157,881,723,216	214,321,178,272
- FPT Education Company Limited	30,315,118,672	69,907,799,626
- FPT Software Company Limited	28,480,644,564	15,041,143,314
- FPT Investment Company Limited	13,659,729,928	23,969,178,301
- FPT Digital Retail Joint Stock Company	1,526,452,162	2,993,176,666
- FPT Telecom Joint Stock Company	1,064,190,977	2,152,838,401
Other current payables	5,728,450,482	7,444,185,989
	<u>269,620,587,064</u>	<u>354,500,401,876</u>
<b>Other short-term payables to related parties</b> (Details stated in Note 29)	<u>232,927,859,519</u>	<u>328,385,314,580</u>

19. LONG-TERM UNEARNED REVENUE

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Revenue received in advance (i)	249,265,750,000	250,092,750,000
	<u>249,265,750,000</u>	<u>250,092,750,000</u>

(i) Revenue received in advance represents the office rental.

20. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	VND		VND		VND	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
<b>Short-term loan and obligation under finance lease from related parties</b> (Details stated in Note 29)						
FPT Education Company Limited	130,000,000,000	130,000,000,000	1,380,000,000,000	920,000,000,000	590,000,000,000	590,000,000,000
FPT Information System Corporation	200,000,000,000	200,000,000,000	2,411,000,000,000	1,715,000,000,000	896,000,000,000	896,000,000,000
FPT Digital Retail Joint Stock Company	220,000,000,000	220,000,000,000	1,660,000,000,000	1,035,000,000,000	845,000,000,000	845,000,000,000
FPT Software Company Limited	35,000,000,000	35,000,000,000	5,113,030,000,000	3,271,000,000,000	1,877,030,000,000	1,877,030,000,000
FPT Investment Company Limited	12,000,000,000	12,000,000,000	-	7,000,000,000	5,000,000,000	5,000,000,000
FPT Smart Cloud Company Limited	-	-	93,000,000,000	11,000,000,000	82,000,000,000	82,000,000,000
	<b>597,000,000,000</b>	<b>597,000,000,000</b>	<b>10,657,030,000,000</b>	<b>6,959,000,000,000</b>	<b>4,295,030,000,000</b>	<b>4,295,030,000,000</b>

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

21. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Share premium	Treasury shares	Other reserves	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND
Prior year's opening balance	6,136,367,720,000	49,941,441,360	(823,760,000)	87,203,093,024	103,009,261	2,760,810,099,137	9,033,601,602,782
Shares issued	30,672,000,000	-	-	-	-	-	30,672,000,000
Profit for the year	-	-	-	-	-	1,914,565,298,453	1,914,565,298,453
Stock dividends declared	616,547,160,000	-	-	-	-	(616,547,160,000)	-
Cash dividends declared	-	-	-	-	-	(1,294,897,908,000)	(1,294,897,908,000)
Other movements of equity	-	-	-	-	-	1,667,160	1,667,160
<b>Current year's opening balance</b>	<b>6,783,586,880,000</b>	<b>49,941,441,360</b>	<b>(823,760,000)</b>	<b>87,203,093,024</b>	<b>103,009,261</b>	<b>2,763,931,996,750</b>	<b>9,683,942,660,395</b>
Shares issued	33,917,900,000	-	-	-	-	-	33,917,900,000
Profit for the year	-	-	-	-	-	2,884,321,772,746	2,884,321,772,746
Stock dividends declared (i)	1,022,370,080,000	-	-	-	-	(1,022,370,080,000)	-
Cash dividends declared (i)	-	-	-	-	-	(1,465,573,212,000)	(1,465,573,212,000)
Other movements of equity	-	-	-	-	-	(31,283,810,285)	(31,283,810,285)
<b>Current year's closing balance</b>	<b>7,839,874,860,000</b>	<b>49,941,441,360</b>	<b>(823,760,000)</b>	<b>87,203,093,024</b>	<b>103,009,261</b>	<b>3,129,026,667,211</b>	<b>11,105,325,310,856</b>

Dividends

- (i) On 09 April 2020, the Company's Shareholders' Annual General Meeting approved the plan of stock dividend payment of 2019 at the pay-out ratio of 15% (03 new shares for every 20 shares held) and second cash dividend payment of 2019 at the pay-out ratio of 10% of par value (VND 1,000/share). Accordingly, the Company issued 102,237,008 shares for dividend payment of 2019 and paid cash dividend with an amount of VND 681,668,102,000.

On 30 July 2020, the Board of Directors approved the plan of the first cash dividend payment of 2020 at pay-out ratio of 10% of par value (VND 1,000/share). Accordingly, the Company paid cash dividend with an amount of VND 783,905,110,000.



The use of capital received in the year

Unit: VND

No.	Methods of raising capital	Purposes	Increases/(Decreases)		Used for the right purpose	
			Current year	Prior year	Current year	Prior year
1	Increasing capital from issuing shares	To supplement working capital	1,056,287,980,000	647,219,160,000	1,056,287,980,000	647,219,160,000
<b>Total</b>			<b>1,056,287,980,000</b>	<b>647,219,160,000</b>	<b>1,056,287,980,000</b>	<b>647,219,160,000</b>

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
	Share	Share
<b>Authorised share capital</b>	<b>783,987,486</b>	<b>678,358,688</b>
<b>Issued share</b>	<b>783,987,486</b>	<b>678,358,688</b>
Ordinary shares	783,987,486	678,358,688
<i>Of which shares subject to restriction in ownership transfer</i>	11,642,061	10,072,368
<b>Treasury shares</b>	<b>(82,376)</b>	<b>(82,376)</b>
<i>Of which shares subject to restriction in ownership transfer</i>	-	-
<b>Number of outstanding shares in circulation</b>	<b>783,905,110</b>	<b>678,276,312</b>
Ordinary shares	783,905,110	678,276,312
<i>Of which shares subject to restriction in ownership transfer</i>	11,642,061	10,072,368

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

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

22. REVENUE

	Current year	Prior year
	VND	VND
<b>Sales of services</b>		
- Sales of services	291,964,092,178	287,216,908,624
	<b>291,964,092,178</b>	<b>287,216,908,624</b>
<b>Deductions</b>		
- Service discount	-	11,915,344
	-	<b>11,915,344</b>
<b>Net revenue from services rendered</b>	<b>291,964,092,178</b>	<b>287,204,993,280</b>
<b>Revenue from related parties</b> (Details stated in Note 29)	<b>196,497,912,835</b>	<b>217,370,081,645</b>

23. COST OF SALES

	Current year	Prior year
	VND	VND
Cost of services rendered	70,845,327,323	94,889,359,725
	<b>70,845,327,323</b>	<b>94,889,359,725</b>

24. PRODUCTION COST BY NATURE

	Current year	Prior year
	VND	VND
Labour	132,428,732,813	120,215,743,745
Depreciation and amortisation	21,262,963,030	19,964,873,678
Out-sourced services	176,605,542,486	219,022,112,212
Other monetary expenses	118,744,087,654	50,817,054,573
	<b>449,041,325,983</b>	<b>410,019,784,208</b>

25. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Bank and loan interest	347,679,419,291	232,408,854,206
Dividends and profits received	2,839,659,411,707	1,874,586,646,500
Foreign exchange gain	21,738,857	58,199,641
Other financial income	1,894,425,367	316,602,439
	<b>3,189,254,995,222</b>	<b>2,107,370,302,786</b>
<b>Loan interest, dividends and profits received from related parties</b> (Details stated in Note 29)	<b>2,845,142,441,383</b>	<b>1,882,005,521,546</b>

26. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expense (Details stated in Note 29)	138,911,372,017	51,462,109,416
Foreign exchange loss	151,578,451	27,503,619
	<u>139,062,950,468</u>	<u>51,489,613,035</u>

27. GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Labour costs	132,428,732,813	120,215,743,745
Office equipment expenses	12,163,950,350	12,423,891,686
Depreciation expenses	21,262,963,030	19,964,873,678
Out-sourced services	93,595,964,813	100,176,846,487
Other monetary expenses	114,363,551,924	59,174,549,573
	<u>373,815,162,930</u>	<u>311,955,905,169</u>

28. CORPORATE INCOME TAX EXPENSE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
<b>Current corporate income tax expenses</b>		
- Corporate income tax expense based on taxable profit in the current year	8,808,174,070	10,684,902,291
- Adjustments for corporate income tax expense in previous years to the current year	-	1,523,527,253
	<u>8,808,174,070</u>	<u>12,208,429,544</u>
<b>Total current corporate income tax expenses</b>	<u>8,808,174,070</u>	<u>12,208,429,544</u>



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

	Current year VND	Prior year VND
<b>Profit before tax</b>	<b>2,893,129,946,816</b>	<b>1,926,773,727,997</b>
<b>Adjustments for taxable profit</b>		
Less: non-taxable income		
<i>Dividends and profit received</i>	(2,839,659,411,707)	(1,874,586,646,500)
<i>Others</i>	(23,628,772,233)	(5,472,133,249)
Add back: non-deductible expenses	14,199,107,475	6,709,563,205
<b>Taxable profit</b>	<b>44,040,870,351</b>	<b>53,424,511,453</b>
<i>Normal tax rate</i>	20%	20%
<b>Corporate income tax expense based on taxable profit in the current year</b>	<b>8,808,174,070</b>	<b>10,684,902,291</b>

The corporate income tax is applied at the rate of 20% of taxable profit. The corporate income tax expense for the financial year is estimated based on taxable profit and is subject to adjustment at the discretion of the tax authorities.

## 29. RELATED PARTY TRANSACTIONS AND BALANCES

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

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

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

	Current year VND	Prior year VND
<b>Short-term trade receivables</b>		
FPT Software Company Limited	18,612,653,037	14,274,687,281
FPT Telecom Joint Stock Company	16,827,370,007	15,366,524,127
FPT Education Company Limited	11,005,362,199	3,644,594,896
FPT Information System Corporation	6,355,272,079	1,104,145,960
FPT Digital Retail Joint Stock Company	1,188,029,766	1,171,665,126
Synnex FPT Joint Stock Company	199,108,278	292,339,376
FPT Smart Cloud Company Limited	189,997,686	-
FPT Online Service Joint Stock Company	72,692,893	-
FPT Investment Company Limited	-	23,223,910
	<b>54,450,485,945</b>	<b>35,877,180,676</b>
<b>Loan receivables</b>		
FPT Investment Company Limited	185,000,000,000	-
FPT Land Joint Stock Company	10,900,000,000	9,500,000,000
FPT Technology Solutions Company Limited	-	17,500,000,000
	<b>-</b>	<b>17,500,000,000</b>
<b>Other short-term receivables</b>		
<i>Dividends/profits receivable from subsidiaries</i>		
FPT Software Company Limited	420,000,000,000	380,000,000,000
FPT Telecom Joint Stock Company	249,845,764,000	-
FPT Education Company Limited	150,000,000,000	130,000,000,000
	<b>819,845,764,000</b>	<b>510,000,000,000</b>
<b>Other short-term receivables</b>		
FPT Information System Company Limited	135,839,638,954	142,044,288,335
FPT Land Company Limited	51,659,931,766	51,553,956,648
FPT Investment Company Limited	6,271,372,076	40,921,089,055
FPT Telecom Joint Stock Company	652,366,800	-
FPT Software Company Limited	138,461,000	-
FPT Education Company Limited	20,610,000	-
FPT Digital Retail Joint Stock Company	14,406,000	-
	<b>194,596,786,596</b>	<b>234,519,334,038</b>

	Current year	Prior year
	VND	VND
<b>Short-term trade payables</b>		
FPT Education Company Limited	308,494,627,889	165,061,678,160
FPT Information System Corporation	25,685,136,785	27,057,527,104
FPT Software Company Limited	8,818,320,750	42,208,742
FPT Telecom Joint Stock Company	5,551,413,133	7,272,024,339
FPT Digital Retail Joint Stock Company	2,861,632,227	3,180,000
FPT Investment Company Limited	1,595,000,000	-
FPT Smart Cloud Company Limited	1,074,992,997	-
FPT Online Service Joint Stock Company	946,550,000	122,320,000
Synnex FPT Joint Stock Company	265,840,003	-
	<b>355,293,513,784</b>	<b>199,558,938,345</b>
<b>Short-term other payables</b>		
<i>Payables through central account</i>		
FPT Information System Corporation	157,881,723,216	214,321,178,272
FPT Education Company Limited	30,315,118,672	69,907,799,626
FPT Software Company Limited	28,480,644,564	15,041,143,314
FPT Investment Company Limited	13,659,729,928	23,969,178,301
FPT Digital Retail Joint Stock Company	1,526,452,162	2,993,176,666
FPT Telecom Joint Stock Company	1,064,190,977	2,152,838,401
	<b>232,927,859,519</b>	<b>328,385,314,580</b>
<b>Short-term loans</b>		
FPT Software Company Limited	1,877,030,000,000	35,000,000,000
FPT Information System Corporation	896,000,000,000	200,000,000,000
FPT Digital Retail Joint Stock Company	845,000,000,000	220,000,000,000
FPT Education Company Limited	590,000,000,000	130,000,000,000
FPT Smart Cloud Company Limited	82,000,000,000	-
FPT Investment Company Limited	5,000,000,000	12,000,000,000
	<b>4,295,030,000,000</b>	<b>597,000,000,000</b>



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

	Current year VND	Prior year VND
<b>Capital contribution</b>		
FPT Software Company Limited	400,000,000,000	400,000,000,000
FPT Education Company Limited	400,000,000,000	150,000,000,000
FPT Smart Cloud Company Limited	100,000,000,000	-
	<b>900,000,000,000</b>	<b>550,000,000,000</b>
<b>Rendering of services</b>		
FPT Software Company Limited	70,720,910,064	92,021,927,047
FPT Telecom Joint Stock Company	61,847,529,603	62,586,891,908
FPT Information System Corporation	37,857,719,489	38,438,395,357
FPT Education Company Limited	9,981,134,117	5,805,334,573
FPT Online Service Joint Stock Company	8,892,057,708	8,957,275,970
FPT Digital Retail Joint Stock Company	5,014,980,739	7,214,056,515
Synnex FPT Joint Stock Company	1,190,741,552	2,305,308,851
FPT Smart Cloud Company Limited	517,580,104	-
FPT Investment Company Limited	475,259,459	40,891,424
	<b>196,497,912,835</b>	<b>217,370,081,645</b>
<b>Purchases of goods, services and constructions</b>		
FPT Information System Corporation	76,648,502,713	82,205,545,669
FPT Education Company Limited	76,043,145,546	96,629,984,091
FPT Digital Retail Joint Stock Company	32,458,952,465	6,237,028,007
FPT Telecom Joint Stock Company	23,903,696,814	21,953,987,953
FPT Software Company Limited	16,066,924,006	10,383,779,392
FPT Online Service Joint Stock Company	3,183,050,000	1,353,725,715
FPT Investment Company Limited	1,450,000,000	-
Synnex FPT Joint Stock Company	1,212,728,484	2,149,235,460
FPT Smart Cloud Company Limited	1,143,327,179	-
	<b>232,110,327,207</b>	<b>220,913,286,287</b>
<b>Dividends received/profits transferred from subsidiaries</b>		
FPT Software Company Limited	1,420,000,000,000	1,300,000,000,000
FPT Telecom Joint Stock Company	601,901,160,000	103,242,052,000
FPT Education Company Limited	492,291,700,707	330,000,000,000
Synnex FPT Joint Stock Company	171,133,791,000	28,522,298,500
FPT Information System Corporation	100,000,000,000	-
FPT Digital Retail Joint Stock Company	36,754,000,000	31,960,000,000
FPT Online Service Joint Stock Company	17,578,760,000	80,862,296,000
	<b>2,839,659,411,707</b>	<b>1,874,586,646,500</b>
<b>Interest income (loan interest)</b>		
FPT Digital Retail Joint Stock Company	4,976,273,973	-
FPT Investment Company Limited	354,794,521	273,916,665
FPT Land Company Limited	105,975,118	-
FPT Information System Corporation	45,986,064	7,144,958,381
	<b>5,483,029,676</b>	<b>7,418,875,046</b>

	Current year	Prior year
	VND	VND
<b>Interest expenses</b>		
FPT Software Company Limited	73,056,115,818	1,400,839,022
FPT Information System Corporation	36,887,704,438	32,922,692,880
FPT Digital Retail Joint Stock Company	13,769,640,729	10,701,516,884
FPT Education Company Limited	13,556,545,368	5,774,329,079
FPT Smart Cloud Company Limited	1,083,541,095	-
FPT Investment Company Limited	553,202,486	640,624,386
FPT Telecom Joint Stock Company	4,622,083	22,107,165
	<b>138,911,372,017</b>	<b>51,462,109,416</b>

**Remuneration of the Board of Directors, the Board of Supervisors and salary of Executive President and other managers:**

Unit: VND

**Remuneration of the Board of Directors**

No.	Name	Title	Current year
1.	Mr. Truong Gia Binh	Chairman	0
2.	Mr. Bui Quang Ngoc	Vice Chairman	0
3.	Mr. Do Cao Bao	Member	0
4.	Mr. Le Song Lai	Member	264,000,000
5.	Mr. Jean Charles	Member	600,000,000
6.	Mr. Hamaguchi Tomokazu	Member	2,326,425,000
7.	Mr. Dan E Khoo	Member	2,326,425,000
	<b>Total</b>		<b>5,516,850,000</b>

**Remuneration of the Board of Supervisors**

No.	Name	Title	Current year
1	Mr. Nguyen Viet Thang	Head of the Board of Supervisors	588,000,000
2	Mr. Nguyen Khai Hoan	Member	303,600,000
3	Ms. Nguyen Thi Kim Anh	Member	303,600,000
	<b>Total</b>		<b>1,195,200,000</b>

**Salary of Executive President and other managers**

No.	Name	Title	Current year
1.	Mr. Nguyen Van Khoa	Executive President	3,520,000,000
2.	Mr. Nguyen The Phuong	Executive Vice President	2,750,000,000
3.	Mr. Hoang Viet Anh	Executive Vice President	2,200,000,000
4.	Mr. Hoang Huu Chien	Chief Accountant	1,540,000,000
5.	Ms. Bui Nguyen Phuong Chau	In charge of Information Governance and Disclosure	1,100,000,000
	<b>Total</b>		<b>11,110,000,000</b>



30. SUBSEQUENT EVENTS

According to Resolution No. 01.01-2021/NQ-HĐQT FPT dated 26 January 2021, the Board of Directors of the Company approved:

- To increase the charter capital for FPT Software Company Limited from the current VND 2,800 billion to VND 3,300 billion and the charter capital of FPT Investment Company Limited from the current VND 800 billion to VND 1,000 billion;
- To establish a subsidiary which is named FPT Digital Company Limited in the form of a one-member limited liability company with the charter capital of VND 60 billion. FPT Digital Company Limited was established under the Business Registration Certificate No. 0109525069 issued by Hanoi Authority for Planning and Investment dated 08 February 2021.


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**Nguyen Trong Nhan**  
Preparer

**Hoang Huu Chien**  
Chief Accountant

**Nguyen The Phuong**  
Executive Vice President

04 March 2020

