

FPT INFORMATION SYSTEM CORPORATION

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2016

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF DIRECTORS	1 - 2
INDEPENDENT AUDITORS' REPORT	3
CONSOLIDATED BALANCE SHEET	4 - 5
CONSOLIDATED INCOME STATEMENT	6
CONSOLIDATED CASH FLOW STATEMENT	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8 - 26



STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of FPT Information System Corporation (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2016.

THE MEMBERS' COUNCIL AND BOARD OF DIRECTORS

The members of the Members' Council and Board of Directors of the Corporation who held office during the year and to the date of this report are as follows:

Members' Council

Mr. Duong Dung Trieu	Chairman (appointed on 15 March 2016)
Mr. Truong Gia Binh	Member (appointed on 15 March 2016)
Mr. Bui Quang Ngoc	Member (appointed on 15 March 2016)
Mr. Do Cao Bao	Chairman (resigned on 15 March 2016) Member (appointed from 15 March 2016)

Board of Directors

Mr. Pham Minh Tuan	General Director
Mr. Nguyen Hoang Minh	Deputy General Director
Mr. Do Son Giang	Deputy General Director
Mr. Nguyen Tuan Hung	Deputy General Director
Mr. Phung Viet Thang	Deputy General Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Corporation as at 31 December 2016, 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 consolidated financial statements, the Board of Directors is required to:

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

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



STATEMENT OF THE BOARD OF DIRECTORS (Continued)

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

For and on behalf of the Board of Directors,



Đỗ Sơn Giang

Deputy General Director

(According to Authorization Letter No. 11/2015 /UQ-FIS dated 01 January 2015)

28 February 2017



CONSOLIDATED BALANCE SHEET

As at 31 December 2016

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		3,673,402,555,429	3,086,163,512,555
I. Cash and cash equivalents	110	5	670,528,019,437	472,067,754,414
1. Cash	111		665,028,019,437	451,046,254,414
2. Cash equivalents	112		5,500,000,000	21,021,500,000
II. Short-term financial investments	120	6	5,495,000,000	30,848,500,000
1. Held-to-maturity investments	123		5,495,000,000	30,848,500,000
III. Short-term receivables	130		2,651,806,490,473	2,098,954,443,890
1. Short-term trade receivables	131	7	1,648,511,397,095	1,373,984,891,881
2. Short-term advances to suppliers	132		40,338,623,573	51,202,808,049
3. Receivables from contracts under percentage of completion method	134	8	621,152,412,137	516,837,479,455
4. Short-term loan receivables	135	33	200,000,000,000	9,000,000,000
5. Other short-term receivables	136	9	149,874,052,931	153,518,419,843
6. Provision for short-term doubtful debts	137		(8,069,995,263)	(5,589,155,338)
IV. Inventories	140	10	293,123,446,303	422,407,857,443
1. Inventories	141		295,291,465,923	423,539,052,992
2. Provision for devaluation of inventories	149		(2,168,019,620)	(1,131,195,549)
V. Other short-term assets	150		52,449,599,216	61,884,956,808
1. Short-term prepayments	151	11	43,842,779,983	52,664,368,514
2. Value added tax deductibles	152		6,263,952,569	3,704,180,466
3. Taxes and other receivables from the State budget	153	15	2,342,866,664	5,516,407,828
B. NON-CURRENT ASSETS	200		449,094,034,813	509,145,254,359
I. Long-term receivables	210		249,281,844,845	248,336,866,368
1. Long-term trade receivables	211	7	242,327,520,000	242,327,520,000
2. Other long-term receivables	216	9	6,954,324,845	6,009,346,368
II. Fixed assets	220		67,012,824,225	78,374,849,400
1. Tangible fixed assets	221	12	43,381,090,878	51,369,507,285
- Cost	222		224,835,517,711	221,417,312,215
- Accumulated depreciation	223		(181,454,426,833)	(170,047,804,930)
2. Intangible assets	227	13	23,631,733,347	27,005,342,115
- Cost	228		93,010,684,609	85,471,253,170
- Accumulated amortisation	229		(69,378,951,262)	(58,465,911,055)
III. Long-term assets in progress	240	14	66,864,449,577	79,660,302,041
1. Long-term work in progress	241		14,238,138,008	13,400,125,582
2. Construction in progress	242		52,626,311,569	66,260,176,459
IV. Long-term financial investments	250		784,040,530	-
1. Held-to-maturity investments	255		784,040,530	-
V. Other long-term assets	260		65,150,875,636	102,773,236,550
1. Long-term prepayments	261	11	65,150,875,636	102,285,005,135
2. Deferred tax assets	262		-	488,231,415
TOTAL ASSET (270=100 + 200)	270		4,122,496,590,242	3,595,308,766,914

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

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2016

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		3,111,180,095,080	2,594,211,210,830
I. Current liabilities	310		3,107,397,471,367	2,577,301,605,623
1. Short-term trade payables	311	16	649,273,765,637	650,507,386,334
2. Short-term advances from customers	312	17	377,537,066,138	224,462,404,667
3. Taxes and amounts payable to the State budget	313	15	63,569,589,385	35,738,970,047
4. Payables to employees	314		130,475,151,841	136,572,689,887
5. Short-term accrued expenses	315	18	289,157,439,479	246,649,332,750
6. Payables relating to contracts under percentage of completion method	317		18,960,567,464	12,916,413,403
7. Short-term unearned revenue	318		95,788,593,292	66,587,915,802
8. Other current payables	319	19	158,575,873,511	78,862,297,318
9. Short-term loans	320	20	1,292,421,471,084	1,094,556,998,458
10. Short-term provisions	321		5,595,873,705	7,125,817,577
11. Bonus and welfare funds	322		26,042,079,831	23,321,379,380
II. Long-term liabilities	330		3,782,623,713	16,909,605,207
1. Long-term advances from customers	332		229,591,822	207,388,091
2. Long-term unearned revenue	336		117,579,600	9,784,232,784
3. Long-term loans	338	21	-	3,250,555,728
4. Long-term provisions	342		3,243,356,008	3,475,332,321
5. Scientific and technological development fund	343		192,096,283	192,096,283
D. EQUITY	400		1,011,316,495,162	1,001,097,556,084
I. Owner's equity	410		1,008,566,495,162	998,347,556,084
1. Owner's contributed capital	411	22	850,000,000,000	850,000,000,000
2. Foreign exchange reserve	417	22	(3,672,785,028)	(1,533,171,745)
3. Retained earnings	421	22	110,674,629,425	99,660,196,466
- Retained earnings accumulated to the prior year end	421a		49,660,196,466	32,451,068,865
- Retained earnings of the current year	421b		61,014,432,959	67,209,127,601
4. Non-controlling interests	429		51,564,650,765	50,220,531,363
II. Other resources and funds	430		2,750,000,000	2,750,000,000
1. Subsidised fund	431		2,750,000,000	2,750,000,000
TOTAL RESOURCES (440=300+400)	440		4,122,496,590,242	3,595,308,766,914

Hau
Nguyen Thi Hau
Preparer

Hue
Ngô Thị Minh Huệ
Chief Accountant

Do Son Giang
Đỗ Sơn Giang
Deputy General Director

28 February 2017

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

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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2016

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		4,924,214,331,819	4,597,270,782,615
2. Deductions	02		9,263,200,769	13,696,246,353
3. Net revenue from goods sold and services rendered (10=01-02)	10	24	4,914,951,131,050	4,583,574,536,262
4. Cost of sales	11	25	4,077,678,567,663	3,719,249,261,435
5. Gross profit from goods sold and services rendered (20=10-11)	20		837,272,563,387	864,325,274,827
6. Financial income	21	26	34,250,693,597	39,613,773,536
7. Financial expenses	22	27	75,703,329,105	86,715,404,546
- In which: Interest expense	23		47,521,385,142	31,944,905,490
8. Selling expenses	25		342,536,512,730	350,847,746,740
9. General and administration expenses	26		245,116,894,959	223,339,058,449
10. Operating profit (30=20+(21-22)-(25+26))	30		208,166,520,190	243,036,838,628
11. Other income	31	28	21,861,936,634	24,249,919,392
12. Other expenses	32	29	5,286,010,786	5,998,195,551
13. Profit from other activities (40=31-32)	40		16,575,925,848	18,251,723,841
14. Accounting profit before tax (50=30+40)	50		224,742,446,038	261,288,562,469
15. Current corporate income tax expense	51	30	44,493,401,126	45,534,017,453
16. Deferred corporate tax expense/(income)	52	30	-	(1,490,709,773)
17. Net profit after corporate income tax (60=50-51-52)	60		180,249,044,912	217,245,254,789
18. Equity holders of the Holding Company	61		178,904,925,510	216,273,684,696
19. Non-controlling interests	62		1,344,119,402	971,570,093

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Preparer

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Ngô Thị Minh Huệ
Chief Accountant

Đo Sơn Giang
Deputy General Director

28 February 2017

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11/01/2017



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2016

ITEMS	Codes	Unit: VND	
		Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	224,742,446,038	261,288,562,469
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	30,898,523,925	45,447,328,889
Provisions	03	3,517,663,996	2,179,867,114
Foreign exchange loss arising from translating foreign currency items	04	9,151,187,204	9,517,601,339
Foreign exchange translation differences		(2,139,613,283)	(2,432,874,149)
Loss/(Gain) from investing activities	05	3,167,807,074	(14,638,174,755)
Interest expense	06	47,521,385,142	31,944,905,490
3. Operating profit before movements in working capital	08	316,859,400,096	333,307,216,397
Change in receivables	09	(430,986,923,626)	(232,575,239,602)
Change in inventories	10	119,131,104,761	167,262,032,339
Change in payables (excluding accrued loan interest and corporate income tax payable)	11	282,637,963,697	(259,732,108,816)
Change in prepaid expenses	12	32,498,610,864	(34,398,229,097)
Interest paid	14	(47,864,124,007)	(31,599,586,206)
Corporate income tax paid	15	(26,199,955,502)	(51,080,173,931)
Other cash outflows	17	(15,169,792,100)	(16,426,403,730)
Net cash generated by/(used in) operating activities	20	230,906,284,183	(125,242,492,646)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(32,819,412,153)	(46,489,626,765)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	3,895,464,876	221,902,370
3. Cash outflow for lending, buying debt instruments	23	(165,646,500,000)	-
4. Cash recovered from lending, selling debt instruments of other entities	24	17,035,326,700	14,242,750,000
5. Equity investments in other entities	25	(784,040,530)	(150,000,000)
6. Interest earned, dividends and profits received	27	10,220,829,503	11,911,473,520
Net cash (used in) investing activities	30	(168,098,331,604)	(20,263,500,875)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	2,714,696,728,081	2,567,374,907,579
2. Repayment of borrowings	34	(2,508,272,641,948)	(2,443,250,568,962)
3. Dividends and profits paid	36	(70,858,242,519)	(158,000,000,000)
Net cash generated by/(used in) financing activities	40	135,565,843,614	(33,875,661,383)
Net increase/(decrease) in cash (50=20+30+40)	50	198,373,796,193	(179,381,654,904)
Cash and cash equivalents at the beginning of the year	60	472,067,754,414	649,011,934,943
Effect of changes in foreign exchange rates	61	86,468,830	2,437,474,375
Cash and cash equivalents at the end of the year (70=50+60+61)	70	670,528,019,437	472,067,754,414

Hau
Nguyen Thi Hau
Preparer

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Ngo Thi Minh Hue
Chief Accountant

Do Son Giang
Deputy General Director

28 February 2017

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Structure of ownership

FPT Information System Corporation - Company Limited ("the Corporation"), formerly known as FPT Information System Corporation - Joint-stock Company, changed its ownership form in accordance with the Resolution dated 06 May 2011 issued by the Board of Directors of FPT Corporation. The Corporation was granted the first Business Registration Certificate No.0104128565 dated 13 August 2009 by Hanoi Department of Planning and Investment. According to its 17th amended Certificate dated 16 June 2014, the Corporation's charter capital is VND 850,000,000,000.

The number of official employees as at 31 December 2016 was 3,015 (31 December 2015: 3,021).

Operating industry and principal activities

The Corporation's operating and principal activities include:

- Providing information technology service and other services related to computer;
- Repairing and maintaining computer and peripheral devices;
- Trading electronic telecommunication equipment and spare parts;
- Producing electronic components;
- Providing E-commerce services;
- Studying and developing science and technique;
- Repairing communication equipment;
- Providing computer consulting and computer system management services;
- Producing computers and peripheral devices;
- Installing industrial machinery and equipment;
- Providing and managing human resources;
- Installing electrical system;
- Retail of computer, peripheral devices, software and telecommunication equipment in specialised shops;
- Data process, leasing and other related operations;
- Providing leasing service of office machines and equipment (including computer);
- Wholesales of electrical machines, equipment and materials (electric generators, motors, cables and other electric equipment used in electric circuit);
- Constructing buildings in kind;
- Trading real estate, land use right of owners, users or lessees;
- Wholesales of computers, peripheral devices and software;
- Providing information services over mobile phones, value-added packets thereon and informatics service;
- Providing real estate brokerage, consulting, advertising and management services;
- Providing information technology and other information 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 having implementation time over 12 months.

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The Corporation's structure

As at 31 December 2016, the Corporation had 4 subsidiaries (as at 31 December 2015: 12 subsidiaries). Detailed information of the subsidiaries are as follows:

No.	Name of company	Place of incorporation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activities
1	FPT Information System Cambodia Company Limited	Cambodia	100%	100%	Provide system integration, software, solutions and services
2	FPT Information System Singapore Company Limited	Singapore	100%	100%	Provide system integration, software, solutions and services
3	FPT High Technology Solutions One-member Limited Liability Company	HCM city	100%	100%	Provide system integration, software, solutions and services
4	Telehouse International Corporation of Vietnam	Hanoi	51%	51%	Provide data center services

(i) According to Decision No. 215/2016/QĐ-FIS on 01 May 2016 related to the reorganization of the Corporation issued by the Corporation's Chairman, the Corporation has changed its structure from Parent Company - subsidiaries into OneFIS, which is a merger of the following wholly owned subsidiaries under management of FPT IS HO:

- FPT Information System of Financing and Banking Services Company Limited;
- FPT FTU Information System Company Limited;
- FPT FPS Information System Company Limited;
- FPT GMC Information System Company Limited;
- FPT Information System Services Company Limited;
- FPT ERP Services Company Limited;
- FPT Enterprise Information System Company Limited.

(ii) On 01 January 2016, the Corporation signed Contract No. 04-2016/HDCNVG/FIS-FTG with FPT Trading Company Limited. According to the Contract, the Corporation shall transfer its total VND 15 billion of contributed capital in FPT Information Service Company Limited (FSC) to FPT Trading Company Limited with the transfer price of VND 15 billion. Therefore, FSC is no longer a subsidiary of the Corporation from 01 January 2016.

Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2015.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

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.

Financial year

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

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 21 March 2016, the Ministry of Finance issued Circular No. 53/2016/TT-BTC ("Circular 53") amending and supplementing certain articles of Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the accounting regime for enterprises. Circular 53 is effective for the financial years beginning on or after 01 January 2016. The Board of Directors has adopted Circular 53 in the preparation and presentation of the Corporation's consolidated financial statements for the year ended 31 December 2016.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December each year. 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.

All inter-company transactions and balances between the Corporation's enterprises are eliminated 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.

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



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

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 realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first in, first out method. Net realisable 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 its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

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

	<u>Current year</u>
	Years
Machinery and equipment	5 - 20
Motor vehicles	4 - 6
Office equipment	3 - 5
Other fixed assets	3 - 5

Intangible assets and amortisation

Intangible assets represent computer software and copyright, patents, licenses and franchises that are stated at cost less accumulated amortisation. Intangible assets are amortised using the straight-line method over 3 to 5 years.

Internally-generated intangible assets - Research and development expenditure

Expenditure on research activities is recognised as an expense in the financial year in which it is incurred.

An internally-generated intangible asset arising from the Corporation's development phase is recognised only if all of the following conditions are met:

- an asset created can be identified (such as software and new processes);
- it is probable that the asset will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on the straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the year in which it is incurred.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the 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 costs of small tools, supplies and spare parts issued for consumption and expenses related to progression contracts, which are expected to provide future economic benefits to the Corporation for more than one year. These expenditures have been capitalised as long-term prepayments, and are allocated to the consolidated income statement using the straight-line method over the period of no more than three years in accordance with the prevailing accounting regulations. Contract expenses incurred are allocated over the contract performance period.

Payable provisions

Payable provisions are recognised 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 balance sheet date.

Unearned revenues

Unearned revenues represent the amounts advanced by customers for several accounting periods. Unearned revenues are recognized corresponding to the quantity of goods sold and volume of services rendered in each period. The unearned revenues do not include the amounts that were advanced for unsold goods or un-rendered services; and revenue from sales of goods and services for which payment has not been made as at the balance sheet date.

Revenue recognition

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

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

Revenue 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.

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

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

Foreign currencies

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (the functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Vietnamese Dong (VND), which is the functional currency of the Corporation and the presentation currency for the Corporation's consolidated financial statements.

Recording of foreign exchange difference upon translating financial statements presented in foreign currencies

For the purpose of presenting consolidated financial statements, the assets and liabilities in subsidiaries' financial statements presented in foreign currencies are translated to VND using exchange rates prevailing on the consolidated balance sheet date. Income and expense items are translated at the average exchange rate for the year, unless exchange rates fluctuated significantly during that year, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recorded into the "Foreign exchange reserve" in the consolidated balance sheet. Such translation differences are recognised in profit or loss in the year in which the subsidiary is disposed of.

Recording of foreign exchange difference in other situations

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

Interest expense is recognized in the income statement in the year when incurred unless

such time as the assets are used for the temporary investment of specific borrowings. For specific

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 net profit 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 taxation 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.

5. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	1,094,583,179	1,179,021,004
Demand deposits	663,933,436,258	449,867,233,410
Cash equivalents	5,500,000,000	21,021,500,000
	<u>670,528,019,437</u>	<u>472,067,754,414</u>

6. SHORT-TERM FINANCIAL INVESTMENTS

Short-term financial investments represent the balance of term deposits with original terms of over 3 months and less than 01 year.

7. TRADE RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Short-term trade receivables		
National Board of Revenue (NBR) - Bangladesh	230,683,013,355	66,727,484,609
VETC Joint Stock Company	157,511,731,650	-
Vietnam Post & Telecommunication Corporation	146,612,621,772	7,964,400,000
Executive Management Board project to build electronic government in Quang Ninh Province	63,761,258,356	43,120,480,494
Joint Stock Commercial Bank for Foreign Trade of Vietnam	61,179,166,617	91,490,978,151
General Department of Taxation - Ministry of Finance	53,418,719,070	65,023,387,523
Deposit Insurance of Vietnam	51,427,140,109	38,387,391,788
Joint Stock Commercial Bank for Investment and Development of Vietnam	21,647,823,811	138,048,086,310
Department of Information Technology - General Department of Taxation	16,372,858,464	73,191,892,000
Informatics and Statistics Department - Ministry of Finance	7,318,173,000	58,476,795,800
Ministry of Economy and Finance of Cambodia	1,563,635	99,807,081,623
Others	838,577,327,256	691,746,913,583
<i>In which</i>		
<i>Receivables from related parties</i> <i>(see in Note 33)</i>	124,127,426,163	22,376,359,691
	<u>1,648,511,397,095</u>	<u>1,373,984,891,881</u>
b. Long-term trade receivables		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	242,327,520,000	242,327,520,000
	<u>242,327,520,000</u>	<u>242,327,520,000</u>

8. RECEIVABLES FROM CONTRACTS UNDER PERCENTAGE OF COMPLETION METHOD

The Corporation has progress contracts with revenue recognized under percentage of completion method at the balance sheet date as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Contract costs incurred plus recognised profits less recognised losses to date	2,516,490,476,647	1,983,467,611,881
Less: Progress billings	(1,895,338,064,510)	(1,466,630,132,426)
	<u>621,152,412,137</u>	<u>516,837,479,455</u>

9. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Current	149,874,052,931	153,518,419,843
- Receivable related to maintenance services	136,898,781,308	119,119,747,291
- Receivable from employees	5,525,693,004	10,948,632,970
- Deposits and mortgages	2,815,618,433	6,562,738,251
- Other receivables	4,633,960,186	16,887,301,331
Non-current	6,954,324,845	6,009,346,368
- Deposits and mortgages	6,954,324,845	5,125,546,368
- Other receivables	-	883,800,000
	<u>156,828,377,776</u>	<u>159,527,766,211</u>

10. INVENTORIES

	<u>Closing balance</u>		<u>Opening balance</u>	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	16,335,266,509	-	9,571,090,840	-
Tools and supplies	674,613,601	-	819,631,236	-
Work in progress	158,891,363,215	-	333,162,856,279	-
Merchandise	118,704,313,692	(2,168,019,620)	78,876,970,228	(1,131,195,549)
Goods on consignment	685,908,906	-	1,108,504,409	-
	<u>295,291,465,923</u>	<u>(2,168,019,620)</u>	<u>423,539,052,992</u>	<u>(1,131,195,549)</u>

11. PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Current		
Tools and dies issued for consumption	4,056,288	3,680,650,314
Office rental	-	12,808,577,000
Others (*)	43,838,723,695	36,175,141,200
	<u>43,842,779,983</u>	<u>52,664,368,514</u>
Non-current		
Tools and dies issued for consumption	9,711,966,514	17,924,232,355
Office set-up	16,806,247,527	23,424,540,411
Others (*)	38,632,661,595	60,936,232,369
	<u>65,150,875,636</u>	<u>102,285,005,135</u>

(*) Mostly represent the prepayment for integration system contracts.

14. LONG-TERM ASSETS IN PROGRESS

	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
a) Long-term work in progress				
Core banking system for the Joint Stock Commercial Bank for Foreign Trade of Vietnam project under implementation	14,238,138,008	14,238,138,008	13,400,125,582	13,400,125,582
	14,238,138,008	14,238,138,008	13,400,125,582	13,400,125,582
b) Long-term construction in progress				
FPT.eCLAIM Project	11,593,707,485	11,593,707,485	8,131,858,904	8,131,858,904
Smart video solutions project	7,696,551,365	7,696,551,365	5,300,633,091	5,300,633,091
Smart transportation project	6,070,771,449	6,070,771,449	3,782,118,662	3,782,118,662
Anti-fake invoice coding system "E-invoice"	5,740,572,601	5,740,572,601	11,392,261,340	11,392,261,340
FPT.eGov project	5,691,220,894	5,691,220,894	5,691,220,894	5,691,220,894
Core FPT.eHospital	4,490,885,995	4,490,885,995	1,333,115,425	1,333,115,425
FPT.eHEALTH project	3,711,220,886	3,711,220,886	3,711,220,886	3,711,220,886
Management of public transport	3,314,048,800	3,314,048,800	2,292,728,272	2,292,728,272
Expand DATA CENTER project- Phase 2.2	-	-	7,890,944,566	7,890,944,566
Research and Construction Systems Intelligent Security Monitoring	-	-	7,501,766,101	7,501,766,101
Bus information and management system in Ho Chi Minh city	-	-	4,376,620,034	4,376,620,034
Others	4,317,332,094	4,317,332,094	4,855,688,284	4,855,688,284
	52,626,311,569	52,626,311,569	66,260,176,459	66,260,176,459



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

Items	Movement during the year			Closing balance VND
	Opening balance VND	Amount receivable/payable VND	Amount received/paid VND	
a. Receivables				
Value added tax	301,203,274	64,075,848	-	365,279,122
- Output value added tax	301,203,274	64,075,848	-	365,279,122
Corporate income tax (I)	5,017,353,608	(139,340,812)	2,900,425,254	1,977,587,542
Other taxes (I)	197,850,946	(165,332,274)	32,518,672	-
Total	5,516,407,828	(240,597,238)	2,932,943,926	2,342,866,664
b. Payables				
Value added tax	18,096,691,501	135,244,366,441	123,275,856,887	30,065,201,055
- Output value added tax	17,393,716,097	58,140,822,087	46,172,899,246	29,361,638,938
- Value added tax on imports	702,975,404	77,103,544,354	77,102,957,641	703,562,117
Import duty	81,937,048	2,809,493,509	2,808,597,049	82,833,508
Corporate income tax	11,065,228,427	41,626,024,565	26,199,955,502	26,491,297,490
Other taxes	6,419,341,663	50,906,862,410	50,460,591,122	6,865,612,951
- Personal income tax	2,181,900,750	32,910,181,560	32,247,155,951	2,844,926,359
- Other taxes	4,237,440,913	17,996,680,850	18,213,435,171	4,020,686,592
Other payables	75,771,408	161,431,037	172,558,064	64,644,381
Total	35,738,970,047	230,748,177,962	202,917,558,624	63,569,589,385

(I) Amount receivable during the year is negative because of the disposal of FSC (the Corporation's subsidiary).

16. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
SV Technologies JSC	79,774,613,453	79,774,613,453	12,672,004,400	12,672,004,400
Fiserv (ASPAC) Pte, Ltd.	64,143,013,811	64,143,013,811	105,873,013,812	105,873,013,812
Cisco Systems Intl BV, Netherl	43,217,404,943	43,217,404,943	31,712,635,455	31,712,635,455
Abel Solutions Limited	36,455,328,314	36,455,328,314	-	-
Uromax (Singapore) Pte Ltd	35,484,543,300	35,484,543,300	-	-
Other suppliers	390,198,861,816	390,198,861,816	500,249,732,667	500,249,732,667
<i>In which:</i>				
Trade payables to related parties (for significant balances see in Note 33)	71,571,285,576	71,571,285,576	76,879,134,580	76,879,134,580
	649,273,765,637	649,273,765,637	650,507,386,334	650,507,386,334

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
National Board of Revenue (NBR)	62,922,746,447	1,546,930,941
Vietnam Post	36,316,719,372	-
Hanoi Stock Exchange	35,277,500,000	-
Deposit Insurance of Vietnam	25,829,724,010	25,829,724,010
The Police Department for Administrative Management of Social Order	-	34,000,000,000
Board of Governmental Essential Services	-	28,756,000,000
Others	217,190,376,309	134,329,749,716
	<u>377,537,066,138</u>	<u>224,462,404,667</u>

18. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Accrued interest	3,652,745,598	3,995,484,463
Accrued expenses for system integration projects	283,923,262,971	242,366,174,929
Others	1,581,430,910	287,673,358
	<u>289,157,439,479</u>	<u>246,649,332,750</u>

19. OTHER SHORT-TERM PAYABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Trade union fees	5,757,488,730	5,082,272,629
Social, unemployment and health insurance	2,765,618,288	2,831,391,722
FPT Corporation	136,641,757,481	57,500,000,000
Other payables	13,411,009,012	13,448,632,967
	<u>158,575,873,511</u>	<u>78,862,297,318</u>

20. SHORT-TERM LOANS

	<u>Opening balance</u> VND		<u>In the year</u> VND		<u>Closing balance</u> VND	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
Short-term borrowings	1,093,476,998,458	1,093,476,998,458	2,708,145,029,217	2,520,200,556,591	1,281,421,471,084	1,281,421,471,084
Current portion of long-term loan	1,080,000,000	1,080,000,000	14,250,555,728	4,330,555,728	11,000,000,000	11,000,000,000
	<u>1,094,556,998,458</u>	<u>1,094,556,998,458</u>	<u>2,722,395,584,945</u>	<u>2,524,531,112,319</u>	<u>1,292,421,471,084</u>	<u>1,292,421,471,084</u>

Short-term borrowings represent borrowings from banks and FPT Corporation - the parent company. Interest rates are specified for each withdrawal.

FPT INFORMATION SYSTEM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN

Details of outstanding loan principal as at 31 December 2016 are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
The Bank Of Tokyo-Mitsubishi UFJ, Ltd. - Hanoi Branch	386,202,098,406	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Operation Center	234,697,017,431	216,721,052,185
ANZ Bank- Singapore Branch	198,806,549,452	47,664,132,786
Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Ba Trung Branch	176,579,403,045	133,446,100,193
HSBC Bank (Vietnam) - Hanoi Branch	126,834,593,198	77,989,591,385
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Thanh Branch	102,267,870,931	394,756,121,909
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Operation Center	36,433,938,621	-
FPT Corporation	17,500,000,000	213,500,000,000
Citibank N.A. Vietnam - Hanoi Branch	2,100,000,000	9,400,000,000
	<u>1,281,421,471,084</u>	<u>1,093,476,998,458</u>

21. LONG-TERM LOANS

A long-term agreement with FPT Corporation is an unsecured loan	<u>Opening balance</u>		<u>In the year</u>		<u>Closing balance</u>	
	Amount	Amount able to be said off	Increases	Decreases	Amount	Amount able to be said off
FPT Corporation	-	-	11,000,000,000	-	11,000,000,000	11,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Thanh Branch	4,330,555,728	4,330,555,728	-	4,330,555,728	-	-
Total	4,330,555,728	4,330,555,728	11,000,000,000	4,330,555,728	11,000,000,000	11,000,000,000
In which:						
- Amount due for settlement within 12 months	1,080,000,000	1,080,000,000			11,000,000,000	11,000,000,000
- Amount due for settlement after 12 months	3,250,555,728	3,250,555,728			-	-

with a term from 16 September 2016 to 18 September 2017. The loan bears a fixed interest rate of 5.5% per annum.

In the year, the Corporation settled the long-term loan agreement with Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Thanh Branch before the maturity date.

Long-term loans are repayable as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Within one year	11,000,000,000	1,080,000,000
In the second year	-	3,250,555,728
	<u>11,000,000,000</u>	<u>4,330,555,728</u>
Less: Amount due for settlement within 12 months	11,000,000,000	1,080,000,000
Amount due for settlement after 12 months	-	<u>3,250,555,728</u>

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22. OWNER'S EQUITY

Movement in owner's equity

	Owner's contributed capital VND	Foreign exchange reserve VND	Retained earnings VND	Total VND
Prior year's opening balance	850,000,000,000	899,702,404	82,451,068,865	933,350,771,269
Profit in the year	-	-	216,273,684,696	216,273,684,696
Profit distributed to funds (i)	-	-	(21,627,368,470)	(21,627,368,470)
Profit transferred to owner (ii)	-	-	(177,500,000,000)	(177,500,000,000)
Equity transactions	-	-	62,811,375	62,811,375
Others	-	(2,432,874,149)	-	(2,432,874,149)
Current year's opening balance	850,000,000,000	(1,533,171,745)	99,660,196,466	948,127,024,721
Profit in the year	-	-	178,904,925,510	178,904,925,510
Profit distributed to funds (i)	-	-	(17,890,492,551)	(17,890,492,551)
Profit transferred to owner (ii)	-	-	(150,000,000,000)	(150,000,000,000)
Others	-	(2,139,613,283)	-	(2,139,613,283)
Current year's closing balance	850,000,000,000	(3,672,785,028)	110,674,629,425	957,001,844,397

(i) According to Decision No. 1891/2016/QĐ-FIS dated 31 December 2016 by the Chairman, the Corporation distributed 2016 profit after tax attributable to equity holders of the Corporation to bonus and welfare funds at the rate of 10%.

(ii) Profit transferred to FPT Corporation (the Parent Company) according to Decision No. 64-2016/QĐ-FPT-TGD dated 31 March 2016 on the 1st payment of profit in 2016, Decision No. 233-2016/QĐ-FPT-TGD dated 31 December 2016 on the 3rd payment of profit in 2016 by the Executive President of FPT Corporation.

Charter capital and investment capital

Under the Corporation's 17th amended Business Registration Certificate dated 16 June 2014, the charter capital of the Corporation is VND 850,000,000,000. As 31 December 2016, the charter capital of the Corporation had been fully contributed by its owner, FPT Corporation.

	Per amended Business Registration Certificate VND	Contributed capital	
		Closing balance VND	Opening balance VND
FPT Corporation	850,000,000,000	850,000,000,000	850,000,000,000
Total	850,000,000,000	850,000,000,000	850,000,000,000

23. OFF CONSOLIDATED BALANCE SHEET ITEMS

	Unit	Closing balance	Opening balance
1. Goods held under trust or for processing	VND	43,291,311,609	187,711,830,847
2. Foreign currencies			
- United States Dollar	USD	5,077,796.00	2,121,059.06
- Euro	EUR	456.99	490.85
- Japanese Yen	JPY	49,060,053.00	66,761,828.00
- Singaporean Dollar	SGD	637,303.69	353,527.71
- Kiat	MMK	176,421,970.50	304,682.00
- BDT Bangladesh	BDT	1,292,855.00	-

24. REVENUE

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Sales	4,924,214,331,819	4,597,270,782,615
Sales of goods	2,947,884,083,868	2,612,746,741,766
Sales of services	1,976,330,247,951	1,984,524,040,849
Less deductions	9,263,200,769	13,696,246,353
Sales return	9,263,200,769	13,696,246,353
Net sales	4,914,951,131,050	4,583,574,536,262
Revenue from related parties (Details stated in Note 33)	322,440,225,329	179,667,813,412

Of which:

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Software development	1,120,016,847,104	1,097,823,243,413
System integration	2,893,043,070,311	2,599,050,495,413
Informatics service	901,891,213,635	886,700,797,436
	4,914,951,131,050	4,583,574,536,262

25. COST OF SALES

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Cost of goods sold	2,573,054,707,631	2,282,454,938,209
Cost of services rendered	1,503,587,035,961	1,436,684,013,696
Provision for devaluation of inventories	1,036,824,071	110,309,530
	4,077,678,567,663	3,719,249,261,435

26. FINANCIAL INCOME

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Bank interest	9,288,252,664	11,018,893,253
Foreign exchange gain	23,007,932,916	25,100,383,871
Others	1,954,508,017	3,494,496,412
	34,250,693,597	39,613,773,536

27. FINANCIAL EXPENSES

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Interest expense	47,521,385,142	31,944,905,490
Foreign exchange loss	27,430,680,789	54,548,596,686
Others	751,263,174	221,902,370
	75,703,329,105	86,715,404,546

28. OTHER INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Proceeds from disposal of fixed assets	48,388,263	275,626,188
Others	21,813,548,371	23,974,293,204
	<u>21,861,936,634</u>	<u>24,249,919,392</u>

29. OTHER EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Penalty in breach of contracts	4,035,940,005	2,557,903,775
Others	1,250,070,781	3,440,291,776
	<u>5,286,010,786</u>	<u>5,998,195,551</u>

30. CORPORATE INCOME TAX

	<u>Current year</u> VND	<u>Prior year</u> VND
Current corporate income tax expenses		
- Corporate income tax based on taxable profit in the current year	44,493,401,126	42,542,601,912
- Adjustments for corporate income tax expenses in previous years to the current year	-	2,991,415,541
Corporate income tax	<u>44,493,401,126</u>	<u>45,534,017,453</u>
Deferred corporate income tax expenses		
- Reversal of deferred tax assets	-	4,386,759,239
- Reversal of deferred tax liabilities	-	(5,877,469,012)
Total deferred corporate income tax expenses	<u>-</u>	<u>(1,490,709,773)</u>

31. PRODUCTION COST BY NATURE

	<u>Current year</u> VND	<u>Prior year</u> VND
Raw materials and consumables	2,588,840,828,292	2,246,497,215,794
Labour cost	666,836,584,656	615,188,012,611
Depreciation and amortization	30,898,523,925	45,447,328,889
Bidding and hospitality	48,644,592,302	55,261,306,447
Provision	1,592,169,382	3,774,128,326
Out-sourced services	1,112,863,616,719	1,192,340,849,104
Other expenses	42,222,179,438	56,517,536,863
	<u>4,491,898,494,714</u>	<u>4,215,026,378,034</u>

11/01/2011

32. COMMITMENTS

Operating lease commitments

During the year, the Corporation had operating lease commitments relating to office rentals, which fall due as follows:

	<u>Current year</u> VND	<u>Prior year</u> VND
Within one year	30,419,598,270	52,297,776,289
In the second to fifth year inclusive	155,026,297,848	226,144,314,973
After five years	-	26,365,432,150
	<u>185,445,896,118</u>	<u>304,807,523,412</u>

33. RELATED PARTY TRANSACTIONS AND BALANCES

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

<u>Related party</u>	<u>Relationship</u>
FPT Corporation	Owner
FPT Software Company Limited	Under the same owner
FPT Trading Company Limited	Under the same owner
FPT Telecom Joint Stock Company	Under the same owner

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

	<u>Current year</u> VND	<u>Prior year</u> VND
Sales of merchandise and services		
FPT Corporation	145,430,352,554	33,045,599,160
FPT Software Company Limited	23,604,622,362	37,458,425,698
FPT Trading Company Limited	66,789,628,169	62,401,142,319
FPT Telecom Joint Stock Company	86,615,622,244	46,762,646,235
Purchases		
FPT Corporation	29,891,460,429	37,906,379,871
FPT Software Company Limited	21,464,409,347	2,494,862,928
FPT Trading Company Limited	223,782,576,249	212,417,044,956
FPT Telecom Joint Stock Company	6,800,046,472	11,936,891,004
Profit transferred to FPT Corporation	150,000,000,000	177,500,000,000
Interest expense		
FPT Corporation	9,413,175,006	6,656,486,122
Interest income		
FPT Corporation	7,809,028,936	4,892,864,022

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Trade receivables	124,127,426,163	22,376,359,691
FPT Corporation	58,831,251,180	1,214,100,000
FPT Software Company Limited	307,980,054	3,087,721,003
FPT Telecom Joint Stock Company	63,945,670,909	17,590,384,011
FPT Trading Company Limited	1,042,524,020	484,154,677
Other receivables	690,000,000	9,929,277,244
FPT Corporation	690,000,000	9,928,459,594
FPT Telecom Joint Stock Company	-	817,650
Trade payables	71,571,285,576	76,879,134,580
FPT Corporation	10,017,888,707	9,526,503,878
FPT Software Company Limited	16,067,279,885	20,315,809,551
FPT Trading Company Limited	44,715,879,745	45,582,904,849
FPT Telecom Joint Stock Company	770,237,239	1,453,916,302
Other current payables	136,641,757,481	62,020,335,740
FPT Corporation	136,641,757,481	57,500,000,000
FPT Software Company Limited	-	4,520,335,740
Loans		
FPT Corporation	28,500,000,000	213,500,000,000
Loan receivables		
FPT Corporation	200,000,000,000	9,000,000,000

Hau
Nguyen Thi Hau
 Preparer

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Ngô Thị Minh Huệ
 Chief Accountant

Do Sơn Giang
Đo Sơn Giang
 Deputy General Director

28 February 2017



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