



FPT INFORMATION SYSTEM CORPORATION
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2017



FPT INFORMATION SYSTEM CORPORATION

22nd Floor, Keangnam Landmark 72 Tower, E6, Pham Hung Road
Hanoi, Vietnam

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Hanoi, Vietnam

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 2017.

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
Mr. Truong Gia Binh	Member
Mr. Bui Quang Ngoc	Member
Mr. Do Cao Bao	Member

Board of Directors

Mr. Nguyen Van Khoa	General Director (appointed on 01 March 2018)
Mr. Pham Minh Tuan	General Director (resigned on 01 March 2018)
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 (resigned on 15 September 2017)

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 2017, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of 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 consolidated 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.

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FPT INFORMATION SYSTEM CORPORATION

22nd Floor, Keangnam Landmark 72 Tower, E6, Pham Hung Road
Hanoi, Vietnam

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,



Do Son Giang
Deputy General Director

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

05 March 2018



No.: 725 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The Members' Council and Board of Directors of
FPT Information System Corporation**

We have audited the accompanying consolidated financial statements of FPT Information System Corporation (the "Corporation"), prepared on 05 March 2018 as set out from page 04 to page 25, which comprise the consolidated balance sheet as at 31 December 2017, the consolidated statement of income and consolidated 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 consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime and legal regulations relating to consolidated financial reporting.


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


Bui Ngoc Duy
Auditor
Audit Practising Registration Certificate
No. 3641-2017-001-1

DELOITTE VIETNAM COMPANY LIMITED

05 March 2018
Hanoi, S.R Vietnam

CONSOLIDATED BALANCE SHEET

As at 31 December 2017

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance (After reclassification)
A. CURRENT ASSETS	100		4,110,099,949,177	3,687,640,693,437
I. Cash and cash equivalents	110	4	662,101,190,320	670,528,019,437
1. Cash	111		656,317,149,790	665,028,019,437
2. Cash equivalents	112		5,784,040,530	5,500,000,000
II. Short-term financial investments	120		-	5,495,000,000
1. Held-to-maturity investments	123		-	5,495,000,000
III. Short-term receivables	130		2,874,701,358,925	2,651,806,490,473
1. Short-term trade receivables	131	5	2,302,747,405,412	1,648,511,397,095
2. Short-term advances to suppliers	132		45,573,041,164	40,338,623,573
3. Receivables from contracts under percentage of completion method	134	6	431,581,193,340	621,152,412,137
4. Short-term loan receivables	135		-	200,000,000,000
5. Other short-term receivables	136	7	133,121,005,313	149,874,052,931
6. Provision for short-term doubtful debts	137		(38,321,286,304)	(8,069,995,263)
IV. Inventories	140	8	526,446,400,106	307,361,584,311
1. Inventories	141		530,277,929,039	309,529,603,931
2. Provision for devaluation of inventories	149		(3,831,528,933)	(2,168,019,620)
V. Other short-term assets	150		46,850,999,826	52,449,599,216
1. Short-term prepayments	151	9	27,167,384,561	43,842,779,983
2. Value added tax deductibles	152		17,706,027,723	6,263,952,569
3. Taxes and other receivables from the State budget	153	13	1,977,587,542	2,342,866,664
B. NON-CURRENT ASSETS	200		413,482,810,293	434,855,896,805
I. Long-term receivables	210		169,649,307,429	249,281,844,845
1. Long-term trade receivables	211	5	161,551,680,000	242,327,520,000
2. Other long-term receivables	216	7	8,097,627,429	6,954,324,845
II. Fixed assets	220		47,511,619,097	67,012,824,225
1. Tangible fixed assets	221	10	33,224,679,636	43,381,090,878
- Cost	222		225,992,724,236	224,835,517,711
- Accumulated depreciation	223		(192,768,044,600)	(181,454,426,833)
2. Intangible assets	227	11	14,286,939,461	23,631,733,347
- Cost	228		86,832,158,506	93,010,684,609
- Accumulated amortisation	229		(72,545,219,045)	(69,378,951,262)
III. Long-term assets in progress	240		149,052,012,973	52,626,311,569
1. Construction in progress	242	12	149,052,012,973	52,626,311,569
IV. Long-term financial investments	250		-	784,040,530
1. Held-to-maturity investments	255		-	784,040,530
V. Other long-term assets	260		47,269,870,794	65,150,875,636
1. Long-term prepayments	261	9	47,269,870,794	65,150,875,636
TOTAL ASSET (270=100 + 200)	270		4,523,582,759,470	4,122,496,590,242

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

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2017

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance (After reclassification)
C. LIABILITIES	300		3,545,208,524,957	3,111,180,095,080
I. Current liabilities	310		3,541,558,833,176	3,107,397,471,367
1. Short-term trade payables	311	14	1,063,806,097,030	649,273,765,637
2. Short-term advances from customers	312	15	405,401,984,783	377,537,066,138
3. Taxes and amounts payable to the State budget	313	13	45,354,963,522	63,569,589,385
4. Payables to employees	314		134,063,050,656	130,475,151,841
5. Short-term accrued expenses	315	16	411,986,804,163	289,157,439,479
6. Payables relating to contracts under percentage of completion method	317	6	20,380,725,175	18,960,567,464
7. Short-term unearned revenue	318		72,331,167,705	95,788,593,292
8. Other current payables	319	17	153,002,149,150	158,575,873,511
9. Short-term loans	320	18	1,216,499,811,946	1,292,421,471,084
10. Short-term provisions	321		5,294,704,047	5,595,873,705
11. Bonus and welfare funds	322		13,437,374,999	26,042,079,831
II. Long-term liabilities	330		3,649,691,781	3,782,623,713
1. Long-term advances from customers	332		-	229,591,822
2. Long-term unearned revenue	336		91,993,200	117,579,600
3. Long-term provisions	342		3,365,602,298	3,243,356,008
4. Scientific and technological development fund	343		192,096,283	192,096,283
D. EQUITY	400		978,374,234,513	1,011,316,495,162
I. Owner's equity	410	19	975,624,234,513	1,008,566,495,162
1. Owner's contributed capital	411		850,000,000,000	850,000,000,000
2. Foreign exchange reserve	417		(2,928,582,242)	(3,672,785,028)
3. Retained earnings	421		76,496,667,022	110,674,629,425
- Retained earnings accumulated to the prior year end	421a		48,674,629,425	49,660,196,466
- Retained earnings of the current year	421b		27,822,037,597	61,014,432,959
4. Non-controlling interests	429		52,056,149,733	51,564,650,765
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		4,523,582,759,470	4,122,496,590,242

Nguyen Thi Hau
 Nguyen Thi Hau
 Preparer

Nguyen Thi Minh Hue
 Ngo Thi Minh Hue
 Chief Accountant

Do Son Giang
 Do Son Giang
 Deputy General Director

05 March 2018

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2017

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	21	5,027,186,878,343	4,924,214,331,819
2. Deductions	02	21	1,236,629,025	9,263,200,769
3. Net revenue from goods sold and services rendered (10=01-02)	10	21	5,025,950,249,318	4,914,951,131,050
4. Cost of sales	11	22	4,341,965,416,206	4,077,678,567,663
5. Gross profit from goods sold and services rendered (20=10-11)	20		683,984,833,112	837,272,563,387
6. Financial income	21	24	41,156,972,179	34,250,693,597
7. Financial expenses	22	25	78,040,394,726	75,703,329,105
- In which: Interest expense	23		59,371,684,197	47,521,385,142
8. Selling expenses	25		355,373,457,958	342,536,512,730
9. General and administration expenses	26		264,403,432,479	245,116,894,959
10. Operating profit (30=20+(21-22)-(25+26))	30		27,324,520,128	208,166,520,190
11. Other income	31	26	31,902,934,619	21,861,936,634
12. Other expenses	32	27	5,236,844,874	5,286,010,786
13. Profit from other activities (40=31-32)	40		26,666,089,745	16,575,925,848
14. Accounting profit before tax (50=30+40)	50		53,990,609,873	224,742,446,038
15. Current corporate income tax expense	51	28	22,585,735,797	44,493,401,126
16. Net profit after corporate income tax (60=50-51)	60		31,404,874,076	180,249,044,912
17. Profit after tax of the Holding Company	61		30,913,375,108	178,904,925,510
18. Non-controlling interests	62		491,498,968	1,344,119,402

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Nguyen Thi Hau
Preparer

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Ngo Thi Minh Hue
Chief Accountant

Do Son Giang
Deputy General Director

05 March 2018

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2017

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	53,990,609,873	224,742,446,038
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	27,323,854,434	30,898,523,925
Provisions	03	31,735,876,986	3,517,663,996
Foreign exchange (gain)/loss arising from translating foreign currency items	04	(13,439,503,458)	9,151,187,204
Foreign exchange translation differences		744,202,786	(2,139,613,283)
Loss from investing activities	05	17,027,958,759	3,167,807,074
Interest expense	06	59,371,684,197	47,521,385,142
3. Operating profit before movements in working capital	08	176,754,683,577	316,859,400,096
Changes in receivables	09	(383,844,144,317)	(430,986,923,626)
Changes in inventories	10	(220,748,325,108)	119,131,104,761
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	528,815,896,279	282,637,963,697
Changes in prepaid expenses	12	34,556,400,264	32,498,610,864
Interest paid	14	(59,876,108,358)	(47,864,124,007)
Corporate income tax paid	15	(40,222,209,101)	(26,199,955,502)
Other cash outflows	17	(15,330,763,221)	(15,169,792,100)
Net cash generated by operating activities	20	20,105,430,015	230,906,284,183
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(16,618,267,444)	(32,819,412,153)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	1,780,607,126	3,895,464,876
3. Cash outflow for lending, buying debt instruments of other entities	23	-	(165,646,500,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	205,495,000,000	17,035,326,700
5. Equity investments in other entities	25	-	(784,040,530)
6. Cash recovered from investments in other entities	26	784,040,530	-
7. Interest earned, dividends and profits received	27	14,128,618,649	10,220,829,503
Net cash generated by/(used in) financing activities	30	205,569,998,861	(168,098,331,604)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	2,862,486,091,223	2,714,696,728,081
2. Repayment of borrowings	34	(2,936,855,349,927)	(2,508,272,641,948)
3. Dividends and profits paid	36	(162,000,000,000)	(70,858,242,519)
Net cash generated by/(used in) financing activities	40	(236,369,258,704)	135,565,843,614
Net increase/(decrease) in cash (50=20+30+40)	50	(10,693,829,828)	198,373,796,193
Cash and cash equivalents at the beginning of the year	60	670,528,019,437	472,067,754,414
Effect of changes in foreign exchange rates	61	2,267,000,711	86,468,830
Cash and cash equivalents at the end of the year (70=50+60+61)	70	662,101,190,320	670,528,019,437

Nguyen Thi Hau
Preparer

Ngô Thị Minh Huệ
Chief Accountant

Đo Sơn Giang
Deputy General Director

05 March 2018

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 Business Registration 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 2017 was 2,957 (31 December 2016: 3,015).

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.

The Corporation's structure

As at 31 December 2017, the Corporation had 4 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

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 2016.

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 consolidated 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. 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 consolidated 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, bank 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), 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, franchises and other intangible fixed assets 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 at least 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 years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;

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- (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 intergration 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 Vietnam 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 consolidated income statement.

Borrowing costs

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

Taxation

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same 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.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	1,074,138,469	1,094,583,179
Bank demand deposits	653,947,075,171	663,933,436,258
Cash in transit	1,295,936,150	-
Cash equivalents	5,784,040,530	5,500,000,000
	<u>662,101,190,320</u>	<u>670,528,019,437</u>

5. TRADE RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Short-term trade receivables		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	309,030,648,190	61,179,166,617
Ministry of Planning and Finance - Myanmar	166,714,787,105	-
National Board of Revenue (NBR) - Bangladesh	150,142,714,606	230,683,013,355
Vietnam Post & Telecommunication Corporation	137,312,746,147	146,612,621,772
Executive Management Board project to build electronic government in Quang Ninh Province	106,597,059,928	63,761,258,356
General Department of Taxation - Ministry of Finance	91,465,020,408	53,418,719,070
Vietnam Electricity	83,657,201,638	60,080,472,500
VETC Joint Stock Company	63,004,692,660	157,511,731,650
Gas Transmission Co., Ltd.	64,399,868,324	42,667,954,768
Myanmar International Telecommunication Co., Ltd.	61,169,765,004	-
Joint Stock Commercial Bank for Investment and Development of Vietnam	51,897,170,468	21,647,823,811
Department of Information Technology - General Department of Taxation	35,604,450,236	16,372,858,464
Deposit Insurance of Vietnam	33,401,178,743	51,427,140,109
Others	914,542,627,961	619,021,210,460
Receivables from related parties (see in Note 30)	33,807,473,994	124,127,426,163
	<u>2,302,747,405,412</u>	<u>1,648,511,397,095</u>
b. Long-term trade receivables		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	161,551,680,000	242,327,520,000
	<u>161,551,680,000</u>	<u>242,327,520,000</u>

6. CONSTRUCTION CONTRACTS

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 in progress at balance sheet date:		
- From customers under construction contracts	431,581,193,340	621,152,412,137
- To customers under construction contracts	(20,380,725,175)	(18,960,567,464)
	<u>411,200,468,165</u>	<u>602,191,844,673</u>
Receivables transferred from subsidiaries	-	424,964,685,647
Contract costs incurred plus recognised profits less recognised losses to date	2,323,991,070,764	1,121,250,479,053
Less: Progress billings	(1,912,790,602,599)	(944,023,320,027)
	<u>411,200,468,165</u>	<u>602,191,844,673</u>

7. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Current	133,121,005,313	149,874,052,931
- Receivable related to maintenance services	96,007,225,952	136,898,781,308
- Receivable from employees	10,298,814,548	5,525,693,004
- Deposits and mortgages	5,732,559,060	2,815,618,433
- Other receivables	21,082,405,753	4,633,960,186
Non-current	8,097,627,429	6,954,324,845
- Deposits and mortgages	8,097,627,429	6,954,324,845
	<u>141,218,632,742</u>	<u>156,828,377,776</u>

8. INVENTORIES

	<u>Closing balance</u>		<u>Opening balance</u>	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	75,471,208,522	-	16,335,266,509	-
Tools and supplies	660,417,955	-	674,613,601	-
Work in progress	304,073,644,782	-	173,129,501,223	-
Merchandise	149,604,958,202	(3,831,528,933)	118,704,313,692	(2,168,019,620)
Goods on consignment	467,699,578	-	685,908,906	-
	<u>530,277,929,039</u>	<u>(3,831,528,933)</u>	<u>309,529,603,931</u>	<u>(2,168,019,620)</u>

9. PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Current		
Tools and dies issued for consumption	44,441,104	4,056,288
Office rental	2,550,237,000	7,502,652,140
Others (*)	24,572,706,457	36,336,071,555
	<u>27,167,384,561</u>	<u>43,842,779,983</u>
Non-current		
Tools and dies issued for consumption	6,899,390,187	9,711,966,514
Office set-up	14,096,087,391	16,806,247,527
Others (*)	26,274,393,216	38,632,661,595
	<u>47,269,870,794</u>	<u>65,150,875,636</u>

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

10. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery, equipment VND	Motor vehicles VND	Office equipment VND	Other fixed assets VND	Total VND
COST						
Opening balance	2,343,157,419	138,857,757,064	12,385,630,587	67,232,466,766	4,016,505,875	224,835,517,711
Purchases for the year	-	4,631,509,757	-	1,890,416,903	-	6,521,926,660
Other increases	-	-	-	2,124,662	15,479,472	17,604,134
Disposals	-	(161,902,075)	(455,539,637)	(4,708,887,472)	(55,936,455)	(5,382,265,639)
Other decreases	-	-	-	(58,630)	-	(58,630)
Closing balance	2,343,157,419	143,327,364,746	11,930,090,950	64,416,062,229	3,976,048,892	225,992,724,236
ACCUMULATED DEPRECIATION						
Opening balance	2,273,592,806	114,773,369,449	9,078,228,613	53,424,896,047	1,904,339,918	181,454,426,833
Charge for the year	69,564,613	6,275,669,475	1,042,322,813	7,574,098,852	510,656,687	15,472,312,440
Disposals	-	(161,902,075)	(455,539,637)	(2,900,892,557)	(55,936,455)	(3,574,270,724)
Other decreases	(584,365,319)	-	-	(58,630)	-	(584,423,949)
Closing balance	1,758,792,100	120,887,136,849	9,665,011,789	58,098,043,712	2,359,060,150	192,768,044,600
NET BOOK VALUE						
Opening balance	69,564,613	24,084,387,615	3,307,401,974	13,807,570,719	2,112,165,957	43,381,090,878
Closing balance	584,365,319	22,440,227,897	2,265,079,161	6,318,018,517	1,616,988,742	33,224,679,636

As at 31 December 2017, the cost of the Corporation's tangible fixed assets includes VND 120,035,988,040 (31 December 2016: approximately VND 121,680,589,559 billion) of tangible fixed assets which have been fully depreciated but are still in use.

11. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Computer software VND	Copyright, patents VND	Licenses and franchises VND	Others VND	Total VND
COST					
Opening balance	91,490,517,808	243,558,516	635,335,000	641,273,285	93,010,684,609
Purchases for the year	1,702,774,107	-	-	-	1,702,774,107
Transfer from construction in progress	13,160,114,382	-	-	-	13,160,114,382
Disposals	(133,481,099)	(50,122,545)	-	-	(183,603,644)
Other decreases	(20,835,620,870)	-	-	(22,190,078)	(20,857,810,948)
Closing balance	85,384,304,328	193,435,971	635,335,000	619,083,207	86,832,158,506
ACCUMULATED AMORTIZATION					
Opening balance	68,693,745,969	152,009,713	207,108,890	326,086,690	69,378,951,262
Charge for the year	11,584,315,549	29,855,386	89,049,561	148,321,498	11,851,541,994
Disposals	(119,908,476)	(42,270,810)	-	-	(162,179,286)
Other decreases	(8,523,094,925)	-	-	-	(8,523,094,925)
Closing balance	71,635,058,117	139,594,289	296,158,451	474,408,188	72,545,219,045
NET BOOK VALUE					
Opening balance	22,796,771,839	91,548,803	428,226,110	315,186,595	23,631,733,347
Closing balance	13,749,246,211	53,841,682	339,176,549	144,675,019	14,286,939,461

As at 31 December 2017, the cost of the Corporation's intangible fixed assets includes VND 52,328,441,354 (31 December 2016: VND 59,000,170,974) of intangible fixed assets which have been fully amortized but are still in use.

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12. LONG-TERM ASSETS IN PROGRESS

	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
Long-term construction in progress				
Tan Thuan Project	122,790,367,827	122,790,367,827	-	-
FPT.eCLAIM Project	-	-	11,593,707,485	11,593,707,485
Smart video solutions project	8,927,619,636	8,927,619,636	7,696,551,365	7,696,551,365
Smart transportation project	7,176,295,619	7,176,295,619	6,070,771,449	6,070,771,449
Anti-fake invoice coding system "E-invoice"	-	-	5,740,572,601	5,740,572,601
FPT.eGov project	-	-	5,691,220,894	5,691,220,894
Core FPT.eHospital	2,866,209,718	2,866,209,718	4,490,885,995	4,490,885,995
Management of public transport	1,012,456,601	1,012,456,601	3,314,048,800	3,314,048,800
E-ticketing system in HCM city	5,226,654,325	5,226,654,325	2,461,271,847	2,461,271,847
Others	1,052,409,247	1,052,409,247	5,567,281,133	5,567,281,133
	149,052,012,973	149,052,012,973	52,626,311,569	52,626,311,569

13. TAXES AND AMOUNTS RECEIVABLE FROM/PAYABLE TO THE STATE BUDGET

Items	Opening balance	Movement during the year		Closing balance
		Amount	Amount	
		receivable/payable	received/paid/offset	
	VND	VND	VND	VND
a. Receivables				
Value added tax	365,279,122	2,085,000	367,364,122	-
- Output value added tax	365,279,122	2,085,000	367,364,122	-
Corporate income tax	1,977,587,542	-	-	1,977,587,542
Total	2,342,866,664	2,085,000	367,364,122	1,977,587,542
b. Payables				
Value added tax	30,065,201,055	125,390,732,236	124,540,086,445	30,915,846,846
- Output value added tax	29,361,638,938	61,439,942,189	60,583,971,322	30,217,609,805
- Value added tax on imports	703,562,117	63,950,790,047	63,956,115,123	698,237,041
Import duty	82,833,508	1,585,027,473	1,585,429,764	82,431,217
Corporate income tax	26,491,297,490	22,585,735,797	40,222,209,101	8,854,824,186
Other taxes	6,865,612,951	57,461,097,421	59,328,558,195	4,998,152,177
- Personal income tax	2,844,926,359	33,735,781,616	34,343,809,358	2,236,898,617
- Other taxes	4,020,686,592	23,725,315,805	24,984,748,837	2,761,253,560
Other payables	64,644,381	978,135,581	539,070,866	503,709,096
Total	63,569,589,385	208,000,728,508	226,215,354,371	45,354,963,522

14. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>Amount</u>	<u>Amount able to be paid off</u>	<u>Amount</u>	<u>Amount able to be paid off</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Uromax (Singapore) Pte Ltd	88,278,563,762	88,278,563,762	35,484,543,300	35,484,543,300
Microsoft Regional Sales Corporation	75,313,715,727	75,313,715,727	14,558,450,768	14,558,450,768
VST ECS (Thailand) Company limited	76,392,290,214	76,392,290,214	-	-
Abel Solutions Limited	68,985,421,145	68,985,421,145	36,455,328,314	36,455,328,314
Fiserv (ASPAC) Pte, Ltd.	66,716,734,439	66,716,734,439	64,143,013,811	64,143,013,811
Cisco Systems Intl BV, Netherl	41,281,435,575	41,281,435,575	43,217,404,943	43,217,404,943
Microtec Systems Technology Solutions	43,712,507,080	43,712,507,080	-	-
SV Technologies JSC	-	-	79,774,613,453	79,774,613,453
Other suppliers	510,011,101,071	510,011,101,071	304,069,125,472	304,069,125,472
Trade payables to related parties (for significant balances see in Note 30)	93,114,328,017	93,114,328,017	71,571,285,576	71,571,285,576
	1,063,806,097,030	1,063,806,097,030	649,273,765,637	649,273,765,637

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
National Board of Revenue (NBR) - Bangladesh	1,008,719,959	62,922,746,447
Vietnam Post	36,316,719,372	36,316,719,372
Hanoi Stock Exchange	1,944,000,000	35,277,500,000
Deposit Insurance of Vietnam	-	25,829,724,010
Department of Information Technology and Statistics of Customs	21,992,787,600	18,839,000,000
Ministry of Planning and Finance - Myanmar	25,249,635,557	-
Sai Gon River Tunnel Management Center	48,076,469,337	-
Executive Management Board project to build electronic government in Quang Ninh Province	49,516,478,861	-
Othes	221,297,174,097	198,351,376,309
	405,401,984,783	377,537,066,138

16. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Accrued interest	5,042,726,980	3,652,745,598
Accrued expenses for system integration projects	406,451,294,106	283,923,262,971
Others	492,783,077	1,581,430,910
	411,986,804,163	289,157,439,479

17. OTHER SHORT-TERM PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Trade union fees	7,097,925,744	5,757,488,730
Social, unemployment and health insurance	2,837,174,387	2,765,618,288
FPT Corporation	98,566,530,815	136,641,757,481
<i>Dividend payables</i>	-	115,000,000,000
<i>Payables to Tan Thuan project</i>	98,566,530,815	-
<i>Other</i>	-	21,641,757,481
Payables to Synnex-FPT Joint Stock Company for Tan Thuan project	36,106,801,640	-
Other payables	8,393,716,564	13,411,009,012
	<u>153,002,149,150</u>	<u>158,575,873,511</u>

18. SHORT-TERM LOANS

	<u>Opening balance</u>		<u>In the year</u>		<u>Closing balance</u>	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
Short-term loans	1,281,421,471,084	1,281,421,471,084	2,857,907,537,668	2,922,829,196,806	1,216,499,811,946	1,216,499,811,946
Current portion of long-term loan	11,000,000,000	11,000,000,000	-	11,000,000,000	-	-
	<u>1,292,421,471,084</u>	<u>1,292,421,471,084</u>	<u>2,857,907,537,668</u>	<u>2,933,829,196,806</u>	<u>1,216,499,811,946</u>	<u>1,216,499,811,946</u>

Short-term loans represent loans with term less than 12 months from banks and FPT Corporation - the parent company. Interest rates are specified for each withdrawal.

Details of outstanding loan principal as at 31 December 2017 are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
The Bank Of Tokyo-Mitsubishi UFJ, Ltd. - Hanoi Branch	451,761,108,994	386,202,098,406
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Operation Center	236,787,905,702	234,697,017,431
ANZ Bank- Singapore Branch	57,223,991,817	198,806,549,452
Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Ba Trung Branch	16,693,748,090	176,579,403,045
HSBC Bank (Vietnam) - Hanoi Branch	76,600,000,000	126,834,593,198
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Thanh Branch	-	102,267,870,931
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hochiminh Branch	122,138,111,738	36,433,938,621
FPT Corporation	77,500,000,000	17,500,000,000
Bank for Investment and Development of Cambodia - Hanoi Branch	34,330,893,082	-
Anz (Vietnam) Limited Liability Company	83,964,052,523	-
Citibank N.A. Vietnam - Hanoi Branch	59,500,000,000	2,100,000,000
	<u>1,216,499,811,946</u>	<u>1,281,421,471,084</u>

19. 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	(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	-	-	(17,890,492,551)	(17,890,492,551)
Profit transferred to owner	-	-	(150,000,000,000)	(150,000,000,000)
Others	-	(2,139,613,283)	-	(2,139,613,283)
Current year's opening balance	850,000,000,000	(3,672,785,028)	110,674,629,425	957,001,844,397
Profit in the year	-	-	30,913,375,108	30,913,375,108
Profit distributed to funds (i)	-	-	(3,091,337,511)	(3,091,337,511)
Profit transferred to owner (ii)	-	-	(62,000,000,000)	(62,000,000,000)
Others	-	744,202,786	-	744,202,786
Current year's closing balance	850,000,000,000	(2,928,582,242)	76,496,667,022	923,568,084,780

(i) According to Decision No. 2366/2017/QĐ-FIS dated 31 December 2017 by the Chairman, the Corporation distributed 2017 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. 41.4/QĐ-FPT-TGD dated 31 March 2017 on the 1st payment of profit in 2017, 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 2017, 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

20. OFF CONSOLIDATED BALANCE SHEET ITEMS

	Unit	Closing balance	Opening balance
1. Goods held under trust or for processing	VND	206,763,211,350	43,291,311,609
2. Foreign currencies			
- United States Dollar	USD	4,693,981	5,077,796
- Euro	EUR	457	457
- Japanese Yen	JPY	1,884,406	49,060,053
- Singaporean Dollar	SGD	252,392	637,304
- Kiat	MMK	79,321,673	176,421,971
- BDT Bangladesh	BDT	129,602	1,292,855

21. REVENUE

	<u>Current year</u> VND	<u>Prior year</u> VND
Sales	5,027,186,878,343	4,924,214,331,819
Sales of goods	2,939,322,481,777	2,947,884,083,868
Sales of services	2,087,864,396,566	1,976,330,247,951
Less deductions	1,236,629,025	9,263,200,769
Net sales	5,025,950,249,318	4,914,951,131,050
Revenue from related parties (Details stated in Note 30)	174,396,370,961	322,440,225,329

Of which:

	<u>Current year</u> VND	<u>Prior year</u> VND
Software development	999,058,699,093	1,120,016,847,104
System integration	2,938,085,852,752	2,893,043,070,311
Informatics service	1,088,805,697,473	901,891,213,635
	5,025,950,249,318	4,914,951,131,050

22. COST OF SALES

	<u>Current year</u> VND	<u>Prior year</u> VND
Cost of goods sold	2,478,273,502,780	2,573,054,707,631
Cost of services rendered	1,863,207,531,608	1,503,587,035,961
Provision for devaluation of inventories	484,381,818	1,036,824,071
	4,341,965,416,206	4,077,678,567,663

23. PRODUCTION COST BY NATURE

	<u>Current year</u> VND	<u>Prior year</u> VND
Raw materials and consumables	2,599,486,370,479	2,588,840,828,292
Labour cost	674,444,846,878	666,836,584,656
Depreciation and amortization	27,323,854,434	30,898,523,925
Out-sourced services	1,619,157,709,826	1,112,863,616,719
Other expenses	172,273,668,585	92,458,941,122
	5,092,686,450,202	4,491,898,494,714

24. FINANCIAL INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Bank interest	13,449,375,757	9,288,252,664
Foreign exchange gain	24,805,253,503	23,007,932,916
Others	2,902,342,919	1,954,508,017
	41,156,972,179	34,250,693,597

25. FINANCIAL EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Interest expense	59,371,684,197	47,521,385,142
Foreign exchange loss	18,413,624,776	27,430,680,789
Others	255,085,753	751,263,174
	<u>78,040,394,726</u>	<u>75,703,329,105</u>

26. OTHER INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Proceeds from disposal of fixed assets	27,387,789	48,388,263
Bonus and commission	30,575,798,392	19,205,958,315
Others	1,299,748,438	2,607,590,056
	<u>31,902,934,619</u>	<u>21,861,936,634</u>

27. OTHER EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Penalty in breach of contracts	3,862,953,578	4,035,940,005
Others	1,373,891,296	1,250,070,781
	<u>5,236,844,874</u>	<u>5,286,010,786</u>

28. CORPORATE INCOME TAX

	<u>Current year</u> VND	<u>Prior year</u> VND
Current corporate income tax expense		
- Corporate income tax based on taxable profit in the current year	19,649,077,201	44,493,401,126
- Adjustments for corporate income tax expenses in previous years to the current year	2,936,658,596	-
	<u>22,585,735,797</u>	<u>44,493,401,126</u>

29. 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	32,098,696,566	30,419,598,270
In the second to fifth year inclusive	144,270,102,022	155,026,297,848
	<u>176,368,798,588</u>	<u>185,445,896,118</u>

30. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related party	Relationship
FPT Corporation	Owner
FPT Software Company Limited	Under the same owner
FPT Telecom Joint Stock Company	Under the same owner
Synnex FPT Joint Stock Company	Associates of FPT Corporation

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

	Current year	Prior year
	VND	VND
Sales of merchandise and services	174,396,370,961	322,440,225,329
FPT Corporation	90,605,847,953	145,430,352,554
FPT Software Company Limited	25,690,914,174	23,604,622,362
Synnex FPT Joint Stock Company	5,402,437,900	66,789,628,169
FPT Telecom Joint Stock Company	52,697,170,934	86,615,622,244
Purchases	625,626,223,070	281,938,492,496
FPT Corporation	38,809,867,012	29,891,460,429
FPT Software Company Limited	36,972,014,821	21,464,409,347
Synnex FPT Joint Stock Company	529,061,296,136	223,782,576,249
FPT Telecom Joint Stock Company	20,783,045,101	6,800,046,472
Profit transferred to FPT Corporation	62,000,000,000	150,000,000,000
Interest expense		
FPT Corporation	2,619,750,010	9,413,175,006
Interest income		
FPT Corporation	12,608,153,054	7,809,028,936

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

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Trade receivables	33,807,473,994	124,127,426,163
FPT Corporation	32,632,934,932	58,831,251,180
FPT Software Company Limited	1,086,155,193	307,980,054
FPT Telecom Joint Stock Company	84,500,869	63,945,670,909
Synnex FPT Joint Stock Company	3,883,000	1,042,524,020
Trade payables	93,114,328,017	71,571,285,576
FPT Corporation	5,800,492,542	10,017,888,707
FPT Software Company Limited	6,994,217,486	16,067,279,885
Synnex FPT Joint Stock Company	67,277,886,049	44,715,879,745
FPT Telecom Joint Stock Company	13,041,731,940	770,237,239
Other current payables	134,673,332,455	136,641,757,481
FPT Corporation	98,566,530,815	136,641,757,481
Synnex FPT Joint Stock Company	36,106,801,640	-
Loans		
FPT Corporation	77,500,000,000	28,500,000,000
Loan receivables		
FPT Corporation	-	200,000,000,000

31. COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's figures to enhance their comparability with the current year's presentation. Details are as follows:

	<u>Previously reported amount</u> VND	<u>Reclassification</u> VND	<u>Amount after reclassification</u> VND
Inventories	295,291,465,923	14,238,138,008	309,529,603,931
Long-term work in progress	14,238,138,008	(14,238,138,008)	-

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Nguyen Thi Hau
 Preparer

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Ngo Thi Minh Hue
 Chief Accountant



Do Sơn Giang
 Deputy General Director

05 March 2018