

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

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2020



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF DIRECTORS	1
INDEPENDENT AUDITORS' REPORT	2 - 3
CONSOLIDATED BALANCE SHEET	4 - 5
CONSOLIDATED INCOME STATEMENT	6
CONSOLIDATED CASH FLOW STATEMENT	7 - 8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9 - 31

100
C
DE
VI
ON

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 2020.

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 Hoang Minh	General Director
Mr. Do Son Giang	Deputy General Director

THE 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 consolidated financial position of the Corporation as at 31 December 2020, and its consolidated financial performance and its consolidated 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.

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. 41/21/UQ-FIS dated 01 January 2021)

19 March 2021

No.: 0748/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 19 March 2021 as set out from page 04 to page 31, which comprise the consolidated balance sheet as at 31 December 2020, 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 for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

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



Pham Nam Phong
Deputy General Director
Audit Practising Registration Certificate
No. 0929-2019-001-1

DELOITTE VIETNAM COMPANY LIMITED

19 March 2021
Hanoi, S.R Vietnam



Vu Van Cuong
Auditor
Audit Practising Registration Certificate
No. 5059-2019-001-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		4,390,444,064,382	3,915,455,321,541
I. Cash and cash equivalents	110	4	483,724,133,665	542,631,030,145
1. Cash	111		479,724,133,665	501,705,547,372
2. Cash equivalents	112		4,000,000,000	40,925,482,773
II. Short-term financial investments	120		22,786,841,635	3,295,075,000
1. Held-to-maturity investments	123		22,786,841,635	3,295,075,000
III. Short-term receivables	130		3,239,443,765,188	2,747,449,397,001
1. Short-term trade receivables	131	5	2,035,835,219,812	2,140,586,379,063
2. Short-term advances to suppliers	132		60,310,918,992	24,804,832,654
3. Receivables from construction contracts under percentage of completion method	134	6	197,972,680,487	318,339,389,202
4. Short-term loan receivables	135	7	896,000,000,000	200,000,000,000
5. Other short-term receivables	136	8	152,644,132,649	127,196,830,963
6. Provision for short-term doubtful debts	137	9	(103,319,186,752)	(63,478,034,881)
IV. Inventories	140	10	577,816,156,585	553,270,464,118
1. Inventories	141		590,947,052,523	556,605,956,573
2. Provision for devaluation of inventories	149		(13,130,895,938)	(3,335,492,455)
V. Other short-term assets	150		66,673,167,309	68,809,355,277
1. Short-term prepayments	151	11	66,016,558,827	66,106,543,899
2. Value added tax deductibles	152		301,598,148	301,712,770
3. Taxes and other receivables from the State budget	153	14	355,010,334	2,401,098,608
B. NON-CURRENT ASSETS	200		296,197,854,898	287,443,726,408
I. Long-term receivables	210		10,014,486,462	4,832,677,404
1. Other long-term receivables	216	8	10,014,486,462	4,832,677,404
II. Fixed assets	220		180,297,593,031	184,632,888,504
1. Tangible fixed assets	221	12	172,841,331,721	180,075,178,667
- Cost	222		371,132,724,551	353,705,096,630
- Accumulated depreciation	223		(198,291,392,830)	(173,629,917,963)
2. Intangible assets	227	13	7,456,261,310	4,557,709,837
- Cost	228		92,120,050,694	92,097,581,103
- Accumulated amortisation	229		(84,663,789,384)	(87,539,871,266)
III. Long-term assets in progress	240		24,160,430,624	3,532,871,501
1. Long-term construction in progress	242		24,160,430,624	3,532,871,501
IV. Other long-term assets	260		81,725,344,781	94,445,288,999
1. Long-term prepayments	261	11	81,511,475,193	94,445,288,999
2. Deferred tax assets	262		213,869,588	-
TOTAL ASSETS (270=100+200)	270		4,686,641,919,280	4,202,899,047,949

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

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2020

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		3,312,303,955,999	2,931,575,307,579
I. Current liabilities	310		3,305,997,536,238	2,923,355,985,834
1. Short-term trade payables	311	15	783,733,638,273	841,421,391,880
2. Short-term advances from customers	312	16	382,333,665,625	190,425,218,376
3. Taxes and amounts payable to the State budget	313	14	37,352,137,347	29,304,854,881
4. Payables to employees	314		210,809,685,627	154,437,189,529
5. Short-term accrued expenses	315	17	310,474,932,264	389,019,781,609
6. Payables relating to construction contracts under percentage of completion method	317	6	64,245,054,184	39,251,428,042
7. Short-term unearned revenue	318		88,067,257,570	72,873,839,993
8. Other current payables	319	18	155,691,227,080	152,736,058,071
9. Short-term loans	320	20	1,143,925,544,075	968,766,570,325
10. Short-term provisions	321	19	101,577,089,642	59,193,239,001
11. Bonus and welfare funds	322		27,787,304,551	25,926,414,127
II. Long-term liabilities	330		6,306,419,761	8,219,321,745
1. Long-term unearned revenue	336		46,725,400	266,495,133
2. Long-term provisions	342	19	6,067,598,078	7,760,730,329
3. Scientific and technological development fund	343		192,096,283	192,096,283
D. EQUITY	400		1,374,337,963,281	1,271,323,740,370
I. Owner's equity	410	21	1,371,587,963,281	1,268,573,740,370
1. Owner's contributed capital	411		850,000,000,000	850,000,000,000
2. Foreign exchange reserve	417		718,301,505	724,645,541
3. Retained earnings	421		461,604,721,563	361,693,900,263
- Retained earnings accumulated to the prior year end	421a		261,693,900,263	178,975,662,863
- Retained earnings of the current year	421b		199,910,821,300	182,718,237,400
4. Non-controlling interests	429		59,264,940,213	56,155,194,566
II. Other resources and funds	430		2,750,000,000	2,750,000,000
1. Subsidised funds	431		2,750,000,000	2,750,000,000
TOTAL RESOURCES (440=300+400)	440		4,686,641,919,280	4,202,899,047,949


Nguyen Thi Hau
Preparer


Ngo Thi Minh Hue
Chief Accountant



Do Son Giang
Deputy General Director

19 March 2021


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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	23	4,807,372,270,077	4,936,713,840,837
2. Deductions	02	23	5,248,838,587	1,356,184,345
3. Net revenue from goods sold and services rendered (10=01-02)	10		4,802,123,431,490	4,935,357,656,492
4. Cost of sales	11	24	3,907,638,228,735	4,061,344,251,088
5. Gross profit from goods sold and services rendered (20=10-11)	20		894,485,202,755	874,013,405,404
6. Financial income	21	26	64,826,552,134	67,404,544,959
7. Financial expenses	22	27	57,848,914,737	90,991,130,807
- in which: Interest expense	23		33,490,648,425	58,681,936,335
8. Selling expenses	25		297,049,763,788	319,880,945,454
9. General and administration expenses	26		355,785,860,545	325,514,507,263
10. Operating profit (30=20+(21-22)-(25+26))	30		248,627,215,819	205,031,366,839
11. Other income	31	28	36,395,764,443	48,873,209,444
12. Other expenses	32		3,791,534,859	3,713,092,463
13. Profit from other activities (40=31-32)	40		32,604,229,584	45,160,116,981
14. Accounting profit before tax (50=30+40)	50		281,231,445,403	250,191,483,820
15. Current corporate income tax expense	51	29	56,212,434,566	44,799,737,608
16. Deferred corporate tax income	52	29	(213,869,588)	-
17. Net profit after corporate income tax (60=50-51)	60		225,232,880,425	205,391,746,212
- Profit after tax of the Holding Company	61		222,123,134,778	203,020,263,778
- Non-controlling interest	62		3,109,745,647	2,371,482,434


Nguyen Thi Hau
Preparer


Ngo Thi Minh Hue
Chief Accountant



Do Son Giang
Deputy General Director
19 March 2021

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	281,231,445,403	250,191,483,820
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets	02	29,025,966,874	29,806,633,572
Provisions	03	90,327,273,744	51,108,566,191
Foreign exchange losses arising from translating foreign currency items	04	317,618,241	2,258,316,440
Gain from investing activities	05	(39,331,867,675)	(42,430,751,251)
Interest expense	06	33,490,648,425	58,681,936,335
3. <i>Operating profit before movements in working capital</i>	08	395,061,085,012	349,616,185,107
Decreases in receivables	09	167,694,557,080	323,303,034,492
Increases in inventories	10	(34,341,095,950)	(102,403,346,263)
Increase/(decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11	155,931,314,417	(192,852,487,182)
Decrease/(increase) in prepaid expenses	12	13,023,798,878	(25,999,270,276)
Interest paid	14	(39,725,104,860)	(57,135,670,060)
Corporate income tax paid	15	(45,517,516,074)	(41,457,646,913)
Other cash inflows	16	140,000,000	64,000,000
Other cash outflows	17	(20,491,423,054)	(10,637,529,387)
<i>Net cash generated by operating activities</i>	20	591,775,615,449	242,497,269,518
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(45,318,230,524)	(18,373,579,017)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	421,925,507	501,004,562
3. Cash outflow for lending, buying debt instruments of other entities	23	(2,635,686,841,635)	(1,066,295,075,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	1,920,195,075,000	1,063,000,000,000
5. Interest earned, dividends and profits received	27	35,091,463,794	32,029,517,442
6. Cash loss due to disposal of investment in subsidiaries		-	(21,913,960,648)
<i>Net cash used in investing activities</i>	30	(725,296,607,858)	(11,052,092,661)

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

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	3,397,189,655,857	2,977,191,807,351
2. Repayment of borrowings	34	(3,222,030,682,107)	(3,198,116,438,666)
3. Dividends and profits paid	36	(100,000,000,000)	-
Net cash generated by/(used in) financing activities	40	75,158,973,750	(220,924,631,315)
Net (decrease)/increase in cash (50=20+30+40)	50	(58,362,018,659)	10,520,545,542
Cash and cash equivalents at the beginning of the year	60	542,631,030,145	532,026,817,704
Effects of changes in foreign exchange rates	61	(544,877,821)	83,666,899
Cash and cash equivalents at the end of the year (70=50+60+61)	70	483,724,133,665	542,631,030,145



 Nguyen Thi Hau
 Preparer



 Ngo Thi Minh Hue
 Chief Accountant



 Do Son Giang
 Deputy General Director

19 March 2021

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 ("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 Authority for Planning and Investment. According to its 24th amended Business Registration Certificate dated 30 September 2020, the Corporation's charter capital is VND 850,000,000,000.

The number of official employees as at 31 December 2020 was 2,330 (31 December 2019: 2,503).

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 projects having implementation time over 12 months.

The Corporation's structure

As at 31 December 2020, the Corporation had 4 subsidiaries (as at 31 December 2019: 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	Investment and Development of National E-Procurement System Company Limited (i)	Hanoi	100%	100%	Provide solutions for e-commerce applications in government procurement activities
3	FPT Technology Solutions Company Limited	Ho Chi Minh City	100%	100%	Provide system integration, software, solutions and services
4	Telehouse International Corporation of Vietnam	Hanoi	51%	51%	Provide data center services

- (i) Investment and Development of National E-Procurement System Company Limited established under the Business Registration Certificate issued by the Business Registration Office, Hanoi Authority for of Planning and Investment on 08 October 2019, with a charter capital of VND 35 billion. In 2020, the Corporation has fully contributed charter capital to this subsidiary.

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 2019.

Some figures from the previous year are reclassified to enhance their comparability with this year's figures, as follows:

Consolidated financial statements for 2019	Previously reported amount VND	Reclassifications VND	Amount after reclassification VND
Cash outflow for lending, buying debt instruments of other entities	(236,295,075,000)	(830,000,000,000)	(1,066,295,075,000)
Cash recovered from lending, selling debt instruments of other entities	233,000,000,000	830,000,000,000	1,063,000,000,000

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 of 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 and loans held to maturity to earn periodic interest.

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.

2-C
TY
STE
AM
I.P.Y

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

	<u>Current year</u>
	Years
Buildings and structures	15 - 25
Machinery and equipment	3 - 5
Motor vehicles	6 - 10
Office equipment	3 - 7
Other fixed assets	3 - 7

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 - Costs incurred in the research and implementation phases

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

Internally-generated intangible assets arising from the development stage are recognized only when the following conditions are satisfied:

- Their technical feasibility assures the finishing and putting of the intangible assets into use as planned or for sale;
- The enterprises intend to finish the intangible assets for use or sale;
- The enterprises are capable of using or selling the intangible assets;
- The intangible assets must generate future economic benefits;
- There are adequate technical, financial and other resources for completion of the development stage, sale or use of such intangible assets;
- Being capable of determining with certainty all costs in the development stage for creating the intangible assets;
- They are estimated to meet all criteria for use duration and value prescribed for intangible fixed assets.

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 costs that are necessary to form the assets in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Prepayments

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. These expenditures have been capitalised as 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. Contractual 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;
- (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 services 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 of the completed work. 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, loan receivables is recognised when the Corporation's right to receive payment has been established.

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

Foreign currencies

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

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.

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	1,472,266,775	1,283,380,878
Bank demand deposits	478,251,866,890	500,422,166,494
Cash equivalents (*)	4,000,000,000	40,925,482,773
	<u>483,724,133,665</u>	<u>542,631,030,145</u>

(*) Cash equivalents represent the time deposits with original terms from one (01) to three (03) months at commercial banks.

5. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	405,740,810,661	417,447,790,686
National Board of Revenue (NBR) - Bangladesh	185,334,254,033	190,128,864,555
Vietnam Post Corporation	152,247,805,473	107,266,098,956
General Department of Taxation	138,505,957,836	126,504,195,965
Vietnam Bank for Agriculture and Rural Development	56,965,353,151	101,216,571,193
Joint Stock Commercial Bank for Investment and Development of Vietnam	43,670,634,500	130,984,077,216
VETC Electronic Toll Collection Company Limited	35,240,968,645	35,240,968,645
Binh Son Refining and Petrochemical Joint Stock Company	30,248,225,000	24,216,845,100
Vietnam National Petroleum Group	12,266,260,000	20,901,660,000
Electricity of Vietnam	6,188,849,160	4,865,132,993
Myanmar International Telecommunication Co., Ltd.	3,476,767,928	7,231,053,139
National Payment Services Joint Stock Company	3,150,000,000	22,897,864,000
Vietcombank Financial Leasing Company Limited	-	61,919,000,000
Investment and Construction Executive Management Board for Social Insurance	-	53,260,575,500
Others	691,846,142,220	779,449,348,178
Receivables from related parties (Details stated in Note 30)	270,953,191,205	57,056,332,937
	<u>2,035,835,219,812</u>	<u>2,140,586,379,063</u>

6. CONSTRUCTION CONTRACTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Contracts in progress as at the balance sheet date:		
Receivables from construction contracts under percentage of completion method	197,972,680,487	318,339,389,202
Payables relating to construction contracts under percentage of completion method	(64,245,054,184)	(39,251,428,042)
	<u>133,727,626,303</u>	<u>279,087,961,160</u>
Contract costs incurred plus recognised profits less recognised losses to date	2,521,907,054,965	2,564,822,594,802
Less: progress billings	(2,388,179,428,662)	(2,285,734,633,642)
	<u>133,727,626,303</u>	<u>279,087,961,160</u>

7. SHORT-TERM LOAN RECEIVABLES

Short-term loan receivables represent the balances due from FPT Corporation with terms of less than one year and interest rate from 4.0% to 6.7% pa.

8. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Current		
Receivable related to maintenance services	134,891,879,306	114,333,547,990
Receivable from employees	2,165,398,380	2,184,912,821
Deposits and mortgages	623,946,285	647,662,370
Other receivables	14,962,908,678	10,030,707,782
	<u>152,644,132,649</u>	<u>127,196,830,963</u>
b. Non-current		
Deposits and mortgages	10,014,486,462	4,832,677,404
	<u>10,014,486,462</u>	<u>4,832,677,404</u>

FPT INFORMATION SYSTEM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

9. BAD DEBT

	Closing balance			Opening balance		
	Cost	Recoverable amount (*)	Overdue	Cost	Recoverable amount (*)	Overdue
Total amount of receivables past due or not past due but impaired						
National Board of Revenue (NBR) - Bangladesh	52,940,801,362	30,316,955,507	From over 6 months to less than 2 years	-	-	-
Vietnam Electronic Toll Collection Co., Ltd	35,093,915,119	15,214,236,770	From over 1 year to less than 3 years	11,663,603,954	5,831,801,977	From over 1 year to less than 2 years
Receivables from CA project	18,009,381,058	-	Over 3 years	18,031,291,825	-	Over 3 years
International Data Company Limited	8,196,862,540	-	Over 3 years	8,196,862,540	-	Over 3 years
Thien Minh Duc Group Joint Stock Company	4,575,000,000	2,287,500,000	From over 1 year to less than 2 years	4,575,000,000	3,202,500,000	From over 6 months to less than 1 year
Others	51,028,612,780	18,706,693,830	Over 6 months	47,339,613,726	17,294,095,187	Over 6 months
	169,844,572,859	66,525,386,107		89,806,372,045	26,328,337,164	

(*) Recoverable value is determined at cost less provision for doubtful short-term receivables.

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
Goods in transit	3,682,740,772	-	23,960,103,130	-
Tools and supplies	1,402,095,125	-	796,993,212	-
Work in progress	457,159,299,336	-	437,250,755,253	-
Merchandise	128,098,645,249	(13,130,895,938)	94,043,468,647	(3,335,492,455)
Goods on consignment	604,272,041	-	554,636,331	-
	590,947,052,523	(13,130,895,938)	556,605,956,573	(3,335,492,455)

During the year, VND 10,336,035,542 (2019: VND 11,058,263,281) was provided for devaluation of inventories, and VND 540,632,059 (2019: VND 10,283,165,845) was reversed as a provision for devaluation of inventories.

11. PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Current		
Tools and dies issued for consumption	244,222,214	183,520,267
Office rental expense	14,195,694,104	5,656,760,504
Others	<u>51,576,642,509</u>	<u>60,266,263,128</u>
	<u>66,016,558,827</u>	<u>66,106,543,899</u>
b. Non-current		
Office set-up cost	50,323,051,840	56,598,492,712
Computer systems, electronic devices	3,598,059,026	5,275,259,672
Others	<u>27,590,364,327</u>	<u>32,571,536,615</u>
	<u>81,511,475,193</u>	<u>94,445,288,999</u>

FPT INFORMATION SYSTEM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures		Machinery and equipment		Office equipment		Motor vehicles		Others		Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	
COST											
Opening balance	129,075,668,184	114,738,718,715	88,270,556,369	16,836,021,951	4,784,131,411	353,705,096,630					
Additions	1,465,909	149,783,000	17,885,074,629	1,702,458,182	-	19,738,781,720					
Disposals	-	(72,283,185)	(1,472,130,078)	(765,667,810)	-	(2,310,081,073)					
Other decreases	-	-	(1,072,726)	-	-	(1,072,726)					
Closing balance	129,077,134,093	114,816,218,530	104,682,428,194	17,772,812,323	4,784,131,411	371,132,724,551					
ACCUMULATED DEPRECIATION											
Opening balance	7,321,148,880	80,045,255,833	73,919,588,694	10,024,288,992	2,319,635,564	173,629,917,963					
Charge for the year	6,272,896,428	6,118,900,105	12,200,102,356	1,607,682,959	772,034,244	26,971,616,092					
Disposals	-	(72,283,185)	(1,472,130,078)	(765,667,810)	-	(2,310,081,073)					
Other decreases	-	-	(60,152)	-	-	(60,152)					
Closing balance	13,594,045,308	86,091,872,753	84,647,500,820	10,866,304,141	3,091,669,808	198,291,392,830					
NET BOOK VALUE											
Opening balance	121,754,519,304	34,693,462,882	14,350,967,675	6,811,732,959	2,464,495,847	180,075,178,667					
Closing balance	115,483,088,785	28,724,345,777	20,034,927,374	6,906,508,182	1,692,461,603	172,841,331,721					

As at 31 December 2020, the cost of the Corporation's tangible fixed assets includes VND 152,038,926,341 (31 December 2019: VND 146,228,475,595) of tangible fixed assets which have been fully depreciated but are still in use.



FPT INFORMATION SYSTEM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Copyright and patent	Licenses and	Computer	Others	Total
	VND	franchises	software	VND	VND
COST					
Opening balance	172,215,792	644,061,667	90,723,336,798	557,966,846	92,097,581,103
Additions	-	-	5,924,793,145	-	5,924,793,145
Internally generated	-	-	2,271,434,231	-	2,271,434,231
Disposals	(95,143,140)	-	(7,952,855,162)	(125,759,483)	(8,173,757,785)
Closing balance	<u>77,072,652</u>	<u>644,061,667</u>	<u>90,966,709,012</u>	<u>432,207,363</u>	<u>92,120,050,694</u>
ACCUMULATED AMORTIZATION					
Opening balance	172,215,792	474,257,573	86,335,431,055	557,966,846	87,539,871,266
Charge for the year	-	89,049,561	5,208,626,342	-	5,297,675,903
Disposals	(95,143,140)	-	(7,952,855,162)	(125,759,483)	(8,173,757,785)
Closing balance	<u>77,072,652</u>	<u>563,307,134</u>	<u>83,591,202,235</u>	<u>432,207,363</u>	<u>84,663,789,384</u>
NET BOOK VALUE					
Opening balance	-	169,804,094	4,387,905,743	-	4,557,709,837
Closing balance	-	80,754,533	7,375,506,777	-	7,456,261,310

As at 31 December 2020, the cost of the Corporation's intangible assets includes VND 79,471,148,804 (31 December 2019: VND 80,592,387,474) of intangible fixed assets which have been fully amortized but are still in use.

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

	Opening balance	Payable/Receivable during the year	Paid/Received during the year	Closing balance
	VND	VND	VND	VND
a. Receivables				
Value added tax	2,254,503,419	-	2,254,503,419	-
- <i>Output value added tax</i>	2,254,503,419	-	2,254,503,419	-
Import duty	146,595,189	-	-	146,595,189
Corporate income tax (ii)	-	208,415,145	-	208,415,145
	2,401,098,608	208,415,145	2,254,503,419	355,010,334
b. Payables				
Value added tax	19,494,923,915	454,760,769,281	456,575,959,689	17,679,733,507
- <i>VAT on domestic goods sold (i)</i>	19,494,923,915	350,032,619,230	351,895,802,581	17,631,740,564
- <i>VAT on imports</i>	-	104,728,150,051	104,680,157,108	47,992,943
Import duty	-	5,067,683,275	5,067,683,275	-
Corporate income tax (ii)	4,280,191,780	56,212,434,566	45,309,100,929	15,183,525,417
Other taxes	5,529,739,186	74,471,236,590	75,512,097,353	4,488,878,423
- <i>Personal income tax</i>	3,443,590,191	45,833,059,166	46,828,328,427	2,448,320,930
- <i>Other taxes</i>	2,086,148,995	28,638,177,424	28,683,768,926	2,040,557,493
Other payables	-	906,489,388	906,489,388	-
	29,304,854,881	591,418,613,100	583,371,330,634	37,352,137,347

- (i) The amount of tax paid during the year includes VND 33,346,938,689 representing the amount actually paid in cash and VND 318,548,863,892 offset against input VAT.
- (ii) Total corporate income tax paid in cash during the year is VND 45,517,516,074. In which, VND 208,415,145 overpaid is transferred to the balance of tax receivable at the year end.

FPT INFORMATION SYSTEM CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

15. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	VND Amount able to be paid off	Amount	VND Amount able to be paid off
Synnex FPT Joint Stock Company	91,572,038,210	91,572,038,210	77,719,577,600	77,719,577,600
Uromax (Singapore) Pte Ltd	62,948,470,450	62,948,470,450	114,185,724,400	114,185,724,400
ADG National Investment and Technology Development Corporation	33,537,835,352	33,537,835,352	76,946,648,470	76,946,648,470
Fiserv (APAC) Pte, Ltd.	63,366,264,144	63,366,264,144	9,287,886,921	9,287,886,921
ETC Technology Systems	59,327,370,800	59,327,370,800	51,950,872,100	51,950,872,100
Microtec Vietnam Company Limited	23,020,038,078	23,020,038,078	20,649,573,521	20,649,573,521
Cisco International Limited	21,135,747,624	21,135,747,624	29,954,193,929	29,954,193,929
Microsoft Regional Sales Corporation	20,269,253,256	20,269,253,256	25,242,268,197	25,242,268,197
SAP Asia Pte Ltd	12,160,643,452	12,160,643,452	41,936,172,300	41,936,172,300
Wirecard (Vietnam) Company Limited	3,105,550,000	3,105,550,000	40,682,610,000	40,682,610,000
Other suppliers	382,970,846,322	382,970,846,322	345,259,870,603	345,259,870,603
Trade payables to related parties (Details stated in Note 30)	10,319,580,585	10,319,580,585	7,605,993,839	7,605,993,839
	783,733,638,273	783,733,638,273	841,421,391,880	841,421,391,880

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	97,956,901,700	21,145,122,512
General Department of Taxation	53,578,255,600	5,018,265,000
Department of Information Technology and Statistics of Customs	24,621,400,000	8,252,670,900
Vietnam Post Corporation	22,857,756,000	6,085,185,556
Ho Chi Minh City Development Joint Stock Commercial Bank	11,259,248,000	6,586,884,000
Vietnam Technology and Commercial Joint Stock Bank	6,723,920,920	16,770,463,605
Vietcapital Commercial Joint Stock Bank	-	4,900,000,000
National Board of Revenue (NBR) - Bangladesh	-	875,976,133
Others	159,429,021,023	111,560,550,670
Advance from related parties	5,907,162,382	9,230,100,000
<i>(Details stated in Note 30)</i>		
	<u>382,333,665,625</u>	<u>190,425,218,376</u>

17. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Accrued expenses for projects	310,458,800,267	381,465,970,404
Accrued interest	-	7,449,210,764
Other accruals	16,131,997	104,600,441
	<u>310,474,932,264</u>	<u>389,019,781,609</u>

18. OTHER SHORT-TERM PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Trade union fees	8,254,799,761	7,586,874,277
Social, unemployment and health insurance	368,138,687	376,104,430
Payables to FPT Corporation-Ho Chi Minh branch for Tan Thuan project	134,899,329,954	134,899,329,954
Others	12,168,958,678	9,873,749,410
	<u>155,691,227,080</u>	<u>152,736,058,071</u>

19. PROVISION PAYABLES

	<u>Salary provision</u>	<u>Warranty provisions</u>	<u>Total</u>
	VND	VND	VND
a. Short-term			
Opening balance	50,650,000,000	8,543,239,001	59,193,239,001
Additional provision during the year	94,425,000,000	5,674,846,282	100,099,846,282
Provisions used/reversed	(50,650,000,000)	(7,065,995,641)	(57,715,995,641)
Closing balance	94,425,000,000	7,152,089,642	101,577,089,642
		<u>Warranty provisions</u>	<u>Total</u>
		VND	VND
a. Short-term			
Opening balance		7,760,730,329	7,760,730,329
Additional provision during the year		2,148,286,746	2,148,286,746
Provisions used/reversed		(3,841,418,997)	(3,841,418,997)
Closing balance		6,067,598,078	6,067,598,078

FPT INFORMATION SYSTEM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

20. SHORT-TERM LOANS

	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
Short-term loans	968,766,570,325	968,766,570,325	3,397,189,655,857	3,222,030,682,107	1,143,925,544,075	1,143,925,544,075
	968,766,570,325	968,766,570,325	3,397,189,655,857	3,222,030,682,107	1,143,925,544,075	1,143,925,544,075

Short-term loans are unsecured borrowings with terms of 12 months or less from commercial banks for business operation purpose. Interest rates are specified for each withdrawal.

Details of outstanding loan principal as at 31 December 2020 are as follows:

	Closing balance	Opening balance
	VND	VND
BNP Paribas - Hanoi Branch	353,747,534,846	84,876,824,924
Vietnam Joint Stock Commercial Bank for Investment and Development - Ha Thanh Branch	161,603,245,100	-
Sumitomo Mitsui - Hanoi Branch	148,100,000,000	145,365,719,316
The Bank of Tokyo-Mitsubishi UFJ, Ltd. - Hanoi Branch	127,232,161,468	336,189,937,990
HSBC (Vietnam) Limited Liability Company- Hanoi Branch	122,600,000,000	8,854,760,000
CIMB Bank (Vietnam) Limited	102,411,898,663	8,919,980,618
CitiBank Vietnam - Hanoi Branch	81,073,499,308	6,068,438,954
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch	25,196,581,150	43,798,000,476
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Operation Center	21,960,623,540	-
Joint Stock Commercial Bank for Industry and Trade of Vietnam - Hai Ba Trung Branch	-	216,746,128,314
Bank of Tokyo-Mitsubishi UFJ, LTD, Labuan Branch	-	70,996,550,000
FPT Corporation	-	17,500,000,000
HSBC Private International Bank -Mauritius Branch	-	14,956,764,427
ANZ Bank- Singapore Branch	-	14,493,465,306
	1,143,925,544,075	968,766,570,325

FPT INFORMATION SYSTEM CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

21. OWNER'S EQUITY

	Owner's contributed capital	Foreign exchange reserve	Retained earnings	Non-controlling interests	Total
	VND	VND	VND	VND	VND
Prior year's opening balance as previously reported	850,000,000,000	2,334,970,579	178,975,662,863	53,783,712,132	1,085,094,345,574
Profit for the year	-	-	203,020,263,778	2,371,482,434	205,391,746,212
Profit distributed to funds	-	-	(20,302,026,378)	-	(20,302,026,378)
Others	-	(1,610,325,038)	-	-	(1,610,325,038)
Current year's opening balance	850,000,000,000	724,645,541	361,693,900,263	56,155,194,566	1,268,573,740,370
Profit for the year	-	-	222,123,134,778	3,109,745,647	225,232,880,425
Profit distributed to funds (i)	-	-	(22,212,313,478)	-	(22,212,313,478)
Transfer to the owner (ii)	-	-	(100,000,000,000)	-	(100,000,000,000)
Others	-	(6,344,036)	-	-	(6,344,036)
Current year's closing balance	850,000,000,000	718,301,505	461,604,721,563	59,264,940,213	1,371,587,963,281

(i) According to Decision No. 1487/2020/QĐ-FIS dated 31 December 2020 by the Chairman, the Corporation distributed profit after tax attributable to equity holders of the Corporation in the 2020 consolidated financial statements to bonus and welfare funds at the rate of 10%.

(ii) Profit transferred to FPT Corporation (the Parent Company) according to Decision No. 40/QĐ-FPT dated 26 February 2020 on the first payment of profit in 2020, by the Executive President of FPT Corporation.

Charter capital and investment capital

Under the Corporation's 24th amended Business Registration Certificate dated 30 September 2020, the charter capital of the Corporation is VND 850,000,000,000. As 31 December 2020, the charter capital of the Corporation had been fully contributed by its owner, FPT Corporation.

	Per amended business registration certificate		Contributed capital as at	
	business registration certificate	VND	Closing balance	Opening balance
FPT Corporation	850,000,000,000	850,000,000,000	850,000,000,000	850,000,000,000
	850,000,000,000	850,000,000,000	850,000,000,000	850,000,000,000

22. OFF CONSOLIDATED BALANCE SHEET ITEMS

Materials, goods held under trust

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Materials, goods held under trust (i)	134,987,000,468	25,054,680,434

Foreign currencies

	<u>Closing balance</u>	<u>Opening balance</u>
Unit		
- United States Dollar	USD 2,694,128	3,165,219
- Euro	EUR 2,103	109,939
- Japanese Yen	JPY 646,374	689,412
- BDT Bangladesh	BDT 112,573,606	4,302,365

(i) Represents the total value of materials and goods that handed over to customers but deposited at the Corporation's warehouse.

23. REVENUE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Sales of merchandise and services	4,807,372,270,077	4,936,713,840,837
Sales of finished goods/merchandise	2,831,270,084,175	3,051,548,152,152
Sales of services	1,976,102,185,902	1,885,165,688,685
Deductions	5,248,838,587	1,356,184,345
Net sales	4,802,123,431,490	4,935,357,656,492
Revenue from related parties (Details stated in Note 30)	526,563,975,192	230,670,444,078

Of which:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Software development	1,100,182,426,277	977,703,261,195
System integration	2,826,021,245,588	3,050,191,967,806
Informatics service	875,919,759,625	907,462,427,491
	4,802,123,431,490	4,935,357,656,492

24. COST OF SALES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Cost of merchandise sold	2,418,686,388,031	2,633,921,732,713
Cost of services rendered	1,479,156,437,221	1,426,647,420,939
Provision for inventory devaluation	9,795,403,483	775,097,436
	3,907,638,228,735	4,061,344,251,088

12500
 NG T
 INHH
 OIT
 T NA
 DA - T P

25. PRODUCTION COST BY NATURE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Raw materials and consumables	2,530,157,238,923	2,768,216,984,771
Labour	819,756,364,611	926,910,648,357
Depreciation and amortisation	29,025,966,874	29,806,633,572
Out-sourced services	1,103,440,706,724	1,027,063,808,491
Other monetary expenses	98,002,120,020	86,327,477,205
	<u>4,580,382,397,152</u>	<u>4,838,325,552,396</u>

26. FINANCIAL INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest income	38,900,484,168	33,865,147,565
Foreign exchange gain	25,916,609,966	25,370,698,452
Gain from disposal of investment	-	8,113,603,942
Other financial income	9,458,000	55,095,000
	<u>64,826,552,134</u>	<u>67,404,544,959</u>

27. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expense	33,490,648,425	58,681,936,335
Foreign exchange loss	24,358,266,312	32,309,194,472
	<u>57,848,914,737</u>	<u>90,991,130,807</u>

28. OTHER INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Sale, disposal of fixed assets	421,925,507	501,004,562
Bonus and commission	33,335,991,576	41,539,701,205
Others	2,637,847,360	6,832,503,677
	<u>36,395,764,443</u>	<u>48,873,209,444</u>

29. CURRENT CORPORATE INCOME TAX EXPENSE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	55,374,154,887	44,803,737,608
Adjustments for corporate income tax expense in previous years to the current year	838,279,679	(4,000,000)
Total current corporate income tax expense	<u>56,212,434,566</u>	<u>44,799,737,608</u>

	Current year VND	Prior year VND
Deferred corporate income tax income		
Deferred corporate income tax income arising from taxable temporary differences	(213,869,588)	-
Total deferred corporate income tax income	(213,869,588)	-

30. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related parties	Relationship
FPT Corporation	Parent company
FPT Software Company Limited	Affiliate
FPT Telecom Joint Stock Company	Affiliate

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

	Current year VND	Prior year VND
Sales	526,563,975,192	230,670,444,078
FPT Telecom Joint Stock Company	248,868,602,163	30,717,537,234
FPT Software Company Limited	201,046,870,316	117,747,361,177
FPT Corporation	76,648,502,713	82,205,545,667
Purchases	62,918,208,994	68,554,949,770
FPT Corporation	37,811,733,425	40,282,184,131
FPT Telecom Joint Stock Company	21,878,645,796	20,923,612,258
FPT Software Company Limited	3,227,829,773	7,349,153,381
Interest income	36,887,704,438	32,257,808,215
FPT Corporation	36,887,704,438	32,257,808,215
Interest expense	45,986,064	7,144,958,381
FPT Corporation	45,986,064	7,144,958,381
Profits paid to Owner	100,000,000,000	-
FPT Corporation	100,000,000,000	-

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Short-term trade receivables	270,953,191,205	57,056,332,937
FPT Telecom Joint Stock Company	214,052,599,391	168,904,915
FPT Software Company Limited	31,215,455,029	29,833,270,918
FPT Corporation	25,685,136,785	27,054,157,104
Short-term loan receivables	896,000,000,000	200,000,000,000
FPT Corporation	896,000,000,000	200,000,000,000
Other short-term receivables	12,144,060,602	8,320,775,075
FPT Corporation	12,144,060,602	8,320,775,075
Short-term trade payables	10,319,580,585	7,605,993,839
FPT Corporation	6,355,272,079	961,945,094
FPT Telecom Joint Stock Company	2,975,088,856	6,232,878,506
FPT Software Company Limited	989,219,650	411,170,239
Short-term advances from customers	5,907,162,382	9,230,100,000
FPT Software Company Limited	4,200,584,440	9,080,100,000
FPT Corporation	1,706,577,942	-
FPT Telecom Joint Stock Company	-	150,000,000
Other current payables	135,839,638,954	134,899,329,954
FPT Corporation	135,839,638,954	134,899,329,954
Short-term loans	-	17,500,000,000
FPT Corporation	-	17,500,000,000
Short-term accrued expenses	-	7,144,958,381
FPT Corporation	-	7,144,958,381

Nguyen Thi Hau
Preparer

Ngo Thi Minh Hue
Chief Accountant



Do Son Giang
Deputy General Director

19 March 2021