

FPT INFORMATION SYSTEM CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



FPT INFORMATION SYSTEM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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FPT INFORMATION SYSTEM CORPORATION

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 0104128565 dated 13 August 2009

The Enterprise Registration Certificate was initially issued by Hanoi Department of Planning and Investment on 13 August 2009. The latest amendment (30th) to the Enterprise Registration Certificate was issued on 20 September 2023.

Board of Members

Mr. Tran Dang Hoa
Mr. Duong Dung Trieu

Appointed on 1/1/2023
Resigned on 1/1/2023

Board of Management

Mr. Nguyen Hoang Minh
Mr. Do Son Giang
Mr. Dang Truong Thach

General Director
Deputy General Director
Deputy General Director

Legal Representatives

Mr. Tran Dang Hoa
Mr. Nguyen Hoang Minh
Mr. Duong Dung Trieu

Chairman
(from 4/1/2023)
General Director
(from 4/1/2023)
Chairman
(until 4/1/2023)

Registered Office

Floor 22, Keangnam Landmark 72 Tower, E6, Pham Hung Road,
Nam Tu Liem District, Ha Noi, Viet Nam

Auditor

PwC (Vietnam) Limited

FPT INFORMATION SYSTEM CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of FPT Information System Corporation ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries which give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2023, the consolidated results of the operations and the consolidated cash flows of the Company and its subsidiaries for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

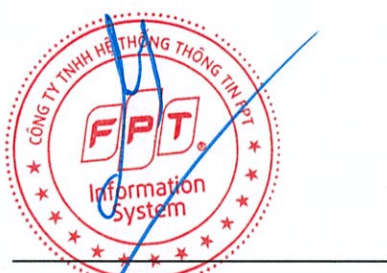
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Company and its subsidiaries will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and its subsidiaries and enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud or error.

The Legal Representatives of the Company authorised the Deputy General Director to approve and sign the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2023 pursuant to the Authorisation Letter No. 127/23/UQ-FIS dated 4 January 2023.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 44 which give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2023, and of the consolidated results of the operations and the consolidated cash flows of the Company and its subsidiaries for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.



Dau Trần Trung
Chief Finance Officer
Authorised Signatory

Ha Noi, S.R. Vietnam
29 February 2024



INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF FPT INFORMATION SYSTEM CORPORATION

We have audited the accompanying consolidated financial statements of FPT Information System Corporation ("the Company") and its subsidiaries which were prepared on 31 December 2023 and approved by the Chief Finance Officer of the Company (as authorised by the Legal Representatives of the Company) on 29 February 2024. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated cash flows for year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 44.

Responsibility of the Board of Management

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements of the Company and its subsidiaries in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements of the Company and its subsidiaries 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 auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and true 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 internal control of the Company and its subsidiaries. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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.

Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 31 December 2023, the consolidated financial performance and the consolidated cash flows of the Company and its subsidiaries for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies versions, the Vietnamese copy version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Tran Khac The
Audit Practising Licence:
No. 2043-2023-006-1
Authorised signatory

Report reference number: HAN 3552
Hanoi, 1 March 2024



Nguyen Van Nam
Audit Practising Licence:
No. 5082-2024-006-1

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2023 VND	2022 VND
100	CURRENT ASSETS		5,869,197,359,907	5,216,107,659,794
110	Cash and cash equivalents	4	1,059,784,371,561	714,961,722,093
111	Cash		518,204,476,055	313,923,467,634
112	Cash equivalents		541,579,895,506	401,038,254,459
120	Short-term investments		637,127,906,269	301,683,499,948
123	Investments held to maturity	5	637,127,906,269	301,683,499,948
130	Short-term receivables		3,351,800,614,732	3,349,456,862,640
131	Short-term trade accounts receivable	6	1,679,052,963,246	1,820,443,169,822
132	Short-term prepayments to suppliers		87,672,913,299	45,830,855,999
134	Contract-in-progress receivables	7	176,045,894,412	198,832,706,522
135	Short-term lendings	8	1,621,825,000,000	1,491,825,000,000
136	Other short-term receivables	9(a)	189,002,600,805	167,377,458,294
137	Provision for doubtful debts – short-term	10	(401,798,757,030)	(374,852,327,997)
140	Inventories	11	743,937,670,215	807,662,214,648
141	Inventories		748,408,770,819	816,002,661,850
149	Provision for decline in value of inventories		(4,471,100,604)	(8,340,447,202)
150	Other current assets		76,546,797,130	42,343,360,465
151	Short-term prepaid expenses	12(a)	60,687,373,150	35,233,507,197
152	Value Added Tax ("VAT") to be reclaimed		14,431,127,872	6,750,831,918
153	Tax and other receivables from the State		1,428,296,108	359,021,350
200	LONG-TERM ASSETS		523,058,646,373	483,508,863,991
210	Long-term receivable		9,948,196,802	9,684,299,185
216	Other long-term receivables	9(b)	9,948,196,802	9,684,299,185
220	Fixed assets		392,317,940,084	350,674,309,382
221	Tangible fixed assets	13(a)	271,239,861,768	227,124,596,795
222	Historical cost		565,205,442,710	470,323,613,304
223	Accumulated depreciation		(293,965,580,942)	(243,199,016,509)
227	Intangible fixed assets	13(b)	121,078,078,316	123,549,712,587
228	Historical cost		256,082,557,416	223,724,035,848
229	Accumulated amortisation		(135,004,479,100)	(100,174,323,261)
240	Long-term asset in progress		7,963,528,414	20,457,943,130
242	Construction in progress		7,963,528,414	20,457,943,130
260	Other long-term assets		112,828,981,073	102,692,312,294
261	Long-term prepaid expenses	12(b)	87,952,552,817	74,283,482,512
262	Deferred income tax assets		24,876,428,256	28,408,829,782
270	TOTAL ASSETS		6,392,256,006,280	5,699,616,523,785

The notes on pages 9 to 44 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET (CONTINUED)

Code	RESOURCES	Note	As at 31 December	
			2023 VND	2022 VND
300	LIABILITIES		4,743,252,573,614	4,059,883,670,048
310	Short-term liabilities		4,690,254,337,057	3,987,299,306,223
311	Short-term trade accounts payable	14	847,134,769,333	985,999,347,333
312	Short-term advances from customers	15	463,636,395,885	330,155,662,184
313	Tax and other payables to the State	16	53,173,947,879	48,699,046,446
314	Payables to employees		343,032,642,165	330,077,480,585
315	Short-term accrued expenses	17	286,177,639,236	350,338,069,342
317	Contract-in-progress payables	7	78,456,375,540	78,663,541,041
318	Short-term unearned revenue		89,152,392,491	71,552,385,018
319	Other short-term payables	18	460,192,134,649	158,809,786,615
320	Short-term borrowings	19(a)	1,953,716,038,198	1,534,710,186,620
321	Provision for short-term liabilities	20(a)	17,370,808,904	34,252,370,250
322	Bonus and welfare fund		98,211,192,777	64,041,430,789
330	Long-term liabilities		52,998,236,557	72,584,363,825
338	Long-term borrowings	19(b)	46,833,586,305	67,374,632,901
341	Deferred income tax liabilities		3,835,348,750	2,254,170,008
342	Provision for long-term liabilities	20(b)	2,137,205,219	2,763,464,633
343	Fund for scientific and technological development		192,096,283	192,096,283
400	OWNERS' EQUITY		1,649,003,432,666	1,639,732,853,737
410	Capital and reserves		1,646,253,432,666	1,636,982,853,737
411	Owners' capital	21, 22	1,100,000,000,000	1,100,000,000,000
417	Foreign exchange differences	22	1,097,176,868	880,897,774
421	Undistributed earnings	22	479,767,945,602	471,016,087,702
421a	- Undistributed post-tax profits of previous years		171,016,087,702	173,102,820,088
421b	- Undistributed post-tax profit of current year		308,751,857,900	297,913,267,614
429	Non-controlling interests	22	65,388,310,196	65,085,868,261
430	Budget sources and other funds		2,750,000,000	2,750,000,000
431	Budget sources		2,750,000,000	2,750,000,000
440	TOTAL RESOURCES		6,392,256,006,280	5,699,616,523,785


Doan Thi Ngoc Cam
Preparer


Tran Khuong
Chief Accountant


Dau Tran Trung
Chief Finance Officer
Authorised Signatory
29 February 2024


The notes on pages 9 to 44 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

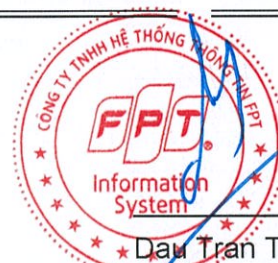
Code	Note	Year ended 31 December	
		2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services	6,727,562,017,685	6,585,757,302,240
02	Less deductions	2,556,429,591	163,583,332
10	Net revenue from sales of goods and rendering of services (10 = 01 - 02)	6,725,005,588,094	6,585,593,718,908
11	Cost of goods sold and services rendered	5,338,225,350,633	5,325,229,769,175
20	Gross profit from sales of goods and rendering of services (20 = 10 - 11)	1,386,780,237,461	1,260,363,949,733
21	Financial income	200,697,300,100	175,969,333,773
22	Financial expenses	123,276,312,486	131,943,477,716
23	- Including: Interest expense	105,065,386,057	53,370,882,936
25	Selling expenses	677,371,718,508	388,428,457,248
26	General and administration expenses	404,511,777,987	516,899,735,040
30	Net operating profit (30 = 20 + (21 - 22) - (25 + 26))	382,317,728,580	399,061,613,502
31	Other income	50,801,505,456	54,659,260,274
32	Other expenses	5,639,545,754	19,248,371,860
40	Net other income (40 = 31 - 32)	45,161,959,702	35,410,888,414
50	Net accounting profit before tax (50 = 30 + 40)	427,479,688,282	434,472,501,916
51	Business income tax ("BIT") - current	77,669,708,498	127,690,470,984
52	BIT – deferred	6,740,952,866	(29,494,340,351)
60	Net profit after tax (60 = 50 - 51 - 52)	343,069,026,918	336,276,371,283
Attributable to:			
61	Owners of the parent company	343,057,619,883	331,014,741,793
62	Non-controlling interests	11,407,035	5,261,629,490



Doan Thi Ngoc Cam
Preparer



Tran Khuong
Chief Accountant



Đào Trần Trung
Chief Finance Officer
Authorised Signatory
29 February 2024

The notes on pages 9 to 44 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
Code	Note	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	427,479,688,282	434,472,501,916
	Adjustments for:		
02	Depreciation	88,124,563,046	45,146,646,116
03	Provisions	5,559,621,075	117,109,397,939
04	Unrealised foreign exchange (gains)/loss	(561,821,796)	14,679,828,787
05	Profits from investing activities	(168,423,431,118)	(97,382,705,778)
06	Interest expense	105,065,386,057	53,370,882,936
08	Operating profit before changes in working capital	457,244,005,546	567,396,551,916
09	Decrease/(increase) in receivables	132,615,597,953	(165,768,554,019)
10	Decrease/(increase) in inventories	67,593,891,031	(91,083,731,125)
11	(Decrease)/increase in payables	(44,051,976,005)	266,785,570
12	Increase prepaid expenses	(38,072,858,216)	(6,043,045,955)
14	Interest paid	(110,341,274,831)	(48,385,538,878)
15	BIT paid	(73,590,642,526)	(122,853,961,505)
16	Other receipts from operating activities	338,000,000	44,830,000
17	Other payments on operating activities	(474,000,000)	(21,411,111)
20	Net cash inflows from operating activities	391,260,742,952	133,551,924,893
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(117,669,779,686)	(181,735,733,947)
22	Proceeds from disposals of fixed assets	1,301,960,991	353,731,819
23	Loans granted	(4,163,727,906,269)	(3,713,310,707,140)
24	Collection of loans	3,704,283,499,948	4,131,183,215,956
25	Investments in other entities	(5,545,686,387)	-
27	Dividends and interest received	135,486,314,903	82,487,771,263
30	Net cash (outflow)/inflows from investing activities	(445,871,596,500)	318,978,277,951
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from capital contribution	-	250,000,000,000
33	Proceeds from borrowings	3,999,407,301,859	3,891,957,529,766
34	Repayments of borrowings	(3,597,967,496,877)	(4,242,383,564,137)
36	Dividends paid, profits distributed to owners	(2,102,894,993)	(341,203,795,000)
40	Net cash inflows/(outflows) from financing activities	399,336,909,989	(441,629,829,371)
50	Net increase in cash and cash equivalents	344,726,056,441	10,900,373,473
60	Cash and cash equivalents at beginning of year	4 714,961,722,093	699,729,081,415
61	Effect of foreign exchange differences	96,593,027	4,332,267,205
70	Cash and cash equivalents at end of year	4 1,059,784,371,561	714,961,722,093

Doan Thi Ngoc Cam
Preparer

Tran Khuong
Chief Accountant



Dau Tran Trung
Chief Finance Officer
Authorised Signatory
29 February 2024

The notes on pages 9 to 44 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 GENERAL INFORMATION

FPT Information System Corporation ("the Company") is a limited liability company of one member established in SR Vietnam pursuant to the Business Registration Certificate No. 0104128565 which was issued by Hanoi Department of Planning and Investment on 13 August 2009. Subsequently, the Business Registration Certificate was replaced by the Enterprise Registration Certificate No. 0104128565. The latest amendment (30th) to the Enterprise Registration Certificate was issued on 20 September 2023.

The Company's principal activities are to provide services on designing, implementing, installing software and system integration services; trading electronic and telecommunication equipment and components; providing repair, warranty and maintenance services of computers and peripheral devices; and other information technology services.

The normal business cycle of the Company is 12 months.

As at 31 December 2023, the Company had 6 subsidiaries. The details are as follows:

Subsidiaries	Main activities	Place of registration	As at 31.12.2023		As at 31.12.2022	
			Ownership	Voting rights	Ownership	Voting rights
FPT Information System (Cambodia) Pte., Ltd.	System integration, services and software solutions	Cambodia	100%	100%	100%	100%
Investment and Development of National E-procurement System Co., Ltd.	Providing e-commerce application solutions in governmental procurement	Viet Nam	100%	100%	100%	100%
FPT Technology Solutions Co., Ltd.	System integration, services and software solutions	Viet Nam	100%	100%	100%	100%
Telehouse International Corporation of Vietnam	Data center services	Viet Nam	51%	51%	51%	51%
FPT Semiconductor Joint Stock Company (Acquired on 4/1/2023)	Manufacture semiconductor	Viet Nam	94.99%	94.99%	-	-
Techup Communication Joint Stock Company (Acquired on 4/1/2023)	Publish software	Viet Nam	73.75%	73.75%	-	-

As at 31 December 2023, the Company and its subsidiaries had 3,301 employees (as at 31 December 2022: 2,802 employees).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****1 GENERAL INFORMATION (CONTINUED)****Disclosure of information comparability in the consolidated financial statements:**

The comparative figures presented on the consolidated financial statements year ended 31 December 2023 are those of the audited consolidated financial statements for the year ended 31 December 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of consolidated financial statements**

These consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

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

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Company. The consolidated financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The fiscal year of the Company and its subsidiaries is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND" or "Dong").

On consolidation, if the currencies used on the financial statements of subsidiaries are different from that of the Company, the Company translates those financial statements into the currency used in the consolidated financial statements under the following principles:

- Assets, liabilities are translated at the actual exchange rate at the year end;
- Undistributed earnings/(accumulated losses) are translated based on the translation of income and expenses in the income statement;
- Profits already paid are translated at the actual exchange rate at the date of payment;
- Items of the income statement and the cash flow statement are translated at the average exchange rate of the fiscal year if it approximates the actual rate at the time of the transaction (with the difference not exceeding 2%); and
- Accumulated exchange differences arising from translation are presented in equity of the consolidated balance sheet. Exchange differences attributable to the Company are presented in "Foreign exchange differences". Those attributable to non-controlling interests are allocated to "Non-controlling interests".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.4 Exchange rates**

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial bank(s) where with which the Company and its subsidiaries regularly transact. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

2.5 Basis of consolidation***Subsidiaries***

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and its subsidiaries. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the parent company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the acquirer's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between subsidiaries and the parent company or among the subsidiaries are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the parent company.

The financial statements of the subsidiaries are prepared for the same accounting period of the parent company for the consolidation purpose. If there are differences in period end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the parent company. The length of the reporting period and differences in reporting date must be consistent between years.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation (continued)*****Non-controlling transactions and interests***

The Company and its subsidiaries apply a policy for transactions with non-controlling interests as transactions with third parties.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Transactions leading to the change in the parent company's ownership interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the parent company's share of net assets of the subsidiary and any consideration paid or received from divestment of the parent company's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

Transactions leading to the change in the parent company's interest in a subsidiary that results in a loss of control, the difference between the parent company's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and other short-term investments with an original maturity of three months or less.

2.7 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost.

Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Bad debts are written off when identified as uncollectible.

Receivables are classified into short-term and long-term receivables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Company and its subsidiaries apply the perpetual system for inventories.

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year is recognised as an increase or decrease of cost of goods sold in the year.

2.9 Investments**Investments held to maturity**

Investments held to maturity are investments which the Company and its subsidiaries have a positive intention and ability to hold until maturity.

Investments held to maturity include term deposits with original term over 3 months. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the remaining maturity date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.10 Lendings**

Lendings are lendings granted for the earning of interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lending is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lendings on the consolidated balance sheet based on the remaining term as at the consolidated balance sheet date.

2.11 Contracts on software development and system integration

The Company applies the following accounting policies for contracts on software development and system integration.

When the outcome of a contract can be estimated reliably, and the contractor is paid in accordance with the planned schedule, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively for the work performed and confirmed by the customers.

When the outcome of a contract on software development and system integration cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are only recognised when incurred during the year.

The aggregate of the costs incurred, and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and profits recognised (less recognised losses) exceed progress billings, the balance is presented as contracts-in-progress receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as payables for construction contracts-in-progress..

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.12 Fixed assets***Tangible fixed assets and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently which and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the income statement when incurred in the year.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

Buildings and structures	15 – 25 years
Machinery and equipment	3 – 15 years
Motor vehicles	6 – 10 years
Office equipment	3 – 7 years
Others	3 – 7 years

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the Consolidated income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.13 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.14 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Short-term prepaid expenses represent prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for services; or tools, which do not meet the recognition criteria for fixed assets; for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.15 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables and payables not relating to purchases of goods and services.

Payables are classified into short-term and long-term payables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

2.16 Borrowings

Borrowings include borrowings from banks, financial institutions, financial companies and other entities.

Borrowings are classified into short-term and long-term borrowings and finance lease liabilities on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowing, a portion of which is used for the purpose of construction or production of any qualifying assets, the Company and its subsidiaries determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.17 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.18 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.19 Unearned revenue

Unearned revenue comprises the amounts that customers have paid in advance for one or many accounting periods mainly for repair and maintenance services paid by the customers but not yet rendered. The Company and its subsidiaries record unearned revenue for the future obligations that the Company and its subsidiaries have to fulfil. Unearned revenue is recognised as revenue in the consolidated income statement during the year to the extent that revenue recognition criteria have been met.

2.20 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed.

Foreign exchange differences are foreign exchange differences arising from translating financial statements of the subsidiary prepared in foreign currency into VND for consolidation purpose (Note 2.3).

Undistributed earnings record the results after BIT of the Company and its subsidiaries at the reporting date.

2.21 Profit distribution

The profit distribution of the Company is recognised as a liability in the consolidated financial statements in the year in which the profit distributions are approved by the owner of the Company.

Net profit after BIT could be distributed after the owner's approval, and after appropriation to other funds in accordance with the charter and Vietnamese regulations of the Company and its subsidiaries.

The funds of the Company and its subsidiaries are as below:

Bonus and welfare fund

Bonus and welfare fund is appropriated from net profit after BIT and subject to the General Director's approval. This fund is presented as a liability on the consolidated balance sheet. The fund is used for employees' performance appraisal and improving the employees' welfare.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.22 Revenue recognition****(a) Revenue from sales of goods**

Revenue from sales of goods is recognised in the consolidated income statement when all five (5) of the following conditions are satisfied:

- The Company and its subsidiaries have transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company and its subsidiaries retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company and its subsidiaries; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the “substance over form” principle and allocated to each sale obligation.

(b) Revenue from contracts on software development and system integration

Revenue from contracts on software development and system integration is recognised in the consolidated income statement by reference to the percentage of completion of transactions at the year end. The percentage of completion is based on the work performed and confirmed by the customers. When the performance of the contracts cannot be reliably estimated, the revenue is recognised only as the equivalent of the incurred contract costs, with which the reimbursement is relatively certain.

(c) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue from rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company and its subsidiaries;
- The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.22 Revenue recognition (continued)****(d) Interest income**

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions are simultaneously satisfied:

- It is probable that economic benefits will be generated;
- Income can be measured reliably.

2.23 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as deduction of revenue of that year.

Sales deductions for sales of products, goods or rendering of services which are sold in the year but are incurred after the consolidated balance sheet date but before the issuance of the consolidated financial statements are recorded as a deduction of revenue of the year.

2.24 Cost of goods sold and services rendered

Cost of goods sold and cost of services rendered are cost of finished goods, merchandise sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis.

2.25 Financial expenses

Financial expenses are expenses incurred in the year for financial activities mainly including interest expense, provision for diminution in value of investments in other entities, and losses from foreign exchange differences.

2.26 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services.

2.27 General and administration expenses

General and administration expenses represent expenses that are incurred for the administrative purposes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.28 Current and deferred income tax**

Income taxes include all income tax which is based on taxable profits. Income tax expense comprises current income tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit at the current year tax rates. Current and deferred tax are recognised as an income or an expense and included in profit or loss of the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.29 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company and its subsidiaries, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company and its subsidiaries. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and its subsidiaries, key management personnel, including the Chairman, the Board of Management and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Company and its subsidiaries consider the substance of the relationships, not merely the legal form.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.30 Critical accounting estimates**

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of 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.

The areas involving significant estimates and assumptions in consolidated financial statements are as follows:

- Estimation of percentage of completion for service projects (Note 2.11);
- Provision for doubtful debts (Notes 2.7 and 10);
- Provision for decline in value of inventories (Notes 2.8 and 11);
- Useful lives of fixed assets (Notes 2.12 and 13); and
- Business income tax (Notes 2.28 and 31).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a material financial impact on the consolidated financial statements of the Company and its subsidiaries and that are assessed by the Board of Management to be reasonable under the circumstances.

3 BUSINESS COMBINATION

On 4 January 2023, the Company acquired 94.99% of voting shares of FPT Semiconductor Joint Stock Company and took control over FPT Semiconductor Joint Stock Company from this date. Consideration directly attributable to the business combination included 7,748,747,731 VND in cash.

On 4 January 2023, the Company acquired 73.75% of voting shares of Techup Communication Joint Stock Company and took control over Techup Communication Joint Stock Company from this date. Consideration directly attributable to the business combination included 5,577,767,346 VND in cash.

These business combinations impacted on the net assets of the Company and its subsidiaries at the acquisition dates as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 BUSINESS COMBINATION (CONTINUED)

	Fair value recognised at acquisition date		
	FPT Semiconductor Joint Stock Company VND	Techup Communication Joint Stock Company VND	Total VND
Asset			
Cash and cash equivalents	4,620,657,690	3,160,171,000	7,780,828,690
Short-term receivables	6,157,143,842	6,809,166,168	12,966,310,010
Fixed assets	537,386,845	124,300,765	661,687,610
Other assets	1,774,751,067	1,192,085,653	2,966,836,720
	<u>13,089,939,444</u>	<u>11,285,723,586</u>	<u>24,375,663,030</u>
Liabilities			
Short-term payables	2,551,387,033	572,520,333	3,123,907,366
Payables to employee	597,642,430	1,006,247,027	1,603,889,457
Tax and other payables to State	278,378,825	292,688,856	571,067,681
Other liabilities	1,505,095,920	1,851,193,002	3,356,288,922
	<u>4,932,504,208</u>	<u>3,722,649,218</u>	<u>8,655,153,426</u>
Total identifiable net assets	<u>8,157,435,236</u>	<u>7,563,074,368</u>	<u>15,720,509,604</u>
Gains from business combination	-	(64,627)	(64,627)
Non-controlling interests	(408,687,505)	(1,985,242,395)	(2,393,929,900)
Total consideration transferred (a)	7,748,747,731	5,577,767,346	13,326,515,077
Cash acquired (b)	4,620,657,690	3,160,171,000	7,780,828,690
Net cash outflow on acquisition (=a-b)	<u>3,128,090,041</u>	<u>2,417,596,346</u>	<u>5,545,686,387</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 CASH AND CASH EQUIVALENTS

	31/12/2023 VND	31/12/2022 VND
Cash on hand	646,294,203	1,068,153,393
Cash at banks	517,558,181,852	312,855,314,241
Cash equivalents	541,579,895,506	401,038,254,459
Including:		
- Term deposits at bank	57,600,000,000	22,000,000,000
- Deposits at Central Account (Note 33(b)) (*)	483,979,895,506	379,038,254,459
	<u>1,059,784,371,561</u>	<u>714,961,722,093</u>

(*) Included deposits of the Company at the Central Account of FPT Corporation, the parent company, which is managed centrally by the parent company in accordance with the agreement among banks, the Company and the parent company. Accordingly, the Company can withdraw cash from the Central Account at its discretion without any difficulty or withdrawal risk.

5 INVESTMENTS HELD TO MATURITY

	31/12/2023		31/12/2022	
	Cost VND	Book value VND	Cost VND	Book value VND
Time deposits	<u>637,127,906,269</u>	<u>637,127,906,269</u>	<u>301,683,499,948</u>	<u>301,683,499,948</u>

Included term deposits at commercial banks with the original term of more than 3 months and less than 12 months. Interest rates are specified according to each deposit contract.

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31/12/2023 VND	31/12/2022 VND
Related parties (Note 33(b))	68,599,967,193	177,905,919,286
Third parties	1,610,452,996,053	1,642,537,250,536
Including:		
- Joint Stock Commercial Bank for Foreign Trade of Vietnam	272,788,157,481	199,989,451,632
- Others	1,337,664,838,572	1,442,547,798,904
	<u>1,679,052,963,246</u>	<u>1,820,443,169,822</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 RECEIVABLES/PAYABLES RELATING TO CONTRACT-IN-PROGRESS

	31/12/2023 VND	31/12/2022 VND
In progress contracts as at the year end		
- Contract-in-progress receivables	176,045,894,412	198,832,706,522
- Contract-in-progress payables	(78,456,375,540)	(78,663,541,041)
	<u>97,589,518,872</u>	<u>120,169,165,481</u>
Accumulated revenue from construction contract until the balance sheet date	1,166,211,264,033	2,129,798,595,868
Less: Progress billings	(1,068,621,745,161)	(2,009,629,430,387)
Construction contract-in-progress receivables	<u>97,589,518,872</u>	<u>120,169,165,481</u>

The balance of receivables/payables to contract-in-progress related to the contracts on software development and system integration. The accounting policies applied for the contracts on software development and system integration are set out in Note 2.11.

8 SHORT-TERM LENDINGS

	31/12/2023 VND	31/12/2022 VND
FPT Corporation (Note 33(b)) (i)	1,450,000,000,000	1,320,000,000,000
Sendo Technology JSC (ii)	171,825,000,000	171,825,000,000
	<u>1,621,825,000,000</u>	<u>1,491,825,000,000</u>

- (i) Included the unsecured lendings to the parent company with terms of less than one year and interest rates from 5.8% to 8.0% per annum (2022: 6.0% to 10.1% per annum).
- (ii) Included the lendings to Sendo Technology JSC. These are convertible lendings with the interest rates of 6.0% per annum. As at 31 December 2023, the Company made full provision for these lendings due to their low recoverability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9 OTHER RECEIVABLES

	31/12/2023 VND	31/12/2022 VND
(a) Short-term		
Receivables from maintenance service contracts	121,636,913,604	133,829,197,269
Interest income	62,596,909,794	29,838,811,512
Others	4,768,777,407	3,709,449,513
	<u>189,002,600,805</u>	<u>167,377,458,294</u>
(b) Long-term		
Deposits	<u>9,948,196,802</u>	<u>9,684,299,185</u>

10 DOUBTFUL DEBTS

	31/12/2023		
	Cost VND	Recoverable amount VND	Provision VND
Receivables, lendings that were past due or not past due but doubtful	<u>524,248,515,387</u>	<u>122,449,758,357</u>	<u>(401,798,757,030)</u>
	31/12/2022		
	Cost VND	Recoverable amount VND	Provision VND
Receivables, lendings that were past due or not past due but doubtful	<u>434,616,524,481</u>	<u>59,764,196,484</u>	<u>(374,852,327,997)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11 INVENTORIES

	31/12/2023		31/12/2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	2,555,495,758	-	7,846,620,443	-
Tools, supplies	588,271,584	-	670,731,004	-
Work in progress	495,315,416,144	-	540,779,264,181	-
Merchandise	249,495,803,764	(4,471,100,604)	266,177,978,653	(8,340,447,202)
Goods on consignment	453,783,569	-	528,067,569	-
	<u>748,408,770,819</u>	<u>(4,471,100,604)</u>	<u>816,002,661,850</u>	<u>(8,340,447,202)</u>

12 PREPAID EXPENSES

	31/12/2023 VND	31/12/2022 VND
(a) Short-term		
Prepaid expenses for on-going projects	38,059,208,769	28,892,173,435
Office rental, repair and maintenance costs	16,883,240,486	2,907,805,472
Others	5,744,923,895	3,433,528,290
	<u>60,687,373,150</u>	<u>35,233,507,197</u>
(b) Long-term		
Office rental, repair and maintenance costs	37,580,684,483	40,586,707,457
Prepaid expenses for on-going projects	36,053,262,641	25,104,097,863
Others	14,318,605,693	8,592,677,192
	<u>87,952,552,817</u>	<u>74,283,482,512</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2023	129,077,134,093	119,280,013,227	19,493,832,869	200,296,140,366	2,176,492,749	470,323,613,304
New purchases in the year	-	2,075,207,100	6,682,204,762	33,332,504,485	-	42,089,916,347
Transfers from construction- in-progress	-	57,141,149,516	-	-	-	57,141,149,516
Disposals	-	(129,022,466)	(2,129,324,505)	(2,766,913,386)	-	(5,025,260,357)
Others	-	676,023,900	-	-	-	676,023,900
As at 31 December 2023	129,077,134,093	179,043,371,277	24,046,713,126	230,861,731,465	2,176,492,749	565,205,442,710
Accumulated depreciation						
As at 1 January 2023	(26,139,891,824)	(89,909,839,500)	(13,473,207,616)	(112,027,867,065)	(1,648,210,504)	(243,199,016,509)
Charge for the year	(6,272,923,258)	(9,046,203,417)	(2,513,012,193)	(36,415,076,762)	(377,481,047)	(54,624,696,677)
Disposals	-	33,918,907	1,071,636,241	2,766,913,386	-	3,872,468,534
Others	-	(14,336,290)	-	-	-	(14,336,290)
As at 31 December 2023	(32,412,815,082)	(98,936,460,300)	(14,914,583,568)	(145,676,030,441)	(2,025,691,551)	(293,965,580,942)
Net book value						
As at 1 January 2023	102,937,242,269	29,370,173,727	6,020,625,253	88,268,273,301	528,282,245	227,124,596,795
As at 31 December 2023	96,664,319,011	80,106,910,977	9,132,129,558	85,185,701,024	150,801,198	271,239,861,768

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2023 was VND 180,736,835,629 (as at 31 December 2022: VND 172,189,952,914).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Copyrights, patents VND	Computer softwares VND	Others VND	Total VND
Historical cost				
As at 1 January 2023	77,072,652	223,214,755,833	432,207,363	223,724,035,848
New purchases in the year	4,766,000,000	28,088,841,979	-	32,854,841,979
Disposals	-	(496,320,411)	-	(496,320,411)
As at 31 December 2023	4,843,072,652	250,807,277,401	432,207,363	256,082,557,416
Accumulated amortization				
As at 1 January 2023	(77,072,652)	(99,665,043,246)	(432,207,363)	(100,174,323,261)
Charge for the year	(509,243,835)	(34,817,232,415)	-	(35,326,476,250)
Disposals	-	496,320,411	-	496,320,411
As at 31 December 2023	(586,316,487)	(133,985,955,250)	(432,207,363)	(135,004,479,100)
Net book value				
As at 1 January 2023	-	123,549,712,587	-	123,549,712,587
As at 31 December 2023	4,256,756,165	116,821,322,151	-	121,078,078,316

The historical cost of intangible fixed assets that were fully depreciated but still in use as at 31 December 2023 was VND 90,648,752,118 (as at 31 December 2022: VND 82,255,122,349).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31/12/2023		31/12/2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Related parties (Note 33(b))	173,466,946,755	173,466,946,755	241,475,174,777	241,475,174,777
Third parties	673,667,822,578	673,667,822,578	744,524,172,556	744,524,172,556
Including:				
- Uromax (Singapore) Pte., Ltd.	68,178,674,272	68,178,674,272	132,242,370,240	132,242,370,240
- Cisco International Limited	58,979,886,882	58,979,886,882	34,303,501,876	34,303,501,876
- FISERV (APAC) Pte., Ltd.	45,445,523,390	45,445,523,390	75,166,360,930	75,166,360,930
- PTG (Singapore) Pte., Ltd.	36,159,728,637	36,159,728,637	-	-
- Others	464,904,009,397	464,904,009,397	502,811,939,510	502,811,939,510
	<u>847,134,769,333</u>	<u>847,134,769,333</u>	<u>985,999,347,333</u>	<u>985,999,347,333</u>

15 SHORT-TERM ADVANCES FROM CUSTOMERS

	31/12/2023 VND	31/12/2022 VND
Related parties (Note 33(b))	2,633,937,373	277,298,390
Third parties	461,002,458,512	329,878,363,794
Including:		
- Joint Stock Commercial Bank for Foreign Trade of Vietnam	156,223,682,353	40,255,637,965
- Ho Chi Minh National Academy of Politics	76,067,282,942	-
- Others	228,711,493,217	289,622,725,829
	<u>463,636,395,885</u>	<u>330,155,662,184</u>

FPT INFORMATION SYSTEM CORPORATION

Form B 09 - DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

16 TAXES AND OTHER PAYABLES TO THE STATE

	31/12/2023 VND	31/12/2022 VND
VAT output	10,032,392,425	10,983,573,886
BIT	33,746,483,707	29,755,613,668
Personal Income Tax ("PIT")	5,093,051,641	3,429,173,304
Foreign Contractor Withholding Tax ("FCT")	4,302,020,106	4,530,685,588
	<u>53,173,947,879</u>	<u>48,699,046,446</u>

Movements in taxes and other payables to the State during the year are as follows:

	As at 1/1/2023 VND	Payables in the year VND	Net-off during the year VND	Paid during the year VND	Reclassification VND	As at 31/12/2023 VND
VAT	10,983,573,886	476,570,959,415	(400,507,077,045)	(78,319,363,149)	1,304,299,318	10,032,392,425
VAT of import goods	-	125,038,865,530	-	(125,038,865,530)	-	-
Import tax	-	879,072,517	-	(879,072,517)	-	-
CIT	29,755,613,668	77,669,708,495	(212,192,720)	(73,590,642,526)	123,996,790	33,746,483,707
PIT	3,429,173,304	104,963,506,600	-	(103,299,628,263)	-	5,093,051,641
FCT	4,530,685,588	65,445,516,519	-	(65,674,182,001)	-	4,302,020,106
Other taxes	-	552,328,049	-	(552,328,049)	-	-
	<u>48,699,046,446</u>	<u>851,119,957,125</u>	<u>(400,719,269,765)</u>	<u>(447,354,082,035)</u>	<u>1,428,296,108</u>	<u>53,173,947,879</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

17 SHORT-TERM ACCRUED EXPENSES

	31/12/2023 VND	31/12/2022 VND
Expenses accrued for system integration projects	284,495,509,172	344,056,961,840
Others	1,682,130,064	6,281,107,502
	<u>286,177,639,236</u>	<u>350,338,069,342</u>

18 OTHER PAYABLES

	31/12/2023 VND	31/12/2022 VND
Related parties (Note 33(b))	435,023,925,854	134,939,385,954
Including:		
- Payable to the parent company - Profit distribution	300,000,000,000	-
- Payable to the parent company - Tan Thuan Project	134,899,329,954	134,899,329,954
- Others	124,595,900	40,056,000
Third parties	25,168,208,795	23,870,400,661
	<u>460,192,134,649</u>	<u>158,809,786,615</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19 BORROWINGS

(a) Short-term

	As at 1/1/2023 VND	Increase VND	Current portion of long-term borrowings VND	Decrease VND	Foreign exchange differences VND	As at 31/12/2023 VND
Short-term borrowings						
Borrowings from banks (*)	1,521,601,871,540	3,999,407,301,859	-	(3,584,859,181,797)	(2,975,000,000)	1,933,174,991,602
Current portion of long-term borrowings						
Borrowings from banks (*)	13,108,315,080	-	20,541,046,596	(13,108,315,080)	-	20,541,046,596
	<u>1,534,710,186,620</u>	<u>3,999,407,301,859</u>	<u>20,541,046,596</u>	<u>(3,597,967,496,877)</u>	<u>(2,975,000,000)</u>	<u>1,953,716,038,198</u>

(b) Long-term

	As at 1/1/2023 VND	Increase VND	Current portion of long-term borrowings VND	Decrease VND	Foreign exchange differences VND	As at 31/12/2023 VND
Borrowings from banks (*)	<u>67,374,632,901</u>	<u>-</u>	<u>(20,541,046,596)</u>	<u>-</u>	<u>-</u>	<u>46,833,586,305</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19 BORROWINGS (CONTINUED)

- (*) Included unsecured borrowings from commercial banks with interest rate from 1.2% to 10.5%/annum (2022: 1% to 7.9 %/annum). Detailed balances of borrowings as at year end are as follows:

Banks	31/12/2023 VND	31/12/2022 VND
<i>Short-term borrowings</i>		
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Operation Center Branch	399,876,702,645	381,810,163,986
BNP Paribas – Hanoi Branch	366,779,578,492	441,095,165,683
J.P. Morgan Chase Bank, N.A. - Ho Chi Minh Branch	326,611,485,211	-
MUFG Bank, Ltd. – Hanoi Branch	294,163,818,942	115,334,109,345
HSBC Bank (Vietnam) Ltd.	222,699,676,093	92,557,867,824
Citibank, N.A – Hanoi Branch	-	201,512,559,860
Other banks	323,043,730,219	289,292,004,842
	<u>1,933,174,991,602</u>	<u>1,521,601,871,540</u>
<i>Current portion of long-term borrowings</i>		
Tien Phong Commercial Joint Stock Bank	<u>20,541,046,596</u>	<u>13,108,315,080</u>
<i>Long-term borrowings</i>		
Tien Phong Commercial Joint Stock Bank	<u>46,833,586,305</u>	<u>67,374,632,901</u>
	<u>2,000,549,624,503</u>	<u>1,602,084,819,521</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20 PROVISIONS

	31/12/2023 VND	31/12/2022 VND
(a) Short-term		
Provision for warranty	6,252,922,505	7,292,713,227
Others	11,117,886,399	26,959,657,023
	<u>17,370,808,904</u>	<u>34,252,370,250</u>
(b) Long-term		
Provision for warranty	<u>2,137,205,219</u>	<u>2,763,464,633</u>

21 OWNER'S CAPITAL

	<u>Chartered and contributed capital</u> VND	%
FPT Corporation	<u>1,100,000,000,000</u>	<u>100</u>

Pursuant to the 30th amendment to the Enterprise Registration Certificate No. 0104128565 dated 20 September 2023, the chartered capital of the Company is VND 1,100,000,000,000 which has been fully contributed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22 MOVEMENT IN OWNER'S EQUITY

	Owner's capital VND	Foreign exchange differences VND	Undistributed earnings VND	Non-control Interests VND	Total VND
As at 1 January 2022	850,000,000,000	616,632,613	413,102,820,088	61,028,033,771	1,324,747,486,472
Capital increase during the year	250,000,000,000	-	-	-	250,000,000,000
Net profit for the year	-	-	331,014,741,793	5,261,629,490	336,276,371,283
Appropriation to Bonus and welfare fund	-	-	(33,101,474,179)	-	(33,101,474,179)
Profit distributed	-	-	(240,000,000,000)	(1,203,795,000)	(241,203,795,000)
Others	-	264,265,161	-	-	264,265,161
As at 31 December 2022	1,100,000,000,000	880,897,774	471,016,087,702	65,085,868,261	1,636,982,853,737
Net profit for the year	-	-	343,057,619,883	11,407,035	343,069,026,918
Appropriation to Bonus and welfare fund (*)	-	-	(34,305,761,983)	-	(34,305,761,983)
Profit distributed (**)	-	-	(300,000,000,000)	(2,102,895,000)	(302,102,895,000)
Others	-	216,279,094	-	2,393,929,900	2,610,208,994
As at 31 December 2023	1,100,000,000,000	1,097,176,868	479,767,945,602	65,388,310,196	1,646,253,432,666

(*) Appropriation to the bonus and welfare fund has made in accordance with the Decision No.1545/2023/QĐ-FIS dated 31 December 2023.

(**) The Company distributed profits to the owner with a total amount of VND 300,000,000,000 pursuant to the Decision No.284/QĐ/FPT dated 31 December 2023. The profit distribution has not been paid by the Company to the owner and is recorded as other payables on the financial statements (Note 18).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

23 OFF BALANCE SHEET ITEMS

	31/12/2023 VND	31/12/2022 VND
Consignment goods		
Customers' consignment goods	101,894,297,738	143,025,381,333
Foreign currency		
USD	1,377,299	2,935,963
EUR	-	1,428
JPY	1,857,523	646,398
BDT	115,890,429	58,255,740

24 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2023 VND	2022 VND
Revenue		
Revenue from sales of goods	4,117,659,172,024	4,221,864,394,961
Sale revenue from software development	1,478,818,492,214	1,328,213,455,586
Sale revenue from IT services	1,131,084,353,447	1,035,679,451,693
	6,727,562,017,685	6,585,757,302,240
Sales deductions		
Sale allowances	(1,829,441,091)	-
Sale returns	(678,876,000)	(163,583,332)
Trade discounts	(48,112,500)	-
	(2,556,429,591)	(163,583,332)
Net revenue from sales of goods and rendering of services (*)		
Revenue from sales of goods	4,115,102,742,433	4,221,700,811,629
Sale revenue from software development	1,478,818,492,214	1,328,213,455,586
Sale revenue from IT services	1,131,084,353,447	1,035,679,451,693
	6,725,005,588,094	6,585,593,718,908

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

25 COST OF GOODS SOLD AND SERVICES RENDERED

	2023 VND	2022 VND
Cost of goods sold	3,562,742,783,901	3,704,617,329,137
Cost of services rendered	1,779,351,913,330	1,619,706,889,248
(Reversal of provision)/provision for decline in value of inventories	(3,869,346,598)	905,550,790
	<u>5,338,225,350,633</u>	<u>5,325,229,769,175</u>

26 FINANCIAL INCOME

	2023 VND	2022 VND
Interest income from deposits and lendings	168,179,158,391	97,028,973,959
Foreign exchange gains	32,518,141,709	78,940,359,814
	<u>200,697,300,100</u>	<u>175,969,333,773</u>

27 FINANCIAL EXPENSES

	2023 VND	2022 VND
Interest expense	105,065,386,057	53,370,882,936
Foreign exchange losses	18,210,926,429	78,572,594,780
	<u>123,276,312,486</u>	<u>131,943,477,716</u>

28 SELLING EXPENSES

	2023 VND	2022 VND
Staff costs	462,486,675,365	255,958,133,370
External services	141,949,135,611	64,758,757,255
Depreciation	19,541,278,172	18,250,356,317
Others	53,394,629,360	49,461,210,306
	<u>677,371,718,508</u>	<u>388,428,457,248</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

29 GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
Staff costs	242,377,351,933	249,528,815,897
External services	76,778,853,440	82,080,630,029
Provisions for doubtful debts	28,263,665,558	170,485,284,478
Depreciation	13,033,640,470	220,077,882
Others	44,058,266,586	14,584,926,754
	<u>404,511,777,987</u>	<u>516,899,735,040</u>

30 OTHER INCOME AND OTHER EXPENSES

	2023 VND	2022 VND
Other income		
Gains on disposals of fixed assets	1,301,960,991	353,731,819
Rewards received from business partners	44,256,073,811	40,639,943,842
Others	5,243,470,654	13,665,584,613
	<u>50,801,505,456</u>	<u>54,659,260,274</u>
Other expenses		
Losses on disposals of fixed assets	(1,057,688,264)	-
Penalties and fines	(3,082,733,785)	(18,428,402,997)
Others	(1,499,123,705)	(819,968,863)
	<u>(5,639,545,754)</u>	<u>(19,248,371,860)</u>
Net other income	<u>45,161,959,702</u>	<u>35,410,888,414</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

31 BUSINESS INCOME TAX (“BIT”)

The BIT tax on the Company and subsidiaries’ accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2023 VND	2022 VND
Net accounting profit before tax	427,479,688,282	434,472,501,916
Tax calculated at a rate of 20%	85,495,937,656	86,894,500,383
Effect of:		
Expenses not deductible for tax purposes	1,048,148,707	326,525,255
Temporary differences for which no deferred tax was recognised	585,495,011	16,902,273,589
Tax deductions	(4,269,112,845)	(5,897,963,779)
Others	1,550,192,835	(29,204,815)
BIT charge (*)	<u>84,410,661,364</u>	<u>98,196,130,633</u>
Charged to the consolidated income statement:		
BIT – current	77,669,708,498	127,690,470,984
BIT – deferred	6,740,952,866	(29,494,340,351)
	<u>84,410,661,364</u>	<u>98,196,130,633</u>

(*) The BIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

32 COSTS OF OPERATION BY FACTOR

	2023 VND	2022 VND
Raw materials and merchandise	3,517,844,722,364	3,607,037,158,729
External services	1,393,718,646,425	1,243,617,117,587
Staff costs	1,271,018,484,347	1,072,374,858,345
Depreciation	88,124,563,046	45,146,646,116
Others	103,938,582,909	254,106,484,529
	<u>6,374,644,999,091</u>	<u>6,222,282,265,306</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

33 RELATED PARTY DISCLOSURES

During the year, the Company had transactions with the following major related parties:

Related parties (*)	Relationship
FPT Corporation	Parent Company
FPT Software Co., Ltd.	Fellow group subsidiaries
FPT Education Company Limited	Fellow group subsidiaries
FPT Telecom Joint Stock Company	Fellow group subsidiaries
FPT Smart Cloud Co., Ltd.	Fellow group subsidiaries
FPT Digital Co., Ltd.	Fellow group subsidiaries
FPT Investment Co., Ltd.	Fellow group subsidiaries
FPT Digital Retail Joint Stock Company	Fellow group associate
Synnex FPT Joint Stock Company	Fellow group associate
Board of Management, Board of Directors, Supervisory Board and other managers	Key management personnel

(*) *Figures of a related party presented in this Note include the figures of that related party company and its affiliated subsidiaries (if any).*

(a) Related party transactions

Primary transactions with related parties incurred in the year are:

	2023 VND	2022 VND
i) Revenue from sales of goods and rendering of services		
FPT Software Co., Ltd.	338,797,280,134	359,338,467,761
FPT Telecom Joint Stock Company	328,862,453,671	343,553,638,851
FPT Smart Cloud Co., Ltd.	137,703,275,693	86,232,337,306
FPT Corporation	77,326,986,671	74,546,040,351
FPT Digital Retail Joint Stock Company	20,847,892,285	23,349,012,265
Others	24,632,690,788	8,673,498,989
	<u>928,170,579,242</u>	<u>895,692,995,523</u>
ii) Purchases of goods and services		
Synnex FPT Joint Stock Company	584,724,708,586	920,799,780,759
FPT Software Co., Ltd.	37,050,077,375	355,392,482,777
FPT Telecom Joint Stock Company	69,504,149,908	79,413,965,531
Others	134,674,620,583	87,604,874,869
	<u>825,953,556,452</u>	<u>1,443,211,103,936</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

33 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

		2023 VND	2022 VND
iii)	Lendings FPT Corporation	3,256,000,000,000	3,420,000,000,000
iv)	Collections of lendings FPT Corporation	3,132,000,000,000	4,030,000,000,000
v)	Interest from lendings FPT Corporation	111,206,983,549	80,211,863,300
vi)	Capital contributions (Note 22) FPT Corporation	-	250,000,000,000
vii)	Interest expense FPT Corporation	-	312,817,724
viii)	Loan repayments FPT Corporation	-	171,825,000,000
ix)	Subsidiary acquisition (Note 3) FPT Software Co., Ltd.	13,326,515,077	-
x)	Profit distribution (Note 22) FPT Corporation	300,000,000,000	240,000,000,000
xi)	Other transactions FPT Telecom Joint Stock Company FPT Investment Co., Ltd FPT Corporation	68,942,998 28,181,818 -	93,158,021 - 7,500,000
		97,124,816	100,658,021
xii)	Compensation of key management Gross salaries and other benefits	7,707,848,000	8,575,010,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

33 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Year end balances with related parties

	31/12/2023 VND	31/12/2022 VND
i) Deposits at Central Account of parent company (Note 4)		
FPT Corporation	483,979,895,506	379,038,254,459
ii) Short-term trade accounts receivable (Note 6)		
FPT Corporation	34,961,899,922	38,792,356,686
FPT Software Co., Ltd.	18,361,326,679	30,938,178,826
FPT Telecom Joint Stock Company	7,588,155,397	90,067,525,544
FPT Digital Retail Joint Stock Company	3,457,178,883	450,984,500
FPT Smart Cloud Co., Ltd.	2,330,958,210	17,197,278,830
Others	1,900,448,102	459,594,900
	68,599,967,193	177,905,919,286
iii) Short-term prepayments to suppliers		
FPT Services Co., Ltd.	239,978,970	-
FPT Digital Retail Joint Stock Company	20,505,600	-
FPT Software Co., Ltd.	-	9,080,996,400
FPT Telecom Joint Stock Company	-	760,586,393
	260,484,570	9,841,582,793
iv) Short-term lendings (Note 8)		
FPT Corporation	1,450,000,000,000	1,320,000,000,000
v) Other receivables		
FPT Corporation	25,913,712,313	16,537,150,971
FPT Investment Co., Ltd.	16,119,000	-
	25,929,831,313	16,537,150,971
vi) Short-term trade accounts payable (Note 14)		
Synnex FPT Joint Stock Company	89,036,301,395	154,692,613,204
FPT Software Co., Ltd.	43,895,820,018	59,304,166,435
FPT Smart Cloud Co., Ltd.	17,507,308,722	6,008,609,379
FPT Telecom Joint Stock Company	11,036,863,716	12,865,688,622
Others	11,990,652,904	8,604,097,137
	173,466,946,755	241,475,174,777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

33 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Year end balances with related parties (continued)

	31/12/2023 VND	31/12/2022 VND
vii) Short-term advances from customers (Note 15)		
FPT Smart Cloud Co., Ltd.	2,523,698,250	76,809,150
FPT Software Co., Ltd.	100,950,005	-
FPT Telecom Joint Stock Company	8,800,000	15,620,000
FPT Education Company Limited	-	184,869,240
Others	489,118	-
	<u>2,633,937,373</u>	<u>277,298,390</u>
viii) Other short-term payables (Note 18)		
FPT Corporation	434,899,329,954	134,899,329,954
Others	124,595,900	40,056,000
	<u>435,023,925,854</u>	<u>134,939,385,954</u>

34 OPERATING COMMITMENTS

The Company must pay the minimum rates for future irrevocable warehouse and office lease contracts as follows:

	31/12/2023 VND	31/12/2022 VND
Warehouse and office rentals		
Within 1 year	56,381,482,706	52,088,229,040
From 1 year to 5 years	27,315,837,758	79,258,205,196
More than 5 years	2,968,195,860	4,023,554,388
Total minimum payments	<u>86,665,516,324</u>	<u>135,369,988,624</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

35 CONTINGENT LIABILITIES

RESTORATION OBLIGATION OF LAND LEASE

The Company and its subsidiaries signed land rental contracts and has carried out the construction of buildings and infrastructure on lands. The land rental contracts do not state explicitly the obligations of the Company and its subsidiaries for land restoration at the end of the lease terms. The Board of Management assessed that the Company and its subsidiaries may have future obligations related to dismantling and removing the assets of the Company and its subsidiaries on lands and restoring the lands to their original conditions at the end of rental periods. However, these obligations can only be ascertained when there are future events in the future, such as the further discussion with lessors or when the governmental authority promulgates additional legal documents for clarifying the lessee's obligation when land rental contracts do not explicitly state the land restoration obligation of lease. Therefore, the Company and its subsidiaries did not recognise provisions for land restoration obligations in the consolidated financial statements for the year ended 31 December 2023.

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2023 were approved by the Company's Chief Finance Officer on 29 February 2024.



Doan Thi Ngoc Cam
Preparer



Tran Khuong
Chief Accountant



Dau Tran Trung
Chief Finance Officer
Authorised Signatory