



FPT INFORMATION SYSTEM CORPORATION

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2011



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FPT INFORMATION SYSTEM CORPORATION

101 Lang Ha, Dong Da District
Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of FPT Information System Corporation (“the Corporation”) presents this report together with the Corporation’s consolidated financial statements for the year ended 31 December 2011. According to the Business Registration Certificate No. 0104128565 dated 9 September 2011 issued by Hanoi Department of Planning and Investment, the Corporation officially changed ownership form from joint-stock company to one member limited liability company. The Corporation decided to prepare its consolidated financial statements for the year ended 31 December 2011 including the consolidated financial statements of previous period before the Corporation’s being converted into one member limited liability company (from 1 January 2011 to 9 September 2011).

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 at the date of this report are as follows:

Members’ Council

Mr. Do Cao Bao Chairman

Board of Directors

Mr. Duong Dung Trieu	General Director
Mr. Nguyen Tuan Hung	Deputy General Director
Mr. Phung Viet Thang	Deputy General Director
Mr. Le Thanh Trung	Deputy General Director
Mr. Do Son Giang	Deputy General Director

BOARD OF DIRECTORS’ STATEMENT OF RESPONSIBILITY

The Board of Directors of the Corporation is responsible for preparing the consolidated financial statements of each year, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the year. 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 Company and to ensure that the consolidated financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam. 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,



Duong Dung Trieu
General Director

05 March 2012

No.: 990 /Deloitte-AUDHN-RE

AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheet of FPT Information System Corporation ("the Corporation") as at 31 December 2011, the related consolidated statements of income and cash flows for the year then ended, and the notes thereto (collectively referred to as "the consolidated financial statements"), as set out from page 3 to page 21. 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.

Respective Responsibilities of the Board of Directors and Auditors

As stated in the Statement of the Board of Directors on page 1, these consolidated financial statements are the responsibility of the Corporation's Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Basis of Opinion

We have conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the financial position of the Corporation as at 31 December 2011 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.

We would like to draw users' attention to the following issue: As presented in Note 2 of the Notes to the consolidated financial statements, the Corporation has changed ownership form from joint-stock company to one member limited liability company since 9 September 2011 and the Corporation decided to prepare its consolidated financial statements for the year ended 31 December 2011 including the consolidated financial statements of the previous period before the Corporation's being converted into one member limited liability company. According to the Board of Directors of the Corporation, the preparation of consolidated financial statements with the accounting period mentioned above will reflect more appropriately the operations of the Corporation and does not have material effect on the users of the consolidated financial statements.



Tran Thi Thuy Ngoc
Deputy General Director
CPA Certificate No. D.0031/KTV

**For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED**

05 March 2012
Hanoi, S.R. Vietnam

Tran Huy Cong
Auditor
CPA Certificate No. 0891/KTV

CONSOLIDATED BALANCE SHEET

As at 31 December 2011

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2011	31/12/2010
A. CURRENT ASSETS (100=110+120+130+140+150)	100		2,820,121,046,165	1,938,803,832,028
I. Cash and cash equivalents	110	5	528,296,441,594	469,538,292,621
1. Cash	111		469,057,847,945	218,502,763,634
2. Cash equivalents	112		59,238,593,649	251,035,528,987
II. Short-term financial investments	120		51,454,796,054	53,085,534,645
1. Short-term investments	121		51,454,796,054	53,085,534,645
III. Short-term receivables	130		1,644,532,908,768	1,140,509,484,602
1. Trade accounts receivable	131		1,209,080,384,372	783,643,863,074
2. Advances to suppliers	132		69,813,584,965	99,088,544,802
3. Inter-company receivables	133	26	37,568,995,661	25,580,427,305
4. Receivables from construction contracts under	134	6	208,768,519,606	136,174,286,595
5. Other receivables	135	7	130,542,312,836	97,212,037,919
6. Provision of short-term doubtful debts	139		(11,240,888,672)	(1,189,675,093)
IV. Inventories	140	8	561,486,120,699	239,681,144,548
1. Inventories	141		561,659,752,834	239,955,471,037
2. Provision for devaluation of inventories	149		(173,632,135)	(274,326,489)
V. Other short-term assets	150		34,350,779,050	35,989,375,612
1. Short-term prepayments	151		10,097,382,352	17,601,417,592
2. Value added tax deductibles	152		17,546,835,410	12,369,144,881
3. Other short-term assets	158		6,706,561,288	6,018,813,139
B. NON-CURRENT ASSETS (200=220+260)	200		130,915,202,073	115,841,107,877
I. Fixed assets	220		113,054,013,390	98,260,551,225
1. Tangible fixed assets	221	9	89,171,324,097	90,003,765,160
- Cost	222		171,217,564,535	145,226,376,110
- Accumulated depreciation	223		(82,046,240,438)	(55,222,610,950)
2. Intangible fixed assets	227	10	18,080,495,283	8,256,786,065
- Cost	228		29,311,253,280	13,906,906,416
- Accumulated amortisation	229		(11,230,757,997)	(5,650,120,351)
3. Construction in progress	230		5,802,194,010	-
II. Other long-term assets	260		17,861,188,683	17,580,556,652
1. Long-term prepayments	261		14,015,385,976	13,965,537,658
2. Other long-term assets	268		3,845,802,707	3,615,018,994
TOTAL ASSETS (270 = 100 + 200)	270		2,951,036,248,238	2,054,644,939,905

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2011

FORM B 01-DN/HN
Unit: VND

RESOURCES	Codes	Notes	31/12/2011	31/12/2010
A. LIABILITIES (300 = 310+330)	300		1,713,420,041,998	1,220,725,334,795
I. Current liabilities	310		1,672,446,788,820	1,219,870,511,864
1. Short-term loans and liabilities	311	12	622,382,121,524	471,208,816,080
2. Trade accounts payable	312		423,708,815,039	290,082,310,257
3. Advances from customers	313		234,850,063,214	130,213,663,899
4. Taxes and amounts payable to the State budget	314	13	64,339,931,475	49,334,937,802
5. Payables to employees	315		109,085,743,349	63,679,379,688
6. Accrued expenses	316		57,629,180,447	79,891,722,548
7. Inter-company payables	317	26	66,069,394,754	40,103,508,593
8. Payables relating to construction contracts under percentage of completion method	318		16,886,638,003	25,525,538,952
9. Other current payables	319	14	9,468,978,140	6,263,038,322
10. Short-term provisions	320		14,038,851,095	7,112,649,645
11. Bonus and welfare fund	323		32,727,518,742	33,817,239,709
12. Unearned revenue	338		21,259,553,038	22,637,706,369
II. Long-term liabilities	330		40,973,253,178	854,822,931
1. Provision for severance allowance	336		-	2,243,600
2. Unearned revenue	338		7,629,691,000	-
3. Scientific and technological development fund	339		33,343,562,178	852,579,331
B. EQUITY	400		1,188,584,567,786	784,915,774,601
(400=410+430)				
I. Owners' equity	410	15	1,185,834,567,786	782,165,774,601
1. Charter capital	411		450,480,510,000	450,480,510,000
2. Treasury shares	414		-	(140,290,000)
3. Foreign exchange reserve	416		(405,349,543)	-
4. Investment and development fund	417		27,740,764,485	27,740,764,485
5. Retained earnings	420		708,018,642,844	304,084,790,116
II. Other resources and funds	430		2,750,000,000	2,750,000,000
1. Subsidised fund	432		2,750,000,000	2,750,000,000
C. MINORITY INTERESTS	439		49,031,638,454	49,003,830,509
TOTAL RESOURCES (440 = 300+ 400+439)	440		2,951,036,248,238	2,054,644,939,905

OFF BALANCE SHEET ITEMS

		31/12/2011	31/12/2010
1. Goods held under trust	VND	48,353,857,373	50,004,719,142
2. Foreign currencies			
- United States Dollar	USD	2,568,331.21	659,268.37
- Euro	EUR	257.63	257.63
- Japanese Yen	JPY	4,435,449.00	1,721,213.00
- Singapore Dollar	SGD	55,139.21	-



Duong Dung Trieu
General Director

05 March 2012

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Ngo Thi Minh Hue
Chief Accountant

Hau
Nguyen Thi Hau
Preparer

CONSOLIDATED INCOME STATEMENT
 For the year ended 31 December 2011

FORM B 02-DN/HN
 Unit: VND

ITEMS	Codes	Notes	2011	2010
1. Gross revenue	01	16	4,234,357,404,723	3,246,543,083,503
2. Deductions	02	16	945,824,882	2,273,239,262
3. Net revenue (10=01-02)	10	16	4,233,411,579,841	3,244,269,844,241
4. Cost of sales	11	17	3,228,403,894,948	2,449,992,119,330
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		1,005,007,684,893	794,277,724,911
6. Financial income	21	18	79,710,379,595	65,862,072,687
7. Financial expenses	22	19	89,004,673,228	71,187,144,691
- In which: Interest expense	23		26,630,852,672	21,230,242,175
8. Selling expenses	24		177,217,229,495	154,594,952,700
9. General and administration expenses	25		258,983,292,118	166,970,630,593
10. Operating profit (30 = 20+(21-22)-(24+25))	30		559,512,869,647	467,387,069,614
11. Other income	31	20	24,953,488,477	21,721,836,194
12. Other expenses	32	21	5,641,298,159	5,138,186,648
13. Profit from other activities (40=31-32)	40		19,312,190,318	16,583,649,546
14. Accounting profit before tax (50=30+40)	50		578,825,059,965	483,970,719,160
15. Current corporate income tax expense	51	22	104,957,592,878	87,306,887,667
16. Net profit after corporate income tax (60=50-51)	60		473,867,467,087	396,663,831,493
- Attributable to minority interests	61		27,807,945	(946,169,491)
- Attributable to equity holders of the Holding company	62		473,839,659,142	397,610,000,984



Duong Dung Trieu
 General Director

05 March 2012

uhtue
 Ngo Thi Minh Hue
 Chief Accountant

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 Nguyen Thi Hau
 Preparer

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2011

FORM B 03-DN/HN

Unit: VND

ITEMS	Codes	2011	2010
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	578,825,059,965	483,970,719,160
2. Adjustments for:			
Depreciation and amortization	02	33,801,712,897	19,247,152,413
Provisions	03	9,950,519,225	45,736,523
Unrealized foreign exchange loss/(gain)	04	3,163,116,130	(3,396,899,576)
Foreign exchange translation differences		(405,349,543)	-
(Gain) from investing activities	05	(46,477,544,422)	(40,053,606,735)
Interest expense	06	26,630,852,672	21,230,242,175
3. Operating profit before movements in working capital	08	605,488,366,924	481,043,343,960
(Increase) in receivables	09	(505,388,430,167)	(367,137,445,995)
(Increase) in inventories	10	(321,704,281,797)	(66,416,120,966)
Increase/(decrease) in accounts payable (not including accrued interest and corporate income tax payable)	11	360,021,948,482	(132,157,445,011)
Decrease/(increase) in prepaid expenses and other assets	12	7,437,936,482	(10,604,381,600)
Interest paid	13	(26,379,840,247)	(16,725,168,398)
Corporate income tax paid	14	(89,548,873,309)	(67,656,868,502)
Other cash outflows	16	(49,880,480,963)	(27,881,419,912)
Net cash (used in)/from operating activities	20	(19,953,654,595)	(207,535,506,424)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets and other long-term assets	21	(48,912,690,124)	(71,582,298,974)
2. Proceeds from sales, disposal of fixed assets	22	476,034,328	669,097,424
3. Cash outflow for lending	23	-	(50,363,199,535)
4. Cash recovered from lending	24	565,666,670	-
5. Interest earned, dividends and profit received	27	34,170,647,079	32,485,822,376
Net cash (used in) investing activities	30	(13,700,342,047)	(88,790,578,709)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from receiving capital from owners	31	250,990,000	12,982,510,000
2. Proceeds from receiving capital from minority interests		-	49,950,000,000
3. Buying treasury shares	32	(110,700,000)	(140,000,000)
4. Proceeds from borrowings	33	1,774,651,241,011	1,517,107,369,647
5. Repayment of borrowings	34	(1,660,861,606,448)	(1,340,521,282,279)
6. Dividends paid	36	(22,521,840,500)	(45,446,109,000)
Net cash from financing activities	40	91,408,084,063	193,932,488,368
Net increase (decrease) in cash	50	57,754,087,421	(102,393,596,765)
Cash and cash equivalents at beginning of the year	60	469,538,292,621	571,924,634,457
Effect of changes in foreign exchange rates	61	1,004,061,552	7,254,929
Cash and cash equivalents at end of the year	70	528,296,441,594	469,538,292,621



Duong Dung Trieu
General Director

05 March 2012

usult
Ngo Thi Minh Hue
Chief Accountant

Tbau
Nguyen Thi Hau
Preparer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

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

1. GENERAL INFORMATION

Structure of ownership

FPT Information System Corporation - Company Limited. ("the Corporation"), formerly known as FPT Information System Corporation - Joint-stock Company, changed its ownership form in accordance the Resolution dated 06 May 2011 issued by the Board of Management of FPT Corporation. The Corporation was granted the first Business Registration Certificate No.0104128565 dated 13 August 2009 by Hanoi Department of Planning and Investment. According to its tenth amendment dated 14 November 2011, the Corporation's charter capital is VND 450,480,510,000.

As at 31 December 2011, the Corporation had 12 subsidiaries and two branches in Ho Chi Minh City and Da Nang City.

The number of employees as at 31 December 2011 was 2,432 (31 December 2010: 2,354).

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;
- Producing computers and peripheral devices;
- Installing industrial machines 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 service;
- Providing information technology and other information services.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

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, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.

The Corporation has changed ownership form from joint-stock company to one member limited liability company since 9 September 2011 and the Corporation decided to prepare its consolidated financial statements for the year ended 31 December 2011 including the financial statements of the previous period before being converted into one member limited liability company. According to the Board of Directors of the Corporation, the preparation of the consolidated financial statements with the accounting period mentioned above will reflect more appropriately the operations of the Corporation and does not have material effect on the users of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD (Continued)

Accounting period

The Corporation's financial year begins on 1 January and ends on 31 December.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 06 November 2009, the Ministry of Finance issued Circular No.210/2009/TT-BTC ("Circular 210") guiding the application of International Financial Reporting Standards on presentation of financial statements and disclosures of financial instruments. The adoption of Circular 210 requires disclosures of certain financial instruments as well as the effect thereof on the financial statements. This Circular is effective for the financial year ending on or after 31 December 2011. The Corporation has adopted Circular 210 and additional notes on this application to the financial statements for the year ended 31 December 2011 are set out in the Note 24.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System and relevant regulations in Vietnam 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. Actual results could differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December each year. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Corporation except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Corporation comprise cash, short-term deposits, trade and other receivables.

Financial liabilities

At the date of initial recognition financial liabilities are recognized at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Corporation comprise trade and other payables, debts and borrowings.

Re-measurement after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

Cash and cash equivalents

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

Provision for doubtful debts

Provision for doubtful debts is made for receivables that are overdue for six months or more and recover is unlikely, 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.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	<u>2011</u> <u>(years)</u>
Machinery and equipment	5 - 25
Motor vehicles	4 - 6
Office equipment	3 - 5
Other fixed assets	3 - 5

Intangible fixed assets and amortisation

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

Long-term prepayments

Long-term prepayments comprise costs of small tools, supplies and spare parts issued for consumption, which are expected to provide future economic benefits to the Company for more than one year. These expenditures have been capitalised as long-term prepayments, and are allocated to the consolidated income statement using the straight-line method over the period of no more than three years in accordance with the current prevailing accounting regulations.

Revenue recognition

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

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

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

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

Revenue of a transaction involving the rendering of service is recognised in the consolidated financial statement by reference to the percentage of completion of transaction at the end of the period. The percentage of completion is assessed by performance. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement. Unrealised exchange gains at the balance sheet date are not treated as part of distributable profit to owners.

Borrowing costs

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.

All other borrowing costs are recognised in the consolidated income statement when incurred.

Provisions

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.

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 net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis. The Corporation did not recognise deferred tax since there were no significant differences between carrying amount of assets and liabilities in the consolidated balance sheet and the corresponding tax bases as at 31 December 2011.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

5. CASH AND CASH EQUIVALENTS

	31/12/2011	31/12/2010
	VND	VND
Cash on hand	1,208,719,753	881,237,358
Cash in bank	467,849,128,192	217,621,526,276
Cash equivalents	59,238,593,649	251,035,528,987
	<u>528,296,441,594</u>	<u>469,538,292,621</u>

6. RECEIVABLES FROM CONSTRUCTION CONTRACTS UNDER PERCENTAGE OF COMPLETION METHOD

The Corporation has progress contracts with revenue recognized under percentage of completion method as follows:

	31/12/2011	31/12/2010
	VND	VND
Contract costs incurred plus recognised profits	1,279,518,037,795	1,134,914,438,445
less recognised losses to date		
Less: Progress billings	(1,070,749,518,189)	(998,740,151,850)
	<u>208,768,519,606</u>	<u>136,174,286,595</u>

7. OTHER RECEIVABLES

	31/12/2011	31/12/2010
	VND	VND
Receivables from maintenance service contracts in progress	117,681,050,907	74,338,639,766
Other receivables	12,861,261,929	22,873,398,153
	<u>130,542,312,836</u>	<u>97,212,037,919</u>

8. INVENTORIES

	31/12/2011	31/12/2010
	VND	VND
Goods in transit	33,792,631,821	53,982,376,698
Tools and supplies	1,552,665	15,739,835
Work in progress	382,160,409,393	85,470,762,908
Merchandise	143,427,017,875	100,486,591,596
Goods on consignment	2,278,141,080	-
Total	<u>561,659,752,834</u>	<u>239,955,471,037</u>
Provision for devaluation of inventories	(173,632,135)	(274,326,489)
Net realisable value	<u>561,486,120,699</u>	<u>239,681,144,548</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

9. TANGIBLE FIXED ASSETS

	Machinery, Equipment VND	Motor Vehicles VND	Office Equipment VND	Other fixed assets VND	Total VND
COST					
As at 1/1/2011	81,834,889,463	8,869,395,012	53,652,512,795	869,578,840	145,226,376,110
Purchases for the year	21,923,756,528	-	5,782,392,722	-	27,706,149,250
Purchases using Scientific and Technological development fund	-	-	1,897,514,918	-	1,897,514,918
Other additions	-	-	69,895,410	-	69,895,410
Disposals	-	(360,770,638)	(2,782,960,741)	-	(3,143,731,379)
Other decreases	-	-	(538,639,774)	-	(538,639,774)
As at 31/12/2011	103,758,645,991	8,508,624,374	58,080,715,330	869,578,840	171,217,564,535
ACCUMULATED DEPRECIATION					
As at 1/1/2011	12,672,320,963	3,188,761,216	38,496,710,575	864,818,196	55,222,610,950
Charge for the year	19,841,780,392	1,306,324,421	7,958,476,138	4,760,644	29,111,341,595
Charge to purchases using Scientific and Technological development fund	-	-	916,293,866	-	916,293,866
Other additions	-	-	14,365,487	-	14,365,487
Disposals	-	(360,770,638)	(2,358,240,531)	-	(2,719,011,169)
Other decreases	-	-	(499,360,291)	-	(499,360,291)
As at 31/12/2011	32,514,101,355	4,134,314,999	44,528,245,244	869,578,840	82,046,240,438
NET BOOK VALUE					
As at 31/12/2011	71,244,544,636	4,374,309,375	13,552,470,086	-	89,171,324,097
As at 31/12/2010	69,162,568,500	5,680,633,796	15,155,802,220	4,760,644	90,003,765,160

As at 31 December 2011, the cost of the Corporation's tangible fixed assets includes VND 28,635 million (31 December 2010: VND 28,141 million) of assets which have been fully depreciated but are still in use.

10. INTANGIBLE FIXED ASSETS

	Computer software VND	Copyright, patents VND	Total VND
COST			
As at 01/01/2011	11,236,107,375	2,670,799,041	13,906,906,416
Purchases for the year	14,830,140,564	574,206,300	15,404,346,864
Purchase using Scientific and Technological development fund	-	-	-
As at 31/12/2011	26,066,247,939	3,245,005,341	29,311,253,280
ACCUMULATED AMORTIZATION			
As at 01/01/2011	5,427,553,768	222,566,583	5,650,120,351
Charge for the year	4,680,801,197	9,570,117	4,690,371,314
Charge to purchase using Scientific and Technological development fund	-	890,266,332	890,266,332
As at 31/12/2011	10,108,354,965	1,122,403,032	11,230,757,997
NET BOOK VALUE			
As at 31/12/2011	15,957,892,974	2,122,602,309	18,080,495,283
As at 31/12/2010	5,808,553,607	2,448,232,458	8,256,786,065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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11. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 31 December 2011 are as follows:

Name of company	Place of establishment	Proportion of interest (%)	Proportion of voting right (%)	Principal activities	Investment as at 31/12/2011 VND	Investment as at 31/12/2010 VND
FPT ERP Services Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	10,000,000,000	10,000,000,000
FPT Information System of Financing and Banking Services Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	100,000,000,000	100,000,000,000
FPT FSE Information System Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	60,000,000,000	60,000,000,000
FPT Software Development Company Limited	HCM city	100%	100%	Provide system integration, software and information technology services	6,000,000,000	6,000,000,000
FPT Information System Services Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	16,000,000,000	16,000,000,000
FPT Information System of Telecom & Public Services Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	65,000,000,000	65,000,000,000
FPT Public Finance Solution Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	10,000,000,000	10,000,000,000
FPT Information System of The South Company Limited	HCM city	100%	100%	Provide system integration, software and information technology services	22,000,000,000	22,000,000,000
Telehouse International Corporation of Vietnam	Hanoi	51%	51%	Provide data center services	51,988,780,000	51,988,780,000
FPT Information System Campuchia Company Limited	Campuchia	100%	100%	Provide system integration, software and information technology services	833,360,000	-
FPT Information System Singapore Company Limited	Singapore	100%	100%	Provide system integration, software and information technology services	10,417,000,000	-
					352,239,140,000	340,988,780,000

According to Resolution No. 01.11-2011/NQ-HDQT dated 1 November 2011 of the Board of Directors of FPT Corporation, FPT Corporation agreed that FPT Information System Corporation established a subsidiary – FPT Technology Solutions Ltd. with the Corporation's estimated capital contribution of VND 40 billion. FPT Technology Solutions Ltd. has been granted Business Registration Certificate No.0311446301, firstly registered on 28 December 2011 by Ho Chi Minh Department of Planning and Investment. As 31 December 2011, the Corporation had not made capital contribution to this subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
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12. SHORT-TERM LOANS AND LIABILITIES

	31/12/2011	31/12/2010
	VND	VND
Short-term borrowings	622,382,121,524	471,208,816,080
	<u>622,382,121,524</u>	<u>471,208,816,080</u>

Short-term borrowings represent borrowings from banks in the form of Letter of Credit. These borrowings, which may be withdrawn in VND or USD, are unsecured and bear the interest rate specified for each withdrawal. Details of outstanding principals borrowed from banks as at 31 December 2011 are as follows:

	31/12/2011	31/12/2010
	VND	VND
Tien Phong Commercial Joint Stock Bank	-	12,300,000,000
CitiBank	390,395,953,884	334,067,565,000
Bank for Investment and Development of Vietnam	30,746,558,519	52,757,114,085
HSBC Bank Ltd. (Vietnam)	201,239,609,121	72,084,136,995
	<u>622,382,121,524</u>	<u>471,208,816,080</u>

13. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	31/12/2011	31/12/2010
	VND	VND
Value added tax	13,519,827,999	12,941,109,451
Import, export duties	1,491,832,334	1,763,888,062
Corporate income tax	48,221,142,459	32,812,422,890
Personal income tax	1,020,244,418	1,317,975,796
Withholding tax	86,884,265	499,541,603
	<u>64,339,931,475</u>	<u>49,334,937,802</u>

14. OTHER CURRENT PAYABLES

	31/12/2011	31/12/2010
	VND	VND
Social, unemployment and health insurance	2,651,788,560	398,785,339
Trade union fees	2,094,209,094	1,475,895,055
Other payables	4,722,980,486	4,388,357,928
	<u>9,468,978,140</u>	<u>6,263,038,322</u>

FPT INFORMATION SYSTEM CORPORATION

 101 Lang Ha, Dong Da District
 Hanoi, S.R. Vietnam

Consolidated financial statements
 For the year ended 31 December 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements
15. OWNERS' EQUITY

Movement in owners' equity:

	Charter capital VND	Treasury shares VND	Foreign exchange reserve VND	Investment and development fund VND	Retained earnings VND	Total VND
As at 01/01/2010	350,000,000,000	-	-	7,860,264,436	98,624,495,404	456,484,759,840
Capital addition	12,982,510,000	-	-	-	-	12,982,510,000
Profit for the year	-	-	-	-	397,610,000,984	397,610,000,984
Profit distribution	-	-	-	19,880,500,049	(59,641,500,147)	(39,761,000,098)
Buying treasury shares	-	(140,290,000)	-	-	-	(140,290,000)
Dividends declared	87,498,000,000	-	-	-	(132,542,922,000)	(45,044,922,000)
Others	-	-	-	-	34,715,875	34,715,875
As at 31/12/2010	450,480,510,000	(140,290,000)	-	27,740,764,485	304,084,790,116	782,165,774,601
Profit in the year	-	-	-	-	473,839,659,142	473,839,659,142
Buying treasury shares	-	(110,700,000)	-	-	-	(110,700,000)
Profit distributed to funds (i)	-	-	-	-	(47,383,965,914)	(47,383,965,914)
Dividends declared (ii)	-	-	-	-	(22,521,840,500)	(22,521,840,500)
Others	-	250,990,000	(405,349,543)	-	-	(154,359,543)
As at 31/12/2011	450,480,510,000	-	(405,349,543)	27,740,764,485	708,018,642,844	1,185,834,567,786

(i) According to decision of the Members' Council date 31 December 2011, the Corporation has distributed 2011 profit after tax to bonus and welfare fund at the rate of 10%.

(ii) The Corporation declared second payment of dividend from 2010 profit after tax at the rate of 5%/ share.

Charter capital:

Under the Corporation's 10th amended Business Registration Certificate dated 14 November 2011, the charter capital of the Corporation is VND 450,480,510,000. As 31 December 2011, the charter capital of the Corporation had been fully contributed by its owner, FPT Corporation.

16. REVENUE

	2011 VND	2010 VND
Sales	4,234,357,404,723	3,246,543,083,503
Sales of goods	3,297,562,238,980	2,479,057,819,781
Sales of services	936,795,165,743	767,485,263,722
Less deductions	945,824,882	2,273,239,262
Sales return	945,824,882	2,273,239,262
Net sales	4,233,411,579,841	3,244,269,844,241

17. COST OF SALES

	2011 VND	2010 VND
Cost of goods sold	2,617,576,344,387	2,003,791,965,696
Cost of services rendered	610,808,218,008	446,191,535,459
Provision for devaluation of inventories	19,332,553	8,618,175
	3,228,403,894,948	2,449,992,119,330

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

18. FINANCIAL INCOME

	<u>2011</u> <u>VND</u>	<u>2010</u> <u>VND</u>
Bank interest	35,798,985,379	34,234,935,353
Foreign exchange gain	33,284,149,291	25,421,291,171
Others	10,627,244,925	6,205,846,163
	<u>79,710,379,595</u>	<u>65,862,072,687</u>

19. FINANCIAL EXPENSES

	<u>2011</u> <u>VND</u>	<u>2010</u> <u>VND</u>
Interest expense	26,630,852,672	21,230,242,175
Foreign exchange loss	62,373,820,556	49,956,902,516
	<u>89,004,673,228</u>	<u>71,187,144,691</u>

20. OTHER INCOME

	<u>2011</u> <u>VND</u>	<u>2010</u> <u>VND</u>
Proceeds from disposal of fixed assets	476,034,328	669,097,424
Bonus and commission	20,418,834,952	18,519,744,593
Others	4,058,619,197	2,532,994,177
	<u>24,953,488,477</u>	<u>21,721,836,194</u>

21. OTHER EXPENSES

	<u>VND</u>	<u>VND</u>
Loss from disposal of fixed assets	128,533,110	618,885,551
Penalty in breach of contracts	2,021,945,244	2,499,062,186
Others	3,490,819,805	2,020,238,911
	<u>5,641,298,159</u>	<u>5,138,186,648</u>

22. CORPORATE INCOME TAX

	<u>VND</u>	<u>VND</u>
Profit before tax	578,825,059,965	483,970,719,160
Income tax expense at the tax rate in the Business Registration Certificate and prevailing tax regulations	116,918,046,705	95,865,305,880
Effect of non-deductible expenses	287,242,721	468,485,135
Effect of non-taxable income and tax incentives	(12,247,696,548)	(9,026,903,348)
Corporate income tax	104,957,592,878	87,306,887,667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

23. PRODUCTION COST BY NATURE

	2011 VND	2010 VND
Raw materials and consumables	2,977,003,363,903	2,062,082,586,543
Labour	397,963,957,007	310,727,915,039
Depreciation and amortization	33,801,712,897	19,247,152,413
Bidding and hospitality	36,763,379,469	35,189,407,812
Scientific and technological development fund expenses	34,302,781,795	2,000,000,000
Provision expenses	10,103,436,636	169,827,086
Out-sourced services	417,374,522,386	324,545,228,860
Other expenses	53,980,908,953	36,474,103,542
	<u>3,961,294,063,046</u>	<u>2,790,436,221,295</u>

24. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in Note 12, offset by cash and cash equivalents) and equity attributable to equity holders of the parent (comprising capital, reserves and retained earnings).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 4.

Categories of financial instruments

	31/12/2011 VND	31/12/2010 VND
Financial assets		
Cash and cash equivalents	528,296,441,594	469,538,292,621
Short-term investments	51,454,796,054	53,085,534,645
Trade & other receivables	1,581,791,871,510	1,048,331,820,232
Total	<u>2,161,543,109,158</u>	<u>1,570,955,647,498</u>
Financial liabilities		
Borrowings	622,382,121,524	471,208,816,080
Trade & other payables	524,501,190,279	334,574,176,778
Accruals	57,629,180,447	79,891,722,548
Total	<u>1,204,512,492,250</u>	<u>885,674,715,406</u>

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance date since there are no comprehensive guidance under Circular 210 and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of IFRS on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk) and liquidity risk. The Corporation does not hedge these risk exposures due to the lack of a market to purchase financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
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24. FINANCIAL INSTRUMENTS (Continued)

Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Corporation does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Corporation undertakes certain transactions denominated in USD, Euro, JPY, SGD; therefore, exposures to exchange rate fluctuations arise. The Corporation does not hedge this risk due to the lack of any market to purchase such instruments.

Interest rate risk management

The Corporation has significant interest rate risks arising from interest bearing loans which are arranged. The Corporation is exposed to interest rate risk as the Corporation borrow funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix between fixed and floating rate borrowings.

Commodity price risk management

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities. The Corporation does not hedge this risk due to the lack of any market to purchase such instruments.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that period. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay. The table presents principal cash flows. The contractual maturity is based on the earliest date on which the Corporation may be required to pay.

31/12/2011	Less than 1 year	From 1- 5 years	Total
	VND	VND	VND
Borrowings	622,382,121,524	-	622,382,121,524
Trade and other payables	494,501,190,279	30,000,000,000	524,501,190,279
Accruals	57,629,180,447	-	57,629,180,447
	1,174,512,492,250	30,000,000,000	1,204,512,492,250
31/12/2010	Less than 1 year	From 1- 5 years	Total
	VND	VND	VND
Borrowings	471,208,816,080	-	471,208,816,080
Trade and other payables	334,574,176,778	-	334,574,176,778
Accruals	79,891,722,548	-	79,891,722,548
	885,674,715,406	-	885,674,715,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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24. FINANCIAL INSTRUMENTS (Continued)

The management assessed the liquidity risk concentration at low level. The management believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

The following table details the Corporation's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets which does not include interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31/12/2011	Less than 1 year	From 1- 5 years	Total
	VND	VND	VND
Cash and cash equivalents	528,296,441,594	-	528,296,441,594
Short-term investments	51,454,796,054	-	51,454,796,054
Trade and other receivables	1,581,791,871,510	-	1,581,791,871,510
	2,161,543,109,158	-	2,161,543,109,158

31/12/2010	Less than 1 year	From 1- 5 years	Total
	VND	VND	VND
Cash and cash equivalents	469,538,292,621	-	469,538,292,621
Short-term investments	53,085,534,645	-	53,085,534,645
Trade and other payables	1,048,331,820,232	-	1,048,331,820,232
	1,570,955,647,498	-	1,570,955,647,498

25. COMMITMENTS

Operating lease commitments

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

	2011	2010
	VND	VND
Within one year	34,701,601,713	50,030,670,293
In the second to fifth year inclusive	94,689,757,576	75,166,160,974
After five years	15,497,747,100	-
	144,889,106,389	125,196,831,267

Capital contribution commitments

According to Resolution No. 01.11-2011/NQ-HĐQT dated 1 November 2011 of the Board of Directors of FPT Corporation, FPT Corporation agreed that FPT Information System Corporation established a subsidiary - FPT Technology Solutions Ltd. with the Corporation's estimated capital contribution of VND 40 billion. FPT Technology Solutions Ltd. has been granted Business Registration certificate No.0311446301, firstly registered on 28 December 2011, by Ho Chi Minh Department of Planning and Investment. As 31 December 2011, the Corporation had not made capital contribution to this subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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26. RELATED PARTY TRANSACTIONS AND BALANCES

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

	2011 VND	2010 VND
Sales of merchandise and services		
FPT Corporation	29,709,421,439	64,296,587,323
FPT Software Company Limited	53,493,342,966	35,541,063,854
FPT Trading Company Limited	430,076,838	1,565,600,943
FPT Telecom Joint Stock Company	59,099,702,993	35,502,554,151
Purchases		
FPT Corporation	28,328,183,053	24,050,253,665
FPT Software Company Limited	8,877,732,477	10,408,258,655
FPT Trading Company Limited	278,070,553,510	260,544,868,839
FPT Telecom Joint Stock Company	3,298,131,728	2,885,668,418
Profit transferred to FPT Corporation	-	(34,715,875)
Dividend paid to FPT Corporation:	20,781,250,000	124,687,500,000
- In cash	20,781,250,000	41,562,500,000
- By share	-	83,125,000,000
Interest expense		
FPT Corporation	2,636,882,004	3,195,171,326

The related party balances as at the balance sheet date are as following:

	31/12/2011 VND	31/12/2010 VND
Receivables		
FPT Corporation	3,620,917	1,314,499,142
FPT Software Company Limited	30,881,815,340	13,491,813,849
FPT Trading Company Limited	38,540,000	365,382,800
FPT Telecom Joint Stock Company	1,802,253,574	10,017,428,060
Other subsidiaries of FPT Corporation	4,842,765,830	391,303,454
Total	37,568,995,661	25,580,427,305
Payables		
FPT Corporation	3,152,803,336	2,890,561,187
FPT Software Company Limited	3,743,045,586	1,540,311,477
FPT Trading Company Limited	58,114,827,913	32,046,305,630
FPT Telecom Joint Stock Company	10,466,500	179,630,000
Other subsidiaries of FPT Corporation	1,048,251,419	3,446,700,299
Total	66,069,394,754	40,103,508,593

27. COMPARATIVE FIGURES

Comparative figures are those of the audited consolidated financial statements of FPT Information System Corporation - Joint stock company for the year ended 31 December 2010.



Duong Dung Trieu
 General Director
 05 March 2012

Uthet
 Ngo Thi Minh Hue
 Chief Accountant

Thau
 Nguyen Thi Hau
 Preparer