



**FPT INFORMATION SYSTEM CORPORATION**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF DIRECTORS	1
INDEPENDENT AUDITORS' REPORT	2
CONSOLIDATED BALANCE SHEET	3 - 4
CONSOLIDATED INCOME STATEMENT	5
CONSOLIDATED CASH FLOW STATEMENT	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7 - 23

## 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 2013.

### **THE MEMBERS' COUNCIL AND BOARD OF DIRECTORS**

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

#### **Members' Council**

Mr. 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**

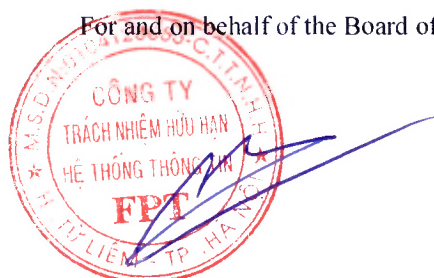
The Board of Directors of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of Directors is required to:

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

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

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**

28 February 2014

No.: *GL* /VNIA-HN-BC

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of FPT Information System Corporation (the "Company"), prepared on 28 February 2014 as set out from page 3 to page 23, which comprise the consolidated balance sheet as at 31 December 2013, and the consolidated statement of income and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime and legal regulations relating to financial reporting.



**Tran Thi Thuy Ngoc**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No. 0031-2013-001-1

*For and on behalf of*  
**DELOITTE VIETNAM COMPANY LIMITED**  
28 February 2014  
Hanoi, S.R. Vietnam

**Tran Huy Cong**  
**Auditor**  
Audit Practising Registration Certificate  
No. 0891-2013-001-1

**CONSOLIDATED BALANCE SHEET**

As at 31 December 2013

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2013	31/12/2012
<b>A. CURRENT ASSETS</b> (100=110+120+130+140+150)	<b>100</b>		<b>3,090,776,864,132</b>	<b>2,876,192,734,760</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>676,593,312,788</b>	<b>667,668,492,911</b>
1. Cash	111		411,664,562,788	507,952,142,911
2. Cash equivalents	112		264,928,750,000	159,716,350,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>6,000,000,000</b>	<b>125,835,906,785</b>
1. Short-term investments	121		6,000,000,000	125,835,906,785
<b>III. Short-term receivables</b>	<b>130</b>		<b>2,197,912,770,860</b>	<b>1,827,294,542,735</b>
1. Trade accounts receivable	131		1,695,501,701,841	1,352,298,601,174
2. Advances to suppliers	132		43,316,231,711	47,733,198,034
3. Inter-company receivables	133	28	20,972,113,724	27,843,764,671
4. Receivables from construction contracts under percentage of completion method	134	7	306,554,359,929	272,484,692,839
5. Other receivables	135	8	136,338,138,109	129,008,766,969
6. Provision for short-term doubtful debts	139		(4,769,774,454)	(2,074,480,952)
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>165,461,914,500</b>	<b>216,039,842,676</b>
1. Inventories	141		165,978,465,169	216,442,006,766
2. Provision for devaluation of inventories	149		(516,550,669)	(402,164,090)
<b>V. Other short-term assets</b>	<b>150</b>		<b>44,808,865,984</b>	<b>39,353,949,653</b>
1. Short-term prepayments	151		28,134,928,640	13,664,326,171
2. Value added tax deductibles	152		3,137,337,507	18,913,359,493
3. Taxes and amounts receivables from State Budget	154		4,806,050	-
4. Other short-term assets	158		13,531,793,787	6,776,263,989
<b>B. NON-CURRENT ASSETS</b> (200=220+260)	<b>200</b>		<b>214,514,078,921</b>	<b>206,519,881,729</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>124,943,350,050</b>	<b>118,247,871,003</b>
1. Tangible fixed assets	221	10	62,226,236,023	76,228,311,754
- Cost	222		178,255,522,410	183,102,657,987
- Accumulated depreciation	223		(116,029,286,387)	(106,874,346,233)
2. Intangible assets	227	11	26,137,516,665	26,466,896,561
- Cost	228		58,883,430,380	44,811,617,133
- Accumulated amortisation	229		(32,745,913,715)	(18,344,720,572)
3. Construction in progress	230		36,579,597,362	15,552,662,688
<b>II. Other long-term assets</b>	<b>260</b>		<b>89,570,728,871</b>	<b>88,272,010,726</b>
1. Long-term prepayments	261	12	85,043,298,942	84,134,257,539
2. Deferred tax assets	262		346,453,193	-
3. Other long-term assets	268		4,180,976,736	4,137,753,187
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>3,305,290,943,053</b>	<b>3,082,712,616,489</b>

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2013

FORM B 01-DN/HN  
Unit: VND

RESOURCES	Codes	Notes	31/12/2013	31/12/2012
<b>A. LIABILITIES (300 = 310+330)</b>	<b>300</b>		<b>2,155,239,098,208</b>	<b>1,979,432,347,183</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,154,966,942,182</b>	<b>1,977,656,538,149</b>
1. Short-term loans	311	14	683,006,170,877	645,661,410,045
2. Trade accounts payable	312		635,108,068,291	675,220,287,984
3. Advances from customers	313		195,712,249,212	216,239,585,862
4. Taxes and amounts payable to the State budget	314	15	42,608,726,563	98,072,092,747
5. Payables to employees	315		93,341,422,361	22,492,955,949
6. Accrued expenses	316		185,570,112,422	113,821,104,013
7. Inter-company payables	317	28	183,833,089,899	105,076,632,657
8. Payables relating to construction contracts under percentage of completion method	318		28,377,082,233	6,475,957,808
9. Other current payables	319	16	13,102,435,920	7,257,296,723
10. Short-term provisions	320		13,343,697,618	12,408,830,825
11. Bonus and welfare funds	323		29,575,738,633	30,733,326,744
12. Unearned revenue	338		51,388,148,153	44,197,056,792
<b>II. Long-term liabilities</b>	<b>330</b>		<b>272,156,026</b>	<b>1,775,809,034</b>
1. Scientific and technological development fund	339		272,156,026	1,775,809,034
<b>B. OWNER'S EQUITY (400=410+430)</b>	<b>400</b>		<b>1,100,755,865,135</b>	<b>1,054,236,424,078</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>17</b>	<b>1,098,005,865,135</b>	<b>1,051,486,424,078</b>
1. Charter capital	411		550,000,000,000	550,000,000,000
2. Foreign exchange reserve	416		(422,924,007)	397,428,991
3. Investment and development fund	417		27,740,764,485	27,740,764,485
4. Retained earnings	420		520,688,024,657	473,348,230,602
<b>II. Other resources and funds</b>	<b>430</b>		<b>2,750,000,000</b>	<b>2,750,000,000</b>
1. Subsidised fund	432		2,750,000,000	2,750,000,000
<b>C. MINORITY INTERESTS</b>	<b>439</b>		<b>49,295,979,710</b>	<b>49,043,845,228</b>
<b>TOTAL RESOURCES (440 = 300+ 400+439)</b>	<b>440</b>		<b>3,305,290,943,053</b>	<b>3,082,712,616,489</b>

OFF BALANCE SHEET ITEMS	Unit	31/12/2013	31/12/2012
1. Goods held under trust or for processing	VND	192,504,242,365	290,313,116,536
2. Foreign currencies			
- United States Dollar	USD	2,523,356.24	3,757,482.88
- Euro	EUR	50,797.41	124,439.58
- Japanese Yen	JPY	37,048,178.00	8,794,020.00
- Singapore Dollar	SGD	69,244.16	26,710.58
- Kiat	MMK	218,053.00	-



Duong Dung Trieu  
General Director

28 February 2014

Ngô Thị Minh Huệ  
Chief Accountant

Nguyễn Thị Hậu  
Preparer

The notes set out on pages 7 to 23 are an integral part of these consolidated financial statements

**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2013

FORM B 02-DN/HN

Unit: VND

ITEMS	Codes	Notes	2013	2012
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>18</b>	<b>4,480,252,716,755</b>	<b>4,046,023,068,482</b>
2. Deductions	02	18	682,029,117	1,186,614,563
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>	<b>18</b>	<b>4,479,570,687,638</b>	<b>4,044,836,453,919</b>
4. Cost of sales	11	19	3,561,099,594,985	3,256,323,616,230
<b>5. Gross profit from goods sold and services rendered (20 = 10 - 11)</b>	<b>20</b>		<b>918,471,092,653</b>	<b>788,512,837,689</b>
6. Financial income	21	20	57,227,105,783	68,562,023,957
7. Financial expenses	22	21	57,483,252,825	61,765,631,054
- In which: Interest expense	23		34,546,609,021	36,042,089,049
8. Selling expenses	24		280,631,542,466	177,162,577,630
9. General and administration expenses	25		199,616,737,947	144,251,509,590
<b>10. Operating profit (30 = 20+(21-22)-(24+25))</b>	<b>30</b>		<b>437,966,665,198</b>	<b>473,895,143,372</b>
11. Other income	31	22	25,322,859,569	32,964,570,070
12. Other expenses	32	23	4,336,192,263	24,021,808,846
<b>13. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>20,986,667,306</b>	<b>8,942,761,224</b>
<b>14. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>458,953,332,504</b>	<b>482,837,904,596</b>
15. Current corporate income tax expense	51	24	86,484,990,045	98,698,774,931
16. Deferred corporate tax income	52		(346,453,193)	-
<b>17. Net profit after corporate income tax (60=50-51-52)</b>	<b>60</b>		<b>372,814,795,652</b>	<b>384,139,129,665</b>
- Attributable to minority interests	61		252,134,482	(137,793,226)
- Attributable to equity holders of the Holding company	62		372,562,661,170	384,276,922,891



**Dương Dung Trieu**  
General Director

28 February 2014

**Ngo Thi Minh Hue**  
Chief Accountant

**Nguyen Thi Hau**  
Preparer

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2013

FORM B 03-DN/HN

Unit: VND

ITEMS	Codes	2013	2012
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>458,953,332,504</b>	<b>482,837,904,596</b>
<b>2. Adjustments for:</b>			
Depreciation and amortization	02	43,314,969,858	35,853,531,543
Provisions	03	2,809,680,081	(8,937,875,765)
Unrealized foreign exchange loss/(gain)	04	1,232,509,687	(711,346,244)
Foreign exchange translation differences		(820,352,998)	802,778,534
(Gain) from investing activities	05	(39,615,476,762)	(42,655,015,017)
Interest expense	06	34,546,609,021	36,042,089,049
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>500,421,271,391</b>	<b>503,232,066,696</b>
Changes in receivables	09	(363,385,601,470)	(172,130,536,678)
Changes in inventories	10	50,463,541,597	345,217,746,068
Changes in accounts payable (not including accrued interest and corporate income tax payable)	11	111,058,824,771	249,471,201,975
Changes in prepaid expenses and other assets	12	(11,635,419,544)	(73,678,461,030)
Interest paid	13	(34,366,339,361)	(36,314,445,713)
Corporate income tax paid	14	(109,427,562,587)	(95,783,017,059)
Other cash outflows	16	(32,168,218,268)	(46,952,035,787)
<b>Net cash from operating activities</b>	<b>20</b>	<b>110,960,496,529</b>	<b>673,062,518,472</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition of fixed assets and other long-term assets	21	(52,834,365,498)	(33,549,472,731)
2. Proceeds from sales, disposal of fixed assets	22	765,051,971	364,757,624
3. Cash outflow for lending	23	(31,282,500,000)	(74,910,853,878)
4. Cash recovered from lending	24	151,118,406,785	-
5. Interest earned, dividends and profit received	27	32,542,519,397	30,466,748,916
<b>Net cash from (used in) investing activities</b>	<b>30</b>	<b>100,309,112,655</b>	<b>(77,628,820,069)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from receiving capital from minority interests	31	-	150,000,000
2. Proceeds from borrowings	33	1,737,805,560,065	1,969,521,893,351
3. Repayment of borrowings	34	(1,707,475,652,412)	(1,944,096,834,697)
4. Profits paid	36	(232,500,000,000)	(481,000,152,844)
<b>Net cash/(used in) financing activities</b>	<b>40</b>	<b>(202,170,092,347)</b>	<b>(455,425,094,190)</b>
<b>Net increase in cash</b>	<b>50</b>	<b>9,099,516,837</b>	<b>140,008,604,213</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>60</b>	<b>667,668,492,911</b>	<b>528,296,441,594</b>
Effect of changes in foreign exchange rates	61	(174,696,960)	(636,552,896)
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>676,593,312,788</b>	<b>667,668,492,911</b>



**Duong Dung Trieu**  
General Director

**Ngô Thị Minh Hue**  
Chief Accountant

**Nguyen Thi Hau**  
Preparer

28 February 2014

The notes set out on pages 7 to 23 are an integral part of these consolidated financial statements



**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 with the Resolution dated 06 May 2011 issued by the Board of Directors of FPT Corporation. The Corporation was granted the first Business Registration Certificate No.0104128565 dated 13 August 2009 by Hanoi Department of Planning and Investment. According to its fourteenth amendment dated 20 November 2013, the Corporation’s charter capital is VND 550,000,000,000.

As at 31 December 2013, the Corporation had 15 subsidiaries and two branches in Ho Chi Minh City and Da Nang City.

The number of employees as at 31 December 2013 was 2,440 (31 December 2012: 2,353).

**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 FINANCIAL YEAR**

**Accounting convention**

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

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

**Financial year**

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

**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*

**3. ADOPTION OF NEW ACCOUNTING GUIDANCE**

**New guidance on management, usage and depreciation of fixed assets**

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC (“Circular 45”) guiding the regime of management, usage and depreciation of fixed assets. This Circular supersedes Circular No. 203/2009/TT-BTC (“Circular 203”) dated 20 October 2009 of the Ministry of Finance guiding the regime of management, usage and depreciation of fixed assets. Circular 45 is effective from 10 June 2013 and is applied from financial year 2013 onwards. According to the Board of Directors’ assessment, Circular 45 does not have material effect on the Company’s consolidated financial statements for the year ended 31 December 2013.

**New guidance on provision for impairment of long-term investments into other entities**

On 28 June 2013, the Ministry of Finance issued Circular No. 89/2013/TT-BTC (“Circular 89”) amending and supplementing Circular No. 228/2009/TT-BTC (“Circular 228”) dated 07 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, losses of financial investments, bad debts and warranty for products, goods and construction and installation works at enterprises. Circular 89 shall be effective starting from 26 July 2013. According to the Board of Directors’ assessment, Circular 89 does not have material effect on the Company’s consolidated financial statements for the year ended 31 December 2013.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Estimates**

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

**Basis of consolidation**

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

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

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

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 and cash equivalents, short-term investments, trade and other receivables.

*Financial liabilities*

At the date of initial recognition, financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Corporation comprise trade and other payables, accrued expenses and borrowings.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent 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>2013</u> <u>(years)</u>
Machinery and equipment	5 - 20
Motor vehicles	4 - 6
Office equipment	3 - 5
Other fixed assets	3 - 5

**Intangible assets and amortisation**

Intangible assets represent computer software and copyright, patents that are stated at cost less accumulated amortisation. Intangible 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 and expenses related to progression contracts, which are expected to provide future economic benefits to the Corporation for more than one year. These expenditures have been capitalised as long-term prepayments, and are allocated to the consolidated income statement using the straight-line method over the period of no more than two years in accordance with the prevailing accounting regulations. Contract expenses incurred are allocated over the contract performance periods.

**Revenue recognition**

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

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

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

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

Revenue of a transaction involving the rendering of service is recognised in the consolidated income statement by reference to the percentage of completion of transaction at the year end. The percentage of completion is assessed by performance or the percentage of the incurred expense of the completed work over the total contract cost estimate. Revenue is not recognised if there is material unreliable element related to recovery of receivables.

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

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

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

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

Recording of foreign exchange difference in other situations

The Corporation 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" and Circular No. 179/2012/TT-BTC dated 24 October 2012 by the Ministry of Finance providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balance of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the rates of exchange of Joint Stock Commercial Bank for Foreign Trade 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.

**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)**

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

**5. CASH AND CASH EQUIVALENTS**

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	1,455,836,355	1,465,843,709
Cash in bank	410,208,726,433	506,486,299,202
Cash equivalents	264,928,750,000	159,716,350,000
	<b>676,593,312,788</b>	<b>667,668,492,911</b>

**6. SHORT-TERM FINANCIAL INVESTMENTS**

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>VND</b>	<b>VND</b>
Deposit with the terms from over 3 months to less than twelve months	6,000,000,000	125,835,906,785
	<b>6,000,000,000</b>	<b>125,835,906,785</b>

**7. RECEIVABLES FROM CONSTRUCTION CONTRACTS UNDER PERCENTAGE OF COMPLETION METHOD**

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

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>VND</b>	<b>VND</b>
Contract costs incurred plus recognised profits less recognised losses to date	1,979,879,239,079	1,302,986,970,885
Less: Progress billings	(1,673,324,879,150)	(1,030,502,278,046)
	<b>306,554,359,929</b>	<b>272,484,692,839</b>

**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*

**8. OTHER RECEIVABLES**

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>VND</b>	<b>VND</b>
Receivables from maintenance service contracts	133,976,742,779	120,017,650,850
Other receivables	2,361,395,330	8,991,116,119
	<b>136,338,138,109</b>	<b>129,008,766,969</b>

**9. INVENTORIES**

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>VND</b>	<b>VND</b>
Goods in transit	9,537,899,241	7,909,148,189
Tools and supplies	311,824,466	108,503,983
Work in progress	100,851,012,760	102,444,538,876
Merchandise	53,736,172,902	102,280,415,748
Goods on consignment	1,541,555,800	3,699,399,970
<b>Total</b>	<b>165,978,465,169</b>	<b>216,442,006,766</b>
Provision for devaluation of inventories	(516,550,669)	(402,164,090)
<b>Net realisable value</b>	<b>165,461,914,500</b>	<b>216,039,842,676</b>

**10. TANGIBLE FIXED ASSETS**

	<b>Machinery, Equipment</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Other fixed assets</b>	<b>Total</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>COST</b>					
<b>As at 01/01/2013</b>	<b>113,642,842,880</b>	<b>8,508,624,374</b>	<b>60,091,876,248</b>	<b>859,314,485</b>	<b>183,102,657,987</b>
Purchases for the year	10,874,770,313	1,434,543,636	8,126,240,984	-	20,435,554,933
Other additions	1,045,057,117	1,001,795,621	4,141,305,979	-	6,188,158,717
Disposals	(1,153,279,421)	(598,737,090)	(1,683,214,676)	-	(3,435,231,187)
Other decreases	(259,720,463)	(65,237,761)	(27,589,884,923)	(120,774,893)	(28,035,618,040)
<b>As at 31/12/2013</b>	<b>124,149,670,426</b>	<b>10,280,988,780</b>	<b>43,086,323,612</b>	<b>738,539,592</b>	<b>178,255,522,410</b>
<b>ACCUMULATED DEPRECIATION</b>					
<b>As at 01/01/2013</b>	<b>52,947,504,373</b>	<b>5,370,899,437</b>	<b>47,696,627,938</b>	<b>859,314,485</b>	<b>106,874,346,233</b>
Charge for the year	21,872,138,461	1,197,197,690	7,281,576,973	-	30,350,913,124
Charge to purchases using Scientific and Technological development fund	-	-	814,407,525	-	814,407,525
Other additions	597,363,064	791,963,493	3,382,710,602	-	4,772,037,159
Disposals	(247,997,050)	(761,471,635)	(1,481,555,257)	-	(2,491,023,942)
Other decreases	(182,017,799)	(33,245,393)	(23,955,355,627)	(120,774,893)	(24,291,393,712)
<b>As at 31/12/2013</b>	<b>74,986,991,049</b>	<b>6,565,343,592</b>	<b>33,738,412,154</b>	<b>738,539,592</b>	<b>116,029,286,387</b>
<b>NET BOOK VALUE</b>					
<b>As at 31/12/2013</b>	<b>49,162,679,377</b>	<b>3,715,645,188</b>	<b>9,347,911,458</b>	<b>-</b>	<b>62,226,236,023</b>
<b>As at 31/12/2012</b>	<b>60,695,338,507</b>	<b>3,137,724,937</b>	<b>12,395,248,310</b>	<b>-</b>	<b>76,228,311,754</b>

As at 31 December 2013, the cost of the Corporation's tangible fixed assets includes VND 36,918 million (31 December 2012: VND 29,860 million) of assets which have been fully depreciated but are still in use.

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

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

**11. INTANGIBLE FIXED ASSETS**

	<b>Computer software VND</b>	<b>Copyright, patents VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>COST</b>				
<b>As at 01/01/2013</b>	<b>41,251,055,789</b>	<b>3,434,801,861</b>	<b>125,759,483</b>	<b>44,811,617,133</b>
Purchases for the year	13,088,534,604	-	-	13,088,534,604
Other additions	1,184,875,829	-	-	1,184,875,829
Disposals	(59,447,763)	-	-	(59,447,763)
Other decreases	(129,052,536)	(13,096,887)	-	(142,149,423)
<b>As at 31/12/2013</b>	<b>55,335,965,923</b>	<b>3,421,704,974</b>	<b>125,759,483</b>	<b>58,883,430,380</b>
<b>ACCUMULATED AMORTIZATION</b>				
<b>As at 01/01/2013</b>	<b>16,253,637,539</b>	<b>2,090,853,963</b>	<b>229,070</b>	<b>18,344,720,572</b>
Charge for the year	12,747,210,111	174,926,796	41,919,827	12,964,056,734
Charge to purchases using Scientific and Technological development fund	-	684,370,143	-	684,370,143
Other additions	830,800,271	-	-	830,800,271
Eliminated on disposals	(14,285,376)	-	-	(14,285,376)
Other decreases	(59,650,917)	(4,097,712)	-	(63,748,629)
<b>As at 31/12/2013</b>	<b>29,757,711,628</b>	<b>2,946,053,190</b>	<b>42,148,897</b>	<b>32,745,913,715</b>
<b>NET BOOK VALUE</b>				
<b>As at 31/12/2013</b>	<b>25,578,254,295</b>	<b>475,651,784</b>	<b>83,610,586</b>	<b>26,137,516,665</b>
<b>As at 31/12/2012</b>	<b>24,997,418,250</b>	<b>1,343,947,898</b>	<b>125,530,413</b>	<b>26,466,896,561</b>

**12. LONG-TERM PREPAYMENTS**

	<b>2013 VND</b>	<b>2012 VND</b>
<b>Opening balance</b>	<b>84,134,257,539</b>	<b>14,015,385,976</b>
Increase	76,262,523,431	102,233,290,305
Allocated to expenses	(70,746,181,593)	(31,228,299,784)
Other deductions	(4,607,300,435)	(886,118,958)
<b>Closing balance</b>	<b>85,043,298,942</b>	<b>84,134,257,539</b>



**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*

**13. INVESTMENTS IN SUBSIDIARIES**

Details of the Corporation's subsidiaries as at 31 December 2013 are as follows:

<b>Name of company</b>	<b>Place of establishment</b>	<b>Proportion of interest (%)</b>	<b>Proportion of voting right (%)</b>	<b>Principal activities</b>	<b>Investment as at 31/12/2013 VND</b>	<b>Investment as at 31/12/2012 VND</b>
FPT ERP Services Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	18,000,000,000	18,000,000,000
FPT Information System of Financing and Banking Services Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	192,000,000,000	192,000,000,000
FPT FSE Information System Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	79,000,000,000	79,000,000,000
FPT Software Development Company Limited	HCM city	100%	100%	Provide system integration, software and information technology services	14,000,000,000	14,000,000,000
FPT Information System Services Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	20,000,000,000	20,000,000,000
FPT Information System of Telecom & Public Services Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	119,000,000,000	119,000,000,000
FPT Public Finance Solution 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 The South Company Limited	HCM city	100%	100%	Provide system integration, software and information technology services	35,000,000,000	35,000,000,000
FPT Information System Cambodia Company Limited	Cambodia	100%	100%	Provide system integration, software and information technology services	1,459,310,000	1,459,310,000
FPT Information System Singapore Company Limited	Singapore	100%	100%	Provide system integration, software and information technology services	31,537,000,000	10,417,000,000
FPT High Technology Solutions Company Limited	HCM city	100%	100%	Provide system integration, software and information technology services	4,449,899,439	40,000,000,000
FPT Information Service Company Limited	Hanoi	100%	100%	Provide system integration, software and information technology services	15,000,000,000	-
FPT High Technology Solutions One-member Limited Liability Company	HCM city	100%	100%	Provide system integration, software and information technology services	40,000,000,000	-
E-customs FCS Service Company Limited	HCM city	70%	70%	Provide system integration, software and information technology services	350,000,000	350,000,000
Telehouse International Corporation of Vietnam	Hanoi	51%	51%	Provide data center services	51,988,780,000	51,988,780,000
					<b>637,784,989,439</b>	<b>597,215,090,000</b>

**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*

**14. SHORT-TERM LOANS**

	<u>31/12/2013</u>	<u>31/12/2012</u>
	<u>VND</u>	<u>VND</u>
Short-term borrowings	683,006,170,877	645,661,410,045
	<b><u>683,006,170,877</u></b>	<b><u>645,661,410,045</u></b>

Short-term borrowings represent borrowings from banks and FPT Corporation 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 loan principals borrowed as at 31 December 2013 are as follows:

	<u>31/12/2013</u>	<u>31/12/2012</u>
	<u>VND</u>	<u>VND</u>
CitiBank	230,112,725,000	221,471,940,310
ANZ Vietnam	270,736,901,924	-
Joint Stock Commercial Bank for Investment	142,832,543,953	-
Joint Stock Commercial Bank for Foreign Trade	-	74,339,825,736
Joint Stock International Bank of Vietnam	-	2,753,611,295
Standard Chartered Bank Vietnam	16,224,000,000	269,096,032,704
FPT Corporation	23,100,000,000	78,000,000,000
	<b><u>683,006,170,877</u></b>	<b><u>645,661,410,045</u></b>

**15. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET**

	<u>31/12/2013</u>	<u>31/12/2012</u>
	<u>VND</u>	<u>VND</u>
Value added tax	13,214,378,017	44,317,449,555
Import, export duties	82,697,591	830,580,731
Corporate income tax	28,194,327,789	51,136,900,331
Personal income tax	737,280,502	1,607,040,904
Withholding tax	377,853,854	180,121,226
Other tax	2,188,810	-
	<b><u>42,608,726,563</u></b>	<b><u>98,072,092,747</u></b>

**16. OTHER CURRENT PAYABLES**

	<u>31/12/2013</u>	<u>31/12/2012</u>
	<u>VND</u>	<u>VND</u>
Social, unemployment and health insurance	1,007,746,851	561,873,750
Trade union fees	4,450,105,420	3,155,967,938
Other payables	7,644,583,649	3,539,455,035
	<b><u>13,102,435,920</u></b>	<b><u>7,257,296,723</u></b>

**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*

**17. OWNERS' EQUITY**

Movement in owner's equity:

	Charter capital VND	Foreign exchange reserve VND	Investment and development fund VND	Retained earnings VND	Total VND
<b>As at 01/01/2012</b>	<b>450,480,510,000</b>	<b>(405,349,543)</b>	<b>27,740,764,485</b>	<b>708,018,642,844</b>	<b>1,185,834,567,786</b>
Profit for the year	-	-	-	384,276,922,891	384,276,922,891
Capital increase	99,519,490,000	-	-	(99,519,490,000)	-
Profit distributed to funds	-	-	-	(38,427,692,289)	(38,427,692,289)
Profit transferred to FPT Corporation	-	-	-	(481,000,152,844)	(481,000,152,844)
Others	-	802,778,534	-	-	802,778,534
<b>As at 01/01/2013</b>	<b>550,000,000,000</b>	<b>397,428,991</b>	<b>27,740,764,485</b>	<b>473,348,230,602</b>	<b>1,051,486,424,078</b>
Profit in the year	-	-	-	372,562,661,170	372,562,661,170
Profit transferred to FPT Corporation	-	-	-	(287,500,000,000)	(287,500,000,000)
Profit distributed to funds (i)	-	-	-	(37,722,867,115)	(37,722,867,115)
Others	-	(820,352,998)	-	-	(820,352,998)
<b>As at 31/12/2013</b>	<b>550,000,000,000</b>	<b>(422,924,007)</b>	<b>27,740,764,485</b>	<b>520,688,024,657</b>	<b>1,098,005,865,135</b>

- (i) According to decision of the Members' Council dated 31 December 2013, the Corporation distributed 2013's profit after tax attributable to the equity holders of FPT Corporation to bonus and welfare funds at the rate of 10%.

Charter capital:

Under the Corporation's 14<sup>th</sup> amended Business Registration Certificate dated 20 November 2013, the charter capital of the Corporation is VND 550,000,000,000. As 31 December 2013, the charter capital of the Corporation had been fully contributed by its owner, FPT Corporation.

**18. REVENUE**

	2013 VND	2012 VND
<b>Sales</b>	<b>4,480,252,716,755</b>	<b>4,046,023,068,482</b>
Sales of goods	3,120,362,077,900	2,920,530,753,015
Sales of services	1,359,890,638,855	1,125,492,315,467
<b>Less deductions</b>	<b>682,029,117</b>	<b>1,186,614,563</b>
Sales return	682,029,117	1,186,614,563
<b>Net sales</b>	<b>4,479,570,687,638</b>	<b>4,044,836,453,919</b>

**19. COST OF SALES**

	2013 VND	2012 VND
Cost of goods sold	2,623,608,877,032	2,429,347,612,353
Cost of services rendered	937,376,331,374	826,936,914,967
Provision for devaluation of inventories	114,386,579	39,088,910
	<b>3,561,099,594,985</b>	<b>3,256,323,616,230</b>

**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*

**20. FINANCIAL INCOME**

	<b>2013</b>	<b>2012</b>
	<b>VND</b>	<b>VND</b>
Bank interest	33,341,228,344	31,634,778,768
Foreign exchange gain	17,387,311,360	25,958,562,213
Others	6,498,566,079	10,968,682,976
	<b>57,227,105,783</b>	<b>68,562,023,957</b>

**21. FINANCIAL EXPENSES**

	<b>2013</b>	<b>2012</b>
	<b>VND</b>	<b>VND</b>
Interest expense	34,546,609,021	36,042,089,049
Foreign exchange loss	21,544,076,078	19,902,040,567
Others	1,392,567,726	5,821,501,438
	<b>57,483,252,825</b>	<b>61,765,631,054</b>

**22. OTHER INCOME**

	<b>2013</b>	<b>2012</b>
	<b>VND</b>	<b>VND</b>
Proceeds from disposal of fixed assets	765,051,971	364,757,624
Bonus and commission	22,731,904,543	12,129,277,715
Others	1,825,903,055	20,470,534,731
	<b>25,322,859,569</b>	<b>32,964,570,070</b>

**23. OTHER EXPENSES**

	<b>2013</b>	<b>2012</b>
	<b>VND</b>	<b>VND</b>
Disposal of fixed assets	335,129,291	252,203,905
Penalty in breach of contracts	2,075,644,273	20,742,977,084
Others	1,925,418,699	3,026,627,857
	<b>4,336,192,263</b>	<b>24,021,808,846</b>

**24. CORPORATE INCOME TAX**

	<b>2013</b>	<b>2012</b>
	<b>VND</b>	<b>VND</b>
<b>Profit before tax</b>	<b>458,953,332,504</b>	<b>482,837,904,596</b>
Income tax expense at the tax rate in the Business Registration Certificate and prevailing tax regulations	95,640,969,318	106,787,314,337
Effect of non-deductible expenses	639,118,925	269,942,796
Effect of non-taxable income and tax incentives	(10,027,244,555)	(10,869,883,710)
Other effect	232,146,357	2,511,401,508
<b>Corporate income tax</b>	<b>86,484,990,045</b>	<b>98,698,774,931</b>

**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*

**25. PRODUCTION COST BY NATURE**

	<b>2013</b>	<b>2012</b>
	<b>VND</b>	<b>VND</b>
Raw materials and consumables	2,696,272,023,992	2,209,444,620,102
Labour	462,967,663,405	358,532,702,902
Depreciation and amortization	43,314,969,858	35,853,531,543
Bidding and hospitality	65,880,652,858	45,679,018,577
Scientific and technological development fund expenses	-	(23,500,000,000)
Provision expenses	2,809,680,081	(9,151,527,770)
Out-sourced services	737,932,370,114	622,842,485,190
Other monetary expenses	30,576,988,974	58,321,002,389
	<b><u>4,039,754,349,282</u></b>	<b><u>3,298,021,832,933</u></b>

**26. FINANCIAL INSTRUMENTS**

***Capital risk management***

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

The capital structure of the Corporation consists of net debt (borrowings disclosed in Note 14, offset by cash and cash equivalents) and equity attributable to equity holders of the parent (comprising capital, reserves and retained earnings).

***Gearing ratio***

The gearing ratio of the Corporation as at the balance sheet date was as follows:

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>VND</b>	<b>VND</b>
Borrowings	683,006,170,877	645,661,410,045
Less: Cash and cash equivalents	676,593,312,788	667,668,492,911
Net debt	6,412,858,089	(22,007,082,866)
Equity	<u>1,098,005,865,135</u>	<u>1,051,486,424,078</u>
Net debt to equity ratio	<u>0.006</u>	<u>-</u>

***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.

**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*

**26. FINANCIAL INSTRUMENTS (Continued)**

Categories of financial instruments:

	Carrying amounts	
	31/12/2013	31/12/2012
	VND	VND
<b>Financial assets</b>		
Cash and cash equivalents	676,593,312,788	667,668,492,911
Short-term investments	6,000,000,000	125,835,906,785
Trade and other receivables	2,167,341,808,485	1,785,106,862,868
<b>Total</b>	<b>2,849,935,121,273</b>	<b>2,578,611,262,564</b>
<b>Financial liabilities</b>		
Borrowings	683,006,170,877	645,661,410,045
Trade and other payables	826,777,838,122	784,028,471,959
Accruals	185,570,112,422	113,821,104,013
<b>Total</b>	<b>1,695,354,121,421</b>	<b>1,543,510,986,017</b>

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 (“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 International Financial Reporting Standards (“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**

The Corporation has set up risk management system to identify and assess the risks exposed by the Corporation and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Corporation’s operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

The Corporation’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Corporation does not hedge these risk exposures upon its assessment that the cost of hedging foreign exchange risk or interest rate risk might be higher than that incurred from market risk of fluctuation in foreign exchange rates of these instruments in the future.

*Foreign currency risk management*

The Corporation undertakes certain transactions denominated in USD, Euro, JPY, SGD... therefore, exposures to exchange rate fluctuations arise.

The carrying amounts of the Corporation’s foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
United States Dollars (USD)	82,806,855,986	123,912,950,707	986,719,986,262	1,039,305,255,564
Euro (EUR)	-	13,455,276,937	-	555,249,021
Japanese Yen (JPY)	3,352,725,417	31,867,318,924	934,698,124	24,351,725
Singapore Dollar (SGD)	10,096,082,633	5,226,956,004	1,664,944,929	6,745,894,545
Ringgit (MYR)	1,678,184,254	-	1,120,939,321	-
Kyats (MMK)	25,927,722	-	7,695,397,792	-

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*

26. FINANCIAL INSTRUMENTS (Continued)

*Foreign currency sensitivity analysis*

The Corporation is mainly exposed to United States Dollars.

The following table details the Company's sensitivity to a 1% increase and decrease in Vietnam Dong against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. For a 1% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the year would decrease/ increase by the following amount as follows:

	<u>2013</u>	<u>2012</u>
	VND	VND
United States Dollars (USD)	(9,039,131,303)	(9,153,923,049)

*Interest rate risk management*

The Corporation has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Corporation by maintaining an appropriate level of borrowings and analyzing market competition to enjoy favorable interest rates from appropriate lenders.

*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.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Corporation does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

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 assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and financial liabilities based on the earliest date on which the Corporation can be required to pay. 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.

**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*

**26. FINANCIAL INSTRUMENTS (Continued)**

Liquidity risk management (Continued)

	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Total</u>
	VND	VND	VND
<b>31/12/2013</b>			
Cash and cash equivalents	676,593,312,788	-	676,593,312,788
Short-term investments	6,000,000,000	-	6,000,000,000
Trade and other payables	2,167,341,808,485	-	2,167,341,808,485
<b>Total</b>	<b>2,849,935,121,273</b>	<b>-</b>	<b>2,849,935,121,273</b>
<b>31/12/2013</b>			
Borrowings	683,006,170,877	-	683,006,170,877
Trade and other payables	826,777,838,122	-	826,777,838,122
Accruals	185,570,112,422	-	185,570,112,422
<b>Total</b>	<b>1,695,354,121,421</b>	<b>-</b>	<b>1,695,354,121,421</b>
<b>Net liquidity gap</b>	<b>1,154,580,999,852</b>	<b>-</b>	<b>1,154,580,999,852</b>

	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Total</u>
	VND	VND	VND
<b>31/12/2012</b>			
Cash and cash equivalents	667,668,492,911	-	667,668,492,911
Short-term investments	125,835,906,785	-	125,835,906,785
Trade and other payables	1,785,106,862,868	-	1,785,106,862,868
<b>Total</b>	<b>2,578,611,262,564</b>	<b>-</b>	<b>2,578,611,262,564</b>
<b>31/12/2012</b>			
Borrowings	645,661,410,045	-	645,661,410,045
Trade and other payables	784,028,471,959	-	784,028,471,959
Accruals	113,821,104,013	-	113,821,104,013
<b>Total</b>	<b>1,543,510,986,017</b>	<b>-</b>	<b>1,543,510,986,017</b>
<b>Net liquidity gap</b>	<b>1,035,100,276,547</b>	<b>-</b>	<b>1,035,100,276,547</b>

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.

**27. COMMITMENTS**

*Operating lease commitments*

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

	<u>2013</u>	<u>2012</u>
	VND	VND
Within one year	39,803,553,547	59,072,084,649
In the second to fifth year inclusive	153,009,553,337	142,702,301,340
After five years	142,813,918,208	171,665,326,690
	<b>335,627,025,092</b>	<b>373,439,712,679</b>



**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*

**28. RELATED PARTY TRANSACTIONS AND BALANCES**

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

	<b>2013</b>	<b>2012</b>
	<b>VND</b>	<b>VND</b>
<b>Sales of merchandise and services</b>		
FPT Corporation	20,353,213,661	15,478,068,845
FPT Software Company Limited	49,681,103,492	73,481,463,417
FPT Trading Company Limited	115,976,531,251	-
FPT Telecom Joint Stock Company	27,459,534,504	29,383,729,728
<b>Purchases</b>		
FPT Corporation	28,318,023,191	32,158,174,728
FPT Software Company Limited	10,011,457,469	30,992,339,128
FPT Trading Company Limited	331,883,194,703	155,308,687,936
FPT Telecom Joint Stock Company	7,145,316,015	7,830,580,559
Profit transferred to FPT Corporation	287,500,000,000	481,000,152,844
<b>Interest expense</b>		
FPT Corporation	6,438,113,654	11,066,486,111

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

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>VND</b>	<b>VND</b>
<b>Receivables</b>		
FPT Corporation	11,395,801,966	1,445,138,076
FPT Software Company Limited	4,377,777,430	22,972,909,615
FPT Telecom Joint Stock Company	119,766,481	962,674,680
Other subsidiaries of FPT Corporation	5,078,767,847	2,463,042,300
<b>Total</b>	<b>20,972,113,724</b>	<b>27,843,764,671</b>
<b>Payables</b>		
FPT Corporation	80,254,710,539	6,820,332,288
FPT Software Company Limited	9,301,777,294	10,799,019,516
FPT Trading Company Limited	88,212,818,673	68,145,974,639
FPT Telecom Joint Stock Company	717,089,923	1,541,504,500
Other subsidiaries of FPT Corporation	5,346,693,470	17,769,801,714
<b>Total</b>	<b>183,833,089,899</b>	<b>105,076,632,657</b>
<b>Loan</b>		
FPT Corporation	23,100,000,000	78,000,000,000

**29. COMPARATIVE FIGURES**

Comparative figures are those of the Corporation's audited consolidated financial statements of for the year ended 31 December 2012.



**Duong Dung Trieu**  
General Director

*Handwritten signature of Ngo Thi Minh Hue*

**Ngô Thị Minh Huệ**  
Chief Accountant

*Handwritten signature of Nguyen Thi Hau*

**Nguyễn Thị Hậu**  
Preparer

28 February 2014