

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

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2015

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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 2015.

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. Pham Minh Tuan | General Director |
| Mr. Nguyen Tuan Hung | Deputy General Director |
| Mr. Phung Viet Thang | Deputy General Director |
| Mr. Le Thanh Trung | Deputy General Director (resigned on 01 January 2015) |
| Mr. Do Son Giang | Deputy General Director |
| Mr. Nguyen Hoang Minh | Deputy General Director |

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

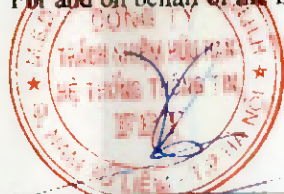
The Board of Directors of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime 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,



Do Son Giang
Deputy General Director
(According to Authorization Letter No. 11/2015/UQ-FIS dated 01 January 2015)

03 March 2016

No.: 429 /VNIA-HN-BC

A JOURNEY TO EXCELLENCE

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 03 March 2016 as set out from page 3 to page 28, which comprise the consolidated balance sheet as at 31 December 2015, 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.

Management's Responsibility for the consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the 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 consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, 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

03 March 2016
Hanoi, S.R. Vietnam



Tao Hai Nhan
Auditor
Audit Practising Registration Certificate
No. 1576-2013-001-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

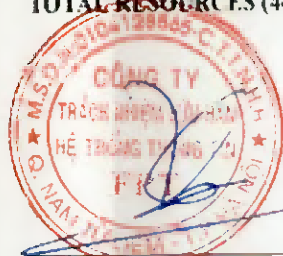
| ASSETS | Codes | Notes | 31/12/2015 | 31/12/2014 |
|---|------------|-----------|--------------------------|--------------------------|
| A. CURRENT ASSETS | 100 | | 3,086,163,512,555 | 3,206,812,517,037 |
| I. Cash and cash equivalents | 110 | 5 | 472,067,754,414 | 649,011,934,943 |
| 1. Cash | 111 | | 451,046,254,414 | 577,588,684,943 |
| 2. Cash equivalents | 112 | | 21,021,500,000 | 71,423,250,000 |
| II. Short-term financial investments | 120 | 6 | 30,848,500,000 | 39,091,250,000 |
| 1. Held-to-maturity investments | 123 | | 30,848,500,000 | 39,091,250,000 |
| III. Short-term receivables | 130 | | 2,098,954,443,890 | 1,875,187,126,482 |
| 1. Short-term trade receivables | 131 | 7 | 1,373,984,891,881 | 1,322,708,881,471 |
| 2. Short-term advances to suppliers | 132 | | 51,202,808,049 | 57,354,287,398 |
| 3. Receivables from contracts under percentage of completion method | 134 | 8 | 516,837,479,455 | 366,338,086,216 |
| 4. Short-term loan receivables | 135 | | 9,000,000,000 | 15,000,000,000 |
| 5. Other short-term receivables | 136 | 9 | 153,518,419,843 | 117,305,469,151 |
| 6. Provision for short-term doubtful debts | 137 | | (5,589,155,338) | (3,519,597,754) |
| IV. Inventories | 140 | 10 | 422,407,857,443 | 603,180,324,894 |
| 1. Inventories | 141 | | 423,539,052,992 | 604,201,210,913 |
| 2. Provision for devaluation of inventories | 149 | | (1,131,195,549) | (1,020,886,019) |
| V. Other short-term assets | 150 | | 61,884,956,808 | 40,341,880,718 |
| 1. Short-term prepayments | 151 | 11 | 52,664,368,514 | 37,711,123,958 |
| 2. Value added tax deductibles | 152 | | 3,704,180,466 | 1,935,432,859 |
| 3. Taxes and other receivables from the State budget | 153 | 15 | 5,516,407,828 | 695,323,901 |
| B. NON-CURRENT ASSETS | 200 | | 509,145,254,359 | 473,450,431,376 |
| I. Long-term receivables | 210 | | 248,336,866,368 | 246,256,821,273 |
| 1. Long-term trade receivables | 211 | 7 | 242,327,520,000 | 242,327,520,000 |
| 2. Other long-term receivables | 216 | 9 | 6,009,346,368 | 3,929,301,273 |
| II. Fixed assets | 220 | | 78,374,849,400 | 79,643,292,560 |
| 1. Tangible fixed assets | 221 | 12 | 51,369,507,285 | 57,159,893,102 |
| - Cost | 222 | | 221,417,312,215 | 199,562,821,486 |
| - Accumulated depreciation | 223 | | (170,047,804,930) | (142,402,928,384) |
| 2. Intangible assets | 227 | 13 | 27,005,342,115 | 22,483,399,458 |
| - Cost | 228 | | 85,471,253,170 | 67,176,021,281 |
| - Accumulated amortisation | 229 | | (58,465,911,055) | (44,692,621,823) |
| III. Long-term assets in progress | 240 | 14 | 79,660,302,041 | 64,869,578,068 |
| 1. Long-term work in progress | 241 | | 13,400,125,582 | - |
| 2. Construction in progress | 242 | | 66,260,176,459 | 64,869,578,068 |
| IV. Other long-term assets | 260 | | 102,773,236,550 | 82,680,739,475 |
| 1. Long-term prepayments | 261 | 11 | 102,285,005,135 | 82,016,995,229 |
| 2. Deferred tax assets | 262 | | 488,231,415 | 663,744,246 |
| TOTAL ASSET (270=100 + 200) | 270 | | 3,595,308,766,914 | 3,680,262,948,413 |

The notes set out on pages 7 to 28 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)
As at 31 December 2015

FORM B 01-DN/HN
Unit: VND

| RESOURCES | Codes | Notes | 31/12/2015 | 31/12/2014 |
|---|------------|-------|--------------------------|--------------------------|
| C. LIABILITIES | 300 | | 2,594,211,210,830 | 2,694,700,404,500 |
| I. Current liabilities | 310 | | 2,577,301,605,623 | 2,676,620,974,188 |
| 1. Short-term trade payables | 311 | 16 | 650,507,386,334 | 1,009,758,970,638 |
| 2. Short-term advances from customers | 312 | | 224,462,404,667 | 289,446,519,611 |
| 3. Taxes and amounts payable to the State budget | 313 | 15 | 35,738,970,047 | 35,626,703,762 |
| 4. Payables to employees | 314 | | 136,572,689,887 | 75,422,092,318 |
| 5. Short-term accrued expenses | 315 | 17 | 246,649,332,750 | 158,318,702,924 |
| 6. Payables relating to contracts under percentage of completion method | 317 | | 12,916,413,403 | 15,756,096,426 |
| 7. Short-term unearned revenue | 318 | | 66,587,915,802 | 75,222,108,108 |
| 8. Other current payables | 319 | 18 | 78,862,297,318 | 48,329,274,655 |
| 9. Short-term loans | 320 | 19 | 1,094,556,998,458 | 943,500,909,865 |
| 10. Short-term provisions | 321 | | 7,125,817,577 | 7,594,224,252 |
| 11. Bonus and welfare funds | 322 | | 23,321,379,380 | 17,645,371,629 |
| II. Long-term liabilities | 330 | | 16,909,605,207 | 18,079,430,312 |
| 1. Long-term advances from customers | 332 | | 207,388,091 | 437,517,680 |
| 2. Long-term unearned revenue | 336 | | 9,784,232,784 | 10,938,018,291 |
| 3. Long-term loans | 338 | 20 | 3,250,555,728 | 817,445,300 |
| 4. Deferred tax liabilities | 341 | | - | 1,666,222,604 |
| 5. Long-term provisions | 342 | | 3,475,332,321 | 4,028,130,154 |
| 6. Scientific and technological development fund | 343 | | 192,096,283 | 192,096,283 |
| D. EQUITY | 400 | | 1,001,097,556,084 | 985,562,543,913 |
| I. Owner's equity | 410 | | 998,347,556,084 | 982,812,543,913 |
| 1. Owner's contributed capital | 411 | 21 | 850,000,000,000 | 850,000,000,000 |
| 2. Foreign exchange reserve | 417 | 21 | (1,533,171,745) | 899,702,404 |
| 3. Retained earnings | 421 | 21 | 99,660,196,466 | 82,451,068,865 |
| - Retained earnings accumulated to the prior year end | 421a | | 32,451,068,865 | 24,428,789,142 |
| - Retained earnings of the current year | 421b | | 67,209,127,601 | 58,022,279,723 |
| 4. Non-controlling interests | 429 | | 50,220,531,363 | 49,461,772,644 |
| II. Other resources and funds | 430 | | 2,750,000,000 | 2,750,000,000 |
| 1. Subsidised fund | 431 | | 2,750,000,000 | 2,750,000,000 |
| TOTAL RESOURCES (440=300+400) | 440 | | 3,595,308,766,914 | 3,680,262,948,413 |



Do Son Giang
Deputy General Director
03 March 2016

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Ngo Thi Minh Hue
Chief Accountant

zhan
Nguyen Thi Hau
Preparer

The notes set out on pages 7 to 28 are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT
 For the year ended 31 December 2015

FORM B 02-DN/HN
 Unit: VND

| ITEMS | Codes | Notes | 2015 | 2014 |
|---|-----------|-----------|--------------------------|--------------------------|
| 1. Gross revenue from goods sold and services rendered | 01 | | 4,597,270,782,615 | 4,361,582,683,832 |
| 2. Deductions | 02 | | 13,696,246,353 | 47,590,000 |
| 3. Net revenue from goods sold and services rendered (10=01-02) | 10 | 23 | 4,583,574,536,262 | 4,361,535,093,832 |
| 4. Cost of sales | 11 | 24 | 3,719,249,261,435 | 3,602,156,637,970 |
| 5. Gross profit from goods sold and services rendered (20=10-11) | 20 | | 864,325,274,827 | 759,378,455,862 |
| 6. Financial income | 21 | 25 | 39,613,773,536 | 33,887,784,792 |
| 7. Financial expenses | 22 | 26 | 86,715,404,546 | 45,520,491,537 |
| - In which: Interest expense | 23 | | 31,944,905,490 | 23,541,976,919 |
| 8. Selling expenses | 25 | | 350,847,746,740 | 336,012,726,942 |
| 9. General and administration expenses | 26 | | 223,339,058,449 | 229,559,662,753 |
| 10. Operating profit (30=20+(21-22)-(25+26)) | 30 | | 243,036,838,628 | 182,173,359,422 |
| 11. Other income | 31 | 27 | 24,249,919,392 | 36,231,102,587 |
| 12. Other expenses | 32 | 28 | 5,998,195,551 | 14,388,691,767 |
| 13. Profit from other activities (40=31-32) | 40 | | 18,251,723,841 | 21,842,410,820 |
| 14. Accounting profit before tax (50=30+40) | 50 | | 261,288,562,469 | 204,015,770,242 |
| 15. Current corporate income tax expense | 51 | 29 | 45,534,017,453 | 43,587,401,620 |
| 16. Deferred corporate tax (income)/expense | 52 | 29 | (1,490,709,773) | 1,348,931,551 |
| 17. Net profit after corporate income tax (60=50-51-52) | 60 | | 217,245,254,789 | 159,079,437,071 |
| 18. Equity holders of the Holding Company | 61 | | 216,273,684,696 | 158,913,644,137 |
| 19. Non-controlling interests | 62 | | 971,570,093 | 165,792,934 |



Do Son Giang
 Deputy General Director

03 March 2016

Handwritten signature of Ngo Thi Minh Hue

Ngo Thi Minh Hue
 Chief Accountant

Handwritten signature of Nguyen Thi Hau

Nguyen Thi Hau
 Preparer

The notes set out on pages 7 to 28 are an integral part of these consolidated financial statements

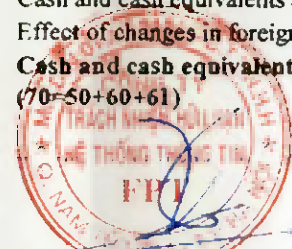
CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2015

FORM B 03-DN/HN

Unit: VND

| ITEMS | Codes | 2015 | 2014 |
|---|-------|---------------------|---------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1. Profit before tax | 01 | 261,288,562,469 | 204,015,770,242 |
| 2. Adjustments for: | | | |
| Depreciation and amortisation of fixed assets | 02 | 45,447,328,889 | 40,421,045,215 |
| Provisions | 03 | 2,179,867,114 | (745,841,350) |
| Foreign exchange loss arising from translating foreign currency items | 04 | 9,517,601,339 | 6,523,754,041 |
| Foreign exchange translation differences | | (2,432,874,149) | 1,322,626,411 |
| (Gain) from investing activities | 05 | (14,638,174,755) | (26,247,411,503) |
| Interest expense | 06 | 31,944,905,490 | 23,541,976,919 |
| 3. Operating profit before movements in working capital | 08 | 333,307,216,397 | 248,831,919,975 |
| Change in receivables | 09 | (232,575,239,602) | 119,161,512,204 |
| Change in inventories | 10 | 167,262,032,339 | (438,222,745,744) |
| Change in payables (excluding accrued loan interest and corporate income tax payable) | 11 | (259,732,108,816) | 337,523,056,777 |
| Change in prepaid expenses | 12 | (34,398,229,097) | (6,451,772,300) |
| Interest paid | 14 | (31,599,586,206) | (23,381,276,332) |
| Corporate income tax paid | 15 | (51,080,173,931) | (60,182,892,062) |
| Other cash outflows | 17 | (16,426,403,730) | (25,344,162,599) |
| Net cash (used in)/generated operating activities | 20 | (125,242,492,646) | 151,933,639,919 |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 1. Acquisition and construction of fixed assets and other long-term assets | 21 | (46,489,626,765) | (60,277,075,808) |
| 2. Proceeds from sale, disposal of fixed assets and other long-term assets | 22 | 221,902,370 | 1,156,686,837 |
| 3. Cash outflow for lending, buying debt instruments of other entities | 23 | - | (66,699,800,000) |
| 4. Cash recovered from lending, selling debt instruments of other entities | 24 | 14,242,750,000 | 35,108,550,000 |
| 5. Equity investments in other entities | 25 | (150,000,000) | - |
| 6. Interest earned, dividends and profits received | 27 | 11,911,473,520 | 16,642,549,677 |
| Net cash (used in) by investing activities | 30 | (20,263,500,875) | (74,069,089,294) |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 1. Proceeds from borrowings | 33 | 2,567,374,907,579 | 2,360,207,501,482 |
| 2. Repayment of borrowings | 34 | (2,443,250,568,962) | (2,107,785,332,292) |
| 3. Dividends and profits paid | 36 | (158,000,000,000) | (341,000,000,000) |
| Net cash (used in) financing activities | 40 | (33,875,661,383) | (88,577,830,810) |
| Net (decrease) in cash (50=20+30+40) | 50 | (179,381,654,904) | (10,713,280,185) |
| Cash and cash equivalents at the beginning of the year | 60 | 649,011,934,943 | 660,093,312,788 |
| Effect of changes in foreign exchange rates | 61 | 2,437,474,375 | (368,097,660) |
| Cash and cash equivalents at the end of the year (70=50+60+61) | 70 | 472,067,754,414 | 649,011,934,943 |



Do Son Giang
Deputy General Director

03 March 2016

Nguyễn Thị Minh Huệ
Ngô Thị Minh Huệ
Chief Accountant

Nguyễn Thị Hậu
Nguyễn Thị Hậu
Preparer

The notes set out on pages 7 to 28 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

I. GENERAL INFORMATION

Structure of ownership

FPT Information System Corporation - Company Limited ("the Corporation"), formerly known as FPT Information System Corporation - Joint-stock Company, changed its ownership form in accordance with the Resolution dated 06 May 2011 issued by the Board of Directors of FPT Corporation. The Corporation was granted the first Business Registration Certificate No.0104128565 dated 13 August 2009 by Hanoi Department of Planning and Investment. According to its 17th amended Certificate dated 16 June 2014, the Corporation's charter capital is VND 850,000,000,000.

The number of official employees as at 31 December 2015 was 3,021 (31 December 2014: 2,635).

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.

Normal production and business cycle

The Corporation's normal production and business cycle is carried out for a time period of 12 months or less except for some system integration projects having implementation time over 12 months.

The Corporation's structure

As at 31 December 2015, the Corporation had 12 subsidiaries (as at 31 December 2014: 14 subsidiaries). Detailed information of the subsidiaries are as following:

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

1. GENERAL INFORMATION (Continued)

The Corporation's structure (Continued)

| No. | Name of company | Place of establishment | Proportion of interest (%) | Proportion of voting right (%) | Principal activities |
|-----|--|------------------------|----------------------------|--------------------------------|--|
| 1 | FPT ERP Services Company Limited | Hanoi | 100% | 100% | Provide system integration, software, solutions and services |
| 2 | FPT Information System of Financing and Banking Services Company | Hanoi | 100% | 100% | Provide system integration, software, solutions and services |
| 3 | FPT FPS Information System Company Limited (i) | Hanoi | 100% | 100% | Provide system integration, software, solutions and services |
| 4 | FPT GMC Information System Company Limited (ii) | Hanoi | 100% | 100% | Provide system integration, software, solutions and services |
| 5 | FPT FTU Information System Company Limited (ii) | Hanoi | 100% | 100% | Provide system integration, software, solutions and services |
| 6 | FPT Information System Services Company Limited | Hanoi | 100% | 100% | Provide system integration, software, solutions and services |
| 7 | FPT Enterprise Information System Company Limited (ii) | HCM city | 100% | 100% | Provide system integration, software, solutions and services |
| 8 | FPT Information System Cambodia Company Limited | Cambodia | 100% | 100% | Provide system integration, software, solutions and services |
| 9 | FPT Information System Singapore Company Limited | Singapore | 100% | 100% | Provide system integration, software, solutions and services |
| 10 | FPT Information Service Company Limited | Hanoi | 100% | 100% | Provide system integration, software, solutions and services |
| 11 | FPT High Technology Solutions One-member Limited Liability Company | HCM city | 100% | 100% | Provide system integration, software, solutions and services |
| 12 | Telehouse International Corporation of Vietnam | Hanoi | 51% | 51% | Provide data center services |

According to Decision No. 974/2014/QD-FIS on 10 December 2014 related to the reorganization of the Corporation and Decision No. 530/2015/QD-FIS dated 15 June 2015 related to the merge subsidiaries issued by the Corporation's Chairman, in the year 2015 as follows:

- (i) FPT FSE Information System Company Limited, FPT Public Finance Solution Company Limited and E-Customs FCS Services Company Limited are combined into FPT FPS Information System Company Limited;
- (ii) Change FPT Software Development Company Limited into FPT GMC Information System Company Limited, FPT Information System of Telecom & Public Services Company Limited into FPT FTU Information System Company Limited, and FPT Information System of The South Company Limited into FPT Enterprise Information System Company Limited.

Disclosure of information comparability in the consolidated financial statements

As stated in Note 03, since 01 January 2015, the Corporation has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 202") guiding the preparation and presentation of consolidated financial statements. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 supersedes section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". However, the adoption of such circulars does not have significant impact on the comparability of the figures in the Company's 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 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 consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC (Circular 202) guiding the preparation and presentation of consolidated financial statements. These circulars are effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 will supersede section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". The Board of Directors has adopted Circular 200 and Circular 202 in the preparation and presentation of the consolidated financial statements for the year ended 31 December 2015.

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.

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)

Basis of consolidation (Continued)

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.

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 receivables, loan receivables and other receivables and other financial instruments.

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.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first in, first out method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations, which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

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 and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

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

| | <u>2015</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, licenses and franchises that are stated at cost less accumulated amortisation. Intangible assets are amortised using the straight-line method over 3 to 5 years.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Long-term prepayments

Long-term prepayments comprise costs of small tools, supplies and spare parts issued for consumption and expenses related to progression contracts, which are expected to provide future economic benefits to the Corporation for 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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

Revenue from software development, system integration and informatics services

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

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

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

Foreign currencies

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (the functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in 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". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement. Unrealised exchange gains at the balance sheet date are not treated as part of distributable profit to the owner.

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)

Borrowing costs

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

Payable provisions

Payable provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

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 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

| | <u>31/12/2015</u> | <u>31/12/2014</u> |
|------------------|------------------------|------------------------|
| | VND | VND |
| Cash on hand | 1,179,021,004 | 1,152,038,572 |
| Demand deposits | 449,867,233,410 | 576,436,646,371 |
| Cash equivalents | 21,021,500,000 | 71,423,250,000 |
| | <u>472,067,754,414</u> | <u>649,011,934,943</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

6. SHORT-TERM FINANCIAL INVESTMENTS

Short-term financial investments represent the balance of term deposits with original terms of over 3 months and less than 01 year.

7. TRADE RECEIVABLES

| | <u>31/12/2015</u> | <u>31/12/2014</u> |
|--|--------------------------|--------------------------|
| | VND | VND |
| Joint Stock Commercial Bank for Investment and Development of Vietnam | 138,048,086,310 | 73,882,412,136 |
| Ministry of Economy and Finance of Cambodia | 99,807,081,623 | 2,281,719,002 |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam | 91,490,978,151 | 259,511,348,564 |
| Department of Information Technology - GDT | 73,191,892,000 | 5,182,700,000 |
| National Board of Revenue (NBR) - Bangladesh | 66,727,484,609 | 20,441,252,886 |
| General Department of Taxation - Ministry of Finance | 65,023,387,523 | 60,211,355,389 |
| Informatics and Statistics Department - Ministry of Finance | 58,476,795,800 | 14,952,706,204 |
| Executive Management Board project to build electronic government in Quang Ninh Province | 43,120,480,494 | 77,939,455,881 |
| Others | 738,098,705,371 | 808,305,931,409 |
| <i>In which</i> | | |
| <i>Receivables from related parties</i> | 22,376,359,691 | 31,929,851,346 |
| <i>(see in Note 33)</i> | | |
| | <u>1,373,984,891,881</u> | <u>1,322,708,881,471</u> |
| Long-term trade receivables | | |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam | 242,327,520,000 | 242,327,520,000 |
| | <u>242,327,520,000</u> | <u>242,327,520,000</u> |

8. RECEIVABLES FROM 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:

| | <u>31/12/2015</u> | <u>31/12/2014</u> |
|--|------------------------|------------------------|
| | VND | VND |
| Contract costs incurred plus recognised profits less recognised losses to date | 1,983,467,611,881 | 1,575,886,912,803 |
| Less: Progress billings | (1,466,630,132,426) | (1,209,548,826,587) |
| | <u>516,837,479,455</u> | <u>366,338,086,216</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. OTHER RECEIVABLES

| | <u>31/12/2015</u> | <u>31/12/2014</u> |
|--|-------------------------------|-------------------------------|
| | VND | VND |
| Current | 153,518,419,843 | 117,305,469,151 |
| - Receivable related to maintenance services | 119,119,747,291 | 92,294,878,439 |
| - Receivable from employees | 10,948,632,970 | 10,465,100,326 |
| - Deposits and mortgages | 6,562,738,251 | 4,448,726,048 |
| - Other receivables | 16,887,301,331 | 10,096,764,338 |
| Non-current | 6,009,346,368 | 3,929,301,273 |
| - Deposits and mortgages | 5,125,546,368 | 3,929,301,273 |
| - Other receivables | 883,800,000 | - |
| | <u>159,527,766,211</u> | <u>121,234,770,424</u> |

10. INVENTORIES

| | <u>31/12/2015</u> | | <u>31/12/2014</u> | |
|----------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Cost | Provision | Cost | Provision |
| | VND | VND | VND | VND |
| Goods in transit | 9,571,090,840 | - | 8,297,071,354 | - |
| Tools and supplies | 819,631,236 | - | 1,040,564,729 | - |
| Work in progress | 333,162,856,279 | - | 424,972,670,451 | - |
| Merchandise | 78,876,970,228 | (1,131,195,549) | 168,264,300,644 | (1,020,886,019) |
| Goods on consignment | 1,108,504,409 | - | 1,626,603,735 | - |
| | <u>423,539,052,992</u> | <u>(1,131,195,549)</u> | <u>604,201,210,913</u> | <u>(1,020,886,019)</u> |

11. PREPAYMENTS

| | <u>31/12/2015</u> | <u>31/12/2014</u> |
|---------------------------------------|-------------------------------|------------------------------|
| | VND | VND |
| Current | | |
| Tools and dies issued for consumption | 3,680,650,314 | 6,924,736,733 |
| Office retail | 12,808,577,000 | 5,556,987,251 |
| Others (*) | 36,175,141,200 | 25,229,399,974 |
| | <u>52,664,368,514</u> | <u>37,711,123,958</u> |
| Non-current | | |
| Tools and dies issued for consumption | 17,924,232,355 | 9,673,025,478 |
| Office set-up | 23,424,540,411 | 22,074,652,284 |
| Others (*) | 60,936,232,369 | 50,269,317,467 |
| | <u>102,285,005,135</u> | <u>82,016,995,229</u> |

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

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

12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

| | Buildings and structures VND | Machinery, Equipment VND | Motor Vehicles VND | Office Equipment VND | Other fixed assets VND | Total VND |
|---------------------------------|------------------------------------|--------------------------------|--------------------------|----------------------------|------------------------------|-----------------|
| COST | | | | | | |
| As at 01/01/2015 | - | 129,211,360,292 | 13,107,426,500 | 52,875,798,475 | 4,368,236,219 | 199,562,821,486 |
| Purchases for the year | 2,343,157,419 | 5,932,649,466 | 313,116,235 | 17,858,963,861 | - | 26,447,886,981 |
| Disposals | - | - | (346,894,755) | (2,918,006,664) | - | (3,264,901,419) |
| Other decreases | - | (1,255,000,000) | - | (73,494,833) | - | (1,328,494,833) |
| As at 31/12/2015 | 2,343,157,419 | 133,889,009,758 | 13,073,647,980 | 67,743,260,839 | 4,368,236,219 | 221,417,312,215 |
| ACCUMULATED DEPRECIATION | | | | | | |
| As at 01/01/2015 | - | 95,677,630,742 | 7,493,816,412 | 38,580,325,441 | 651,155,789 | 142,402,928,384 |
| Charge for the year | 1,854,999,645 | 18,080,752,172 | 1,708,726,038 | 9,033,948,011 | 630,399,182 | 31,308,825,048 |
| Disposals | - | - | (346,894,755) | (2,814,941,683) | - | (3,161,836,438) |
| Other decreases | - | (451,570,775) | - | (50,541,289) | - | (502,112,064) |
| As at 31/12/2015 | 1,854,999,645 | 113,306,812,139 | 8,855,647,695 | 44,748,790,480 | 1,281,554,971 | 170,047,804,930 |
| NET BOOK VALUE | | | | | | |
| As at 31/12/2015 | 488,157,774 | 20,582,197,619 | 4,218,000,285 | 22,994,470,359 | 3,086,681,248 | 51,369,507,285 |
| As at 31/12/2014 | - | 33,533,729,550 | 5,613,610,088 | 14,295,473,034 | 3,717,080,430 | 57,159,893,102 |

As at 31 December 2015, the cost of the Corporation's tangible fixed assets includes VND 104,218 million (31 December 2014: VND 40,030 million) of assets which have been fully depreciated but are still in use.

13. INCREASES, DECREASES IN INTANGIBLE ASSETS

| | Computer software VND | Copyright, patents VND | Licenses and franchises VND | Others VND | Total VND |
|--|-----------------------------|------------------------------|-----------------------------------|---------------|-----------------|
| COST | | | | | |
| As at 01/01/2015 | 59,961,680,609 | 6,375,887,451 | 635,335,000 | 203,118,221 | 67,176,021,281 |
| Purchases for the year | 3,433,560,859 | 274,609,720 | - | 432,207,363 | 4,140,377,942 |
| Transfer from construction in progress | 15,163,906,246 | - | - | - | 15,163,906,246 |
| Reclassification | 2,954,182,477 | (2,954,182,477) | - | - | - |
| Other increases/(decreases) | (1,015,000,000) | - | - | 5,947,701 | (1,009,052,299) |
| As at 31/12/2015 | 80,498,330,191 | 3,696,314,694 | 635,335,000 | 641,273,285 | 85,471,253,170 |
| ACCUMULATED DERRECIATION | | | | | |
| As at 01/01/2015 | 41,444,040,245 | 3,119,586,946 | 19,727,296 | 109,267,336 | 44,692,621,823 |
| Charge for the year | 13,806,421,290 | 181,958,276 | 98,332,033 | 51,792,242 | 14,138,503,841 |
| Other increases/(decreases) | (365,214,609) | - | - | - | (365,214,609) |
| As at 31/12/2015 | 54,885,246,926 | 3,301,545,222 | 118,059,329 | 161,059,578 | 58,465,911,055 |
| NET BOOK VALUE | | | | | |
| As at 31/12/2015 | 25,613,083,265 | 394,769,472 | 517,275,671 | 480,213,707 | 27,005,342,115 |
| As at 31/12/2014 | 18,517,640,364 | 3,256,300,505 | 615,607,704 | 93,850,885 | 22,483,399,458 |

As at 31 December 2015, intangible assets include the net book value of VND 1.9 billion under project to provide electronic ticketing system of Vietnam Railways Corporation as collateral for the long-term borrowing from Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Thanh Branch.

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. LONG-TERM ASSETS IN PROGRESS

| | 31/12/2015 | | 31/12/2014 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Cost | Recoverable amount | Cost | Recoverable amount |
| | VND | VND | VND | VND |
| a) Long-term work in progress | | | | |
| Core banking system for the Joint Stock Commercial Bank for Foreign Trade of Vietnam project under implementation | 13,400,125,582 | 13,400,125,582 | - | - |
| | 13,400,125,582 | 13,400,125,582 | - | - |
| b) Long-term construction in progress | | | | |
| Anti-fake invoice coding system "E-invoice" | 11,392,261,340 | 11,392,261,340 | 8,222,133,370 | 8,222,133,370 |
| FPT.eCLAIM Project | 8,131,858,904 | 8,131,858,904 | - | - |
| Expand DATA CENTER project- Phase 2.2 | 7,890,944,566 | 7,890,944,566 | - | - |
| Research and Construction Systems Intelligent Security Monitoring | 7,501,766,101 | 7,501,766,101 | 7,501,766,101 | 7,501,766,101 |
| FPT.eGov project | 5,691,220,894 | 5,691,220,894 | 5,691,220,894 | 5,691,220,894 |
| Smart video solutions project | 5,300,633,091 | 5,300,633,091 | - | - |
| Bus information and management system in Ho Chi Minh city | 4,376,620,034 | 4,376,620,034 | 4,376,620,034 | 4,376,620,034 |
| Smart transportation project | 3,782,118,662 | 3,782,118,662 | - | - |
| FPT.eHEALTH project | 3,711,220,886 | 3,711,220,886 | 3,591,220,886 | 3,591,220,886 |
| Others | 8,481,531,981 | 8,481,531,981 | 35,486,616,783 | 35,486,616,783 |
| | 66,260,176,459 | 66,260,176,459 | 64,869,578,068 | 64,869,578,068 |

15. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

| Items | 31/12/2014 | Movement in 2015 | | 31/12/2015 |
|------------------------------|-----------------------|------------------------|------------------------|-----------------------|
| | | Amount | Amount | |
| | VND | receivable/payable | received/paid | VND |
| a. Receivables | | | | |
| Value added tax | - | 301,203,274 | - | 301,203,274 |
| - Output value added tax | - | 301,203,274 | - | 301,203,274 |
| Corporate income tax | 671,312,692 | 4,875,856,247 | 529,815,331 | 5,017,353,608 |
| Other taxes | 24,011,209 | 248,638,423 | 74,798,686 | 197,850,946 |
| Total | 695,323,901 | 5,425,697,944 | 604,614,017 | 5,516,407,828 |
| b. Payables | | | | |
| Value added tax | 15,212,357,234 | 139,078,396,577 | 136,194,062,310 | 18,096,691,501 |
| - Output value added tax | 14,510,840,973 | 55,772,607,244 | 52,889,732,120 | 17,393,716,097 |
| - Value added tax on imports | 701,516,261 | 83,305,789,333 | 83,304,330,190 | 702,975,404 |
| Import duty | 82,251,841 | 1,047,854,648 | 1,048,169,441 | 81,937,048 |
| Corporate income tax | 12,265,343,989 | 45,004,202,122 | 46,204,317,684 | 11,065,228,427 |
| Other taxes | 8,066,750,698 | 50,406,606,832 | 52,054,015,867 | 6,419,341,663 |
| Personal income tax | 4,082,544,084 | 28,164,729,503 | 30,065,372,837 | 2,181,900,750 |
| Other taxes | 3,984,206,614 | 22,241,877,329 | 21,988,643,030 | 4,237,440,913 |
| Other payables | - | 1,528,835,366 | 1,453,063,958 | 75,771,408 |
| Total | 35,626,703,762 | 237,065,895,545 | 236,953,629,260 | 35,738,970,047 |

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

16. SHORT-TERM TRADE PAYABLES

| | 31/12/2015 | | 31/12/2014 | |
|---|------------------------|----------------------------|--------------------------|----------------------------|
| | Amount | Amount able to be paid off | Amount | Amount able to be paid off |
| | | VND | | VND |
| Fiserv (ASPAC) Pte. Ltd. | 105,873,013,812 | 105,873,013,812 | 84,313,795,800 | 84,313,795,800 |
| Cisco Systems Intl BV, Netherl | 31,712,635,455 | 31,712,635,455 | 47,364,838,060 | 47,364,838,060 |
| Swift Integrator Pte Ltd. | 28,376,645,600 | 28,376,645,600 | 33,035,835,705 | 33,035,835,705 |
| ELITE Technology Joint Stock Company - Hanoi Branch | 24,445,693,800 | 24,445,693,800 | 145,200,000 | 145,200,000 |
| SAP Asia Pte Ltd. | 21,729,750,256 | 21,729,750,256 | 35,077,541,424 | 35,077,541,424 |
| Ingram Micro Asia Ltd. | 16,998,405,275 | 16,998,405,275 | 5,753,773,215 | 5,753,773,215 |
| Microsoft Regional Sales Corporation | 16,790,164,729 | 16,790,164,729 | 37,625,191,596 | 37,625,191,596 |
| Other suppliers | 404,581,077,407 | 404,581,077,407 | 766,442,794,838 | 766,442,794,838 |
| <i>In which</i> | | | | |
| <i>Trade payables to related parties</i> | 76,879,134,580 | 76,879,134,580 | 91,647,125,008 | 91,647,125,008 |
| <i>(for significant balances see in Note 33)</i> | | | | |
| | 650,507,386,334 | 650,507,386,334 | 1,009,758,970,638 | 1,009,758,970,638 |

17. SHORT-TERM ACCRUED EXPENSES

| | 31/12/2015 | 31/12/2014 |
|--|------------------------|------------------------|
| | VND | VND |
| Accrued interest | 3,995,484,463 | 2,534,484,614 |
| Accrued expenses for system integration projects | 242,366,174,929 | 155,168,156,355 |
| Others | 287,673,358 | 616,061,955 |
| | 246,649,332,750 | 158,318,702,924 |

18. OTHER SHORT-TERM PAYABLES

| | 31/12/2015 | 31/12/2014 |
|---|-----------------------|-----------------------|
| | VND | VND |
| Trade union fees | 5,082,272,629 | 4,576,083,946 |
| Social, unemployment and health insurance | 2,831,391,722 | 673,024,392 |
| FPT Corporation | 57,500,000,000 | 38,084,994,503 |
| Other payables | 13,448,632,967 | 4,995,171,814 |
| | 78,862,297,318 | 48,329,274,655 |

19. SHORT-TERM LOANS

| | 31/12/2014 | | In the year | | 31/12/2015 | |
|-----------------------------------|------------------------|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | Amount | Amount able to be paid off | Increases | Decreases | Amount | Amount able to be paid off |
| | VND | VND | VND | VND | VND | VND |
| Short-term borrowings | 943,500,909,865 | 943,500,909,865 | 2,564,045,612,494 | 2,414,069,523,901 | 1,093,476,998,458 | 1,093,476,998,458 |
| Current portion of long-term loan | - | - | 1,080,000,000 | - | 1,080,000,000 | 1,080,000,000 |
| | 943,500,909,865 | 943,500,909,865 | 2,565,125,612,494 | 2,414,069,523,901 | 1,094,556,998,458 | 1,094,556,998,458 |

Short-term borrowings represent borrowings from banks and FPT Corporation - the parent company. Interest rates are specified for each withdrawal.

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

19. SHORT-TERM LOANS (Continued)

Details of outstanding loan principal as at 31 December 2015 are as follows:

| | 31/12/2015 | 31/12/2014 |
|---|--------------------------|------------------------|
| | VND | VND |
| Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Thanh Branch | 394,756,121,909 | 105,431,823,374 |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam - Operation Center | 216,721,052,185 | 51,421,739,869 |
| FPT Corporation | 213,500,000,000 | 66,000,000,000 |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Ba Trung Branch | 133,446,100,193 | 35,702,652,711 |
| Hongkong & Shanghai HSBC (Vietnam) - Hanoi Branch | 77,989,591,385 | 143,018,920,000 |
| ANZ Bank- Singapore Branch | 47,664,132,786 | 247,585,618,911 |
| Citibank N.A. Vietnam - Hanoi Branch | 9,400,000,000 | 294,340,155,000 |
| | 1,093,476,998,458 | 943,500,909,865 |

20. LONG-TERM LOANS

| | 31/12/2014 | | In the year | | 31/12/2015 | |
|---|--------------------|----------------------------|----------------------|-----------|----------------------|----------------------------|
| | Amount | Amount able to be paid off | Increases | Decreases | Amount | Amount able to be paid off |
| Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Thanh Branch (i) | 817,445,300 | 817,445,300 | 3,513,110,428 | - | 4,330,555,728 | 4,330,555,728 |
| Total | 817,445,300 | 817,445,300 | 3,513,110,428 | - | 4,330,555,728 | 4,330,555,728 |
| In which: | | | | | | |
| - Amount due for settlement within 12 months | - | - | | | 1,080,000,000 | 1,080,000,000 |
| - Amount due for settlement after 12 months | 817,445,300 | 817,445,300 | | | 3,250,555,728 | 3,250,555,728 |

A long-term loan agreement with Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - Ha Thanh Branch for an amount of VND 36 billion for investment in the project to provide electronic ticketing system of Vietnam Railways Corporation. The loan is disbursed within 60 months from the date of the first loan drawdown (24 November 2014). As at 31 December 2015, the loan had been withdrawn with an amount of VND 4,330,555,728.

The loan bears a floating interest rate which is determined by the Bank's 12-month savings deposit interest rate with interest paid in arrears from time to time plus (+) a margin of 3.0% p.a., but within the range of floor and ceiling lending interest rates applicable to medium and long-term loans specified by the Bank from time to time.

The Corporation uses the assets formed in the future from the investment project to provide electronic ticketing system of Vietnam Railways Corporation as collateral for this loan.

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. LONG-TERM LOANS (Continued)

Long-term loans are repayable as follows:

| | <u>31/12/2015</u> | <u>31/12/2014</u> |
|--|-----------------------------|---------------------------|
| | VND | VND |
| Within one year | 1,080,000,000 | - |
| In the second year | 3,250,555,728 | 817,445,300 |
| | <u>4,330,555,728</u> | <u>817,445,300</u> |
| Less: Amount due for settlement within 12 months | 1,080,000,000 | - |
| Amount due for settlement after 12 months | <u>3,250,555,728</u> | <u>817,445,300</u> |

21. OWNER'S EQUITY

Movement in owner's equity

| | Charter capital VND | Foreign exchange reserve VND | Investment and development fund VND | Retained earnings VND | Total VND |
|----------------------------------|-------------------------------|------------------------------------|---|------------------------------|-------------------------------|
| As at 01/01/2014 | 550,000,000,000 | (422,924,007) | 27,740,764,485 | 520,688,024,657 | 1,098,005,865,135 |
| Capital increase | 300,000,000,000 | - | (27,740,764,485) | (272,259,235,515) | - |
| Profit for the year | - | - | - | 158,913,644,137 | 158,913,644,137 |
| Profit transferred to owner | - | - | - | (309,000,000,000) | (309,000,000,000) |
| Profit distributed to funds | - | - | - | (15,891,364,414) | (15,891,364,414) |
| Others | - | 1,322,626,411 | - | - | 1,322,626,411 |
| As at 01/01/2015 | <u>850,000,000,000</u> | <u>899,702,404</u> | <u>-</u> | <u>82,451,068,865</u> | <u>933,350,771,269</u> |
| Profit in the year | - | - | - | 216,273,684,696 | 216,273,684,696 |
| Profit distributed to funds (i) | - | - | - | (21,627,368,470) | (21,627,368,470) |
| Profit transferred to owner (ii) | - | - | - | (177,500,000,000) | (177,500,000,000) |
| Equity transactions | - | - | - | 62,811,375 | 62,811,375 |
| Others | - | (2,432,874,149) | - | - | (2,432,874,149) |
| As at 31/12/2015 | <u>850,000,000,000</u> | <u>(1,533,171,745)</u> | <u>-</u> | <u>99,660,196,466</u> | <u>948,127,024,721</u> |

(i) According to Decision dated 31 December 2015 by the Members' Council, the Corporation distributed 2015 consolidated profit after tax attributable to equity holders of the Corporation to bonus and welfare funds at the rate of 10%.

(ii) Profit transferred to FPT Corporation (the Parent Company) according to Decision No. 51-13-2015/QD-FPT-TGD dated 31 March 2015 on the 3rd payment of profit in 2014, Decision No. 95.1-2015/QD-FPT-TGD dated 30 June 2015 on the 1st payment of profit in 2015, and Decision No. 252-2015/QD-FPT-TGD dated 31 December 2015 on the 2nd payment of profit in 2015 by the Executive President of FPT Corporation.

Charter capital and investment capital

Under the Corporation's 17th amended Business Registration Certificate dated 16 June 2014, the charter capital of the Corporation is VND 850,000,000,000. As 31 December 2015, the charter capital of the Corporation had been fully contributed by its owner, FPT Corporation.

| | Per amended Investment Certificate VND | Contributed capital as at | |
|-----------------|--|-------------------------------|-------------------------------|
| | | 31/12/2015 VND | 31/12/2014 VND |
| FPT Corporation | 850,000,000,000 | 850,000,000,000 | 850,000,000,000 |
| Total | <u>850,000,000,000</u> | <u>850,000,000,000</u> | <u>850,000,000,000</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

22. OFF BALANCE SHEET ITEMS

| | Unit | 31/12/2015 | 31/12/2014 |
|---|------|-----------------|-----------------|
| 1. Goods held under trust or for processing | VND | 187,711,830,847 | 179,232,471,568 |
| 2. Foreign currencies | | | |
| - United States Dollar | USD | 2,121,059.06 | 1,947,647.37 |
| - Euro | EUR | 490.85 | 648.12 |
| - Japanese Yen | JPY | 66,761,828.00 | 43,809,346.00 |
| - Singaporean Dollar | SGD | 353,527.71 | 287,418.49 |
| - Kiat | MMK | 304,682.00 | 5,066,630.00 |

23. REVENUE

| | 2015 | 2014 |
|----------------------|--------------------------|--------------------------|
| | VND | VND |
| Sales | 4,597,270,782,615 | 4,361,582,683,832 |
| Sales of goods | 2,612,746,741,766 | 2,918,569,120,749 |
| Sales of services | 1,984,524,040,849 | 1,443,013,563,083 |
| Less deductions | 13,696,246,353 | 47,590,000 |
| Sales return | 13,696,246,353 | 47,590,000 |
| Net sales | 4,583,574,536,262 | 4,361,535,093,832 |
| Of which: | 2015 | 2014 |
| | VND | VND |
| Software development | 1,097,823,243,413 | 656,248,709,098 |
| System integration | 2,599,050,495,413 | 2,918,521,530,749 |
| Informatics service | 886,700,797,436 | 786,764,853,985 |
| | 4,583,574,536,262 | 4,361,535,093,832 |

24. COST OF SALES

| | 2015 | 2014 |
|--|--------------------------|--------------------------|
| | VND | VND |
| Cost of goods sold | 2,282,454,938,209 | 2,567,141,490,490 |
| Cost of services rendered | 1,436,684,013,696 | 1,034,510,812,130 |
| Provision for devaluation of inventories | 110,309,530 | 504,335,350 |
| | 3,719,249,261,435 | 3,602,156,637,970 |

25. FINANCIAL INCOME

| | 2015 | 2014 |
|-----------------------|-----------------------|-----------------------|
| | VND | VND |
| Bank interest | 11,018,893,253 | 16,079,335,186 |
| Foreign exchange gain | 25,100,383,871 | 8,666,278,385 |
| Others | 3,494,496,412 | 9,142,171,221 |
| | 39,613,773,536 | 33,887,784,792 |

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 EXPENSES

| | <u>2015</u> | <u>2014</u> |
|-----------------------|-----------------------|-----------------------|
| | VND | VND |
| Interest expense | 31,944,905,490 | 23,541,976,919 |
| Foreign exchange loss | 54,548,596,686 | 21,870,705,064 |
| Others | 221,902,370 | 107,809,554 |
| | <u>86,715,404,546</u> | <u>45,520,491,537</u> |

27. OTHER INCOME

| | <u>2015</u> | <u>2014</u> |
|--|-----------------------|-----------------------|
| | VND | VND |
| Proceeds from disposal of fixed assets | 275,626,188 | 241,725,049 |
| Others | 23,974,293,204 | 35,989,377,538 |
| | <u>24,249,919,392</u> | <u>36,231,102,587</u> |

28. OTHER EXPENSES

| | <u>2015</u> | <u>2014</u> |
|--------------------------------|----------------------|-----------------------|
| | VND | VND |
| Penalty in breach of contracts | 2,557,903,775 | 3,205,096,985 |
| Others | 3,440,291,776 | 11,183,594,782 |
| | <u>5,998,195,551</u> | <u>14,388,691,767</u> |

29. CORPORATE INCOME TAX

| | <u>2015</u> | <u>2014</u> |
|---|------------------------|-----------------------|
| | VND | VND |
| Current corporate income tax expenses | | |
| - Corporate income tax based on taxable profit in the current year | 42,542,601,912 | 40,182,000,938 |
| - Adjustments for corporate income tax expenses in previous years to the current year | 2,991,415,541 | 3,405,400,682 |
| Corporate income tax | <u>45,534,017,453</u> | <u>43,587,401,620</u> |
| Deferred corporate income tax expenses | | |
| - Taxable temporary differences | - | 5,877,469,012 |
| - Reversal of deferred tax assets | 4,386,759,239 | - |
| - Deductible temporary differences | - | (765,363,785) |
| - Taxable losses and tax incentives not yet applied | - | (3,763,173,676) |
| - Reversal of deferred tax liabilities | (5,877,469,012) | - |
| Total deferred corporate income tax expenses | <u>(1,490,709,773)</u> | <u>1,348,931,551</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

30. PRODUCTION COST BY NATURE

| | <u>2015</u> | <u>2014</u> |
|-------------------------------|--------------------------|--------------------------|
| | VND | VND |
| Raw materials and consumables | 2,246,497,215,794 | 2,825,175,870,498 |
| Labour cost | 615,188,012,611 | 499,424,009,644 |
| Depreciation and amortization | 45,447,328,889 | 40,421,045,215 |
| Bidding and hospitality | 55,261,306,447 | 78,700,609,305 |
| Provision/(reversal) | 3,774,128,326 | (716,205,602) |
| Out-sourced services | 1,192,340,849,104 | 1,009,290,728,139 |
| Other monetary expenses | 56,517,536,863 | 39,554,628,157 |
| | <u>4,215,026,378,034</u> | <u>4,491,850,685,356</u> |

31. 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 19 and 20, 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:

| | <u>31/12/2015</u> | <u>31/12/2014</u> |
|---------------------------------|-------------------|-------------------|
| | VND | VND |
| Borrowings | 1,097,807,554,186 | 944,318,355,165 |
| Less: Cash and cash equivalents | 472,067,754,414 | 649,011,934,943 |
| Net debt | 625,739,799,772 | 295,306,420,222 |
| Equity | 998,347,556,084 | 982,812,543,913 |
| Net debt to equity ratio | <u>0.63</u> | <u>0.30</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

31. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments

| | <u>31/12/2015</u> | <u>31/12/2014</u> |
|------------------------------|--------------------------|--------------------------|
| | VND | VND |
| Financial assets | | |
| Cash and cash equivalents | 472,067,754,414 | 649,011,934,943 |
| Short-term investments | 30,848,500,000 | 39,091,250,000 |
| Trade and other receivables | 2,285,139,869,239 | 2,057,530,876,709 |
| Total | <u>2,788,056,123,653</u> | <u>2,745,634,061,652</u> |
| Financial liabilities | | |
| Borrowings | 1,097,807,554,186 | 944,318,355,165 |
| Trade and other payables | 721,456,019,301 | 1,053,031,233,238 |
| Accruals | 246,649,332,750 | 158,318,702,924 |
| Total | <u>2,065,912,906,237</u> | <u>2,155,668,291,327</u> |

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 | |
|-----------------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>31/12/2015</u> | <u>31/12/2014</u> | <u>31/12/2015</u> | <u>31/12/2014</u> |
| | VND | VND | VND | VND |
| United States Dollars (USD) | 341,549,024,633 | 234,624,754,498 | 412,622,817,507 | 1,347,198,694,910 |
| Euro (EUR) | 12,122,518 | 17,162,011 | - | - |
| Japanese Yen (JPY) | 26,073,113,103 | 8,665,715,078 | 2,775,590,490 | 940,727,603 |
| Singaporean Dollar (SGD) | 13,976,768,819 | 7,429,446,819 | 11,404,996,750 | 7,782,996,620 |
| Kyats (MMK) | 1,005,863,015 | 462,883,709 | 18,029,876 | 10,168,439 |

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

31. FINANCIAL INSTRUMENTS (Continued)

Foreign currency sensitivity analysis

The Corporation is mainly exposed to United States Dollars and other foreign currencies such as Japanese Yen, Singaporean Dola etc.

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 year 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>2015</u> | <u>2014</u> |
|-----------------------------|---------------|------------------|
| | VND | VND |
| United States Dollars (USD) | (710,737,929) | (11,125,739,404) |
| Euro (EUR) | 121,225 | 171,620 |
| Japanese Yen (JPY) | 232,975,226 | 77,249,875 |
| Singapore Dollar (SGD) | 25,717,721 | (3,535,498) |
| Kyats (MMK) | 9,878,331 | 4,527,153 |

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

31. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

| | Less than 1 year VND | From 1- 5 years VND | Total VND |
|---------------------------|--------------------------|------------------------|--------------------------|
| 31/12/2015 | | | |
| Cash and cash equivalents | 472,067,754,414 | - | 472,067,754,414 |
| Short-term investments | 30,848,500,000 | - | 30,848,500,000 |
| Trade and other payables | 2,036,803,002,871 | 248,336,866,368 | 2,285,139,869,239 |
| Total | 2,539,719,257,285 | 248,336,866,368 | 2,788,056,123,653 |
| 31/12/2015 | | | |
| Borrowings | 1,094,556,998,458 | 3,250,555,728 | 1,097,807,554,186 |
| Trade and other payables | 721,456,019,301 | - | 721,456,019,301 |
| Accruals | 246,649,332,750 | - | 246,649,332,750 |
| Total | 2,062,662,350,509 | 3,250,555,728 | 2,065,912,906,237 |
| Net liquidity gap | 477,056,906,776 | 245,086,310,640 | 722,143,217,416 |
| | Less than 1 year VND | From 1- 5 years VND | Total VND |
| 31/12/2014 | | | |
| Cash and cash equivalents | 649,011,934,943 | - | 649,011,934,943 |
| Short-term investments | 39,091,250,000 | - | 39,091,250,000 |
| Trade and other payables | 1,809,194,010,341 | 248,336,866,368 | 2,057,530,876,709 |
| Total | 2,497,297,195,284 | 248,336,866,368 | 2,745,634,061,652 |
| 31/12/2014 | | | |
| Borrowings | 943,500,909,865 | 817,445,300 | 944,318,355,165 |
| Trade and other payables | 1,053,031,233,238 | - | 1,053,031,233,238 |
| Accruals | 158,318,702,924 | - | 158,318,702,924 |
| Total | 2,154,850,846,027 | 817,445,300 | 2,155,668,291,327 |
| Net liquidity gap | 342,446,349,257 | 247,519,421,068 | 589,965,770,325 |

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.

32. COMMITMENTS

Operating lease commitments

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

| | 2015 VND | 2014 VND |
|---------------------------------------|------------------------|------------------------|
| Within one year | 52,297,776,289 | 34,702,749,374 |
| In the second to fifth year inclusive | 226,144,314,973 | 185,866,370,131 |
| After five years | 26,365,432,150 | 69,850,617,876 |
| | 304,807,523,412 | 290,419,737,381 |

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

33. RELATED PARTY TRANSACTIONS AND BALANCES

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

List of related parties

| Related party | Relationship |
|---------------------------------|----------------------|
| FPT Corporation | Owner |
| FPT Software Company Limited | Under the same owner |
| FPT Trading Company Limited | Under the same owner |
| FPT Telecom Joint Stock Company | Under the same owner |

| | 2015 | 2014 |
|---|------------------------|------------------------|
| | VND | VND |
| Sales of merchandise and services | | |
| FPT Corporation | 33,045,599,160 | 18,555,578,996 |
| FPT Software Company Limited | 37,458,425,698 | 17,701,379,504 |
| FPT Trading Company Limited | 62,401,142,319 | 196,860,122,690 |
| FPT Telecom Joint Stock Company | 46,762,646,235 | 51,072,892,537 |
| Purchases | | |
| FPT Corporation | 37,906,379,871 | 30,217,960,640 |
| FPT Software Company Limited | 2,494,862,928 | 24,563,896,523 |
| FPT Trading Company Limited | 212,417,044,956 | 241,097,483,395 |
| FPT Telecom Joint Stock Company | 11,936,891,004 | 10,751,442,334 |
| Profit transferred to FPT Corporation | 177,500,000,000 | 309,000,000,000 |
| Capital increase from the FPT Corporation's retained earnings and development fund | - | 300,000,000,000 |
| Interest expense | | |
| FPT Corporation | 6,656,486,122 | 1,632,658,341 |

The related parties' significant balances as at the balance sheet date are as follows:

| | 31/12/2015 | 31/12/2014 |
|---------------------------------|-------------------|-------------------|
| | VND | VND |
| Trade receivables | | |
| FPT Corporation | 1,214,100,000 | 212,511,068 |
| FPT Software Company Limited | 3,087,721,003 | 3,335,747,312 |
| FPT Telecom Joint Stock Company | 17,590,384,011 | 8,117,898,244 |
| FPT Trading Company Limited | 484,154,677 | 20,263,694,722 |
| Other receivables | | |
| FPT Corporation | 9,928,459,594 | 1,802,510,449 |
| FPT Telecom Joint Stock Company | 817,650 | - |
| Trade account payables | | |
| FPT Corporation | 9,526,503,878 | 10,220,810,905 |
| FPT Software Company Limited | 20,315,809,551 | 23,736,781,888 |
| FPT Trading Company Limited | 45,582,904,849 | 56,561,281,393 |
| FPT Telecom Joint Stock Company | 1,453,916,302 | 979,168,860 |
| Other current payables | | |
| FPT Corporation | 57,500,000,000 | 38,084,994,503 |
| FPT Software Company Limited | 4,520,335,740 | - |
| Loans | | |
| FPT Corporation | 213,500,000,000 | 66,000,000,000 |

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

34. SUBSEQUENT EVENTS

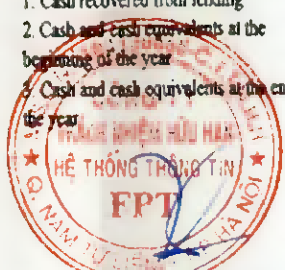
On 01 January 2016, the Corporation signed Contract No. 04-2016/HDCNVG/FIS-FTG with FPT Trading Company Limited. According to the Contract, the Corporation shall transfer its total VND 15 billion of contributed capital in FPT Information Service Company Limited (FSC - a subsidiary of the Corporation) to FPT Trading Company Limited with the transfer price of VND 15 billion. Therefore, FSC is no longer a subsidiary of the Corporation from 01 January 2016.

35. COMPARATIVE FIGURES

Comparative figures are those of the Corporation's consolidated audited financial statements for the year ended 31 December 2014. Certain reclassifications have been made to the prior year's figures to enhance their comparability with the current year's presentation. Details are as follows:

Unit: VND

| According to Decision No. 15/2006/QĐ-BTC | | | According to Circular No. 200/2014/TT-BTC | | | Changes |
|---|-------|-------------------|---|-------|-------------------|------------------------|
| Items | Codes | 31/12/2014 | Items | Codes | 31/12/2014 | |
| I ASSETS | | | I ASSETS | | | |
| 1. Cash equivalents | 112 | 86,423,250,000 | 1. Cash equivalents | 112 | 71,423,250,000 | Restated |
| 2. Short-term investments | 121 | 39,091,250,000 | <i>No corresponding item</i> | | | - Renamed and restated |
| <i>No corresponding item</i> | | | 2. Held-to-maturity investments | 123 | 39,091,250,000 | Renamed and restated |
| 3. Trade accounts receivable | 131 | 1,531,216,834,075 | 3. Short-term trade receivables | 131 | 1,322,708,881,471 | Renamed and restated |
| <i>No corresponding item</i> | | | 4. Short-term loan receivables | 135 | 15,000,000,000 | Restated |
| 4. Inter-company receivables | 133 | 35,622,077,845 | 5. Short-term inter-company receivables | 133 | | - Restated |
| 5. Other receivables | 135 | 100,589,132,328 | 6. Other short-term receivables | 136 | 117,305,469,151 | Renamed and restated |
| 6. Taxes and amounts payable to the State budget | 154 | 553,826,540 | 7. Taxes and other receivables from the State budget | 153 | 695,323,901 | Restated |
| 7. Other short-term assets | 158 | 14,913,826,374 | 8. Other short-term assets | 155 | | - Restated |
| 8. Long-term trade receivables | 211 | | 9. Long-term trade receivables | 211 | 242,327,520,000 | Restated |
| 9. Other long-term assets | 268 | 3,929,301,273 | 10. Other long-term receivables | 216 | 3,929,301,273 | Renamed and restated |
| II RESOURCES | | | II RESOURCES | | | |
| 1. Trade accounts payable | 312 | 918,111,845,630 | 1. Short-term trade payables | 311 | 1,009,758,970,638 | Renamed and restated |
| 2. Advances from customers | 313 | 289,884,037,291 | 2. Short-term advances from customers | 312 | 289,446,519,611 | Renamed and restated |
| 3. Taxes and amounts payable to the State budget | 314 | 35,485,206,401 | 3. Taxes and amounts payable to the State budget | 313 | 35,626,703,762 | Restated |
| 4. Inter-company payables | 317 | 129,732,119,511 | 4. Short-term inter-company payables | 316 | | - Restated |
| 5. Unearned revenue | 338 | 86,160,126,399 | 5. Short-term unearned revenue | 318 | 75,222,108,108 | Renamed and restated |
| 6. Other current payables | 319 | 10,244,280,152 | 6. Other current payables | 319 | 48,329,274,655 | Renamed and restated |
| 7. Short-term loans | 311 | 943,500,909,865 | 7. Short-term loans | 320 | 943,500,909,865 | Renamed |
| 8. Short-term provisions | 320 | 11,622,354,406 | 8. Short-term provisions | 321 | 7,594,224,252 | Restated |
| <i>No corresponding item</i> | | | 9. Long-term advances from customers | 332 | 437,517,680 | Restated |
| <i>No corresponding item</i> | | | 10. Long-term unearned revenue | 336 | 10,938,018,291 | Restated |
| 11. Long-term loans | 334 | 817,445,300 | 11. Long-term loans | 338 | 817,445,300 | Renamed |
| <i>No corresponding item</i> | | | 12. Long-term provisions | 342 | 4,028,130,154 | Restated |
| III INCOME STATEMENT | | | III INCOME STATEMENT | | | |
| 1. Other income | 31 | 37,146,064,375 | 1. Other income | 31 | 36,231,102,587 | Restated |
| 2. Other expenses | 32 | 15,303,653,555 | 2. Other expenses | 32 | 14,388,691,767 | Restated |
| IV. CASH FLOW STATEMENT | | | IV. CASH FLOW STATEMENT | | | |
| 1. Cash recovered from lending | 24 | 33,608,550,000 | 1. Cash recovered from lending | 24 | 35,108,550,000 | Restated |
| 2. Cash and cash equivalents at the beginning of the year | 60 | 676,593,312,788 | 2. Cash and cash equivalents at the beginning of the year | 60 | 660,093,312,788 | Restated |
| 3. Cash and cash equivalents at the end of the year | 70 | 664,011,934,943 | 3. Cash and cash equivalents at the end of the year | 70 | 649,011,934,943 | Restated |



Đo Sơn Giang
 Deputy General Director

Ngô Thị Minh Huệ
 Chief Accountant

Nguyễn Thị Hậu
 Preparer

03 March 2016

Hanoi Office

12A Floor, Vinaconex Tower
34 Lang Ha Street, Dong Da District
Hanoi, Vietnam
Tel : +84 4 6288 3568
Fax: +84 4 6288 5678

Ho Chi Minh City Office

18th Floor, Times Square Building,
22-36 Nguyen Hue Street, District 1
Ho Chi Minh City, Vietnam
Tel : +84 8 3910 0751
Fax: +84 8 3910 0750

www.deloitte.com/vn