



**FPT TELECOM JOINT STOCK COMPANY**  
*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2020**



**FPT TELECOM JOINT STOCK COMPANY**

2<sup>nd</sup> Floor, FPT Cau Giay Tower, No. 17 Duy Tan Street, Dich Vong Hau Ward  
Cau Giay District, Hanoi City, Vietnam

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**FPT TELECOM JOINT STOCK COMPANY**

2<sup>nd</sup> Floor, FPT Cau Giay Tower, No. 17 Duy Tan Street, Dich Vong Hau Ward  
Cau Giay District, Hanoi City, Vietnam

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**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of FPT Telecom Joint Stock Company (the “Company”) presents this report together with the Company’s consolidated financial statements for the year ended 31 December 2020.

**THE BOARDS OF DIRECTORS AND MANAGEMENT**

The members of the Boards of Directors and Management of the Company who held office during the year and to the date of this report are as follows:

**Board of Directors**

Mr. Hoang Nam Tien	Chairman (appointed on 03 March 2020)
Ms. Chu Thi Thanh Ha	Chairman (resigned on 03 March 2020)
	Member
Mr. Truong Gia Binh	Member
Ms. Le Ngoc Diep	Member
Mr. Nguyen Van Khoa	Member
Mr. Pham Cong Minh	Member
Mr. Bui Quang Ngoc	Member (resigned on 03 March 2020)

**Board of Management**

Mr. Hoang Viet Anh	General Director
Mr. Nguyen Hoang Linh	Deputy General Director
Ms. Vu Thi Mai Huong	Deputy General Director
Mr. Chu Hung Thang	Deputy General Director
Mr. Hoang Trung Kien	Deputy General Director (resigned on 06 March 2020)
Mr. Vu Anh Tu	Deputy General Director (resigned on 07 September 2020)

**THE BOARD OF MANAGEMENT’S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of Management 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 Company 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.

**FPT TELECOM JOINT STOCK COMPANY**

2<sup>nd</sup> Floor, FPT Cau Giay Tower, No. 17 Duy Tan Street, Dich Vong Hau Ward  
Cau Giay District, Hanoi City, Vietnam

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**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

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

The Board of Management confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management,



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**Vu Thi Mai Huong**  
**Deputy General Director**

Authorization Letter No. 369/QĐ-FTEL  
dated 01 May 2020

04 March 2021



No.: 0631 /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders  
The Boards of Directors and Management  
FPT Telecom Joint Stock Company**

We have audited the accompanying consolidated financial statements of FPT Telecom Joint Stock Company (the "Company"), prepared on 04 March 2021 as set out from page 05 to page 33, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statement of income, and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Board of Management's Responsibility for the consolidated financial statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as the Board of 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 consider 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 the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

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

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

DELOITTE VIETNAM COMPANY LIMITED

04 March 2021  
Hanoi, S.R. Vietnam



**Pham Tuan Linh**  
**Auditor**  
Audit Practising Registration Certificate  
No. 3001-2019-001-1



## CONSOLIDATED BALANCE SHEET

As at 31 December 2020

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>9,350,395,231,681</b>	<b>6,934,016,769,710</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>630,611,012,001</b>	<b>552,339,512,408</b>
1. Cash	111		79,713,237,743	139,889,470,204
2. Cash equivalents	112		550,897,774,258	412,450,042,204
<b>II. Short-term financial investments</b>	<b>120</b>	<b>5</b>	<b>6,608,557,368,342</b>	<b>4,173,210,173,033</b>
1. Held-to-maturity investments	123		6,608,557,368,342	4,173,210,173,033
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,001,733,911,616</b>	<b>987,901,715,337</b>
1. Short-term trade receivables	131	6	1,211,786,926,271	1,104,878,330,971
2. Short-term advances to suppliers	132		22,309,836,111	53,922,433,156
3. Other short-term receivables	136	7	97,343,584,052	85,195,938,979
4. Provision for short-term doubtful debts	137	8	(329,706,434,818)	(256,094,987,769)
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>627,896,135,608</b>	<b>656,730,226,675</b>
1. Inventories	141		697,613,777,715	687,009,461,752
2. Provision for devaluation of inventories	149		(69,717,642,107)	(30,279,235,077)
<b>V. Other short-term assets</b>	<b>150</b>		<b>481,596,804,114</b>	<b>563,835,142,257</b>
1. Short-term prepayments	151	10	444,263,511,711	522,718,672,233
2. Value added tax deductibles	152		27,731,020,501	31,603,264,829
3. Taxes and other receivables from the State budget	153	11	9,602,271,902	9,513,205,195
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>6,730,573,747,199</b>	<b>6,396,937,784,842</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>31,521,714,902</b>	<b>25,876,472,143</b>
1. Other long-term receivables	216		33,878,406,083	28,233,163,324
2. Provision for long-term doubtful debts	219		(2,356,691,181)	(2,356,691,181)
<b>II. Fixed assets</b>	<b>220</b>		<b>4,894,107,754,939</b>	<b>4,791,798,509,796</b>
1. Tangible fixed assets	221	12	4,304,552,110,817	4,167,162,580,730
- Cost	222		8,728,731,666,004	8,115,948,225,407
- Accumulated depreciation	223		(4,424,179,555,187)	(3,948,785,644,677)
2. Intangible assets	227	13	589,555,644,122	624,635,929,066
- Cost	228		919,170,220,951	894,175,259,589
- Accumulated amortisation	229		(329,614,576,829)	(269,539,330,523)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>307,445,010,561</b>	<b>128,114,918,230</b>
1. Long-term construction in progress	242	14	307,445,010,561	128,114,918,230
<b>IV. Long-term financial investments</b>	<b>250</b>	<b>5</b>	<b>6,200,000,000</b>	<b>6,000,000,000</b>
1. Equity investments in other entities	253		9,684,980,000	9,684,980,000
2. Provision for impairment of long-term financial investments	254		(3,684,980,000)	(3,684,980,000)
3. Held-to-maturity investments	255		200,000,000	-
<b>V. Other long-term assets</b>	<b>260</b>		<b>1,491,299,266,797</b>	<b>1,445,147,884,673</b>
1. Long-term prepayments	261	10	1,461,779,271,867	1,441,568,408,708
2. Deferred tax assets	262		29,519,994,930	3,579,475,965
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>16,080,968,978,880</b>	<b>13,330,954,554,552</b>

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




## CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2020

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>11,002,713,268,170</b>	<b>8,308,254,385,786</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>10,717,108,629,107</b>	<b>7,967,680,395,681</b>
1. Short-term trade payables	311	15	1,578,425,733,601	1,362,881,576,705
2. Short-term advances from customers	312		57,038,514,738	94,115,681,630
3. Taxes and amounts payable to the State budget	313	11	186,570,606,451	128,112,058,142
4. Payables to employees	314		877,963,926,497	9,168,787,596
5. Short-term accrued expenses	315	17	263,903,307,947	574,233,936,341
6. Short-term unearned revenue	318	16	1,214,437,567,291	1,302,535,256,599
7. Other current payables	319	18	748,814,309,097	155,674,255,359
8. Short-term loans	320	19	5,526,215,933,386	4,076,639,400,670
9. Short-term provisions	321		-	749,715,000
10. Bonus and welfare funds	322	21	263,738,730,099	263,569,727,639
<b>II. Long-term liabilities</b>	<b>330</b>		<b>285,604,639,063</b>	<b>340,573,990,105</b>
1. Long-term unearned revenue	336	16	41,077,830,130	42,510,672,090
2. Other long-term payables	337		1,193,233,334	286,600,000
3. Long-term loans	338	20	243,333,575,599	297,776,718,015
<b>D. EQUITY</b>	<b>400</b>		<b>5,078,255,710,710</b>	<b>5,022,700,168,766</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>22</b>	<b>5,078,255,710,710</b>	<b>5,022,700,168,766</b>
1. Owner's contributed capital	411		2,736,464,610,000	2,487,724,840,000
- Ordinary shares carrying voting rights	411a		2,736,464,610,000	2,487,724,840,000
2. Share premium	412		20,462,758,273	20,391,591,930
3. Other owner's capital	414		55,391,600,000	-
4. Treasury shares	415		(300,150,000)	(300,150,000)
5. Investment and development fund	418		824,773,364,467	599,601,897,399
6. Other reserves	420		-	34,572,210,000
7. Retained earnings	421		1,082,212,906,804	1,566,505,241,188
- Retained earnings accumulated to the prior year end	421a		714,929,657,820	579,246,036,297
- Retained earnings of the current year	421b		367,283,248,984	987,259,204,891
8. Non-controlling interests	429		359,250,621,166	314,204,538,249
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>16,080,968,978,880</b>	<b>13,330,954,554,552</b>

  
 Nguyen Thi Thu Huong  
Preparer

  
 Do Thi Huong  
Chief Accountant

  
 Vu Thi Mai Huong  
Deputy General Director

04 March 2021

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



# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	25	11,552,202,993,487	10,471,610,837,957
2. Deductions	02	25	86,048,778,885	73,184,080,848
3. Net revenue from goods sold and services rendered (10=01-02)	10	25	11,466,154,214,602	10,398,426,757,109
4. Cost of sales	11	26	5,741,082,917,095	5,342,392,704,451
5. Gross profit from goods sold and services rendered (20=10-11)	20		5,725,071,297,507	5,056,034,052,658
6. Financial income	21	28	354,268,786,060	266,886,134,091
7. Financial expenses	22	29	255,671,428,972	215,486,846,509
- In which: Interest expense	23		242,652,884,344	118,843,999,299
8. Selling expenses	25		1,493,198,318,513	1,138,256,795,689
9. General and administration expenses	26		2,266,716,371,805	2,166,671,769,608
10. Operating profit (30=20+(21-22)-(25+26))	30		2,063,753,964,277	1,802,504,774,943
11. Other income	31		19,279,669,830	10,871,328,607
12. Other expenses	32		8,997,696,622	5,222,941,220
13. Profit from other activities (40=31-32)	40		10,281,973,208	5,648,387,387
14. Accounting profit before tax (50=30+40)	50		2,074,035,937,485	1,808,153,162,330
15. Current corporate income tax expense	51	30	436,076,164,198	344,935,615,565
16. Deferred corporate tax income	52		(25,940,518,965)	-
17. Net profit after corporate income tax (60=50-51-52)	60		1,663,900,292,252	1,463,217,546,765
In which:				
Profit after tax attributable to equity holders of the Parent Company	61		1,575,015,720,730	1,351,359,851,256
Profit after tax attributable to non-controlling interest	62		88,884,571,522	111,857,695,509
18. Basic earnings per share	70	31	5,165	4,375

*Thuong*

Nguyen Thi Thu Huong  
Preparer

*Thuong*

Do Thi Huong  
Chief Accountant



Vu Thi Mai Huong  
Deputy General Director

04 March 2021

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

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	01	2,074,035,937,485	1,808,153,162,330
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	1,081,436,910,341	986,034,453,378
Provisions	03	113,049,854,079	91,533,634,230
Foreign exchange (gain)/loss arising from translating foreign currency items	04	(2,611,898,395)	1,125,759,938
Gain from investing activities	05	(338,637,718,835)	(256,881,690,006)
Interest expense	06	242,652,884,344	210,056,968,511
3. Operating profit before movements in working capital	08	3,169,925,969,019	2,840,022,288,381
Increases in receivables	09	(149,376,419,346)	(89,652,875,132)
(Increase)/decrease in inventories	10	(10,604,315,963)	387,533,845,053
Increase/(decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11	728,391,045,412	(218,209,300,690)
Decrease/(increase) in prepaid expenses	12	58,244,297,363	(619,976,399,488)
Interest paid	14	(266,651,533,130)	(198,511,446,085)
Corporate income tax paid	15	(393,383,073,361)	(329,545,899,768)
Other cash inflows	16	273,300,000	274,700,000
Other cash outflows	17	(170,658,205,766)	(153,477,136,212)
Net cash generated by operating activities	20	2,966,161,064,228	1,618,457,776,059
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(1,365,363,912,227)	(1,970,946,480,296)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	2,319,671,825	38,181,818
3. Cash outflow for lending, buying debt instruments of other entities	23	(10,670,371,811,940)	(7,623,812,425,198)
4. Cash recovered from lending, selling debt instruments of other entities	24	8,234,824,616,631	7,242,901,151,980
5. Interest earned, dividends and profits received	27	318,750,190,603	269,013,466,249
Net cash used in investing activities	30	(3,479,841,245,108)	(2,082,806,105,447)

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



**CONSOLIDATED CASH FLOW STATEMENT (Continued)**

*For the year ended 31 December 2020*

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Capital withdrawals, buy-back of issued shares	32	-	(269,625,000)
2. Proceeds from borrowings	33	7,470,167,158,464	5,470,952,854,357
3. Repayment of borrowings	34	(6,075,033,768,164)	(4,626,339,709,368)
4. Dividends and profits paid	36	(802,773,659,150)	(373,522,000,400)
<b>Net cash generated by financing activities</b>	<b>40</b>	<b>592,359,731,150</b>	<b>470,821,519,589</b>
<b>Net increases in cash (50=20+30+40)</b>	<b>50</b>	<b>78,679,550,270</b>	<b>6,473,190,201</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>552,339,512,408</b>	<b>544,515,759,978</b>
Effects of changes in foreign exchange rates	61	(408,050,677)	1,350,562,229
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>630,611,012,001</b>	<b>552,339,512,408</b>

Nguyen Thi Thu Huong  
Preparer

Do Thi Huong  
Chief Accountant



Vu Thi Mai Huong  
Deputy General Director

04 March 2021

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

**1. GENERAL INFORMATION****Structure of ownership**

FPT Telecom Joint Stock Company (the "Company") was incorporated in Vietnam under Business Registration Certificate No. 0101778163 dated 27 August 2020 issued by Hanoi Authority for Planning and Investment, which is the 26<sup>th</sup> amendment to the Business Registration Certificate No. 0103008784 dated 28 July 2005. The Company's shares were listed on UpCom Stock Exchange on 13 January 2017 with stock symbol as FOX.

**Operating industry and principal activities**

The principal activities of the Company are to provide internet services, leased line, domain and data backup, online advertisement, online games and other online services.

**Normal production and business cycle**

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

**The Company's structure**

As at 31 December 2020, the Company has 59 dependent units, which are branches of the Company in provinces.

Details of the Company's subsidiaries as at 31 December 2020 are as follows:

Name	Place of incorporation and operation	Proportion of ownership interest and voting power held	Principal activity
FPT Online Joint Stock Company (FOC)	Lot No. 29B - 31B - 33B, Tan Thuan Road, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	56.36%	Providing game online service, online newspaper, online payment service
FPT Telecom Tan Thuan Company Limited (CTTT)	Lot No. 29B - 31B - 33B, Tan Thuan Road, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	100.00%	Providing high speed internet and other telecommunication services
FPT International Telecom Company Limited (FTI)	Lot No. 29B - 31B - 33B, Tan Thuan Road, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	100.00%	Providing internet services, agent for providing telecommunication services and other services
FPT Telecom Technology Joint Stock Company (FCN)	Lot T2-5, Road D1, Hi-tech Park, Tang Nhon Phu A Ward, District 9, Ho Chi Minh City	99.99%	Providing high speed internet and other telecommunication services



**Disclosure of information comparability in the consolidated financial statements**

Comparative figures are the figures of the audited consolidated financial statements of the Company for the year ended 31 December 2019.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

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

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

**Financial year**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Company 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 Company and enterprises controlled by the Company (its subsidiaries) up to 31 December each year. Control is achieved where the Company 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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Business combinations**

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

#### **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.

#### **Financial investments**

##### ***Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity. Held-to-maturity investments of the Company include term deposits and other held-to-maturity investments.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

##### ***Equity investments in other entities***

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.



### 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 three 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 accounted for by perpetual inventory method. Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchases and other directly attributable expenses 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 costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured fixed assets are the actual construction or manufacturing cost of tangible fixed assets plus installation and test-running costs.

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

	Years
Buildings and structures	8 - 25
Machinery and equipment	3 - 15
Office equipment	3 - 10
Motor vehicles	6

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.

### Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

### Intangible assets and amortisation

Intangible assets represent land use rights, computer software, copyright license and operating right.

Intangible assets represent indefinite land use rights, so the Company does not make amortisation expenses.

Computer software, copyright license and operating right are stated at cost less accumulated amortisation. These intangible assets are amortised using the straight-line method over the time allowed to be exploited and used. Details are as follows:

	<b>Years</b>
Computer software	3 - 5
Copyright license	3 - 5
AAE1 Indefeasible Right of Use (Asia - Africa - Europe 1)	15
Right to operate hi-speed internet line - Asia America Gateway ("AAG") and Asia Pacific Gateway ("APG") project	15

### Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

### Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including expenses for implementation for subscribers, expenses of office rentals and other types of prepayments. Other types of prepayments comprise costs of small tools, supplies and spare parts issued for consumption which are expected to provide future economic benefits to the Company.

Expenses of office rentals are allocated to the consolidated income statement on a straight-line basis over the lease term.

Expenses for implementation for subscribers and other types of prepayments have been capitalised as prepayments, and are allocated to the consolidated income statement using the straight-line method in accordance with the current prevailing accounting regulations.

### Unearned revenue

Unearned revenue reflects customers' prepayments for telecommunication fees in chargeable periods and office rental fee at Tan Thuan Export Processing Zone for multiple years. The unearned revenue will be allocated to monthly revenue from operating activities when services are rendered.



**Bonus and welfare funds**

Bonus and welfare funds are appropriated with the amount not exceeding 10% of net profit after tax and depend on the approval of the Shareholders' General Meeting.

**Revenue recognition**

Revenue from sale of goods

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

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Company 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 Company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service rendered

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

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

Revenue from telecommunication service is recognised based on the pro-rata time during the year in which services are actually provided.

Interest income and dividend income

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 Company's right to receive payment has been established.

**Basic earnings per share**

The Company discloses basic earnings per share (EPS) for ordinary shareholders. Basic earnings per share is calculated by having profit or loss attributable to the Company's ordinary shareholders divided by weighted average number of ordinary shares in circulation during the year.

**Foreign currencies**

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

**Borrowing costs**

Borrowing costs are recognised in the consolidated income statement in the year when incurred.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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

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

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

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

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



4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Cash on hand	99,197,904	88,003,735
Bank demand deposits	79,614,039,839	139,801,466,469
Cash equivalents (*)	550,897,774,258	412,450,042,204
	<b>630,611,012,001</b>	<b>552,339,512,408</b>

(\*) Cash equivalents comprise demand deposits with original maturity of 3 months or less at commercial banks and the central account of FPT Corporation (Detail stated in Note 32).

5. FINANCIAL INVESTMENTS

	<u>Closing balance</u> VND		<u>Opening balance</u> VND	
	Cost	Carrying amount	Cost	Carrying amount
<b>a. Held-to-maturity investments</b>	<b>6,608,757,368,342</b>	<b>6,608,757,368,342</b>	<b>4,173,210,173,033</b>	<b>4,173,210,173,033</b>
a1) Current investments	6,608,557,368,342	6,608,557,368,342	4,173,210,173,033	4,173,210,173,033
- Term deposits with original term of over 3 months and remaining term not exceeding 12 months	6,606,557,368,342	6,606,557,368,342	4,171,210,173,033	4,171,210,173,033
- Other investments	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
a2) Non-current investments	200,000,000	200,000,000	-	-
- Term deposits with remaining term of over 12 months	200,000,000	200,000,000	-	-

	<u>Closing balance</u> VND		<u>Opening balance</u> VND	
	Cost	Provision	Cost	Provision
<b>b. Investments in other entities</b>	<b>9,684,980,000</b>	<b>(3,684,980,000)</b>	<b>9,684,980,000</b>	<b>(3,684,980,000)</b>
- Sendo Technology Joint Stock Company	3,684,980,000	(3,684,980,000)	3,684,980,000	(3,684,980,000)
- FPT Fund Management Joint Stock Company	6,000,000,000	-	6,000,000,000	-

According to Circular No. 202/2014/TT-BTC dated 22 December 2014, the fair value of investments in other entities as at 31 December 2020 is required to be presented in the consolidated financial statements. However, as the investments in entities are unlisted and there is no comprehensive guidance on determination of fair value for investments in non-listed entities, the Company has not presented the fair value of these investments.

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Short-term trade receivables from non-related parties	1,197,817,832,745	1,085,883,500,778
Short-term trade receivables from related parties (Details stated in Note 32)	13,969,093,526	18,994,830,193
	<b>1,211,786,926,271</b>	<b>1,104,878,330,971</b>

As at 31 December 2020 and 31 December 2019, the Company did not have any non-related trade receivables with a balance accounting for more than 10% of the total short-term trade receivables.

7. OTHER SHORT-TERM RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Interest income	79,479,274,841	63,705,575,419
Other receivables	17,864,309,211	21,490,363,560
	<b>97,343,584,052</b>	<b>85,195,938,979</b>
 In which: Other short-term receivables from related parties (Details stated in Note 32)	 4,521,510,531	 4,530,709,985

8. BAD DEBTS

	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
		VND		VND
<b>Total amount of receivables impaired</b>				
Short-term trade receivables	363,602,124,173	33,895,689,355	283,956,712,613	27,861,724,844
	<b>363,602,124,173</b>	<b>33,895,689,355</b>	<b>283,956,712,613</b>	<b>27,861,724,844</b>
 Provision for short-term doubtful debts		<b>329,706,434,818</b>		<b>256,094,987,769</b>

Overdue receivables reflect short-term trade receivables from telecommunication services that are overdue for three months or more and there is no receivable amount exceeding 10% of total overdue receivables. The recoverable amount of bad debts is determined at cost less provision.



9. INVENTORIES

	Closing balance		Opening balance	
	Cost	VND Provision	Cost	VND Provision
Goods in transit	57,255,955,653	-	81,593,191,380	-
Raw materials	531,744,426,534	(69,717,642,107)	201,087,084,424	(30,279,235,077)
Tools and supplies	31,648,408,018	-	42,110,435,852	-
Work in progress	-	-	428,200,000	-
Merchandise	76,964,987,510	-	361,790,550,096	-
	<b>697,613,777,715</b>	<b>(69,717,642,107)</b>	<b>687,009,461,752</b>	<b>(30,279,235,077)</b>

As at 31 December 2020, the Company made provision for the devaluation of inventories with an amount of VND 69,717,642,107 (as at 31 December 2019: VND 30,279,235,077).

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
<b>a. Current</b>		
Expenses for implementation for subscribers	346,558,396,435	403,755,987,720
Others	97,705,115,276	118,962,684,513
	<b>444,263,511,711</b>	<b>522,718,672,233</b>
<b>b. Non-current</b>		
Expenses for implementation for subscribers	951,902,488,768	947,987,826,010
Expenses for office rentals	226,705,882,348	278,281,033,429
Others	283,170,900,751	215,299,549,269
	<b>1,461,779,271,867</b>	<b>1,441,568,408,708</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	Opening balance	Payable/ Receivable during the year	Paid/ Received/Offset during the year	Closing balance
	VND	VND	VND	VND
<b>a. Receivables</b>				
Corporate income tax	9,444,092,790	-	-	9,444,092,790
Other taxes	69,112,405	89,066,707	-	158,179,112
	<b>9,513,205,195</b>	<b>89,066,707</b>	<b>-</b>	<b>9,602,271,902</b>
<b>b. Payables</b>				
Value added tax	25,320,667,515	1,798,424,062,226	1,785,368,272,325	38,376,457,416
- Output value added tax	25,320,667,515	1,668,374,243,140	1,655,318,453,239	38,376,457,416
- Value added tax on imports	-	130,049,819,086	130,049,819,086	-
Import duty	-	5,026,301,868	5,026,301,868	-
Corporate income tax	91,660,487,143	440,531,382,432	393,383,073,361	138,808,796,214
Other taxes	11,130,903,484	140,054,429,870	141,799,980,533	9,385,352,821
- Personal income tax	9,318,537,197	113,317,150,033	117,397,946,340	5,237,740,890
- Foreign contractor tax	1,812,366,287	26,414,146,589	24,078,900,945	4,147,611,931
- Others	-	323,133,248	323,133,248	-
	<b>128,112,058,142</b>	<b>2,384,036,176,396</b>	<b>2,325,577,628,087</b>	<b>186,570,606,451</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	VND	VND	VND	VND	VND
<b>COST</b>					
Opening balance	170,763,663,887	7,639,750,543,409	284,385,695,000	21,048,323,111	8,115,948,225,407
Increases	33,615,670,653	1,505,877,029,952	11,038,168,334	4,091,665,908	1,554,622,534,847
Additions	-	1,432,141,054,590	4,274,318,045	4,162,190,908	1,440,577,563,543
Transfer from construction	34,219,183,356	70,898,231,689	-	-	105,117,415,045
in progress	-	-	-	-	-
Reclassification from intangible assets	-	-	4,640,578,423	-	4,640,578,423
Reclassification	(603,512,703)	2,837,743,673	(2,163,705,970)	(70,525,000)	-
Others	-	-	4,286,977,836	-	4,286,977,836
Decreases	-	(894,612,890,763)	(42,494,143,207)	(4,732,060,280)	(941,839,094,250)
Disposals	-	-	(60,491,495)	(4,732,060,280)	(4,792,551,775)
Retrieval	-	(894,612,890,763)	(42,433,651,712)	-	(937,046,542,475)
Closing balance	204,379,334,540	8,251,014,682,598	252,929,720,127	20,407,928,739	8,728,731,666,004
<b>ACCUMULATED DEPRECIATION</b>					
Opening balance	52,657,206,953	3,607,702,519,816	272,727,451,281	15,698,466,627	3,948,785,644,677
Increases	6,124,984,976	1,001,388,268,775	12,035,029,968	1,723,350,524	1,021,271,634,243
Charge for the year	8,465,432,422	996,896,578,538	5,397,717,213	1,840,074,540	1,012,599,802,713
Reclassification from intangible assets	-	-	4,640,578,423	-	4,640,578,423
Reclassification	(2,340,447,446)	4,491,690,237	(2,034,518,775)	(116,724,016)	-
Others	-	-	4,031,253,107	-	4,031,253,107
Decreases	-	(501,175,964,597)	(41,394,852,385)	(3,306,906,751)	(545,877,723,733)
Disposals	-	-	(25,243,694)	(3,306,906,751)	(3,332,150,445)
Retrieval	-	(501,175,964,597)	(41,369,608,691)	-	(542,545,573,288)
Closing balance	58,782,191,929	4,107,914,823,994	243,367,628,864	14,114,910,400	4,424,179,555,187
<b>NET BOOK VALUE</b>					
Opening balance	118,106,456,934	4,032,048,023,593	11,658,243,719	5,349,856,484	4,167,162,580,730
Closing balance	145,597,142,611	4,143,099,858,604	9,562,091,263	6,293,018,339	4,304,552,110,817

As at 31 December 2020, the cost of tangible fixed assets includes approximately VND 1,666,309 million (as at 31 December 2019: approximately VND 1,527,610 million) of assets which have been fully depreciated but are still in use.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Copyright licenses and operating rights	Computer software	Total
	VND	VND	VND	VND
<b>COST</b>				
Opening balance	85,975,471,689	728,947,494,886	79,252,293,014	894,175,259,589
Additions	2,553,990,000	5,709,746,113	26,677,850,217	34,941,586,330
Disposals	-	-	(438,477,306)	(438,477,306)
Reclassification to tangible fixed assets	-	-	(4,640,578,423)	(4,640,578,423)
Other adjustments	-	(264,907,575)	(4,602,661,664)	(4,867,569,239)
Closing balance	88,529,461,689	734,392,333,424	96,248,425,838	919,170,220,951
<b>ACCUMULATED AMORTISATION</b>				
Opening balance	-	219,871,392,090	49,667,938,433	269,539,330,523
Charge for the year	-	51,355,648,668	17,481,458,960	68,837,107,628
Disposals	-	-	(438,477,306)	(438,477,306)
Reclassification to tangible fixed assets	-	-	(4,640,578,423)	(4,640,578,423)
Other adjustments	-	(266,723,504)	(3,416,082,089)	(3,682,805,593)
Closing balance	-	270,960,317,254	58,654,259,575	329,614,576,829
<b>NET BOOK VALUE</b>				
Opening balance	85,975,471,689	509,076,102,796	29,584,354,581	624,635,929,066
Closing balance	88,529,461,689	463,432,016,170	37,594,166,263	589,555,644,122

As at 31 December 2020, the cost of intangible assets includes approximately VND 32,318 million (as at 31 December 2019: approximately VND 29,833 million) of assets which have been fully amortized but are still in use.



14. LONG-TERM CONSTRUCTION IN PROGRESS

	Closing balance	Opening balance
	VND	VND
FPT Telecom Tan Thuan Data Center	121,493,052,372	43,707,574,796
Data Center of District 9	116,111,432,548	26,485,791,986
North-South trunk road system	33,988,289,082	45,058,180,425
Others	35,852,236,559	12,863,371,023
	<b>307,445,010,561</b>	<b>128,114,918,230</b>

15. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	VND	Amount	VND
		Amount able to be paid off		Amount able to be paid off
<b>a. Short-term trade payables to related parties</b> (Details stated in Note 32)	<b>232,775,845,431</b>	<b>232,775,845,431</b>	<b>15,535,429,042</b>	<b>15,535,429,042</b>
<b>b. Short-term trade payables to non-related parties</b>	<b>1,345,649,888,170</b>	<b>1,345,649,888,170</b>	<b>1,347,346,147,663</b>	<b>1,347,346,147,663</b>
SV Technologies	185,731,729,160	185,731,729,160	92,630,617,200	92,630,617,200
Joint Stock Company				
Others	1,159,918,159,010	1,159,918,159,010	1,254,715,530,463	1,254,715,530,463
	<b>1,578,425,733,601</b>	<b>1,578,425,733,601</b>	<b>1,362,881,576,705</b>	<b>1,362,881,576,705</b>

16. UNEARNED REVENUE

	Closing balance	Opening balance
	VND	VND
<b>a. Short-term unearned revenue</b>		
Revenue received in advance from telecommunication services	1,212,664,763,295	1,300,762,452,613
Others	1,772,803,996	1,772,803,986
	<b>1,214,437,567,291</b>	<b>1,302,535,256,599</b>
<b>b. Long-term unearned revenue</b>		
Revenue received in advance from telecommunication services	6,064,949,466	5,724,987,341
Others	35,012,880,664	36,785,684,749
	<b>41,077,830,130</b>	<b>42,510,672,090</b>

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Payroll expense (i)	-	305,922,268,449
Interest expense	63,242,642,395	87,241,291,181
Other accruals	200,660,665,552	181,070,376,711
	<b>263,903,307,947</b>	<b>574,233,936,341</b>

(i) As at 31 December 2020, the balance of accrued payroll expenses has been reclassified to Payable to employees item on the Consolidated Balance Sheet.

18. OTHER SHORT-TERM PAYABLES

	Closing balance	Opening balance
	VND	VND
Short-term deposits received	113,094,116,724	113,446,703,994
Employment statutory obligations	18,681,827,091	17,119,922,882
Dividends payables	548,760,756,133	1,159,204,283
Others	68,277,609,149	23,948,424,200
	<b>748,814,309,097</b>	<b>155,674,255,359</b>
<b>In which: Other short-term payables to related parties (Details stated in Note 32)</b>	<b>249,845,764,000</b>	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 19. SHORT-TERM LOANS

	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
Short-term loans	3,874,418,646,390	3,874,418,646,390	7,201,563,745,871	5,872,813,013,884	5,203,169,378,377	5,203,169,378,377
Current portion of long-term loans (see Note 20)	202,220,754,280	202,220,754,280	323,046,555,009	202,220,754,280	323,046,555,009	323,046,555,009
	<b>4,076,639,400,670</b>	<b>4,076,639,400,670</b>	<b>7,524,610,300,880</b>	<b>6,075,033,768,164</b>	<b>5,526,215,933,386</b>	<b>5,526,215,933,386</b>

## 20. LONG-TERM LOANS

	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
Long-term loans	499,997,472,295	499,997,472,295	268,603,412,593	202,220,754,280	566,380,130,608	566,380,130,608
	<b>499,997,472,295</b>	<b>499,997,472,295</b>	<b>268,603,412,593</b>	<b>202,220,754,280</b>	<b>566,380,130,608</b>	<b>566,380,130,608</b>

## In which:

- Amount due for settlement within 12 months	202,220,754,280	323,046,555,009
- Amount due for settlement after 12 months	297,776,718,015	243,333,575,599

Long-term loans are repayable as follows:

	Closing balance	Opening balance
	VND	VND
On demand or within one year	323,046,555,009	202,220,754,280
In the second year	181,936,503,662	219,443,384,681
In the third to fifth year inclusive	61,397,071,937	78,333,333,334
	<b>566,380,130,608</b>	<b>499,997,472,295</b>
Less: Amount due for settlement within 12 months (shown under short-term loans)	(323,046,555,009)	(202,220,754,280)
<b>Amount due for settlement after 12 months</b>	<b>243,333,575,599</b>	<b>297,776,718,015</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 21. BONUS AND WELFARE FUNDS

Resolution of the General Meeting of Shareholders dated 03 March 2020 of the Parent Company and Resolution dated 15 April 2020 of FPT Online Services Joint Stock Company – the Company's subsidiary approved the 2020 plan, in which the Bonus and Welfare Fund are allocated no more than 10% of profit after tax of each company. As at 31 December 2020, the Company and FPT Online Services Joint Stock Company - its subsidiary temporarily allocated to the Bonus and Welfare Funds for the fiscal year ended 31 December 2020 with the respective amount of VND 150,114,311,379 and VND 20,439,596,847.

## 22. OWNERS' EQUITY

## Movement in owners' equity

	Owners' contributed capital	Share premium	Other owners' capital	Treasury shares	Investment and development fund	Other reserves	Retained earnings	Total	Non-controlling Interests	Total
	VND	VND		VND	VND	VND	VND	VND	VND	VND
<b>Prior year's opening balance</b>	2,261,597,240,000	20,391,591,930	-	(300,150,000)	389,798,534,033	34,572,210,000	1,038,992,588,448	3,745,052,014,411	376,175,033,244	4,121,227,047,655
Profit for the year	-	-	-	-	-	-	1,351,359,851,256	1,351,359,851,256	111,857,695,509	1,463,217,546,765
Allocation to investment and development fund	-	-	-	-	209,803,363,366	-	(209,803,363,366)	-	-	-
Allocation to bonus and welfare fund	-	-	-	-	-	-	-	-	-	-
Dividends declared in shares	226,127,600,000	-	-	-	-	-	(226,127,600,000)	-	-	-
Dividends declared in cash	-	-	-	-	-	-	(226,129,709,000)	(226,129,709,000)	(147,450,591,000)	(373,580,300,000)
Other movements	-	-	-	-	-	-	(7,496,743,151)	(7,496,743,151)	(15,191,784,426)	(22,688,527,577)
<b>Current year's opening balance</b>	2,487,724,840,000	20,391,591,930	-	(300,150,000)	599,601,897,399	34,572,210,000	1,566,505,241,188	4,708,495,630,517	314,204,538,249	5,022,700,168,766
Profit for the year	-	-	-	-	-	-	1,575,015,838,802	1,575,015,838,802	88,884,571,522	1,663,900,410,324
Allocation to investment and development fund	-	-	-	-	225,171,467,068	-	(225,171,467,068)	-	-	-
Allocation to bonus and welfare fund	-	-	-	-	-	-	(161,665,416,151)	(161,665,416,151)	(8,888,492,075)	(170,553,908,226)
Dividends declared in shares	248,739,770,000	-	20,819,390,000	-	-	-	(269,559,160,000)	-	-	-
Dividends declared in cash	-	-	-	-	-	-	(1,318,334,276,000)	(1,318,334,276,000)	(32,040,935,000)	(1,350,375,211,000)
Other movements	-	71,166,343	34,572,210,000	-	-	(34,572,210,000)	(84,577,853,967)	(84,506,687,624)	(2,909,061,530)	(87,415,749,154)
<b>Current year's closing balance</b>	2,736,464,610,000	20,462,758,273	55,391,600,000	(300,150,000)	824,773,364,467	-	1,082,212,906,804	4,719,005,089,544	359,250,621,166	5,078,255,710,710



Shares	Closing balance	Opening balance
Number of shares issued to the public	273,646,461	248,772,484
<i>Ordinary shares</i>	273,646,461	248,772,484
Number of treasury shares	30,015	30,015
<i>Ordinary shares</i>	30,015	30,015
Number of outstanding shares in circulation	273,616,446	248,742,469
<i>Ordinary shares</i>	273,616,446	248,742,469

Par value of ordinary share is VND 10,000 per share.

#### Charter capital

According to the Company's 26<sup>th</sup> amended Enterprise Registration Certificate dated 27 August 2020, the Company's charter capital is VND 2,736,464,610,000. The charter capital contributions by the shareholders as at 31 December 2020 had been fully made as follows:

	Per amended Enterprise Registration Certificate		Number of shares corresponding to capital contributed as at			
	Number of shares	%	Closing balance		Opening balance	
			Number of shares	%	Number of shares	%
1. State Capital Investment Corporation - Company Limited	137,285,018	50.17	137,285,018	50.17	124,804,562	50.17
2. FPT Corporation	124,922,882	45.65	124,922,882	45.65	113,566,257	45.65
3. Other shareholders	11,438,561	4.18	11,408,546	4.17	10,371,650	4.17
	<b>273,646,461</b>	<b>100.00</b>	<b>273,616,446</b>	<b>99.99</b>	<b>248,742,469</b>	<b>99.99</b>
Treasury shares	-	-	30,015	0.01	30,015	0.01
	<b>273,646,461</b>	<b>100.00</b>	<b>273,646,461</b>	<b>100.00</b>	<b>248,772,484</b>	<b>100.00</b>

## Dividends

Resolution of the General Meeting of Shareholders dated 03 March 2020 of the parent company approved the payment of cash dividends from profit after tax in 2019 with the amount of VND 497,484,938,000 (the ratio of cash dividend is VND 2,000/share), dividends by shares at the ratio of 10:1 from the retained earnings as at 31 December 2019. Resolution of the Board of Directors dated 04 August 2020 of the parent company approved the first advance dividend of 2020 in cash with the amount of VND 273,616,446,000 (the ratio of cash dividend is VND 1,000/share). Resolution of the Board of Directors dated 24 November 2020 of the parent company approved the payment of second dividend of 2020 in cash with the amount of VND 547,232,892,000 (the ratio of cash dividend is 2,000 VND/share). Dividends payable are recorded on Other current payables on the Consolidated Balance Sheet as at 31 December 2020.

Resolution of the General Meeting of Shareholders dated 15 April 2020 of FPT Online Services Joint Stock Company - a subsidiary of the Company approved the payment of cash dividends from profit after tax of 2019 with the amount VND 73,679,725,000 (cash dividend ratio is VND 5,000/share), dividends by share at the rate of 20:5 from the retained earnings as at 31 December 2019. As at 31 December 2020, the Company has paid the above dividends.

## 23. OFF CONSOLIDATED BALANCE SHEET ITEMS

	<u>Closing balance</u>	<u>Opening balance</u>
<b>Foreign currencies</b>		
United States Dollar (USD)	9,738,382	6,445,209
<b>Bad debts written off</b>		
Vietnam Dong (VND)	170,712,469,470	170,875,114,250

## 24. BUSINESS AND GEOGRAPHICAL SEGMENTS

### Business segments

Throughout the year, major activities of the Company are to sell goods and provide telecommunications services (including internet services, online advertising, line rental, domain name and data storage and other online services). Revenue and profits from the sale of goods do not account for more than 10% of the total revenue and profit of the Company, so the Company does not present segment reports by business area. Revenue and cost of goods are presented in detail by revenue and cost of sales in Note 25 and Note 26.

### Geographical segments

The Company has no business activities outside of Vietnam; all manufacturing and business activities of the Company are conducted within Vietnam's territory, so the Company does not present segment reports by geographical area.



25. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year VND
<b>Gross revenue from goods sold and services rendered</b>		
In which:		
- Sales of merchandise	494,190,471,744	646,999,639,355
- Sales of services rendered	11,058,012,521,743	9,824,611,198,602
	<b>11,552,202,993,487</b>	<b>10,471,610,837,957</b>
<b>Deductions</b>		
- Sales return	(86,048,778,885)	(73,184,080,848)
	<b>(86,048,778,885)</b>	<b>(73,184,080,848)</b>
<b>Net revenue from goods sold and services rendered</b>	<b>11,466,154,214,602</b>	<b>10,398,426,757,109</b>
<b>Revenue from related parties</b> (Details stated in Note 32)	<b>84,604,385,510</b>	<b>78,258,232,482</b>

26. COST OF SALES

	Current year VND	Prior year VND
Cost of merchandise sold	488,508,243,626	584,633,952,471
Cost of services rendered	5,213,136,266,439	4,758,681,131,997
Provision for inventory devaluation made/(revert) during the year	39,438,407,030	(922,380,017)
	<b>5,741,082,917,095</b>	<b>5,342,392,704,451</b>

27. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	1,306,853,494,575	1,247,348,508,066
Labour	3,347,712,937,795	2,910,534,081,136
Depreciation and amortisation	1,081,436,910,341	986,034,453,378
Out-sourced services	3,187,366,762,640	2,920,198,917,444
Other expenses	577,199,302,062	583,205,309,724
	<b>9,500,569,407,413</b>	<b>8,647,321,269,748</b>

28. FINANCIAL INCOME

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Bank interest	338,605,711,422	257,493,956,595
Foreign exchange gain	15,663,074,638	9,392,177,496
	<u>354,268,786,060</u>	<u>266,886,134,091</u>

29. FINANCIAL EXPENSES

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Interest expense	242,652,884,344	210,056,968,511
Foreign exchange loss	13,018,544,628	5,429,877,998
	<u>255,671,428,972</u>	<u>215,486,846,509</u>

30. CURRENT CORPORATE INCOME TAX EXPENSE

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
<b>Current corporate income tax expense</b>		
Corporate income tax expense based on taxable profit in the current year	419,120,277,856	344,935,615,565
Adjustments for corporate income tax expense in previous years to the current year	16,955,886,342	-
<b>Total current corporate income tax expense</b>	<u>436,076,164,198</u>	<u>344,935,615,565</u>



**31. BASIC EARNINGS PER SHARE**

The calculation of basic earnings per share as at 31 December 2020 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding for the year as follows:

	Current year	Prior year (Restated)
<b>Profit attributable to equity holders of the Company (VND)</b>	<b>1,575,015,720,730</b>	<b>1,351,359,851,256</b>
- Allocation to Bonus and Welfare funds under the Resolution of Shareholders' General Meeting (VND)	(161,665,416,151)	(154,289,782,999)
<b>Profit for calculation of basic earnings per share (VND)</b>	<b>1,413,350,304,579</b>	<b>1,197,070,068,257</b>
Average ordinary shares in circulation for the year (share)	273,616,446	273,616,446
<b>Basic earnings per share (VND/share)</b>	<b>5,165</b>	<b>4,375</b>

**Adjustment of weighted average number of ordinary shares**

The Company paid dividends by share in 2020. Accordingly, the Basic earnings per share for the year ended 31 December 2019 have been restated as follows:

	Weighted average number of ordinary shares	Basic earnings per share
	Share	VND
<b>Figures of previous year</b>	<b>248,742,469</b>	<b>4,812</b>
Effect of dividend payment by shares issued in the year	24,873,977	(437)
<b>Restated figures</b>	<b>273,616,446</b>	<b>4,375</b>

32. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related party	Relationship
FPT Corporation - the Holding company	Parent company
FPT Software Company Limited (FSO)	Affiliate
FPT Information System Corporation (FIS)	Affiliate

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

	Current year VND	Prior year VND
<b>FPT Corporation</b>		
Dividends paid in cash	619,479,920,000	264,966,644,000
Sales of goods and services	27,016,368,901	23,139,645,835
Purchases of goods and services	70,739,587,309	306,376,641,520
<b>Other related parties</b>		
<b>FPT Software Company Limited (FSO)</b>		
Sales of goods and services	35,706,251,955	33,179,526,958
Purchases of goods and services	1,517,737,446	608,328,611
<b>FPT Information System Corporation (FIS)</b>		
Sales of goods and services	21,881,764,654	21,939,059,689
Purchases of goods and services	247,546,512,820	31,716,620,381

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

	Closing balance VND	Opening balance VND
<b>Cash equivalents</b>	<b>1,064,190,977</b>	<b>2,152,838,401</b>
Cash deposited in the central account of FPT Corporation	1,064,190,977	2,152,838,401
<b>Short-term trade receivables</b>	<b>13,969,093,526</b>	<b>18,994,830,193</b>
FPT Corporation	6,475,463,133	7,454,344,339
FPT Software Company Limited (FSO)	4,518,541,537	5,157,304,340
FPT Information System Corporation (FIS)	2,975,088,856	6,383,181,514
<b>Other short-term receivables</b>	<b>4,521,510,531</b>	<b>4,530,709,985</b>
FPT Software Company Limited (FSO)	4,521,000,000	4,521,000,000
FPT Corporation	510,531	9,709,985
<b>Short-term trade payables</b>	<b>232,775,845,431</b>	<b>15,535,429,042</b>
FPT Information System Corporation (FIS)	214,052,599,391	168,904,915
FPT Corporation	17,552,429,700	15,366,524,127
FPT Software Company Limited (FSO)	1,170,816,340	-
<b>Other short-term payables</b>	<b>249,845,764,000</b>	<b>-</b>
FPT Corporation - Dividends payable	249,845,764,000	-



*Remuneration for the Board of Directors, Supervisory Board and salaries of the General Director and other management members:*

Unit: VND

**Remuneration for members of the Board of Directors**

No.	Fullname	Title	Current year
1	Hoang Nam Tien	Chairman (appointed on 03 March 2020)	-
2	Chu Thi Thanh Ha	Chairman (resigned on 03 March 2020)	-
		Member	-
3	Truong Gia Binh	Member	-
4	Le Ngoc Diep	Member	60,000,000
5	Nguyen Van Khoa	Member	-
6	Pham Cong Minh	Member	60,000,000
7	Bui Quang Ngoc	Member (resigned on 03 March 2020)	-
<b>Total</b>			<b>120,000,000</b>

**Remuneration for members of the Supervisory Board**

No.	Fullname	Title	Current year
1	Nguyen Luong Tam	Head of Supervisory Board (appointed on 03 March 2020)	-
2	Luong Quoc Lan	Head of Supervisory Board (resigned on 03 March 2020)	-
3	Phan Phuong Dat	Member	-
4	Do Xuan Phuc	Member	24,000,000
<b>Total</b>			<b>24,000,000</b>

**Salary of General Director and other management members**

No.	Fullname	Title	Current year
1	Hoang Viet Anh	General Director	2,040,000,000
2	Nguyen Hoang Linh	Deputy General Director	1,530,000,000
3	Vu Thi Mai Huong	Deputy General Director	1,530,000,000
4	Chu Hung Thang	Deputy General Director	1,530,000,000
5	Hoang Trung Kien	Deputy General Director (resigned on 06 March 2020)	300,000,000
6	Vu Anh Tu	Deputy General Director (resigned on 07 September 2020)	1,050,000,000
7	Do Thi Huong	Chief accountant	1,224,000,000
<b>Total</b>			<b>9,204,000,000</b>


**33. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

**Supplemental non-cash disclosures**

Dividends and profits paid during the year excluded VND 548,760,756,133, representing dividends which have been declared but not been paid yet (2019: VND 1,159,204,283). Consequently, changes in accounts payable have been adjusted by the same amount.

  
Nguyen Thi Thu Huong  
Preparer

  
Do Thi Huong  
Chief Accountant

  
Vu Thi Mai Huong  
Deputy General Director

04 March 2021