

FPT TELECOM JOINT STOCK CORPORATION

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

FPT TELECOM JOINT STOCK CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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FPT TELECOM JOINT STOCK CORPORATION

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 0101778163 dated 28 July 2005

The Enterprise Registration Certification was issued by Hanoi Department of Planning and Investment on 28 July 2005. The latest amendment (32nd) of the Enterprise Registration Certificate was issued on 21 December 2023.

Board of Directors

Mr. Hoang Viet Anh	Chairman (from 25 April 2023)
Mr. Hoang Nam Tien	Chairman (until 25 April 2023)
Mr. Truong Gia Binh	Member
Mr. Nguyen Van Khoa	Member
Ms. Chu Thi Thanh Ha	Member
Ms. Tran Thi Hong Linh	Member (from 25 April 2023)
Mr. Phan The Thanh	Member (from 25 April 2023)
Ms. Le Ngoc Diep	Member (until 25 April 2023)
Mr. Nguyen Hoang Quyen	Member (until 25 April 2023)

Board of Supervision

Mr. Tran Khuong	Chief Supervisor
Mr. Do Xuan Phuc	Member
Mr. Pham Xuan Hoan	Member

Board of Management

Mr. Nguyen Hoang Linh	General Director (from 25 April 2023)
Mr. Hoang Viet Anh	General Director (until 25 April 2023)
Ms. Vu Thi Mai Huong	Deputy General Director
Mr. Chu Hung Thang	Deputy General Director

Legal Representatives

Mr. Hoang Viet Anh	Chairman
Mr. Nguyen Hoang Linh	General Director (from 18 May 2023)
Mr. Hoang Nam Tien	Chairman (until 25 April 2023)

Registered Office

Floor 2, FPT Cau Giay Tower, No. 17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi

Auditor

PwC (Vietnam) Limited

FPT TELECOM JOINT STOCK CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

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

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

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

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

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We, hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 45 which give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2023, and of the consolidated results of the operations and the consolidated cash flows of the Company and its subsidiaries for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Nguyen Hoang Linh
General Director/Legal Representative

Hanoi, S.R. Vietnam
4 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FPT TELECOM JOINT STOCK CORPORATION

We have audited the accompanying consolidated financial statements of FPT Telecom Joint Stock Corporation ("the Company") and its subsidiaries which were prepared on 31 December 2023 and approved by the Board of Management of the Company on 4 March 2024. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated cash flows for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 45.

The Board of Management's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

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

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



Tran Khắc The
Deputy General Director
Audit Practising Licence No. 2043-2023-006-1
Authorised signatory

Report reference number: HAN 3557
Hanoi, 4 March 2024



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

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2023 VND	2022 VND
100	CURRENT ASSETS		11,507,783,986,863	10,099,244,269,282
110	Cash and cash equivalents	3	423,984,252,859	1,418,670,415,325
111	Cash		169,457,565,272	226,703,212,028
112	Cash equivalents		254,526,687,587	1,191,967,203,297
120	Short-term investment		8,651,944,688,963	5,856,787,648,379
123	Investments held to maturity	4(a)	8,651,944,688,963	5,856,787,648,379
130	Short-term receivables		1,446,695,181,156	1,357,716,256,717
131	Short-term trade accounts receivable	5	1,885,551,756,701	1,600,426,459,013
132	Short-term prepayments to suppliers		38,327,824,823	75,567,434,032
136	Other short-term receivables	6	145,559,359,335	130,878,502,753
137	Provision for doubtful debts - short-term	7	(622,743,759,703)	(449,156,139,081)
140	Inventories	8	808,224,247,916	1,117,620,653,980
141	Inventories		825,021,732,168	1,152,953,245,195
149	Provision for decline in value of inventories		(16,797,484,252)	(35,332,591,215)
150	Other current assets		176,935,615,969	348,449,294,881
151	Short-term prepaid expenses	9(a)	151,114,799,802	162,316,511,752
152	Value Added Tax ("VAT") to be reclaimed		25,450,234,748	25,763,117,347
153	Tax and other receivables from the State	14(a)	370,581,419	160,369,665,782
200	LONG-TERM ASSETS		8,632,765,695,432	8,326,319,345,943
210	Long-term receivables		27,154,563,198	35,094,259,284
216	Other long-term receivables		27,154,563,198	35,094,259,284
220	Fixed assets		6,023,472,094,030	5,610,369,821,803
221	Tangible fixed assets	10(a)	5,464,072,830,380	4,994,560,213,579
222	Historical cost		12,673,696,172,721	11,206,151,632,037
223	Accumulated depreciation		(7,209,623,342,341)	(6,211,591,418,458)
227	Intangible fixed assets	10(b)	559,399,263,650	615,809,608,224
228	Historical cost		1,132,606,924,007	1,100,766,918,579
229	Accumulated amortisation		(573,207,660,357)	(484,957,310,355)
240	Long-term assets in progress		417,189,111,679	359,405,443,556
242	Construction in progress	11	417,189,111,679	359,405,443,556
250	Long-term investments		6,200,000,000	6,200,000,000
253	Investments in other entities	4(b)	9,684,980,000	9,684,980,000
254	Provision for long-term investments	4(b)	(3,684,980,000)	(3,684,980,000)
255	Investments held to maturity	4(a)	200,000,000	200,000,000
260	Other long-term assets		2,158,749,926,525	2,315,249,821,300
261	Long-term prepaid expenses	9(b)	2,136,954,195,375	2,314,717,115,919
262	Deferred income tax assets	12	21,795,731,150	532,705,381
270	TOTAL ASSETS		20,140,549,682,295	18,425,563,615,225

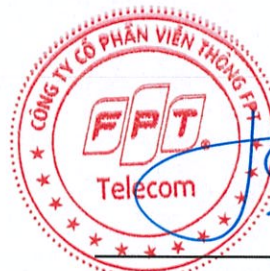
The notes on pages 9 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET (CONTINUED)

Code	RESOURCES	Note	As at 31 December	
			2023 VND	2022 VND
300	LIABILITIES		11,066,785,150,046	10,505,861,380,737
310	Short-term liabilities		11,028,157,267,653	10,426,642,949,150
311	Short-term trade accounts payable	13	1,075,687,516,789	1,576,590,188,554
312	Short-term advances from customers		68,959,212,216	67,889,459,376
313	Tax and other payables to the State	14(b)	251,280,063,131	40,968,138,219
314	Payables to employees		1,296,097,515,822	1,330,921,896,716
315	Short-term accrued expenses	15	225,816,638,138	157,786,124,942
318	Short-term unearned revenue	16(a)	1,354,070,805,405	1,550,636,330,115
319	Other short-term payables	17	313,665,653,809	211,357,966,705
320	Short-term borrowings	18(a)	5,981,719,619,662	5,140,502,023,623
322	Bonus and welfare fund	19	460,860,242,681	349,990,820,900
330	Long-term liabilities		38,627,882,393	79,218,431,587
336	Long-term unearned revenue	16(b)	36,039,339,130	36,980,826,995
337	Other long-term payables		1,650,643,680	2,027,900,000
338	Long-term borrowings	18(b)	-	39,991,556,359
341	Deferred income tax liabilities	12	937,899,583	218,148,233
400	OWNERS' EQUITY		9,073,764,532,249	7,919,702,234,488
410	Capital and reserves	20,21	9,073,764,532,249	7,919,702,234,488
411	Owners' capital		4,925,091,640,000	3,283,395,380,000
411a	- Ordinary shares with voting rights		4,925,091,640,000	3,283,395,380,000
414	Owners' other capital	21	55,391,600,000	55,391,600,000
418	Investment and development fund	21	1,709,722,205,278	1,424,495,512,206
421	Undistributed earnings	21	2,065,692,248,602	2,840,418,455,303
421a	- Undistributed post-tax profits of previous years		281,371,744,518	1,227,197,381,689
421b	- Undistributed post-tax profit of current year		1,784,320,504,084	1,613,221,073,614
429	Non-controlling interests	21	317,866,838,369	316,001,286,979
440	TOTAL RESOURCES		20,140,549,682,295	18,425,563,615,225

Nguyen Thi Hong
Preparer

Nguyen Thi Thu Huong
Chief Accountant




Nguyen Hoang Linh
General Director
Legal Representative
4 March 2024

The notes on pages 9 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

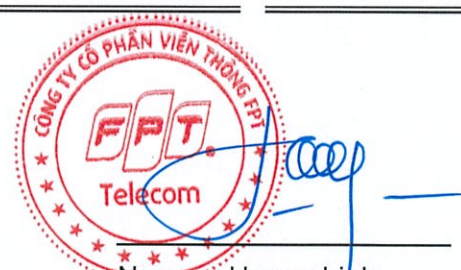
Code		Note	Year ended 31 December	
			2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services		15,812,270,787,140	14,742,968,556,612
02	Less deductions		6,460,136,357	13,319,617,032
10	Net revenue from sales of goods and rendering of services (10 = 01 - 02)	24	15,805,810,650,783	14,729,648,939,580
11	Cost of goods sold and services rendered	25	8,540,916,802,902	7,502,502,446,129
20	Gross profit from sales of goods and rendering of services (20 = 10 - 11)		7,264,893,847,881	7,227,146,493,451
21	Financial income	26	848,908,837,498	733,380,563,035
22	Financial expenses	27	479,758,678,731	441,796,360,418
23	- Including: Interest expense		445,048,629,628	335,197,364,380
25	Selling expenses	28	2,329,670,928,548	2,185,337,286,613
26	General and administration expenses	29	2,269,854,437,776	2,500,738,333,981
30	Net operating profit (30 = 20 + 21 - 22 - 25 - 26)		3,034,518,640,324	2,832,655,075,474
31	Other income		44,808,552,151	15,704,468,707
32	Other expenses		37,269,017,760	30,762,877,405
40	Net other income/(expenses) (40 = 31 - 32)		7,539,534,391	(15,058,408,698)
50	Accounting profit before tax (50 = 30 + 40)		3,042,058,174,715	2,817,596,666,776
51	Corporate income tax ("CIT") - current	30	629,086,803,768	553,870,253,638
52	CIT – deferred	30	(20,543,274,419)	5,380,745,383
60	Profit after tax (60 = 50 - 51 - 52)		2,433,514,645,366	2,258,345,667,755
Attributable to:				
61	Shareholders of the parent company		2,383,057,829,664	2,150,756,824,672
62	Non-controlling interests		50,456,815,702	107,588,843,083
70	Basic earnings per share	22(a)	4,344	3,913
71	Diluted earnings per share	22(b)	4,344	3,913



 Nguyen Thi Hong
 Preparer



 Nguyen Thi Thu Huong
 Chief Accountant



 Nguyen Hoang Linh
 General Director
 Legal Representative
 4 March 2024

The notes on pages 9 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
Code	Note	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax	3,042,058,174,715	2,817,596,666,776
	Adjustments for:		
02	Depreciation and amortisation	1,333,315,028,776	1,173,650,989,196
03	Provisions	155,052,513,659	48,012,469,300
04	Unrealised foreign exchange gains	(15,531,662,967)	(19,089,484,079)
05	Profits from investing activities	(784,799,287,125)	(675,581,537,651)
06	Interest expense	445,048,629,628	335,197,364,380
08	Operating profit before changes in working capital	4,175,143,396,686	3,679,786,467,922
09	Increase in receivables	(145,607,763,702)	(337,014,494,518)
10	Decrease/(increase) in inventories	327,931,513,027	(408,657,683,019)
11	(Decrease)/increase in payables	(518,075,401,132)	378,115,287,314
12	Decrease/(increase) in prepaid expenses	188,964,632,494	(407,190,742,302)
14	Interest paid	(430,624,565,581)	(322,959,840,797)
15	CIT paid	(410,383,498,628)	(687,361,115,082)
16	Other receipts from operating activities	173,000,000	100,000,000
17	Other payments on operating activities	(137,964,300,778)	(172,558,867,265)
20	Net cash inflows from operating activities	3,049,557,012,386	1,722,259,012,253
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(1,836,849,364,702)	(1,784,357,063,287)
22	Proceeds from disposals of fixed assets and long-term assets	6,267,583,694	695,455,501
23	Loans granted	(18,781,144,524,863)	(15,708,007,949,001)
24	Collection of loans	15,983,987,484,279	21,089,659,713,022
27	Dividends and interest received	789,216,349,682	737,645,144,718
30	Net cash (outflows)/inflows from investing activities	(3,838,522,471,910)	4,335,635,300,953
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	18,638,457,503,278	11,276,674,453,680
34	Repayments of borrowings	(17,822,646,968,309)	(15,901,359,188,948)
36	Dividends paid, profits distributed to owners	(1,026,216,008,175)	(392,367,226,950)
40	Net cash outflows from financing activities	(210,405,473,206)	(5,017,051,962,218)
50	Net (decrease)/increase in cash and cash equivalents	(999,370,932,730)	1,040,842,350,988
60	Cash and cash equivalents at beginning of year	3 1,418,670,415,325	374,929,561,927
61	Effect of foreign exchange differences	4,684,770,264	2,898,502,410
70	Cash and cash equivalents at end of year	3 423,984,252,859	1,418,670,415,325

 Nguyen Thi Hong
 Preparer

 Nguyen Thi Thu Huong
 Chief Accountant

 Nguyen Hoang Linh
 General Director
 Legal Representative
 4 March 2024

The notes on pages 9 to 45 are an integral part of these consolidated financial statements.

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

1 GENERAL INFORMATION

FPT Telecom Joint Stock Corporation (“the Company”) is a joint stock company established in SR Vietnam pursuant to the Business Registration Certificate No. 0103008784 issued by Hanoi Department of Planning and Investment on 28 July 2005. The latest (32nd) amendment of the Enterprise Registration Certificate No. 0101778163 was issued on 21 December 2023.

Since 13 January 2017, the Company's shares have been listed on UpCom Stock Exchange with the ticker symbol of ‘FOX’.

The principal business activities of the Company and its subsidiaries are to provide services on internet, pay TV, leased line, domain and data backup and other telecommunication services.

The normal business cycle of the Company and its subsidiaries is 12 months.

As at 31 December 2023, the Company had five direct subsidiaries (as at 31 December 2022: five direct subsidiaries) as follows:

Subsidiaries	Principal activities	Place of incorporation and operation	As at 31/12/2023 and 31/12/2022	
			% of ownership	% of voting rights
1) FPT Online Joint Stock Company (FOC)	Providing game online services, online newspaper, online payment services	Lot 29B – 31B – 33B Tan Thuan Street, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	56.51%	56.51%
2) FPT Telecom Tan Thuan Company Limited (CTTT)	Providing high speed internet and other telecommunication services	Lot 29B – 31B – 33B Tan Thuan Street, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	100.00%	100.00%
3) FPT International Telecom Company Limited (FTI)	Providing internet services, agent for providing telecommunication services and other services	Lot 29B – 31B – 33B Tan Thuan Street, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	100.00%	100.00%
4) FPT Telecom Technology Joint Stock Company (FCN)	Providing high speed internet and other telecommunication services	Lot T2-5 D1 Street, Hi-Tech Park, Tang Nhon Phu A Ward, Thu Duc, Ho Chi Minh City	99.99%	99.99%
5) FPT Television Company Limited (FPL)	Providing television services	124 Suong Nguyet Anh Street, Ben Thanh Ward, District 1, Ho Chi Minh City	100.00%	100.00%

As at 31 December 2023, the Company and its subsidiaries had 9,394 employees (as at 31 December 2022: 9,130 employees).

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

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

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

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

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

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

2.2 Fiscal year

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

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Company's accounting currency.

2.4 Exchange rates

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

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are translated at the transfer rates at the consolidated balance sheet date of the commercial banks with which the Company and its subsidiaries regularly trade. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation****Subsidiaries**

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

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

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

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

Non-controlling transactions and interests

The Company applies a policy for transactions with non-controlling interests ("NCI") as transactions with third parties.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.6 Cash and cash equivalents**

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

2.7 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Bad debts are written off as uncollectible.

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

2.8 Inventories

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

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

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

2.9 Investments**(a) Investments held to maturity**

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

Investments held to maturity include bank deposits with a maturity of more than three months. Those investments are initially accounted for at cost. Subsequently, the Company and its subsidiaries review all outstanding investments to determine the amount of provision to recognise at the year end.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments (continued)

(a) Investments held to maturity (continued)

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

(b) Investment in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management of the Company reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(c) Provision for investment in other entities

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.10 Fixed assets

Tangible and intangible fixed assets

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

Depreciation and amortisation

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

Buildings and structures	8 – 25 years
Machinery and equipment	3 – 15 years
Office equipment	3 – 10 years
Motor vehicles	6 years
Copyrights, patent	3 years
Software	3 – 8 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.10 Fixed assets (continued)***Depreciation and amortisation (continued)*

Indefinite land use rights are stated at costs and not amortised.

Copyrights and operation licenses are the rights and licenses to operate international cable routes and are amortised using straight-line method over the terms in the licenses and operation rights contracts.

Disposals

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

Construction in progress

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

2.11 Leased assets

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

2.12 Prepaid expenses

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

The allocation periods applied for service deployment costs for new subscribers are as follows:

- Equipment and materials for internet service	2.5 years
- Equipment and materials for television service	2 years
- Outside services for deployment	2 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.13 Payables**

Classifications of payables are based on their nature as follows:

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

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

2.14 Borrowings

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

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

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

2.15 Accrued expenses

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

2.16 Provisions

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.16 Provisions (continued)**

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

2.17 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company and its subsidiaries who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company and its subsidiaries less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company and its subsidiaries.

The severance allowance is accrued at the end of the reporting year on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the consolidated balance sheet date. This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

The Company and its subsidiaries did not recognise the above provision for severance allowance due to the application of the Circular No. 180/2012/TT-BTC issued by the Ministry of Finance on 24 October 2012. The Company and its subsidiaries recognised it as expense in the financial year when severance allowance is actually paid to employees.

2.18 Unearned revenue

Unearned revenue mainly comprises the amounts that customers have paid in advance for telecommunication services for many accounting periods. The Company and its subsidiaries record unearned revenue for the future obligations that the Company and its subsidiaries have to fulfil. Unearned revenue is recognised as revenue in the consolidated income statement during the year to the extent that revenue recognition criteria have been met.

2.19 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Other owners' capital represents other capital held by the owners at the reporting date, mainly related to accounting for share dividends received from subsidiaries.

Undistributed earnings record the Company and its subsidiaries' profit after CIT at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.20 Appropriation of profit**

The Company's dividends are recognised as a liability in the financial statements on the last registration date for dividend payment to shareholders.

Profit after CIT could be distributed to shareholders after approval at Shareholders' General Meeting, and after appropriation to other funds in accordance with the Company and its subsidiaries' charter and Vietnamese regulations.

The Company and its subsidiaries set the following funds:

(a) Investment and development fund

Investment and development fund is appropriated from profits after CIT of the Company and its subsidiaries and approved at the Shareholders' General Meeting. The fund is used to fund capital for investment projects of the Company and its subsidiaries.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company and its subsidiaries' profit after CIT and subject to shareholders' approval at the Shareholders' General Meeting. This fund is presented as a liability on the consolidated balance sheet. This fund is used to reward, improve and enhance employees' lives.

2.21 Revenue recognition**(a) Revenue from sales of goods**

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

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

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

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

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) of the following conditions are satisfied:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 Revenue recognition (continued)****(b) Revenue from rendering of services (continued)**

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

(c) Interest income

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

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

(d) Dividends income

Income from dividends is recognised when the Company and its subsidiaries have established the receiving rights from investees.

2.22 Sales deductions

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

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

2.23 Cost of goods sold and services rendered

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

2.24 Financial expenses

Financial expenses are expenses incurred in the year for financial activities mainly including interest expense and losses from foreign exchange differences.

2.25 Selling expenses

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.26 General and administration expenses**

General and administration expenses represent expenses for administrative purposes of the Company and its subsidiaries.

2.27 Current and deferred income tax

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

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

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

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

2.28 Related parties

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Segment reporting

A segment is a component which can be separated by the Company and its subsidiaries engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company and its subsidiaries' business segment or the Company and its subsidiaries' geographical segment.

2.30 Critical accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year.

The areas involving significant estimates and assumptions are as follows:

- Estimation of provision for doubtful debts (Note 2.7 and Note 7);
- Estimation of provision for decline in value of inventories (Note 2.8 and Note 8); and
- Estimated useful lives of fixed assets (Note 2.10 and Note 10); and
- Estimation of CIT (Note 30).

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

3 CASH AND CASH EQUIVALENTS

	31.12.2023 VND	31.12.2022 VND
Cash on hand	78,480,640	104,422,460
Cash in bank	169,379,084,632	226,598,789,568
Cash equivalents (*)	254,526,687,587	1,191,967,203,297
	<u>423,984,252,859</u>	<u>1,418,670,415,325</u>

- (*) Cash equivalents comprise demand deposits with original maturity of 3 months or less at commercial banks in Vietnam. Earning interest rate is specified in each term-deposit contract.

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

4 FINANCIAL INVESTMENTS

(a) Investment held to maturity

	31.12.2023		31.12.2022	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits (*)	8,651,944,688,963	8,651,944,688,963	5,854,787,648,379	5,854,787,648,379
Others	-	-	2,000,000,000	2,000,000,000
	<u>8,651,944,688,963</u>	<u>8,651,944,688,963</u>	<u>5,856,787,648,379</u>	<u>5,856,787,648,379</u>
ii. Long-term				
Term deposits	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>

(*) Included deposits at commercial banks in Vietnam with original term of more than 3 and less than 12 months. Interest rate is specified in each term-deposit contract.

(b) Investment in other entities

	2023			2022		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Sen Do 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	<u>6,000,000,000</u>	<u>(*)</u>	<u>-</u>	<u>6,000,000,000</u>	<u>(*)</u>	<u>-</u>
	<u>9,684,980,000</u>	<u>(*)</u>	<u>(3,684,980,000)</u>	<u>9,684,980,000</u>	<u>(*)</u>	<u>(3,684,980,000)</u>

(*) Presentation of fair value: the Company and its subsidiaries have not determined the fair value of these investments to disclose in the consolidated financial statements because they do not have prices listed in stock market. Therefore, the fair value of such investments might be different from their book value.

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

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.12.2023 VND	31.12.2022 VND
Third parties (*)	1,849,593,378,505	1,579,606,049,081
Related parties (Note 33(b))	35,958,378,196	20,820,409,932
	<u>1,885,551,756,701</u>	<u>1,600,426,459,013</u>

(*) As at 31 December 2023 and 31 December 2022, there were no third party customers having a balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

6 OTHER SHORT-TERM RECEIVABLES

	31.12.2023 VND	31.12.2022 VND
Interest income	131,808,763,109	109,845,013,784
Others	13,750,596,226	21,033,488,969
	<u>145,559,359,335</u>	<u>130,878,502,753</u>

7 DOUBTFUL DEBTS

	31.12.2023		
	Cost VND	Recoverable amount VND	Provision VND
Total overdue receivables that are doubtful	630,536,585,918	7,792,826,215	622,743,759,703
<i>In which:</i>			
- Sam Ngoc Linh Kon Tum Joint Stock Company	<u>62,920,000,000</u>	<u>-</u>	<u>62,920,000,000</u>
	31.12.2022		
	Cost VND	Recoverable amount VND	Provision VND
Total overdue receivables that are doubtful	<u>488,205,444,387</u>	<u>39,049,305,306</u>	<u>449,156,139,081</u>

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

8 INVENTORIES

	31.12.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	57,128,979,044	-	88,839,497,430	-
Raw materials	641,356,835,365	(16,797,484,252)	836,100,716,877	(35,332,591,215)
Tools and supplies	38,093,063,918	-	76,960,681,374	-
Merchandise	88,442,853,841	-	151,052,349,514	-
	<u>825,021,732,168</u>	<u>(16,797,484,252)</u>	<u>1,152,953,245,195</u>	<u>(35,332,591,215)</u>
Provision for decline in value of inventories	(16,797,484,252)		(35,332,591,215)	
	<u>808,224,247,916</u>		<u>1,117,620,653,980</u>	

Movements in the provision for decline in value of inventories during the year are as follows:

	2023 VND	2022 VND
Beginning of year	35,332,591,215	54,607,140,942
Reversal (Note 25)	(18,535,106,963)	(19,274,549,727)
End of year	<u>16,797,484,252</u>	<u>35,332,591,215</u>

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

9 PREPAID EXPENSES

(a) Short-term

	31.12.2023 VND	31.12.2022 VND
Rental fees (copyrights, office, channels, transmission lines, cable)	98,575,179,019	104,903,018,372
Others	52,539,620,783	57,413,493,380
	<u>151,114,799,802</u>	<u>162,316,511,752</u>

(b) Long-term

	31.12.2023 VND	31.12.2022 VND
Service deployment costs for new subscribers (*)	1,611,745,683,907	1,702,047,122,673
Office rental	293,626,781,023	303,176,777,899
Others	231,581,730,445	309,493,215,347
	<u>2,136,954,195,375</u>	<u>2,314,717,115,919</u>

(*) Service deployment costs for new subscribers include the costs of equipment, materials and external services for installment, deployment of internet, television services for new subscribers. These costs are initially recognised as long-term prepaid expenses and amortised to the income statement based on estimated useful lives (Note 2.12).

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

10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
Historical cost					
As at 1 January 2023	212,375,019,192	10,779,336,569,563	195,223,328,920	19,216,714,362	11,206,151,632,037
New purchases	1,842,506,089	617,722,806,622	4,743,457,924	2,518,522,727	626,827,293,362
Transfers from construction in progress	-	1,118,417,199,839	73,722,500	-	1,118,490,922,339
Reclassification	2,438,539,196	57,688,405,819	(53,096,190,634)	(5,964,830,548)	1,065,923,833
Disposals, write-off	-	(270,370,167,219)	(7,115,795,267)	(1,353,636,364)	(278,839,598,850)
As at 31 December 2023	216,656,064,477	12,302,794,814,624	139,828,523,443	14,416,770,177	12,673,696,172,721
Accumulated depreciation					
As at 1 January 2023	(74,563,131,948)	(5,947,260,867,835)	(176,169,030,273)	(13,598,388,402)	(6,211,591,418,458)
Charge for the year	(8,012,153,854)	(1,227,687,009,607)	(7,205,403,250)	(1,919,492,911)	(1,244,824,059,622)
Reclassification	(1,376,115,363)	(57,688,405,819)	53,096,190,634	5,964,830,548	(3,500,000)
Disposals, write-off	-	238,327,817,534	7,114,181,841	1,353,636,364	246,795,635,739
As at 31 December 2023	(83,951,401,165)	(6,994,308,465,727)	(123,164,061,048)	(8,199,414,401)	(7,209,623,342,341)
Net book value					
As at 1 January 2023	137,811,887,244	4,832,075,701,728	19,054,298,647	5,618,325,960	4,994,560,213,579
As at 31 December 2023	132,704,663,312	5,308,486,348,897	16,664,462,395	6,217,355,776	5,464,072,830,380

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2023 were VND 3,688,632,207,311 (as at 31 December 2022: VND 3,152,981,662,304).

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

10 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Land use rights VND	Copyrights, patent VND	Copyrights and operation licenses VND	Computer software VND	Total VND
Historical cost					
As at 1 January 2023	163,558,151,413	-	753,927,547,130	183,281,220,036	1,100,766,918,579
New purchases	24,148,193,868	476,000,000	2,435,072,107	6,380,370,205	33,439,636,180
Disposals, write-off	(1,062,423,833)	-	-	(3,500,000)	(1,065,923,833)
	-	-	-	(533,706,919)	(533,706,919)
As at 31 December 2023	<u>186,643,921,448</u>	<u>476,000,000</u>	<u>756,362,619,237</u>	<u>189,124,383,322</u>	<u>1,132,606,924,007</u>
Accumulated amortisation					
As at 1 January 2023	-	-	(376,593,920,234)	(108,363,390,121)	(484,957,310,355)
Charge for the year	-	(40,427,397)	(53,652,355,585)	(34,798,186,172)	(88,490,969,154)
Reclassification	-	-	-	3,500,000	3,500,000
Disposals, write-off	-	-	-	237,119,152	237,119,152
As at 31 December 2023	<u>-</u>	<u>(40,427,397)</u>	<u>(430,246,275,819)</u>	<u>(142,920,957,141)</u>	<u>(573,207,660,357)</u>
Net book value					
As at 1 January 2023	<u>163,558,151,413</u>	<u>-</u>	<u>377,333,626,896</u>	<u>74,917,829,915</u>	<u>615,809,608,224</u>
As at 31 December 2023	<u>186,643,921,448</u>	<u>435,572,603</u>	<u>326,116,343,418</u>	<u>46,203,426,181</u>	<u>559,399,263,650</u>

The historical cost of intangible fixed assets that were fully amortised but still in use as at 31 December 2023 were VND 88,108,545,770 (as at 31 December 2022: VND 64,863,498,138).

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

11 CONSTRUCTION IN PROGRESS

Details of construction in progress by each project are as follows:

	31.12.2023 VND	31.12.2022 VND
Data Center - FPT Telecom Tan Thuan	14,297,934,220	234,304,468
Data Center - District 9	244,969,980,018	177,411,715,340
North-South trunk road system	55,552,423,097	39,830,766,443
FPT Telecom Tower in District 7	1,862,966,083	3,992,511,537
Telecommunication infrastructures (*)	100,505,808,261	137,936,145,768
	<u>417,189,111,679</u>	<u>359,405,443,556</u>

(*) Mainly included the value of machineries, equipment and materials in progress for constructing telecommunication stations and other telecommunication infrastructures.

12 DEFERRED INCOME TAX

Deferred tax assets and deferred tax liabilities are offset when the Company and its subsidiaries have a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax liabilities are related to the same tax authority and the same taxable entity. Details are as follows:

	31.12.2023 VND	31.12.2022 VND
Deferred income tax assets	<u>21,795,731,150</u>	<u>532,705,381</u>
Deferred income tax liabilities	<u>(937,899,583)</u>	<u>(218,148,233)</u>

The gross movements in deferred income tax, excluding offsetting of balances related to the same tax authority, during the year were as follows:

	31.12.2023 VND	31.12.2022 VND
Deferred income tax assets		
Beginning of year	532,705,381	5,705,551,007
Recognised in the consolidated income statement (Note 30)	21,263,025,769	(5,172,845,626)
End of year	<u>21,795,731,150</u>	<u>532,705,381</u>

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

12 DEFERRED INCOME TAX (CONTINUED)

	31.12.2023 VND	31.12.2022 VND
Deferred income tax liabilities		
Beginning of year	(218,148,233)	(10,248,476)
Recognised in the consolidated income statement (Note 30)	(719,751,350)	(207,899,757)
End of year	<u>(937,899,583)</u>	<u>(218,148,233)</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.12.2023		31.12.2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
(*)	1,032,536,777,149	1,032,536,777,149	1,420,493,283,339	1,420,493,283,339
Related parties				
(Note 33(b))	43,150,739,640	43,150,739,640	156,096,905,215	156,096,905,215
	<u>1,075,687,516,789</u>	<u>1,075,687,516,789</u>	<u>1,576,590,188,554</u>	<u>1,576,590,188,554</u>

(*) As at 31 December 2023 and 31 December 2022, there were no third party suppliers having a balance accounting for 10% or more of the total balance of short-term trade accounts payable.

14 TAXES AND RECEIVABLES FROM/PAYABLES TO THE STATE

	31.12.2023 VND	31.12.2022 VND
(a) Receivables		
VAT	-	47,871,244,756
CIT	279,451,247	72,166,759,453
Personal income tax	91,130,172	37,965,676,266
Foreign contractor tax	-	2,365,985,307
	<u>370,581,419</u>	<u>160,369,665,782</u>
(b) Payables		
VAT	55,432,849,683	18,186,457,762
CIT	161,694,560,706	14,878,563,772
Personal income tax	29,714,427,235	5,697,422,103
Foreign contractor tax	4,438,225,507	2,205,694,582
	<u>251,280,063,131</u>	<u>40,968,138,219</u>

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

14 TAXES AND RECEIVABLES FROM/PAYABLES TO THE STATE (CONTINUED)

Movements in tax and (receivables from)/payables to the State on a net basis are as follows:

	As at 1.1.2023 VND	Payables during the year VND	Payment/offset during the year VND	As at 31.12.2023 VND
VAT – output	(29,684,786,994)	2,260,670,311,589	(2,175,552,674,912)	55,432,849,683
Import VAT - output	-	127,371,274,023	(127,371,274,023)	-
CIT	(57,288,195,681)	629,086,803,768	(410,383,498,628)	161,415,109,459
Foreign contractor tax	(160,290,725)	59,901,172,980	(55,302,656,748)	4,438,225,507
Personal income tax	(32,268,254,163)	270,717,349,139	(208,825,797,913)	29,623,297,063
Import tax	-	101,407,471	(101,407,471)	-
Others	-	819,492,915	(819,492,915)	-
	<u>(119,401,527,563)</u>	<u>3,348,667,811,885</u>	<u>(2,978,356,802,610)</u>	<u>250,909,481,712</u>

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

15 SHORT-TERM ACCRUED EXPENSES

	31.12.2023 VND	31.12.2023 VND
Interest expense	102,446,296,400	88,184,202,440
Others (*)	123,370,341,738	69,601,922,502
	<u>225,816,638,138</u>	<u>157,786,124,942</u>

(*) Mainly included expenses for channel rental, transmission line rental, public utility telecommunications service funds and others.

16 UNEARNED REVENUE

	31.12.2023 VND	31.12.2023 VND
(a) Short-term		
Advances from customers for telecommunication services	1,352,234,046,771	1,548,863,526,027
Others	1,836,758,634	1,772,804,088
	<u>1,354,070,805,405</u>	<u>1,550,636,330,115</u>
(b) Long-term		
Advances from customers for telecommunication services	6,344,870,859	5,513,554,636
Others	29,694,468,271	31,467,272,359
	<u>36,039,339,130</u>	<u>36,980,826,995</u>

17 OTHER SHORT-TERM PAYABLES

	31.12.2023 VND	31.12.2023 VND
Deposits	261,928,870,995	149,971,015,545
Related parties (Note 33(b))	3,085,424,477	2,049,141,272
Others	48,651,358,337	59,337,809,888
	<u>313,665,653,809</u>	<u>211,357,966,705</u>

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

18 BORROWINGS

(a) Short-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	Exchange rate differences VND	As at 31.12.2023 VND
Short-term borrowings (*)	4,450,018,862,428	18,638,457,503,278	(17,132,163,807,114)	(14,584,495,289)	5,941,728,063,303
Current portion of long-term borrowings	690,483,161,195	39,991,556,359	(690,483,161,195)	-	39,991,556,359
	<u>5,140,502,023,623</u>	<u>18,678,449,059,637</u>	<u>(17,822,646,968,309)</u>	<u>(14,584,495,289)</u>	<u>5,981,719,619,662</u>

(*) Included unsecured long-term loans from banks for financing working capital of the Company. Interest rates are specified in each drawdown ranging from 2.3% per annum to 8% per annum (2022: 1.98% per annum to 8% per annum).

(b) Long-term

	As at 1.1.2023 VND	Increase VND	Current portion of long-term borrowings VND	As at 31.12.2023 VND
Long-term borrowings	<u>39,991,556,359</u>	<u>-</u>	<u>(39,991,556,359)</u>	<u>-</u>

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

18 BORROWINGS (CONTINUED)

Details of borrowings in original currencies are as follows:

	31.12.2023		31.12.2022	
	Original amount	Equivalent VND	Original amount	Equivalent VND
US Dollars ("USD")	57,900,000	1,376,170,500,000	73,400,000	1,705,387,321,453
Vietnamese Dong ("VND")	4,605,549,119,662	4,605,549,119,662	3,475,106,258,529	3,475,106,258,529
		<u>5,981,719,619,662</u>		<u>5,180,493,579,982</u>

Borrowings in foreign currencies hedged by the Company with foreign currency swap and forward contracts are as follows:

	31.12.2023		31.12.2022	
Currency	Total amount	Hedged amount	Total amount	Hedged amount
US Dollars ("USD")	<u>57,900,000</u>	<u>57,900,000</u>	<u>73,400,000</u>	<u>73,400,000</u>

19 BONUS AND WELFARE FUNDS

Movement of bonus and welfare during the year are as follows:

	31.12.2023 VND	31.12.2022 VND
Beginning of year	349,990,820,900	288,287,363,789
Appropriated from undistributed earnings (Note 21)	248,660,722,559	234,162,324,376
Utilised during the year	(137,964,300,778)	(172,558,867,265)
Others	173,000,000	100,000,000
End of year	<u>460,860,242,681</u>	<u>349,990,820,900</u>

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

20 OWNERS' CAPITAL

(a) Number of shares

	31.12.2023 Ordinary shares	31.12.2023 Ordinary shares
Number of shares registered	492,509,164	328,339,538
Number of existing shares in circulation	492,509,164	328,339,538

Par value per share: VND 10,000.

(b) Details of owners' shareholding

	31.12.2023		31.12.2022	
	Ordinary shares	%	Ordinary shares	%
State Capital Investment Corporation	247,113,031	50,17	164,742,021	50,17
FPT Joint Stock Company	224,861,187	45,66	149,907,458	45,66
Other shareholders	20,534,946	4,17	13,690,059	4,17
	492,509,164	100	328,339,538	100

(c) Movement of share's capital

	Number of shares	Ordinary shares VND	Treasury shares VND	Total VND
As at 1.1.2022	328,339,538	3,283,695,530,000	(300,150,000)	3,283,395,380,000
Cancellation of treasury shares	-	(300,150,000)	300,150,000	-
As at 31.1.2023	328,339,538	3,283,395,380,000	-	3,283,395,380,000
New issued shares	164,169,626	1,641,696,260,000	-	1,641,696,260,000
As at 31.12.2023	492,509,164	4,925,091,640,000	-	4,925,091,640,000

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

21 MOVEMENTS IN OWNERS' EQUITY

	Owners' contributed capital VND	Share premium VND	Other owners' capital VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Non-controlling interests VND	Total VND
As at 1.1.2022	3,283,695,530,000	20,462,758,273	55,391,600,000	(300,150,000)	824,773,364,467	1,821,722,332,329	283,252,865,644	6,288,998,300,713
Net profit for the year	-	-	-	-	-	2,150,756,824,672	107,588,843,083	2,258,345,667,755
Dividends distributed in cash	-	-	-	-	-	(328,339,538,000)	(64,081,496,000)	(392,421,034,000)
Appropriation to investment and development fund	-	-	-	-	599,722,147,739	(599,722,147,739)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(223,403,402,056)	(10,758,922,320)	(234,162,324,376)
Cancellation of treasury shares	(300,150,000)	-	-	300,150,000	-	-	-	-
Others	-	(20,462,758,273)	-	-	-	19,404,386,097	(3,428)	(1,058,375,604)
As at 31.12.2022	3,283,395,380,000	-	55,391,600,000	-	1,424,495,512,206	2,840,418,455,303	316,001,286,979	7,919,702,234,488
Net profit for the year	-	-	-	-	-	2,383,057,829,664	50,456,815,702	2,433,514,645,366
Dividends distributed in cash (*)	-	-	-	-	-	(985,018,614,000)	(41,558,227,575)	(1,026,576,841,575)
New issued shares (**)	1,641,696,260,000	-	-	-	(70,000,000,000)	(1,571,696,260,000)	-	-
Appropriation to investment and development fund (*)	-	-	-	-	355,226,693,072	(355,226,693,072)	-	-
Appropriation to bonus and welfare fund (*) (Note 19)	-	-	-	-	-	(243,510,632,508)	(5,150,090,051)	(248,660,722,559)
Others	-	-	-	-	-	(2,331,836,785)	(1,882,946,686)	(4,214,783,471)
As at 31 December 2023	4,925,091,640,000	-	55,391,600,000	-	1,709,722,205,278	2,065,692,248,602	317,866,838,369	9,073,764,532,249

(*) Pursuant to the Resolution No. 01/NQ – ĐHĐCĐ/FTEL dated 25 April 2023, the General Meeting of Shareholders approved the cash dividend distribution plan at rate of VND 3,000 per share and appropriation to investment and development fund and bonus and welfare fund.

(**) Pursuant to the Resolution No. 14-2023/NQ-HĐQT/FTEL dated 30 November 2023, the Board of Directors approved the increase in the Company's charter capital by issuing shares at a ratio of 2:1 from undistributed earnings and development investment fund. The total number of additional shares issued is 164,169,626 shares at par value.

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

22 BASIC EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus shares issued during the year and excluding treasury shares. Details are as follows:

	31.12.2023	31.12.2022 (As adjusted (*))
Net profit attributable to shareholders (VND)	2,383,057,829,664	2,150,756,824,672
Less amount allocated to bonus and welfare fund (VND)	(243,510,632,508)	(223,403,402,056)
Basic earnings (VND)	2,139,547,197,156	1,927,353,422,616
Weighted average number of ordinary shares in circulation (shares)	492,509,164	492,509,164
Basic earnings per share (VND)	4,344	3,913

(*) The earnings per share for the financial year ended 31 tháng 12 năm 2022 was recalculated as result of the issuance of bonus share as below:

	Year ended at 31 December 2022		
	As previously reported	Adjustments	As Adjusted
Net profit attributable to shareholders (VND)	2,150,756,824,672	-	2,150,756,824,672
Less amount allocated to bonus and welfare fund (VND)	(223,403,402,056)	-	(223,403,402,056)
Basic earnings (VND)	1,927,353,422,616	-	1,927,353,422,616
Weighted average number of ordinary shares in circulation (shares)	328,339,538	164,169,626	492,509,164
Basic earnings per share (VND)	5,870		3,913

(b) Diluted earnings per share

Diluted earnings per share was equal to the basic earnings per share as the Company did not have any ordinary shares potentially diluted during the year and up to the date of these consolidated financial statements.

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

23 OFF CONSOLIDATED BALANCE SHEET ITEMS

(a) Foreign currencies

As at 31 December 2023, included in cash and cash equivalents were balances held in foreign currencies of USD 2,232,144 (as at 31 December 2022: USD 4,513,645).

(b) Bad debt written off

	31.12.2023 VND	31.12.2022 VND
Bad debts	181,168,486,772	181,571,217,916

24 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2023 VND	2022 VND
Revenue		
Revenue from sales of goods	1,090,040,922,119	1,084,124,299,609
Revenue from rendering of services	14,722,229,865,021	13,658,844,257,003
	<u>15,812,270,787,140</u>	<u>14,742,968,556,612</u>
Sales deductions		
Goods returns	(52,216,700)	(1,146,299,000)
Trade discounts and others	(6,407,919,657)	(12,173,318,032)
	<u>(6,460,136,357)</u>	<u>(13,319,617,032)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of goods	1,089,988,705,419	1,082,978,000,609
Net revenue from rendering of services	14,715,821,945,364	13,646,670,938,971
	<u>15,805,810,650,783</u>	<u>14,729,648,939,580</u>

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

25 COST OF GOODS SOLD AND SERVICES RENDERED

	2023 VND	2022 VND
Cost of goods sold	963,891,574,813	932,168,007,315
Cost of services rendered	7,595,560,335,052	6,589,608,988,541
Reversal of provision for decline in value of inventories (Note 8)	(18,535,106,963)	(19,274,549,727)
	<u>8,540,916,802,902</u>	<u>7,502,502,446,129</u>

26 FINANCIAL INCOME

	2023 VND	2022 VND
Interest income	807,672,806,432	704,477,191,575
Foreign exchange gains	37,728,738,491	28,903,371,460
Dividends income from investees (Note 33(a))	3,507,292,575	-
	<u>848,908,837,498</u>	<u>733,380,563,035</u>

27 FINANCIAL EXPENSES

	2023 VND	2022 VND
Interest expense	445,048,629,628	335,197,364,380
Foreign exchange losses	34,710,049,103	106,598,996,038
	<u>479,758,678,731</u>	<u>441,796,360,418</u>

28 SELLING EXPENSES

	2023 VND	2022 VND
Staff costs	1,813,779,661,961	1,601,599,728,207
Promotion and advertising	325,805,195,733	330,654,957,482
Others	190,086,070,854	253,082,600,924
	<u>2,329,670,928,548</u>	<u>2,185,337,286,613</u>

(*) Included depreciation expenses, rental expenses, outsourcing expenses, utility expenses and other selling expenses. There were no items with the amount accounting for more than 10% of total selling expenses.

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

29 GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
Staff costs	1,446,559,896,278	1,765,436,361,471
Others (*)	823,294,541,498	735,301,972,510
	<u>2,269,854,437,776</u>	<u>2,500,738,333,981</u>

(*) Included depreciation expenses, provision expenses for doubtful debts, tools and supplies and other general and administration expenses. There were no items with the amount accounting for more than 10% of total general and administrative expenses.

30 CORPORATE INCOME TAX ("CIT")

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

	2023 VND	2022 VND
Accounting profit before tax	3,042,058,174,715	2,817,596,666,776
Tax calculated at a rate of 20%	608,411,634,943	563,519,333,355
Effect of:		
- Income not subject to tax	(701,458,515)	(2,580,683,619)
- Expenses not deductible for tax purposes	98,493,053	538,671,325
- Temporary differences for which no deferred income tax was recognised	(751,093,867)	411,000
- Effects of consolidation entries	-	(4,244,977,737)
- Under-provision in previous years	761,607,150	2,018,244,697
- Others	724,346,585	-
CIT charge (*)	<u>608,543,529,349</u>	<u>559,250,999,021</u>
(Credited)/charged to the consolidated income statement:		
- CIT – current	629,086,803,768	553,870,253,638
- CIT – deferred	(20,543,274,419)	5,380,745,383
CIT charge (*)	<u>608,543,529,349</u>	<u>559,250,999,021</u>

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

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

31 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Company's operating activities. The details are as follows:

	2023 VND	2022 VND
Raw materials	2,397,671,951,412	2,162,456,030,917
Staff costs	4,375,444,096,321	4,355,717,302,435
Depreciation and amortisation	1,333,315,028,776	1,173,650,989,196
External services	4,106,338,102,548	3,987,227,692,321
Others	927,672,990,169	509,526,051,854
	<u>13,140,442,169,226</u>	<u>12,188,578,066,723</u>

32 SEGMENT REPORTING

The Board of Management of the Company determines that the management decisions of the Company and its subsidiaries are based primarily on the types of products and services provided by the Company and its subsidiaries. As a result, the primary segment reporting of the Company and its subsidiaries is presented in respect of the Company and its subsidiaries' business segments.

(a) Segment information by the business activity

During the year, the Company and its subsidiaries' principal activities are to provide telecommunication services (including services on internet, pay television, online advertising, transmission line rental and data storage and other telecommunication services). Revenue and profit from sales of goods accounted for less than 10% of the total revenue and profit of the Company and its subsidiaries respectively, therefore, the Company does not present a segment report by business activities. Revenue and cost of goods sold and services rendered are presented in details in Note 24 and Note 25.

(b) Segment information by the geographical location

The Company and its subsidiaries have no business activities outside of Vietnam. All of the Company and its subsidiaries' business activities are all carried out within the territory of Vietnam. Therefore, the Company does not present a segment report by geographical area.

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

33 RELATED PARTY DISCLOSURES

The Company is controlled by FPT Joint Stock Company, a company incorporated in Vietnam. Although the parent company holds 45.65% of the Company's share capital, it has the majority voting rights at the meetings of the Board of Directors or equivalent management level of the Company and has the power to govern the financial and financial policy of the Company.

Details of the key related parties and relationship are given as below:

Related parties (*)	Relationship
FPT Joint Stock Company	Parent Company
State Capital Investment Corporation – Company Limited	Major Shareholder
FPT Information System Corporation	Subsidiary of Parent company
FPT Software Company Limited	Subsidiary of Parent company
FPT Education Company Limited	Subsidiary of Parent company
FPT Smart Cloud Company Limited	Subsidiary of Parent company
FPT Digital Retail Joint Stock Company	Associate of Parent company
Synnex FPT Distribution Company Limited	Associate of Parent company
FPT Fund Management Joint Stock Company	Associate of Parent company

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

(a) Related party transactions

The primary transactions with related parties incurred in the year are:

	2023 VND	2022 VND
i) Sales of goods and rendering of services		
FPT Information System Corporation	69,503,392,131	79,413,816,638
FPT Software Company Limited	62,605,098,840	66,479,713,792
FPT Digital Retail Joint Stock Company	52,116,901,599	35,851,720,036
FPT Education Company Limited	35,116,043,640	27,436,425,271
FPT Smart Cloud Company Limited	24,187,788,107	11,000,311,436
FPT Joint Stock Company	23,355,399,518	9,001,123,010
Synnex FPT Distribution Company Limited	8,097,055,904	6,193,199,246
Other fellow group companies	914,569,090	2,673,124,517
	<u>275,896,248,829</u>	<u>238,049,433,946</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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33 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

	2023 VND	2022 VND
ii) Purchase of fixed assets, goods and services		
Synnex FPT Distribution Company Limited	117,236,904,060	277,384,468,537
FPT Information System Corporation	329,787,534,969	343,766,796,872
FPT Joint Stock Company	134,697,482,968	127,435,232,036
FPT Digital Retail Joint Stock Company	11,249,528,492	25,014,382,267
FPT Smart Cloud Company Limited	9,756,253,460	9,650,554,197
FPT Software Company Limited	5,134,089,550	5,543,781,632
Other fellow group companies	665,318,146	422,232,331
	<u>608,527,111,645</u>	<u>789,217,447,872</u>
iii) Share dividends declared		
State Capital Investment Corporation – Company Limited	823,710,100,000	-
FPT Joint Stock Company	749,537,290,000	-
Other shareholders	68,448,870,000	-
	<u>1,641,696,260,000</u>	<u>-</u>
iv) Cash dividends declared		
State Capital Investment Corporation – Company Limited	494,226,063,000	164,742,021,000
FPT Joint Stock Company	449,722,374,000	149,907,458,000
Other shareholders	41,070,177,000	13,690,059,000
	<u>985,018,614,000</u>	<u>328,339,538,000</u>
v) Cash dividends received (Note 26)		
FPT Fund Management Joint Stock Company	3,507,292,575	-
	<u>3,507,292,575</u>	<u>-</u>
vi) Lendings		
FPT Joint Stock Company	45,000,000,000	91,000,000,000
	<u>45,000,000,000</u>	<u>91,000,000,000</u>
vii) Interest income		
FPT Joint Stock Company	1,124,777,153	919,219,174
	<u>1,124,777,153</u>	<u>919,219,174</u>

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

33 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

		2023 VND	2022 VND
<i>viii) Remuneration of the Board of Directors, the Board of Supervisions and salaries of General Director and other key management</i>			
Board of Directors			
Hoang Viet Anh	Chairman (*)	-	-
Hoang Nam Tien	Chairman	-	-
Truong Gia Binh	Member	-	-
Nguyen Van Khoa	Member	-	-
Chu Thi Thanh Ha	Member	-	-
Tran Thi Hong Linh	Member (**)	41,260,274	-
Phan The Thanh	Member (**)	41,260,274	-
Le Ngoc Diep	Member	18,739,726	60,000,000
Nguyen Hoang Quyen	Member (***)	18,739,726	50,714,286
Pham Cong Minh	Member	-	9,285,714
		<u>120,000,000</u>	<u>120,000,000</u>
Board of Supervisor			
Tran Khuong	Chief Supervisor	-	-
Pham Xuan Hoan	Member	-	-
Do Xuan Phuc	Member	24,000,000	24,000,000
		<u>24,000,000</u>	<u>24,000,000</u>
Board of Management and other managers			
Nguyen Hoang Linh	General Director (****)	2,440,428,000	1,800,000,000
Hoang Viet Anh	General Director	800,000,000	2,400,000,000
Vu Thi Mai Huong	Deputy General Director	1,880,372,000	1,800,000,000
Chu Hung Thang	Deputy General Director	1,885,670,720	1,800,324,600
Do Thi Huong	Chief Financial Officer	1,760,151,000	1,450,000,000
Nguyen Thi Thu Huong	Chief Accountant	708,397,000	657,300,000
		<u>9,475,018,720</u>	<u>9,907,624,600</u>

(*) Mr. Hoang Viet Anh was appointed as the Chairman of the Board of Directors to replace Mr. Hoang Nam Tien from 25 April 2023.

(**) Ms. Tran Thi Hong Linh and Mr. Phan The Thanh were appointed as Board Members to replace Ms. Le Ngoc Diep and Mr. Nguyen Hoang Quyen from 25 April 2023.

(***) Mr. Nguyen Hoang Quyen was appointed as a Member of the Board of Directors to replace Mr. Pham Cong Minh from 20 April 2022.

(****) Mr. Nguyen Hoang Linh was appointed as the General Director to replace Mr. Hoang Viet Anh from 25 April 2023.

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

33 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Year end balances with related parties

	31.12.2023 VND	31.12.2022 VND
i) Cash at FPT central account		
FPT Joint Stock Company	326,687,587	362,640,459
ii) Short-term trade accounts receivable (Note 5)		
FPT Information System Corporation	11,033,310,716	12,865,688,622
FPT Joint Stock Company	10,832,150,125	1,532,344,125
FPT Digital Retail Joint Stock Company	9,599,260,077	799,091,021
FPT Software Company Limited	2,355,481,162	2,596,770,871
FPT Smart Cloud Company Limited	1,312,418,616	2,460,384,268
Synnex FPT Distribution Company Limited	465,989,210	288,589,390
FPT Education Company Limited	330,066,431	250,477,821
Other fellow group companies	29,701,859	27,063,814
	35,958,378,196	20,820,409,932
iii) Other short-term receivables		
FPT Joint Stock Company	3,085,491	367,864
Other fellow group companies	9,287,730	-
	12,373,221	367,864
iv) Short-term trade accounts payable (Note 13)		
FPT Joint Stock Company	24,117,644,182	21,941,567,281
FPT Information System Corporation	7,588,155,397	90,067,525,544
Synnex FPT Distribution Company Limited	7,482,021,899	39,565,780,782
FPT Digital Retail Joint Stock Company	1,145,862,390	1,812,181,600
FPT Smart Cloud Company Limited	1,616,559,844	2,191,789,136
FPT Software Company Limited	1,147,153,066	517,265,092
Other fellow group companies	53,342,862	795,780
	43,150,739,640	156,096,905,215
v) Other short-term payables (Note 17)		
Collection on behalf of related parties	742,937,594	67,487,789
Profit and dividends payables	2,342,486,883	1,981,653,483
	3,085,424,477	2,049,141,272

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

34 COMMITMENTS

(a) Operating lease commitments

The future minimum lease payments under operating lease contracts were as follows:

	2023 VND	2022 VND
Under 1 year	149,541,237,751	173,297,696,409
From 1 to 5 years	196,150,777,731	242,136,397,327
Above 5 years	12,749,682,490	39,071,304,844
Total minimum payments	<u>358,441,697,972</u>	<u>454,505,398,580</u>

(b) Capital commitments

Capital expenditures contracted for fixed assets at the consolidated balance sheet date but not recognised in the consolidated financial statements was as follows:

	2023 VND	2022 VND
Data centers	<u>3,936,539,597</u>	<u>19,275,669,609</u>

35 CONTINGENT LIABILITIES

Land restoration obligations:

The Company and its subsidiaries signed land rental contracts with landlords and carried out the construction of buildings and infrastructure on lands. The land rental contracts do not state explicitly the obligations of the Company and its subsidiaries in removing the building, structures and other assets on the leased lands at the end of the lease terms. These obligations can only be ascertained upon the discussion and agreement between the Company, its subsidiaries and the landlords at the end of the lease terms. At the date of these consolidated financial statements, the land restoration obligations of the Company and its subsidiaries haven't been determined. Therefore, the Company and its subsidiaries have not recognised a provision for land restoration costs in the consolidated financial statements for the year ended 31 December 2023.

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

36 EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

The Resolution No. 01/NQ-HĐQT/FTEL dated 12 January 2024 of the Board of Directors of the Company announced the advance payment of cash dividends at rate of VND 2,000 per share.

The consolidated financial statements of the Company and its subsidiaries were approved by the Company's Board of Management on 4 March 2024.



Nguyen Thi Hong
Preparer



Nguyen Thi Thu Huong
Chief Accountant



Nguyen Hoang Linh
General Director
Legal Representative