

FPT TELECOM JOINT STOCK CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



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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 the Hanoi Department of Planning and Investment on 28 July 2005. The latest amendment (30th) of the Enterprise Registration Certificate was issued on 23 May 2022.

Board of Directors

Mr. Hoang Nam Tien	Chairman
Mr. Truong Gia Binh	Member
Mr. Nguyen Van Khoa	Member
Ms. Chu Thi Thanh Ha	Member
Ms. Le Ngoc Diep	Member
Mr. Nguyen Hoang Quyen	Member (from 20 April 2022)
Mr. Pham Cong Minh	Member (until 20 April 2022)

Board of Supervision

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

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

Legal Representatives

Mr. Hoang Nam Tien	Chairman
Mr. Hoang Viet Anh	General Director

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 2022, and the consolidated results of the operations and the 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 accounting policies 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 43 which give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2022, and of the consolidated results of the operations and the 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



Hoang Viet Anh
General Director/Legal Representative

Hanoi, S.R. Vietnam
13 March 2023

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 2022 and approved by the Board of Management of the Company on 13 March 2023. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2022, 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 43.

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 Company and its subsidiaries' 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.



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 2022, 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



Mai Viet Hung Tran
Deputy General Director
Audit Practising Licence
No. 0048-2023-006-1
Authorised signatory

Tran Khắc Thế
Audit Practising Licence
No. 2043-2023-006-1

Report reference number: HAN 3256
Hanoi, 13 March 2023


CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		10,099,244,269,282	13,672,033,834,001
110	Cash and cash equivalents	3	1,418,670,415,325	374,929,561,927
111	Cash		226,703,212,028	101,868,718,688
112	Cash equivalents		1,191,967,203,297	273,060,843,239
120	Short-term investment		5,856,787,648,379	11,238,439,412,400
123	Investments held to maturity	4(a)	5,856,787,648,379	11,238,439,412,400
130	Short-term receivables		1,357,716,256,717	1,208,969,329,415
131	Short-term trade accounts receivable	5	1,600,426,459,013	1,391,016,112,013
132	Short-term prepayments to suppliers		75,567,434,032	39,888,170,930
136	Other short-term receivables	6	130,878,502,753	165,646,293,645
137	Provision for doubtful debts - short-term	7	(449,156,139,081)	(387,581,247,173)
140	Inventories	8	1,117,620,653,980	689,688,421,234
141	Inventories		1,152,953,245,195	744,295,562,176
149	Provision for decline in value of inventories		(35,332,591,215)	(54,607,140,942)
150	Other current assets		348,449,294,881	160,007,109,025
151	Short-term prepaid expenses	9(a)	162,316,511,752	127,113,764,629
152	Value Added Tax ("VAT") to be reclaimed		25,763,117,347	23,231,959,636
153	Tax and other receivables from the State	14(a)	160,369,665,782	9,661,384,760
200	LONG-TERM ASSETS		8,326,319,345,943	7,377,374,332,375
210	Long-term receivables		35,094,259,284	34,079,359,935
216	Other long-term receivables		35,094,259,284	36,436,051,116
219	Provision for doubtful debts – long-term		-	(2,356,691,181)
220	Fixed assets		5,610,369,821,803	4,907,968,495,872
221	Tangible fixed assets	10(a)	4,994,560,213,579	4,295,483,183,177
222	Historical cost		11,206,151,632,037	9,511,150,236,538
223	Accumulated depreciation		(6,211,591,418,458)	(5,215,667,053,361)
227	Intangible fixed assets	10(b)	615,809,608,224	612,485,312,695
228	Historical cost		1,100,766,918,579	1,017,829,221,521
229	Accumulated amortisation		(484,957,310,355)	(405,343,908,826)
240	Long-term assets in progress		359,405,443,556	480,691,804,821
242	Construction in progress	11	359,405,443,556	480,691,804,821
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		2,315,249,821,300	1,948,434,671,747
261	Long-term prepaid expenses	9(b)	2,314,717,115,919	1,942,729,120,740
262	Deferred income tax assets	12	532,705,381	5,705,551,007
270	TOTAL ASSETS		18,425,563,615,225	21,049,408,166,376

The notes on pages 9 to 43 are an integral part of these consolidated financial statements.


CONSOLIDATED BALANCE SHEET (continued)

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		10,505,861,380,737	14,760,409,865,663
310	Short-term liabilities		10,426,642,949,150	13,967,863,132,318
311	Short-term trade accounts payable	13	1,576,590,188,554	1,380,314,651,103
312	Short-term advances from customers		67,889,459,376	130,988,516,301
313	Tax and other payables to the State	14(b)	40,968,138,219	143,764,261,715
314	Payables to employees		1,330,921,896,716	1,166,920,110,832
315	Short-term accrued expenses	15	157,786,124,942	202,368,757,000
318	Short-term unearned revenue	16(a)	1,550,636,330,115	1,380,469,481,129
319	Other short-term payables	17	211,357,966,705	202,134,706,538
320	Short-term borrowings	18(a)	5,140,502,023,623	9,072,615,283,911
322	Bonus and welfare fund	19	349,990,820,900	288,287,363,789
330	Long-term liabilities		79,218,431,587	792,546,733,345
336	Long-term unearned revenue	16(b)	36,980,826,995	40,873,965,655
337	Other long-term payables		2,027,900,000	6,989,289,928
338	Long-term borrowings	18(b)	39,991,556,359	744,673,229,286
341	Deferred income tax liabilities	12	218,148,233	10,248,476
400	OWNERS' EQUITY		7,919,702,234,488	6,288,998,300,713
410	Capital and reserves	20,21	7,919,702,234,488	6,288,998,300,713
411	Owners' capital		3,283,395,380,000	3,283,695,530,000
411a	- Ordinary shares with voting rights		3,283,395,380,000	3,283,695,530,000
412	Share premium	21	-	20,462,758,273
414	Owners' other capital	21	55,391,600,000	55,391,600,000
415	Treasury shares	21	-	(300,150,000)
418	Investment and development fund	21	1,424,495,512,206	824,773,364,467
421	Undistributed earnings	21	2,840,418,455,303	1,821,722,332,329
421a	- Undistributed post-tax profits of previous years		1,227,197,381,689	532,918,986,128
421b	- Undistributed post-tax profit of current year		1,613,221,073,614	1,288,803,346,201
429	Non-controlling interests	21	316,001,286,979	283,252,865,644
440	TOTAL RESOURCES		18,425,563,615,225	21,049,408,166,376


 Nguyen Thi Hong
 Preparer


 Nguyen Thi Thu Huong
 Chief Accountant






 Hoang Viet Anh
 General Director
 Legal Representative
 13 March 2023

The notes on pages 9 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services	14,742,968,556,612	12,698,133,981,339
02	Less deductions	13,319,617,032	11,717,730,878
10	Net revenue from sales of goods and rendering of services (10 = 01 - 02)	14,729,648,939,580	12,686,416,250,461
11	Cost of goods sold and services rendered	7,502,502,446,129	6,598,135,450,543
20	Gross profit from sales of goods and rendering of services (20 = 10 - 11)	7,227,146,493,451	6,088,280,799,918
21	Financial income	733,380,563,035	496,205,208,929
22	Financial expenses	441,796,360,418	300,744,727,104
23	- Including: Interest expense	335,197,364,380	220,614,607,102
25	Selling expenses	2,185,337,286,613	1,884,539,198,503
26	General and administration expenses	2,500,738,333,981	2,009,848,282,131
30	Net operating profit (30 = 20 + 21 - 22 - 25 - 26)	2,832,655,075,474	2,389,353,801,109
31	Other income	15,704,468,707	14,836,952,588
32	Other expenses	30,762,877,405	9,260,977,910
40	Net other (expenses)/income (40 = 31 - 32)	(15,058,408,698)	5,575,974,678
50	Net accounting profit before tax (50 = 30 + 40)	2,817,596,666,776	2,394,929,775,787
51	Corporate income tax ("CIT") - current	553,870,253,638	458,846,923,319
52	CIT - deferred	5,380,745,383	20,245,216,434
60	Net profit after tax (60 = 50 - 51 - 52)	2,258,345,667,755	1,915,837,636,034
Attributable to:			
61	Shareholders of the parent company	2,150,756,824,672	1,820,124,198,555
62	Non-controlling interests	107,588,843,083	95,713,437,479
70	Basic earnings per share	5,870	4,926
71	Diluted earnings per share	5,870	4,926


 Nguyen Thi Hong
 Preparer


 Nguyen Thi Thu Huong
 Chief Accountant


 Hoang Viet Anh
 General Director
 Legal Representative
 13 March 2023

The notes on pages 9 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
Code	Note	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	2,817,596,666,776	2,394,929,775,787
	Adjustments for:		
02	Depreciation and amortisation	1,173,650,989,196	1,130,395,527,744
03	Provisions	48,012,469,300	42,764,311,190
04	Unrealised foreign exchange (gains)/losses	(19,089,484,079)	32,710,838,843
05	Profits from investing activities	(675,581,537,651)	(451,246,191,542)
06	Interest expense	335,197,364,380	220,614,607,102
08	Operating profit before changes in working capital	3,679,786,467,922	3,370,168,869,124
09	Increase in receivables	(337,014,494,518)	(195,946,306,690)
10	Increase in inventories	(408,657,683,019)	(46,681,784,461)
11	Increase in payables	378,115,287,314	267,553,912,514
12	Increase in prepaid expenses	(407,190,742,302)	(163,800,101,791)
14	Interest paid	(322,959,840,797)	(207,449,283,488)
15	CIT paid	(687,361,115,082)	(512,008,960,980)
16	Other receipts from operating activities	100,000,000	380,000,000
17	Other payments on operating activities	(172,558,867,265)	(188,234,523,914)
20	Net cash inflows from operating activities	1,722,259,012,253	2,323,981,820,314
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(1,784,357,063,287)	(1,317,869,922,328)
22	Proceeds from disposals of fixed assets and long-term assets	695,455,501	972,727,280
23	Loans granted	(15,708,007,949,001)	(17,751,319,095,049)
24	Collection of loans	21,089,659,713,022	13,121,437,050,991
27	Dividends and interest received	737,645,144,718	387,107,142,097
30	Net cash inflows/(outflows) from investing activities	4,335,635,300,953	(5,559,672,097,009)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	11,276,674,453,680	12,492,358,508,370
34	Repayments of borrowings	(15,901,359,188,948)	(8,470,024,023,558)
36	Dividends paid, profits distributed to owners	(392,367,226,950)	(1,035,376,187,700)
40	Net cash (outflows)/inflows from financing activities	(5,017,051,962,218)	2,986,958,297,112
50	Net increase/(decrease) in cash and cash equivalents	1,040,842,350,988	(248,731,979,583)
60	Cash and cash equivalents at beginning of year	374,929,561,927	630,611,012,001
61	Effect of foreign exchange differences	2,898,502,410	(6,949,470,491)
70	Cash and cash equivalents at end of year	1,418,670,415,325	374,929,561,927

 Nguyen Thi Hong
 Preparer

 Nguyen Thi Thu Huong
 Chief Accountant



 Hoang Viet Anh
 General Director
 Legal Representative
 13 March 2023

The notes on pages 9 to 43 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 the Hanoi Department of Planning and Investment on 28 July 2005. The latest (30th) amendment of the Enterprise Registration Certificate No. 0101778163 was issued on 23 May 2022.

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 2022, the Company had five direct subsidiaries (as at 31 December 2021: five direct subsidiaries) as follows:

Subsidiaries	Principal activities	Place of incorporation and operation	As at 31/12/2022 and 31/12/2021	
			% 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 2022, FOC had a direct subsidiary named Gate Online Service Joint Stock Company with percentage of ownership and voting rights of 60% (as at 31 December 2021: 60%). The principal activities of the subsidiary are to distribute prepaid game and phone cards. The subsidiary has registered office at 357 Thong Nhat Street, Me Town, Gia Vien District, Ninh Binh Province, Vietnam.

As at 31 December 2022, the Company and its subsidiaries had 9,130 employees (as at 31 December 2021: 9,859 employees).

**NOTES TO THE 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 used in accounting

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

2.4 Exchange rates applied in accounting

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 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation****Subsidiary**

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 its 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. Subsidiary is 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 a subsidiary 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 Company.

Non-controlling transactions and interests

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

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

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

In a divestment of the Company's interest in a subsidiary that results in a loss of control, the difference between the 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 accounted for as equity since the divestment date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****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 when identified.

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 term 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 2022****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. Regarding investments in listed shares or those whose fair value can be determined reliably, the provision for diminution in value is made when cost is higher than market value. For other investments, provision for diminution in value is made when the investees make losses.

The difference between the provision of this year and the provision of the previous year is 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.10 Fixed assets (continued)***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
Software	3 – 8 years

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, 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Prepaid expenses

Prepaid expenses include short-term prepaid expenses and long-term prepaid expenses 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 actual cost and allocated on a straight-line basis over their estimated useful lives which are as follows:

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

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 period, 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 reporting year but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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.

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 accounting period 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 period 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, in which the Company and its subsidiaries recognised as an expense in the financial year, when actually paying severance allowance 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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.

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 provide 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 Revenue recognition (continued)****(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:

- 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 an earned basis.

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 reporting 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 prudence 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 2022****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 tax rates. Current and deferred income tax are recognised as an income or an expense and included in profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, 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 2022**

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 accounting period. 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

	2022 VND	2021 VND
Cash on hand	104,422,460	71,762,880
Cash in bank	226,598,789,568	101,744,955,808
Cash equivalents (*)	1,191,967,203,297	273,060,843,239
Cash in transit	-	52,000,000
	<u>1,418,670,415,325</u>	<u>374,929,561,927</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 2022

4 FINANCIAL INVESTMENTS

(a) Investment held to maturity

	2022		2021	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits (*)	5,854,787,648,379	5,854,787,648,379	11,236,439,412,400	11,236,439,412,400
Others	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
	<u>5,856,787,648,379</u>	<u>5,856,787,648,379</u>	<u>11,238,439,412,400</u>	<u>11,238,439,412,400</u>
ii. Long-term				
Term deposits	200,000,000	200,000,000	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>

(*) These are 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

	2022			2021		
	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	6,000,000,000	(*)	-	6,000,000,000	(*)	-
	<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: Because the Vietnamese Accounting Standards, the Vietnamese Accounting System do not have detailed guidance on how to determine fair values using valuation techniques for unquoted investments, the Company and its subsidiaries have not determined the fair value of these investments to disclose in the consolidated financial statements. 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 2022**

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2022 VND	2021 VND
Third parties (*)	1,579,606,049,081	1,362,322,621,100
Related parties (Note 33(b))	20,820,409,932	28,693,490,913
	<u>1,600,426,459,013</u>	<u>1,391,016,112,013</u>

(*) As at 31 December 2022 and 31 December 2021 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

	2022 VND	2021 VND
Interest income	109,845,013,784	143,012,966,927
Others	21,033,488,969	22,633,326,718
	<u>130,878,502,753</u>	<u>165,646,293,645</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 DOUBTFUL DEBTS

	2022		
	Cost VND	Recoverable amount VND	Provision VND
Total overdue receivables that are doubtful	488,205,444,387	39,049,305,306	449,156,139,081
	2021		
	Cost VND	Recoverable amount VND	Provision VND
Total overdue receivables that are doubtful	416,806,890,883	29,225,643,710	387,581,247,173

8 INVENTORIES

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	88,839,497,430	-	84,478,392,863	-
Raw materials	836,100,716,877	(35,332,591,215)	518,505,745,054	(54,607,140,942)
Tools and supplies	76,960,681,374	-	40,213,905,530	-
Merchandise	151,052,349,514	-	101,097,518,729	-
	1,152,953,245,195	(35,332,591,215)	744,295,562,176	(54,607,140,942)
Provision for decline in value of inventories	(35,332,591,215)		(54,607,140,942)	
	1,117,620,653,980		689,688,421,234	

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

	2022 VND	2021 VND
Beginning of year	54,607,140,942	69,717,642,107
Reversal	(19,274,549,727)	(15,110,501,165)
End of year	35,332,591,215	54,607,140,942

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9 PREPAID EXPENSES

(a) Short-term

	2022 VND	2021 VND
Rental fees (copyrights, office, channels, transmission lines, cable)	104,903,018,372	61,172,801,493
Others	57,413,493,380	65,940,963,136
	<u>162,316,511,752</u>	<u>127,113,764,629</u>

(b) Long-term

	2022 VND	2021 VND
Service deployment costs for new subscribers (*)	1,702,047,122,673	1,398,739,456,211
Office rental	303,176,777,899	312,726,774,761
Others	309,493,215,347	231,262,889,768
	<u>2,314,717,115,919</u>	<u>1,942,729,120,740</u>

(*) Service deployment costs for new subscribers include the costs of equipment, materials and outsourced labor incurred for 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 2022

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 2022	205,505,794,518	9,098,458,105,002	188,459,858,111	18,726,478,907	9,511,150,236,538
New purchases	6,869,545,152	549,352,171,873	9,933,237,877	1,169,950,000	567,324,904,902
Transfers from construction in progress	-	1,258,110,091,426	-	-	1,258,110,091,426
Reclassification	(320,478)	519,909,702	(519,589,224)	-	-
Disposals, write-off	-	(127,103,708,440)	(2,650,177,844)	(679,714,545)	(130,433,600,829)
As at 31 December 2022	212,375,019,192	10,779,336,569,563	195,223,328,920	19,216,714,362	11,206,151,632,037
Accumulated depreciation					
As at 1 January 2022	(66,668,104,984)	(4,967,144,577,995)	(169,295,342,305)	(12,559,028,077)	(5,215,667,053,361)
Charge for the year	(7,895,068,564)	(1,073,173,610,831)	(9,891,567,274)	(1,719,074,870)	(1,092,679,321,539)
Reclassification	41,600	(436,952,562)	436,910,962	-	-
Disposals, write-off	-	93,494,273,553	2,580,968,344	679,714,545	96,754,956,442
As at 31 December 2022	(74,563,131,948)	(5,947,260,867,835)	(176,169,030,273)	(13,598,388,402)	(6,211,591,418,458)
Net book value					
As at 1 January 2022	138,837,689,534	4,131,313,527,007	19,164,515,806	6,167,450,830	4,295,483,183,177
As at 31 December 2022	137,811,887,244	4,832,075,701,728	19,054,298,647	5,618,325,960	4,994,560,213,579

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2022 were VND 3,152,981,662,304 (as at 31 December 2021: VND 2,473,762,048,043).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Land use rights VND	Copyrights and operation licenses VND	Computer software VND	Total VND
Historical cost				
As at 1 January 2022	132,327,252,689	751,983,829,995	133,518,138,837	1,017,829,221,521
New purchases	31,230,898,724	1,943,717,135	51,121,347,327	84,295,963,186
Disposals, write-off	-	-	(1,358,266,128)	(1,358,266,128)
As at 31 December 2022	163,558,151,413	753,927,547,130	183,281,220,036	1,100,766,918,579
Accumulated amortisation				
As at 1 January 2022	-	(323,532,470,434)	(81,811,438,392)	(405,343,908,826)
Charge for the year	-	(53,061,449,800)	(27,910,217,857)	(80,971,667,657)
Disposals, write-off	-	-	1,358,266,128	1,358,266,128
As at 31 December 2022	-	(376,593,920,234)	(108,363,390,121)	(484,957,310,355)
Net book value				
As at 1 January 2022	132,327,252,689	428,451,359,561	51,706,700,445	612,485,312,695
As at 31 December 2022	163,558,151,413	377,333,626,896	74,917,829,915	615,809,608,224

Copyrights and operation licenses are the rights and licences for operation of international cable routes and are allocated over the terms of the copyrights and the operation license contracts (Note 2.10).

The historical cost of intangible fixed assets that were fully amortised but still in use as at 31 December 2022 were VND 64,863,498,138 (as at 31 December 2021: VND 58,653,422,216).

11 CONSTRUCTION IN PROGRESS

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

	2022 VND	2021 VND
Data Center - FPT Telecom Tan Thuan	234,304,468	5,797,436,129
Data Center - District 9	177,411,715,340	155,530,187,879
North-South trunk road system	39,830,766,443	24,160,687,551
FPT Telecom Tower in District 7	3,992,511,537	8,000,000
Telecommunication infrastructures (*)	137,936,145,768	295,195,493,262
	359,405,443,556	480,691,804,821

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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:

	2022 VND	2021 VND
Deferred income tax assets	532,705,381	5,705,551,007
Deferred income tax liabilities	(218,148,233)	(10,248,476)

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

	2022 VND	2021 VND
Deferred income tax assets		
Beginning of year	5,705,551,007	29,519,994,930
Recognised in the income statement (Note 30)	(5,172,845,626)	(23,814,443,923)
End of year	532,705,381	5,705,551,007
Deferred income tax liabilities		
Beginning of year	(10,248,476)	-
Recognised in the income statement (Note 30)	(207,899,757)	(10,248,476)
End of year	(218,148,233)	(10,248,476)

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2022 VND	2021 VND
Third parties	1,420,493,283,339	1,327,892,965,934
<i>In which:</i>		
- Sun Viet Telecommunications – Informatics Technology Development Joint Stock Company	118,611,457,800	189,477,547,500
- Others	1,301,881,825,539	1,138,415,418,434
Related parties (Note 33(b))	156,096,905,215	52,421,685,169
	1,576,590,188,554	1,380,314,651,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14 TAXES AND RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and receivables from/payables to the State are as follows:

	As at 1.1.2022 VND	Receivables during the year VND	Offset during the year VND	Collection during the year VND	As at 31.12.2022 VND
(a) Receivables					
CIT	9,444,092,790	72,166,759,453	(9,444,092,790)	-	72,166,759,453
Personal income tax	217,291,970	38,109,531,179	(361,146,883)	-	37,965,676,266
VAT	-	47,871,244,756	-	-	47,871,244,756
Others	-	2,365,985,307	-	-	2,365,985,307
	<u>9,661,384,760</u>	<u>160,513,520,695</u>	<u>(9,805,239,673)</u>	<u>-</u>	<u>160,369,665,782</u>
(b) Payables					
Output VAT	48,011,076,499	2,227,784,257,984	(1,611,503,362,844)	(646,105,513,877)	18,186,457,762
Import output VAT	24,991	184,114,321,155	-	(184,114,346,146)	-
CIT	85,646,758,553	553,870,253,638	(9,444,092,790)	(615,194,355,629)	14,878,563,772
Foreign contractor tax	2,838,095,093	71,064,255,448	-	(71,696,655,959)	2,205,694,582
Personal income tax	7,268,056,668	236,749,762,084	(361,146,883)	(237,959,249,766)	5,697,422,103
Import tax	249,911	197,019,141	-	(197,269,052)	-
Others	-	941,096,819	-	(941,096,819)	-
	<u>143,764,261,715</u>	<u>3,274,720,966,269</u>	<u>(1,621,308,602,517)</u>	<u>(1,756,208,487,248)</u>	<u>40,968,138,219</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15 SHORT-TERM ACCRUED EXPENSES

	2022 VND	2021 VND
Interest expense	88,184,202,440	76,407,966,009
Others (*)	69,601,922,502	125,960,790,991
	<u>157,786,124,942</u>	<u>202,368,757,000</u>

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

16 UNEARNED REVENUE

(a) Short-term

	2022 VND	2021 VND
Advances from customers for telecommunication services	1,548,863,526,027	1,377,808,677,041
Others	1,772,804,088	2,660,804,088
	<u>1,550,636,330,115</u>	<u>1,380,469,481,129</u>

(b) Long-term

	2022 VND	2021 VND
Advances from customers for telecommunication services	5,513,554,636	7,633,889,103
Others	31,467,272,359	33,240,076,552
	<u>36,980,826,995</u>	<u>40,873,965,655</u>

17 OTHER SHORT-TERM PAYABLES

	2022 VND	2021 VND
Related parties (Note 33(b))	2,049,141,272	2,020,158,874
Deposits	121,036,283,832	106,537,314,764
Others	88,272,541,601	93,577,232,900
	<u>211,357,966,705</u>	<u>202,134,706,538</u>

FPT TELECOM JOINT STOCK CORPORATION

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18 BORROWINGS

(a) Short-term

	As at 1.1.2022 VND	Increase VND	Decrease VND	Exchange rate differences VND	As at 31.12.2022 VND
Short-term borrowings (*)	8,830,691,445,719	11,276,674,453,680	(15,645,236,839,024)	(12,110,197,947)	4,450,018,862,428
Current portion of long-term borrowings (**)	241,923,838,192	704,681,672,927	(256,122,349,924)	-	690,483,161,195
	<u>9,072,615,283,911</u>	<u>11,981,356,126,607</u>	<u>(15,901,359,188,948)</u>	<u>(12,110,197,947)</u>	<u>5,140,502,023,623</u>

(*) Included unsecured long-term loans from banks for financing working capital of the Company. Interest rates are specified in each drawdown ranging from 1.98% per annum to 8% per annum (in 2021: from 1.8% per annum to 4.6% per annum).

(b) Long-term

	As at 1.1.2022 VND	Increase VND	Current portion of long-term borrowings VND	As at 31.12.2022 VND
Long-term borrowings (**)	<u>744,673,229,286</u>	<u>-</u>	<u>(704,681,672,927)</u>	<u>39,991,556,359</u>

(**) Included unsecured long-term loans from banks for financing working capital of the Company. Interest rates are specified in each drawdown ranging from 4.3% per annum to 7.2% per annum (in 2021: from 4.3% per annum to 7.2% per annum).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18 BORROWINGS (CONTINUED)

Details of borrowings in original currencies are as follows:

	31.12.2022		31.12.2021	
	Original amount	VND equivalent	Original amount	VND equivalent
USD	73,400,000	1,705,387,321,453	228,400,000	5,242,977,519,400
VND	3,475,106,258,529	3,475,106,258,529	4,574,310,993,797	4,574,310,993,797
		<u>5,180,493,579,982</u>		<u>9,817,288,513,197</u>

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

Currency	31.12.2022		31.12.2021	
	Total amount	Hedged amount	Total amount	Hedged amount
USD	<u>73,400,000</u>	<u>73,400,000</u>	<u>228,400,000</u>	<u>228,400,000</u>

19 BONUS AND WELFARE FUNDS

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

	2022 VND	2021 VND
Beginning of year	288,287,363,789	263,738,730,099
Appropriated from undistributed earnings (Note 21)	234,162,324,376	212,403,157,604
Utilised during the year	(172,558,867,265)	(188,234,523,914)
Others	100,000,000	380,000,000
End of year	<u>349,990,820,900</u>	<u>288,287,363,789</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20 OWNERS' CAPITAL

(a) Number of shares

	2022 Ordinary shares	2021 Ordinary shares
Number of shares registered	328,339,538	328,369,553
Number of shares issued	-	30,015
Number of existing shares in circulation	328,339,538	328,339,538

Par value per share: VND 10,000.

(b) Details of owners' shareholding

	2022		2021	
	Ordinary shares	%	Ordinary shares	%
State Capital Investment Corporation	164,742,021	50.17	164,742,021	50.17
FPT Joint Stock Company	149,907,458	45.66	149,907,458	45.65
Other shareholders	13,690,059	4.17	13,690,059	4.17
	328,339,538	100	328,339,538	99.99
Treasury shares	-	-	30,015	0.01
	328,339,538	100	328,369,553	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

21 MOVEMENTS IN OWNERS' EQUITY

	Owners' contributed capital VND	Share premium VND	Other owners' capital VND	Treasury shares VND	Investment and development fund VND	Retained earnings VND	Non-controlling interests VND	Total VND
As at 1.1.2021	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	359,250,621,166	5,078,255,710,710
Net profit for the year	-	-	-	-	-	1,820,124,198,555	95,713,437,479	1,915,837,636,034
Dividends distributed in cash	-	-	-	-	-	(328,339,538,000)	(160,203,740,000)	(488,543,278,000)
Dividends distributed in shares	547,230,920,000	-	-	-	-	(547,230,920,000)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(202,831,768,185)	(9,571,389,419)	(212,403,157,604)
Others	-	-	-	-	-	(2,212,546,845)	(1,936,063,582)	(4,148,610,427)
As at 31.12.2021	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)	-	-
Appropriation to bonus and welfare fund (*) (Note 19)	-	-	-	-	-	(223,403,402,056)	(10,758,922,320)	(234,162,324,376)
Cancellation off 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 December 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

(*) Pursuant to Resolution No. 02/NQ-DHDCD/FTTEL dated 20 April 2022, the General Meeting of Shareholders approved the cash dividend plan of VND 2,000 per share. In which, the Company already advanced the dividends of VND 1,000 per share in December 2021.

(**) Investment and development fund, bonus and welfare fund of the Company and its subsidiaries were appropriated in accordance to the Resolution No. 02/NQ-DHDCD/FTTEL dated 20 April 2022 of the General Meeting of Shareholders and the Resolution No. 01-2022/FO/NQ-DHDCD dated 19 May 2022 of the General Meeting of Shareholders.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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:

	2022	2021
Net profit attributable to shareholders (VND)	2,150,756,824,672	1,820,124,198,555
Less amount allocated to bonus and welfare fund (VND)	(223,403,402,056)	(202,831,768,175)
Basic earnings (VND)	1,927,353,422,616	1,617,292,430,380
Weighted average number of ordinary shares in circulation (shares)	328,339,538	328,339,538
Basic earnings per share (VND)	5,870	4,926

(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.

23 OFF CONSOLIDATED BALANCE SHEET ITEMS

(a) Foreign currencies

As at 31 December 2022, included in cash and cash equivalents were balances held in foreign currencies of USD 4,513,645 (as at 31 December 2021: USD 10,878,288).

(b) Bad debt written off

	2022 VND	2021 VND
Bad debts	181,571,217,916	173,352,943,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

24 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2022 VND	2021 VND
Revenue		
Revenue from sales of goods	1,084,124,299,609	897,904,625,893
Revenue from rendering of services	13,658,844,257,003	11,800,229,355,446
	<u>14,742,968,556,612</u>	<u>12,698,133,981,339</u>
Sales deductions		
Goods returns	(1,146,299,000)	(48,948,000)
Trade discounts and other deductions	(12,173,318,032)	(11,668,782,878)
	<u>(13,319,617,032)</u>	<u>(11,717,730,878)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of goods	1,082,978,000,609	897,855,677,893
Net revenue from rendering of services	13,646,670,938,971	11,788,560,572,568
	<u>14,729,648,939,580</u>	<u>12,686,416,250,461</u>

25 COST OF GOODS SOLD AND SERVICES RENDERED

	2022 VND	2021 VND
Cost of goods sold	932,168,007,315	811,261,417,000
Cost of services rendered	6,589,608,988,541	5,801,984,534,708
Reversal for decline in value of inventories (Note 8)	(19,274,549,727)	(15,110,501,165)
	<u>7,502,502,446,129</u>	<u>6,598,135,450,543</u>

26 FINANCIAL INCOME

	2022 VND	2021 VND
Interest income	704,477,191,575	445,640,323,653
Foreign exchange gains	28,903,371,460	45,564,885,276
Dividends received from investees	-	5,000,000,000
	<u>733,380,563,035</u>	<u>496,205,208,929</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

27 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expense	335,197,364,380	220,614,607,102
Foreign exchange losses	106,598,996,038	80,130,120,002
	<u>441,796,360,418</u>	<u>300,744,727,104</u>

28 SELLING EXPENSES

	2022 VND	2021 VND
Staff costs	1,601,599,728,207	1,485,799,317,670
Promotion and advertising	330,654,957,482	284,046,612,522
Others	253,082,600,924	114,693,268,311
	<u>2,185,337,286,613</u>	<u>1,884,539,198,503</u>

29 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Staff costs	1,765,436,361,471	1,482,404,386,717
Others (*)	735,301,972,510	527,443,895,414
	<u>2,500,738,333,981</u>	<u>2,009,848,282,131</u>

(*) Included depreciation expense, provision expense 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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:

	2022 VND	2021 VND
Net accounting profit before tax	2,817,596,666,776	2,394,929,775,787
Tax calculated at a rate of 20%	563,519,333,355	478,985,955,157
Effect of:		
- Income not subject to tax	(2,580,683,619)	(1,000,000,000)
- Non-deductible expenses	538,671,325	-
- Temporary differences for which no deferred income tax was recognised	411,000	975,868,554
- Effects of consolidation entries	(4,244,977,737)	130,316,042
- Underprovision in previous years	2,018,244,697	-
CIT charge (*)	<u>559,250,999,021</u>	<u>479,092,139,753</u>
Charged to the consolidated income statement:		
- CIT – current	553,870,253,638	458,846,923,319
- CIT – deferred	5,380,745,383	20,245,216,434
BIT charge (*)	<u>559,250,999,021</u>	<u>479,092,139,753</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.

31 COSTS OF OPERATION BY FACTOR

	2022 VND	2021 VND
Raw materials	2,162,456,030,917	2,041,293,767,872
Staff costs	4,355,717,302,435	3,927,312,894,173
Depreciation and amortisation	1,173,650,989,196	1,130,395,527,744
Outside services	3,987,227,692,321	2,911,363,494,034
Others	509,526,051,854	482,157,247,353
	<u>12,188,578,066,723</u>	<u>10,492,522,931,176</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

32 SEGMENT REPORTING

The Board of Directors 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 main segment of the Company and its subsidiaries is reported by business segments.

(a) Segment information by the business activity

During the year, the Company and its subsidiaries' principal activities were 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.

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 Smart Cloud Company Limited	Subsidiary of Parent company
FPT University	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).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

33 RELATED PARTY DISCLOSURES (CONTINUED)

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

(a) Related party transactions

	2022 VND	2021 VND
i) Sales of goods and rendering of services		
FPT Information System Corporation	79,413,816,638	217,620,791,056
FPT Software Company Limited	66,479,713,792	58,394,601,804
FPT Digital Retail Joint Stock Company	35,851,720,036	23,838,160,988
FPT University	13,307,665,628	16,349,906,989
FPT Smart Cloud Company Limited	11,000,311,436	10,324,263,264
FPT Joint Stock Company	9,001,123,010	25,166,632,226
Synnex FPT Distribution Company Limited	6,193,199,246	5,374,953,745
Other fellow group companies	16,801,884,160	2,318,830,315
	<u>238,049,433,946</u>	<u>359,388,140,387</u>
ii) Purchase of fixed assets, goods and services		
Synnex FPT Distribution Company Limited	277,384,468,537	414,292,529,096
FPT Information System Corporation	343,766,796,872	298,976,810,256
FPT Joint Stock Company	127,435,232,036	93,156,534,164
FPT Digital Retail Joint Stock Company	25,014,382,267	17,766,891,283
FPT Smart Cloud Company Limited	9,650,554,197	34,536,527,594
FPT Software Company Limited	5,543,781,632	5,205,549,690
Other fellow group companies	422,232,331	62,226,130
	<u>789,217,447,872</u>	<u>863,997,068,213</u>
iii) Dividends declared in share		
State Capital Investment Corporation – Company Limited	-	274,570,030,000
FPT Joint Stock Company	-	249,845,760,000
Other shareholders	-	22,815,130,000
	-	<u>547,230,920,000</u>
iv) Dividends declared in cash		
State Capital Investment Corporation – Company Limited	164,742,021,000	164,742,021,000
FPT Joint Stock Company	149,907,458,000	149,907,458,000
Other shareholders	13,690,059,000	13,690,059,000
	<u>328,339,538,000</u>	<u>328,339,538,000</u>
v) Dividends received in cash		
FPT Fund Management Joint Stock Company	-	5,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

33 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

		2022 VND	2021 VND
<i>vi) Compensation for key management</i>			
Board of Directors			
Hoang Nam Tien	Chairman	-	-
Chu Thi Thanh Ha	Member	-	-
Truong Gia Binh	Member	-	-
Le Ngoc Diep	Member	60,000,000	60,000,000
Nguyen Van Khoa	Member	-	-
Nguyen Hoang Quyen	Member (*)	50,714,286	(*)
Pham Cong Minh	Member	9,285,714	60,000,000
		<u>120,000,000</u>	<u>120,000,000</u>

(*) Mr. Nguyen Hoang Quyen has been appointed as a Member of the Board of Directors as replacement for Mr. Pham Cong Minh since 20 April 2022.

Board of Supervisors

Tran Khuong	Chief Supervisor	-	-
Pham Xuan Hoang	Member	-	-
Do Xuan Phuc	Member	24,000,000	24,000,000
		<u>24,000,000</u>	<u>24,000,000</u>

The General Director and other key management

Hoang Viet Anh	General Director	2,400,000,000	2,242,000,000
Nguyen Hoang Linh	Deputy General Director	1,800,000,000	1,680,000,000
Vu Thi Mai Huong	Deputy General Director	1,800,000,000	1,680,000,000
Chu Hung Thang	Deputy General Director	1,800,324,600	1,680,000,000
Do Thi Huong	Chief Financial Officer	1,450,000,000	1,344,000,000
Nguyen Thi Thu Huong	Chief Accountant (**)	657,300,000	(**)
		<u>9,907,624,600</u>	<u>8,626,000,000</u>

(**) Ms. Nguyen Thi Thu Huong has been appointed as a Chief Accountant of the Company as replacement for Ms. Do Thi Huong since 3 January 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

33 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Year end balances with related parties

	2022 VND	2021 VND
i) Cash at FPT central account		
FPT Joint Stock Company	362,640,459	28,041,134
ii) Short-term trade accounts receivable (Note 5)		
FPT Information System Corporation	12,865,688,622	18,232,500,803
FPT Software Company Limited	2,596,770,871	4,646,782,283
FPT Joint Stock Company	1,532,344,125	4,006,762,922
FPT Digital Retail Joint Stock Company	799,091,021	386,563,475
Synnex FPT Distribution Company Limited	288,589,390	279,003,499
Other fellow group companies	2,737,925,903	1,141,877,931
	20,820,409,932	28,693,490,913
iii) Other short-term receivables		
FPT Software Company Limited	-	4,521,000,000
FPT Joint Stock Company	367,864	-
	367,864	4,521,000,000
iv) Short-term trade accounts payable (Note 13)		
Synnex FPT Distribution Company Limited	39,565,780,782	24,073,613,383
FPT Joint Stock Company	21,941,567,281	20,530,794,083
FPT Information System Corporation	90,067,525,544	4,902,747,464
FPT Digital Retail Joint Stock Company	1,812,181,600	1,147,486,002
FPT Smart Cloud Company Limited	2,191,789,136	735,428,462
FPT Software Company Limited	517,265,092	965,742,919
Other fellow group companies	795,780	65,872,856
	156,096,905,215	52,421,685,169
v) Other short-term payables (Note 17)		
Collection on behalf of related parties	67,487,789	92,312,441
Profit and dividends payables	1,981,653,483	1,927,846,433
	2,049,141,272	2,020,158,874

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

34 COMMITMENTS

(a) Operating lease commitments

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

	2022 VND	2021 VND
Under 1 year	173,297,696,409	154,733,482,338
From 1 to 5 years	242,136,397,327	265,377,645,194
Above 5 years	39,071,304,844	28,753,606,150
Total minimum payments	<u>454,505,398,580</u>	<u>448,864,733,682</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:

	2022 VND	2021 VND
Data centers	19,275,669,609	68,280,393,396
Others	-	1,206,743,710
	<u>19,275,669,609</u>	<u>69,487,137,106</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 approval 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 2022.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****36 EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE**

Pursuant to the Resolution No. 16/NQ-HĐQT/FTEL dated 8 November 2022 of the Board of Directors, the Board of Directors of the Company declared and finalised the list of shareholders for cash dividends on 6 January 2023 with the ratio of VND 1,000 per share.

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2022 were approved by the Company's Board of Management on 13 March 2023.



Nguyen Thi Hong
Preparer

Nguyen Thi Thu Huong
Chief Accountant

Hoang Viet Anh
General Director
Legal Representative