

FPT TELECOM JOINT STOCK CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



FPT TELECOM JOINT STOCK CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement of the Board of Management	2
Independent auditor's report	3
Consolidated balance sheet (Form B 01 – DN)	5
Consolidated income statement (Form B 02 – DN)	7
Consolidated cash flow statement (Form B 03 – DN)	8
Notes to the consolidated financial statements (Form B 09 – DN)	9

FPT TELECOM JOINT STOCK CORPORATION

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 0101778163 dated 28 July 2005

Business Registration Certification and the amendments of the Enterprise Registration Certification were issued by the Hanoi Department of Planning and Investment. The latest amendment (28th) of the Enterprise Registration Certificate was issued on 23 September 2021.

Board of Directors

Mr. Hoang Nam Tien	Chairman
Ms. Chu Thi Thanh Ha	Member
Mr. Truong Gia Binh	Member
Mr. Nguyen Van Khoa	Member
Mr. Pham Cong Minh	Member
Ms. Le Ngoc Diep	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 Representative

Mr. Hoang Nam Tien	Chairman
--------------------	----------

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

STATEMENT OF THE 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 2021, and the consolidated results of the operations and 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 errors.

The Legal Representative of the Company has authorised the Deputy General Director of the Company to approve and sign the consolidated financial statements for the year ended 31 December 2021 pursuant to the Authorised Letter No. 829/QĐ-FTEL dated 15 August 2020.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 44 which give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2021, and of the consolidated results of the operations and 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.



The stamp is circular and red. It contains the text: "CÔNG TY CỔ PHẦN VIỄN THÔNG FPT" in the center, "HANOI, S.R. VIETNAM" around the top inner edge, and "Đ. CH. GIAY - H. T. Đ." around the bottom inner edge. A blue ink signature is written across the stamp.

Vu Thi Mai Huong
Deputy General Director
Authorised signatory
Pursuant to Authorised Letter of the Legal Representative
No 829/QĐ-FTEL dated 15 August 2020

Hanoi, S.R. Vietnam
4 March 2022



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 2021 and approved on 4 March 2022 by the Deputy General Director of the Company (pursuant to the authorisation of the Company's Legal Representative). The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2021, 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 44.

Responsibility of the Board of Management

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 the consolidated financial statements and for such internal control which the Board of Management determines necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or errors.

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 2021, 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 matters

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 were audited by another auditors who expressed an unmodified audit opinion on those statements on 4 March 2021.

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. 0048-2018-006-1
Authorised signatory

Tran Khac The
Audit Practising Licence
No. 2043-2018-006-1

Report reference number: HAN 2920
Hanoi, 4 March 2022

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND (As reclassified – Note 34)
100	CURRENT ASSETS		13,672,033,834,001	9,003,838,743,226
110	Cash and cash equivalents	3	374,929,561,927	630,611,012,001
111	Cash		101,868,718,688	79,713,237,743
112	Cash equivalents		273,060,843,239	550,897,774,258
120	Short-term investment		11,238,439,412,400	6,608,557,368,342
123	Investments held to maturity	4(a)	11,238,439,412,400	6,608,557,368,342
130	Short-term receivables		1,208,969,329,415	1,001,733,911,616
131	Short-term trade accounts receivable	5	1,391,016,112,013	1,211,786,926,271
132	Short-term prepayments to suppliers		39,888,170,930	22,309,836,111
136	Other short-term receivables	6	165,646,293,645	97,343,584,052
137	Provision for doubtful debts - short-term	5	(387,581,247,173)	(329,706,434,818)
140	Inventories	7	689,688,421,234	627,896,135,608
141	Inventories		744,295,562,176	697,613,777,715
149	Provision for decline in value of inventories		(54,607,140,942)	(69,717,642,107)
150	Other current assets		160,007,109,025	135,040,315,659
151	Short-term prepaid expenses	8(a)	127,113,764,629	97,707,023,256
152	Value Added Tax ("VAT") to be reclaimed		23,231,959,636	27,731,020,501
153	Tax and other receivables from the State	13(a)	9,661,384,760	9,602,271,902
200	LONG-TERM ASSETS		7,377,374,332,375	7,077,130,235,654
210	Long-term receivables		34,079,359,935	31,521,714,902
216	Other long-term receivables		36,436,051,116	33,878,406,983
219	Provision for doubtful debts – long-term		(2,356,691,181)	(2,356,691,181)
220	Fixed assets		4,907,968,495,872	4,894,107,754,939
221	Tangible fixed assets	9(a)	4,295,483,183,177	4,304,552,110,817
222	Historical cost		9,511,150,236,538	8,728,731,666,004
223	Accumulated depreciation		(5,215,667,053,361)	(4,424,179,555,187)
227	Intangible fixed assets	9(b)	612,485,312,695	589,555,644,122
228	Historical cost		1,017,829,221,521	919,170,220,951
229	Accumulated amortisation		(405,343,908,826)	(329,614,576,829)
240	Long-term assets in progress		480,691,804,821	307,445,010,561
242	Construction in progress	10	480,691,804,821	307,445,010,561
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		1,948,434,671,747	1,837,855,755,252
261	Long-term prepaid expenses	8(b)	1,942,729,120,740	1,808,335,760,322
262	Deferred tax assets	11	5,705,551,007	29,519,994,930
270	TOTAL ASSETS		21,049,408,166,376	16,080,968,978,880

The notes on pages 9 to 44 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
 (continued)

Code	RESOURCES	Note	As at 31 December	
			2021 VND	2020 VND
300	LIABILITIES		14,760,409,865,663	11,002,713,268,170
310	Short-term liabilities		13,967,863,132,318	10,717,108,629,107
311	Short-term trade accounts payable	12	1,380,314,651,103	1,578,425,733,601
312	Short-term advances from customers		130,988,516,301	57,038,514,738
313	Tax and other payables to the State	13(b)	143,764,261,715	186,570,606,451
314	Payables to employees		1,166,920,110,832	877,963,926,497
315	Short-term accrued expenses	14	202,368,757,000	263,903,307,947
318	Short-term unearned revenue	15(a)	1,380,469,481,129	1,214,437,567,291
319	Other short-term payables	16	202,134,706,538	748,814,309,097
320	Short-term borrowings	17(a)	9,072,615,283,911	5,526,215,933,386
322	Bonus and welfare fund		288,287,363,789	263,738,730,099
330	Long-term liabilities		792,546,733,345	285,604,639,063
336	Long-term unearned revenue	15(b)	40,873,965,655	41,077,830,130
337	Other long-term payables		6,989,289,928	1,193,233,334
338	Long-term borrowings	17(b)	744,673,229,286	243,333,575,599
341	Deferred tax liabilities	11	10,248,476	-
400	OWNERS' EQUITY		6,288,998,300,713	5,078,255,710,710
410	Capital and reserves	18, 19	6,288,998,300,713	5,078,255,710,710
411	Owners' capital		3,283,695,530,000	2,736,464,610,000
411a	- Ordinary shares with voting rights		3,283,695,530,000	2,736,464,610,000
412	Share premium	19	20,462,758,273	20,462,758,273
414	Owners' other capital	19	55,391,600,000	55,391,600,000
415	Treasury shares	19	(300,150,000)	(300,150,000)
418	Investment and development fund	19	824,773,364,467	824,773,364,467
421	Undistributed earnings	19	1,821,722,332,329	1,082,212,906,804
421a	- Undistributed post-tax profits of previous years		532,918,986,128	714,929,657,820
421b	- Undistributed post-tax profit of current year		1,288,803,346,201	367,283,248,984
429	Non-controlling interests	19	283,252,865,644	359,250,621,166
440	TOTAL RESOURCES		21,049,408,166,376	16,080,968,978,880

 Nguyen Thi Thu Huong
 Preparer

 Do Thi Huong
 Chief Accountant

 Vu Thi Mai Huong
 Deputy General Director
 Authorised Signatory
 4 March 2022

The notes on pages 9 to 44 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2021 VND	2020 VND (As reclassified – Note 34)
01	Revenue from sales of goods and rendering of services	12,698,133,981,339	11,487,811,295,401
02	Less deductions	11,717,730,878	21,657,080,799
10	Net revenue from sales of goods and rendering of services (10 = 01 - 02)	12,686,416,250,461	11,466,154,214,602
11	Cost of goods sold and services rendered	6,598,135,450,543	5,937,400,666,199
20	Gross profit from sales of goods and rendering of services (20 = 10 - 11)	6,088,280,799,918	5,528,753,548,403
21	Financial income	496,205,208,929	354,268,786,060
22	Financial expenses	300,744,727,104	255,671,428,972
23	- Including: Interest expense	220,614,607,102	242,652,884,344
25	Selling expenses	1,884,539,198,503	1,709,895,232,541
26	General and administration expenses	2,009,848,282,131	1,853,701,708,673
30	Net operating profit (30 = 20 + 21 - 22 - 25 - 26)	2,389,353,801,109	2,063,753,964,277
31	Other income	14,836,952,588	19,279,669,830
32	Other expenses	9,260,977,910	8,997,696,622
40	Net other income (40 = 31 - 32)	5,575,974,678	10,281,973,208
50	Net accounting profit before tax (50 = 30 + 40)	2,394,929,775,787	2,074,035,937,485
51	Business income tax ("BIT") – current	458,846,923,319	436,076,164,198
52	BIT - deferred	20,245,216,434	(25,940,518,965)
60	Net profit after tax (60 = 50 - 51 - 52)	1,915,837,636,034	1,663,900,292,252
	Attributable to:		
61	Shareholders of the parent company	1,820,124,198,555	1,575,015,720,730
62	Non-controlling interests	95,713,437,479	88,884,571,522
70	Basic earnings per share	4,926	4,305
71	Diluted earnings per share	4,826	4,305



Nguyen Thi Thu Huong
Chief Accountant



Do Thi Huong
Chief Accountant



Vu Thi Mai Huong
Deputy General Director
Authorised Signatory
4 March 2022

The notes on pages 9 to 44 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		2,394,929,775,787	2,074,035,937,485
	Adjustments for:		
02	Depreciation and amortisation	1,130,395,527,744	1,081,436,910,341
03	Provisions	42,764,311,190	113,049,854,079
04	Unrealised foreign exchange losses/(gains)	32,710,838,843	(2,611,898,395)
05	Profits from investing activities	(451,246,191,542)	(338,637,718,835)
06	Interest expenses	220,614,607,102	242,652,884,344
08	Operating profit before changes in working capital	3,370,168,869,124	3,169,925,969,019
09	Increase in receivables	(195,946,306,690)	(149,376,419,346)
10	Increase in inventories	(46,681,784,461)	(10,604,315,963)
11	Increase in payables	267,553,912,514	728,391,045,412
12	(Increase)/decrease in prepaid expenses	(163,800,101,791)	58,244,297,363
14	Interest paid	(207,449,283,488)	(266,651,533,130)
15	BIT paid	(512,008,960,980)	(393,383,073,361)
16	Other receipts from operating activities	380,000,000	273,300,000
17	Other payments on operating activities	(188,234,523,914)	(170,658,205,766)
20	Net cash inflows from operating activities	2,323,981,820,314	2,966,161,064,228
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(1,317,869,922,328)	(1,365,363,912,227)
22	Proceeds from disposals of fixed assets	972,727,280	2,319,671,825
23	Loans granted	(17,751,319,095,049)	(10,670,371,811,940)
24	Collection of loans	13,121,437,050,991	8,234,824,616,631
27	Dividends and interest received	387,107,142,097	318,750,190,603
30	Net cash outflows from investing activities	(5,559,672,097,009)	(3,479,841,245,108)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	12,492,358,508,370	7,470,167,158,464
34	Repayments of borrowings	(8,470,024,023,558)	(6,075,033,768,164)
36	Dividends paid, profits distributed to owners	(1,035,376,187,700)	(802,773,659,150)
40	Net cash inflows from financing activities	2,986,958,297,112	592,359,731,150
50	Net decrease in cash and cash equivalents	(248,731,979,583)	78,679,550,270
60	Cash and cash equivalents at beginning of year	630,611,012,001	552,339,512,408
61	Effect of foreign exchange differences	(6,949,470,491)	(408,050,677)
70	Cash and cash equivalents at end of year	374,929,561,927	630,611,012,001



Nguyen Thi Thu Huong
Preparer



Do Thi Huong
Chief Accountant



Vu Thi Mai Huong
Deputy General Director
Authorised Signatory
4 March 2022

The notes on pages 9 to 44 are an integral part of these consolidated financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 GENERAL INFORMATION

FPT Telecom Joint Stock Corporation (“the Company”) is joint stock company established in SR Vietnam pursuant to the Business Registration Certificate No. 0103008784 initially issued by the Hanoi Department of Planning and Investment on 28 July 2005. The latest (28th) amendment of the Enterprise Registration Certificate No. 0101778163 was issued on 23 September 2021.

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 2021, the Company had five subsidiaries as follows (as at 31 December 2020: four subsidiaries):

Subsidiaries	Principal activities	Place of incorporation and operation	As at 31.12.2021		As at 31.12.2020	
			% ownership	% of voting rights	% ownership	% of voting rights
1) FPT Online Joint Stock Company (FOC)	Providing game online services, online newspaper, online payment services	Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	56.51%	56.51%	56.51%	56.51%
2) FPT Telecom Tan Thuan Company Limited (CTTT)	Providing high speed internet and other telecommunication services	Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	100.00%	100.00%	100.00%	100.00%
3) FPT International Telecom Company Limited (FTI)	Providing internet services, agent for providing telecommunication services and other services	Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	100.00%	100.00%	100.00%	100.00%
4) FPT Telecom Technology Joint Stock Company (FCN)	Providing high speed internet and other telecommunication services	Hi-tech Park, Tang Nhon Phu A Ward, District 9, Ho Chi Minh City	99.99%	99.99%	99.99%	99.99%
5) FPT Television Company Limited (established on 18/09/ 2021)	Providing television services	FPT Cau Giay Tower, No. 17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	100.00%	100.00%	-	-

As at 31 December 2021, the Company and its subsidiaries had 9,859 employees (as at 31 December 2020: 9,401 employees).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****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 respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial banks with which the Company and its subsidiaries regularly trade. Foreign currencies deposited in banks at the consolidated balance sheet date are translated at the buying exchange rate of the commercial banks where the Company and its subsidiaries open its foreign currency accounts. 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 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation****Subsidiary**

Subsidiaries are all entities over which the Company and its subsidiaries have 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 and its subsidiaries control another entity. Subsidiary is fully consolidated from the date on which control is transferred to the Company and its subsidiaries. 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 and its subsidiaries. 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 Company and its subsidiaries' 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 and its subsidiaries apply 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 and its subsidiaries' 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 and its subsidiaries' share of net assets of the subsidiary and any consideration paid or received from divestment of the Company and its subsidiaries' interest in the subsidiary is recorded directly in the undistributed earnings under equity.

In a divestment of the Company and its subsidiaries' interest in a subsidiary that results in a loss of control, the difference between the Company and its subsidiaries' 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 2021**

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. The estimated ratio for provision based on overdue days were as follows:

For individual customers:

<u>Overdue</u>	<u>Provision rate</u>
More than 12 months	100%
From 9 months to 12 months	70%
From 6 months to 9 months	50%
From 3 months to 6 months	30%

For the corporate customers:

<u>Overdue</u>	<u>Provision rate</u>
More than 3 years	100%
From 2 years to 3 years	70%
From 1 year to 2 years	50%
From 6 months to 1 years	30%

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. 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.

Licences and operation rights are the right 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 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.12 Prepaid expenses**

Prepaid expenses mainly represent the service deployment costs for new subscribers. Prepaid expenses are recorded at actual cost and allocated on a straight-line basis over their estimated useful lives which are as follows:

Equipment and material costs for internet service	2.5 years
Equipment and material costs for television service	2 years
Outside service expenses	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 long-term and short-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 determines 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 period but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****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, the Company and its subsidiaries recognized 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 2021**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.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Owners' other capital represents other capital held by the owners' at the reporting date.

Treasury shares are shares issued by the Company and repurchased by itself before 1 January 2021 but have not been cancelled.

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

2.20 Appropriation of profit

Dividends are recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the General Meeting of shareholders.

Profit after business income tax 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.

Investment and development fund

Investment and development fund is appropriated from profits after BIT of the Company and its subsidiaries and approved at the Shareholders' General Meeting.

Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company and its subsidiaries' profit after BIT and subject to shareholders' approval at the Shareholders' General Meeting. This fund is presented as a liability on the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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 the 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Sales deductions

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

Sales deductions for sales of products, goods or rendering of services which are sold in the period 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 that period.

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.

2.26 General and administration expenses

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.27 Current and deferred income tax**

Income taxes include all income taxes which are based on taxable profits. Income tax expense comprises current tax expense and deferred 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 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 the related party relationship, the Company and its subsidiaries consider the substance of the relationship not merely the legal form.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 5);
- Estimation of provision for decline in value of inventories (Note 2.8 and Note 7); and
- Estimated useful lives of fixed assets (Note 2.10 and Note 9); and
- Estimation of BIT (Note 28).

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

	2021 VND	2020 VND
Cash on hand	71,762,880	99,197,904
Cash in bank	101,744,955,808	79,614,039,839
Cash in transit	52,000,000	-
Cash equivalents (*)	273,060,843,239	550,897,774,258
	<u>374,929,561,927</u>	<u>630,611,012,001</u>

(*) Cash equivalents comprise demand deposits with original maturity of 3 months or less at commercial banks in Viet Nam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4 FINANCIAL INVESTMENTS

(a) Investment held to maturity

	2021		2020	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits (*)	11,236,439,412,400	11,236,439,412,400	6,606,557,368,342	6,606,557,368,342
Others	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
	<u>11,238,439,412,400</u>	<u>11,238,439,412,400</u>	<u>6,608,557,368,342</u>	<u>6,608,557,368,342</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 with earning interest rate specified in each term-deposit contract.

(b) Investment in other entities

	2021		2020	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Sen Do Technology JSC	3,684,980,000	(*)	3,684,980,000	(*)
FPT Fund Management JSC	6,000,000,000	(*)	6,000,000,000	(*)
	<u>9,684,980,000</u>	<u>(*)</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, 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 2021

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2021 VND	2020 VND
Third parties (*)	1,362,322,621,100	1,197,817,832,745
Related parties (Note 31(b))	28,693,490,913	13,969,093,526
	<u>1,391,016,112,013</u>	<u>1,211,786,926,271</u>

(*) As at 31 December 2021 and 31 December 2020, there were no third party customers having a balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

Movement in the provision for doubtful debts during the year is as follows:

	2021 VND	2020 VND
Beginning of year	329,706,434,818	256,094,987,769
Increase	57,874,812,355	73,611,447,049
End of year	<u>387,581,247,173</u>	<u>329,706,434,818</u>

6 OTHER SHORT-TERM RECEIVABLES

	2021 VND	2020 VND
Interest income	143,012,966,927	79,479,274,841
Others	22,633,326,718	17,864,309,211
	<u>165,646,293,645</u>	<u>97,343,584,052</u>

7 INVENTORIES

	2021		2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	84,478,392,863	-	57,255,955,653	-
Raw materials	518,505,745,054	(54,607,140,942)	531,744,426,534	(69,717,642,107)
Tools and supplies	40,213,905,530	-	31,648,408,018	-
Merchandise	101,097,518,729	-	76,964,987,510	-
	<u>744,295,562,176</u>	<u>(54,607,140,942)</u>	<u>697,613,777,715</u>	<u>(69,717,642,107)</u>
Provision for decline in value of inventories	<u>(54,607,140,942)</u>		<u>(69,717,642,107)</u>	
	<u>689,688,421,234</u>		<u>627,896,135,608</u>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7 INVENTORIES (CONTINUED)

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

	2021 VND	2020 VND
Beginning of year	69,717,642,107	30,279,235,077
(Decrease)/increase	(15,110,501,165)	39,438,407,030
End of year	<u>54,607,140,942</u>	<u>69,717,642,107</u>

8 PREPAID EXPENSES

(a) Short-term

	2021 VND	2020 VND
Rental fees (copyrights, office, channels, transmission lines, cable)	61,172,801,493	33,474,386,225
Others	65,940,963,136	64,232,637,031
	<u>127,113,764,629</u>	<u>97,707,023,256</u>

(b) Long-term

	2021 VND	2020 VND
Service deployment costs for new subscribers (*)	1,398,739,456,211	1,298,458,977,223
Office rental fees	312,726,774,761	322,276,771,623
Others	231,262,889,768	187,600,011,476
	<u>1,942,729,120,740</u>	<u>1,808,335,760,322</u>

(*) Service deployment costs for new subscribers represent the actual costs of equipment, materials and outsourced labor costs initially incurred to install internet, television services for new subscribers. These costs are 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 2021

9 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 2021	204,379,334,540	8,251,014,682,598	252,929,720,127	20,407,928,739	8,728,731,666,004
New purchases	1,149,716,968	1,012,303,147,521	16,718,411,763	1,788,057,621	1,031,959,333,873
Transfers from construction in progress (Note 10)	-	165,402,577,365	-	-	165,402,577,365
Reclassification	-	39,163,887,580	(39,163,887,580)	-	-
Equipment removed from fixed assets (*)	(23,256,990)	(369,426,190,062)	(42,024,386,199)	-	(411,473,833,251)
Disposals	-	-	-	(3,469,507,453)	(3,469,507,453)
As at 31 December 2021	205,505,794,518	9,098,458,105,002	188,459,858,111	18,726,478,907	9,511,150,236,538
Accumulated depreciation					
As at 1 January 2021	(58,782,191,929)	(4,107,914,823,994)	(243,367,628,864)	(14,114,910,400)	(4,424,179,555,187)
Charge for the year	(7,885,913,055)	(1,047,971,155,545)	(3,204,363,736)	(1,504,763,411)	(1,060,566,195,747)
Reclassification from intangible assets	-	(39,163,887,580)	39,163,887,580	-	-
Equipment removed from fixed assets (*)	-	227,905,289,124	38,112,762,715	-	266,018,051,839
Disposals	-	-	-	3,060,645,734	3,060,645,734
As at 31 December 2021	(66,668,104,984)	(4,967,144,577,995)	(169,295,342,305)	(12,559,028,077)	(5,215,667,053,361)
Net book value					
As at 1 January 2021	145,597,142,611	4,143,099,858,604	9,562,091,263	6,293,018,339	4,304,552,110,817
As at 31 December 2021	138,837,689,534	4,131,313,527,007	19,164,515,806	6,167,450,830	4,295,483,183,177

(*) Equipment removed from fixed assets are the ones removed from telecommunication infrastructure for the purpose of disposal or reuse.

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2021 were VND 2,473,762,048,043 (as at 31 December 2020: VND 1,666,309,000,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Land use rights VND	Copyrights and operation rights VND	Computer software VND	Total VND
Historical cost				
As at 1 January 2021	88,529,461,689	734,392,333,424	96,248,425,838	919,170,220,951
New purchases	43,797,791,000	17,591,496,571	31,369,712,999	92,759,000,570
Other increases	-	-	5,900,000,000	5,900,000,000
As at 31 December 2021	132,327,252,689	751,983,829,995	133,518,138,837	1,017,829,221,521
Accumulated amortisation				
As at 1 January 2021	-	(270,960,317,254)	(58,654,259,575)	(329,614,576,829)
Charge for the year	-	(52,572,153,180)	(17,257,178,817)	(69,829,331,997)
Other increases	-	-	(5,900,000,000)	(5,900,000,000)
As at 31 December 2021	-	(323,532,470,434)	(81,811,438,392)	(405,343,908,826)
Net book value				
As at 1 January 2021	88,529,461,689	463,432,016,170	37,594,166,263	589,555,644,122
As at 31 December 2021	132,327,252,689	428,451,359,561	51,706,700,445	612,485,312,695

The historical cost of intangible fixed assets that were fully amortised but still in use as at 31 December 2021 were VND 58,653,422,216 (as at 31 December 2020: VND 32,318,000,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 CONSTRUCTION IN PROGRESS

	2021 VND	2020 VND
Data Center - FPT Telecom Tan Thuan	5,797,436,129	121,493,052,372
Data Center - District 9	155,530,187,879	116,111,432,548
North-South trunk road system	24,160,687,551	33,988,289,082
Telecommunication infrastructures (*)	295,203,493,262	35,852,236,559
	<u>480,691,804,821</u>	<u>307,445,010,561</u>

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

Movements in construction in progress during the year were as follows:

	2021 VND	2020 VND
Beginning of year	307,445,010,561	128,114,918,230
New purchases	339,401,678,505	285,787,000,708
Transfer to tangible fixed assets (Note 9(a))	(165,402,577,365)	(105,117,415,045)
Other	(752,306,880)	(1,339,493,332)
End of year	<u>480,691,804,821</u>	<u>307,445,010,561</u>

11 DEFERRED INCOME TAX

	2021 VND	2020 VND
Deferred income tax assets	<u>5,705,551,007</u>	<u>29,519,994,930</u>
Deferred income tax liabilities	<u>10,248,476</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11 DEFERRED INCOME TAX (CONTINUED)

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

	2021 VND	2020 VND
Deferred income tax assets		
Beginning of year	29,519,994,930	3,579,475,965
Recognised in the income statement	(23,814,443,923)	25,940,518,965
End of year	<u>5,705,551,007</u>	<u>29,519,994,930</u>
Deferred income tax liabilities		
Beginning of year	-	-
Recognised in the income statement	(10,248,476)	-
End of year	<u>(10,248,476)</u>	<u>-</u>

Deferred income tax mainly arises from temporary differences in accrued expenses and unrealised foreign exchange differences for account receivables and cash.

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2021 VND	2020 VND
Third parties (*)	1,327,892,965,934	1,325,438,857,019
<i>In which:</i>		
- Sun Viet Telecommunications – Informatics Technology Development Joint Stock Company	189,477,547,500	185,731,729,160
- Others	1,138,415,418,434	1,139,707,127,859
Related parties (Note 31(b))	52,421,685,169	252,986,876,582
	<u>1,380,314,651,103</u>	<u>1,578,425,733,601</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14 SHORT-TERM ACCRUED EXPENSES

	2021 VND	2020 VND
Interest expense	76,407,966,009	63,242,642,395
Others (*)	125,960,790,991	200,660,665,552
	<u>202,368,757,000</u>	<u>263,903,307,947</u>

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

15 UNEARNED REVENUE

(a) Short-term

	2021 VND	2020 VND
Advances from customers for telecommunication services	1,377,808,677,041	1,212,664,763,295
Others	2,660,804,088	1,772,803,996
	<u>1,380,469,481,129</u>	<u>1,214,437,567,291</u>

(b) Long-term

	2021 VND	2020 VND
Advances from customers for telecommunication services	7,633,889,103	6,064,949,466
Others	33,240,076,552	35,012,880,664
	<u>40,873,965,655</u>	<u>41,077,830,130</u>

16 OTHER SHORT-TERM PAYABLES

	2021 VND	2020 VND
Related parties (Note 31(b))	2,020,158,874	548,760,756,133
Deposits, mortgages	106,537,314,764	110,599,605,664
Payroll costs	14,741,594,677	18,681,827,091
Others	78,835,638,223	70,772,120,209
	<u>202,134,706,538</u>	<u>748,814,309,097</u>

FPT TELECOM JOINT STOCK CORPORATION

Form B 09 - DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17 BORROWINGS

(a) Short-term

	As at 1.1.2021 VND	Increase VND	Decrease VND	Exchange rate differences VND	As at 31.12.2021 VND
Short-term borrowings	5,203,169,378,377	11,734,896,504,765	(8,132,778,956,823)	25,404,519,400	8,830,691,445,719
Current portion of long-term borrowings	323,046,555,009	256,122,349,918	(337,245,066,735)	-	241,923,838,192
	<u>5,526,215,933,386</u>	<u>11,991,018,854,683</u>	<u>(8,470,024,023,558)</u>	<u>25,404,519,400</u>	<u>9,072,615,283,911</u>

As at 31 December 2021, short-term borrowings include loans from domestic commercial banks with maturities of less than 12 months. These loans are unsecured and interest rates are specified in each withdrawal.

(b) Long-term

	As at 1.1.2021 VND	Increase VND	Decrease VND	As at 31.12.2021 VND
Long-term borrowings	243,333,575,599	757,462,003,605	(256,122,349,918)	744,673,229,286

As at 31 December 2021, long-term borrowings include loans from domestic commercial banks with maturities of more than 12 months. These loans are unsecured and interest rates are specified in each withdrawal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18 OWNERS' CAPITAL

(a) Number of shares

	2021 Ordinary shares	2020 Ordinary shares
Number of shares registered	328,369,553	273,646,461
Number of shares issued	30,015	30,015
Number of existing shares in circulation	328,339,538	273,616,446

Par value per share: VND 10,000.

(b) Details of owners' shareholding

	2021		2020	
	Ordinary shares	%	Ordinary shares	%
State Capital Investment Corporation – Company Limited	164,742,021	50.17	137,285,018	50.17
FPT Joint Stock Company	149,907,458	45.65	124,922,882	45.65
Other shareholders	13,690,059	4.17	11,408,546	4.17
	<u>328,339,538</u>	<u>99.99</u>	<u>273,616,446</u>	<u>99.99</u>
Treasury shares	30,015	0.01	30,015	0.01
	<u>328,369,553</u>	<u>100</u>	<u>273,646,461</u>	<u>100</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19 MOVEMENTS IN OWNERS' EQUITY

	Owners' contributed capital VND	Share premium VND	Other owners' capital VND	Treasury shares VND	Investment and development fund VND	Other reserves VND	Retained earnings VND	Non-controlling interests VND	Total VND
As at 1.1.2020	2,487,724,840,000	20,391,591,930	-	(300,150,000)	599,601,897,399	34,572,210,000	1,566,505,241,188	314,204,538,249	5,022,700,168,766
Profit for the year	-	-	-	-	-	-	1,575,015,838,802	88,884,571,522	1,663,900,410,324
Dividends distributed in cash	-	-	-	-	-	-	(1,318,334,276,000)	(32,040,935,000)	(1,350,375,211,000)
Dividends distributed in shares	248,739,770,000	-	20,819,390,000	-	-	-	(269,559,160,000)	-	-
Appropriation to investment and development fund	-	-	-	-	225,171,467,068	-	(225,171,467,068)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(161,665,416,151)	(8,888,492,075)	(170,553,908,226)
Others	-	71,166,343	34,572,210,000	-	-	(34,572,210,000)	(84,577,853,967)	(2,909,061,530)	(87,415,749,154)
As at 31.12.2020	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
Profit for the year	-	-	-	-	-	-	1,820,124,198,555	95,713,437,479	1,915,837,636,034
Dividends distributed in cash (i)	-	-	-	-	-	-	(328,339,538,000)	(160,203,740,000)	(488,543,278,000)
Dividends distributed in shares (ii)	547,230,920,000	-	-	-	-	-	(547,230,920,000)	-	-
Appropriation to bonus and welfare fund (iii)	-	-	-	-	-	-	(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

(i) According to the Resolution No. 16/NQ – HDQT/FTEL dated 14 September 2021 of the Board of Directors, the Board of Directors approved the distribution of dividends in cash at the rate of 10% of par value with total amount of VND 328,339,538,000.

(ii) According to the Resolution No. 01/NQ – ĐHCĐ/FTEL dated 31 March 2021 of the Shareholders' General Meeting, shareholders approved the dividend distribution in shares at the ratio of 5:1 with total amount of VND 547,230,920,000 calculated at par value.

(iii) The Resolution No. 01/NQ-ĐHĐCĐ/FTEL dated 31 March 2021 of the General Meeting of Shareholders approved the plan for 2021, in which the appropriation of bonus and welfare fund would not exceed 10% of the profit after tax of 2021. As at 31 December 2021, the Company temporarily appropriated the bonus and welfare fund for the financial year ended 31 December 2021 of VND 202,831,768,185.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20 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:

	2021	2020 (As represented (*))
Net profit attributable to shareholders (VND)	1,820,124,198,555	1,575,015,720,730
Less amount allocated to bonus and welfare fund (VND)	(202,831,768,175)	(161,665,416,151)
Basic earnings (VND)	<u>1,617,292,430,380</u>	<u>1,413,350,304,579</u>
Weighted average number of ordinary shares in circulation (shares)	<u>328,339,538</u>	<u>328,339,538</u>
Basic earnings per share (VND)	<u>4,926</u>	<u>4,305</u>

(*) Basic earnings per share for the year ended 31 December 2020 are recalculated due to the impact of dividend payment in shares during the year as follows:

	For the year ended 31 December 2020		
	As previously reported	Adjustment	As represented
Net profit attributable to shareholders (VND)	1,575,015,720,730	-	1,575,015,720,730
Less amount allocated to bonus and welfare fund (VND)	(161,665,416,151)	-	(161,665,416,151)
Basic earnings (VND)	<u>1,413,350,304,579</u>	-	<u>1,413,350,304,579</u>
Weighted average number of ordinary shares in circulation (shares)	<u>273,616,446</u>	<u>54,723,092</u>	<u>328,339,538</u>
Basic earnings per share (VND)	<u>5,165</u>		<u>4,305</u>

(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 the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

21 OFF CONSOLIDATED BALANCE SHEET ITEMS

(a) Foreign currencies

As at 31 December 2021, included in cash and cash equivalents were balances held in foreign currencies of USD 10,878,288 (as at 31 December 2020: USD 9,738,382).

(b) Bad debt written off

	2021 VND	2020 VND
Viet Nam Dong (VND)	173,352,943,517	170,712,469,470

22 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2021 VND	2020 VND
Revenue		
Revenue from sales of goods	897,904,625,893	494,190,471,744
Revenue from rendering of services	11,800,229,355,446	10,993,620,823,657
	<u>12,698,133,981,339</u>	<u>11,487,811,295,401</u>
Sales deductions		
Goods returns	(48,948,000)	(452,590,000)
Trade discounts and other deductions	(11,668,782,878)	(21,204,490,799)
	<u>(11,717,730,878)</u>	<u>(21,657,080,799)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of goods	897,855,677,893	493,737,881,744
Net revenue from rendering of services	11,788,560,572,568	10,972,416,332,858
	<u>12,686,416,250,461</u>	<u>11,466,154,214,602</u>

23 COST OF GOODS SOLD AND SERVICES RENDERED

	2021 VND	2020 VND
Cost of goods sold	811,261,417,000	488,508,243,626
Cost of services rendered	5,801,984,534,708	5,409,454,015,543
(Reversal)/provision for decline in value of inventories (Note 7)	(15,110,501,165)	39,438,407,030
	<u>6,598,135,450,543</u>	<u>5,937,400,666,199</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**24 FINANCIAL INCOME**

	2021	2020
	VND	VND
Interest income	445,640,323,653	338,605,711,422
Foreign exchange gains	45,564,885,276	15,663,074,638
Dividends received from investees	5,000,000,000	-
	<u>496,205,208,929</u>	<u>354,268,786,060</u>

25 FINANCIAL EXPENSES

	2021	2020
	VND	VND
Interest expense	220,614,607,102	242,652,884,344
Foreign exchange losses	80,130,120,002	13,018,544,628
	<u>300,744,727,104</u>	<u>255,671,428,972</u>

26 SELLING EXPENSES

	2021	2020
	VND	VND
Staff costs	1,485,799,317,670	1,326,991,186,167
Promotion and advertising expenses	284,046,612,522	292,197,483,450
Others	114,693,268,311	90,706,562,924
	<u>1,884,539,198,503</u>	<u>1,709,895,232,541</u>

27 GENERAL AND ADMINISTRATION EXPENSES

	2021	2020
	VND	VND
Staff costs	1,482,404,386,717	1,214,189,660,144
Others (*)	527,443,895,414	639,512,048,529
	<u>2,009,848,282,131</u>	<u>1,853,701,708,673</u>

(*) Including 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

28 BUSINESS INCOME TAX (“BIT”)

The BIT 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:

	2021 VND	2020 VND
Net accounting profit before tax	2,394,929,775,787	2,074,035,937,485
Tax calculated at a rate of 20%	478,985,955,157	414,807,187,497
Effect of:		
Income not subject to tax	(1,000,000,000)	-
Temporary differences for which no deferred income tax was recognised	975,868,554	(5,090,729,657)
Effect of consolidated entries	130,316,042	419,187,393
BIT charge (*)	<u>479,092,139,753</u>	<u>410,135,645,233</u>
Charged to consolidated income statement:		
BIT – current	458,846,923,319	436,076,164,198
BIT – deferred	20,245,216,434	(25,940,518,965)
BIT charge	<u>479,092,139,753</u>	<u>410,135,645,233</u>

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

29 COSTS OF OPERATION BY FACTOR

	2021 VND	2020 VND
Raw materials	2,041,293,767,872	1,791,314,290,776
Staff costs	3,927,312,894,173	3,347,712,937,794
Depreciation and amortisation	1,130,395,527,744	1,081,436,910,341
Outside services	2,836,588,719,210	2,627,382,333,395
Others	556,932,022,177	653,151,135,105
	<u>10,492,522,931,176</u>	<u>9,500,997,607,411</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

30 SEGMENT REPORTING

(a) Segment information based on the business activities

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 account for less than 10% of the total revenue and profit of the Company and its subsidiaries, 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 22 and Note 23.

(b) Segment information based on 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 carried out within the territory of Vietnam, therefore, the Company does not present a segment report by geographical area.

31 RELATED PARTY DISCLOSURES

During the year, the major transactions were carried out with the following related parties:

Related parties (*)	Relationship
FPT Joint Stock Company	Parent company
State Capital Investment Corporation – Company Limited (“SCIC”)	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 Capital Investment Fund Joint Stock Company	Associate of Parent company

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

(a) Related party transactions

	2021	2020
	VND	VND
i) Sales of goods and services		
FPT Information System Corporation	217,620,791,056	21,881,764,654
FPT Software Company Limited	58,394,601,804	35,230,979,499
FPT Joint Stock Company	25,166,632,226	26,984,724,460
FPT Digital Retail Joint Stock Company	23,838,160,988	17,212,553,787
FPT University	16,349,906,989	11,382,216,671
FPT Smart Cloud Company Limited	10,324,263,264	5,945,455
Synnex FPT Distribution Company Limited	5,374,953,745	6,483,358,491
Others	2,318,830,315	2,297,405,256
	<u>359,388,140,387</u>	<u>121,478,948,273</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

31 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

	2021 VND	2020 VND
ii) Purchase of fixed assets, goods and services		
Synnex FPT Distribution Company Limited	414,292,529,096	235,231,604,496
FPT Information System Corporation	298,976,810,256	247,546,512,820
FPT Joint Stock Company	93,156,534,164	70,739,587,309
FPT Smart Cloud Company Limited	34,536,527,594	105,912,480
FPT Digital Retail Joint Stock Company	17,766,891,283	6,197,390,745
FPT Software Company Limited	5,205,549,690	1,517,737,446
Others	62,226,130	190,909,091
	<u>863,997,068,213</u>	<u>561,529,654,387</u>
iii) Dividends declared in share		
State Capital Investment Corporation – Company Limited	274,570,030,000	124,804,560,000
FPT Joint Stock Company	249,845,760,000	113,566,250,000
Others	22,815,130,000	10,368,960,000
	<u>547,230,920,000</u>	<u>248,739,770,000</u>
iv) Dividends declared in cash		
State Capital Investment Corporation – Company Limited	164,742,021,000	661,464,178,000
FPT Joint Stock Company	237,801,258,000	619,479,920,000
Others	13,690,059,000	54,643,558,600
	<u>416,233,338,000</u>	<u>1,335,587,656,600</u>
v) Dividends received in cash		
FPT Capital Investment Fund Joint Stock Company	<u>5,000,000,000</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

31 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

		2021 VND	2020 VND
<i>vi)</i>	Compensation for key management		
	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	-	-
	Pham Cong Minh Member	60,000,000	60,000,000
		<u>120,000,000</u>	<u>120,000,000</u>
	Board of Supervisors		
	Nguyen Luong Tam Head of Board of Supervisors	-	-
	Phan Phuong Dat Member	-	-
	Do Xuan Phuc Member	24,000,000	24,000,000
		<u>24,000,000</u>	<u>24,000,000</u>
	General Director and others		
	Hoang Viet Anh General Director	2,242,000,000	2,040,000,000
	Nguyen Hoang Linh Deputy General Director	1,680,000,000	1,530,000,000
	Vu Thi Mai Huong Deputy General Director	1,680,000,000	1,530,000,000
	Chu Hung Thang Deputy General Director	1,680,000,000	1,530,000,000
	Hoang Trung Kien Deputy General Director (resigned on 6/3/2020)	-	300,000,000
	Vu Anh Tu Deputy General Director (resigned on 7/9/2020)	-	1,050,000,000
	Do Thi Huong Chief Accountant	1,344,000,000	1,224,000,000
		<u>8,626,000,000</u>	<u>9,204,000,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

31 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Year end balances with related parties

	2021 VND	2020 VND
i) Cash at FPT central accounts		
FPT Joint Stock Company	28,041,134	1,064,190,977
ii) Short-term trade accounts receivable (Note 5)		
FPT Information System Corporation	18,232,500,803	2,975,088,856
FPT Software Company Limited	4,646,782,283	4,518,541,537
FPT Joint Stock Company	4,006,762,922	6,475,463,133
FPT Digital Retail Joint Stock Company	386,563,475	-
Synnex FPT Distribution Company Limited	279,003,499	-
Others	1,141,877,931	-
	<u>28,693,490,913</u>	<u>13,969,093,526</u>
iii) Other short-term receivables		
FPT Software Company Limited	4,521,000,000	4,521,000,000
FPT Digital Retail Joint Stock Company	-	192,321,244
FPT Joint Stock Company	-	510,531
	<u>4,521,000,000</u>	<u>4,713,831,775</u>
iv) Short-term trade accounts payable (Note 12)		
Synnex FPT Distribution Company Limited	24,073,613,383	19,811,031,157
FPT Joint Stock Company	20,530,794,083	17,552,429,700
FPT Information System Corporation	4,902,747,464	214,052,599,391
FPT Digital Retail Joint Stock Company	1,147,486,002	399,999,994
FPT Smart Cloud Company Limited	735,428,462	-
FPT Software Company Limited	965,742,919	1,170,816,340
Others	65,872,856	-
	<u>52,421,685,169</u>	<u>252,986,876,582</u>
v) Other short-term payables (Note 16)		
Collection on behalf of related parties	92,312,441	-
Profit and dividends payables	1,927,846,433	548,760,756,133
<i>In which:</i>		
- State Capital Investment Corporation – Company Limited	-	274,570,036,000
- FPT Corporation	-	249,845,764,000
- Others	1,927,846,433	24,344,956,133
	<u>2,020,158,874</u>	<u>548,760,756,133</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

32 COMMITMENTS

(a) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases have been as follows:

	2021 VND	2020 VND
Under 1 year	154,733,482,338	137,965,916,324
From 1 to 5 years	265,377,645,194	357,555,017,135
Above 5 years	28,753,606,150	54,308,658,046
Total minimum payments	<u>448,864,733,682</u>	<u>549,829,591,505</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:

	2021 VND	2020 VND
Data centers	68,280,393,396	105,593,619,225
Other fixed assets	1,206,743,710	-
	<u>69,487,137,106</u>	<u>105,593,619,225</u>

33 CONTINGENT LIABILITIES

Dismantling and restoration obligations for leased lands

The Company and its subsidiaries signed land lease contracts and carried out the construction works and infrastructure on the leased lands. According to the land lease contracts, if the lessors request the Company and its subsidiaries to clean up the lands or to remove out the constructions and assets on the lands, and if the Company and its subsidiaries refuse to do so, it is deemed that the Company and its subsidiaries has appointed the lessors to act as agents to perform the clearance works. The settlement of assets on lands will be carried out in accordance with the local regulations. Therefore, the restoration obligation for the leased lands of the Company and its subsidiaries has not been confirmed at the consolidated balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

34 COMPARATIVE FIGURES

Certain comparative figures presented in the consolidated financial statements have been reclassified to conform with current year's presentation of financial statements:

Consolidated balance sheet (extracted):

Code	As at 31 December 2020		
	Previously reported VND	Reclassified (*) VND	As reclassified VND
100 CURRENT ASSETS	9,350,395,231,681	(346,556,488,455)	9,003,838,743,226
150 Other current assets	481,596,804,114	(346,556,488,455)	135,040,315,659
151 Short-term prepaid expenses	444,263,511,711	(346,556,488,455)	97,707,023,256
200 LONG-TERM ASSETS	6,730,573,747,199	346,556,488,455	7,077,130,235,654
260 Other long-term assets	1,491,299,266,797	346,556,488,455	1,837,855,755,252
261 Long-term prepaid expenses	1,461,779,271,867	346,556,488,455	1,808,335,760,322

(*) Reclassification of the deployment costs for new subscribers from short-term prepaid expenses to long-term prepaid expenses based on their estimated useful lives.

Consolidated income statement (extracted):

Code	From 1.1.2020 to 31.12.2020		
	Previously reported VND	Reclassified (**) VND	As reclassified VND
01 Revenue from sales of goods and rendering of services	11,552,202,993,487	(64,391,698,086)	11,487,811,295,401
02 Less deductions	86,048,778,885	(64,391,698,086)	21,657,080,799
10 Net revenue from sales of goods and rendering of services (10 = 01 - 02)	11,466,154,214,602	-	11,466,154,214,602
11 Cost of goods sold and services rendered	5,741,082,917,095	196,317,749,104	5,937,400,666,199
20 Gross profit from sales of goods and rendering of services (20 = 10 - 11)	5,725,071,297,507	(196,317,749,104)	5,528,753,548,403
25 Selling expenses	1,493,198,318,513	216,696,914,028	1,709,895,232,541
26 General and administration expenses	2,266,716,371,805	(413,014,663,132)	1,853,701,708,673

(**) Including:

- Reclassification of staff costs from general and administration expenses to selling expenses: VND 216,696,914,028;
- Reclassification of pole rental expenses, repair and maintenance expenses which directly incurred for rendering services from general and administrative expenses to cost of sales: VND 196,317,749,104; and
- Net-off of revenue and revenue deductions: VND 64,391,698,086.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

35 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021 were approved by the Company's Deputy General Director (pursuant to the authorisation of the Company's Legal Representative) on 4 March 2022.



Nguyen Thi Thu Huong
Preparer



Do Thi Huong
Chief Accountant



Vu Thi Mai Huong
Deputy General Director
Authorised Signatory

