

FPT TELECOM JOINT STOCK CORPORATION

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**



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FPT TELECOM JOINT STOCK CORPORATION

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 0101778163 dated 28 July 2005

The Enterprise Registration Certification was issued by Hanoi Department of Planning and Investment on 28 July 2005. The latest amendment (31st) of the Enterprise Registration Certificate was issued on 18 May 2023.

Board of Directors

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

Board of Supervision

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

Board of Management

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

Legal Representatives

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

Registered Office

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

Auditor

PwC (Vietnam) Limited

FPT TELECOM JOINT STOCK CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of FPT Telecom Joint Stock Corporation ("the Company") is responsible for preparing the interim consolidated financial statements which give a true and fair view of the interim consolidated financial position of the Company and its subsidiaries as at 30 June 2023, and of the consolidated results of the operations and the consolidated cash flows of the Company and its subsidiaries for the six-month period then ended. In preparing these interim 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 interim 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 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 interim consolidated financial statements to be prepared which comply with the accounting policies set out in Note 2 to the interim consolidated financial statements. The Board of Management 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.

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

We hereby, approve the accompanying interim 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 30 June 2023, and of the consolidated results of the operations and the consolidated cash flows of the Company and its subsidiaries for the six-month period then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

On behalf of the Board of Management



Nguyen Hoang Linh
General Director/Legal Representative

Ha Noi, S.R. Vietnam
4 August 2023



REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF FPT TELECOM JOINT STOCK CORPORATION

We have reviewed the accompanying interim consolidated financial statements of FPT Telecom Joint Stock Corporation ("the Company") and its subsidiaries which were prepared on 30 June 2023 and approved by the Board of Management of the Company on 4 August 2023. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2023, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended, and explanatory notes to the interim 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 interim 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 interim consolidated financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 30 June 2023, the consolidated financial performance and the consolidated cash flows of the Company and its subsidiaries for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements.

Other Matter

The report on the review of the interim consolidated financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HAN 3487
Hanoi, 4 August 2023

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30 June 2023 VND	31 December 2022 VND
100	CURRENT ASSETS		13,271,625,276,887	10,099,244,269,282
110	Cash and cash equivalents	3	163,732,298,883	1,418,670,415,325
111	Cash		163,516,071,841	226,703,212,028
112	Cash equivalents		216,227,042	1,191,967,203,297
120	Short-term investment		10,468,739,635,900	5,856,787,648,379
123	Investments held to maturity	4(a)	10,468,739,635,900	5,856,787,648,379
130	Short-term receivables		1,517,526,477,442	1,357,716,256,717
131	Short-term trade accounts receivable	5	1,696,808,364,161	1,600,426,459,013
132	Short-term prepayments to suppliers	6	108,739,347,786	75,567,434,032
135	Short-term lendings		30,000,000,000	-
136	Other short-term receivables	7	183,403,967,802	130,878,502,753
137	Provision for doubtful debts - short-term	8	(501,425,202,307)	(449,156,139,081)
140	Inventories	9	944,983,488,928	1,117,620,653,980
141	Inventories		976,929,880,621	1,152,953,245,195
149	Provision for decline in value of inventories		(31,946,391,693)	(35,332,591,215)
150	Other current assets		176,643,375,734	348,449,294,881
151	Short-term prepaid expenses	10(a)	140,230,601,095	162,316,511,752
152	Value Added Tax ("VAT") to be reclaimed		27,663,105,688	25,763,117,347
153	Tax and other receivables from the State	16(a)	8,749,668,951	160,369,665,782
200	LONG-TERM ASSETS		8,535,356,873,443	8,326,319,345,943
210	Long-term receivables		27,380,850,858	35,094,259,284
216	Other long-term receivables		27,380,850,858	35,094,259,284
220	Fixed assets		5,794,814,362,080	5,610,369,821,803
221	Tangible fixed assets	11(a)	5,209,125,853,020	4,994,560,213,579
222	Historical cost		11,930,778,053,052	11,206,151,632,037
223	Accumulated depreciation		(6,721,652,200,032)	(6,211,591,418,458)
227	Intangible fixed assets	11(b)	585,688,509,060	615,809,608,224
228	Historical cost		1,115,132,782,051	1,100,766,918,579
229	Accumulated amortisation		(529,444,272,991)	(484,957,310,355)
240	Long-term assets in progress		345,548,771,213	359,405,443,556
242	Construction in progress	12	345,548,771,213	359,405,443,556
250	Long-term investments		6,200,000,000	6,200,000,000
253	Investments in other entities	4(b)	9,684,980,000	9,684,980,000
254	Provision for long-term investments	4(b)	(3,684,980,000)	(3,684,980,000)
255	Investments held to maturity	4(a)	200,000,000	200,000,000
260	Other long-term assets		2,361,412,889,292	2,315,249,821,300
261	Long-term prepaid expenses	10(b)	2,357,996,720,592	2,314,717,115,919
262	Deferred tax assets	13	3,416,168,700	532,705,381
270	TOTAL ASSETS		21,806,982,150,330	18,425,563,615,225


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

INTERIM CONSOLIDATED BALANCE SHEET
(continued)


Code	RESOURCES	Note	As at	
			30 June 2023 VND	31 December 2022 VND
300	LIABILITIES		13,702,835,888,233	10,505,861,380,737
310	Short-term liabilities		13,663,049,113,371	10,426,642,949,150
311	Short-term trade accounts payable	15	1,095,521,749,426	1,576,590,188,554
312	Short-term advances from customers	14	106,651,941,702	67,889,459,376
313	Tax and other payables to the State	16(b)	219,212,347,769	40,968,138,219
314	Payables to employees		897,007,534,158	1,330,921,896,716
315	Short-term accrued expenses	17	248,182,940,496	157,786,124,942
318	Short-term unearned revenue	18(a)	1,594,660,344,510	1,550,636,330,115
319	Other short-term payables	19	229,313,416,805	211,357,966,705
320	Short-term borrowings	20(a)	9,054,710,572,805	5,140,502,023,623
322	Bonus and welfare fund	21	217,788,265,700	349,990,820,900
330	Long-term liabilities		39,786,774,862	79,218,431,587
336	Long-term unearned revenue	18(b)	36,341,243,582	36,980,826,995
337	Other long-term payables		3,445,531,280	2,027,900,000
338	Long-term borrowings	20(b)	-	39,991,556,359
341	Deferred tax liabilities	13	-	218,148,233
400	OWNERS' EQUITY		8,104,146,262,097	7,919,702,234,488
410	Capital and reserves		8,104,146,262,097	7,919,702,234,488
411	Owners' capital	22,23	3,283,395,380,000	3,283,395,380,000
411a	- Ordinary shares with voting rights		3,283,395,380,000	3,283,395,380,000
412	Share premium	23	-	-
414	Owners' other capital	23	55,391,600,000	55,391,600,000
415	Treasury shares	23	-	-
418	Investment and development fund	23	1,424,495,512,206	1,424,495,512,206
421	Undistributed earnings	23	3,051,164,914,847	2,840,418,455,303
421a	- Undistributed post-tax profits of previous years		1,853,251,986,417	1,227,197,381,689
421b	- Undistributed post-tax profit of current period/year		1,197,912,928,430	1,613,221,073,614
429	Non-controlling interests	23	289,698,855,044	316,001,286,979
440	TOTAL RESOURCES		21,806,982,150,330	18,425,563,615,225



Nguyen Thi Hong
Preparer



Nguyen Thi Thu Huong
Chief Accountant



Nguyen Hoang Linh
General Director
Legal Representative
4 August 2023



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

FPT TELECOM JOINT STOCK CORPORATION

Form B 02a – DN/HN

INTERIM CONSOLIDATED INCOME STATEMENT

Code		Note	For the six-month period ended 30 June	
			2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services		7,683,086,874,347	7,078,790,185,756
02	Less deductions		1,114,367,423	2,124,975,982
10	Net revenue from sales of goods and rendering of services (10 = 01 - 02)	26	7,681,972,506,924	7,076,665,209,774
11	Cost of goods sold and services rendered	27	4,249,323,053,724	3,576,411,667,600
20	Gross profit from sales of goods and rendering of services (20 = 10 - 11)		3,432,649,453,200	3,500,253,542,174
21	Financial income	28	359,060,913,260	381,656,810,168
22	Financial expenses	29	189,977,659,488	225,814,220,568
23	- Including: Interest expense		177,660,852,793	169,276,496,896
25	Selling expenses	30	998,795,257,865	960,113,018,596
26	General and administration expenses	31	1,091,761,581,421	1,238,433,509,793
30	Net operating profit (30 = 20 + 21 - 22 - 25 - 26)		1,511,175,867,686	1,457,549,603,385
31	Other income		17,249,419,421	6,628,299,809
32	Other expenses		14,260,763,584	18,924,874,373
40	Net other income/(expenses) (40 = 31 - 32)		2,988,655,837	(12,296,574,564)
50	Accounting profit before tax (50 = 30 + 40)		1,514,164,523,523	1,445,253,028,821
51	Corporate income tax ("CIT") – current	32	305,604,703,580	280,884,036,954
52	CIT - deferred	32	(3,101,611,552)	3,629,585,367
60	Profit after tax (60 = 50 - 51 - 52)		1,211,661,431,495	1,160,739,406,500
	Attributable to:			
61	Shareholders of Parent Company		1,197,912,928,430	1,106,120,043,323
62	Non-controlling interests		13,748,503,065	54,619,363,177
70	Basic earnings per share	24(a)	3,648	3,369
71	Diluted earnings per share	24(b)	3,648	3,369

Nguyen Thi Hong
Preparer

Nguyen Thi Thu Huong
Chief Accountant

Nguyen Hoang Linh
General Director
Legal Representative
4 August 2023

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FPT TELECOM JOINT STOCK CORPORATION

Form B 03a – DN/HN

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended 30 June	
Code	Note	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax	1,514,164,523,523	1,445,253,028,821
	Adjustments for:		
02	Depreciation and amortisation	645,657,441,094	565,419,825,493
03	Provisions	48,882,863,704	14,059,784,447
04	Unrealised foreign exchange (gains)/losses	(1,924,618,333)	13,473,549,412
05	Profits from investing activities	(333,232,594,790)	(369,370,186,712)
06	Interest expense	177,660,852,793	169,276,496,896
08	Operating profit before changes in working capital	2,051,208,467,991	1,838,112,498,357
09	Increase in receivables	(41,234,942,670)	(229,541,156,605)
10	Decrease/(increase) in inventories	176,023,364,574	(416,080,232,592)
11	Decrease in payables	(693,302,173,389)	(213,002,863,900)
12	Increase in prepaid expenses	(21,193,694,016)	(206,131,299,536)
14	Interest paid	(168,871,765,848)	(136,906,894,778)
15	CIT paid	(120,492,210,894)	(212,332,014,782)
16	Other receipts from operating activities	30,000,000	50,000,000
17	Other payments on operating activities	(132,232,555,200)	(158,686,925,167)
20	Net cash inflows from operating activities	1,049,934,490,548	265,481,110,997
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(829,690,637,387)	(527,715,329,965)
22	Proceeds from disposals of fixed assets and other long-term assets	16,784,176	-
23	Loans granted	(10,596,535,685,900)	(8,127,800,032,122)
24	Collection of loans	5,954,583,698,379	6,639,639,452,948
27	Dividends and interest received	292,719,042,687	194,103,551,417
30	Net cash outflows from investing activities	(5,178,906,798,045)	(1,821,772,357,722)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	10,134,587,079,616	7,861,901,059,933
34	Repayments of borrowings	(6,254,297,972,597)	(6,264,943,645,730)
36	Dividends paid, profits distributed to owners	(1,007,034,847,800)	(64,094,865,350)
40	Net cash inflows from financing activities	2,873,254,259,219	1,532,862,548,853
50	Net decrease in cash and cash equivalents of period	(1,255,718,048,278)	(23,428,697,872)
60	Cash and cash equivalents at beginning of period	1,418,670,415,325	374,929,561,927
61	Effect of foreign exchange differences	779,931,836	4,143,031,022
70	Cash and cash equivalents at end of period	163,732,298,883	355,643,895,077

Nguyen Thi Hong
Preparer

Nguyen Thi Thu Huong
Chief Accountant

Nguyen Hoang Linh
General Director
Legal Representative
4 August 2023

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

1 GENERAL INFORMATION

FPT Telecom Joint Stock Corporation ("the Company") is a joint stock company established in SR Vietnam pursuant to the Business Registration Certificate No. 0103008784 issued by Hanoi Department of Planning and Investment on 28 July 2005. The latest (31st) amendment of the Enterprise Registration Certificate No. 0101778163 was issued on 18 May 2023.

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

The principal business activities of the Company are to provide telecommunication services including internet, pay TV, line leasing, domain and data backup, online advertisement, online games and other telecommunication services.

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

As at 30 June 2023, the Company had five direct subsidiaries (as at 31 December 2022: five direct subsidiaries) as follows:

Subsidiaries	Principal business activities	Place of incorporation and operation	As at 30.6.2023 and 31.12.2022	
			% ownership	% of voting rights
1) FPT Online Joint Stock Company (FOC) (*)	Providing online newspaper, online payment services	Lot No. 29B - 31B - 33B, Tan Thuan Road, 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 No. 29B - 31B - 33B, Tan Thuan Road, 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 No. 29B - 31B - 33B, Tan Thuan Road, 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, Road D1, Hi-tech Park, Tang Nhon Phu A Ward, Thu Duc City, Ho Chi Minh City	99.99%	99.99%
5) FPT Television Company Limited (FPL)	Providing television services	124 Suong Nguyet Anh Road, Ben Thanh Ward, District 1, Ho Chi Minh City	100.00%	100.00%

(*) As at 30 June 2023, 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 2022: 60%). The principal activities of the subsidiary are to distribute prepaid game cards and phone cards. The subsidiary has registered office at 357 Thong Nhat Street, Me Town, Gia Vien District, Ninh Binh Province, Vietnam.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****1 GENERAL INFORMATION (CONTINUED)**

As at 30 June 2023, the Company and its subsidiaries had 10,627 employees (as at 31 December 2022: 9,130 employees).

Disclosure of information comparability in the interim consolidated financial statements:

The comparative figures presented on the interim consolidated balance sheet and the relevant notes are the figures of the audited consolidated financial statements for the year ended 31 December 2022. The comparative figures presented on the interim consolidated income statement, the interim consolidated cash flow statement and the relevant notes are the figures of the reviewed interim consolidated financial statements for the six-month period ended 30 June 2022.

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

The interim 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 interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention.

The accompanying interim 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 interim consolidated financial statements in the Vietnamese language are the official interim consolidated financial statements of the Company and its subsidiaries. The interim 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. The interim consolidated financial statements are prepared for the six-month period from 1 January 2023 to 30 June 2023.

2.3 Currency

The interim consolidated financial statements are measured and presented in Vietnamese Dong ("VND"), which is the accounting currency of the Company and its subsidiaries.

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 interim consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the interim consolidated balance sheet date are translated at the transfer rates at the interim 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 interim consolidated income statement.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****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. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. It is de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the acquirer's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the 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 third parties not belonging to the Company and its subsidiaries.

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 equity accounted for since the divestment date.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank 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 as uncollectible.

Receivables are classified into short-term and long-term receivables on the interim consolidated balance sheet based on the remaining period from the interim 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 period and the provision of the previous period is recognised as an increase or decrease of cost of goods sold in the period.

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 term deposits. Those investments are initially accounted for at cost. Subsequently, the Company and its subsidiaries reviews all outstanding investments to determine the amount of provision to recognise at the period 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. Changes in the provision balance during the accounting period 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.9 Investments (continued)****(a) Investments held to maturity (continued)**

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

(b) Investments 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 Company and its subsidiaries review all outstanding investments to determine the amount of provision to recognise at the period end.

(c) Provision for investments in other entities

Provision for investments in other entities is made when there is a diminution in value of the investments at the period 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.

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

2.10 Lendings

Lendings are lendings granted for the earning of interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Company and its subsidiaries review all outstanding amounts to determine the amount of provision to recognise at the period end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.11 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 incurred subsequently which 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, they are charged to the interim consolidated income statement when incurred in the period.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Fixed assets (continued)

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis 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	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 the straight-line method over the terms in the licenses and operation right 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 interim 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.

2.12 Leased assets

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

2.13 Long-term prepaid expenses

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 - External services	2 years

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.14 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 interim consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

2.15 Borrowings

Borrowings include borrowings from banks and other entities.

Borrowings are classified into short-term and long-term borrowings on the interim consolidated balance sheet based on the remaining period from the interim 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 is 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 asset. 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 interim consolidated income statement when incurred.

2.16 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.

2.17 Provisions

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.17 Provisions (continued)**

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

2.18 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 recognize the above provision for severance allowance due to the application of the Circular No. 180/2012/TT-BTC of the Ministry of Finance issued on 24 October 2012, the Company and its subsidiaries recognized as an expense in the accounting period, when actually paying severance allowances to employees.

2.19 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 fulfill. Unearned revenue is recognised as revenue in the consolidated income statement to the extent that recognition criteria have been met.

2.20 Capital and reserves

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

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

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 Appropriation of profit**

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

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

(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.

(b) Bonus and welfare fund

The 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 interim consolidated balance sheet. This fund is used to reward, improve and enhance employees' lives.

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

Revenue from sales of goods is recognised in the consolidated income statement when all five (5) 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.22 Revenue recognition (continued)****(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the interim 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) 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 the basis of the actual time and interest rates for each period when two following conditions are simultaneously satisfied:

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

(d) Dividends income

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

2.23 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 interim consolidated financial statements are recorded as a deduction of revenue of that period.

2.24 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 period, and recorded on the basis of matching with revenue and on a prudent basis.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.25 Financial expenses**

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

2.26 Selling expenses

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

2.27 General and administration expenses

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

2.28 Current and deferred income tax

Income tax includes all income tax which is 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 should be recognized 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 interim 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.

2.29 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, the 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 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.

2.31 Critical accounting estimates

The preparation of interim consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim 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 interim consolidated financial statements and the reported amounts of revenues and expenses during the financial period. The areas involving significant estimates and assumptions are as follows:

- Estimation of provision for doubtful debts (Note 2.7 and Note 8);
- Estimation of provision for decline in value of inventories (Note 2.8 and Note 9);
- Estimated useful lives of fixed assets (Note 2.11 and Note 11); and
- Estimation of CIT (Note 32).

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 interim consolidated financial statements of the Company and its subsidiaries and are assessed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	30.6.2023	31.12.2022
	VND	VND
Cash on hand	104,617,340	104,422,460
Cash at banks	163,411,454,501	226,598,789,568
Cash equivalents (*)	216,227,042	1,191,967,203,297
	<u>163,732,298,883</u>	<u>1,418,670,415,325</u>

(*) Cash equivalents comprise term 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

4 FINANCIAL INVESTMENTS

(a) Investment held to maturity

	30.6.2023		31.12.2022	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits (*)	10,466,739,635,900	10,466,739,635,900	5,854,787,648,379	5,854,787,648,379
Others	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
	<u>10,468,739,635,900</u>	<u>10,468,739,635,900</u>	<u>5,856,787,648,379</u>	<u>5,856,787,648,379</u>
ii. Long-term				
Term deposits	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>

(*) 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 contract.

(b) Investment in other entities

	30.6.2023			31.12.2022		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Sen Do Technology Joint Stock Company	3,684,980,000	(*)	(3,684,980,000)	3,684,980,000	(*)	(3,684,980,000)
FPT Fund Management Joint Stock Company	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: the Company had not determined the fair value of these investments for disclosure in the interim consolidated financial statements because they do not have prices listed in stock market. The fair value of such investments might be different from their book value.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2023 VND	31.12.2022 VND
Third parties (*)	1,646,165,653,986	1,579,606,049,081
Related parties (Note 35(b))	50,642,710,175	20,820,409,932
	<u>1,696,808,364,161</u>	<u>1,600,426,459,013</u>

(*) As at 30 June 2023 and 31 December 2022, there was no third party customer having a balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2023 VND	31.12.2022 VND
Third parties	108,722,847,786	75,551,814,032
<i>In which:</i>		
- LME Industrial Joint Stock Company	18,374,146,558	1,541,163,753
- International Broadcasting Technology Development JSC	-	12,300,000,000
- Others	90,348,701,228	61,710,650,279
Related parties	16,500,000	15,620,000
	<u>108,739,347,786</u>	<u>75,567,434,032</u>

7 OTHER SHORT-TERM RECEIVABLES

	30.6.2023 VND	31.12.2022 VND
Interest income	163,787,110,070	109,845,013,784
Others	19,616,857,732	21,033,488,969
	<u>183,403,967,802</u>	<u>130,878,502,753</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

8 DOUBTFUL DEBTS

	30.6.2023		
	Cost VND	Recoverable amount VND	Provision VND
Total overdue receivables that are doubtful	525,188,766,932	23,763,564,625	501,425,202,307
<hr/>			
	31.12.2022		
	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

9 INVENTORIES

	30.6.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	49,595,661,865	-	88,839,497,430	-
Raw materials	721,800,648,830	(31,946,391,693)	836,100,716,877	(35,332,591,215)
Tools and supplies	67,146,794,859	-	76,960,681,374	-
Merchandise	138,386,775,067	-	151,052,349,514	-
	976,929,880,621	(31,946,391,693)	1,152,953,245,195	(35,332,591,215)
Provision for decline in value of inventories	(31,946,391,693)		(35,332,591,215)	
	944,983,488,928		1,117,620,653,980	

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

	For the 6-month period ended 30.6.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/year	35,332,591,215	54,607,140,942
Reversal (Note 27)	(3,386,199,522)	(19,274,549,727)
End of period/year	31,946,391,693	35,332,591,215

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

10 PREPAID EXPENSES**(a) Short-term**

	30.6.2023 VND	31.12.2022 VND
Rental (copyrights, office, channels, transmission lines, cable)	74,233,839,487	104,903,018,372
Others	65,996,761,608	57,413,493,380
	<u>140,230,601,095</u>	<u>162,316,511,752</u>

(b) Long-term

	30.6.2023 VND	31.12.2022 VND
Service deployment costs for new subscribers (*)	1,785,860,997,227	1,702,047,122,673
Office rental	298,401,779,461	303,176,777,899
Others	273,733,943,904	309,493,215,347
	<u>2,357,996,720,592</u>	<u>2,314,717,115,919</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 2.13).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

11 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
Historical cost					
As at 1 January 2023	212,375,019,192	10,779,336,569,563	195,223,328,920	19,216,714,362	11,206,151,632,037
New purchases	-	320,870,434,390	1,386,329,094	2,518,522,727	324,775,286,211
Transfers from construction in progress	-	501,949,614,271	73,722,500	-	502,023,336,771
Reclassification (Note 11(b))	1,062,423,833	3,500,000	-	-	1,065,923,833
Disposals, write-off	-	(101,875,947,992)	(697,632,353)	(664,545,455)	(103,238,125,800)
As at 30 June 2023	213,437,443,025	11,500,284,170,232	195,985,748,161	21,070,691,634	11,930,778,053,052
Accumulated depreciation					
As at 1 January 2023	(74,563,131,948)	(5,947,260,867,835)	(176,169,030,273)	(13,598,388,402)	(6,211,591,418,458)
Charge for the period	(3,960,014,562)	(592,681,924,644)	(3,590,486,615)	(934,552,637)	(601,166,978,458)
Reclassification (Note 11(b))	-	(3,500,000)	-	-	(3,500,000)
Disposals, write-off	-	89,822,519,076	622,632,353	664,545,455	91,109,696,884
As at 30 June 2023	(78,523,146,510)	(6,450,123,773,403)	(179,136,884,535)	(13,868,395,584)	(6,721,652,200,032)
Net book value					
As at 1 January 2023	137,811,887,244	4,832,075,701,728	19,054,298,647	5,618,325,960	4,994,560,213,579
As at 30 June 2023	134,914,296,515	5,050,160,396,829	16,848,863,626	7,202,296,050	5,209,125,853,020

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2023 were VND 3,410,901,147,008 (as at 31 December 2022: VND 3,152,981,662,304).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

11 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 2023	163,558,151,413	753,927,547,130	183,281,220,036	1,100,766,918,579
New purchases	10,877,965,243	1,102,884,230	3,450,937,832	15,431,787,305
Reclassification (Note 11(a))	(1,062,423,833)	-	(3,500,000)	(1,065,923,833)
As at 30 June 2023	173,373,692,823	755,030,431,360	186,728,657,868	1,115,132,782,051
Accumulated amortization				
As at 1 January 2023	-	(376,593,920,234)	(108,363,390,121)	(484,957,310,355)
Charge for the period	-	(26,393,418,927)	(18,097,043,709)	(44,490,462,636)
Reclassification (Note 11(a))	-	-	3,500,000	3,500,000
As at 30 June 2023	-	(402,987,339,161)	(126,456,933,830)	(529,444,272,991)
Net book value				
As at 1 January 2023	163,558,151,413	377,333,626,896	74,917,829,915	615,809,608,224
As at 30 June 2023	173,373,692,823	352,043,092,199	60,271,724,038	585,688,509,060

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 2.11).

The historical cost of fully amortized intangible fixed assets of the Company and its subsidiaries but still in use as at 30 June 2023 were VND 80,346,026,238 (as at 31 December 2022: VND 64,863,498,138).

12 CONSTRUCTION IN PROGRESS

	30.6.2023 VND	31.12.2022 VND
Data Center - District No.9	224,080,415,201	177,411,715,340
Data Center - FPT Telecom Tan Thuan	10,643,913,308	234,304,468
North-South trunk road system	25,176,851,792	39,830,766,443
FPT Telecom Tower - District No.7	1,642,511,537	3,992,511,537
Telecommunication infrastructures (*)	84,005,079,375	137,936,145,768
	345,548,771,213	359,405,443,556

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

13 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:

	30.6.2023 VND	31.12.2022 VND
Deferred income tax assets	3,416,168,700	532,705,381
Deferred income tax liabilities	-	(218,148,233)

The gross movements in deferred income tax, excluding offsetting of balances related to the same tax authority and same taxable unit, during the period/year are as follows:

	For the 6-month period ended 30.6.2023 VND	For the year ended 31.12.2022 VND
Deferred income tax assets		
Beginning of period/year	532,705,381	5,705,551,007
Recognised in the interim consolidated income statement (Note 32)	2,883,463,319	(5,172,845,626)
End of period/year	3,416,168,700	532,705,381
Deferred income tax liabilities		
Beginning of period/year	(218,148,233)	(10,248,476)
Recognised in the interim consolidated income statement (Note 32)	218,148,233	(207,899,757)
End of period/year	-	(218,148,233)

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2023 VND	31.12.2022 VND
Third parties	105,274,013,917	66,859,281,023
<i>In which:</i>		
- Asia Commercial Joint Stock Bank	29,742,909,040	3,279,240,030
- Others	75,531,104,877	63,580,040,993
Related parties (Note 35(b))	1,377,927,785	1,030,178,353
	106,651,941,702	67,889,459,376

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

15 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.06.2023		31.12.2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	1,045,221,375,304	1,045,221,375,304	1,420,493,283,339	1,420,493,283,339
<i>In which:</i>				
- Hisense Broadband Multimedia Technologies Co., Ltd	118,899,042,900	118,899,042,900	72,800,872,000	72,800,872,000
- Others	926,322,332,404	926,322,332,404	1,347,692,411,339	1,347,692,411,339
Related parties (Note 35(b))	50,300,374,122	50,300,374,122	156,096,905,215	156,096,905,215
	<u>1,095,521,749,426</u>	<u>1,095,521,749,426</u>	<u>1,576,590,188,554</u>	<u>1,576,590,188,554</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

16 TAXES AND RECEIVABLES FROM/PAYABLES TO THE STATE

	30.6.2023 VND	31.12.2022 VND
(a) Receivables		
VAT	-	47,871,244,756
CIT	7,536,153,628	72,166,759,453
Personal income tax	848,259,936	37,965,676,266
Foreign contractor tax	365,255,387	2,365,985,307
	<u>8,749,668,951</u>	<u>160,369,665,782</u>
(b) Payables		
VAT	70,359,823,136	18,186,457,762
CIT	135,360,450,633	14,878,563,772
Personal income tax	10,948,792,670	5,697,422,103
Foreign contractor tax	2,542,861,330	2,205,694,582
Others	420,000	-
	<u>219,212,347,769</u>	<u>40,968,138,219</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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

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

	As at 1.1.2023 VND	Incurred during the period VND	Payment/offset during the period VND	As at 30.6.2023 VND
Output VAT	(29,684,786,994)	1,145,696,872,163	(1,045,652,262,033)	70,359,823,136
Import VAT	-	70,321,732,083	(70,321,732,083)	-
CIT	(57,288,195,681)	305,604,703,580	(120,492,210,894)	127,824,297,005
Foreign contractor tax	(160,290,725)	28,594,745,935	(26,256,849,267)	2,177,605,943
Personal income tax	(32,268,254,163)	204,847,908,925	(162,479,122,028)	10,100,532,734
Import tax	-	67,656,145	(67,656,145)	-
Others	-	604,105,329	(603,685,329)	420,000
	<u>(119,401,527,563)</u>	<u>1,755,737,724,160</u>	<u>(1,425,873,517,779)</u>	<u>210,462,678,818</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

17 SHORT-TERM ACCRUED EXPENSES

	30.6.2023 VND	31.12.2022 VND
Interest expense	96,811,319,298	88,184,202,440
Others (*)	151,371,621,198	69,601,922,502
	<u>248,182,940,496</u>	<u>157,786,124,942</u>

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

18 UNEARNED REVENUE**(a) Short-term**

	30.6.2023 VND	31.12.2022 VND
Advance from customers for telecommunication services	1,592,863,540,422	1,548,863,526,027
Others	1,796,804,088	1,772,804,088
	<u>1,594,660,344,510</u>	<u>1,550,636,330,115</u>

(b) Long-term

	30.6.2023 VND	31.12.2022 VND
Advance from customers for telecommunication services	5,760,373,267	5,513,554,636
Others	30,580,870,315	31,467,272,359
	<u>36,341,243,582</u>	<u>36,980,826,995</u>

19 OTHER SHORT-TERM PAYABLES

	30.6.2023 VND	31.12.2022 VND
Related parties (Note 35(b))	20,653,771,134	2,049,141,272
Deposits	117,589,727,671	121,036,283,832
Others	91,069,918,000	88,272,541,601
	<u>229,313,416,805</u>	<u>211,357,966,705</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

20 BORROWINGS

(a) Short-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	Foreign exchange revaluation VND	As at 30.6.2023 VND
Short-term borrowings (*)	4,450,018,862,428	10,134,587,079,616	(6,181,306,367,758)	(6,072,114,196)	8,397,227,460,090
Current portion of long-term borrowings (**)	690,483,161,195	39,991,556,359	(72,991,604,839)	-	657,483,112,715
	<u>5,140,502,023,623</u>	<u>10,174,578,635,975</u>	<u>(6,254,297,972,597)</u>	<u>(6,072,114,196)</u>	<u>9,054,710,572,805</u>

(*) Included unsecured short-term loans from banks to finance the Company's business activities. Interest rates are specified in each drawdown ranging from 4.8% per annum to 8% per annum (in 2022: from 1.98% per annum to 8% per annum).

(b) Long-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	As at 30.6.2023 VND
Long-term borrowings (**)	<u>39,991,556,359</u>	<u>-</u>	<u>(39,991,556,359)</u>	<u>-</u>

(**) Included unsecured long-term loans from banks to finance the Company's business activities. Interest rates are specified in each drawdown ranging from 4.3% per annum to 7.2% per annum (in 2022: from 4.3% per annum to 7.2% per annum).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

20 BORROWINGS (CONTINUED)

Details of borrowings in original currencies are as follows:

	30.6.2023		31.12.2022	
	Original amount	VND equivalent	Original amount	VND equivalent
US Dollars ("USD")	211,400,000	4,952,112,200,000	73,400,000	1,705,387,321,453
Vietnamese Dong ("VND")	4,102,598,372,805	4,102,598,372,805	3,475,106,258,529	3,475,106,258,529
		<u>9,054,710,572,805</u>		<u>5,180,493,579,982</u>

Borrowings in foreign currencies hedged with swap and forward contracts are as follows:

	30.6.2023		31.12.2022	
	Original amount	Original amount hedged	Original amount	Original amount hedged
USD	<u>211,400,000</u>	<u>211,400,000</u>	<u>73,400,000</u>	<u>73,400,000</u>

21 BONUS AND WELFARE FUNDS

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

	For the 6-month period ended 30.6.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/year	349,990,820,900	288,287,363,789
Appropriated from undistributed earnings	-	234,162,324,376
Utilised during the period/year	(132,232,555,200)	(172,558,867,265)
Others	30,000,000	100,000,000
End of period/year	<u>217,788,265,700</u>	<u>349,990,820,900</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

22 OWNERS' CAPITAL**(a) Number of shares**

	30.6.2023 Ordinary shares	31.12.2022 Ordinary shares
Number of shares registered	328,339,538	328,339,538
Number of shares issued	-	-
Number of existing shares in circulation	328,339,538	328,339,538

Par value per share: VND 10,000.

(b) Details of owners' shareholding

	30.6.2023		31.12.2022	
	Ordinary shares	%	Ordinary shares	%
State Capital Investment Corporation				
– Company Limited	164,742,021	50.17	164,742,021	50.17
FPT Joint Stock Company	149,907,458	45.66	149,907,458	45.66
Other shareholders	13,690,059	4.17	13,690,059	4.17
	<u>328,339,538</u>	<u>100</u>	<u>328,339,538</u>	<u>100</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

23 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 1.1.2022	3,283,695,530,000	20,462,758,273	55,391,600,000	(300,150,000)	824,773,364,467	1,821,722,332,329	283,252,865,644	6,288,998,300,713
Net profit for the year	-	-	-	-	-	2,150,756,824,672	107,588,843,083	2,258,345,667,755
Cash dividends distribution	-	-	-	-	-	(328,339,538,000)	(64,081,496,000)	(392,421,034,000)
Appropriation to investment and development fund	-	-	-	-	599,722,147,739	(599,722,147,739)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(223,403,402,056)	(10,758,922,320)	(234,162,324,376)
Cancellation of treasury shares	(300,150,000)	-	-	300,150,000	-	19,404,386,097	(3,428)	(1,058,375,604)
Other movements	-	(20,462,758,273)	-	-	-	-	-	-
As at 31.12.2022	3,283,395,380,000	-	55,391,600,000	-	1,424,495,512,206	2,840,418,455,303	316,001,286,979	7,919,702,234,488
Net profit for the period	-	-	-	-	-	1,197,912,928,430	13,748,503,065	1,211,661,431,495
Cash dividends distribution	-	-	-	-	-	(985,018,614,000)	(40,050,935,000)	(1,025,069,549,000)
Other movements	-	-	-	-	-	(2,147,854,886)	-	(2,147,854,886)
As at 30.6.2023	3,283,395,380,000	-	55,391,600,000	-	1,424,495,512,206	3,051,164,914,847	289,698,855,044	8,104,146,262,097

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

24 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 period, excluding ordinary shares repurchased by the Company and held as treasury shares. Details are as follows:

	For the six-month period ended 30 June	
	2023	2022
Net profit attributable to shareholders (VND)	1,197,912,928,430	1,106,120,043,323
Less amount allocated to bonus and welfare fund (*)	-	-
Basic earnings	1,197,912,928,430	1,106,120,043,323
Weighted average number of ordinary shares in circulation (shares)	328,339,538	328,339,538
Basic earnings per share (VND)	3,648	3,369

(*) As at 30 June 2023 and 30 June 2022, the Company could not determine the deduction amount for bonus and welfare funds for the 6-month period. Therefore, the amount of bonus and welfare fund was not reflected in the calculation of basic earnings per share.

(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 period and up to the date of the interim consolidated financial statements.

25 OFF CONSOLIDATED BALANCE SHEET ITEMS

(a) Foreign currencies

As at 30 June 2023, included in cash and cash equivalents were balances held in foreign currencies of USD 2,672,402 (as at 31 December 2022: USD 4,513,645).

(b) Bad debt written off

	30.6.2023 VND	31.12.2022 VND
Bad debts	181,542,702,016	181,571,217,916

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

26 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended 30 June	
	2023 VND	2022 VND
Revenue		
Revenue from rendering of services	7,138,843,811,817	6,565,580,936,317
Revenue from sales of goods	544,243,062,530	513,209,249,439
	<u>7,683,086,874,347</u>	<u>7,078,790,185,756</u>
Sales deductions		
Sales returns	(52,216,700)	(767,898,356)
Trade discounts and other deductions	(1,062,150,723)	(1,357,077,626)
	<u>(1,114,367,423)</u>	<u>(2,124,975,982)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from rendering of services	7,137,781,661,094	6,564,223,858,691
Net revenue from sales of goods	544,190,845,830	512,441,351,083
	<u>7,681,972,506,924</u>	<u>7,076,665,209,774</u>

27 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended 30 June	
	2023 VND	2022 VND
Cost of services rendered	3,770,642,194,004	3,155,985,531,337
Cost of merchandise sold	482,067,059,242	436,637,965,964
Reversal of provision for decline in value of inventories (Note 9)	(3,386,199,522)	(16,211,829,701)
	<u>4,249,323,053,724</u>	<u>3,576,411,667,600</u>

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

28 FINANCIAL INCOME

	For the six-month period ended 30 June	
	2023 VND	2022 VND
Interest income	344,661,138,973	369,812,014,925
Foreign exchange gains	12,399,774,287	11,844,795,243
Dividends received from investees (Note 35(a))	2,000,000,000	-
	<u>359,060,913,260</u>	<u>381,656,810,168</u>

29 FINANCIAL EXPENSES

	For the six-month period ended 30 June	
	2023 VND	2022 VND
Interest expense	177,660,852,793	169,276,496,896
Foreign exchange losses	12,316,806,695	56,537,723,672
	<u>189,977,659,488</u>	<u>225,814,220,568</u>

30 SELLING EXPENSES

	For the six-month period ended 30 June	
	2023 VND	2022 VND
Staff costs	741,037,458,880	732,098,322,886
Advertising costs	149,597,022,357	138,321,625,306
Others (*)	108,160,776,628	89,693,070,404
	<u>998,795,257,865</u>	<u>960,113,018,596</u>

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

31 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended 30 June	
	2023 VND	2022 VND
Staff costs	713,014,342,663	901,544,276,205
Others (*)	378,747,238,758	336,889,233,588
	<u>1,091,761,581,421</u>	<u>1,238,433,509,793</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.

32 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:

	For the six-month period ended 30 June	
	2023 VND	2022 VND
Accounting profit before tax	1,514,164,523,523	1,445,253,028,821
Tax calculated at a rate of 20%	302,832,904,705	289,050,605,764
Effect of:		
Income not subject to tax	(400,000,000)	(6,581,675,804)
Expense not deductible for tax purposes	22,000,000	(28,314,698)
Temporary differences for which no deferred income tax was recognised	(750,317,125)	400,000
Under-provision in previous years	721,860,925	2,018,244,697
Tax deduction/exemption	-	54,362,362
Others	76,643,523	-
CIT charge (*)	<u>302,503,092,028</u>	<u>284,513,622,321</u>
(Credited)/charged to the interim consolidated income statement:		
CIT – current	305,604,703,580	280,884,036,954
CIT – deferred	(3,101,611,552)	3,629,585,367
	<u>302,503,092,028</u>	<u>284,513,622,321</u>

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

33 COSTS OF OPERATION BY FACTOR

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

	For the six-month period ended 30 June	
	2023 VND	2022 VND
Raw materials	1,198,892,717,048	1,029,000,814,414
Staff costs	2,016,269,637,079	2,119,200,496,231
Depreciation and amortisation	645,647,293,091	565,419,825,493
External services	2,059,467,104,456	1,731,100,067,637
Others	419,603,141,336	330,236,992,214
	<u>6,339,879,893,010</u>	<u>5,774,958,195,989</u>

34 SEGMENT REPORTING

The Board of Management of the Company determines that the management decisions of the Company and its subsidiaries are based primarily on the types of products and services provided by the Company and its subsidiaries. As a result, the main segment of the Company and its subsidiaries is reported by business segments.

(a) Segment information based on the business activities

During the period, 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 and its subsidiaries do not present a segment report by business activities. Revenue and cost of goods sold and services rendered are presented in details in Note 26 and Note 27.

(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 all carried out within the territory of Vietnam. Therefore, the Company and its subsidiaries do not present a segment report by geographical area.

35 RELATED PARTY DISCLOSURES

The Company is controlled by FPT Joint Stock Company, a company incorporated in Vietnam. Although the Parent Company holds 45.66% 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.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

35 RELATED PARTY DISCLOSURES (CONTINUED)

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).*

The primary transactions with related parties incurred during the period are:

(a) Related party transactions

		For the six-month period ended 30 June	
		2023	2022
		VND	VND
i) Sales of goods and rendering of services			
FPT Software Company Limited	37,968,385,011	34,407,113,915	
FPT Information System Corporation	33,553,159,301	43,520,469,450	
FPT Digital Retail Joint Stock Company	22,082,013,130	11,856,966,468	
FPT Smart Cloud Company Limited	11,841,258,463	4,111,869,328	
FPT Joint Stock Company	7,252,534,368	3,842,024,658	
FPT University	6,598,875,334	4,629,253,184	
Synnex FPT Distribution Company Limited	2,204,700,806	2,122,242,940	
Other fellow group companies	5,949,695,727	3,330,365,951	
	127,450,622,140	107,820,305,894	
ii) Purchase of fixed assets, goods and services			
FPT Information System Corporation	193,806,349,620	140,873,707,675	
Synnex FPT Distribution Company Limited	75,974,713,743	131,637,892,414	
FPT Joint Stock Company	65,926,755,132	61,327,749,296	
FPT Digital Retail Joint Stock Company	5,739,610,223	8,227,395,809	
FPT Smart Cloud Company Limited	4,655,417,816	3,584,105,333	
FPT Software Company Limited	1,123,998,321	3,186,326,150	
Other fellow group companies	519,624,552	263,762,894	
	347,746,469,407	349,100,939,571	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

35 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

		For the six-month period ended 30 June	
		2023 VND	2022 VND
iii)	Cash dividend distribution		
	FPT Joint Stock Company	449,722,374,000	149,907,458,000
	State Capital Investment Corporation – Company Limited	494,226,063,000	164,742,021,000
	Other shareholders	41,070,177,000	13,690,059,000
		<u>985,018,614,000</u>	<u>328,339,538,000</u>
iv)	Dividend income (Note 28)		
	FPT Fund Management Joint Stock Company	<u>2,000,000,000</u>	<u>-</u>
v)	Lendings		
	FPT Joint Stock Company	<u>30,000,000,000</u>	<u>91,000,000,000</u>
vi)	Interest income		
	FPT Joint Stock Company	<u>294,123,288</u>	<u>775,561,644</u>
vii)	Remuneration of the Board of Directors, the Board of Supervision and salaries of General Director and other key management		
	Remuneration, gross salaries and other benefits	<u>3,390,281,720</u>	<u>4,620,000,000</u>
(b)	Period/year-end balances with related parties		
		30.6.2023 VND	31.12.2022 VND
i)	Cash at FPT central account		
	FPT Joint Stock Company	<u>116,227,042</u>	<u>362,640,459</u>
ii)	Short-term trade accounts receivable (Note 5)		
	FPT Information System Corporation	20,744,818,966	12,865,688,622
	FPT Software Company Limited	18,286,631,242	2,596,770,871
	FPT Digital Retail Joint Stock Company	7,248,861,078	799,091,021
	FPT Smart Cloud Company Limited	1,912,130,973	-
	Synnex FPT Distribution Company Limited	378,795,952	288,589,390
	FPT Joint Stock Company	247,942,723	1,532,344,125
	Other fellow group companies	1,823,529,241	2,737,925,903
		<u>50,642,710,175</u>	<u>20,820,409,932</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

35 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Period/year-end balances with related parties (continued)

	30.6.2023 VND	31.12.2022 VND
iii) Short-term lendings		
FPT Joint Stock Company	30,000,000,000	-
iv) Other short-term receivables		
FPT Joint Stock Company	295,092,620	367,864
FPT Digital Retail Joint Stock Company	33,713,330	-
	328,805,950	367,864
v) Short-term trade accounts payable (Note 15)		
Synnex FPT Distribution Company Limited	21,870,968,224	39,565,780,782
FPT Joint Stock Company	23,219,914,750	21,941,567,281
FPT Information System Corporation	3,565,496,566	90,067,525,544
FPT Smart Cloud Company Limited	1,096,293,253	2,191,789,136
FPT Digital Retail Joint Stock Company	450,185,377	1,812,181,600
FPT Software Company Limited	73,764,895	517,265,092
Other fellow group companies	23,751,057	795,780
	50,300,374,122	156,096,905,215
vi) Short-term advances from customers (Note 14)		
FPT Software Company Limited	836,390,770	159,113,570
FPT Information System Corporation	64,171,615	760,586,393
Other fellow group companies	477,365,400	110,478,390
	1,377,927,785	1,030,178,353
vii) Other short-term payables (Note 19)		
Cash collection on behalf of related parties	637,416,451	67,487,789
Profit and dividends payables	20,016,354,683	1,981,653,483
<i>In which:</i>		
- FPT Joint Stock Company	17,643,958,000	-
- Other shareholders	2,372,396,683	1,981,653,483
	20,653,771,134	2,049,141,272

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

36 COMMITMENTS**(a) Operating lease commitments**

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

	30.6.2023 VND	31.12.2022 VND
Under 1 year	159,759,003,760	173,297,696,409
From 1 to 5 years	213,674,667,523	242,136,397,327
Above 5 years	16,666,350,597	39,071,304,844
Total minimum payments	390,100,021,880	454,505,398,580

(b) Capital commitments

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

	30.6.2023 VND	31.12.2022 VND
Data centers	22,739,904,974	19,275,669,609
Others	2,848,339,597	-
	25,588,244,571	19,275,669,609

37 CONTINGENT LIABILITIES**Land restoration obligations:**

The Company and its subsidiaries signed land rental contracts and carried out the construction and infrastructure on these lands. Majority of the land rental contracts do not explicitly state the obligations of the Company and its subsidiaries in removing the building, structures and other assets out of the leased lands at the end of the rental periods. These obligations can only be ascertained upon the discussion and agreement between the Company, its subsidiaries and the landlords at the end of rental periods. At the approval date of these interim consolidated financial statements, the land restoration obligations of the Company and its subsidiaries haven't been determined. Accordingly, the Company and its subsidiaries did not recognise a provision for land restoration costs in the interim consolidated financial statements for the six month period ended 30 June 2023.

The interim consolidated financial statements for the six-month period ended 30 June 2023 were approved by the Company's Board of Management on 4 August 2023.

Nguyen Thi Hong
Preparer

Nguyen Thi Thu Huong
Chief Accountant



Nguyen Hoang Linh
General Director
Legal Representative