



FPT CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER II - 2016



FPT CORPORATIONFPT Cau Gay Building, Duy Tan Street, Dich Vong Hau Ward
Cau Gay District, Hanoi, S.R. Vietnam**Consolidated financial statements**

For the period ended 30 Jun 2016

CONSOLIDATED BALANCE SHEET

As at 30 Jun 2016

FORM B 01-DN/HN

Unit: VND

NO.	ASSET	Codes	Notes	30/6/2016	31/12/2015
A - CURRENT ASSETS		100		17,801,376,676,329	18,959,009,136,105
I. Cash and cash equivalents		110	5	3,875,543,217,939	3,584,709,151,769
1 Cash		111		1,557,235,903,894	1,879,397,318,868
2 Cash equivalents		112		2,318,307,314,045	1,705,311,832,901
II. Short-term financial investments		120	6	2,736,219,157,412	2,617,441,917,720
1 Held-to-maturity investments		123		2,736,219,157,412	2,617,441,917,720
III. Short-term receivables		130		5,342,237,880,622	5,534,209,011,621
1 Short-term trade receivables		131	7	4,242,145,217,252	4,477,122,078,998
2 Short-term advances to suppliers		132		387,447,591,247	346,030,178,124
3 Receivables from construction contracts under percentage of completion method		134		458,676,063,320	516,837,479,455
4 Other short-term receivables		136	8	555,974,157,952	476,421,501,226
5 Provision for short-term doubtful debts		137		(302,005,149,151)	(282,202,226,182)
IV. Inventories		140	10	4,693,664,582,214	5,268,099,617,220
1 Inventories		141		4,774,409,637,783	5,332,031,654,362
2 Provision for devaluation of inventories		149		(80,745,055,569)	(63,932,037,142)
V. Other short-term assets		150		1,153,711,838,143	1,954,549,437,775
1 Short-term prepayments		151		743,512,083,028	829,521,434,436
2 Value added tax deductibles		152		386,652,180,577	1,106,181,985,080
3 Taxes and other receivables from the State budget		153	18	23,547,574,538	18,846,018,259
B - NON-CURRENT ASSETS		200		7,543,128,306,561	7,086,579,408,323
I. Long-term receivables		210		364,224,312,786	348,638,580,505
1 Long-term trade receivables		211		242,327,520,000	242,327,520,000
2 Other long-term receivables		216	8	175,747,621,014	160,161,888,733
3 Provision for long-term doubtful debts		219		(53,850,828,228)	(53,850,828,228)
II. Fixed assets		220		4,485,984,585,934	4,292,253,138,079
1 Tangible fixed assets		221	11	4,182,577,930,936	3,971,402,119,342
<i>Cost</i>		222		7,519,989,904,869	6,937,072,376,415
<i>Accumulated depreciation</i>		223		(3,337,411,973,934)	(2,965,670,257,073)
2 Finance lease assets		224		2,692,353,405	1,737,003,927
<i>Cost</i>		225		3,558,035,672	2,400,601,505
<i>Accumulated depreciation</i>		226		(865,682,267)	(663,597,578)
3 Intangible fixed assets		227	12	300,714,301,594	319,114,014,810
<i>Cost</i>		228		630,340,948,748	610,345,105,736
<i>Accumulated amortisation</i>		229		(329,626,647,154)	(291,231,090,926)
III. Long-term assets in progress		240		882,477,803,298	692,575,366,258
1 Long-term work in progress		241		14,160,749,733	13,400,125,582
2 Long-term construction in progress		242	13	868,317,053,565	679,175,240,676
IV. Long-term financial investments		250		739,068,597,834	727,905,697,262
1 Investments in joint-ventures, associates		252	15	276,930,524,506	271,434,002,318
2 Equity investments in other entities		253	6	653,932,954,088	632,649,372,195
3 Provision for impairment of long-term financial investments		254		(191,794,880,760)	(176,177,677,251)
VI. Other long-term assets		260		1,071,373,006,709	1,025,206,626,219
1 Long-term prepayments		261		896,082,789,432	808,536,902,438
2 Deferred tax assets		262	16	175,290,217,277	216,669,723,781
TOTAL ASSETS		270		25,344,504,982,890	26,045,588,544,428

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 Jun 2016

FORM B 01-DN/HN

Unit: VND

NO.	RESOURCES	Codes	Notes	30/6/2016	31/12/2015
A - LIABILITIES		300		14,434,112,158,620	15,863,302,791,405
I. Current liabilities		310		13,305,699,676,987	14,967,554,324,100
1	Short-term trade payables	311	17	2,519,575,997,154	2,815,055,125,562
2	Short-term advances from customers	312		462,307,513,060	296,629,535,411
3	Taxes and amounts payable to the State Budget	313	18	189,225,586,455	318,469,453,775
4	Payables to employees	314		368,340,669,423	694,086,202,995
5	Short-term accrued expenses	315	19	602,456,088,552	518,769,375,019
6	Payables relating to construction contracts under percentage of completion method	317		18,226,516,154	12,916,413,403
7	Short-term unearned revenue	318	20	1,246,781,398,098	1,491,947,971,642
8	Other current payables	319	21	318,750,434,730	302,282,737,618
9	Short-term loans and obligations under finance leases	320	22	7,461,561,358,475	8,191,325,008,702
10	Short-term provisions	321	23	8,432,451,605	16,952,179,257
11	Bonus and welfare funds	322		110,041,663,282	309,120,320,716
II. Long-term liabilities		330		1,128,412,481,633	895,748,467,305
1	Long-term advances from customers	332		54,000,000,000	54,207,388,091
2	Long-term unearned revenue	336		55,917,924,570	34,976,753,365
3	Other long-term payables	337	21	157,372,178,718	185,412,671,965
4	Long-term loans and obligations under finance leases	338	24	854,443,052,022	614,354,593,251
5	Long-term provisions	342	23	6,487,230,040	6,604,964,350
6	Scientific and technological development fund	343		192,096,283	192,096,283
B - EQUITY		400		10,910,392,824,269	10,182,285,753,023
I. Owner's equity		410		10,907,642,824,269	10,179,535,753,023
1	Owner's contributed capital	411	25	4,594,266,840,000	3,975,316,400,000
	- Ordinary shares carrying voting rights	411a		4,594,266,840,000	3,975,316,400,000
2	Share premium	412	25	49,465,703,201	49,465,703,201
3	Treasury shares	415	25	(823,760,000)	(823,760,000)
4	Foreign exchange reserve	417	25	12,637,304,288	(6,549,325,268)
5	Investment and development funds	418	25	74,545,823,741	79,036,549,084
6	Other reserves	420	25	87,228,024,484	87,227,790,014
7	Retained earnings	421	25	4,249,998,740,248	4,394,554,749,025
	- Retained earnings accumulated to the prior period	421a		3,388,305,599,910	3,051,113,855,690
	- Retained earnings of the current period	421b		861,693,140,339	1,343,440,893,335
8	Non-controlling interests	429		1,840,324,148,307	1,601,307,646,967
II. Other resources and funds		430		2,750,000,000	2,750,000,000
1	Non-business expenditure fund	431		2,750,000,000	2,750,000,000
TOTAL RESOURCES		440		25,344,504,982,890	26,045,588,544,428

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien

Hanoi, 29 July 2016

Executive Vice President



Nguyen The Phuong

FPT CORPORATION

 FPT Cau Giay Building, Duy Tan Street, Dich Vong Hau Ward
 Cau Giay District, Hanoi, S.R. Vietnam

Consolidated financial statements

For the period ended 30 Jun 2016

CONSOLIDATED INCOME STATEMENT

For the period ended 30 Jun 2016

No.	ITEMS	Codes	Notes	In period		Year to date	
				2016	2015	2016	2015
1	Gross revenue from goods sold and services rendered	01		9,213,317,509,766	9,479,161,552,625	17,915,907,813,938	18,237,232,496,581
	- Net sales of merchandise and services (*)			9,251,206,260,145	9,763,603,842,153	17,818,303,124,460	19,328,072,952,217
2	Deductions	02		254,791,077,187	150,621,636,728	490,863,120,340	267,211,130,394
3	Net revenue from goods sold and services rendered	10	26	8,958,526,432,579	9,328,539,915,897	17,425,044,693,598	17,970,021,366,187
4	Cost of sales	11	27	7,024,976,073,110	7,526,627,132,917	13,805,342,987,214	14,478,390,707,266
5	Gross profit from sales	20		1,933,550,359,468	1,801,912,782,980	3,619,701,706,383	3,491,630,658,921
6	Financial income	21	28	159,032,637,935	98,267,830,949	320,438,011,821	187,687,882,515
7	Financial expenses	22	29	223,845,440,891	142,841,952,425	348,230,317,043	263,658,529,102
	<i>In which: interest expense</i>	23		107,257,164,992	65,642,153,436	171,058,963,824	106,483,638,633
8	Share of profit of associates	24		9,941,580,589	8,970,427,651	17,329,160,640	17,871,273,847
9	Selling expenses	25		575,833,289,549	523,476,460,522	1,172,321,077,836	1,046,200,380,319
10	General and administration expenses	26		629,558,175,148	541,716,475,563	1,207,775,623,137	1,062,187,687,905
11	Operating profit	30		673,287,672,405	701,116,153,071	1,229,141,860,829	1,325,143,217,957
12	Other income	31		32,176,848,795	12,063,446,445	50,812,383,786	50,146,762,640
13	Other expenses	32		11,767,717,682	8,155,053,886	22,438,951,075	24,933,429,936
14	Profit from other activities	40		20,409,131,113	3,908,392,559	28,373,432,711	25,213,332,704
15	Accounting profit before tax	50		693,696,803,518	705,024,545,630	1,257,515,293,540	1,350,356,550,661
16	Current tax expense	51		74,546,875,005	125,417,226,089	160,182,061,973	227,192,337,317
17	Deferred tax expense/(income)	52		(10,202,846,329)	(10,901,745,596)	20,635,008,953	(14,693,630,345)
18	Profit after tax (60=50-51-52)	60		629,352,774,842	590,509,065,137	1,076,698,222,614	1,137,857,843,689
	- Equity holders of the Holding Company	61		515,166,269,455	456,633,177,457	861,693,140,339	881,294,008,656
	- Non-controlling interests	62		114,186,505,388	133,875,887,680	215,005,082,276	256,563,835,033
19	Basic earnings per share	70	30	1,125	1,001	1,881	1,932
20	Diluted earnings per share	71		1,125	1,001	1,881	1,932

Note:

(*) Revenue including revenue from external customer and internal revenue within the Corporation for business purposes (For example: Revenue from sale of Internet service of FPT Telecom to other entities within the Corporation).

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien



Nguyen The Phuong

CONSOLIDATED CASH FLOW STATEMENT
 For the period ended 30 Jun 2016

FORM B 03-DN/HN
 Unit: VND

No.	ITEMS	Codes	YEAR	
			2016	2015
I	Cash flows from operating activities			
1	Profit before tax	01	1,257,515,293,540	1,350,356,550,661
2	Adjustments for:			
	- Depreciation and amortisation	02	417,510,043,422	345,334,424,834
	- Provisions	03	51,161,069,226	37,189,381,080
	- Foreign exchange (gain)/ loss arising from translating foreign currency items	04	3,512,087,007	2,035,058,010
	- (Gain)/losses from investing activities	05	(159,105,969,768)	(109,896,666,088)
	- Interest expense	06	171,058,963,824	106,483,638,633
3	Operating profit before movements in working capital	08	1,741,651,487,252	1,731,502,387,129
	- (Increase)/Decrease in receivables	09	816,122,106,071	(476,874,918,510)
	- (Increase)/Decrease in inventories	10	556,861,392,428	(239,740,514,803)
	- (Decrease)/Increase in accounts payable (not including accrued interest and corporate income tax payable)	11	(597,810,126,600)	(148,552,303,301)
	- (Increase)/Decrease in prepaid expenses	12	(1,536,535,585)	219,539,455,110
	- Interest paid	14	(176,632,482,377)	(111,782,622,929)
	- Corporate income tax paid	15	(259,744,412,899)	(221,471,503,735)
	- Other cash inflows/(outflows)	17	(183,775,361,708)	(51,159,346,761)
	Net cash from operating activities	20	1,895,136,066,581	701,460,632,200
II	Cash flows from investing activities			
1	Acquisition of fixed assets and other long-term assets	21	(818,072,715,305)	(1,322,098,960,537)
2	Proceeds from sale, disposal of fixed assets and other long-term	22	826,120,204	2,969,606,305
3	Cash inflow/outflow from lending and trading debt instruments	23	(152,737,172,849)	205,709,230,000
4	Investments in other entities	25	(71,340,954,182)	-
5	Cash recovered from investments in other entities	26	165,304,398,763	-
6	Interest earned, dividends received	27	137,916,770,248	141,435,240,824
	Net cash (used in) investing activities	30	(738,103,553,122)	(971,984,883,408)
III	Cash flows from financing activities			
1	Proceeds from issuing stocks	31	63,868,290,000	26,724,470,000
2	Capital withdrawals, buying treasury shares and proceeds from shares re-issued	32	(1,506,300,000)	(100,000,000)
3	Proceeds from borrowings	33	10,302,470,854,608	11,206,738,665,975
4	Repayments of borrowings	34	(10,792,146,046,064)	(11,730,885,868,321)
5	Dividends paid	36	(438,885,245,833)	(577,094,834,753)
	Net cash from/(used in) financing activities	40	(866,198,447,289)	(1,074,617,567,099)
	Net (decrease) in cash	50	290,834,066,170	(1,345,141,818,307)
	Cash and cash equivalents at the beginning of the period	60	3,584,709,151,769	4,336,282,447,769
	Cash and cash equivalents at the end of the period	70	3,875,543,217,939	2,991,140,629,461

Preparer



Nguyen Tien Hao

Chief Accountant



Hoang Huu Chien

Hanoi, 29 July 2016
 Executive Vice President



Nguyen The Phuong

FPT CORPORATION

FPT Cau Giay Building, Duy Tan Street, Dich Vong Hau Ward
Cau Giay District, Hanoi, S.R. Vietnam

Consolidated financial statements

For the period ended 30 Jun 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FORM B 09-DN/HN**

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

1. GENERAL INFORMATION**Structure of ownership**

FPT Corporation was incorporated as a State-owned company in Vietnam and subsequently equitised in accordance with Decision No. 178/QĐ-TTg, following which the Company officially operated as a joint stock company. FPT Corporation was established under the Business Registration Certificate No. 0103001041 issued for the first time by Hanoi Department of Planning and Investment dated on 13 May 2002 and its amendments.

According to the amended Business Registration Certificate dated 19 December 2008, the Corporation changed its name from the Corporation for Financing and Promoting Technology to FPT Corporation.

According to the amended Business Registration Certificate dated 23 June 2016, the Company's charter capital is VND 4,594,266,840,000.

Since December 2006, the Corporation's shares have been listed on Ho Chi Minh City Stock Exchange.

The total number of the Corporation's employees as at 30 June 2016 was 26,489 (at 31 December 2015 was 26,818).

Operating industry and principal activities

The principal activities of the Corporation are to provide IT and telecommunication products and services. The main products and services provided are (i) software development including software outsourcing; software solutions, software services and ERP services; (ii) system integration; (iii) informatics services including system management, BPO service, Data Center service etc.; (iv) telecommunication services including internet services and value added services; (v) digital content service including online advertising, etc.; (vi) college, university and postgraduate training services; (vii) production, distribution and retails of IT and telecommunication products.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months or less except some system integration projects are carried out for a time period of more than 12 months.

The Corporation's structure

As at 30 June 2016, FPT Corporation had 9 subsidiaries, as follows:

- FPT Information System Corporation;
- FPT Trading Company Limited;
- FPT Telecom Joint Stock Company;
- FPT Software Company Limited;
- FPT Education Company Limited;
- FPT Online Services Joint Stock Company;
- FPT Investment Company Limited;
- FPT Digital Retail Joint Stock Company;
- FPT Media Company Limited.

and 2 associates:

- FPT Fund Management Joint Stock Company
- FPT Securities Joint Stock Company

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**Accounting convention**

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

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

Accounting period

The Corporation's financial year begins on 01 January and ends on 31 December. These consolidated financial statements have been prepared for the period from 01 January 2016 to 30 June 2016.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year (reporting period). Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) up to 31 December each year. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent's ownership interests in them. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combination

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Investments in associates**

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. After acquisition date, if the Parent continues making investment in the subsidiary, it should determine the cost of additional investment and corresponding increase in ownership of the carrying value of the acquired net asset of the subsidiary (not applying fair value as on acquisition date). The difference between the cost of additional investment and the carrying value of the acquired net asset should be recorded directly into retained earnings (similar to transactions among internal shareholders).

Goodwill arising on the acquisition date is presented separately as an intangible asset in the consolidated balance sheet and is amortised on the straight-line basis in the consolidated income statement according to current regulation. In case where the amount of goodwill impairment loss in the period is more than the annual amortised amount on the straight-line basis, the loss amount shall be recognised.

On disposal of a subsidiary, the attributable amount of unmortised goodwill is reduced corresponding to the disposed share proportion and included in retained earnings in case where the Parent remains its control of the subsidiary, or reduced in full and included in the determination of the profit or loss in case where the Parent loses the control.

Financial instruments**Initial recognition***Financial assets*

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Corporation comprise cash and cash equivalents, trade and other receivables, short-term and long-term investments, and other financial assets.

Financial liabilities

At the date of initial recognition, financial liabilities are recognised at cost.

Financial liabilities of the Corporation comprise trade and other payables, accruals, borrowings, obligations under finance leases and accrued expenses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Subsequent measurement after initial recognition**

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments***Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

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

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

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

Equity investments in other entities

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

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

Provision for impairment of long-term financial investment

Provisions for impairment of long-term financial investments are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations. In some cases, according to estimate of the Board of Director, the Corporation prudently makes more provision for impairment of long-term financial investment than requisition of prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

FPT CORPORATION

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Consolidated financial statements

For the period ended 30 Jun 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FORM B 09-DN/HN**

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, direct labor costs, and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost of inventories within the Corporation is calculated using the first in first out (FIFO) method and inventory recording method is the perpetual method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling, and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased tangible fixed assets comprises their purchase price and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

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

	2016 (Years)
Buildings and structures	5 – 25
Machinery and equipment	3 – 25
Motor vehicles	3 – 10
Office equipment	3 – 8
Other assets	3 – 25

Finance lease assets and depreciation

Finance lease assets acquired from finance lease transactions, whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Corporation at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Corporation's general policy on borrowing costs.

Intangible fixed assets and amortization**(i) Land use rights**

Intangible assets represent land use rights that are stated at cost less accumulated amortisation. Definite land use rights are amortised using the straight-line method over the duration of the right to use the land. Indefinite land use rights are not amortised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(ii) License, copyright and patent**

Purchase price of license is accounted for as intangible fixed asset. License is amortised on straight-line basis from 3 to 5 years. The right to operate the high-speed internet line of Asia America gateway ("AAG") project is amortised over 15 years of the operation right.

Purchase price of copyright and patent is capitalized and accounted for as intangible fixed asset. Copyright and patent are amortised on straight-line basis from 3 to 5 years.

(iii) Trademark

Purchase price of trademark and brand name are recorded as intangible fixed asset. Trademark and brand name are amortised on straight-line basis over the estimated useful lives.

(iv) Computer software

Purchase price of new computer software, which is not an integral part of related hardware is capitalized and accounted for as intangible fixed asset. Computer software is amortised on straight-line basis from 3 to 5 years.

Construction in progress

Properties in the course of construction for production, rental, or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the current accounting regulation. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Long-term prepayments

Long-term prepayments comprise prepaid land rental and its attributable cost and office rental. Prepaid land rentals are charged to consolidated income statement using the straight-line method over the lease term.

Tools and supplies issued for consumption, small devices and office refurbishment are stated at cost and expensed in accordance with the prevailing regulations.

Provisions

Provisions are made when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the consolidated balance sheet date.

Provision for warranties

The provision for warranties relates mainly to goods sold and services rendered. The provision is based on estimates derived from historical warranty data associated with similar products and services.

Provision for guarantees on student loans

The provision for guarantees on student loans relates to guarantees made by FPT University to BIDV Ha Thanh Branch and Tien Phong Commercial Joint Stock Bank in regard of loans granted by the banks to selected students of FPT University, under FPT Education Company Limited, a subsidiary of the Corporation.

Bonus and welfare funds

The Corporation distributes up to 10% of net profit after tax of subsidiaries to bonus and welfare funds.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Revenue recognition**

Revenue is recognised when the outcome of such transactions can be measured reliably and it is probable that the economic benefits associated with the transactions will flow to the Corporation.

Revenue from the sale of goods

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

- (a) the Corporation has transferred to the buyer significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services

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

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

Revenue from software development, system integration and informatics services

Revenue of a transaction involving the rendering of service is recognised in the consolidated income statement by reference to the percentage of completion of transaction at the year end. The percentage of completion is assessed by performance or the percentage of the incurred expense of the completed work over the total contract cost estimate. Revenue is not recognised if there is material unreliable element related to recovery of receivables.

Revenue from processing services

Revenue from processing services is recognised in the consolidated income statement when the goods have been processed and accepted by the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the receivables due.

Revenue from telecommunication services

Revenue from telecommunication services is recognised on pro-rata basis over the period during which the services were actually provided to customers.

Revenue from the sale of telephone and internet prepaid cards is recognised in the consolidated income statement based on the time units actually consumed by users. Subsequently, any unutilized credits are recognised as income upon the expiration of the period of use in accordance with the published expiration policy. Amounts received upon the sale of prepaid cards, but prior to usage or expiration of the value sold, are shown as advance from customers in the consolidated balance sheet.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Revenue from online advertising services

Revenue from online advertising services is recognised on the basis of work completed.

Revenue from tuition and fees

Revenue is recognised in the year when services are rendered. Tuition and fees collected in advance from the students are recorded as unearned revenue on the consolidated balance sheet and released to the consolidated income statement in the year in which the semester falls.

Tuition and fee payment

Tuition and fees are fully payable in advance prior to the beginning of each semester.

Enrolment fee or application fee

A one-time fixed application fee is charged per student and collected with applications for enrolment. Proceeds from the application fees are used to defray the costs associated with all procedures relating to processing each student's enrolment, including the administration of applicable assessment evaluation of prior school records and appropriate placement for the student. The application fee is not refundable.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Foreign currencies

The Corporation applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement. Unrealised exchange gains at the balance sheet date are not treated as part of distributable profit to shareholders.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Financial statements of foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign operations (including comparative figures) are expressed in reporting currency using exchange rates prevailing on the balance sheet date. Income and expense items (including comparative figures) are translated at the regulated exchange rates. Exchange differences arising, if any, are classified as equity and transferred to the Corporation's foreign exchange reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Borrowing costs**

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard “Borrowing costs”. Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Earnings per share

The Corporation presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by having the profit or loss attributable to the ordinary shareholders of the Corporation divided by the weighted average number of outstanding ordinary shares during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding taking into consideration the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

Related parties

Related parties include associates and key management personnel of the Corporation.

Taxation

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

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

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

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

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

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

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

4. SEGMENT REPORTING

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

The Corporation has two major business lines under management of FPT Corporation (the Corporation) as follows:

Information Technology and Telecommunication

- **Telecommunication:** providing internet services to individuals and households, internet services to enterprises such as providing internet leased line service, domestic and international telecommunication, domain, hosting, Web Portal services, IPTV etc.;
- **Digital content:** providing online services for enterprises and individual customers, including online newspapers (such as VnExpress.net, Ngoisao.net, iOne.net, PCWorld.com.vn, Gamethu.vn etc.); online advertising, AdNetwork, online music, e-payment etc.;
- **Software development:** software production, software development, programming and maintenance services, quality assurance testing, ERP implementation and management services;
- **System integration:** supplying IT equipment, providing application software solution, providing information system integration services for offices, enterprises and organizations in such fields as banking, finance, telecommunication, public health, public utilities and for the Government etc.;
- **Informatics services:** providing business process outsourcing (BPO) service, e-connection services between civils, enterprises and the government, cloud computing, digital signature authentication, confidentiality, maintenance services for IT, telecommunication and network equipment;
- **Manufacture, distribution and retail of technology products:** producing technology products and distributing IT products including IT hardware, application software for mobile phones via chains of retail IT product shops/showrooms.

Investment and education: including the following main activities:

- Providing training services in IT, business management majors at high education, university, and post-graduate levels;
- Managing investments in associates operating in the finance field;
- Managing and developing real estate projects relating to the Corporation's infrastructure needs.

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4. SEGMENT REPORTING (Continued)

	From 1/1/2016 to 30/6/2016	From 1/1/2015 to 30/6/2015
	VND	VND
I. SALES		
Business revenue	17,818,303,124,460	19,328,072,952,217
A. Informatics and Telecommunication	17,471,092,704,997	18,976,181,041,884
1. Telecommunication	2,960,431,860,276	2,357,700,000,000
2. Digital content	217,420,079,914	163,438,894,419
3. Software development	2,670,941,948,054	2,054,594,844,695
4. System integration	888,908,481,270	990,812,722,565
5. Informatics services	384,241,378,255	414,522,895,867
6. Technology product manufacture, distribution and retail	10,349,148,957,228	12,995,111,684,338
B. Education and Investments	347,210,419,463	351,891,910,334
1. Education and Investments	347,210,419,463	351,891,910,334
Eliminate		
Net sales to companies within the Corporation	393,258,430,862	1,358,051,586,030
Net sales to external parties	17,425,044,693,598	17,970,021,366,187
II. PROFIT BEFORE TAX		
A. Informatics and Telecommunication	1,170,177,403,152	1,308,509,931,861
1. Telecommunication	422,384,361,163	473,339,088,312
2. Digital content	110,126,409,599	69,416,262,699
3. Software development	311,022,633,464	295,118,080,301
4. System integration	14,029,303,252	43,529,771,980
5. Informatics services	32,448,485,431	56,131,123,919
6. Technology product manufacture, distribution and retail	280,166,210,243	370,975,604,650
B. Education and Investments	87,337,890,388	41,846,618,800
1. Education and Investments	87,337,890,388	41,846,618,800
Total accounting profit before tax	1,257,515,293,540	1,350,356,550,661

5. CASH AND CASH EQUIVALENTS

	30/6/2016	31/12/2015
	VND	VND
Cash on hand	155,039,986,219	217,540,867,601
Cash in bank	1,402,195,917,675	1,661,856,451,267
Cash equivalents (i)	2,318,307,314,045	1,705,311,832,901
	3,875,543,217,939	3,584,709,151,769

(i) Cash equivalents represent bank deposits with terms of 3 months or less.

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6. FINANCIAL INVESTMENTS

	30/6/2016		31/12/2015	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
Held-to-maturity investments				
- Term deposits	2,670,604,313,120	2,670,604,313,120	2,517,867,140,271	2,517,867,140,271
- Other investments	88,366,081,776	65,614,844,292	128,366,081,776	99,574,777,449
	2,758,970,394,896	2,736,219,157,412	2,646,233,222,047	2,617,441,917,720

	30/6/2016		30/6/2016	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
Investment in other entities				
- Viet Nhat investment fund	-	-	44,870,000,000	36,737,489,355
- Viet Nam BVIM investment fund	6,900,000,000	6,900,000,000	10,650,000,000	10,650,000,000
- Other investments	647,032,954,088	455,238,073,328	577,129,372,195	409,084,205,589
	653,932,954,088	462,138,073,328	632,649,372,195	456,471,694,944

7. TRADE RECEIVABLES

As at 30/6/2016 trade receivables balance does not include balances of trade receivables which account for 10% or more of the total trade receivables balance.

8. OTHER RECEIVABLES

	30/6/2016	31/12/2015
	VND	VND
a. Short-term		
Receivables from maintenance service contracts in progress	271,967,336,634	119,119,747,291
Other receivables	284,006,821,318	357,301,753,935
	555,974,157,952	476,421,501,226
b. Long-term		
Deposits and mortgages	119,472,946,912	95,148,463,192
Other receivables	56,274,674,102	65,013,425,541
	175,747,621,014	160,161,888,733

9. BAD DEBTS

As at 30/6/2016 bad debts balance does not include bad debts by payees accounting for 10% or more of the total amount overdue.

10. INVENTORIES

	30/6/2016		31/12/2015	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	364,555,897,945	-	463,819,057,341	-
Tools and supplies	87,493,720,318	-	107,035,823,637	-
Work in progress	1,027,175,559,910	-	891,024,964,660	-
Merchandise	3,295,184,459,610	(80,745,055,569)	3,870,151,808,724	(63,932,037,142)
Total	4,774,409,637,783	(80,745,055,569)	5,332,031,654,362	(63,932,037,142)

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11. TANGIBLE FIXED ASSETS

	Structures and buildings	Machinery and equipment	Motor vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
As at 1/1/2016	1,128,166,105,134	4,721,674,392,537	83,286,558,714	907,272,149,621	96,673,170,409	6,937,072,376,415
Additions	226,325,000	552,131,944,622	4,055,352,727	17,760,767,921	2,192,360,103	576,366,750,373
Transfers from CIP	-	21,017,188,851	-	-	-	21,017,188,851
Disposals	-	(6,711,001,253)	-	(7,256,210,385)	-	(13,967,211,638)
Reclassification	-	67,164,208,350	(4,871,326,754)	(428,371,812)	(61,864,509,784)	-
Other increase/(decreases)	-	(3,403,184,206)	701,779,363	2,202,205,711	-	(499,199,132)
As at 30/6/2016	1,128,392,430,134	5,351,873,548,901	83,172,364,050	919,550,541,056	37,001,020,728	7,519,989,904,869
ACCUMULATED DEPRECIATION						
As at 1/1/2016	180,246,133,873	2,013,495,514,343	43,280,872,171	696,871,417,256	31,776,319,430	2,965,670,257,073
Charge for the year	27,681,101,009	317,431,458,526	2,235,043,417	30,324,948,724	2,075,894,315	379,748,445,991
Disposals	-	(4,107,646,417)	-	(3,258,179,536)	-	(7,365,825,953)
Reclassification	-	22,741,905,028	(4,871,326,754)	(554,212,374)	(17,316,365,900)	-
Other increase/(decreases)	-	(3,342,382,699)	226,614,631	2,474,864,891	-	(640,903,177)
As at 30/6/2016	207,927,234,882	2,346,218,848,781	40,871,203,465	725,858,838,961	16,535,847,845	3,337,411,973,934
NET BOOK VALUE						
As at 30/6/2016	920,465,195,252	3,005,654,700,120	42,301,160,585	193,691,702,095	20,465,172,883	4,182,577,930,935
As at 1/1/2016	947,919,971,261	2,708,178,878,194	40,005,686,543	210,400,732,365	64,896,850,979	3,971,402,119,342

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12. INTANGIBLE FIXED ASSETS

	Land use right	Computer software	License, copyright, and patent	Total
	VND	VND	VND	VND
COST				
As at 1/1/2016	49,257,150,650	275,721,902,403	285,366,052,683	610,345,105,736
Purchases	-	10,157,165,442	9,463,207,469	19,620,372,911
Other increases/(decreases)	-	435,172,814	(59,702,713)	375,470,101
As at 30/6/2016	49,257,150,650	286,314,240,659	294,769,557,439	630,340,948,748
ACCUMULATED AMORTISATION				
As at 1/1/2016	3,682,067,852	177,796,687,553	109,752,335,521	291,231,090,926
Charge for the year	331,662,178	20,185,766,499	17,042,084,065	37,559,512,742
Other increases/(decreases)	-	893,378,030	(57,334,544)	836,043,486
As at 30/6/2016	4,013,730,030	198,875,832,082	126,737,085,042	329,626,647,154
NET BOOK VALUE				
As at 30/6/2016	45,243,420,620	87,438,408,577	168,032,472,397	300,714,301,594
As at 1/1/2016	45,575,082,798	97,925,214,850	175,613,717,162	319,114,014,810

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13. CONSTRUCTION IN PROGRESS

	<u>2016</u>	<u>2015</u>
	<u>VND</u>	<u>VND</u>
Opening balance	679,175,240,676	537,241,674,698
Increase in the period	210,880,533,727	385,429,374,070
Transfer to fixed assets	(21,017,188,851)	(224,407,652,595)
Other increase/decrease	(721,531,987)	(19,088,155,497)
Closing balance	868,317,053,565	679,175,240,676
	<u>2016</u>	<u>2015</u>
	<u>VND</u>	<u>VND</u>
Detail by significant projects		
APG project	159,583,981,381	158,813,175,651
Nam An Khanh investment project	92,999,271,455	92,999,271,455
FPT Da Nang complex project	267,933,675,382	137,777,321,581
FVille 2 project	135,334,086,608	52,637,529,278
Other projects	212,466,038,739	236,947,942,711
	868,317,053,565	679,175,240,676

14. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 30 June 2016 are as follows:

<u>Name of subsidiary</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Proportion of voting right</u>	<u>Principal activities</u>
FPT Information System Company Limited	Floor 22, Keangnam Landmark72 Tower, E6, Pham Hung street, Me Tri, Tu Liem, Hanoi	100.00%	100.00%	Providing application software solution, EPR service, IT service and integrated system service
FPT Software Company Limited	Floor 6-12 FPT Cau Giay Building, Pham Hung Street, Cau Giay District, Hanoi	100.00%	100.00%	Providing software services and products
FPT Trading Group	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100.00%	100.00%	Producing technology products and distributing IT devices and mobile phone; and manufacturing computers
FPT Telecom Joint Stock Company (i)	Floor 2, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	45.64%	45.64%	Providing ADSL services, fixed line internet services, online advertising and other online services
FPT Education Company Limited	FPT Cau Giay Building, Pham Hung Street, Cau Giay District, Hanoi	100.00%	100.00%	Providing training and technology services

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14. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation and operation	Proportion of ownership	Proportion of voting right	Principal activities
FPT Online Service Joint Stock Company	408 Dien Bien Phu Street, Ward 11, District 10, Hochiminh City	51.95%	84.08%	Providing online services
FPT Investment Company Limited	Floor 13, FPT Cau Giay Building, Pham Hung Street, Cau Giay District, Hanoi	100.00%	100.00%	Providing financial services activities (investment consulting service, excluding legal and financial consulting services)
FPT Digital Retail Joint Stock Company	261 - 263 Khanh Hoi, Ward 5, District 4, Hochiminh City	85.00%	85.00%	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent
FPT Media Company Limited (ii)	FPT Cau Giay Building, Pham Hung Street, Cau Giay District, Hanoi	100.00%	100.00%	Producing news and entertainment shows; supplying telecom and advertising services

- (i) As at 30/6/2016, FPT Corporation holds 45.64% ownership interest (31/12/2015: 45.64%) and controls 45.64% of voting rights (31/12/2015: 45.64%) at FPT Telecom Joint Stock Company. However, the Corporation has the power to cast the majority of votes at meetings of the Board of Management of FPT Telecom Joint Stock Company and thus, the Corporation has the power to control the financial and operating policies of FPT Telecom Joint Stock Company. Therefore, the Corporation has control over FPT Telecom Joint Stock Company, and thus, the financial statements of FPT Telecom Joint Stock Company are incorporated into the Corporation's consolidated financial statements.
- (ii) On 8 August 2011, Executive President of FPT Corporation issued Decision No. 79.1-2011/QD-FPT TGD on temporarily narrowing the business activities of FPT Media Company Limited.

15. INVESTMENTS IN ASSOCIATES

	From 1/1/2016 to 30/6/2016	From 1/1/2015 to 31/12/2015
	VND	VND
Opening balance	271,434,002,318	251,078,173,392
Share of net profit of associates	13,563,188,488	27,689,161,926
Dividend received	(8,066,666,300)	(7,333,333,000)
Closing balance	276,930,524,506	271,434,002,318

Details of associates as at 30 June 2016 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest and voting right	Principal activities
FPT Securities Joint Stock Company	Floor 2, 71 Nguyen Chi Thanh Street, Dong Da District, Hanoi	20%	Share trading, brokerage, investment advisory and share depository services
FPT Fund Management Joint Stock Company	Floor 9, TTC Building, Dich Vong Hau Ward Cau Giay District, Hanoi	25%	Portfolio and fund management and other services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN

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16. DEFERRED TAX ASSETS

	<u>Fixed assets</u>	<u>Revenue</u>	<u>Others</u>	<u>Total</u>
	VND	VND	VND	VND
As at 1/1/2016	19,511,967,770	190,714,935,678	6,442,820,333	216,669,723,781
Transfer to profit/(loss) in the year	(472,055,795)	(20,244,007,555)	81,054,398	(20,635,008,953)
Other increase/decrease	-	(20,744,497,551)	-	(20,744,497,551)
As at 30/6/2016	19,039,911,975	149,726,430,571	6,523,874,731	175,290,217,277

17. TRADE PAYABLES

As at 30/6/2016 trade payables balance does not include balances of trade payables which account for 10% or more of the total trade payables balance.

18. TAXES AND OTHER PAYABLES TO THE STATE BUDGET

Items	Movement			30/6/2016
	31/12/2015	Amount payable	Amount paid and deducted	
	VND	VND	VND	
VAT	117,274,368,572	2,952,519,643,433	2,984,928,303,514	84,865,708,491
- Output VAT	116,569,100,996	2,391,011,099,550	2,423,563,182,640	84,017,017,906
- VAT on imports	705,267,576	561,508,543,883	561,365,120,874	848,690,585
Special consumption tax	-	3,815,620	3,815,620	-
Import duty	47,419,206	10,690,118,690	10,494,489,737	243,048,159
Corporate income tax	158,969,917,360	158,115,117,852	259,744,412,899	57,340,622,314
Other taxes	22,168,305,083	175,702,757,648	176,072,571,650	21,798,491,081
Other payables	1,163,425,295	1,660,842,069	1,394,125,492	1,430,141,872
	<u>299,623,435,516</u>	<u>3,298,692,295,313</u>	<u>3,432,637,718,912</u>	<u>165,678,011,917</u>

Including:

- Taxes and other receivable from the state budget	18,846,018,259	23,547,574,538
- Taxes and other payable to the state budget	318,469,453,775	189,225,586,455

Taxes and other receivable from the state budget

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
VAT	1,807,748,921	953,442,792
Import duty	34,802,628	34,802,629
Corporate income tax	18,120,157,340	16,955,759,914
Personal income tax	3,473,461,419	370,544,381
Other taxes	111,404,230	531,468,543
Total	<u>23,547,574,538</u>	<u>18,846,018,259</u>

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18. TAXES AND OTHER PAYABLES TO THE STATE BUDGET (Continued)

Taxes and other payable to the state budget

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
VAT	86,673,457,412	118,227,811,364
Import duty	277,850,787	82,221,835
Corporate income tax	75,460,779,654	175,925,677,274
Personal income tax	18,836,635,974	15,908,795,929
Foreign contractor tax	6,347,783,549	6,630,053,535
Other taxes	1,629,079,079	1,694,893,838
Total	<u>189,225,586,455</u>	<u>318,469,453,775</u>

19. SHORT-TERM ACCRUED EXPENSES

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
Accrued expenses for system integration projects	244,601,064,134	242,366,174,929
Other accruals	357,855,024,418	276,403,200,090
	<u>602,456,088,552</u>	<u>518,769,375,019</u>

20. UNEARNED REVENUE

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
a) Short-term		
Unearned revenue related to telecom service	841,611,099,472	1,141,049,275,657
Unearned revenue related to tuition and fees	96,065,908,647	104,112,569,879
Other items	309,104,389,979	246,786,126,106
	<u>1,246,781,398,098</u>	<u>1,491,947,971,642</u>
b) Long-term		
Unearned revenue related to telecom service	32,544,114,803	15,488,875,267
Other items	23,373,809,767	19,487,878,098
	<u>55,917,924,570</u>	<u>34,976,753,365</u>

21. OTHER PAYABLES

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
a) Short-term		
Union fees	36,800,881,833	35,250,149,382
Social, health, unemployment insurance	16,918,885,127	33,690,405,484
Short-term deposits received	122,886,552,063	127,756,116,846
Dividends payable	6,928,361,114	4,901,045,648
Marketing supporting fee received in advance from suppliers	42,633,320,310	34,293,441,263
Other current payables	92,582,434,283	66,391,578,995
	<u>318,750,434,730</u>	<u>302,282,737,618</u>
b) Long-term		
Long-term deposits received	10,923,265,043	20,051,178,357
Other payables	146,448,913,675	165,361,493,608
	<u>157,372,178,718</u>	<u>185,412,671,965</u>

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FORM B 09-DN/HN**22. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASE**

Items	31/12/2015		In the year		30/6/2016	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term loans from banks and economic entities (i)	8,033,199,204,598	8,033,199,204,598	9,818,406,959,959	10,624,225,089,580	7,227,381,074,977	7,227,381,074,977
Current portion of long-term loans and obligations under finance lease	158,125,804,104	158,125,804,104	126,288,520,005	50,234,040,611	234,180,283,498	234,180,283,498
- <i>Current portion of long-term loans (ii)</i>	<i>157,608,397,509</i>	<i>157,608,397,509</i>	<i>125,739,193,245</i>	<i>49,954,147,904</i>	<i>233,393,442,850</i>	<i>233,393,442,850</i>
- <i>Current portion of long-term obligations under finance lease</i>	<i>517,406,595</i>	<i>517,406,595</i>	<i>549,326,760</i>	<i>279,892,707</i>	<i>786,840,648</i>	<i>786,840,648</i>
Total	8,191,325,008,702	8,191,325,008,702	9,944,695,479,964	10,674,459,130,191	7,461,561,358,475	7,461,561,358,475

- (i) Short-term loans from banks and economic entities are mainly under trust and in the form of letter of credit. These credit facilities are unsecured and can be withdrawn in either Vietnam Dong or United State Dollars. Interest charge is determined per each specific withdrawal.
- (ii) Please see Note 24 for more.

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23. PROVISIONS

	Short - term provisions for warranties and others (i)	Long - term provisions for warranties (i)	Provisions for guarantees on student loans (ii)	Total
	VND	VND	VND	VND
As at 01/01/2016	16,952,179,257	6,592,059,350	12,905,000	23,557,143,607
Additional provision	8,969,899,964	3,524,151,133	-	12,494,051,097
Reversal of provisions	(7,332,981,434)	(193,078,499)	-	(7,526,059,933)
Utilisation of provisions	(10,156,646,182)	(3,448,806,944)	-	(13,605,453,126)
As at 30/6/2016	8,432,451,605	6,474,325,040	12,905,000	14,919,681,645

(i) Warranties

The provision for warranties relates mainly to goods sold and services rendered. The provision is based on estimates derived from historical warranty data associated with similar products and services.

(ii) Guarantees on student loans

The provision for guarantees on student loans is made based on credit rating of the outstanding balance of loans granted by BIDV Ha Thanh Branch and Tien Phong Commercial Joint Stock Bank to selected students of FPT University under FPT Education Company Limited, a subsidiary of the Corporation, and guaranteed by FPT University.

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24. LONG-TERM LOANS AND LIABILITIES

Items	31/12/2015		In the year		30/6/2016	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Long-term loans	770,459,605,554	770,459,605,554	482,213,498,340	167,120,232,888	1,085,552,871,006	1,085,552,871,006
Other long-term liabilities	2,020,791,801	2,020,791,801	1,850,396,309	800,723,596	3,070,464,514	3,070,464,514
Total	772,480,397,355	772,480,397,355	484,063,894,649	167,920,956,484	1,088,623,335,520	1,088,623,335,520
In which						
<i>Amount due for settlement within 12 months</i>						
	158,125,804,104				234,180,283,498	
<i>Amount due for settlement after 12 months</i>						
	614,354,593,251				854,443,052,022	

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24. LONG-TERM LOANS AND LIABILITIES (Continued)

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
Long-term loans:	1,085,552,871,006	770,459,605,554
- 3-year loans	82,808,821,934	33,942,829,692
- 4-year loans	768,842,153,764	553,729,286,688
- 5-year loans	233,901,895,307	182,787,489,174
Long-term obligations under finance leases	3,070,464,514	2,020,791,801
Total	<u>1,088,623,335,519</u>	<u>772,480,397,355</u>
Of which		
Amount due for settlement within 12 months	234,180,283,497	158,125,804,104
Amount due for settlement after 12 months	854,443,052,022	614,354,593,251

Long-term loans are repayable as follows:

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
On demand or within one year	233,393,442,850	157,608,397,509
In the second year	366,685,791,609	250,434,604,057
In the third to fifth year inclusive	485,473,636,547	362,416,603,988
After five years	-	-
	<u>1,085,552,871,006</u>	<u>770,459,605,554</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	233,393,442,850	157,608,397,509
Amount due for settlement after 12 months	<u>852,159,428,156</u>	<u>612,851,208,045</u>

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25. SHAREHOLDERS' EQUITY**Equity movement**

	Charter capital	Share premium	Treasury shares	Foreign exchange reserve	Investment and development funds	Financial reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND
As at 1/1/2015	3,439,766,000,000	49,465,703,201	(823,760,000)	(12,569,673,745)	79,400,040,851	87,203,093,024	4,268,153,638,489	7,910,595,041,820
Shares issued	17,193,170,000	-	-	-	-	-	-	17,193,170,000
Profit for the year	-	-	-	-	-	-	1,930,895,920,629	1,930,895,920,629
Stock dividends declared	518,357,230,000	-	-	-	-	-	(518,357,230,000)	-
Transferred to bonus and welfare funds	-	-	-	-	-	-	(190,005,736,294)	(190,005,736,294)
Dividends declared	-	-	-	-	-	-	(743,062,805,000)	(743,062,805,000)
Others	-	-	-	6,020,348,477	(363,491,767)	24,696,990	(353,069,038,799)	(347,387,485,099)
As at 31/12/2015	3,975,316,400,000	49,465,703,201	(823,760,000)	(6,549,325,268)	79,036,549,084	87,227,790,014	4,394,554,749,025	8,578,228,106,056
Shares issued	19,868,290,000	-	-	-	-	-	-	19,868,290,000
Net profit for the year	-	-	-	-	-	-	861,693,140,339	861,693,140,339
Stock dividends declared	599,082,150,000	-	-	-	-	-	(599,082,150,000)	-
Dividends declared	-	-	-	-	-	-	(399,436,093,000)	(399,436,093,000)
Others	-	-	-	19,186,629,556	(4,490,725,343)	234,470	(7,730,906,115)	6,965,232,568
As at 30/6/2016	4,594,266,840,000	49,465,703,201	(823,760,000)	12,637,304,288	74,545,823,741	87,228,024,484	4,249,998,740,248	9,067,318,675,962

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25. SHAREHOLDERS' EQUITY (Continued)**Number of outstanding shares**

	<u>30/6/2016</u>	<u>31/12/2015</u>
	Number of shares	Number of shares
Authorised share capital	459,426,684	397,531,640
Issued share capital	459,426,684	397,531,640
Ordinary shares	459,426,684	397,531,640
<i>Of which Shares subject to restriction in ownership transfer</i>	<i>4,258,824</i>	<i>4,004,296</i>
Treasury shares	(82,376)	(82,376)
<i>Of which Shares subject to restriction in ownership transfer</i>	<i>(82,376)</i>	<i>(82,376)</i>
Shares currently in circulation	459,344,308	397,449,264
Ordinary shares	459,344,308	397,449,264
<i>Of which Shares subject to restriction in ownership transfer</i>	<i>4,176,448</i>	<i>3,921,920</i>

All ordinary shares have a par value of VND 10,000. Each share is entitled to one vote at shareholders' meetings of the Company. Shareholders are entitled to receive dividends as declared at each point in time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are re-issued.

Shares subject to restriction in ownership transfer have a par value of VND 10,000. These shares are subject to restrictions according to which shareowners are not allowed to resell their shares within specified term from the date of issuance.

26. REVENUE

	<u>From 1/1/2016 to</u>	<u>From 1/1/2015 to</u>
	<u>30/6/2016</u>	<u>30/6/2015</u>
	VND	VND
Revenue	17,915,907,813,938	18,237,232,496,581
In which:		
- Revenue from goods sold	11,352,814,983,513	13,833,896,896,887
- Revenue from services rendered	6,563,092,830,424	4,403,335,599,694
Deductions	490,863,120,340	267,211,130,394
Net revenue	18,406,770,934,278	18,504,443,626,975

Sales represent the total Corporation's sales. For management purpose, the Corporation maintains data of business revenue that comprises the Corporation's sales to external customers and commercial sales to entities in the Corporation. An analysis of the composition of the Corporation's revenue is as follows:

	<u>From 1/1/2016 to</u>	<u>From 1/1/2015 to</u>
	<u>30/6/2016</u>	<u>30/6/2015</u>
	VND	VND
Net revenue to external parties	17,425,044,693,598	17,970,021,366,187
Net revenue to Corporation's entities	393,258,430,862	1,358,051,586,030
Total business revenue	17,818,303,124,460	19,328,072,952,217

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27. COSTS OF SALES

	<u>From 1/1/2016 to 30/6/2016</u>	<u>From 1/1/2015 to 30/6/2015</u>
	VND	VND
Cost of goods sold	9,853,119,982,813	12,275,530,641,557
Cost of services rendered	3,935,409,985,975	2,232,483,074,981
Provision/(Reversal) for devaluation of inventories	16,813,018,427	(29,623,009,272)
Total	<u>13,805,342,987,214</u>	<u>14,478,390,707,266</u>

28. FINANCIAL INCOME

	<u>From 1/1/2016 to 30/6/2016</u>	<u>From 1/1/2015 to 30/6/2015</u>
	VND	VND
Interest from bank deposits, loans and bonds	126,448,479,942	70,439,397,607
Foreign exchange gain	124,724,041,251	79,581,090,615
Other financial income	69,265,490,628	37,667,394,293
	<u>320,438,011,821</u>	<u>187,687,882,515</u>

29. FINANCIAL EXPENSES

	<u>From 1/1/2016 to 30/6/2016</u>	<u>From 1/1/2015 to 30/6/2015</u>
	VND	VND
Interest expense	171,058,963,824	106,483,638,633
Foreign exchange loss	145,707,751,665	130,470,911,036
Other financial expenses	31,463,601,553	26,703,979,433
	<u>348,230,317,043</u>	<u>263,658,529,102</u>

30. EARNINGS PER SHARE

Basic earnings per share as at 30 June 2016 was calculated based on the profit attributable to ordinary shareholders and a weighted average number of outstanding ordinary shares during the year, as follows:

	<u>From 1/1/2016 to 30/6/2016</u>	<u>From 1/1/2015 to 30/6/2015</u>
	VND	VND
Accounting profit after tax	861,693,140,339	881,294,008,656
Weighted average number of outstanding ordinary shares	458,019,755	456,211,268
Basic earnings per share	1,881	1,932

Restatement of weighted average number of ordinary shares

On 30 May 2016, FPT Corporation paid dividend in shares, which led to a retrospective adjustment to the weighted average number of outstanding ordinary shares of the period from 01 January 2015 to 30 June 2015, as follows:

	<u>Weighted average number of ordinary</u>	<u>Earning per share</u>
As stated in the consolidated financial statements for the period from 01 January 2015 to 30 June 2015	396,303,053	2,224
Effect of stock dividends issued on 30 May 2016	59,908,215	(292)
As restated	<u>456,211,268</u>	<u>1,932</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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31. FINANCIAL INSTRUMENTS

Capital risk management

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Corporation consists of net debt (borrowings disclosed in Note 22, Note 24 offset by cash and cash equivalents) and equity attributable to equity holders of the parent (comprising capital, reserves and retained earnings).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of financial instruments

	Carrying amounts	
	30/6/2016	31/12/2015
	VND	VND
Financial assets		
Cash and cash equivalents	3,875,543,217,939	3,584,709,151,769
Trade and other receivables	5,265,092,247,319	5,502,302,363,230
Short-term investments	2,736,219,157,412	2,617,441,917,720
Long-term investments	462,138,073,328	456,471,694,944
Total	12,338,992,695,998	12,160,925,127,663
Financial liabilities		
Borrowings	8,316,004,410,497	8,805,679,601,953
Trade and other payables	2,821,874,588,734	3,100,597,692,948
Accruals	602,456,088,552	518,769,375,019
Total	11,740,335,087,783	12,425,046,669,920

The Corporation does not apply Circular No. 210/2009/TT-BTC dated 06 November 2009 since no specific guidance is available. Instead, the Corporation applies Vietnamese Accounting Standard No. 18 – “Provisions, Contingent Assets and Liabilities” and prevailing regulations to revalue the fair value of financial assets and financial liabilities as at the balance sheet date.

Financial risk management objectives

The Corporation has set up risk management system to identify and assess the risks exposed by the Corporation and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Corporation’s operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***31. FINANCIAL INSTRUMENTS (Continued)****Market risk**

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices.

Foreign currency risk management

Certain business operations of the Corporation are exposed to risk of foreign exchange rate fluctuation such as distribution, retail, system integration and software export. Despite the fact that for IT products, foreign exchange rate fluctuation is reflected into selling price, the Corporation still proactively hedges and mitigates unidentified risks by closely monitoring principal factors affecting exchange rates as well as taking into account assessments by big financial institutions, taking appropriate hedging measures such as forward contracts, option contracts and other natural hedging measures such as fixing selling exchange rates, advance payment and others.

Interest rate risk management

The Corporation has significant interest rate risk arising from interest bearing loans which are arranged. The Corporation is exposed to interest rate risk as the Corporation borrows funds in VND and foreign currencies at fixed rates and floating rates. To minimize risks, through analysis and projection, the Corporation has selected appropriate time and terms in the year to make appropriate decisions on maintaining borrowings as well as debt structure between VND and foreign currencies at fixed interest rates.

Share price risk management

Shares held by the Corporation are affected by market risks arising from the uncertainty about future prices of such shares. The Corporation manages this risk exposure by setting up investment limits. The Corporation's Board of Directors also assesses and approves decisions on share investments such as operating industry, investees, etc. The Corporation assesses the share price risk is immaterial.

The Corporation is also exposed to equity price risks arising from investments in subsidiaries and associates. The Corporation's Board of Directors assesses and approves decisions on investments in subsidiaries and associates such as operating industry, investees, etc. Investments in subsidiaries and associates are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments in the foreseeable future.

Commodity price risk management

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities. For risk mitigation, the Corporation pays due attention to inventory count, ensuring tight and effective management of inventories from importing stage by evaluating market demand, monitoring inventories on a daily basis to take proper and timely action on the slow-moving goods.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has set up a constantly and systematically updated internal rating system in place for assessing and rating customers' financial capability over time, taking into account the ratings and assessments by intermediary financial organizations as basis for sales on credit to customers. In addition, guarantees are required for most of the Corporation's customers who are granted with sales on credit.

The Corporation monitors its liabilities on an on-going basis, including analysis of aging report and recovery dates, customer updates and assessment etc. to take proper actions. The Corporation also buys insurance for its receivables to mitigate unpredictable risks at reasonable cost.

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31. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that period. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets, if any and undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay.

30/6/2016	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Borrowings	7,461,561,358,475	854,443,052,022	8,316,004,410,497
Trade and other payables	2,804,337,271,569	17,537,317,165	2,821,874,588,734
Accruals	602,456,088,552	-	602,456,088,552
Other financial liabilities	-	-	-
31/12/2015	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Borrowings	8,191,325,008,702	614,354,593,251	8,805,679,601,953
Trade and other payables	3,073,364,855,326	27,232,837,622	3,100,597,692,948
Accruals	518,769,375,019	-	518,769,375,019
Other financial liabilities	-	-	-

The management assessed the liquidity risk concentration at low level. The management believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

The following table details the Corporation's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

30/6/2016	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Cash and cash equivalents	3,875,543,217,939	-	3,875,543,217,939
Trade and other receivables	4,900,867,934,533	364,224,312,786	5,265,092,247,319
Short-term investments	2,736,219,157,412	-	2,736,219,157,412
Long-term investments	-	462,138,073,328	462,138,073,328
Other financial assets	-	-	-
31/12/2015	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Cash and cash equivalents	3,584,709,151,769	-	3,584,709,151,769
Trade and other receivables	5,154,274,387,534	348,027,975,696	5,502,302,363,230
Short-term investments	2,617,441,917,720	-	2,617,441,917,720
Long-term investments	-	456,471,694,944	456,471,694,944
Other financial assets	-	-	-

FPT CORPORATION

FPT Cau Giay Building, Duy Tan Street, Dich Vong Hau Ward
Cau Giay District, Hanoi, S.R. Vietnam

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32. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, the Corporation the following significant transactions with its related parties:

	<u>From 1/1/2016 to</u> <u>30/6/2016</u>	<u>From 1/1/2015 to</u> <u>30/6/2015</u>
	VND	VND
Dividends received in cash		
FPT Securities Joint Stock Company	8,066,666,300	7,333,333,000

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

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
Entrusted investments		
FPT Fund Management Joint Stock Company	94,366,081,776	134,366,081,776
	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
Capital contribution		
FPT Fund Management Joint Stock Company	27,500,000,000	27,500,000,000
FPT Securities Joint Stock Company	110,000,000,000	110,000,000,000

33. COMMITMENTS

As at 30 June 2016, the Board of Directors had approved the followings projects:

- The plan of investment in FPT Digital Retail Joint Stock Company (FRT) with the total amount of VND 250 billion. As at 30 June 2016, the Company had contributed VND 170 billion in FRT.
- The plan of construction of FPT Office Complex – Phase 1 in Da Nang with total investment capital is VND 495,953,272,931.
- The Corporation is carrying out the construction of FPT Software Park - 2nd Phase located at Lot 3, Hoa Lac Hi-tech Park with the total estimated investment capital of VND 375,727,849,000 (including VAT) under Approval Decision No. 26-2014/QĐ-FPT-TGD dated 29 April 2014, No. 4424/2014/QĐ/FSOFT-FID dated 07 November 2014 and No. 216-2015/QĐ-FPT-TGD dated 09 December 2015.
- The commitment to invest in submarine cable Asia - Pacific Gateway (“APG Project”) through the business cooperation contract with Viettel Group (represented by Viettel Telecom - a member of Viettel Group) and CMC Telecommunication Infrastructure Joint Stock Company. This is the project to build submarine cable network connecting countries in Asia (including Vietnam, Japan, Hong Kong, China, Singapore, Malaysia, Taiwan, South Korea and Thailand). Viettel Telecom acts as for other three entities a representative to participate in this project. Accordingly, the Corporation commits to contributing the total estimated amount of USD 10 million equivalent to 25% the total capital of Viettel Telecom contribution as representative in this project. Capital contributions will be made according to the progress of the project and Viettel Telecom’s announcement. As at 30 June 2016, the actual contribution of the Corporation was USD 7,546,345 equivalent to VND 159,583,981,381.
- On 25 February 2015, the Corporation entered into a comprehensive cooperation agreement with Tien Phong Commercial Joint Stock Bank for supporting students who joined the training courses under the 10,000 Bridge Software Engineer program. In this program, approximately 10,000 students will be trained in Japan within 6 -12 months. The students who participate in this training course in Japan will be rewarded financial guarantee by the Corporation equivalent to 90% of their total credit obligations arising at the Bank, with a maximum credit limit of VND 400 million. As at 30 June 2016, the number of students participating in the program in Japan are about 413 people, and the total estimated guarantee amount is VND 108,111,000,000, respectively.

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34. COMPARATIVE FIGURES

Comparative figures of the consolidated balance sheet are the figures in the audited consolidated financial statements for the year ended 31 December 2015. Comparative figures of the consolidated income statement and consolidated cash flow statement are the figures in the reviewed consolidated financial statements for the 6-month period ended 30 June 2015.

Hanoi, 29 July 2016

Preparer

Nguyen Tien Hao

Chief Accountant

Hoang Huu Chien

Executive Vice President



Nguyen The Phuong