

CÔNG TY CỔ PHẦN FPT
FPT CORPORATION

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc
THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Số/No.: 18 /FPT-FCC

Hà Nội, ngày 25 tháng 01 năm 2021
Hanoi, January 25th, 2021

**CÔNG BỐ THÔNG TIN
TRÊN CỔNG THÔNG TIN ĐIỆN
TỬ CỦA ỦY BAN CHỨNG KHOÁN
NHÀ NƯỚC VÀ SGDCK TP.HCM**

**DISCLOSURE OF INFORMATION
ON THE STATE SECURITIES
COMMISSION'S PORTAL AND
HOCHIMINH STOCK EXCHANGE'S
PORTAL**

Kính gửi/ To: - Ủy ban Chứng khoán Nhà nước/ *The State Securities
Commission*
- Sở Giao dịch chứng khoán TP.HCM/ *Hochiminh Stock
Exchange*

- Tên tổ chức / *Organization name*: Công ty Cổ phần FPT/ *FPT Corporation*
- Mã chứng khoán/ *Security Symbol*: FPT/ *FPT*
- Địa chỉ trụ sở chính/ *Address*: Số 17 Duy Tân, Phường Dịch Vọng Hậu, Quận Cầu Giấy, Hà Nội/ *17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay Distric, Hanoi*
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- Người thực hiện công bố thông tin/ *Submitted by*: Bà Bùi Nguyễn Phương Châu/ *Ms. Bui Nguyen Phuong Chau*
Chức vụ/ *Position*: Trưởng Ban Truyền thông FPT/ *Chief of FPT Corporate Communications Department*

Loại thông tin công bố: định kỳ bất thường 24h theo yêu cầu
Information disclosure type: Periodic Irregular 24 hours On demand

Nội dung thông tin công bố (*)/ *Content of Information disclosure (*)*: Báo cáo tài chính công ty mẹ quý 4 năm 2020 và Báo cáo tài chính hợp nhất quý 4 năm 2020/*Separate Financial Statements for Quarter 4 of 2020 and Consolidated Financial Statements for Quarter 4 of 2020.*

Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 25/01/2021 tại đường dẫn: <http://fpt.com.vn/vi/nhadautu/cong-bo-thong-tin>
This information was disclosed on Company/Fund's Portal on date January 25th, 2021 available at: <https://fpt.com.vn/en/ir/information-disclosure>



Tôi cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố/ *I declare that all information provided in this paper is true and accurate; I shall be legally responsible for any misrepresentation.*

Tài liệu đính kèm/*Attachment*: Báo cáo tài chính công ty mẹ quý 4 năm 2020 và Báo cáo tài chính hợp nhất quý 4 năm 2020/*Separate Financial Statements for Quarter 4 of 2020 and Consolidated Financial Statements for Quarter 4 of 2020.*

Đại diện tổ chức
Organization representative

Người CBĐT/Party to disclose information



[Handwritten signature]
Bùi Nguyễn Phương Châu

Nơi nhận/Recipient:

- Nhu trên/*As above:*
- Lưu/*Archived by: VT, FCC/Admin, FCC*





FPT CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER IV - 2020



CONSOLIDATED BALANCE SHEET

As at 31 December 2020

FORM B 01-DN/HN

Unit: VND

NO.	ASSET	Codes	Notes	31/12/2020	31/12/2019
A - CURRENT ASSETS		100		25,608,346,381,474	18,979,176,128,930
I. Cash and cash equivalents		110	5	4,684,867,868,361	3,453,388,617,569
1	Cash	111		2,215,419,285,080	2,611,644,417,963
2	Cash equivalents	112		2,469,448,583,281	841,744,199,606
II. Short-term financial investments		120	6	12,435,918,124,269	6,708,978,162,325
1	Held-to-maturity investments	123		12,435,918,124,269	6,708,978,162,325
III. Short-term receivables		130		6,263,024,543,620	6,536,251,148,622
1	Short-term trade receivables	131	7	5,587,937,422,952	5,812,938,112,346
2	Short-term advances to suppliers	132		459,336,196,478	274,779,131,899
3	Receivables from construction contracts under percentage of completion method	134		197,972,680,487	318,339,389,202
4	Short-term loan receivables	135		185,532,228,683	394,176,861
5	Other short-term receivables	136	8	459,208,893,239	491,315,953,067
6	Provision for short-term doubtful debts	137	9	(626,962,878,219)	(361,515,614,753)
IV. Inventories		140	10	1,290,091,524,352	1,284,200,733,943
1	Inventories	141		1,405,083,502,315	1,349,958,901,393
2	Provision for devaluation of inventories	149		(114,991,977,963)	(65,758,167,450)
V. Other short-term assets		150		934,444,320,872	996,357,466,471
1	Short-term prepayments	151		620,955,206,480	692,500,771,861
2	Value added tax deductibles	152		268,314,490,280	175,754,512,449
3	Taxes and other receivables from the State budget	153	17	45,174,624,112	128,102,182,161
B - NON-CURRENT ASSETS		200		16,141,090,782,024	14,414,988,134,764
I. Long-term receivables		210		242,872,863,326	262,484,590,350
1	Long-term advances to suppliers	212		380,000,000	380,000,000
2	Long-term loans receivable	215		93,992,225,574	47,427,917,600
3	Other long-term receivables	216	8	203,229,811,570	269,405,846,568
4	Provision for long-term doubtful debts	219		(54,729,173,818)	(54,729,173,818)
II. Fixed assets		220		8,317,998,687,965	7,492,167,954,088
1	Tangible fixed assets	221	11	7,219,727,606,116	6,295,261,846,210
	<i>Cost</i>	222		12,945,762,081,818	11,301,061,772,211
	<i>Accumulated depreciation</i>	223		(5,726,034,475,702)	(5,005,799,926,001)
2	Finance lease assets	224		2,902,077,617	2,845,085,816
	<i>Cost</i>	225		6,031,445,271	6,057,653,223
	<i>Accumulated depreciation</i>	226		(3,129,367,654)	(3,212,567,407)
3	Intangible fixed assets	227	12	1,095,369,004,232	1,194,061,022,062
	<i>Cost</i>	228		2,036,967,631,495	1,973,814,359,687
	<i>Accumulated amortisation</i>	229		(941,598,627,263)	(779,753,337,625)
III. Long-term assets in progress		240		2,373,393,296,565	1,650,470,873,492
1	Long-term construction in progress	242	13	2,373,393,296,565	1,650,470,873,492
IV. Long-term financial investments		250		2,605,504,854,052	2,496,552,054,488
1	Investments in joint-ventures, associates	252	15	1,980,817,143,237	1,912,712,694,571
2	Equity investments in other entities	253	6	927,787,136,286	893,623,994,517
3	Provision for impairment of long-term financial investments	254		(303,299,425,471)	(309,784,634,600)
4	Held-to-maturity investments	255		200,000,000	-
V. Other long-term assets		260		2,601,321,080,116	2,513,312,662,346
1	Long-term prepayments	261		2,266,063,078,923	2,247,131,962,711
2	Deferred tax assets	262		135,223,776,166	40,251,284,363
3	Goodwill	269		200,034,225,027	225,929,415,272
	TOTAL ASSETS	270		41,749,437,163,498	33,394,164,263,694

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2020

FORM B 01-DN/HN

Unit: VND

NO.	RESOURCES	Codes	Notes	31/12/2020	31/12/2019
A - LIABILITIES		300		23,146,723,671,078	16,594,874,862,688
I. Current liabilities		310		22,382,164,623,421	16,102,256,902,439
1	Short-term trade payables	311	16	2,858,901,791,270	2,641,797,326,788
2	Short-term advances from customers	312		463,125,962,596	398,628,905,824
3	Taxes and amounts payable to the State Budget	313	17	638,912,109,901	554,461,605,696
4	Payables to employees	314		1,999,612,928,141	1,278,884,909,353
5	Short-term accrued expenses	315	18	779,777,262,789	746,853,608,766
6	Payables relating to construction contracts under percentage of completion method	317		64,245,054,184	39,251,428,042
7	Short-term unearned revenue	318	19	1,962,051,574,530	1,827,319,525,947
8	Other current payables	319	20	726,345,174,792	387,440,116,553
9	Short-term loans and obligations under finance leases	320	21	12,062,410,192,740	7,513,635,654,008
10	Short-term provisions	321		206,407,715,175	174,566,812,252
11	Bonus and welfare funds	322		620,374,857,303	539,417,009,210
II. Long-term liabilities		330		764,559,047,657	492,617,960,249
1	Long-term unearned revenue	336	19	41,124,555,530	42,777,167,223
2	Other long-term payables	337	20	38,492,884,032	92,105,961,472
3	Long-term loans and obligations under finance leases	338	22	677,796,913,413	349,769,099,942
4	Deferred tax liabilities	341		872,095,321	-
5	Long-term provisions	342		6,080,503,078	7,773,635,329
6	Scientific and technological development fund	343		192,096,283	192,096,283
B - EQUITY		400		18,602,713,492,420	16,799,289,401,006
I. Owner's equity		410	23	18,599,963,492,420	16,796,539,401,006
1	Owner's contributed capital	411	23	7,839,874,860,000	6,783,586,880,000
	- Ordinary shares carrying voting rights	411a		7,839,874,860,000	6,783,586,880,000
2	Share premium	412	23	49,713,213,411	49,941,441,360
3	Other capital	414	23	920,081,410,199	765,332,464,859
4	Treasury shares	415	23	(823,760,000)	(823,760,000)
5	Foreign exchange reserve	417	23	13,497,025,190	(7,773,137,062)
6	Investment and development funds	418	23	440,634,735,853	307,526,573,229
7	Other reserves	420	23	87,203,093,024	102,985,531,790
8	Retained earnings	421	23	6,390,630,135,723	5,960,676,956,469
	- Retained earnings accumulated to the prior period	421a		4,049,855,354,551	3,503,602,891,815
	- Retained earnings of the current period	421b		2,340,774,781,172	2,457,074,064,654
9	Non-controlling interests	429		2,859,152,779,020	2,835,086,450,361
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
2	Funds for fixed assets acquisition	433		-	-
TOTAL RESOURCES		440		41,749,437,163,498	33,394,164,263,694

Preparer



Nguyen Trong Nhan

Chief Accountant



Hoang Huu Chien

Hanoi, 22 January 2021

Executive Vice President



Nguyen The Phuong

CONSOLIDATED INCOME STATEMENT
For the period from 01 January 2020 to 31 December 2020

FORM B 02-DN/HN

Unit: VND

No.	ITEMS	Codes	Notes	In period		Year to date	
				2020	2019	2020	2019
1	Gross revenue from goods sold and services rendered	01		8,700,729,240,329	8,146,869,581,018	29,921,698,144,296	27,791,982,176,829
2	Deductions	02		34,024,627,352	26,681,706,948	91,297,617,472	75,022,024,554
3	Net revenue from goods sold and services rendered	10	24	8,666,704,612,977	8,120,187,874,070	29,830,400,526,824	27,716,960,152,275
4	Cost of sales	11	25	5,195,783,662,734	5,048,323,361,968	18,014,568,332,326	17,004,910,529,153
5	Gross profit from sales	20		3,470,920,950,243	3,071,864,512,102	11,815,832,194,498	10,712,049,623,122
6	Financial income	21	26	223,126,152,055	167,007,877,236	821,896,424,782	650,494,541,199
7	Financial expenses	22	27	152,060,434,779	136,435,240,238	548,165,211,617	592,386,050,061
	<i>In which: interest expense</i>	23		98,553,625,985	113,389,275,397	385,337,754,896	358,987,537,452
8	Share of profit of associates	24		94,915,649,543	66,457,196,433	312,193,572,178	404,927,466,313
9	Selling expenses	25		858,582,754,238	731,892,960,543	2,712,633,123,638	2,345,957,646,507
10	General and administration expenses	26		1,355,121,201,405	1,276,300,506,219	4,500,944,033,121	4,219,254,770,652
11	Operating profit	30		1,423,198,361,419	1,160,700,878,771	5,188,179,823,082	4,609,873,163,414
12	Other income	31		45,331,089,591	34,705,236,375	131,401,186,949	112,683,563,071
13	Other expenses	32		21,209,410,608	38,342,103,226	58,599,020,913	58,026,214,779
14	Profit from other activities	40		24,121,678,983	(3,636,866,851)	72,802,166,036	54,657,348,292
15	Accounting profit before tax	50		1,447,320,040,402	1,157,064,011,920	5,260,981,989,118	4,664,530,511,706
16	Current tax expense	51		307,035,001,474	191,033,987,289	936,883,029,746	761,989,612,116
17	Deferred tax expense/(income)	52		(112,303,662,813)	(5,880,124,990)	(98,305,677,729)	(9,171,267,283)
18	Profit after tax (60=50-51-52)	60		1,252,588,701,742	971,910,149,621	4,422,404,637,102	3,911,712,166,873
	- Equity holders of the Holding Company	61		982,843,692,181	757,233,806,262	3,537,547,149,371	3,135,350,376,654
	- Non-controlling interests	62		269,745,009,560	214,676,343,359	884,857,487,730	776,361,790,219
19	Basic earnings per share	70	28	857	617	4,119	3,667
20	Diluted earnings per share	71		857	617	4,119	3,667

EXPLANATION ON HIGHER PROFIT AFTER TAX IN 2020 IN COMPARISON TO 2019:

FPT Corporation explains the variation of business results in 2020, in comparison with the same period last year as follows:

Item	Quarter 4 Year 2020	Accumulated Year 2020	Quarter 4 Year 2019	Accumulated Year 2019	Increase/Decrease			
					Quarter 4		Accumulated	
					Amount	Percentage	Amount	Percentage
Net revenue from goods sold and services rendered	8,666,705	29,830,401	8,120,188	27,716,960	546,517	6.73%	2,113,440	7.63%
Accounting profit before tax	1,447,320	5,260,982	1,157,064	4,664,531	290,256	25.09%	596,451	12.79%
Profit after tax	1,252,589	4,422,405	971,910	3,911,712	280,679	28.88%	510,692	13.06%

Despite the initial disruption amid COVID-19 pandemic, FPT achieved an impressive growth for the first 9 months 2020. In which, consolidated revenues and PBT reached 29,830 billion and 5,261 billion, enjoying the growth of 7.6% and 12.8% y-o-y respectively.

The growth is mainly due those of Technology sector and Telecom sector:

- **Technology sector:**

Technology sector has brought in the revenue of 16,805 billion, up 6.5% and PBT of 2,237 billion, up 13.4% accounted for 56% and 43% of the consolidated revenue and PBT respectively. In which, Global IT Services have brought in the revenue of 12,000 billion, up 10.6%, and PBT of 1,970 billion, up 14.4%, accounted for 40% and 37% of the consolidated revenue and PBT respectively.

- **Telecom sector:**

Telecom sector has brought in the revenue of 11,466 billion, up 10.3% and PBT of 2,074 billion, up 14.7% accounted for 39% of the consolidated revenue and PBT respectively. In which, Telecom services have brought in the revenue of 10,867 billion, up 11.0% and PBT of 1,819 billion, up 22.2%, accounted for 36% and 35% of the consolidated revenue and PBT respectively.

Hanoi, 22 January 2021

Preparer



Nguyen Trong Nhan

Chief Accountant



Hoang Huu Chien

Executive Vice President



Nguyen The Phuong

CONSOLIDATED CASH FLOW STATEMENT
For the period from 01 January 2020 to 31 December 2020

FORM B 03-DN/HN
Unit: VND

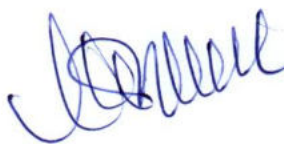
No.	ITEMS	Codes	Year to date	
			2020	2019
I	Cash flows from operating activities			
1	<i>Profit before tax</i>	01	5,260,981,989,118	4,664,530,511,706
2	<i>Adjustments for:</i>			
	- Depreciation and amortisation	02	1,491,183,478,728	1,354,613,458,881
	- Provisions	03	312,970,150,522	287,785,755,015
	- Foreign exchange gain/ loss arising from translating foreign currency items	04	(3,386,721,059)	9,525,407,416
	- Gain/losses from investing activities	05	(1,039,617,856,401)	(903,441,404,801)
	- Interest expense	06	385,337,754,896	358,987,537,452
3	<i>Operating profit before movements in working capital</i>	08	6,407,468,795,804	5,772,001,265,669
	- Increase/Decrease in receivables	09	266,335,271,326	(481,202,921,282)
	- Increase/Decrease in inventories	10	(55,124,600,922)	256,058,829,417
	- Increase/Decrease in accounts payable (not including accrued interest and corporate income tax payable)	11	1,122,265,667,257	305,737,668,001
	- Increase/Decrease in prepaid expenses	12	52,614,449,169	(686,544,368,251)
	- Interest paid	14	(401,913,784,732)	(338,497,048,207)
	- Corporate income tax paid	15	(777,787,632,876)	(638,639,276,041)
	- Other cash inflows/(outflows)	15	-	1,946,436,785
	- Other cash inflows/(outflows)	17	(292,500,692,304)	(292,110,600,306)
	<i>Net cash from operating activities</i>	20	6,321,357,472,722	3,898,749,985,785
II	Cash flows from investing activities			
1	Acquisition of fixed assets and other long-term assets	21	(3,018,397,339,900)	(3,233,069,745,365)
2	Proceeds from sale, disposal of fixed assets and other long-term assets	22	3,323,070,810	2,251,555,566
3	Cash inflow/outflow from lending and trading debt instruments of other companies	23	(5,954,091,321,739)	(1,206,873,685,745)
4	Investments in other entities	25	(83,422,714,634)	(109,971,962,499)
5	Cash recovered from investments in other entities	26	31,000,000,000	120,174,850,275
6	Interest earned, dividends received	27	894,462,073,315	582,420,492,806
	<i>Net cash (used in) investing activities</i>	30	(8,127,126,232,148)	(3,845,068,494,962)
III	Cash flows from financing activities			
1	Proceeds from issuing stocks	31	59,633,580,760	71,715,000,000
2	Capital withdrawals, buying treasury shares and proceeds from shares re-issued	32	-	(269,625,000)
3	Proceeds from borrowings	33	20,448,433,695,223	13,403,998,747,456
4	Repayments of borrowings	34	(15,569,877,549,601)	(12,504,733,393,240)
5	Repayment of obligations under finance leases	35	(1,753,793,420)	(1,522,772,466)
6	Dividends paid	36	(1,899,079,382,925)	(1,483,558,593,800)
	<i>Net cash from/(used in) financing activities</i>	40	3,037,356,550,037	(514,370,637,050)
	Net (decrease) in cash	50	1,231,587,790,611	(460,689,146,227)
	Cash and cash equivalents at the beginning of the period	60	3,453,388,617,569	3,925,727,206,293
	Effects of changes in foreign exchange rates	61	(108,539,819)	(11,649,442,497)
	Cash and cash equivalents at the end of the period	70	4,684,867,868,361	3,453,388,617,569

Preparer



Nguyen Trong Nhan

Chief Accountant



Hoang Huu Chien

Hanoi, 22 January 2020

Executive Vice President



Nguyen The Phuong

FPT CORPORATION

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

Consolidated financial statements

For the period from 01 January 2020 to 31 December 2020

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

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 48th amendeant of Business Registration Certificate, the Corporation changed the Charter capital into VND 7,839,874,860,000 .

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 31 December 2020 was 30,651 (at 31 December 2019 was 28,781).

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) general education, college, university and postgraduate training services.

Normal production and business cycle

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

The Corporation's structure

As at 31 December 2020, FPT Corporation had 7 direct subsidiaries, as follows:

- FPT Information System Corporation;
- FPT Telecom Joint Stock Company;
- FPT Software Company Limited;
- FPT Education Company Limited;
- FPT Online Services Joint Stock Company;
- FPT Investment Company Limited;
- FPT Smart Cloud Company Limited.

and 2 direct associates:

- FPT Digital Retail Joint Stock Company;
- Synnex FPT Joint Stock Company;

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

The accompanying consolidated financial statements, 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 consolidated 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 2020 to 31 December 2020.

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. 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). 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 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.

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

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Provision for impairment of long-term financial investment***

Provisions for impairment of long-term financial investments are made in accordance with Circular No. 48/2019/TT-BTC dated 08 August 2019 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” 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.

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.

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

	2020
	(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***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.

License, copyright and patent

Purchase prices of license are 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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Brand name, trademark and list of customers.***

Purchase prices of trademark and brand name are recorded as intangible asset. Trademark, brand name and list of customers are amortised to the consolidated income statement on straight-line basis over their estimated useful lives.

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 other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Corporation's accounting policy. 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.

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 are actually provided to customers.

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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 accounted to the consolidated income statement in the year in which the semester falls.

Tuition and fee payment

Tuition and fees are fully paid 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 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

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the consolidated balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.

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 earnings per share (EPS) and diluted earnings per share (Diluted 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 profit before tax 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 producing or 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 segments 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.;
- **Global IT services:** Software production, providing consultancy and deployment of S.M.A.C/IoT, digital transformation services, IT system transformation services, quality assurance testing, embedded software, ERP implementation and management services;
- **Software solutions, system integration and information services:** providing application software solutions, providing information system integration services, supplying IT equipment, data center services, networking and security system design//development; warranty and maintenance of IT products authorized by hardware vendors.

Investment, education and others: including the following main activities:

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

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Current year

Unit: VND million

Items	Information Technology and Telecommunication				Investment, education and others	Elimination	Total
	Telecommunication	Digital content	Global IT services	Software solution, system integration and informatics services			
Segment revenue	10,867,003	599,151	12,000,260	4,804,672	2,187,175	(627,861)	29,830,401
Segment expenses (i)							
Directly attributable expenses	(9,114,111)	(386,886)	(9,967,083)	(4,578,062)	(1,692,513)	510,509	(25,228,145)
In which:							
- Depreciation and amortisation	(1,078,906)	(2,531)	(278,321)	(29,048)	(106,702)	4,323	(1,491,183)
- Allocation of long-term prepaid expenses	(1,321,304)	(3,539)	(71,299)	(36,344)	(88,308)	-	(1,520,794)
Segment operating result (ii)	1,752,892	212,265	2,033,177	226,610	494,662	(117,351)	4,602,255
Segment profit before tax	1,818,530	255,506	1,969,769	267,289	3,745,071	(2,795,183)	5,260,982
Segment assets	15,588,376	1,176,326	11,639,911	5,016,615	14,505,444	(6,177,235)	41,749,437
Segment liabilities	11,009,772	333,574	7,398,076	3,437,109	6,817,135	(5,848,943)	23,146,724
Total expenses for acquisition of fixed assets	2,324,931	2,804	827,357	75,237	1,676,160	-	4,906,489

(i) Segment expenses arising from the business activities of the segment are charged directly to that segment and part of the business costs are allocated to that segment, including outbound sales costs and expenses related to transactions with other segments of the business. Accordingly, segment expenses include cost of sales, selling and administration expenses.

(ii) Segment result is segment revenue less segment expenses (excluding financial income, financial expenses, other income and other expenses). Consequently, in "Investment, education and others" segment, segment result is significantly lower than segment profit before tax, due to an amount of VND 2,105 billion which is the total of financial income and other income (most of which is dividend collected from subsidiaries of the parent).

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Segment reporting (Continued)

Previous year

Unit: VND million

Items	Information Technology and Telecommunication				Investment, education and others	Elimination	Total
	Telecommunication	Digital content	Global IT services	Software solution, system integration and informatics services			
Segment revenue	9,789,511	608,916	10,848,063	4,935,358	1,792,058	(256,946)	27,716,960
Segment expenses							
Directly attributable expenses	(8,310,578)	(336,743)	(9,043,060)	(4,706,740)	(1,458,373)	285,371	(23,570,123)
In which:							
- Depreciation and amortisation	(982,683)	(3,352)	(277,046)	(29,807)	(66,017)	4,291	(1,354,613)
- Allocation of long-term prepaid expenses	(859,048)	(5,448)	(137,774)	(25,151)	(65,395)	-	(1,092,816)
Segment operating result	1,478,932	272,173	1,805,004	228,618	333,685	28,425	4,146,837
Segment profit before tax	1,487,627	320,526	1,722,422	250,191	2,740,057	(1,856,293)	4,664,530
Segment assets	12,825,489	1,055,955	8,363,509	4,390,989	8,140,182	(1,381,960)	33,394,164
Segment liabilities	8,157,544	319,816	4,629,918	2,989,354	2,528,211	(2,029,968)	16,594,875
Total expenses for acquisition of fixed assets	3,745,295	3,853	1,151,000	90,263	1,033,786	(256,572)	5,767,625

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	<u>31/12/2020</u>	<u>31/12/2019</u>
	VND	VND
Cash on hand	4,888,814,032	3,833,056,658
Cash in bank	2,208,208,471,048	2,607,811,361,305
Cash in transfer	2,322,000,000	-
Cash equivalents (i)	2,469,448,583,281	841,744,199,606
	<u>4,684,867,868,361</u>	<u>3,453,388,617,569</u>

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

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As at 31/12/2020 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

	<u>31/12/2020</u>	<u>31/12/2019</u>
	VND	VND
a. Short-term		
Receivables from maintenance service contracts in progress	134,891,879,306	114,333,547,990
Other receivables	324,317,013,933	376,982,405,077
	<u>459,208,893,239</u>	<u>491,315,953,067</u>
b. Long-term		
Deposits and mortgages	148,140,902,681	214,269,143,412
Other receivables	55,088,908,889	55,136,703,156
	<u>203,229,811,570</u>	<u>269,405,846,568</u>

9. BAD DEBTS

As at 31/12/2020 bad debts balance does not include bad debts by payees accounting for 10% or more of the total amount overdue.

10. INVENTORIES

	<u>31/12/2020</u>		<u>31/12/2019</u>	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	60,938,696,425	-	105,553,294,510	-
Raw materials	531,744,426,534	(69,717,642,107)	201,087,084,424	(30,279,235,077)
Tools and supplies	33,092,458,200	-	42,977,317,149	-
Work in progress	561,081,145,955	(32,143,439,918)	538,357,210,802	(32,143,439,918)
Goods on consignment	604,272,041	-	554,636,331	-
Merchandise	217,622,503,160	(13,130,895,938)	461,429,358,177	(3,335,492,455)
Total	<u>1,405,083,502,315</u>	<u>(114,991,977,963)</u>	<u>1,349,958,901,393</u>	<u>(65,758,167,450)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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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 1/1/2020	2,244,612,256,360	8,231,582,976,860	84,914,113,852	678,498,425,870	61,453,999,269	11,301,061,772,211
Additions	64,927,219,886	1,541,356,389,935	9,197,889,090	36,682,138,870	17,932,611,411	1,670,096,249,192
Transfers from CIP	850,518,982,217	71,272,537,709	-	910,405,597	1,770,807,273	924,472,732,796
Disposals	-	(7,382,675,574)	(5,497,728,090)	(10,792,409,657)	(105,215,000)	(23,778,028,321)
Reclassification	(32,889,578)	1,383,788,247	353,375,000	2,951,963,334	(15,658,580)	4,640,578,423
Other increase/(decreases) (*)	35,134,083	(891,736,209,786)	47,308,564	(39,159,178,795)	81,723,451	(930,731,222,483)
As at 31/12/2020	3,160,060,702,968	8,946,476,807,391	89,014,958,416	669,091,345,219	81,118,267,824	12,945,762,081,818
ACCUMULATED DEPRECIATION						
As at 1/1/2020	437,760,265,861	3,966,975,616,646	40,140,775,079	554,001,495,353	6,921,773,062	5,005,799,926,001
Charge for the period	111,941,418,614	1,103,931,793,409	10,907,995,369	34,241,033,300	11,030,386,727	1,272,052,627,419
Disposals	-	(5,815,537,741)	(2,645,094,459)	(10,435,911,613)	(76,513,138)	(18,973,056,951)
Reclassification	(1,769,824,352)	3,234,389,841	201,200,984	2,990,470,314	(15,658,364)	4,640,578,423
Other increase/(decreases) (*)	56,906,033	(500,397,288,297)	(1,410,593,692)	(35,735,596,009)	972,775	(537,485,599,190)
As at 31/12/2020	547,988,766,156	4,567,928,973,858	47,194,283,281	545,061,491,345	17,860,961,062	5,726,034,475,702
NET BOOK VALUE						
As at 1/1/2020	1,806,851,990,499	4,264,607,360,214	44,773,338,773	124,496,930,517	54,532,226,207	6,295,261,846,210
As at 31/12/2020	2,612,071,936,812	4,378,547,833,533	41,820,675,135	124,029,853,874	63,257,306,762	7,219,727,606,116

(*) Other decreases in fixed assets during the period mainly represent machinery and equipment from former telecommunications fibre infrastructure during the period from 2014 to 2016. Since 2017, the Corporation has no longer used such assets so the Corporation has reclassified them into inventory for disposal or replacement purpose.

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12. INTANGIBLE FIXED ASSETS

	Land use right VND	Computer software VND	License, copyright, and patent VND	Others	Total VND
COST					
As at 1/1/2020	179,681,242,218	381,977,715,513	1,028,502,051,437	383,653,350,519	1,973,814,359,687
Purchases	2,553,990,000	53,610,330,784	5,747,464,418	441,240,000	62,353,025,202
Transfers from CIP	-	2,271,434,231	21,562,953,886	-	23,834,388,117
Disposals	-	(8,471,332,468)	(95,143,140)	(777,316,419)	(9,343,792,027)
Other increases/(decreases)	2,030,672,881	(4,102,467,709)	65,621,034,881	(77,239,589,537)	(13,690,349,484)
As at 31/12/2020	184,265,905,099	425,285,680,351	1,121,338,361,482	306,077,684,563	2,036,967,631,495
ACCUMULATED AMORTISATION					
As at 1/1/2020	9,061,671,828	314,715,063,362	444,364,717,153	11,611,885,282	779,753,337,625
Charge for the period	1,475,258,163	46,383,983,912	114,979,554,401	22,813,932,106	185,652,728,582
Disposals	-	(8,407,354,504)	(95,143,140)	(777,316,419)	(9,279,814,063)
Other increases/(decreases)	910,276,334	(12,234,370,595)	(3,210,008,603)	6,477,983	(14,527,624,881)
As at 31/12/2020	11,447,206,325	340,457,322,175	556,039,119,811	33,654,978,952	941,598,627,263
NET BOOK VALUE					
As at 1/1/2020	170,619,570,390	67,262,652,151	584,137,334,284	372,041,465,237	1,194,061,022,062
As at 31/12/2020	172,818,698,774	84,828,358,176	565,299,241,671	272,422,705,611	1,095,369,004,232

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	<u>2020</u>	<u>2019</u>
	VND	VND
Opening balance	1,650,470,873,492	1,174,778,083,753
Increase in the period	1,672,569,037,318	1,205,845,765,978
Transfer to fixed assets	(948,307,120,913)	(715,952,062,667)
Other increase/decrease	(1,339,493,332)	(14,200,913,572)
Balance at 30/09/2020	<u>2,373,393,296,565</u>	<u>1,650,470,873,492</u>
	<u>31/12/2020</u>	<u>31/12/2019</u>
	VND	VND
Detail by significant projects		
- FPT Tower	1,333,086,970,636	978,795,909,856
- Ftown3	-	344,891,726,250
- Other projects	1,040,306,325,929	326,783,237,386
	<u>2,373,393,296,565</u>	<u>1,650,470,873,492</u>

14. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 31 December 2020 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, Duy Tan Street, Cau Giay District, Hanoi	100.00%	100.00%	Providing software services and products
FPT Telecom Joint Stock Company (i)	Floor 2, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	45.65%	45.65%	Providing ADSL services, fixed line internet services, online advertising and other online services
FPT Education Company Limited	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100.00%	100.00%	Providing training and technology services
FPT Online Service Joint Stock Company	Lot 29B-31B-33B, Tan Thuan Street, Tan Thuan Dong Ward, District 7, Ho Chi Minh city	49.52%	80.15%	Providing online services
FPT Investment Company Limited	Floor 13, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100.00%	100.00%	Providing financial services activities (investment consulting service, excluding legal and financial consulting services)
FPT Smart Cloud Company Limited	17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	100.00%	100.00%	Providing IT services and other services related to computer

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- (i) As at 31/12/2020, FPT Corporation holds 45.65% ownership interest (31/12/2019: 45.65%) and controls 45.65% of voting rights (31/12/2019: 45.65%) 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.

15. INVESTMENTS IN ASSOCIATES

	From 1/1/2020 to 31/12/2020	From 1/1/2019 to 31/12/2019
	VND	VND
Opening balance	1,912,712,694,571	1,676,231,689,527
Share of net profit of associates	246,291,818,222	318,095,248,544
Dividend received	(219,912,930,500)	(81,614,243,500)
Change from equity investments in other entities to investment in associates (*)	47,000,000,000	-
Other increases	(5,274,439,056)	-
Closing balance	1,980,817,143,237	1,912,712,694,571

(*) Investment in associates through the subsidiaries of the Corporation

Details of direct associates as at 31 December 2020 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest and voting right	Principal activities
FPT Digital Retail Joint Stock Company	261 - 263 Khanh Hoi, Ward 5, District 4, Ho Chi Minh City	46.53%	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent
Synnex FPT Joint Stock Company	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	48.00%	Producing technology products and distributing IT devices and mobile phone; and manufacturing computers

Details of indirect associates through the subsidiaries as at 31 December 2020 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	No. 52, Lac Long Quan Road, Bui Ward, Tay Ho District, Hanoi	20.00%	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	25.00%	Portfolio and fund management and other services
HOMA Technologies Joint Stock Company	House 5, Street 13, Quang Trung Software Park, Tan Chanh Hiep Ward, District 12, Ho Chi Minh	30.43%	Manufacture and repair of electronic components, communication equipment, and electrical equipment

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As at 31/12/2020 trade payables balance does not include balances of trade payables which account for 10% or more of the total trade payables balance.

17. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

Items	Movement			31/12/2020
	31/12/2019	Amount payable	Amount paid and deducted	
	VND	VND	VND	
VAT	194,796,202,522	3,321,154,925,057	3,251,677,878,304	264,273,249,275
- Output VAT	194,794,636,361	3,084,846,365,869	3,015,419,593,290	264,221,408,940
- VAT on imports	1,566,161	236,308,559,188	236,258,285,014	51,840,335
Import duty	(181,397,818)	10,583,204,289	10,583,204,289	(181,397,818)
Corporate income tax	154,296,524,532	878,163,736,488	777,787,632,876	254,672,628,144
Other taxes and other payables	77,448,094,299	782,273,695,058	784,748,783,169	74,973,006,188
Personal income tax	56,133,748,776	651,840,896,982	639,354,490,199	68,620,155,559
Other taxes and other payables	21,314,345,523	130,432,798,076	145,394,292,970	6,352,850,629
	426,359,423,535	4,992,175,560,892	4,824,797,498,638	593,737,485,789

Including:

- Taxes and other receivables from the state budget	128,102,182,161	45,174,624,112
- Taxes and other payables to the state budget	554,461,605,696	638,912,109,901

	31/12/2020	31/12/2019
	VND	VND
VAT	2,719,554,078	108,856,592,037
Import duty	181,397,817	181,397,817
Corporate income tax	37,339,884,071	18,995,079,902
Personal income tax	1,355,302,264	-
Other taxes	3,578,485,882	69,112,405
Total	45,174,624,112	128,102,182,161

	31/12/2020	31/12/2019
	VND	VND
VAT	268,126,442,362	303,652,786,817
Corporate income tax	292,012,512,215	173,291,604,434
Personal income tax	69,975,457,505	56,133,748,776
Other taxes and other payables	8,797,697,819	21,383,465,669
Total	638,912,109,901	554,461,605,696

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	<u>31/12/2020</u>	<u>31/12/2019</u>
	VND	VND
Accrued expenses for system integration projects	310,458,800,267	381,465,970,404
Other accruals	469,318,462,522	365,387,638,362
	<u>779,777,262,789</u>	<u>746,853,608,766</u>

19. UNEARNED REVENUE

	<u>31/12/2020</u>	<u>31/12/2019</u>
	VND	VND
a) Short-term		
Unearned revenue related to telecom service	1,212,664,763,295	1,300,762,452,613
Unearned revenue related to tuition and fees	409,510,096,634	451,380,452,990
Other items	339,876,714,601	75,176,620,344
	<u>1,962,051,574,530</u>	<u>1,827,319,525,947</u>
b) Long-term		
Unearned revenue related to telecom service	6,064,949,466	5,724,987,341
Other items	35,059,606,064	37,052,179,882
	<u>41,124,555,530</u>	<u>42,777,167,223</u>

20. OTHER PAYABLES

	<u>31/12/2020</u>	<u>31/12/2019</u>
	VND	VND
a) Short-term		
Union fees	78,135,212,986	57,305,049,175
Social, health, unemployment insurance	87,568,893,958	75,143,289,315
Short-term deposits received	118,693,347,207	116,120,080,252
Dividends payable	308,649,574,006	9,864,253,931
Other current payables	133,298,146,635	129,007,443,880
	<u>726,345,174,792</u>	<u>387,440,116,553</u>
b) Long-term		
Long-term deposits received	29,878,624,140	75,072,699,564
Other payables	8,614,259,892	17,033,261,908
	<u>38,492,884,032</u>	<u>92,105,961,472</u>

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21. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASE

Items	01/01/2020		In the year		31/12/2020	
	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)	7,159,532,044,820	7,159,532,044,820	19,648,315,534,545	15,241,962,411,350	11,565,885,168,015	11,565,885,168,015
Current portion of long-term loans and obligations under finance lease	354,103,609,188	354,103,609,188	472,090,347,208	329,668,931,671	496,525,024,725	496,525,024,725
- <i>Current portion of long-term loans (ii)</i>	353,007,554,443	353,007,554,443	470,497,160,463	327,915,138,251	495,589,576,655	495,589,576,655
- <i>Current portion of long-term obligations under finance lease</i>	1,096,054,745	1,096,054,745	1,593,186,745	1,753,793,420	935,448,070	935,448,070
Total	7,513,635,654,008	7,513,635,654,008	20,120,405,881,753	15,571,631,343,021	12,062,410,192,740	12,062,410,192,740

- (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 22 for more.

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22. LONG-TERM LOANS AND LIABILITIES

Items	31/12/2019		In the year		31/12/2020	
	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	700,873,261,151	700,873,261,151	798,416,714,955	327,915,138,251	1,171,374,837,855	1,171,374,837,855
Other long-term liabilities	2,999,447,979	2,999,447,979	1,701,445,724	1,753,793,420	2,947,100,283	2,947,100,283
Total	703,872,709,130	703,872,709,130	800,118,160,679	329,668,931,671	1,174,321,938,138	1,174,321,938,138
In which:						
- Amount due for settlement within 12 months		354,103,609,188			496,525,024,725	
- Amount due for settlement after 12 months		349,769,099,942			677,796,913,413	

	31/12/2020 VND	31/12/2019 VND
Long-term loans:	1,171,374,837,855	700,873,261,151
- 3-year loans	566,380,130,608	506,429,939,806
- 4-year loans	-	51,954,791,817
- 5-year loans	604,994,707,247	142,488,529,528
Long-term obligations under finance leases	2,947,100,283	2,999,447,979
Total	1,174,321,938,138	703,872,709,130
Of which		
Amount due for settlement within 12 months	496,525,024,725	354,103,609,188
Amount due for settlement after 12 months	677,796,913,413	349,769,099,942

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22. LONG-TERM LOANS AND LIABILITIES (Continued)

Long-term loans are repayable as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
	VND	VND
On demand or within one year	495,589,576,655	353,007,554,443
In the second year	321,853,860,942	260,887,573,374
In the third to fifth year inclusive	353,931,400,258	86,978,133,334
After five years	-	-
	<u>1,171,374,837,855</u>	<u>700,873,261,151</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	495,589,576,655	353,007,554,443
Amount due for settlement after 12 months	<u>675,785,261,200</u>	<u>347,865,706,708</u>

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23. SHAREHOLDERS' EQUITY
Equity movement

	Owners' contributed capital	Share premium	Other owner's capital	Treasury shares	Foreign exchange reserve	Investment and development fund	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Balance at 01/01/2019	6,136,367,720,000	49,465,703,201	667,035,271,273	(823,760,000)	14,965,650,460	222,962,521,203	87,230,283,704	5,293,166,046,073	12,470,369,435,914
Shares issued	30,672,000,000	-	-	-	-	-	-	-	30,672,000,000
Profit for the year	-	-	-	-	-	-	-	3,135,723,250,490	3,135,723,250,490
Transferred to bonus and welfare funds	-	-	-	-	-	-	-	(276,493,604,433)	(276,493,604,433)
Transferred to and used development and investment fund	-	-	-	-	-	84,545,709,935	-	(95,776,600,202)	(11,230,890,267)
Stock dividends declared (i)	616,547,160,000	-	103,242,050,000	-	-	-	-	(719,789,210,000)	-
Cash dividends declared	-	-	-	-	-	-	-	(1,294,897,908,000)	(1,294,897,908,000)
Other movements	-	475,738,159	(4,944,856,414)	-	(22,738,787,522)	18,342,091	15,755,248,086	(81,255,017,459)	(92,689,333,059)
Balance at 01/01/2020	6,783,586,880,000	49,941,441,360	765,332,464,859	(823,760,000)	(7,773,137,062)	307,526,573,229	102,985,531,790	5,960,676,956,469	13,961,452,950,645
Shares issued	33,917,900,000	(228,227,949)	-	-	-	-	-	-	33,689,672,051
Profit for the year	-	-	-	-	-	-	-	3,539,274,440,131	3,539,274,440,131
Transferred to bonus and welfare funds	-	-	-	-	-	-	-	(311,789,805,232)	(311,789,805,232)
Transferred to and used development and investment fund	-	-	-	-	-	133,074,865,560	-	(102,804,743,727)	30,270,121,833
Stock dividends declared (i)	1,022,370,080,000	-	131,859,930,515	-	-	-	-	(1,154,230,010,515)	-
Cash dividends declared	-	-	-	-	-	-	-	(1,465,573,212,000)	(1,465,573,212,000)
Other movements	-	-	22,889,014,825	-	21,270,162,252	33,297,064	(15,782,438,766)	(74,923,489,403)	(46,513,454,028)
Balance at 31/12/2020	7,839,874,860,000	49,713,213,411	920,081,410,199	(823,760,000)	13,497,025,190	440,634,735,853	87,203,093,024	6,390,630,135,723	15,740,810,713,400
In which:									
<i>Net profit in the year transferred from consolidated Income Statement</i>								3,537,547,149,371	3,537,547,149,371
<i>Non-controlling interest</i>									
- Balance at 01/01/2020	1,465,751,055,014	32,465,761,888	1,846,533	-	141,687,851	325,879,730,671	18,789,771,234	992,056,597,170	2,835,086,450,361
- Balance at 31/12/2020	1,609,937,256,478	45,177,850,175	30,103,744,793	-	96,837,829	448,213,156,949	-	725,623,932,796	2,859,152,779,020
Total									
Balance at 01/01/2020	8,249,337,935,014	82,407,203,248	765,334,311,392	(823,760,000)	(7,631,449,211)	633,406,303,900	121,775,303,024	6,952,733,553,639	16,796,539,401,006
Balance at 31/12/2020	9,449,812,116,478	94,891,063,586	950,185,154,992	(823,760,000)	13,593,863,019	888,847,892,802	87,203,093,024	7,116,254,068,519	18,599,963,492,420

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23. SHAREHOLDERS' EQUITY (Continued)

Number of outstanding shares

	<u>31/12/2020</u>	<u>31/12/2019</u>
	Number of shares	Number of shares
Authorised share capital	783,987,486	678,358,688
Issued share capital	783,987,486	678,358,688
Ordinary shares	783,987,486	678,358,688
<i>Of which Shares subject to restriction in ownership transfer</i>	<i>11,642,061</i>	<i>10,072,368</i>
Treasury shares	(82,376)	(82,376)
Shares currently in circulation	783,905,110	678,276,312
Ordinary shares	783,905,110	678,276,312
<i>Of which Shares subject to restriction in ownership transfer</i>	<i>11,642,061</i>	<i>10,072,368</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.

24. REVENUE

	<u>From 1/1/2020 to</u> <u>31/12/2020</u>	<u>From 1/1/2019 to</u> <u>31/12/2019</u>
	VND	VND
Revenue	29,921,698,144,296	27,791,982,176,829
In which:		
- Revenue from goods sold	3,052,175,538,910	3,532,759,159,076
- Revenue from services rendered	26,869,522,605,386	24,259,223,017,753
Deductions	91,297,617,472	75,022,024,554
Net revenue	29,830,400,526,824	27,716,960,152,275

25. COSTS OF SALES

	<u>From 1/1/2020 to</u> <u>31/12/2020</u>	<u>From 1/1/2019 to</u> <u>31/12/2019</u>
	VND	VND
Cost of goods sold	2,526,541,861,424	2,981,061,229,485
Cost of services rendered	15,438,792,660,389	14,018,706,582,249
Provision/(Reversal) for devaluation of inventories	49,233,810,513	5,142,717,419
Total	18,014,568,332,326	17,004,910,529,153

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

26. FINANCIAL INCOME

	From 1/1/2020 to 31/12/2020	From 1/1/2019 to 31/12/2019
	VND	VND
Interest from bank deposits, loans and bonds	716,020,184,362	509,021,946,024
Foreign exchange gain	102,340,583,506	137,760,701,888
Other financial income	3,535,656,914	3,711,893,287
	821,896,424,782	650,494,541,199

27. FINANCIAL EXPENSES

	From 1/1/2020 to 31/12/2020	From 1/1/2019 to 31/12/2019
	VND	VND
Interest expense	385,337,754,896	358,987,537,452
Foreign exchange loss	198,940,371,225	182,638,938,524
Other financial expenses	(36,112,914,504)	50,759,574,085
	548,165,211,617	592,386,050,061

28. EARNINGS PER SHARE

Basic earnings per share for the period ended 31 December 2020 was calculated based on the profit attributable to ordinary shareholders and a weighted average number of outstanding ordinary shares during the year, as follows:

	From 1/1/2020 to 31/12/2020	From 1/1/2019 to 31/12/2019
	VND	VND
Accounting profit after tax	3,537,547,149,371	3,135,350,376,654
Allocation to bonus and welfare fund	311,789,805,233	276,493,604,433
Weighted average number of outstanding ordinary shares	783,071,063	779,706,604
Basic earnings per share	4,119	3,667

Restatement of weighted average number of ordinary shares

On 20 May 2020, 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 2019 to 31 December 2019, as follows:

	Weighted average number of ordinary	Earning per share
As stated in the consolidated financial statements for the period from 01 January 2019 to 31 December 2019	677,469,596	4,220
Effect of stock dividends issued on 20 May 2020	102,237,008	(553)
As restated	779,706,604	3,667

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

29. RELATED PARTY TRANSACTIONS AND BALANCES

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

	From 1/1/2020 to 31/12/2020	From 1/1/2019 to 31/12/2019
	VND	VND
Dividends received in cash		
FPT Securities Joint Stock Company	12,025,139,500	10,931,945,000
Synnex FPT Joint Stock Company	171,133,791,000	28,522,298,500
FPT Digital Retail Joint Stock Company	36,754,000,000	31,960,000,000
Purchases of goods and services		
Synnex FPT Joint Stock Company	917,375,331,498	881,721,409,821
FPT Digital Retail Joint Stock Company	86,499,125,208	-
Recover from lending		
FPT Digital Retail Joint Stock Company	450,000,000,000	20,000,000,000

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

	31/12/2020	31/12/2019
	VND	VND
Entrusted investments		
FPT Fund Management Joint Stock Company	41,366,081,776	72,366,081,776
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
FPT Digital Retail Joint Stock Company	94,000,000,000	94,000,000,000
Synnex FPT Joint Stock Company	398,500,000,000	398,500,000,000
HOMA Technologies Joint Stock Company	47,000,000,000	-
Balances of borrowings		
FPT Digital Retail Joint Stock Company	845,000,000,000	220,000,000,000
Short-term payables		
Synnex FPT Joint Stock Company	136,459,087,719	98,861,271,404
Payable to centralized account		
FPT Digital Retail Joint Stock Company	1,526,452,162	2,993,176,666

30. COMMITMENTS

On 25 February 2015, the Corporation entered into a comprehensive cooperation agreement with Tien Phong Commercial Joint Stock Bank for supporting students who join the training courses under the 10,000 Bridge Software Engineer program. This program aims to train Japanese (in 6-12 month courses) for 10,000 students in Japan in the next few years. 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 500 million per person. As at 31 December 2020, the number of students participating in the program in Japan are 155, and the total estimated guarantee amount is correspondingly VND 26,251,224,128

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. COMPARATIVE FIGURES

Comparative figures of the consolidated balance sheet are the figures in the audited consolidated financial statements for the year ended 31 December 2019. Comparative figures of the consolidated income statement and consolidated cash flow statement are the figures in the consolidated financial statements for the period ended 31 December 2019.

Hanoi, 22 January 2021

Preparer

Nguyen Trong Nhan

Chief Accountant

Hoang Huu Chien

Executive Vice President

Nguyen The Phuong