



FPT CORPORATION

FINANCIAL STATEMENTS **Quarter II - 2018**

Hanoi, July 2018



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BALANCE SHEET

As at 30 June 2018

FORM B 01-DN

Unit: VND

ASSETS	Codes	Notes	30/06/2018	31/12/2017
A. CURRENT ASSETS	100		5,154,078,675,414	5,329,441,848,610
I. Cash and cash equivalents	110	4	1,490,956,106,265	1,543,531,025,225
1. Cash	111		235,656,106,265	159,931,025,225
2. Cash equivalents	112		1,255,300,000,000	1,383,600,000,000
II. Short-term financial investments	120	6	2,254,900,000,000	2,681,400,000,000
1. Held-to-maturity investments	123		2,254,900,000,000	2,681,400,000,000
III. Short-term receivables	130		1,368,099,923,993	1,093,590,824,150
1. Short-term trade receivables	131		99,977,340,119	61,914,578,338
2. Short-term advances to suppliers	132		114,370,939,837	1,811,627,443
3. Short-term loan receivables	135		28,500,000,000	34,500,000,000
4. Other short-term receivables	136	5	1,125,251,644,037	995,364,618,369
IV. Inventories	140		150,545,253	298,547,253
1. Inventories	141		150,545,253	298,547,253
V. Other short-term assets	150		39,972,099,903	10,621,451,982
1. Short-term prepayments	151		34,532,508,773	9,619,131,985
2. Value added tax deductibles	152		5,404,788,501	967,517,368
3. Taxes and other receivables from the State budget	153	11	34,802,629	34,802,629
B. NON-CURRENT ASSETS	200		4,954,496,599,298	4,892,386,193,050
I. Fixed assets	220		73,194,647,830	79,231,338,997
1. Tangible fixed assets	221	7	62,202,539,191	66,433,143,142
- Cost	222		204,150,978,141	202,962,167,963
- Accumulated depreciation	223		(141,948,438,950)	(136,529,024,821)
2. Intangible assets	227	8	10,992,108,639	12,798,195,855
- Cost	228		71,356,891,892	71,226,891,892
- Accumulated amortisation	229		(60,364,783,253)	(58,428,696,037)
II. Long-term assets in progress	240		467,621,741,925	399,733,566,606
1. Long-term construction in progress	242		467,621,741,925	399,733,566,606
III. Long-term financial investments	250		4,411,264,696,145	4,411,264,696,145
1. Investment in subsidiaries	251	6	3,929,613,409,012	3,929,613,409,012
2. Investments in Joint-ventures, associates	252	6	492,500,000,000	492,500,000,000
3. Equity investments in other entities	253	6	500,000,000	500,000,000
4. Provision for impairment of long-term financial investments	254		(11,348,712,867)	(11,348,712,867)
IV. Other long-term assets	260		2,415,513,398	2,156,591,302
1. Long-term prepayments	261		2,415,513,398	2,156,591,302
TOTAL ASSET (270=100 + 200)	270		10,108,575,274,712	10,221,828,041,660

BALANCE SHEET (Continued)


As at 30 June 2018


FORM B 01-DN

Unit: VND

RESOURCES	Codes	Notes	30/06/2018	31/12/2017
C. LIABILITIES	300		999,420,670,060	971,355,319,833
I. Current liabilities	310		999,420,670,060	971,355,319,833
1. Short-term trade payables	311		125,911,809,281	79,608,251,523
2. Short-term advances from customers	312		-	388,359,606
3. Taxes and amounts payable to the State budget	313	11	16,801,606,334	50,961,962,268
4. Payables to employees	314		2,686,194	2,686,194
5. Short-term accrued expenses	315	12	80,965,803,975	30,738,911,788
6. Other current payables	319	13	416,141,014,974	396,530,752,152
7. Short-term loans and obligations under finance lea	320	14	330,000,000,000	400,000,000,000
8. Bonus and welfare funds	322		29,597,749,302	13,124,396,302
D. EQUITY	400		9,109,154,604,652	9,250,472,721,827
I. Owner's equity	410	15	9,109,154,604,652	9,250,472,721,827
1. Owner's contributed capital	411		6,136,367,720,000	5,309,611,050,000
- Ordinary shares carrying voting rights	411a		6,136,367,720,000	5,309,611,050,000
2. Share premium	412		49,941,441,360	49,941,441,360
3. Treasury shares	415		(823,760,000)	(823,760,000)
4. Investment and development fund	418		103,009,261	103,009,261
5. Other reserves	420		87,203,093,024	87,203,093,024
6. Retained earnings	421		2,836,363,101,007	3,804,437,888,182
- Retained earnings/(losses) accumulated to the prior period end	421a		2,203,926,850,682	2,410,184,135,191
- Retained earnings/(losses) of the current period	421b		632,436,250,325	1,394,253,752,991
TOTAL RESOURCES (440=300+400)	440		10,108,575,274,712	10,221,828,041,660


La Hung Hai
 Preparer


Hoang Huu Chien
 Chief Accountant


Nguyen The Phuong
 Executive Vice President



30 July 2018

INCOME STATEMENT
Quarter 2 - 2018

ITEMS	Codes	Notes	In period		Year to date	
			2018	2017	2018	2017
Gross revenue from goods sold and services rendered						
1	01	16	101,166,414,783	65,565,409,439	134,812,106,322	137,543,300,619
2 Deductions	02		719,016,510	-	770,624,339	-
3 Net revenue from goods sold and services rendered	10		100,447,398,273	65,565,409,439	134,041,481,983	137,543,300,619
4 Cost of sales	11	17	61,820,623,687	24,373,754,539	61,820,623,687	63,874,253,594
5 Gross profit from goods sold and services rendered	20		38,626,774,586	41,191,654,900	72,220,858,296	73,669,047,025
6 Financial income	21	18	323,441,802,404	295,987,579,199	742,039,307,968	707,759,978,657
7 Financial expenses	22	19	6,506,381,399	17,481,129,064	15,179,690,870	50,627,457,520
<i>In which: interest expense</i>	23		<i>6,497,445,810</i>	<i>18,123,234,731</i>	<i>15,179,690,870</i>	<i>47,972,825,013</i>
8 Selling expenses	25		2,742,312,757	1,761,600,222	3,246,156,485	2,131,862,217
9 General and administration expenses	26		93,762,125,562	50,547,775,215	155,222,809,331	91,913,214,128
10 Operating profit	30		259,057,757,272	267,388,729,598	640,611,509,578	636,756,491,817
11 Other income	31		14,024	46,322,580	230,608	1,215,033,755
12 Other expenses	32		13,701,876	-	13,701,876	1,188,581,820
13 Profit from other activities	40		(13,687,852)	46,322,580	(13,471,268)	26,451,935
14 Accounting profit before tax	50		259,044,069,420	267,435,052,178	640,598,038,310	636,782,943,752
15 Current corporate income tax expense	51	20	1,328,111,865	4,003,953,926	8,161,787,985	4,021,652,198
16 Net profit after corporate income tax	60		257,715,957,555	263,431,098,252	632,436,250,325	632,761,291,554

EXPLANATION ON LOWER NET REVENUE IN 1Q2018 IN COMPARISON TO 1Q2017:

FPT Corporation explains the variation of netrevenue in 2018, in comparison with the same period last year as follows:

Unit: million

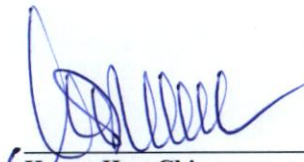
Item	Year 2018	Year 2017	Increase/Decrease		Year 2018	Year 2017	Increase/Decrease	
	Quarter 2	Quarter 2	Amount	Percentage	Accumulated revenue	Accumulated revenue	Amount	Percentage
Net Revenue	100,447	65,565	34,882	53%	134,041	137,543	(3,502)	-3%

The movement in 2Q2018 revenue is due to some revenue items recognized in 1Q2017 have occurred this year.



La Hung Hai
 Preparer

30 July 2018



Hoang Huu Chien
 Chief Accountant



Nguyen The Phuong
 Executive Vice President

CASH FLOW STATEMENT

For the year ended 30 June 2018

FORM B 03-DN

Unit: VND

ITEMS	Codes	2018	2017
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1.(Loss)/Profit before tax	01	640,598,038,310	636,782,943,752
2. Adjustments for:			
Depreciation and amortisation of fixed assets and	02	7,355,501,345	9,354,173,302
Provisions	03	-	(1,179,900,000)
Foreign exchange (gain)/ loss arising from translating foreign currency items	04	-	(2,904,382)
(Gain)/loss from investing activities	05	(741,282,384,715)	(703,947,996,314)
Interest expense	06	15,179,690,870	47,972,825,013
3. Operating profit before movements in working capital	08	(78,149,154,190)	(11,020,858,629)
(Increase)/Decrease in receivables	09	21,277,178,119	452,980,434,213
(Increase)/Decrease in inventories	10	148,002,000	-
(Increase)/Decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	80,654,870,240	(297,322,501,379)
(Increase)/Decrease in prepaid expenses	12	(29,609,570,017)	7,400,068,767
Interest paid	14	(16,790,546,362)	(56,432,412,454)
Corporate income tax paid	15	(55,641,519,472)	(4,069,579,190)
Other cash inflows	16	31,200,253,000	-
Other cash outflows	17	(14,726,900,000)	(17,420,100,000)
Net cash generated by/(used in) operating activities	20	(61,637,386,682)	74,115,051,328
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(131,040,107,428)	(8,151,592,022)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	1,214,036,364
3. Cash outflow for lending, buying debt instruments of other entities	23	(1,891,900,000,000)	(1,483,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	2,324,400,000,000	1,589,500,000,000
5. Cash recovered from investments in other entities	26	-	1,585,367,493
6. Interest earned, dividends and profits received	27	550,472,852,925	937,223,474,277
Net cash generated by/(used in) investing activities	30	851,932,745,497	1,038,371,286,112
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from share issue and owners' contributed capital	31	26,545,560,000	22,963,700,000
2. Proceeds from borrowings	33	966,000,000,000	5,027,400,000,000
3. Repayment of borrowings	34	(1,036,000,000,000)	(6,637,400,000,000)
4. Dividends and profits paid	36	(799,415,837,775)	(460,087,056,850)
Net cash generated by/(used in) financing activities	40	(842,870,277,775)	(2,047,123,356,850)
Net increase/(decrease) in cash (50=20+30+40)	50	(52,574,918,960)	(934,637,019,410)
Cash and cash equivalents at the beginning of the period	60	1,543,531,025,225	2,853,809,981,427
Cash and cash equivalents at the end of the period (70=50+60)	70	1,490,956,106,265	1,919,172,962,017

La Hung Hai
Preparer

30 July 2018

Hoang Huu Chien
Chief Accountant

Nguyen The Phuong
Executive Vice President

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

1. GENERAL INFORMATION

Structure of ownership

FPT Corporation (the “Company”) 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 operates under Business Registration Certificate No. 0103001041 issued for the first time by Hanoi Department of Planning and Investment dated 13 May 2002 and its amendments.

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

According to the amended Business Registration Certificate dated 19 June 2018, the Company’s total charter capital is VND 6,136,367,720,000.

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

The number of employees of the Company as at 30 June 2018 was 184 (31 December 2017: 187).

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

Operating industry and principal activities

The principal activities of the Company are to provide information technology and telecommunication products and services and to make investments. The main products and services provided are system integration; software production and development; IT services, ERP services; software solution services; telecommunication and internet services; training; warranty and maintenance of telecommunication and IT equipment and other telecommunication services.

The Corporation’s structure

Since 18 December 2017, FPT’s proportions of ownership interest in FPT Digital Retail Joint Stock Company (“FRT”) and FPT Trading Company Limited (“FTG”) have been reduced to 47% and 48%, respectively. Accordingly, FRT and FTG are no longer subsidiaries of FPT but its associates. FTG’s official name is also changed to “Synnex FPT Joint Stock Company”.

As at 30 June 2018, FPT Corporation had 7 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 Media Company Limited.

and 2 associates:

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate 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 separate 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.

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of the separate 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 separate 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.

Financial instruments

Initial recognition

Financial assets

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

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

Financial liabilities

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

Financial liabilities of the Company comprise trade payables, accruals, other financial liabilities and borrowings.

Subsequent measurement after initial recognition

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

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.

Loan receivables

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

Investments in subsidiaries

Investment in subsidiaries

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Interests in subsidiaries are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries, joint ventures and associates 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity investments in other entities

Equity investments in other entities represent the Company'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.

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 labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost of inventories within the Company is calculated using the first in, first out (FIFO) method and inventory recording method is the perpetual method. Net realisable 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 costs of purchased tangible fixed assets comprise their purchase prices 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 estimated useful lives as follows:

	2018
	(Years)
Buildings and structures	10 - 25
Machinery and equipment	5 - 25
Office equipment	3 - 5
Motor vehicles	4 - 6
Other assets	3 - 4

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets and amortisation

Computer software

Purchase price of new computer software which is not an integral part of related hardware is capitalized and accounted for as intangible assets. Computer software is amortized into the income statement on a 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 Company'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 rentals and other expenses to guarantee the usage of the rented areas, prepaid office rentals, tools and supplies issued for consumption, office refurbishment expenses.

Tools, supplies issued for consumption, small devices and office refurbishment expenses are stated at cost and expensed pursuant to current regulations.

Revenue recognition

Revenue from the sale of goods

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

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with neither 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 Company; 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 transaction 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 Company;
- (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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Company's right to receive payment has been established.

Foreign currencies

The Company 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" and Circular No. 179/2012/TT-BTC dated 24 October 2012 by the Ministry of Finance providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balance of monetary items denominated in foreign currencies as at the balance sheet date is retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains at the balance sheet date are not treated as part of distributable profit to shareholders.

Borrowing costs

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.

All other borrowing costs are recognised in the income statement when incurred.

Related parties

Related parties comprise subsidiaries, associates and key management personnel of the Company.

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 income statement because it excludes items of income or expense that are taxable or deductible in other years 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 separate 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. There were no material temporary differences during the year and hence, no deferred tax has been recorded.

Deferred tax is calculated at the tax rates that are expected to apply in the year 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 Company 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

4. CASH AND CASH EQUIVALENTS

	<u>30/06/2018</u>	<u>31/12/2017</u>
	VND	VND
Cash on hand	219,301,822	258,025,392
Cash in bank	235,436,804,443	159,672,999,833
Cash equivalents (*)	1,255,300,000,000	1,383,600,000,000
	<u>1,490,956,106,265</u>	<u>1,543,531,025,225</u>

(*) Cash equivalents represent time deposits at banks and loans to subsidiaries with terms within three months.

5. SHORT-TERM OTHER RECEIVABLES

	<u>30/06/2018</u>	<u>31/12/2017</u>
	VND	VND
Deposits and mortgages	4,347,267,935	4,347,418,869
Dividends receivable from subsidiaries	602,000,000,000	437,656,070,000
Accrued deposit and loan interest	74,744,438,384	48,278,836,594
Others	443,328,043,109	505,082,292,906
	<u>1,125,251,644,037</u>	<u>995,364,618,369</u>

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6. FINANCIAL INVESTMENTS

	30/06/2018		31/12/2017	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
a. Held-to-maturity investments	2,254,900,000,000	2,254,900,000,000	1,633,500,000,000	1,633,500,000,000
<i>Term deposits</i>	<i>2,254,900,000,000</i>	<i>2,254,900,000,000</i>	<i>2,681,400,000,000</i>	<i>2,681,400,000,000</i>
b. Investments in other entities				
b1) Investments in subsidiaries	3,929,613,409,012	3,918,264,696,145	3,929,613,409,012	3,918,264,696,145
b2) Investments in associates				
b3) Investments in others entities	500,000,000	500,000,000	500,000,000	500,000,000

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7. TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles, transmission equipment	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
As at 01/01/2018	94,646,794,786	46,645,198,075	10,697,570,455	50,595,713,696	376,890,951	202,962,167,963
Purchases	-	49,168,360	-	1,139,641,818	-	1,188,810,178
As at 30/06/2018	94,646,794,786	46,694,366,435	10,697,570,455	51,735,355,514	376,890,951	204,150,978,141
ACCUMULATED DEPRECIATION						
As at 01/01/2018	44,407,503,053	46,599,969,648	2,732,358,839	42,412,302,330	376,890,951	136,529,024,821
Charge for the period	1,665,168,927	13,632,241	884,137,101	2,856,475,860	-	5,419,414,129
As at 30/06/2018	46,072,671,980	46,613,601,889	3,616,495,940	45,268,778,190	376,890,951	141,948,438,950
NET BOOK VALUE						
As at 30/06/2018	48,574,122,806	80,764,546	7,081,074,515	6,466,577,324	-	62,202,539,191
As at 01/01/2018	50,239,291,733	45,228,427	7,965,211,616	8,183,411,366	-	66,433,143,142

As at 30 June 2018, the cost of the Company's assets includes VND 102,399,450,321 (as at 31 December 2017: VND 97,572,728,900) of machinery, equipment, motor vehicles and office equipment which have been fully depreciated but are still in use.

Some floors of FPT Cau Giay Building of which costs are reflected in "Buildings and structures" item are being rented for use as subsidiaries' offices.

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8. INTANGIBLE ASSETS

	<u>Computer software</u> VND
COST	
As at 01/01/2018	71,226,891,892
Addition	130,000,000
As at 30/06/2018	<u>71,356,891,892</u>
ACCUMULATED AMORTISATION	
As at 01/01/2018	58,428,696,037
Charge for the year	1,936,087,216
As at 30/06/2018	<u>60,364,783,253</u>
NET BOOK VALUE	
As at 30/06/2018	<u>10,992,108,639</u>
As at 01/01/2018	<u>12,798,195,855</u>

9. INVESTMENTS IN SUBSIDIARIES:

Details of the Company's subsidiaries as at 30 June 2018 are as follows:

FPT Information System Corporation	Floor 22, Keangnam Landmark 72, E6, Pham Hung Street, Me Tri, Tu Liem, Hanoi	100%	100%	Providing application software solution, ERP 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%	100%	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%	100%	Providing training and technology services

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)
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9. INVESTMENTS IN SUBSIDIARIES (Continued)

FPT Online Service Joint Stock Company	408 Dien Bien Phu Street, Ward 11, District 10, Ho Chi Minh City	51.95%	84.08%	Providing online services
FPT Investment Company Limited	Floor 13, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing financial services activities (investment consulting services, excluding legal and financial consulting)
FPT Media Company Limited (ii)	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Producing news and entertainment shows; supplying telecom and advertising services

- (i) As at 30 June 2018, FPT Corporation holds 45.65% ownership interest (31 December 2017: 45.65%) and 45.65% of voting rights (31 December 2017: 45.65%) at FPT Telecom Joint Stock Company. However, the Company has the power to cast the majority of votes at meetings of the Board of Directors of FPT Telecom Joint Stock Company. Thus, the Company has the power to control the financial and operating policies of FPT Telecom Joint Stock Company. Accordingly, the Company has control over FPT Telecom Joint Stock Company and thus, FPT Telecom Joint Stock Company is a subsidiary.
- (ii) Executive President of FPT Corporation issued Decision No. 79.1-2011/QD-FPT-TGD dated 08 August 2011 on temporarily narrowing the business activities of FPT Media Company Limited.

10. INVESTMENTS IN ASSOCIATES:

Details of the Company's associates as at 30 June 2018 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest (direct and indirect)	Proportion of voting power held	Principal activities
FPT Digital Retail Joint Stock Company	261 - 263 Khanh Hoi, Ward 5, District 4, Hochiminh City	47%	47%	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent
SynnexFPT Joint Stock Company	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	48%	48%	Producing technology products and distributing IT devices and mobile phone; and manufacturing computers

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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

Items	31/12/2017	Movement in 2017		30/06/2018
		Amount payable/receivable	Amount paid	
	VND	VND	VND	VND
a) Receivables				
Import duty	34,802,628	-	-	34,802,628
Total	34,802,628	-	-	34,802,628
b) Payables				
VAT	1,006,986,642	2,185,636,419	3,190,329,889	2,293,172
- Output VAT	1,004,694,470	2,185,636,419	3,190,329,889	1,000
- VAT on imports	2,292,172	-	-	2,292,172
Corporate income tax	48,807,843,352	8,161,787,985	55,641,519,472	1,328,111,865
Other taxes	1,147,132,274	22,307,349,385	7,983,280,362	15,471,201,297
- License tax	-	4,000,000	4,000,000	-
- Personal income tax	859,471,864	21,741,250,651	7,130,976,353	15,469,746,162
- Other taxes	287,660,410	562,098,734	848,304,009	1,455,135
Total	50,961,962,268	32,654,773,789	66,815,129,723	16,801,606,334

12. SHORT-TERM ACCRUED EXPENSES

	30/06/2018	31/12/2017
	VND	VND
Interest payable	7,381,793,763	8,992,649,255
Other accruals	73,584,010,212	21,746,262,533
	80,965,803,975	30,738,911,788

13. OTHER CURRENT PAYABLES

	30/06/2018	31/12/2017
	VND	VND
Union fee	5,669,201,943	4,643,183,262
Social insurance	220,430,418	309,707,649
Health insurance	54,221,849	18,922,631
Unemployment insurance	15,774,203	72,529,775
Short-term deposits received	653,000,000	653,000,000
Dividends payable	7,501,577,048	6,617,487,323
Other current payables	10,865,766,756	5,061,436,515
Inter-company payables	391,161,042,757	379,154,484,997
	416,141,014,974	396,530,752,152

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14. SHORT -TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASE

Item	31/12/2017		In the year		30/06/2018	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term borrowings from subsidiaries and associates	400,000,000,000	400,000,000,000	966,000,000,000	1,036,000,000,000	330,000,000,000	330,000,000,000
<i>Synnex FPT Joint Stock Company</i>	200,000,000,000	200,000,000,000	-	200,000,000,000	-	-
<i>FPT Digital Retail Joint Stock Company</i>	-	-	-	-	-	-
<i>FPT Information System Corporation</i>	-	-	760,000,000,000	430,000,000,000	330,000,000,000	330,000,000,000
<i>FPT Education Company Limited</i>	200,000,000,000	200,000,000,000	206,000,000,000	406,000,000,000	-	-
Total	400,000,000,000	400,000,000,000	966,000,000,000	1,036,000,000,000	330,000,000,000	330,000,000,000

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15. SHAR E HOLDERS' EQUITY**Movement in shareholders' equity**

	Owner's contributed capital	Share premium	Treasury shares	Financial reserve fund	Investment and development fund	Retained earnings	Total
	VND	VND	VND		VND	VND	VND
As at 01/01/2017	4,594,266,840,000	49,941,441,360	(823,760,000)	87,203,093,024	103,009,261	2,525,787,644,470	7,256,478,268,115
Share issued	22,963,700,000						22,963,700,000
Net profit for the year	-	-	-	-	-	2,987,311,733,768	2,987,311,733,768
Transferred to bonus and welfare	-	-	-	-	-	(6,534,482,467)	(6,534,482,467)
Stock dividends declared	692,380,510,000	-	-	-	-	(692,380,510,000)	-
Cash dividends declared	-	-	-	-	-	(992,519,407,000)	(992,519,407,000)
Others movement of equity						(17,227,090,589)	(17,227,090,589)
As at 01/01/2018	5,309,611,050,000	49,941,441,360	(823,760,000)	87,203,093,024	103,009,261	3,804,437,888,182	9,250,472,721,827
Shares issued	26,545,560,000	-	-	-	-	-	26,545,560,000
Net profit for the period	-	-	-	-	-	632,436,250,325	632,436,250,325
Stock dividends declared	800,211,110,000	-	-	-	-	(800,211,110,000)	-
Cash dividends declared	-	-	-	-	-	(800,299,927,500)	(800,299,927,500)
As at 30/06/2018	6,136,367,720,000	49,941,441,360	(823,760,000)	87,203,093,024	103,009,261	2,836,363,101,007	9,109,154,604,652

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14. SHAREHOLDERS' EQUITY (Continued)

Number of outstanding shares

	<u>30/06/2018</u>	<u>31/12/2017</u>
	Number of shares	Number of shares
Authorised share capital	613,636,772	530,961,105
Issued shares	613,636,772	530,961,105
Ordinary shares	613,636,772	530,961,105
<i>Shares subject to restriction in ownership transfer</i>	<i>8,016,294</i>	<i>7,925,466</i>
Treasury shares	(82,376)	(82,376)
<i>Shares subject to restriction in ownership transfer</i>	<i>-</i>	<i>-</i>
Outstanding shares in circulation	613,554,396	530,878,729
Ordinary shares	613,554,396	530,878,729
<i>Shares subject to restriction in ownership transfer</i>	<i>8,016,294</i>	<i>7,925,466</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 of 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 ownership transfer restriction 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.

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16. REVENUE

	From 1/1/2018 to 30/06/2018	From 1/1/2017 to 31/03/2017
	VND	VND
Sales of goods and services	134,812,106,322	137,543,300,619
	134,812,106,322	137,543,300,619

17. COST OF SALES

	From 1/1/2018 to 30/06/2018	From 1/1/2017 to 31/03/2017
	VND	VND
Cost of goods and services rendered	61,820,623,687	63,874,253,594
	61,820,623,687	63,874,253,594

18. FINANCIAL INCOME

	From 1/1/2018 to 30/06/2018	From 1/1/2017 to 31/03/2017
	VND	VND
Bank and loan interest	139,282,384,716	105,866,135,275
Dividends and profits received (i)	602,000,000,000	601,890,939,000
Foreign exchange gain	756,923,252	2,904,382
	742,039,307,968	707,759,978,657

;

(i) Represent dividends received from investments and profits transferred from subsidiaries.

19. FINANCIAL EXPENSES

	From 1/1/2018 to 30/06/2018	From 1/1/2017 to 31/03/2017
	VND	VND
Interest expense	15,179,690,870	47,972,825,013
Lỗ do thanh lý các khoản đầu tư	-	3,834,532,507
Other financial expenses	-	(1,179,900,000)
	15,179,690,870	50,627,457,520

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20. CORPORATE INCOME TAX

	<u>2018</u>	<u>2017</u>
	VND	VND
Corporate income tax for the year		
Profit before tax	640,598,038,310	636,782,943,752
Adjustments for taxable income		
Less:		
Dividends and profit received	(602,000,000,000)	(601,890,939,000)
Others	155,631,207	(17,847,278,455)
Add back:		
Non-deductible expenses	3,964,520,152	2,975,043,332
Assessable income	42,718,189,669	20,019,769,629
Loss carried forward	-	-
Taxable income	42,718,189,669	20,019,769,629
Normal tax rate	20%	20%
Adjustment per tax finalisation	(381,849,948)	17,698,272
Corporate income tax	8,161,787,985	4,021,652,198

21. RELATED PARTY TRANSACTIONS AND BALANCES

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

<u>Related parties</u>	<u>Relationship</u>
FPT Investment Company Limited	Sus idary
FPT Software Company Limited	Sus idary
FPT Information System Corporation	Sus idary
FPT Education Company Limited	Sus idary
FPT Telecom Joint Stock Company	Sus idary
FPT Online Service Joint Stock Company	Sus idary
FPT Technology Solution Company Limited	A ffiliate
FPT Land Joint Stock Company	A ffiliate
FPT Media Company Limited	Sus idary
Synnex FPT Joint Stock Company	A ssociate
FPT Digital Retail Joint Stock Company	A ssociate

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21. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

During the year, the Company entered into the following significant transactions with related parties as follow:

	<u>30/06/2018</u>	<u>31/12/2017</u>
	VND	VND
Balances of loans		
FPT Land Company Limited	11,000,000,000	17,000,000,000
FPT Technology Solution Company Limited	17,500,000,000	17,500,000,000
Balances of borrowings		
SynnexFPT Joint Stock Company	-	200,000,000,000
FPT Education Company Limited	-	200,000,000,000
FPT Information System Corporation	330,000,000,000	-
Dividends receivable from subsidiaries		
FPT Software Company Limited	494,000,000,000	200,000,000,000
FPT Telecom Joint Stock Company	-	137,656,070,000
FPT Education Company Limited	108,000,000,000	100,000,000,000
Short-term trade receivables		
FPT Telecom Joint Stock Company	10,535,512,159	17,052,157,038
FPT Software Company Limited	8,300,083,024	8,363,572,130
FPT Information System Company Limited	6,824,328,671	5,800,492,542
SynnexFPT Joint Stock Company	140,630,744	2,959,179,640
Other short-term receivables		
FPT Investment Company Limited	150,104,402,191	224,488,080,991
FPT Land Joint Stock Company	51,280,039,983	51,280,039,983
FPT Information System Company Limited	112,025,312,577	98,566,530,815
Other short-term payables through centre account		
FPT Software Company Limited	46,585,113,916	1,308,787,235
FPT Investment Company Limited	57,397,913,030	93,557,108,386
FPT Information System Company Limited	196,228,105,369	226,198,112,560
FPT Telecom Joint Stock Company	1,843,801,210	4,653,862,834
FPT Investment Company Limited	57,045,780,056	3,018,635,135
FPT Digital Retail Joint Stock Company	1,788,984,759	16,513,848,461
Other short-term payables		
FPT Media Company Limited	33,904,130,386	33,904,130,386

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21. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

During the year, the Company entered into the following significant transactions with related parties as follow (Continued):

	<u>2018</u>	<u>2017</u>
	VND	VND
Sales of services		
FPT Telecom Joint Stock Company	19,149,971,690	25,541,882,319
FPT Digital Retail Joint Stock Company	2,952,060,744	1,961,365,500
FPT Software Company Limited	18,413,575,397	27,870,920,008
Synnex FPT Joint Stock Company	189,676,694	9,828,862,880
FPT Information System Corporation	20,877,023,736	21,970,790,764
FPT Online Service Joint Stock Company	80,471,130	69,520,996
Purchases of goods and services		
FPT Telecom Joint Stock Company	13,596,854,423	16,945,611,860
FPT Digital Retail Joint Stock Company	210,164,735	2,581,136,869
Synnex FPT Joint Stock Company	1,853,904,722	2,778,794,946
FPT Software Company Limited	1,142,558,625	449,026,303
FPT Information System Corporation	77,695,740,427	48,686,131,446
FPT Education Company Limited	44,153,754,021	388,091,818
Dividends/Profits transferred from subsidiaries		
Tien Phong Commercial Joint Stock Bank	-	-
FPT Software Company Limited	494,000,000,000	371,000,000,000
FPT Information System Corporation	-	62,000,000,000
FPT Education Company Limited	108,000,000,000	100,000,000,000
FPT Telecom Joint Stock Company	-	62,570,941,000
FPT Online Service Joint Stock Company	-	6,319,998,000

22. COMPARATIVE FIGURES

Comparative figures of the separate balance sheet are the figures in the audited separate financial statements for the year ended 31 December 2017. Comparative figures of the separate income statement and separate cash flow statement are the figures in the reviewed interim financial statements period ended 30 June 2017



La Hung Hai
 Preparer



Hoang Huu Chien
 Chief Accountant




Nguyen The Phuong
 Executive Vice President

30 July 2018