

FPT CORPORATION

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

For the period from 01 January 2016 to 30 June 2016

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS	3
INTERIM CONSOLIDATED BALANCE SHEET	4 - 7
INTERIM CONSOLIDATED INCOME STATEMENT	8
INTERIM CONSOLIDATED CASH FLOW STATEMENT	9 - 10
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS	11 - 46

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of FPT Corporation and its subsidiaries (herein collectively called the "Corporation") presents this report together with the Corporation's interim consolidated financial statements for the period from 01 January 2016 to 30 June 2016.

THE BOARDS OF DIRECTORS AND MANAGEMENT

The members of the Boards of Directors and Management of the Corporation who held office during the period and to the date of this report are as follows:

Board of Directors

Mr. Truong Gia Binh	Chairman
Mr. Bui Quang Ngoc	Vice Chairman
Mr. Do Cao Bao	Member
Mr. Le Song Lai	Member
Mr. Jean Charles Belliol	Member
Mr. Tomokazu Hamaguchi	Member
Mr. Dan E Khoo	Member

Board of Management

Mr. Bui Quang Ngoc	Executive President
Mr. Nguyen The Phuong	Executive Vice President
Mr. Nguyen Khac Thanh	Executive Vice President
Mr. Duong Dung Trieu	Executive Vice President
Mr. Do Cao Bao	Executive Vice President (appointed on 15 March 2016)

BOARD OF MANAGEMENT' STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the interim consolidated financial statements, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the period in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim consolidated financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements;
- Prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the interim consolidated financial statements so as to minimize errors and frauds.

11/06/2016
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STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The Board of Management of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the interim interim consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these interim consolidated financial statements.

For and on behalf of the Board of Management,



Nguyen The Phuong
Executive Vice President
Power of Attorney No. 94.3-2013/QD-FPT-TGD
dated 5 August 2013

29 July 2016

No.: 165 /VNIA-HN-BC

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**To: The Shareholders
The Boards of Directors and Management
FPT Corporation**

We have reviewed the accompanying interim consolidated financial statements of FPT Corporation and its subsidiaries (the "Corporation"), prepared on 29 July 2016 as set out from page 04 to page 46, which comprise the interim consolidated balance sheet as at 30 June 2016, the interim consolidated income statement and interim consolidated cash flows statement for the period from 01 January 2016 to 30 June 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting, and for such internal control as management determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of the Corporation as at 30 June 2016, and of its financial performance and its cash flows for the period from 01 January 2016 to 30 June 2016 in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.



Tran Thi Thuy Ngoc
Deputy General Director
Audit Practising Registration Certificate
No. 0031-2013-001-1

**For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED**

29 July 2016
Hanoi, S.R. Vietnam

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INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2016

FORM B 01a-DN/HN

*(Issued under Circular No. 200/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)*

Unit: VND

ASSETS	Codes	Notes	30/6/2016	31/12/2015
A. CURRENT ASSETS	100		17,801,376,676,329	18,959,009,136,105
I. Cash and cash equivalents	110	6	3,875,543,217,939	3,584,709,151,769
1. Cash	111		1,557,235,903,894	1,879,397,318,868
2. Cash equivalents	112		2,318,307,314,045	1,705,311,832,901
II. Short-term financial investments	120		2,736,219,157,412	2,617,441,917,720
1. Held-to-maturity investments	123	7	2,736,219,157,412	2,617,441,917,720
III. Short-term receivables	130		5,342,237,880,621	5,534,209,011,621
1. Short-term trade receivables	131		4,242,145,217,252	4,477,122,078,998
2. Short-term advances to suppliers	132		387,447,591,247	346,030,178,124
3. Receivables from contracts under percentage of completion method	134		458,676,063,320	516,837,479,455
4. Other short-term receivables	136	8	555,974,157,953	476,421,501,226
5. Provision for short-term doubtful debts	137		(302,005,149,151)	(282,202,226,182)
IV. Inventories	140		4,693,664,582,214	5,268,099,617,220
1. Inventories	141	10	4,774,409,637,783	5,332,031,654,362
2. Provision for devaluation of inventories	149	10	(80,745,055,569)	(63,932,037,142)
V. Other short-term assets	150		1,153,711,838,143	1,954,549,437,775
1. Short-term prepayments	151	11	743,512,083,028	829,521,434,436
2. Value added tax deductibles	152		386,652,180,577	1,106,181,985,080
3. Taxes and other receivables from the State budget	153	12	23,547,574,538	18,846,018,259

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2016

FORM B 01a-DN/HN

(Issued under Circular No. 200/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

Unit: VND

ASSETS	Codes	Notes	30/6/2016	31/12/2015
B. NON-CURRENT ASSETS	200		7,543,128,306,561	7,086,579,408,323
I. Long-term receivables	210		364,224,312,786	348,638,580,505
1. Long-term trade receivables	211		242,327,520,000	242,327,520,000
2. Other long-term receivables	216	8	175,747,621,014	160,161,888,733
3. Provision for long-term doubtful debts	219		(53,850,828,228)	(53,850,828,228)
II. Fixed assets	220		4,485,984,585,934	4,292,253,138,079
1. Tangible fixed assets	221	13	4,182,577,930,935	3,971,402,119,342
- Cost	222		7,519,989,904,869	6,937,072,376,415
- Accumulated depreciation	223		(3,337,411,973,934)	(2,965,670,257,073)
2. Finance lease assets	224		2,692,353,405	1,737,003,927
- Cost	225		3,558,035,672	2,400,601,505
- Accumulated depreciation	226		(865,682,267)	(663,597,578)
3. Intangible assets	227	14	300,714,301,594	319,114,014,810
- Cost	228		630,340,948,748	610,345,105,736
- Accumulated amortisation	229		(329,626,647,154)	(291,231,090,926)
III. Long-term assets in progress	240		882,477,803,298	692,575,366,258
1. Long-term work in progress	241		14,160,749,733	13,400,125,582
2. Construction in progress	242	15	868,317,053,565	679,175,240,676
IV. Long-term financial investments	250		739,068,597,834	727,905,697,262
1. Investments in associates	252	17	276,930,524,506	271,434,002,318
2. Equity investments in other entities	253	7	653,932,954,088	632,649,372,195
3. Provision for impairment of long-term financial investments	254	7	(191,794,880,760)	(176,177,677,251)
V. Other long-term assets	260		1,071,373,006,709	1,025,206,626,219
1. Long-term prepayments	261	11	896,082,789,432	808,536,902,438
2. Deferred tax assets	262	18	175,290,217,277	216,669,723,781
TOTAL ASSETS (270=100 + 200)	270		25,344,504,982,890	26,045,588,544,428

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2016

FORM B 01a-DN/HN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)
 Unit: VND

RESOURCES	Codes	Notes	30/6/2016	31/12/2015
C. LIABILITIES	300		14,434,112,158,621	15,863,302,791,405
I. Current liabilities	310		13,305,699,676,988	14,967,554,324,100
1. Short-term trade payables	311		2,519,575,997,154	2,815,055,125,562
2. Short-term advances from customers	312		462,307,513,060	296,629,535,411
3. Taxes and amounts payable to the State budget	313	12	189,225,586,455	318,469,453,775
4. Payables to employees	314		368,340,669,423	694,086,202,995
5. Short-term accrued expenses	315	19	602,456,088,552	518,769,375,019
6. Payables relating to contracts under percentage of completion method	317		18,226,516,154	12,916,413,403
7. Short-term unearned revenue	318	20	1,246,781,398,098	1,491,947,971,642
8. Other current payables	319	21	318,750,434,730	302,282,737,618
9. Short-term loans and obligations under finance leases	320	22	7,461,561,358,475	8,191,325,008,702
10. Short-term provisions	321	23	8,432,451,605	16,952,179,257
11. Bonus and welfare funds	322		110,041,663,282	309,120,320,716
II. Long-term liabilities	330		1,128,412,481,633	895,748,467,305
1. Long-term advances from customers	332		54,000,000,000	54,207,388,091
2. Long-term unearned revenue	336	20	55,917,924,570	34,976,753,365
3. Other long-term payables	337	21	157,372,178,718	185,412,671,965
4. Long-term loans and obligations under finance leases	338	24	854,443,052,022	614,354,593,251
5. Long-term provisions	342	23	6,487,230,040	6,604,964,350
6. Scientific and technological development fund	343		192,096,283	192,096,283

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2016

FORM B 01a-DN/HN

(Issued under Circular No. 200/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)
 Unit: VND

RESOURCES	Codes	Notes	30/6/2016	31/12/2015
D. EQUITY	400		10,910,392,824,269	10,182,285,753,023
I. Owners' equity	410		10,907,642,824,269	10,179,535,753,023
1. Owners' contributed capital	411	25	4,594,266,840,000	3,975,316,400,000
- Ordinary shares carrying voting rights	411a		4,594,266,840,000	3,975,316,400,000
2. Share premium	412	25	49,465,703,201	49,465,703,201
3. Treasury shares	415	25	(823,760,000)	(823,760,000)
4. Foreign exchange reserve	417	25	12,637,304,288	(6,549,325,268)
5. Investment and development fund	418	25	74,545,823,741	79,036,549,084
6. Other reserves	420	25	87,228,024,484	87,227,790,014
7. Retained earnings	421	25	4,249,998,740,249	4,394,554,749,025
- Retained earnings accumulated to the prior year end	421a		3,388,305,599,910	3,051,113,855,690
- Retained earnings of the current period	421b		861,693,140,339	1,343,440,893,335
8. Non-controlling interests	429		1,840,324,148,306	1,601,307,646,967
II. Other resources and funds	430		2,750,000,000	2,750,000,000
1. Non-business expenditure fund	431		2,750,000,000	2,750,000,000
TOTAL RESOURCES (440=300+400)	440		25,344,504,982,890	26,045,588,544,428

Nguyen Tien Hao
 Preparer

29 July 2016

Hoang Huu Chien
 Chief Accountant



Nguyen The Phuong
 Executive Vice President

INTERIM CONSOLIDATED INCOME STATEMENT

For the period from 01 January 2016 to 30 June 2016

FORM B 02a-DN/HN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Unit: VND

ITEMS	Codes	Notes	For the period	For the period
			from 01/01/2016 to 30/6/2016	from 01/01/2015 to 30/6/2015
1. Gross revenue from goods sold and services rendered	01	26	17,915,907,813,938	18,237,232,496,581
2. Deductions	02	26	490,863,120,340	267,211,130,394
3. Net revenue from goods sold and services rendered (10=01-02)	10	26	17,425,044,693,598	17,970,021,366,187
4. Cost of sales	11	27	13,805,342,987,214	14,478,390,707,266
5. Gross profit from goods sold and services rendered (20=10-11)	20		3,619,701,706,384	3,491,630,658,921
6. Financial income	21	28	320,438,011,821	187,687,882,515
7. Financial expenses	22	29	348,230,317,043	263,658,529,102
- In which: Interest expense	23		171,058,963,824	106,483,638,633
8. Share of net profit from associates	24		17,329,160,640	17,871,273,847
9. Selling expenses	25		1,172,321,077,836	1,046,200,380,319
10. General and administration expenses	26		1,207,775,623,137	1,062,187,687,905
11. Operating profit (30=20+(21-22)+24-(25+26))	30		1,229,141,860,829	1,325,143,217,957
12. Other income	31		50,812,383,786	50,146,762,640
13. Other expenses	32		22,438,951,075	24,933,429,936
14. Profit from other activities (40=31-32)	40		28,373,432,711	25,213,332,704
15. Accounting profit before tax (50=30+40)	50		1,257,515,293,540	1,350,356,550,661
16. Current corporate income tax expense	51	30	160,182,061,973	227,192,337,317
17. Deferred corporate tax expense/(income)	52	30	20,635,008,953	(14,693,630,345)
18. Net profit after corporate income tax (60=50-51-52)	60		1,076,698,222,614	1,137,857,843,689
18.1. Equity holders of the Holding Company	61		861,693,140,339	881,294,008,656
18.2. Non-controlling interests	62		215,005,082,275	256,563,835,033
19. Basic earnings per share	70	31	1,881	1,932
20. Diluted earnings per share	71		1,881	1,932

Nguyen Tien Hao
Preparer

29 July 2016

Hoang Huu Chien
Chief Accountant



Nguyen The Phuong
Executive Vice President

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the period from 01 January 2016 to 30 June 2016

FORM B 03a-DN/HN

*(Issued under Circular No. 200/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)
 Unit: VND*

ITEMS	Codes	For the period from 01/01/2016 to 30/6/2016	For the period from 01/01/2015 to 30/6/2015
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	1,257,515,293,540	1,350,356,550,661
2. Adjustments for:			
- Depreciation and amortisation of fixed assets	02	417,510,043,422	345,334,424,834
- Provisions	03	51,161,069,226	37,189,381,080
- Foreign exchange loss arising from translating foreign currency items	04	3,512,087,007	2,035,058,010
- (Gain) from investing activities	05	(159,105,969,769)	(109,896,666,088)
- Interest expense	06	171,058,963,824	106,483,638,633
3. Operating profit before movements in working capital	08	1,741,651,487,250	1,731,502,387,130
- Changes in receivables	09	816,122,106,071	(476,874,918,510)
- Changes in inventories	10	556,861,392,428	(239,740,514,803)
- Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(597,810,126,599)	(148,552,303,301)
- Changes in prepaid expenses	12	(1,536,535,586)	219,539,455,109
- Interest paid	14	(176,632,482,377)	(111,782,622,929)
- Corporate income tax paid	15	(259,744,412,899)	(221,471,503,735)
- Other cash outflows	17	(183,775,361,707)	(51,159,346,763)
<i>Net cash generated by operating activities</i>	20	1,895,136,066,581	701,460,632,198
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(818,072,715,305)	(1,322,098,960,536)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	826,120,204	2,969,606,305
3. Cash outflow for lending, buying debt instruments of other entities	23	(152,737,172,849)	205,709,230,000
4. Equity investments in other entities	25	(71,340,954,182)	-
5. Cash recovered from investments in other entities	26	165,304,398,763	-
6. Interest earned, dividends and profits received	27	137,916,770,248	141,435,240,824
<i>Net cash used in investing activities</i>	30	(738,103,553,121)	(971,984,883,407)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the period from 01 January 2016 to 30 June 2016

FORM B 03a-DN/HN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)
 Unit: VND

ITEMS	Codes	For the period from 01/01/2016 to 30/6/2016	For the period from 01/01/2015 to 30/6/2015
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from share issue and owners' contributed capital	31	63,868,290,000	26,724,470,000
2. Capital withdrawals, buy-back of issued shares	32	(1,506,300,000)	(100,000,000)
3. Proceeds from borrowings	33	10,302,470,854,608	11,206,738,665,974
4. Repayment of borrowings	34	(10,792,146,046,065)	(11,730,885,868,320)
5. Dividends and profits paid	36	(438,885,245,833)	(577,094,834,753)
<i>Net cash used by financing activities</i>	40	<i>(866,198,447,290)</i>	<i>(1,074,617,567,099)</i>
Net increase/(decrease) in cash (50=20+30+40)	50	290,834,066,170	(1,345,141,818,308)
Cash and cash equivalents at the beginning of the period	60	3,584,709,151,769	4,336,282,447,769
Cash and cash equivalents at the end of the period (70=50+60)	70	3,875,543,217,939	2,991,140,629,461



Nguyen Tien Hao
 Preparer



Hoang Huu Chien
 Chief Accountant





Nguyen The Phuong
 Executive Vice President

29 July 2016

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS **FORM B 09a-DN/HN**
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

These notes are an integral part of and should be read in conjunction with the accompanying interim consolidated 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 was established 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 latest amended Business Registration Certificate dated 23 June 2016, the Company's charter capital is VND 4,594,266,840,000.

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

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

Operating industry and principal activities

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

Normal production and business cycle

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

The Corporation's structure:

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

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

And 2 associates as follows:

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

Disclosure of information comparability in the interim consolidated financial statements

The comparative figures of the interim consolidated balance sheet are the figures of the Corporation's audited consolidated financial statements for the year ended 31 December 2015. The comparative figures of the interim consolidated income statement and interim consolidated cash flow statement are the figures of the reviewed interim consolidated financial statements for the 6-month period ended 30 June 2015.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The accompanying interim 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 interim financial reporting.

The accompanying interim 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 interim consolidated financial statements have been prepared for the period from 01 January 2016 to 30 June 2016.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 21 March 2016, the Ministry of Finance issued Circular No. 53/2016/TT-BTC ("Circular 53") amending and supplementing certain articles of Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the accounting regime for enterprises. Circular 53 is effective for the financial years beginning on or after 01 January 2016. Accordingly, the Corporation has applied Circular 53 in the preparation and presentation of the Corporation's interim consolidated financial statements for the operating period from 01 January 2016 to 30 June 2016.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of the consolidated interim financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim 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 interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

Basis of consolidation

The interim consolidated financial statements incorporate the interim financial statements of the Company and enterprises controlled by the Company (its subsidiaries) for the period from 01 January 2016 to 30 June 2016. 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.

The results of subsidiaries acquired or disposed of during the period are included in the interim 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 interim consolidated financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

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

Business combinations

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 recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to the consolidated profit and loss in the period of acquisition.

The interest of non-controlling shareholders is initially measured at the minority's proportion of the net fair value of the assets, liabilities, and contingent liabilities recognized.

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

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

Goodwill

Goodwill represents the excess of the cost of acquisition over the Corporation'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 interim consolidated balance sheet and is amortised on the straight-line basis in the interim consolidated income statement according to current regulation. In case where the amount of goodwill impairment loss in the period is more than the annual amortised amount on the straight-line basis, the loss amount shall be recognised.

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

Financial instruments

Initial recognition

Financial assets

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

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

Financial liabilities

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

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

Subsequent measurement after initial recognition

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

Cash and cash equivalents

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

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation 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 interim consolidated 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.

Provisions for impairment of long-term financial investments

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

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 following estimated useful lives:

	For the period from 01 January 2016 to 30 June 2016 (Years)
Buildings and structures	5 - 25
Machinery and equipment	3 - 25
Motor vehicles	3 - 10
Office equipment	3 - 8
Other assets	3 - 25

Finance lease assets and depreciation

Finance lease assets are 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 recognized 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 interim 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 assets and amortisation**(i) Land use rights**

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

(ii) License, copyright and patent

Purchase price of license is accounted for as intangible asset. License is amortised to the interim consolidated income statement on straight-line basis over a period of 3 to 5 years. The right to operate the high-speed internet line of Asia America Gateway ("AAG") project is amortised over 15 years of the operation right.

Purchase prices of copyright and patent are capitalized and accounted for as intangible asset. Copyright and patent are amortised to the interim consolidated income statement on straight-line basis over a period of 3 to 5 years.

(iii) Brand name and trademark

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

(iv) Computer software

Purchase price of new computer software, which is not an integral part of related hardware is capitalized and accounted for as intangible asset. Computer software is amortised to the interim consolidated income statement on straight-line basis over a period of 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 the interim 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.

Payable provisions

Payable 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 as at the balance sheet date.

Provision for warranties

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

Provision for guarantees on student loans

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

Bonus and welfare funds

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

Revenue recognition

Revenue is recognized 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 interim consolidated balance sheet date of that year. 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 interim consolidated 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 is recognised in the interim consolidated income statement by reference to the percentage of completion of transaction at the period 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 interim 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.

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

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 interim consolidated balance sheet and released to the interim consolidated income statement in the year in which the semester falls.

Tuition and fee payment

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

Enrolment fee or application fee

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

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

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

Foreign currencies

The Corporation applies the method of recording foreign exchange differences in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and the Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the 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 interim consolidated income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

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

Interim financial statements of foreign operations

For the purpose of presenting interim 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 average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. 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.

Borrowing costs

Borrowing costs are recognised in the interim consolidated income statement in the period when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "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 period. 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 period. Taxable profit differs from net profit as reported in the interim 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 interim 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.

5. SEGMENT REPORTING

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

The Corporation has two major segments under the management of FPT Corporation (the "Corporation") as follows:

Information Technology and Telecommunication

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

Investment and education: including the following main activities:

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



	From 01/01/2016 to 30/6/2016	From 01/01/2015 to 30/6/2015
	VND	VND
I. SALES		
Business revenue	17,818,303,124,460	19,328,072,952,218
A. Informatics and Telecommunication	17,471,092,704,997	18,976,181,041,884
1. Telecommunication	2,960,431,860,276	2,357,700,000,000
2. Digital content	217,420,079,914	163,438,894,419
3. Software development	2,670,941,948,054	2,054,594,844,695
4. System integration	888,908,481,270	990,812,722,565
5. Informatics services	384,241,378,255	414,522,895,867
6. Technology product manufacture, distribution and retail	10,349,148,957,228	12,995,111,684,338
B. Education and Investment	347,210,419,463	351,891,910,334
1. Education and Investment	347,210,419,463	351,891,910,334
Elimination		
Net sales to companies within the Corporation	393,258,430,862	1,358,051,586,031
Net sales to external parties	17,425,044,693,598	17,970,021,366,187
II. PROFIT BEFORE TAX		
A. Informatics and Telecommunication	1,170,177,403,152	1,308,509,931,860
1. Telecommunication	422,384,361,163	473,339,088,311
2. Digital content	110,126,409,599	69,416,262,699
3. Software development	311,022,633,464	295,118,080,301
4. System integration	14,029,303,252	43,529,771,980
5. Informatics services	32,448,485,431	56,131,123,919
6. Technology product manufacture, distribution and retail	280,166,210,243	370,975,604,650
B. Education and Investment	87,337,890,388	41,846,618,801
1. Education and Investment	87,337,890,388	41,846,618,801
Total accounting profit before tax	1,257,515,293,540	1,350,356,550,661

6. CASH AND CASH EQUIVALENTS

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

7. INVESTMENTS

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

	<u>30/6/2016</u>		<u>31/12/2015</u>	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
b. Long-term financial investments				
b1) Investments in associates	137,500,000,000	-	137,500,000,000	-
- FPT Capital Management Joint Stock Company	27,500,000,000	-	27,500,000,000	-
- FPT Security Joint Stock Company	110,000,000,000	-	110,000,000,000	-
b2) Equity investments in other entities	653,932,954,088	(191,794,880,760)	632,649,372,195	(176,177,677,251)
- Vietnam Japan Investment Fund	-	-	44,870,000,000	(8,132,510,645)
- Vietnam Investment Fund	6,900,000,000	-	10,650,000,000	-
- Other investments	647,032,954,088	(191,794,880,760)	577,129,372,195	(168,045,166,606)

In accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014, the fair value of investments in associates and investments in other entities as at 30 June 2016 should be presented. However, as associates and other entities in which the Corporation invests were not listed on the stock market and there are no guidance to determine fair value of investments in unlisted shares, the Corporation has not yet presented the fair value of these investments.

8. OTHER RECEIVABLES

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
a) Current		
Receivable related to maintenance services	271,967,336,634	119,119,747,291
Receivable related to support from suppliers	65,408,996,159	183,064,955,871
Deposits and mortgages	60,038,633,487	82,961,439,470
Other receivables	158,559,191,673	91,275,358,594
	<u>555,974,157,953</u>	<u>476,421,501,226</u>
b) Non-current		
Deposits and mortgages	119,472,946,912	95,148,463,192
Other receivables	56,274,674,102	65,013,425,541
	<u>175,747,621,014</u>	<u>160,161,888,733</u>

9. BAD DEBTS

	30/6/2016		31/12/2015	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
<i>Total amount of receivables past due or not past due but impaired</i>	414,664,075,492	58,808,098,113	392,429,395,668	56,376,341,258

10. INVENTORIES

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

11. PREPAYMENTS

	30/6/2016	31/12/2015
	VND	VND
a) Current		
Expenditure for transferring to optical fiber system	258,939,873,770	286,575,813,914
Other current prepayments	484,572,209,258	542,945,620,522
	743,512,083,028	829,521,434,436
b) Non-current		
PayTV installation cost	297,660,791,770	231,193,175,317
Initial set-up for shops	147,243,288,554	138,602,169,735
Electronic equipment and computer system	49,676,701,703	92,667,879,184
Prepayments for integration systems contracts	51,264,146,618	60,936,232,369
Other non-current prepayments	350,237,860,787	285,137,445,833
	896,082,789,432	808,536,902,438

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

Movement of taxes and other receivables from/payables to the State budget:

Items	31/12/2015	Amount payable	Amount paid and deducted	30/6/2016
	VND	VND	VND	VND
Value added tax	117,274,368,572	2,952,519,643,433	2,984,928,303,514	84,865,708,491
- Output value added tax	116,569,100,996	2,391,011,099,550	2,423,563,182,640	84,017,017,906
- Value added tax on imports	705,267,576	561,508,543,883	561,365,120,874	848,690,585
Special consumption tax	-	3,815,620	3,815,620	-
Import duties	47,419,206	10,690,118,690	10,494,489,737	243,048,159
Corporate income tax	158,969,917,360	158,115,117,853	259,744,412,899	57,340,622,314
Personal income tax	15,538,251,548	156,729,441,421	156,904,518,414	15,363,174,555
Foreign contractor withholding tax	6,630,053,535	18,330,534,796	18,724,209,012	6,236,379,319
Other taxes and fees	1,163,425,295	2,303,623,500	1,837,969,716	1,629,079,079
Total	299,623,435,516	3,298,692,295,313	3,432,637,718,912	165,678,011,917

In which:

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

The balance of taxes and other receivables from/payables to the State budget in detail:**- Taxes and other receivables from the State budget**

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

- Taxes and amounts payable to the State budget

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

13. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
As at 01/01/2016	1,128,166,105,134	4,721,674,392,537	83,286,558,714	907,272,149,621	96,673,170,409	6,937,072,376,415
Purchases	226,325,000	552,131,944,622	4,055,352,727	17,760,767,921	2,192,360,103	576,366,750,373
Transfer from construction in progress	-	21,017,188,851	-	-	-	21,017,188,851
Disposals	-	(6,711,001,253)	-	(7,256,210,385)	-	(13,967,211,638)
Reclassification	-	67,164,208,350	(4,871,326,754)	(428,371,812)	(61,864,509,784)	-
Other increases/(decreases)	-	(3,403,184,206)	701,779,363	2,202,205,711	-	(499,199,132)
As at 30/6/2016	1,128,392,430,134	5,351,873,548,901	83,172,364,050	919,550,541,056	37,001,020,728	7,519,989,904,869
ACCUMULATED DEPRECIATION						
As at 01/01/2016	180,246,133,873	2,013,495,514,343	43,280,872,171	696,871,417,256	31,776,319,430	2,965,670,257,073
Charge for the period	27,681,101,009	317,431,458,526	2,235,043,417	30,324,948,724	2,075,894,315	379,748,445,991
Disposals	-	(4,107,646,417)	-	(3,258,179,536)	-	(7,365,825,953)
Reclassification	-	22,741,905,028	(4,871,326,754)	(554,212,374)	(17,316,365,900)	-
Other increases/(decreases)	-	(3,342,382,699)	226,614,631	2,474,864,891	-	(640,903,177)
As at 30/6/2016	207,927,234,882	2,346,218,848,781	40,871,203,465	725,858,838,961	16,535,847,845	3,337,411,973,934
NET BOOK VALUE						
As at 30/6/2016	920,465,195,252	3,005,654,700,120	42,301,160,585	193,691,702,095	20,465,172,883	4,182,577,930,935
As at 31/12/2015	947,919,971,261	2,708,178,878,194	40,005,686,543	210,400,732,365	64,896,850,979	3,971,402,119,342

As at 30 June 2016, the cost of the Corporation's assets including machinery and equipment, motor vehicles and office equipment which had been fully depreciated but are still in use was approximately VND 1,040,475 million (as at 31 December 2015: VND 947,480 million).

14. INCREASE, DECREASE IN INTANGIBLE ASSETS

	Land use right	Computer software	License, copyright and patent	Total
	VND	VND	VND	VND
COST				
As at 01/01/2016	49,257,150,650	275,721,902,403	285,366,052,683	610,345,105,736
Addition	-	10,157,165,442	9,463,207,469	19,620,372,911
Other increases/(decreases)	-	435,172,814	(59,702,713)	375,470,101
As at 30/6/2016	<u>49,257,150,650</u>	<u>286,314,240,659</u>	<u>294,769,557,439</u>	<u>630,340,948,748</u>
ACCUMULATED AMORTISATION				
As at 01/01/2016	3,682,067,852	177,796,687,553	109,752,335,521	291,231,090,926
Charge for the period	331,662,178	20,185,766,499	17,042,084,065	37,559,512,742
Other increases/(decreases)	-	893,378,030	(57,334,544)	836,043,486
As at 30/6/2016	<u>4,013,730,030</u>	<u>198,875,832,082</u>	<u>126,737,085,042</u>	<u>329,626,647,154</u>
NET BOOK VALUE				
As at 30/6/2016	<u>45,243,420,620</u>	<u>87,438,408,577</u>	<u>168,032,472,397</u>	<u>300,714,301,594</u>
As at 31/12/2015	<u>45,575,082,798</u>	<u>97,925,214,850</u>	<u>175,613,717,162</u>	<u>319,114,014,810</u>

15. CONSTRUCTION IN PROGRESS

	From 01/01/2016 to 30/6/2016	From 01/01/2015 to 30/6/2015
	VND	VND
Opening balance	679,175,240,676	537,241,674,698
Additions	210,880,533,727	118,316,181,279
Transferred to fixed assets	(21,017,188,851)	(145,335,180,541)
Other decrease	(721,531,987)	(9,900,240,756)
Closing balance	868,317,053,565	500,322,434,680

Details by project are as follows:

	30/6/2016	31/12/2015
	VND	VND
Construction in progress		
Constructions	868,317,053,565	679,175,240,676
In which:		
- <i>Asia Pacific Gateway Cable Network</i>	159,583,981,381	158,813,175,651
- <i>Nam An Khanh project</i>	92,999,271,455	92,999,271,455
- <i>FPT office project in Da Nang</i>	267,933,675,382	137,777,321,581
- <i>F-Town 2 project</i>	135,334,086,608	52,637,529,278
- <i>Other constructions</i>	212,466,038,739	236,947,942,711
	868,317,053,565	679,175,240,676

During the period, total interest expense capitalized into the cost of construction in progress was approximately VND 2,149 million.

16. INVESTMENTS IN SUBSIDIARIES

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

Name of subsidiaries	Place of incorporation and operation	Proportion of ownership rate	Proportion of voting power held	Principal activities
FPT Information System Corporation	Floor 22, Keangnam Landmark 72, E6 Pham Hung, 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

<u>Name of subsidiaries</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership rate</u>	<u>Proportion of voting power held</u>	<u>Principal activities</u>
FPT Trading Company Limited	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Producing technology products and distributing IT devices and mobile phones; and manufacturing computers
FPT Telecom Joint Stock Company (i)	Floor 2, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	45.64%	45.64%	Providing ADSL services, fixed line internet services, online advertising and other online services
FPT Education Company Limited	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing training and technology services
FPT Online Service Joint Stock Company	No. 408 Dien Bien Phu Street, Ward 11, District 10, Hochiminh City	51.95%	84.08%	Providing online services
FPT Investment Company Limited	Floor 13, FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Providing financial services activities (investment consulting service, excluding legal and financial consulting services)
FPT Digital Retail Joint Stock Company	No. 261 - 263 Khanh Hoi, Ward 5, District 4, Hochiminh City	85.00%	85.00%	Retails of computers, peripheral devices, software and telecommunication equipment; telecom service agent
FPT Media Company Limited (ii)	FPT Cau Giay Building, Duy Tan Street, Cau Giay District, Hanoi	100%	100%	Producing news and entertainment shows; providing telecom and advertising services

(i) As at 30 June 2016, FPT Corporation holds 45.64% ownership interest (31 December 2015: 45.64%) and 45.64% of voting rights (31 December 2015: 45.64%) at FPT Telecom Joint Stock Company. However, the Corporation has the power to cast the majority of votes at meetings of the Board of Directors 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 interim financial statements of FPT Telecom Joint Stock Company are incorporated in the Corporation's interim consolidated financial statements.

(ii) On 08 August 2011, Executive President of FPT Corporation issued Decision No. 79.1-2011/QD-FPT-TGD on temporarily narrowing the business activities of FPT Media Company Limited.



17. INVESTMENTS IN ASSOCIATES

	From 01/01/2016 to 30/6/2016	From 01/01/2015 to 30/6/2015
	VND	VND
Opening balance	271,434,002,318	251,078,173,392
Share of net profit after corporate income tax of associates	13,563,188,488	14,291,037,621
Dividends received	(8,066,666,300)	(7,333,333,000)
Closing balance	276,930,524,506	258,035,878,013

Details of the Corporation's associates as at 30 June 2016 which the Corporation accounted for using the equity method in its interim consolidated financial statements are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership and voting right	Principal activities
FPT Securities Joint Stock Company	Floor 2, 71 Nguyen Chi Thanh Street, Dong Da District, Hanoi	20%	Securities trading, brokerage, investment advisory and securities depository services
FPT Fund Management Joint Stock Company	Floor 9, TTC Building, Lot B1A, Dich Vong Hau Ward, Pham Hung Street, Cau Giay District, Hanoi	25%	Portfolio and fund management and other services

18. DEFERRED TAX ASSETS

	Fixed assets VND	Provisions VND	Revenue VND	Total VND
As at 01/01/2016	19,511,967,770	6,442,820,333	190,714,935,678	216,669,723,781
Transferred to the consolidated income statement of the period	(472,055,795)	81,054,397	(20,244,007,555)	(20,635,008,953)
Other decreases	-	-	(20,744,497,551)	(20,744,497,551)
As at 30/6/2016	19,039,911,975	6,523,874,730	149,726,430,572	175,290,217,277

19. SHORT-TERM ACCRUED EXPENSES

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

20. UNEARNED REVENUE

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

21. OTHER PAYABLES

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

22. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Item	31/12/2015		In the period		30/6/2016	
	Amount VND	Amount able to be paid off	Increase VND	Decrease VND	Amount VND	Amount able to be paid off
		VND				VND
Short-term loans from banks and business entities (i)	8,033,199,204,598	8,033,199,204,598	9,818,406,959,959	10,624,225,089,580	7,227,381,074,977	7,227,381,074,977
Current portion of long-term loans and liabilities	158,125,804,104	158,125,804,104	126,288,520,005	50,234,040,611	234,180,283,498	234,180,283,498
- Current portion of long-term loans (see details in Note 24)	157,608,397,509	157,608,397,509	125,739,193,245	49,954,147,904	233,393,442,850	233,393,442,850
- Current portion of long-term obligations under finance leases	517,406,595	517,406,595	549,326,760	279,892,707	786,840,648	786,840,648
Total	8,191,325,008,702	8,191,325,008,702	9,944,695,479,964	10,674,459,130,191	7,461,561,358,475	7,461,561,358,475

- (i) Most of short-term loans from banks and business entities are unsecured. These loans can be withdrawn in either Vietnam Dong or United States Dollar. Interest rate is determined as per each specific withdrawal.

23. PROVISIONS

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

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.

Guarantees on student loans

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

24. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

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

Details of long-term loans by term:

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
Long-term loans	1,085,552,871,006	770,459,605,554
- 3 year-term	82,808,821,934	33,942,829,692
- 4 year-term	768,842,153,764	553,729,286,688
- 5 year-term	233,901,895,308	182,787,489,174
Long-term obligations under finance leases	3,070,464,514	2,020,791,801
Total	<u>1,088,623,335,520</u>	<u>772,480,397,355</u>
Of which:		
- Amount due for settlement within 12 months	234,180,283,498	158,125,804,104
- Amount due for settlement after 12 months	854,443,052,022	614,354,593,251

Long-term loans are repayable as follows:

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

25. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Share premium	Treasury shares	Foreign exchange reserve	Investment and development fund	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND
As at 01/01/2015	3,439,766,000,000	49,465,703,201	(823,760,000)	(12,569,673,745)	79,400,040,851	87,203,093,024	4,268,153,638,489	7,910,595,041,820
Shares issued	17,193,170,000	-	-	-	-	-	-	17,193,170,000
Profit for the year	-	-	-	-	-	-	1,930,895,920,629	1,930,895,920,629
Transferred to bonus and welfare funds	-	-	-	-	-	-	(190,005,736,294)	(190,005,736,294)
Stock dividends declared	518,357,230,000	-	-	-	-	-	(518,357,230,000)	-
Cash dividends declared	-	-	-	-	-	-	(743,062,805,000)	(743,062,805,000)
Other movements	-	-	-	6,020,348,477	(363,491,767)	24,696,990	(353,069,038,799)	(347,387,485,099)
As at 01/01/2016	3,975,316,400,000	49,465,703,201	(823,760,000)	(6,549,325,268)	79,036,549,084	87,227,790,014	4,394,554,749,025	8,578,228,106,056
Shares issued	19,868,290,000	-	-	-	-	-	-	19,868,290,000
Profit for the period	-	-	-	-	-	-	861,693,140,339	861,693,140,339
Stock dividends declared (i)	599,082,150,000	-	-	-	-	-	(599,082,150,000)	-
Cash dividends declared	-	-	-	-	-	-	(399,436,093,000)	(399,436,093,000)
Other movements	-	-	-	19,186,629,556	(4,490,725,343)	234,470	(7,730,906,115)	6,965,232,568
As at 30/6/2016	4,594,266,840,000	49,465,703,201	(823,760,000)	12,637,304,288	74,545,823,741	87,228,024,484	4,249,998,740,249	9,067,318,675,963

(i) In the period, the Corporation issued 59,908,215 shares for dividend payment of 2015 according to the Company's Shareholders' Annual General Meeting of 2016.

Dividends

On 31 March 2016, at the Company's Shareholders' Annual General Meeting, shareholders approved the plan of stock dividend payment of 2015 at the pay-out ratio of 15% (03 new shares for every 20 shares held) and second cash dividend payment of 2015 at the pay-out ratio of 10% of par value (VND 1,000/share) and approved the plan of 2016 cash dividend advance of 20% of par value (VND 2,000/share).

Number of outstanding shares

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

All ordinary shares have a par value of VND 10,000. Each share is entitled to one vote at shareholders' meetings of the Company. Shareholders are entitled to receive dividends as declared at each point 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 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 issue.

26. REVENUE

	<u>From 01/01/2016</u>	<u>From 01/01/2015</u>
	to 30/6/2016	to 30/6/2015
	VND	VND
Sales of merchandise and services	17,915,907,813,938	18,237,232,496,581
In which:		
- Sales of finished goods, merchandise	11,352,814,983,513	13,833,896,896,887
- Sales of services	6,563,092,830,425	4,403,335,599,694
Deductions	490,863,120,340	267,211,130,394
Net sales	17,425,044,693,598	17,970,021,366,187

Net sales represent the Corporation's sales to external parties. For management purpose, the Corporation maintains data of business revenue that comprises the Corporation's sales to external parties and sales to entities within the Corporation made on the commercial basis. The sales to entities within the Corporation were eliminated on consolidation. An analysis of the composition of the Corporation's revenue is as follows:

	<u>From 01/01/2016 to 30/6/2016</u>	<u>From 01/01/2015 to 30/6/2015</u>
	VND	VND
Net sales to external parties	17,425,044,693,598	17,970,021,366,187
Net sales to entities within the Corporation	393,258,430,862	1,358,051,586,031
Total business revenue	<u>17,818,303,124,460</u>	<u>19,328,072,952,218</u>

27. COST OF SALES

	<u>From 01/01/2016 to 30/6/2016</u>	<u>From 01/01/2015 to 30/6/2015</u>
	VND	VND
Cost of finished products, goods sold	9,853,119,982,813	12,275,530,641,557
Cost of services rendered	3,935,409,985,975	2,232,483,074,981
Provision for/(reversal of) devaluation of inventories	16,813,018,427	(29,623,009,272)
	<u>13,805,342,987,214</u>	<u>14,478,390,707,266</u>

28. FINANCIAL INCOME

	<u>From 01/01/2016 to 30/6/2016</u>	<u>From 01/01/2015 to 30/6/2015</u>
	VND	VND
Interest from bank deposits and loans	126,448,479,942	70,439,397,607
Foreign exchange gain	124,724,041,251	79,581,090,615
Other financial income	69,265,490,628	37,667,394,293
	<u>320,438,011,821</u>	<u>187,687,882,515</u>

29. FINANCIAL EXPENSES

	<u>From 01/01/2016 to 30/6/2016</u>	<u>From 01/01/2015 to 30/6/2015</u>
	VND	VND
Interest expense	171,058,963,824	106,483,638,633
Foreign exchange loss	145,707,751,665	130,470,911,036
Other financial expenses	31,463,601,554	26,703,979,433
	<u>348,230,317,043</u>	<u>263,658,529,102</u>

30. CORPORATE INCOME TAX EXPENSES

	From 01/01/2016 to 30/6/2016	From 01/01/2015 to 30/6/2015
	VND	VND
Current corporate income tax expenses		
- corporate income tax based on taxable profit in the current period	160,475,457,366	227,192,337,317
- Adjustments for corporate income tax expenses in previous years to that in the current period	(293,395,393)	-
Total corporate income tax expenses	160,182,061,973	227,192,337,317
	From 01/01/2016 to 30/6/2016	From 01/01/2015 to 30/6/2015
	VND	VND
Deferred corporate income tax income		
- Deferred corporate income tax expenses arising from taxable temporary differences	103,294,904,472	96,795,652,906
- Deferred corporate income tax incomes arising from deductible temporary differences	(83,131,951,314)	(111,961,339,046)
- Deferred corporate income tax expenses arising from unrealised profit in the period	472,055,795	472,055,795
Total deferred corporate income tax expenses	20,635,008,953	(14,693,630,345)

Applicable tax rate

Under its Business Registration Certificate and prevailing tax regulations, the Corporation is obligated to pay CIT at the rate of 10% of taxable income on software production and service, 10% of taxable income on IT training education and 20% of taxable income on goods sold and the other services rendered.

Tax rates applicable to subsidiaries of FPT Corporation are in accordance with the prevailing tax regulations.

31. BASIC EARNINGS PER SHARE

Basic earnings per share for the period from 01 January 2016 to 30 June 2016 was calculated based on the profit attributable to ordinary shareholders and a weighted average number of outstanding ordinary shares during the period, as follows:

	From 01/01/2016 to 30/6/2016	From 01/01/2015 to 30/6/2015 (Restated)
	VND	VND
Accounting profit after corporate income tax	861,693,140,339	881,294,008,656
Weighted average number of outstanding ordinary shares	458,019,755	456,211,268
Basic earnings per share	1,881	1,932

Restatement of weighted average number of ordinary shares

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

	<u>Weighted average number of ordinary shares</u>	<u>Earnings per share</u>
As per the consolidated financial statements for the period from 01 January 2015 to 30 June 2015	396,303,053	2,224
Restatement as a result of shares from profit distribution during the period	59,908,215	(292)
As restated	456,211,268	1,932

32. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Corporation consists of net debt (borrowings disclosed in Notes 22 and 24, offset by cash and term deposits with terms within 12 months) and owners' equity (comprising capital, reserves and retained earnings).

Gearing ratio

	<u>30/6/2016</u>	<u>31/12/2015</u>
	VND	VND
Borrowings	8,316,004,410,497	8,805,679,601,953
Less: Cash and term deposits with terms within 12 months	6,546,147,531,059	6,102,576,292,040
Net debt	1,769,856,879,438	2,703,103,309,913
Equity	10,910,392,824,269	10,182,285,753,023
Net debt to equity ratio	0.16	0.27

Significant accounting policies

Details of the significant accounting policies and methods adopted by the Corporation (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 4.

Financial risk management objectives

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

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

Market risk

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

Foreign currency risk management

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are as follows:

	Liabilities		Assets	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	VND	VND	VND	VND
United States Dollar (USD)	1,634,582,721,920	2,339,124,953,902	483,266,770,958	789,662,100,983
Euro (EUR)	41,671,976,397	38,814,271,024	123,606,167,716	150,543,970,827
Japanese Yen (JPY)	261,319,011,517	193,303,306,462	558,108,502,048	534,644,564,219
Singapore Dollar (SGD)	21,190,718,778	64,481,616,969	102,835,582,885	141,440,485,866

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar, Euro, Japanese Yen and Singapore Dollar.

The following table details the Company's sensitivity to a 5% increase and decrease in Vietnam Dong against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. For a 5% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the period/year would decrease/increase by the following amount:

	From 01/01/2016	2015
	to 30/6/2016	
	VND	VND
United States Dollar (USD)	(57,565,797,548)	(77,473,142,646)
Euro (EUR)	4,096,709,566	5,586,484,990
Japanese Yen (JPY)	14,839,474,527	17,067,062,888
Singapore Dollar (SGD)	4,082,243,205	3,847,943,445

Interest rate risk management

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

Share price risk management

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

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

Commodity price risk management

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

Credit risk

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

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

Liquidity risk management

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

The following table details the Corporation's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

30/6/2016	Less than 1 year VND	From 1 - 5 years VND	Total VND
Cash and cash equivalents	3,875,543,217,939	-	3,875,543,217,939
Trade and other receivables	4,900,867,934,532	364,224,312,786	5,265,092,247,318
Held-to-maturity investments	2,736,219,157,412	-	2,736,219,157,412
Equity investments in other entities	-	462,138,073,328	462,138,073,328
Total	11,512,630,309,883	826,362,386,114	12,338,992,695,997
30/6/2016	Less than 1 year VND	From 1 - 5 years VND	Total VND
Loans and obligations under finance leases	7,461,561,358,475	854,443,052,022	8,316,004,410,497
Trade and other payables	2,804,337,271,569	17,537,317,165	2,821,874,588,734
Accruals	602,456,088,552	-	602,456,088,552
Total	10,868,354,718,596	871,980,369,187	11,740,335,087,783
Net liquidity gap	644,275,591,287	(45,617,983,073)	598,657,608,214
31/12/2015	Less than 1 year VND	From 1 - 5 years VND	Total VND
Cash and cash equivalents	3,584,709,151,769	-	3,584,709,151,769
Trade and other receivables	5,154,274,387,534	348,027,975,696	5,502,302,363,230
Held-to-maturity investments	2,617,441,917,720	-	2,617,441,917,720
Equity investments in other entities	-	456,471,694,944	456,471,694,944
Total	11,356,425,457,023	804,499,670,640	12,160,925,127,663
31/12/2015	Less than 1 year VND	From 1 - 5 years VND	Total VND
Loans and obligations under finance leases	8,191,325,008,702	614,354,593,251	8,805,679,601,953
Trade and other payables	3,073,364,855,326	27,232,837,622	3,100,597,692,948
Accruals	518,769,375,019	-	518,769,375,019
Total	11,783,459,239,047	641,587,430,873	12,425,046,669,920
Net liquidity gap	(427,033,782,024)	162,912,239,767	(264,121,542,257)

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

33. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

Related party	Relationship
FPT Fund Management Joint Stock Company	Associate
FPT Securities Joint Stock Company	Associate

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

	From 01/01/2016 to 30/6/2016 VND	From 01/01/2015 to 30/6/2015 VND
Dividends received in cash		
FPT Securities Joint Stock Company	8,066,666,300	7,333,333,000

As at the interim balance sheet date, the Corporation had significant outstanding balances with its related parties, as follows:

	30/6/2016 VND	31/12/2015 VND
Entrusted investments and loans to		
FPT Fund Management Joint Stock Company	94,366,081,776	134,366,081,776
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

34. CAPITAL COMMITMENTS

Up to 30 June 2016, the Corporation had approved the following projects:

- The plan of investment in FPT Digital Retail Joint Stock Company (FRT) with the total amount of VND 250 billion. As at 30 June 2016, the Company had contributed VND 170 billion in FRT.
- The plan of construction of FPT office - Phase 1 in Da Nang with the total project investment capital of VND 495,953,272,931.
- The commitment to invest in Asia - Pacific Gateway Cable Network ("APG Project") through the business cooperation contract with Viettel Group (represented by Viettel Telecom - a member of Viettel Group) and CMC Telecommunication Infrastructure Joint Stock Company. This is the project to build submarine cable network connecting countries in Asia (including Vietnam, Japan, Hong Kong, China, Singapore, Malaysia, Taiwan, South Korea and Thailand). Viettel Telecom acts as a representative for other three entities to participate in this project. Accordingly, the Corporation commits to contributing the total estimated amount of USD 10 million, equivalent to 25% the total capital contributed by Viettel Telecom as representative in this project. Capital contributions will be made according to the progress of the project and Viettel Telecom's notification. As at 30 June 2016, the actual contribution of the Corporation to this project was USD 7,546,345, equivalent to VND 159,583,981,381.

- The Corporation is carrying out the construction of FPT Software Park - 2nd Phase located at Lot 3, Hoa Lac Hi-tech Park with the total estimated investment capital of approximately VND 375,727,849,000 (including 10% VAT) under Decisions No. 26-2014/QĐ-FPT-TGD dated 29 April 2014 and No. 4424/2014/QĐ/FSOFT-FID by the Chairman of FPT Software Company Limited dated 07 November 2014. As at 30 June 2016, the Corporation had recorded construction in progress with a carrying value of approximately VND 135,334,086,608 (31 December 2015: VND 52,637,529,278).
- On 25 February 2015, the Corporation entered into a comprehensive cooperation agreement with Tien Phong Commercial Joint Stock Bank for supporting students who joined the training courses under the 10,000 Bridge Software Engineer program. In this program, approximately 10,000 students will be trained in Japan within 6 -12 months. The students who participate in this training course in Japan will be rewarded financial guarantee by the Corporation equivalent to 90% of their total credit obligations arising at the Bank, with a maximum credit limit of VND 400 million. As at 30 June 2016, the number of students participating in the program in Japan are about 413 people, and the total estimated guarantee amount is VND 108,111,000,000, respectively.




Nguyen Tien Hao
Preparer

29 July 2016



Hoang Huu Chien
Chief Accountant



Nguyen The Phuong
Executive Vice President