



FPT Retail



***DEDICATED***  
***TO SERVING CUSTOMERS***

ANNUAL REPORT  
2020

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**Dear esteemed Shareholders, Customers and all Employees of FPT Retail,**

As a remarkably strenuous year, 2020 witnessed the outbreak of the COVID-19 pandemic and also the wreaking havoc of floods and other natural disasters. However, FPT Retail has successfully overcome all challenges despite the turbulent economy. Furthermore, by coping with the crisis, business leaders have the opportunity to shape a new path for their organizations, enhancing corporate governance and operations to reinvent business models. Years of experience in the retail industry and solid technology foundations inherited from FPT Corporation will confidently empower FPT Retail to leap in 2021 to become the largest multi-industry retail chain in Vietnam. The explosive development took place not merely in the technology sector but also in the Long Chau pharmacy chain. The number of pharmacies reached 200. The sales growth rate was 133% year-over-year in 2020 despite unfavorable economic conditions and market expansion's difficulties.

**In 2020**, FPT Retail recorded 14,661 billion VND in revenue and 28 billion VND in profit before tax. Despite negative impacts by the COVID-19 pandemic during the three quarters of 2020, business results improved notably in Q4 with positive profit before tax. Revenue through digital channels reached 5,195 billion VND, an increase of 33% compared to 2019 and accounting for 35% of the combined sales of FPT Shop. In one of the most vivid spots, the laptop segment had a growth rate of 50% year-over-year. Besides, FPT Shop set an impressive record of "the highest revenue in Vietnam's market on the first day of launch". Specifically, in only one day of officially launching the iPhone 12 Series, 4,500 phones were sold and continuously out of stock many days afterward. Discovering a formula for success for the Long Chau pharmacy chain, the subsidiary's revenue reached 1,191 billion VND, up 133% compared to 2019. The chain officially exceeded 200 stores in 43 provinces and cities nationwide, increased by 130 stores year-over-year, and is a long-term growth driver for FPT Retail.

Despite the unprecedented crisis, FPT Shop still maintained its position as the second-largest retail chain of technology products in Vietnam. Prime stores in central

locations are competitive advantages that increase the brand reputation of FPT Shop and help reach out to customers. The Company optimized sales per store by cross-selling potential products such as watches, eye-wear, and many others in the form of shop-in-shop. Concurrently, FPT Retail enhanced operating costs by increasing labor productivity and adopting new technology. Faced with a prolonged pandemic situation, the Company made a significant shift to online business, home delivery, with a series of attractive incentives and discounts. The optimization of product displays and eye-catching layouts have significantly increased sales efficiency.

**The pharmaceutical retail segment of FPT Long Chau contributed significantly to FPT Retail's revenue with exceptional growth.** In 2020, the Company focused on opening large stores at strategic locations such as intersections, townhouses, venues near markets, hospitals, residential areas, and satellites of smaller scales covering all provinces and cities. The competitive price strategy has been implemented thoroughly, creating a competitive position with other private pharmacies. Furthermore, the Company gave lots of attention to developing a workforce with sales capacity and information technology skills. It has also gradually built up a centralized data system to effectively manage and operate the chain.

**Although still a year of turmoil**, 2021 will also be an opportunity for FPT Retail to demonstrate its adaptability to changes in the economy, market, and technology. The shifts in shopping behavior and consumer habits required FPT Retail to renovate the business model to catch customers' needs. In traditional stores, the Company focuses on reinvention towards improving experience and sales functions. The Company will enhance customer experience and interaction activities in product display areas, forming Laptop centers to offer expert advice to buyers, offer pricing policies and warranty programs to maximize their benefits. With the development of e-commerce and the digital economy, FPT Retail will promote online sales by analyzing customer data sources to increase the shopping experience. Products will be personalized to each customer to optimize sales performance.

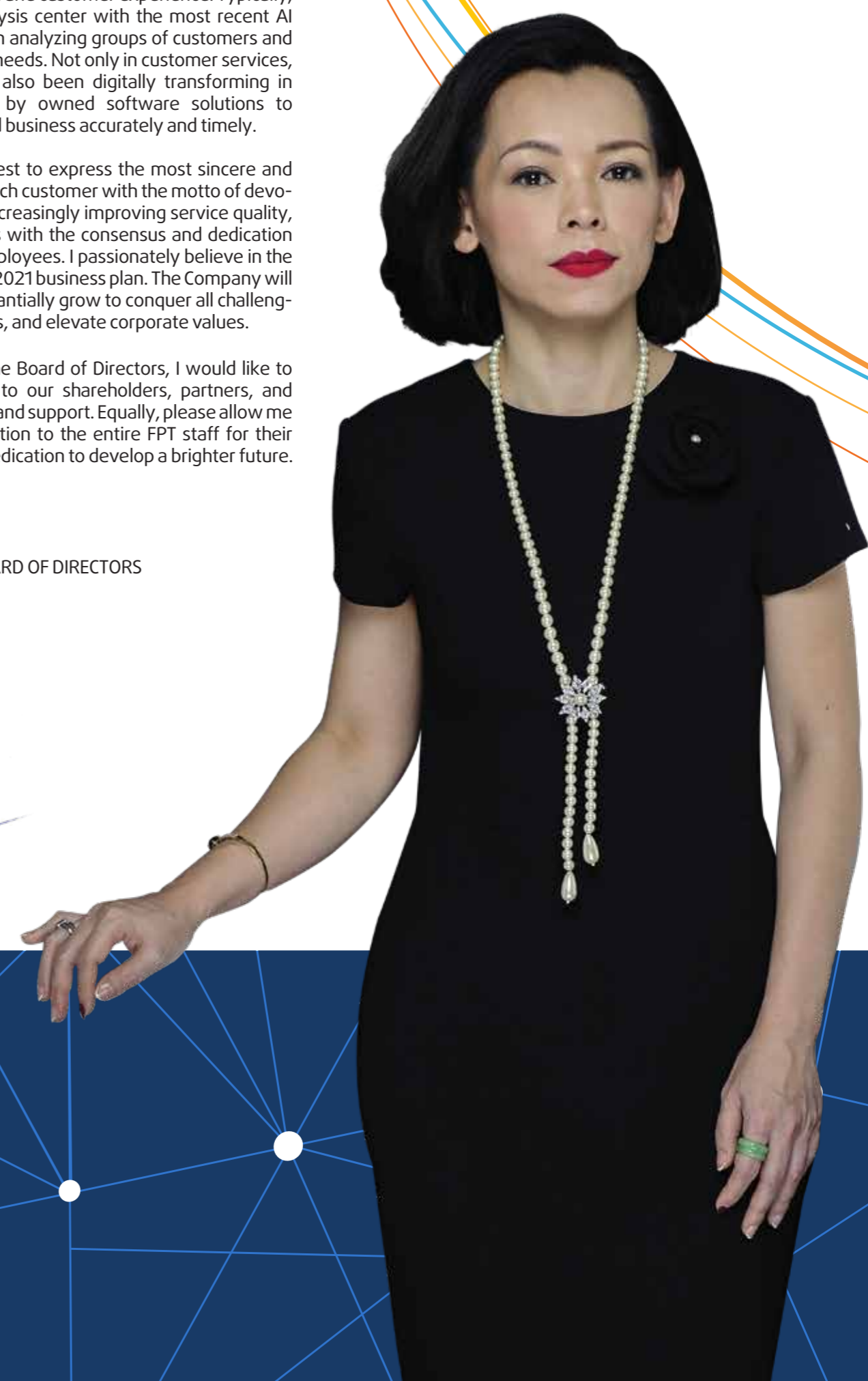
Pursuing a long-term digital transformation strategy with intensive support from FPT Corporation, FPT Retail is urgently implementing a comprehensive digital transformation in operations, technology, and customer experience. Typically, it has built a data analysis center with the most recent AI technology, focusing on analyzing groups of customers and individualizing buyers' needs. Not only in customer services, but the Company has also been digitally transforming in internal management by owned software solutions to manage operations and business accurately and timely.

FPT Retail will try its best to express the most sincere and cherished attitude to each customer with the motto of devotion. The Company is increasingly improving service quality, making timely changes with the consensus and dedication of more than 7,000 employees. I passionately believe in the implementation of the 2021 business plan. The Company will continuously and substantially grow to conquer all challenges, benefit shareholders, and elevate corporate values.

**Finally**, on behalf of the Board of Directors, I would like to express my gratitude to our shareholders, partners, and customers for the trust and support. Equally, please allow me to extend my appreciation to the entire FPT staff for their non-stop efforts and dedication to develop a brighter future.

**Best regards,**  
Chairperson  
ON BEHALF OF THE BOARD OF DIRECTORS

Nguyen Bach Diep



# Chairperson's **MESSAGE**

# FRT IN 2020

## KEY INDICATORS

Total revenue

**14,661,417,032,222** VNĐ

Profit before tax

**28,427,378,490** VNĐ

Total assets

**5,387,577,886,028** VNĐ

Equity capital

**1,225,129,904,764** VNĐ

Total number of stores

**FPTShop: 593**

**Long Chau: 200**

## AWARDS & MILESTONES



### TOP 10

Prestigious retail businesses in 2020

### TOP 500

Fastest growing enterprises in Vietnam in 2020

### TOP 500

Largest enterprises in Vietnam in 2020



socialbakers

FPT Shop ranked 1st in **TOP 10**  
most engaging brands on social media

**In December 2020, Long Chau pharmacy chain surpassed 200 stores nationwide**



# OVERVIEW

## COMPANY INTRODUCTION

Company name	FPT DIGITAL RETAIL JOINT STOCK COMPANY
Business Registration Certificate	0311609355
Stock symbol	FRT
Charter capital	789.820.000.000 VNĐ
Business locations	63 provinces and cities in Vietnam
Head office	261 - 263 Khanh Hoi, Ward 5, District 4, Ho Chi Minh City
Telephone	(+84-28) 7302 3456
Website	<a href="http://fpt.vn">http://fpt.vn</a> <a href="https://fptshop.com.vn">https://fptshop.com.vn</a> <a href="https://nhathuoclongchau.com/">https://nhathuoclongchau.com/</a>
Main business lines	Retail of computers, peripheral devices, software, telecommunications equipment, pharmaceuticals, medical devices, cosmetics, etc., in specialized stores.

FPT Digital Retail Joint Stock Company (referred to as FPT Retail) was established in 2012 in Vietnam. As an associate of FPT Corporation, FPT Retail owns two retail chains (FPT Shop, F.Studio By FPT) and one subsidiary (FPT Long Chau Pharma Joint Stock Company).



## FPT Shop retail system

is a technology retail chain of digital products including mobile phones, tablets, laptops, tech accessories, and services... According to international standards, it was the first in Vietnam to be granted the ISO 9001: 2000 Certificate on quality management. Currently, it occupies the 2nd most prominent position in the retail technology market.



## System F.Studio By FPT

is one of very few Apple Premium Resellers (APR) in Vietnam to sell Apple products. Along with that, FPT Retail has been the first retailer to meet the standard retail store model, including AAR (Apple Authorized Reseller) and iCorner. With its prestige, FPT Retail offers shoppers an exceptional space to Apple's unique and sophisticated technology products, excellent sales, and classy customer care services.



## FPT Long Chau Pharma

As a subsidiary of FPT Retail, the company is the owner of the Long Chau pharmacy chain, which specializes in authentic pharmaceutical products, medical equipment, and functional foods. Affordable, high-quality products and well-trained pharmacists have become remarkable competitive advantages to establish a prestigious and reliable brand for the chain.

With tireless efforts and a consistent policy of "customer service of dedication" over the years, FPT Retail is committed to developing an excellent style of giving shoppers full attention in every business segment, new or old. In the footsteps of the objectives, the company has laid the foundation for sustainable growth and a warm, fuzzy, emotive reputation towards serving customers as a priority.



Placing the customer at the heart of the business, FPT Retail has successfully put together a team of professional, enthusiastic, and dedicated employees. Besides, we have been and will continue to develop the most modern online business center to support customers finding our stores in the fastest and easiest way.

With wholehearted investment and relentless endeavors recognized by the community, the company has witnessed a noticeable and steady increase in the number of customers visiting and shopping for many years. After 08 years of development, FPT Retail has gained customers' trust as the:

**Since 2015**

1st retailer in terms of laptop market share in Vietnam.

**2013 - 2020**

the 2nd in mobile phone volume sales, and the leading Vietnamese reseller of Apple with a full range of authorized store models. The company was also honored with a series of awards: The Vietnamese Excellent Brand Award for 07 consecutive years.

**2016**

The most favorite retailer.

**2018 - 2019**

Top 10 products and services of Trust and Use Awards.

**2019**

Top 500 best profitable enterprises in 2019 (by Vietnam Report and Vietnamnet)

**2018 - 2020**

Top 500 largest enterprises in Vietnam.

**2017 - 2020**

Top 10 reputable retailers in 04 consecutive years.

**2018**

FPT Retail was in the Top 5 domestic retailers.

Top 500 retailers in Asia-Pacific (Retail Asia).

According to Euromonitor and Retail Asia Publishing, with a revenue of 14,523 USD/m<sup>2</sup>, FPT Retail continued to be the most productive retailer in Vietnam.

**2019**

the company was honored in the Top 50 most efficient enterprises in Vietnam 2019. 2019 (by Nhịp cầu đầu tư).

Forbes Vietnam also ranked it in the Top 50 best-listed companies in August 2019.

Top 100 largest public companies in December 2019.

## ● ESTABLISHMENT AND DEVELOPMENT

**2017**  
In July 2017, the company won prestigious awards in the retail industry as follows:

Top 4 leading retailers in Vietnam (Ministry of Industry and Trade).

Top 500 leading retailers in Asia-Pacific (Retail Asia) (Euromonitor).

It got listed in June 2017.

As of December 31, 2017, the company had 473 stores nationwide (including FPT Shop and F.Studio).

**2016**  
The number of FPT Shop stores reached 385 across 63 provinces. And the online revenue doubled to more than 1,000 billion VND. The Company launched 80 Apple in-store experience zones nationwide.

**2015**  
FPT Shop gained the fastest growth among FPT's subsidiaries, with revenue increasing by 50% and profit before tax rose by 338.7% year-over-year.

**2014**  
FPT Shop reached the milestone of 200 stores across 63 provinces. In the same year, it became an authorized distributor of Apple's iPhone.

**2013**  
In December 2013, FPT Shop officially reached 100 stores.

**2012**  
In March 2012, Digital Retail Joint Stock Company was established as one of the 07 subsidiaries of FPT Corporation.

**2018**  
In the third quarter, FPT Retail established a subsidiary - FPT Long Chau Pharmacy - with a charter capital of 100 billion VND, in which it contributed 75% of the ownership. **During the year, FPT Retail was honored with many awards, such as:**

● Top 10 prestigious retailers in 2018 (Vietnam Report); The Vietnamese Excellent Brand Award for 06 consecutive years from 2013 to 2018 (Vietnam Economic Times).

● Top 500 largest enterprises in Vietnam (Vietnam Report).

● As of August 2018, Retail Asia ranked it in the Top 5 retailers in Vietnam.

● Top 500 leading retailers in Asia-Pacific.

● In November 2018, it was awarded among the Top 10 reputable retailers (Vietnam Report and Vietnamnet).

**2019**  
**FPT Retail was honored with the following awards:**

● Top 3 reputable retailers in 2019 (Vietnam Report).

● Top 500 best profitable enterprises in 2019 (Vietnam Report).

● Top 10 products and services of Trust and Use Awards in 2019 (VnEconomy).

● Top 50 best-listed companies in 2019 (Forbes Vietnam)

● Top 50 most efficient enterprises in Vietnam in 2019 (Nhip cau dau tu).

● Top 100 largest public companies (Forbes Vietnam).

● In November 2019, the company completed the plan to launch 70 Long Chau pharmacies one month ahead of schedule.

**2020**  
**FPT Retail was honored with the following awards:**

● Top 5 reputable retailers in 2020 (Vietnam Report).

● Top 500 fastest growing enterprises in Vietnam in 2020 (Vietnam Report).

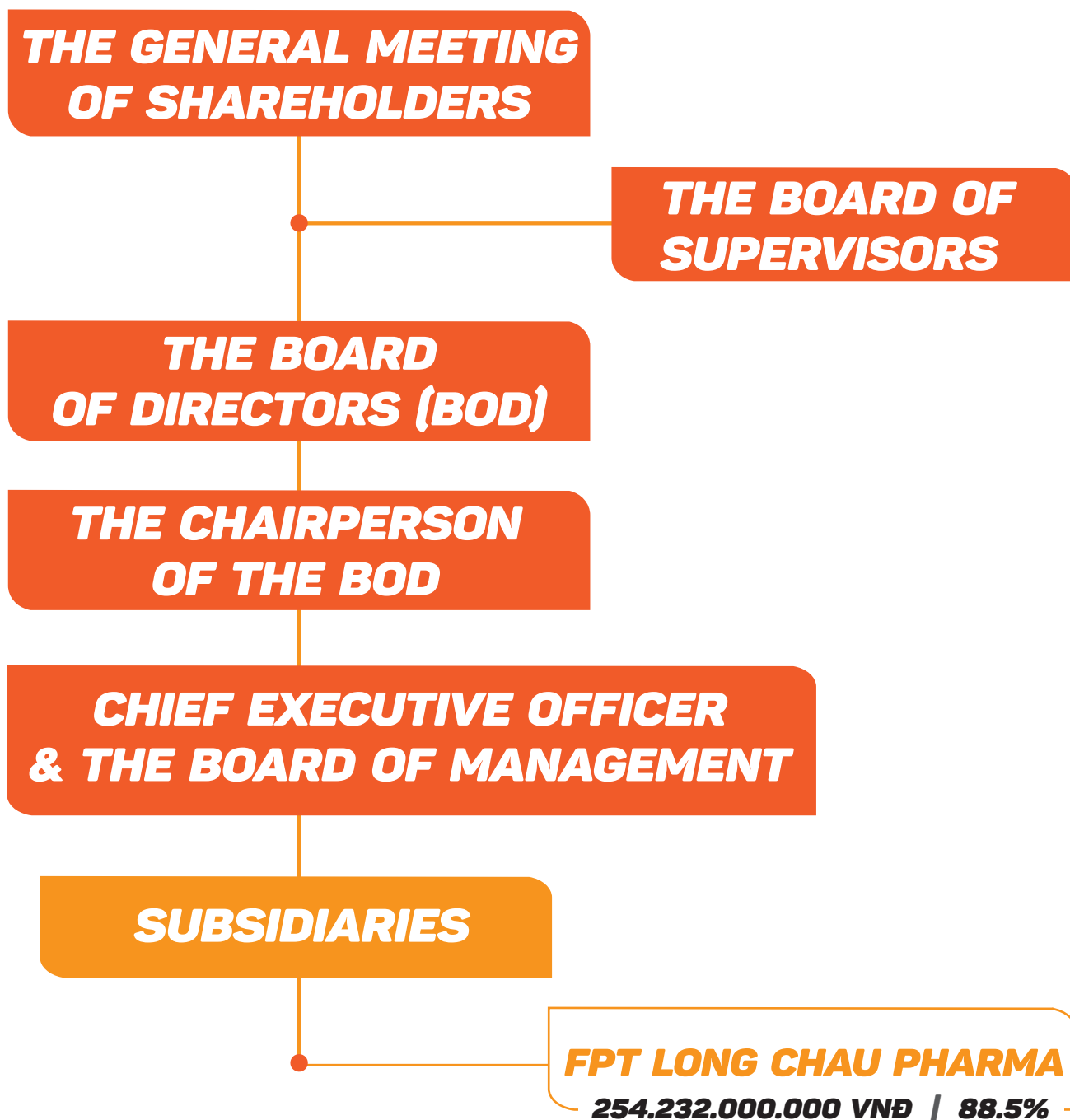
● Top 500 largest public companies in Vietnam in 2020 (Vietnam Report).

● FPT Shop ranked 1st in "Top 10 most engaging brands on social media" (Socialbakers).

● In December 2020, Long Chau pharmacy chain surpassed 200 stores nationwide.



## ● GOVERNANCE STRUCTURE



### **SUBSIDIARIES - FPT LONG CHAU PHARMA**

When the mobile phone and laptop market moved toward the saturation point, FPT Retail has chosen the pharma retail business as the next trump card to maintain the growth. According to the orientation, the company established a subsidiary - FPT Long Chau Pharma in the third quarter of 2018. It was a retail pharmacy line specializing in trading pharmaceutical products, medical equipment, and functional foods. Affordable, high-quality products and well-trained pharmacists have become remarkable competitive advantages to establish a prestigious and reliable brand for the chain. By the end of 2020, the Long Chau Pharmacy chain has reached 200 stores in 43 provinces and cities. By 2021, the company has planned to expand 150 more pharmacies covering all 63 localities nationwide.

## LEADERSHIP

### The Board of Directors

The Board of Directors (BOD) of FPT Digital Retail JSC. has five members in terms of 5 years from 2017 to 2022. Two of them are independent members.



**Ms. NGUYEN BACH DIEP**  
Chairperson of the BOD

She joined FPT right after graduation and held many principal positions within the Corporation. Her efforts merit recognition in developing FPT Shop into the second-largest technology retail chain in Vietnam and encroaching on the pharmaceutical sector with the Long Chau Pharmacy system.

**Year of birth:** 1972

**Nationality:** Viet Nam

**Education:**

Bachelor of Business Administration,  
Ho Chi Minh City Open University.



**Mr. HOANG TRUNG KIEN**  
Member of the BOD

With over 19 years in significant positions in FPT's subsidiaries, his strengths focus on system administration and business development.

**Year of birth:** 1978

**Nationality:** Viet Nam

**Education:**

Master of Business Information Systems  
(MBIS), Free University of Brussels (Belgium).



**Ms. TRINH HOA GIANG**  
Member of the BOD

As one of those who laid the foundation for the initial success of FRT, Ms. Giang has made invaluable contributions throughout the development of the company with her agility, intelligence, certainty, and market knowledge.

**Year of birth:** 1971

**Nationality:** Viet Nam

**Education:**

Bachelor, Foreign Language University (Hanoi National University) Bachelor of Economics, Trade University



**Mr. NGUYEN DAC VIET DUNG**  
Independent member of the BOD

He joined FPT in 1996 with significantly pioneering contributions to the production and business activities of the Corporation and the domestic technology environment.

**Year of birth:** 1974

**Nationality:** Viet Nam

**Education:**

IT Engineer, Hanoi University of Science & Technology



**Mr. LE HONG VIET**  
Independent member of the BOD

Joining FPT in 2005, he has made countless contributions in laying the foundation and opening up development directions in emerging technologies, making FPT the "flagship" of AI in Vietnam and promoting the development of a diversified technology ecosystem within the Corporation.

**Year of birth:** 1981

**Nationality:** Viet Nam

**Education:**

Software Engineer, University of Sydney (Australia)



**Mr.**  
**HOANG TRUNG KIEN**  
Chief Executive Officer

With over 19 years in significant positions in FPT's subsidiaries, his strengths focus on system administration and business development.

**Year of birth:** 1978

**Nationality:** Viet Nam

**Education:**

Master of Business Information Systems (MBIS), Free University of Brussels (Belgium).



**Ms.**  
**TRINH HOA GIANG**  
Deputy Chief Executive Officer

As one of those who laid the foundation for the initial success of FRT, Ms. Giang has made invaluable contributions throughout the development of the company with her agility, intelligence, certainty, and market knowledge.

**Year of birth:** 1971

**Nationality:** Viet Nam

**Education:**

Bachelor, Foreign Language University (Hanoi National University) Bachelor of Economics, Trade University



**Mr.**  
**NGUYEN VIET ANH**  
Deputy Chief Executive Officer

With all the knowledge and experience accumulated from many diverse work environments at domestic and foreign companies, he has brought a heartbeat and breath and significant contributions to FRT's business strategy.

**Year of birth:** 1977

**Nationality:** Viet Nam

**Education:**

Master of Business Administration – Marketing, National University of Singapore



**Ms.**  
**NGUYEN DO QUYEN**  
Executive Director

She successfully implemented the project "We Love," helping enhance the reputation of FPT Shop. She is also a coordinator between the Board of Directors and the FPT Shop chain, nurturing an active and open work environment.

**Year of birth:** 1981

**Nationality:** Viet Nam

**Education:**

Bachelor of Finance and Banking, Banking Academy.



**Mr.**  
**PHAM DUY HOANG NAM**  
Finance Director

With his experience working at Deloitte Vietnam and The Financial Planning Department of FPT Corporation, Mr. Nam has quickly grasped his job at FPT Retail. He is ready to accompany us in the development journey.

**Year of birth:** 1990

**Nationality:** Viet Nam

**Education:**

Bachelor, National Economics University.



**Mr.**  
**TRAN THANH HA**  
Information System Director

Based on solid expertise and experience of more than 20 years working at FPT Corporation, Mr. Ha will, together with his teammates, construct the IT system of FPT Retail, sharply following business targets to help better serve our customers.

**Year of birth:** 1976

**Nationality:** Viet Nam

**Education:**

Bachelor of Mathematics, University of Science (VNU).



**Ms.**  
**HUYNH THI CAO THI**  
Human Resource Director

Since FRT's inception, she has made outstanding contributions to the construction and operation of the personnel and training policy system for FPT Shop and the Long Chau pharmacies.

**Year of birth:** 1973

**Nationality:** Viet Nam

**Education:**

Bachelor of English, Ho Chi Minh City Open University.





**Mr. BUI HUY CUONG**  
Head of the BOS

He has many years of experience in accounting and auditing in many different companies when joining us in 2010.

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**Year of birth:** 1983

**Nationality:** Viet Nam

**Education:**  
Bachelor of Accounting.



**Mr. NGUYEN DINH HUNG**  
Member of the BOS

Joining FPT in August 2008 and experiencing many important positions in accounting and finance, he has made many contributions in training, consulting, organizing, and supervising accounting, financial, and tax data of FPT's subsidiaries.

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**Year of birth:** 1975

**Nationality:** Viet Nam

**Education:**  
Doctor of Accounting, University of Economics Ho Chi Minh City.



**Ms. NGO THI MINH HUE**  
Member of the BOS

Joining FPT in 1994, she held a Bachelor of Accounting and has over 20 years of experience in accounting.

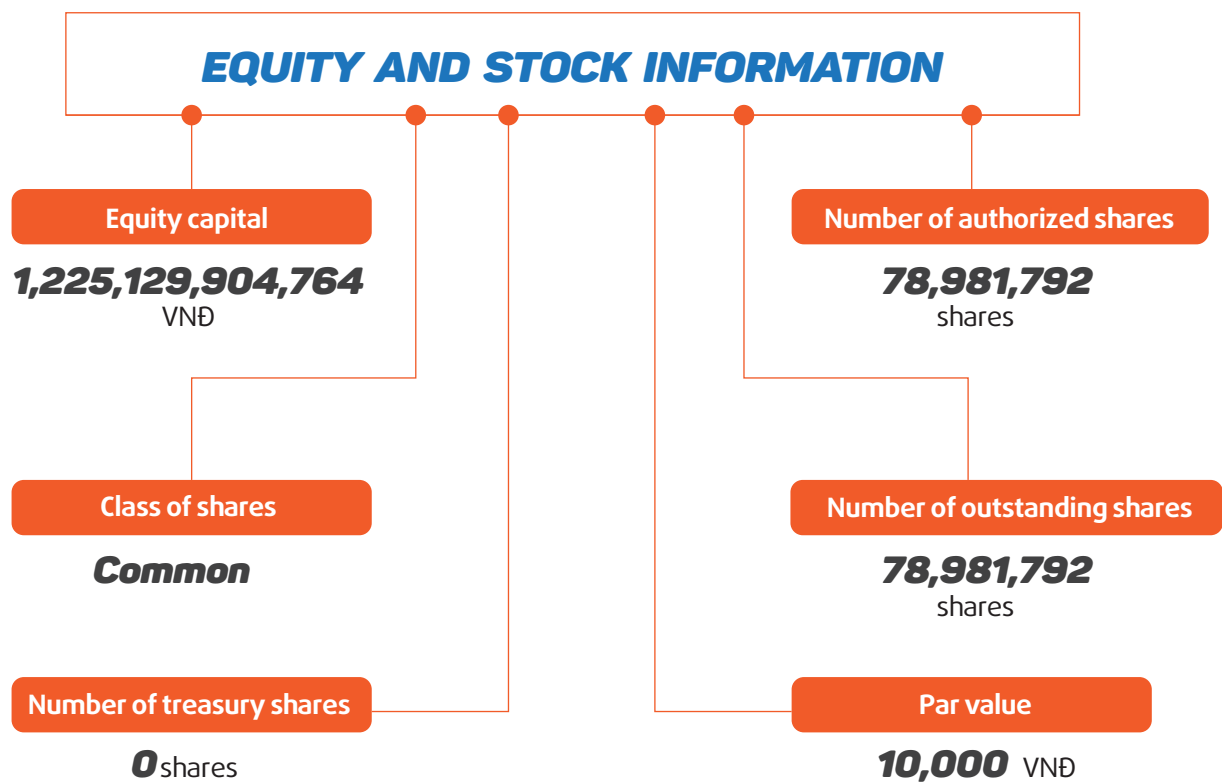
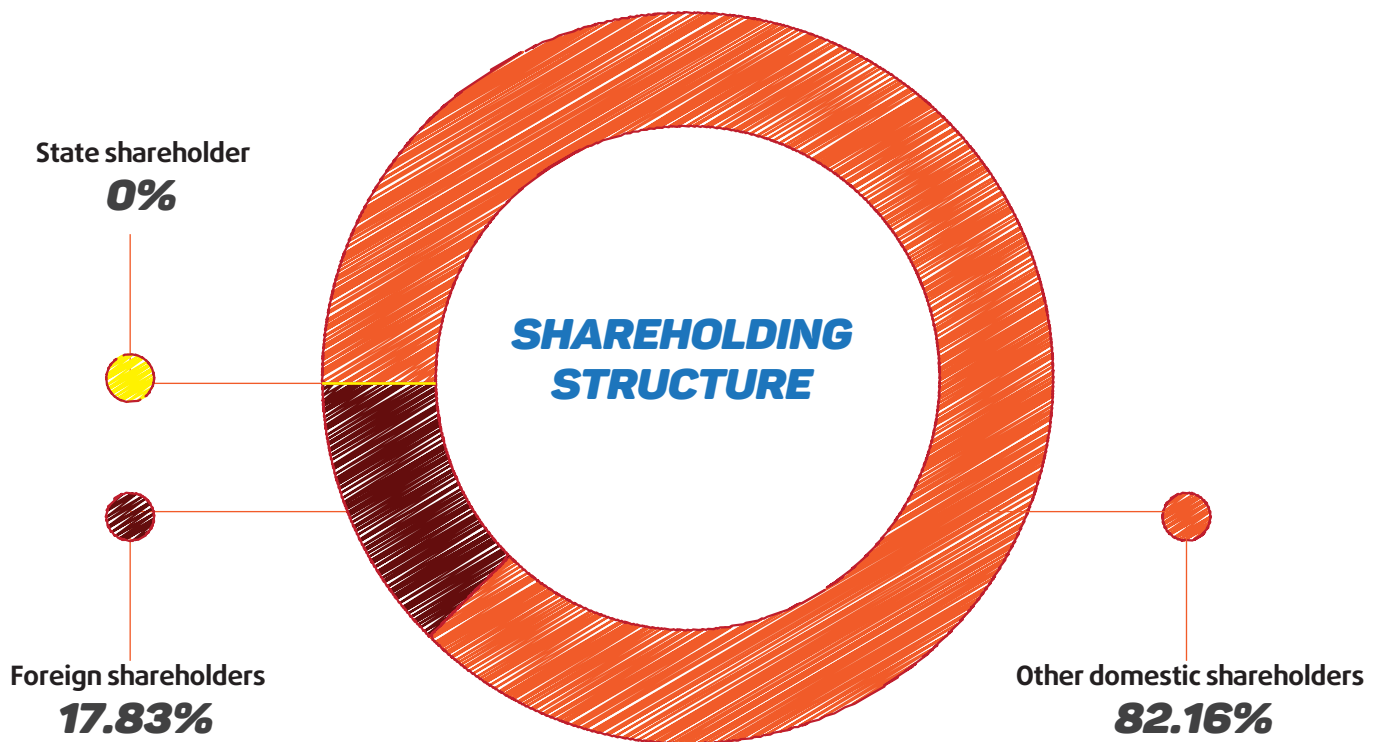
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**Year of birth:** 1972

**Nationality:** Viet Nam

**Education:**  
Bachelor of Accounting.

● **EQUITY AND SHAREHOLDING INFORMATION**

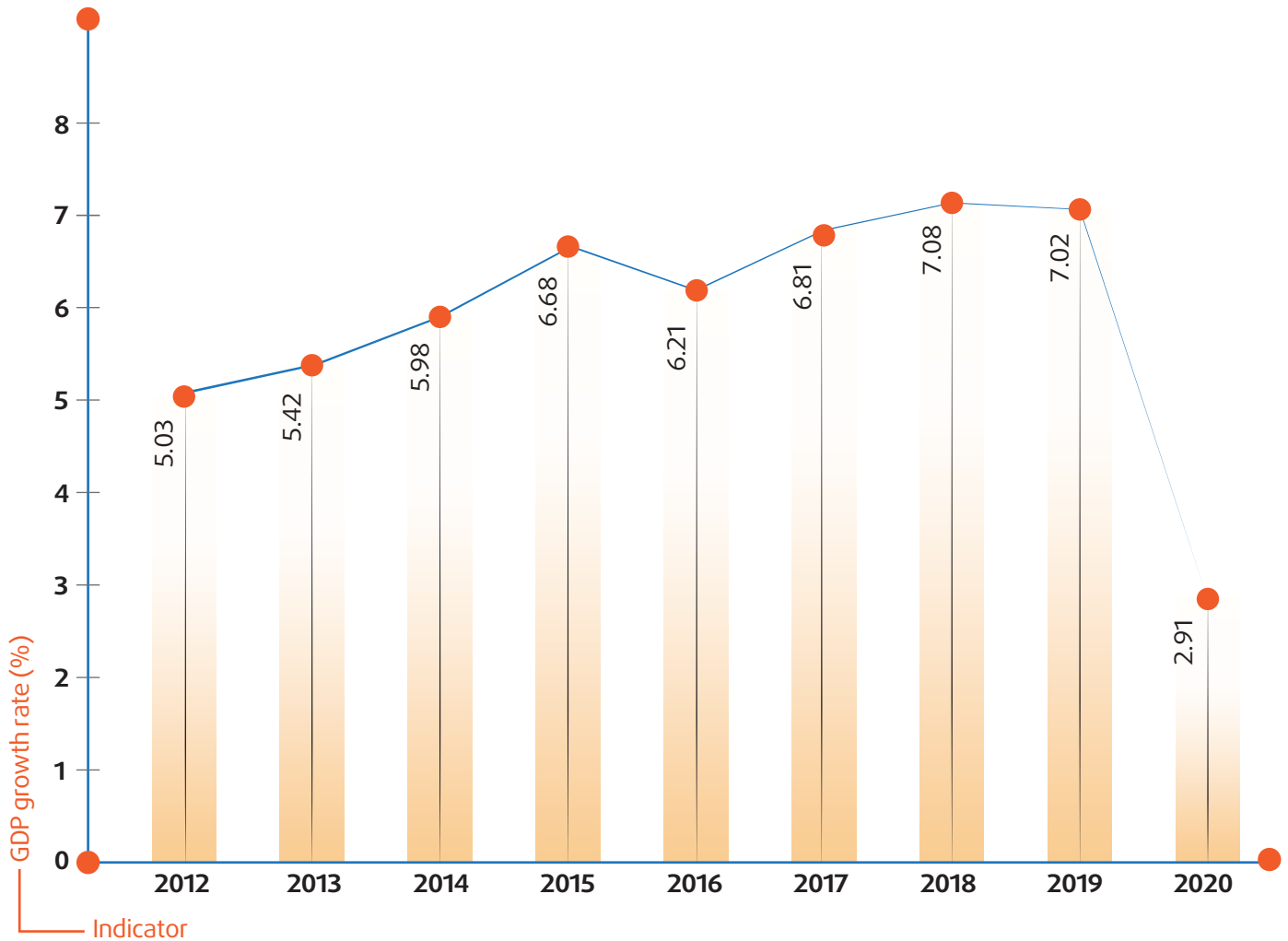


# BUSINESS PERFORMANCE ANALYSIS

## THE EVALUATION REPORT ON THE 2020 BUSINESS RESULTS OF THE BOARD OF MANAGEMENT

### ● GENERAL EVALUATION - MACROECONOMIC CONTEXT

In 2020, the national GDP increased by 2.91%. (In detail it was 3.68% in the 1st quarter; 0.39% in the 2nd quarter; 2.69% in the 3rd quarter; and 4.48% in the 4th quarter). Although it is the lowest in the period 2011-2020, this is still an outstanding success for Vietnam for being among the highest growth rates in the world in the complex situation of the Covid-19 pandemic with negative impacts on all socio-economic fields.



### ● BUSINESS RESULTS

#### Revenue and Profit

The triple crisis that occurred by the impacts of the COVID-19 pandemic and other natural disasters made 2020 an extremely challenging year. Along with the economic downturns, the revenue of FRT reached 14,661 billion VND, down 12% year-over-year and accounting for 82% of the plan. The profit before tax was 28 billion VND, only accounting for 13% of the target.

However, it also witnessed a year of success with the pharmaceutical business line. The number of pharmacies reached the milestone of 200, despite difficulties of the market expansion. The revenue of the Long Chau chain had an increase of 133% compared to 2019.

FRT experienced one of the most obscure periods and bounced back with a positive profit in Q4/2020, setting the stage for new growth in the upcoming years. The company also achieved some notable highlights in 2020 business results, including:

The successful launch of the iPhone 12. FRT set an impressive record of "the highest revenue in Vietnam's market on the first day of launch" with 4,500 mobile phones sold only in one day.

Laptop revenue recorded a growth of more than 50% compared to 2019.

The number of added Long Chau stores reached 130, despite the delay in licensing and launching new facilities during the social distancing period. The Long Chau chain's revenue reached 1,191 billion VND, up 133% compared to 2019.

The earnings from digital sales activities were 5,195 billion VND, an increase of 33% compared to 2019 and accounting for 35% of the total revenue.

## The number of stores

In 2020, despite the intense effects of the COVID-19 pandemic globally, FPT Retail successfully expanded the Long Chau chain to 43 provinces and cities. By the year-end, Long Chau has had 200 pharmacies, increasing 130 stores compared to the same period last year. FPT Shop reached 595 stores, covering 63 localities nationwide.

## Payment of dividends

In 2020, FRT paid the 2019 dividends in cash with a payout ratio of 10%, equivalent to 78,981,792,000 VND.

## Key business indicators in 2020

Indicator	2019	2020	% increase /decrease
Total assets	6,593,773,034,422	5,390,383,552,497	-18%
Net revenue	16,633,959,747,163	14,661,417,032,222	-12%
Operating profit	272,822,525,877	14,319,215,449	-95%
Other profit	5,180,133,375	14,108,163,041	172%
Profit before tax	278,002,659,252	28,427,378,490	-90%

## SIGNIFICANT FINANCIAL FIGURES

### Fundamental operating indicators

Indicator	2019	2020
<b>Solvency ratios</b>		
Current ratio (times)	1.2	1.2
Quick ratio (times)	0.5	0.8
<b>Leverage ratios</b>		
Debt/Total assets	0.8	0.8
Debt/Equity	4.2	3.4



**Operational capacity**

Inventory turnover (times)	4.9	4.8
Accounts receivable turnover (times)	62.5	62.4
Payable Turnover (times)	15.5	8.8
Asset Turnover (times)	2.8	2.4
<b>Profitability ratios</b>		
Return on sales (ROS)	1.2%	0.1%
Return on Equity (ROE)	15.9%	0.8%
Return on Assets (ROA)	3.1%	0.2%
Operating profit margin	1.6%	0.1%

**Solvency ratios**

In 2020, there was a decrease in current liabilities by 1,212 billion VND and a significant reduction in inventories by about 1,557 billion VND compared to 2019. Therefore, the current ratio was 1.2, equivalent to 2019 and the quick ratio was 0.8, slightly higher than that in 2019. Moreover, the improvement of the quick ratio was a positive signal for corporate solvency.

**Leverage ratios**

By December 31, 2020, the debt-to-total-assets ratio was 0.8, equivalent to 2019. The debt-to-equity ratio dropped from 4.2 in 2019 to 3.4 at the year-end 2020. The current liabilities witnessed a notable decline while equity only slightly decreased because of the reduction in retained earnings in 2020.

**Operational capacity**

The ratio of inventories and receivables in 2020 was equivalent to that of 2019. The remarkable highlight was a decrease in the payable turnover ratio, adding more than 18 days to the turnover by day. This implied FRT had had appropriate negotiation strategies with suppliers for its annual payment policies.

**Profitability ratios**

In 2020, because of the deep economic recessions triggered by the pandemic, remarkably on the retail industry, FRT's revenue declined by 12%, equivalent to a decrease of VND 1,973 billion year-over-year. Profit witnessed a downturn while the profitability ratios were all lower than in 2019. However, the cash flow positively improved. Besides, 2020 has laid the foundation for disruption in the upcoming years.

**IMPLEMENTATION OF INVESTMENT PROJECTS****Subsidiary business results**

COVID-19 has dramatically disrupted the whole market, particularly in hard-hit sectors like retailing. Despite the harsh circumstance, FRT still gained notable achievements with Long Chau pharmacies thanks to intensive preparations and a formula for success.

The 2020 revenue reached 1,191 billion VND, an increase of 133% compared to 2019. The profit before tax was -133 billion VND since the Long Chau chain has nevertheless been in the stage of investment expansion.

In 2020, the total number of the Long Chau pharmacies reached 200, covering 43 provinces and cities nationwide, due to the new launch of 130 stores. During the social isolation and distancing period, more than 100 shops opened was a remarkable result. It has shown FRT was well-prepared for the breakthrough development of the Long Chau chain in 2021.

## ● PERSONNEL ALTERATION

In 2020, the Board of Management of FRT had some alterations. The company dismissed Ms. Nguyen Bach Diep from the title of CEO; Ms. Vu Thanh Huyen was no longer the Chief Financial Officer; Ms. Pham Thi Ngoc Anh was not in the position of Chief Accountant anymore.

### Members of the BOM and Chief Accountant

No.	Full name	Position
<b>THE BOARD OF MANAGEMENT</b>		
1	Hoang Trung Kien	CEO
2	Trinh Hoa Giang	Deputy CEO
3	Nguyen Viet Anh	Deputy CEO
4	Nguyen Do Quyen	COO
5	Pham Duy Hoang Nam	CFO
6	Tran Thanh Ha	CIO
7	Huynh Thi Cao Thi	HRD
<b>CHIEF FINANCIAL OFFICER AND CHIEF ACCOUNTANT</b>		
1	Pham Duy Hoang Nam	CFO
2	Tran Thi Nga	Chief Accountant

## ● THE COMPANY PERFORMANCE EVALUATION REPORT OF THE BOARD OF DIRECTORS

### Business evaluation

2020 was a challenging year due to the impacts of the COVID-19 pandemic and natural disasters. Along with the general decline of the market, FRT revenue reached 14,661 billion VND, down 12% compared to 2019, and profit before tax reached 28 billion VND.

However, the year was of many successes with the pharmaceutical chain, remarkably: the number of pharmacies achieved 200, despite difficulties in expansion. Chain sales increased 133% compared to 2019.

FRT had gone through the most strenuous period and indicated a recovery when it recorded profits from Q4/2020, which has laid a stable foundation for profitable growth in the following years.



## The BOM's performance evaluation report of the Board of Directors

The BOD and BOM have worked together under the principles and provisions of the Company Charter and Corporate governance regulations. Resolutions and decisions of the BOD to the CEO were under the BOD and the Chairperson's responsibilities and duties specified in the relevant regulations.

## The BOD conducted their supervisory roles to the BOM through

Supervising the implementation of the 2020 plan targets set in early 2020.

Leading and supervising the implementation of the AGM's resolutions and the BOD's decisions issued in 2020, ensuring complete execution and updates.

Supervising the expansion of the Long Chau chain as targeted, bringing the total number of the Long Chau pharmacies to 200 by the end of 2020.

The orientation and supervision to be carried out regularly and closely. The BOD ensured that corporate governance was by standards of behavior, ethics, and the company's benefits.

## BUSINESS PLAN IN 2021

### Company orientations

It was an unprecedentedly strenuous year with the COVID-19 outbreaks and impacts of natural disasters. However, FRT successfully overcame all difficulties to recover and bounce back in Q4 2020. 2020 represented an opportunity for the BOM to evaluate and enhance the corporate governance and business activities to optimize the business model.

Therefore, with deep insights and experiences in the retail industry and the stable technology foundation of FPT Corporation, FRT trusts in an upcoming year of "revival and thrival" towards becoming the leading multi-industry retail chain Vietnam. Notably, 2020 was a year marking the blossoming development of the Long Chau pharma chain. While the number of stores increased to 200,

revenue increased 133% compared to 2019, despite economic disadvantages and market expansion difficulties. Long Chau will be the main growth driver for FRT shortly. In 2021, FRT has set a business plan with an increase of 320% on profit before tax. The company will constantly expand the Long Chau chain to 350 stores.

### The specific business targets are as follows:

Indicator	Unit	2020	2021 targets	
			Value	(+/-)% YoY
Net revenue	billion VND	14.661	16.400	12%
Profit before tax	billion VND	28	120	320%



## STRATEGIC DIRECTIONS IN 2021

### Improving the sales per store of FPT Shop

In 2021, FPT Retail will continue to focus on increasing the sales of the FPT Shop system by introducing new products and services. The goals are to implement co-branded sim services, open 68 more laptop centers to meet market demand, sell new products such as watches and surfaces, etc.

Simultaneously, the company will organize training courses for all employees to improve sales and customer service skills towards the customer-centric strategy. We focus on increasing experience and increasing sales functions in stores by hand-on activities and interactions at display areas. Besides, the company will provide Laptop centers for advice, instructions, pricing strategies, and warranty policies to maximize customer benefits.



### Managing the pharma retail sector

Pharma is a market with great potential for strong growth in the long term. The pharmaceutical retail industry divides into three distribution channels: hospitals, clinics, and pharmacies. FPT Retail has planned to take up about 30% of the market share of the pharmacy channel in the next two years. This sector will contribute about 25% of the company's total revenue of more than 5,000 billion VND.

By discovering the formula for success for the Long Chau brand, the chain has had 200 stores covering 43 provinces and cities in Vietnam by the end of 2020. Its revenue also increased by 133% compared to 2019. Based on this formula, in 2021, FPT Retail plans to expand to 350 stores nationwide. The company will enhance logistics, increase the number of pharmacies, and develop a team of highly qualified personnel to improve operational efficiency.



### Investing in technology

FPT Retail is not out of the digital transformation trend. Therefore, in 2021, the company will constantly develop a standard retail platform to increase customer experience. It will implement projects to get along with customers to grasp their needs and provide services and products that suit customers' needs, especially in the pharmaceutical sector.



# CORPORATE GOVERNANCE

## REPORT OF THE BOD

### Membership and BOD structure

The Board of Directors consists of 05 members who have professional qualifications and long-term experience in economics and corporate governance. With 02 independent members, the structure of the Board of Directors of FRT ensures compliance with relevant statutory provisions.

Since 2020, the separation of Chairperson and CEO has demonstrated a logical division of responsibilities between the BOD and BOM. It is to ensure decentralization in decision-making and enhance the independence of the Board of Directors' operations.

### Membership of the Board of Directors



<b>NGUYEN BACH DIEP</b>	<b>HOANG TRUNG KIEN</b>	<b>TRINH HOA GIANG</b>	<b>LE HONG VIET</b>	<b>NGUYEN DAC VIET DUNG</b>
Chairperson	Member	Member	Independent member	Independent member
<b>0.5%</b>	<b>0%</b>	<b>0.5%</b>	<b>0%</b>	<b>0%</b>
			CEO of FPT SmartCloud	Chairperson of Sendo

● Percentage of shares ○ Concurrent titles

## The BOD activities

In 2020, the Board of Directors held nine meetings (sufficient number of 1 meeting/quarter) and issued eight resolutions.

BOD member	Number of BOD meetings attended	Attendance rate	Reasons for absence
Nguyen Bach Diep	09/09	100%	
Trinh Hoa Giang	09/09	100%	
Nguyen The Phuong	06/09	67%	Resigned from the position of a member of the Board of Directors on March 6, 2020
Hoang Trung Kien	09/09	100%	
Le Hong Viet	09/09	100%	
Nguyen Dac Viet Dung	03/09	33%	Appointed as a member of the Board of Directors on May 28, 2020

## BOD meetings and resolutions

Resolution/ Decision number	Date	Content	Approval rate
<ul style="list-style-type: none"> <li>01.2020/NQ-HĐQT/FRT</li> <li>02.2020/QĐ-HĐQT/FRT</li> <li>03.2020/QĐ-HĐQT/FRT</li> </ul>	21/01/2020	<ul style="list-style-type: none"> <li>Approval of the capital contribution to the subsidiary - FPT Long Chau Pharma Joint Stock Company</li> <li>Approval of dismissing Ms. Vu Thanh Huyen, who also manages Customer Service, Warranty, and Administration departments, from the position of Chief Financial Officer</li> <li>Approval of the appointment of Mr. Pham Duy Hoang Nam to the position of Chief Financial Officer</li> </ul>	100%
<ul style="list-style-type: none"> <li>02.2020/NQ-HĐQT/FRT</li> </ul>	10/02/2020	<ul style="list-style-type: none"> <li>Approval of the organization of the 2020 Annual General Meeting of Shareholders</li> </ul>	100%
<ul style="list-style-type: none"> <li>04.2020/NQ-HĐQT/FRT</li> <li>05.2020/QĐ-HĐQT/FRT</li> <li>06.2020/QĐ-HĐQT/FRT</li> </ul>	06/03/2020	<ul style="list-style-type: none"> <li>Approval of dismissing Ms. Nguyen Bach Diep from the position of Chief Executive Officer</li> <li>Approval of the appointment of Mr. Hoang Trung Kien to the position of Chief Executive Officer</li> </ul>	100%
<ul style="list-style-type: none"> <li>07.2020/NQ-HĐQT/FRT</li> </ul>	09/03/2020	<ul style="list-style-type: none"> <li>Approval of the postponement of the 2020 Annual General Meeting of Shareholders</li> </ul>	100%
<ul style="list-style-type: none"> <li>08.2020/NQ-HĐQT/FRT</li> </ul>	15/04/2020	<ul style="list-style-type: none"> <li>Approval of the organization of the 2020 Annual General Meeting of Shareholders</li> </ul>	100%
<ul style="list-style-type: none"> <li>09.2020/NQ-HĐQT/FRT</li> </ul>	16/05/2020	<ul style="list-style-type: none"> <li>Approval of the submission to the 2020 Annual General Meeting of Shareholders</li> </ul>	100%
<ul style="list-style-type: none"> <li>10.2020/NQ-HĐQT/FRT</li> <li>11.2020/QĐ-HĐQT/FRT</li> <li>12.2020/QĐ-HĐQT/FRT</li> </ul>	30/06/2020	<ul style="list-style-type: none"> <li>Approval of dismissing Ms. Pham Thi Ngoc Anh from the position of Chief Accountant</li> <li>Approval of the appointment of Ms. Tran Thi Nga to the position of Chief Accountant</li> </ul>	100%
<ul style="list-style-type: none"> <li>12.2020/QĐ-HĐQT/FRT</li> </ul>	13/08/2020	<ul style="list-style-type: none"> <li>Approval of the 2019 dividend payment rate in cash, the payout ratio of 10%</li> </ul>	100%
<ul style="list-style-type: none"> <li>Không có</li> </ul>	28/12/2020	<ul style="list-style-type: none"> <li>Discussing and evaluating business activities in Q4 2020</li> </ul>	100%

## Activities of the independent members of the BOD

As of December 31, 2020, the Board of Directors includes two independent members, Mr. Le Hong Viet and Mr. Nguyen Dac Viet Dung. These independent members all participated in all meetings of the Board of Directors in 2020 after being officially appointed. They have made invaluable contributions to the company's development strategy and operation and actively gave their opinions about business targets and development orientations for FPT Shop and Long Chau. Besides, the Board of Directors' independent members carried out their roles in corporate governance.



### **MR. LE HONG VIET**

With extensive experience in Information Technology, he executed lots of ideas and cooperation plans to improve information systems and sales in the system.



### **MR. NGUYEN DAC VIET DUNG**

Based on his inherent experience on e-commerce platforms and online sales, he has given FRT many solutions for enhancing e-commerce activities. He also helped explore potential partnership opportunities for the company.

## Training on corporate governance

Currently, members of the Board of Directors, Board of Supervisors, and Board of Management are still updated and complied with the provisions of the law on corporate governance. They will manage to attend training courses on corporate governance in the coming time.

## The overall performance evaluation of the BOD

The Board of Directors and the Board of Management have worked together under the principles of company charter and corporate governance regulations. The Board's decisions to direct the BOM were following the scope of the Board's and Chairperson's responsibilities.

In 2020, the Board of Directors promptly supervised and closely directed the Board of Management and other executives in business activities, including:

Because the enormous impacts of the COVID-19 pandemic caused declines in the overall market, the company faced many difficulties and challenges. However, the Board of Directors strictly monitored implementing the 2020 business plan to ensure regular, continuous, and stable business operations; the cash flow and financial health step by step improved. Besides, jobs and welfares for all employees have been guaranteed even during downtime. Business results in 2020 were as follows: Revenue reached 14,661 billion VND, a decrease of 12% compared to 2019, mainly due to the impact of COVID-19 on business activities. Profit before tax was only 28 billion VND, a significant decrease compared to 2019.

Directing and supervising the implementation of Resolutions of the Annual General Meeting of Shareholders and the Board of Directors, ensuring the compliance and complete updates of resolutions.

The Board regularly carried out its orientation and supervision responsibilities to ensure corporate governance towards standards of behavior, ethics, and the company's highest benefits.

Supervising the expansion of the Long Chau chain as committed, raising the total number of stores to 200 by the end of 2020.

## Operational orientations of the BOD in 2021

To ensure the Company's operations follow the strategic directions and fulfill the set objectives, the Board of Directors will focus on implementing the following critical tasks in 2021:

- Strategy development: Updating market trends and technology for strategic adjustments to help FRT instantly seize opportunities and promote strengths.
- Monitoring activities of the Board of Management: Carefully coordinating with the Board of Management to run the Company and its subsidiary, supervising the progress of expanding the Long Chau chain and implementing new projects.
- Policy development: Directing the formulation and promulgation of personnel and investment policies associated with development strategies and action programs.
- Corporate governance: Reviewing, adjusting, and supplementing internal governance regulations to ensure applicable provisions and shareholders' rights.
- Human resource organization: Reforming and reorganizing human resources in a streamlined and effective manner. Concurrently, implementing job rotations to improve the personnel quality.

## REPORT OF THE BOARD OF SUPERVISORS

### Membership of the Board of Supervisors

Member	Position	NMembership start date	Share ownership with voting rights	Number of meetings	Attendance rate
Bui Huy Cuong	Head	07/03/2017	0%	03/03	100%
Ngo Thi Minh Hue	Member	28/03/2018	0%	03/03	100%
Nguyen Dinh Hung	Member	28/05/2020	0%	02/03	67%

### Activities of the Board of Supervisors

The number and content of meetings

Date	Attendance rate	Content of the meeting
20/3/2020	2/3	<ul style="list-style-type: none"> <li>• Thảo luận và đánh giá kết quả kinh doanh năm 2019.</li> <li>• Discussing and evaluating 2019 business results.</li> <li>• Assessing the supervision for regulatory compliance of members of the Board of Directors and Board of Management.</li> <li>• Discussing and preparing for supervisory duties in 2020.</li> </ul>
10/06/2020	3/3	<ul style="list-style-type: none"> <li>• Electing Head of the Board of Supervisors (Mr. Bui Huy Cuong).</li> </ul>
30/12/2020	3/3	<ul style="list-style-type: none"> <li>• Reviewing internal reports.</li> <li>• Assessing the supervision of regulatory compliance of members of the Board of Directors and Board of Management.</li> </ul>

## Activities of the Board of Supervisors to supervise the Board of Directors, Board of Management, and shareholders

The Board of Supervisors monitored the implementation of 2020 orientations and business plans approved by the General Meeting of Shareholders and the compliance with the laws and regulations of FRT in corporate governance. In general, in 2020, the Board of Directors and Board of Management directed and operated FRT's business activities following the orientations and business targets as approved. They complied with the provisions of laws and the Charter of FRT.

## The coordination between the Board of Supervisors and the Board of Directors, Board of Management, and other departments

- Actively and regularly coordinating with the Board of Directors and Board of Management to get fully updated about the company's yearly business plan.
- Enthusiastically participating in the 2020 Annual General Meeting of Shareholders, contributing to the meeting's success on May 28, 2020.
- Coordinating with other departments to participate in internal inspection and supervision.

## Other activities (if any):

- Reviewing the financial statements provided by the Board of Directors.
- Participating in training courses to improve professional knowledge and skills.

## Transactions, remuneration, benefits of the Board of Directors, the Board of Supervisors, and the CEO

Under the Resolution of the 2020 Annual General Meeting of Shareholders, members of the Board of Directors and Board of Supervisor did not receive remuneration in 2020.

## ● STOCK TRANSACTIONS OF INTERNAL SHAREHOLDERS

In 2020, there will be no stock transactions of FRT internal shareholders.

## ● AGREEMENTS AND OTHER TRANSACTIONS WITH INTERNAL SHAREHOLDERS IN 2020

Entity	Relationship	Business registration certificate, Date & Place of issue	Head-quarters	Time of transaction	BOD/AG M Resolutions/Decisions number	Content, quantity, transaction value	Note
F P T Corporation (FPT)	Major shareholder holding 46.53% of FRT's shares FRT is an associate of FPT	101248141 13/05/2002 Hanoi Department of Planning and Investment	FPT Cau Giay Building, No. 17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	From March 2012 to December 2020	0108/2018-NQGDLQ/HĐQT/FRT.-JSC	46,53%	FRT sold computers, phones, and other owned products to FPT FRT bought Server rental service, server software license, brand management, and utility service fee, Facebook Workplace cost FRT borrowed FPT Corporation under each specific agreement (the company did pay off the principal amount in July 2020) FRT lent to FPT Corporation under each particular contract.



Entity	Relationship	Business registration certificate, Date & Place of issue	Head-quarters	Time of transaction	BOD/AGM Resolutions/Decisions number	Content, quantity, transaction value	Note
FPT Telecom Joint Stock Company (FTEL)	1. Mr. Hoang Trung Kien - a Board member of FRT and Deputy CEO of FTEL until March 6, 2020 2. FRT is an associate of FPT, FTEL is a subsidiary of FPT	Hanoi Department of Planning and Investment	Floor 2, FPT Cau Giay Building, No. 17 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	From March 2012 to December 2020	0108/2018-NQG-DLQ/HĐQT/FRT.JSC	0%	FRT sold computers, phones, and other owned products to FPT Telecom FRT bought Internet services and FPT Play box equipment for trading
FPT Information System Joint Stock Company (FPT IS)	1. Ms. Ngo Thi Minh Hue - a member of the Board of Supervisors of FRT and Chief Accountant of FIS 2. FRT is an associate of FPT, FPT IS is a subsidiary of FPT	104128565 13/08/2009 Hanoi Department of Planning and Investment	Floor 22, Keangnam Landmark72 Building, E6 Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi City	From March 2012 to December 2020	0108/2018-NQG-DLQ/HĐQT/FRT.JSC	0%	FRT sold computers, phones, and other owned products to FPT IS FRT purchased the digital signature service of FPT IS
FPT Long Chau Pharma Joint Stock Company (FPT Pharma)	1. Ms. Nguyen Bach Diep - Chairperson of the Board of Directors of FRT and also the Chairperson of the Board of Directors of FPT Pharma 2. FPT Pharma is a subsidiary of FRT	315275368 17/09/2018 HCM Department of Planning and Investment	379-381 Hai Ba Trung, Ward 08, District 03, Ho Chi Minh City, Vietnam	From November 12, 2018 to December 12, 2020	07.2018/NQ-HĐQT/FRT	0%	FRT sold owned products to FPT Long Chau Pharma Joint Stock Company FRT bought medical items FRT lent to FPT Long Chau Pharma under each contract and allocated the cost of electricity, water, and rent.

Entity	Relationship	Business registration certificate, Date & Place of issue	Head-quarters	Time of transaction	BOD/AG M Resolutions/Decisions number	Content, quantity, transaction value	Note
Ho Chi Minh City branch of FPT Corporation	1. Mr. Nguyen Dinh Hung - a member of the Board of Supervisors of FRT and Deputy Director cum Chief Accountant of Ho Chi Minh City Branch of FPT Corporation	0101248141-007 08/07/2002 HCM Department of Planning and Investment	153 Nguyen Dinh Chieu, Ward 06, District 3, Ho Chi Minh City	From March 2012 to June 2020	0108/2018-NQG-DLQ/HĐQT/FRT.JSC	0%	FRT sold computers, phones, and other owned products to the Ho Chi Minh City branch of FPT Corporation
FPT Online Services Joint Stock Company	1. Mr. Nguyen Dinh Hung - a member of the Board of Supervisors of FRT and Head of the Board of Supervisors of FPT Online 2. FRT is an associate of FPT, FPT Online is a subsidiary of FPT	305045911 21/06/2007 305045911 21/06/2007 HCM Department of Planning and Investment	Lot L 29B-31B-33 B, Tan Thuan Street, Tan Thuan Dong Ward, District 7, Ho Chi Minh City	From March 2012 to December 2020	0108/2018-NQG-DLQ/HĐQT/FRT.JSC	0%	FRT cooperated with FPT Online for advertisements FRT sold computers, phones, and other owned products to FPT Online

## RISK MANAGEMENT

### Types of risks

#### Technology risks

As an enterprise operating in IT products and mobile devices retailing, technology risks are unavoidable. Due to the rapid growth of technology, the next generations of mobile phones/personal computers with modern features have constantly been entering the market to meet the increasingly changing demand of customers. The short product life-cycle makes it riskier if the Company cannot promote outdated models but must continuously purchase modern ones. However, as one of the leading retailers in Vietnam, over the years, FPT Retail has always focused on grasping the needs of the market and regularly updating the category to deliver the most suitable business solutions from time to time. A highly experienced team has also helped the Company thrive in a highly competitive market.

#### Competitive risks

Along with the general trend of retail development in recent times, the distribution market for information technology products and mobile devices is intensely competitive. In addition to large enterprises such as Mobile World Investment Joint Stock Company (MWG), TVH General Import and Export Joint Stock Company (Cellphones), FPT Retail is also under pressure to compete with private vendors with more reasonable prices. Increasing the number of those companies generates more competitive risks, especially with companies that compete by drastically reducing retail costs to clear inventory. However, FPT Retail is constantly striving to seek opportunities and timely grasp the market from time to time to develop suitable business solutions and stimulate domestic consumption.

#### Other risks

In addition to the above risks, some force majeure risks, though less likely, will also considerably affect the business performance. They are (but not limited to) fire, war, epidemics, natural disasters, strikes, terrorism, etc. These risks are difficult to foresee. The company has implemented plans to help minimize damages, such as purchasing insurance for FPT Shop and F. Studio stores, installing fire alarm and fire protection systems, training staff in fire prevention and fighting, and other security - safety measures.

#### Inventory risks

Inventory management risks have habitually been critical issues for retail businesses. Often financed mainly from short-term loans, extensive inventories will increase interest expenses. Retail companies will have to reduce prices to clear the stock, thereby adversely affecting business results. Therefore, FPT Retail has gradually improved its operating processes and developed a high-qualified management system, ensuring a stable volume of inventories.

## INVESTOR RELATIONS

### Shareholder structure, change in owner's invested capital

#### By class of shares

Class of shares	Number of shares	Percentage	Par value	Voting rights
Common shares	78,981,792	100%	10.000	1:01
Treasury shares	0	0%		
<b>Total number of shares issued</b>	<b>78,981,792</b>	<b>100%</b>		

## By type of shareholders

Type of shareholders	Number of shares	Percentage
<b>Major shareholders</b>		
Fpt Corporation	36,754,000	46.5%
Vof Investment Limited	6,028,134	7.6%
<b>Other shareholders</b>	<b>36,199,658</b>	<b>45.8%</b>
<b>Total number of shares issued</b>	<b>78,981,792</b>	<b>100.00%</b>

## By geographical area

Type of shareholders	Number of shareholders	Percentage	Number of shares	Percentage
<b>Viet Nam</b>				
Individual	5,901	96.8%	27,716,342	35.09%
Institutional	29	0.5%	37,178,081	47.07%
<b>Global</b>				
Individual	124	2.0%	429,483	0.54%
Institutional	41	0.7%	13,657,886	17.29%
<b>Treasury shares</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0%</b>
<b>Total number of shares issued</b>	<b>6,095</b>	<b>100%</b>	<b>78,981,792</b>	<b>100.00%</b>

## Statistics of trading volume and stock movements of FRT in 2020

Content	Value	Unit
Total trading sessions	252	session
Total order-matching volume	217,060,660	shares
Total order-matching value	5,284,230	million VND
The total volume of buying	231,744,880	shares
The total volume of selling	225,597,490	shares
Average order-matching volume per session	861,352	shares
Highest price	32,900	VND/shares

## Changes in equity capital

In 2020, FRT paid the 2019 dividend in cash with a ratio of 10%, equivalent to 78,981,792,000 VND on September 18, 2020. The charter capital remained unchanged in 2020. The total charter capital was 789,817,920,000 VND.

## Treasury share transactions

In 2020, there was no transaction of treasury shares, so the number of treasury shares at the end of 2020 is zero.

## Investor relationship orientations in 2021

In 2021, the Investor Relations Department continued to set the following goals:

- To be the coordinator for comprehensive and practical information between FRT and investors. Provide timely and accurate information to investors.
- To respect the interests of investors and shareholders.
- To recognize the investors' contributions to make the company more substantial and more developed.

# SUSTAINABLE DEVELOPMENT REPORT

## CORPORATE SOCIAL AND ENVIRONMENTAL IMPACTS

### Environmental impacts

The company's operations do not generate direct emissions. Indirect emissions come from the use of electricity purchased from electricity suppliers and the consequences of using purchased materials, public transport, etc. However, the company has implemented an action program for more sustainable industrial production, an energy-saving program throughout the company, instructions to consume energy economically and effectively.

### Materials Management

The company purchased plastic bag products for packaging. Cartons were recycled for reuse in transit times.

### Energy consumption

The Company directly consumed energy from water and electricity suppliers. They saved energy by promoting initiatives such as widening or opening more windows and installing extra glass including ceilings (if possible) to make the most of natural light. They also reinforced the tightness of windows, installing door openers and rearranging the air conditioner to make the most of cool air outside.

Besides, the Company replaced all incandescent bulbs (if any) with compact lights or fluorescent tube lights to save electricity. They replaced old generation neon bulbs with new models, making each light a separate on/off switch. The Company implemented two lighting modes: travel light (using neon tubes) and working light (using compact lights). This lighting layout has saved a lot of power.

### Water consumption

The company installed water-saving devices in the bathroom, adjusting or replacing old appliances with water-saving devices. To save water consumption, the company has treated, recycled, and reused wastewater and switched to water-free production processes when possible.

### Compliance with the law on environmental protection

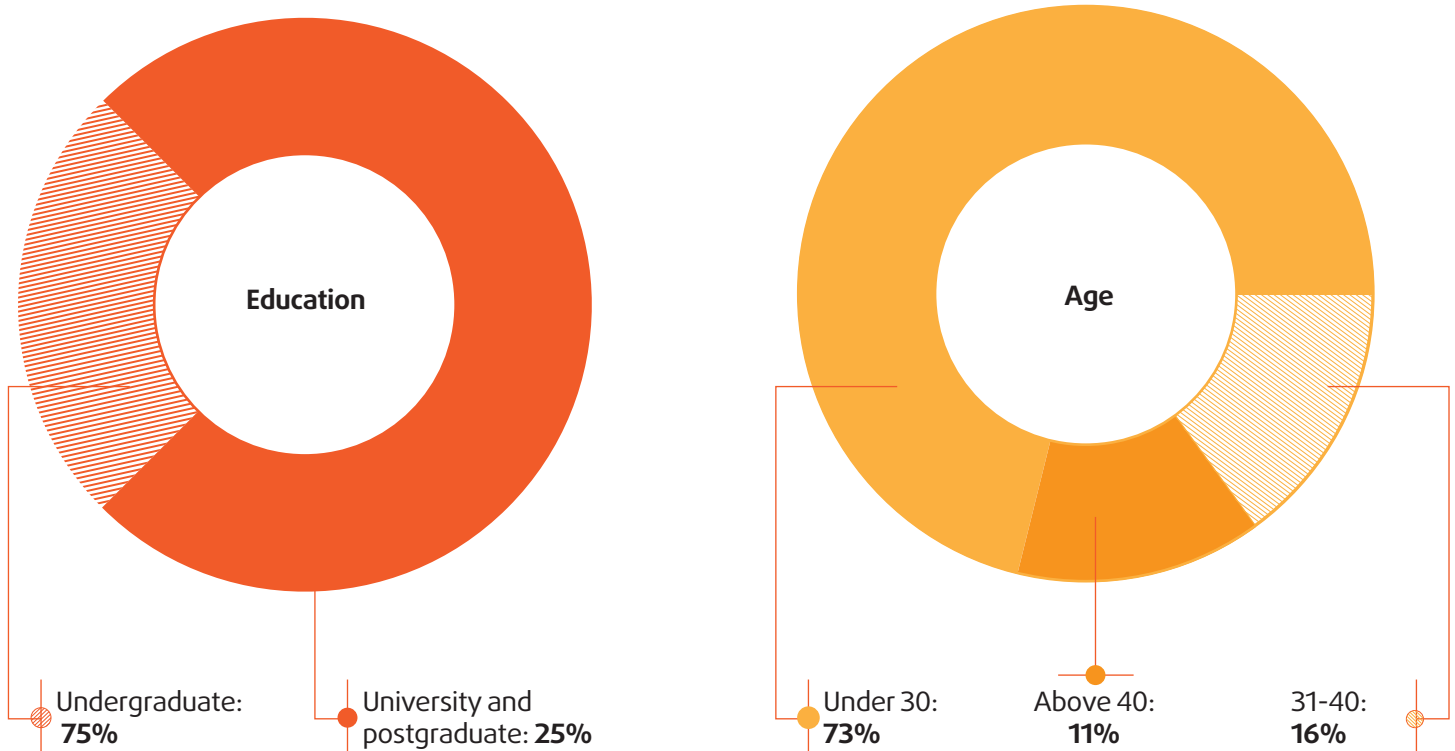
FRT has always strictly complied with the regulations on environmental protection to protect their own lives and not affect others.



## ● HUMAN RESOURCE DEVELOPMENT

### Human resource structure

Human resources continued to be rejuvenated. The proportion of employees under 30 years old accounted for 73% of the total workforce. 25% of the entire staff has university degrees and postgraduates.



### \_\_\_ Policies

In addition to general welfare regimes for employees based on applicable provisions of law (on social insurance/health/unemployment insurance), FRT developed a different welfare regime to care for employees and their relatives, as follows:

Periodic health checks for all employees who have signed official labor contracts once a year at reputable hospitals at the company's expense.

Along with general insurance regimes for employees, staff with official labor contracts wholly received health insurance packages at various levels depending on their positions. Concurrently, their family members were equally able to buy health insurance packages with reasonable fees.

Employees who signed official labor contracts gained chances to purchase the company's products at preferential prices.

## ● SOCIAL RESPONSIBILITIES

As a global-oriented business, FPT Retail always understands that sustainable development depends a lot on the social community where the Company is operating. After more than nine years of establishment and development, FRT always strives to realize economic goals associated with the highest support activities for the community and society. These support activities play an essential role and receive enthusiastic support both physically & mentally from the employees & company leaders.

For many years, FPT Retail has consistently carried out sustainable development activities with human orientation as a critical factor. Therefore, the Company always focuses on investment in human resource development and activities to support education and the young generation. Along with that, compassion and the spirit of sharing help build a stable and developing society.

Every year, FRT staff members contribute to sustainable development through practical actions, directly accompanying the Company in volunteer activities through financial contributions. Notably, in 2020, FPT Retail and its employees spent nearly 3 billion VND on community activities, supporting millions of people nationwide, in which:

**1,041,872,689 VND**

Expenditures from employees' contributions in the program "FPT Retail 1 day salary for the community"

**100,000,000 VND**

Sponsorship to remedy the impact of flooding in Central Vietnam

**1,648,577,273 VND**

Expenditure for the community campaign chain "Loving Tet"

**167,000,000 VND**

Expenditures raised from individuals' contributions

This funding is mainly used for the following three investment purposes:

- Supporting the community against COVID-19 with a series of activities to sponsor isolation places, donate medical equipment ...
- Volunteer activities support the families of employees in difficult circumstances, have serious traffic accidents, or unfortunately suffer from dangerous diseases.
- Disaster response activities.
- Activities aimed at students and poor workers on the occasion of Tet

## The fight against COVID-19

FRT accompanies FPT Corporation to contribute 20 billion VND to donate essential medical equipment such as breathing machines, protective gear, N95 masks, medical masks, and nearly 600 health care packages (2 million VND / pack) to the primary care doctors in Hanoi, Ho Chi Minh City, and many localities nationwide.



Simultaneously, the Company also mobilized personnel and cleaned up the FPT University dormitory, contributing to completing a 2,000-seat isolation area with full facilities.

PROVIDED

**2000 SEAT ISOLATION AREA with full facilities**



## Voluntary support activities for FPT Retail employees

To spread the spirit of compassion, caring, and caring to FPT Retail employees themselves, we have built a system to provide close information about employee difficulties to timely support. . In 2020, we supported nearly 121 cases with a total amount of VND 600,000,000. Thanks to that, dozens of families of staff members are supported in time, stabilizing their lives and working peace of mind.





## Disaster response activities

2020 was the year when natural disasters hit the central region continuously. FPT Retail has authorized the Hope Fund to organize the Central relief with a total cost of VND 100,000,000.



## Activities aimed at students and poor workers on the occasion of Tet

On the afternoon of January 23, FPT Shop accompanied Tuoi Tre Newspaper to hold the year-end ceremony for 100 families of environmental workers and urban drainage workers. It was an activity part of the volunteer campaign "Sum Day Tet" of FPT Shop.



"New Year's Reunion Tour 2021" was a volunteer program that FPT Shop accompanied Thanh Nien Newspaper and the Student Support Center in HCMC. On February 2, 2021, the "Spring Bus - Sum Day 2021" bustling from Thanh Nien Cultural House (Pham Ngoc Thach, District 1, Ho Chi Minh City) everywhere brought more than 2,000 births. Expatriates returned home to welcome Tet with their family. Masks were also prepared by the Organizing Committee (BTC) on the tables at the entrance to distribute to those who need them. FPT Shop also prepares thousands of breakfast meals with drinking water for you to have. Can eat before setting off. At the same time, FPT Shop also sent Tet gifts to students participating in this program.



Besides, with the desire to spread the spirit of compassion and the principle that each FPT employee directly participates in volunteer activities for the community, FPT Retail encouraged each employee to contribute at least one day's salary to the FPT's Fund for the community. Other social responsibility activities such as blood donating were still maintained. In 2020, FPT gave away nearly 500 units of blood.



# STATEMENTS FINANCIAL

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
For The Year Ended 31 December 2020

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## ● STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers of FPT Digital Retail Joint Stock Company (the “Company”) presents this report together with the Company’s consolidated financial statements for the year ended 31 December 2020.

### \_\_\_\_ The Boards Of Directors And Executive Officers

The members of the Board of Directors and Board of Executive Officers of the Company who held office during the year and to the date of this report are as follows:

#### ● Board of Directors

Ms. Nguyen Bach Diep	Chairwoman
Ms. Trinh Hoa Giang	Member
Mr. Le Hong Viet	Member
Mr. Hoang Trung Kien	Member
Mr. Nguyen Dac Viet Dung	Member (appointed on 28 May 2020)
Mr. Nguyen The Phuong	Member (resigned on 06 March 2020)

#### ● Board of Executive Officers

Mr. Hoang Trung Kien	Chief Executive Officer (appointed on 07 March 2020)
Ms. Nguyen Bach Diep	Chief Executive Officer (resigned on 07 March 2020)
Ms. Trinh Hoa Giang	First Deputy Chief Executive Officer
Mr. Nguyen Viet Anh	Second Deputy Chief Executive Officer

## ● BOARD OF EXECUTIVE OFFICERS' STATEMENT OF RESPONSIBILITY

The Board of Executive Officers of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of Executive Officers 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 consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

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

The Board of Executive Officers confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Executive Officers,



The stamp is circular with a red border. Inside the border, the text reads: 'M.S.D.N : 0311609355 - C.T.C.P', 'CÔNG TY CỔ PHẦN', 'BẢN LÊ KỸ THUẬT SỐ', 'FPT', and 'QUẬN 4 - T. PHỐ CHÍ MINH'. A blue ink signature is written across the stamp.

**Hoang Trung Kien**  
**Chief Executive Officer**

30 March 2021



## ● INDEPENDENT AUDITORS' REPORT

**To: The shareholders  
The Board of Directors and the Board of Executive Officers  
FPT Digital Retail Joint Stock Company**

We have audited the accompanying consolidated financial statements of FPT Digital Retail Joint Stock Company (the "Company"), prepared on 30 March 2021 as set out from page 05 to page 37, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statement of income and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



**Pham Nam Phong**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No. 0929-2019-001-1

**Pham Tuan Linh**  
**Auditor**  
Audit Practising Registration Certificate  
No. 3001-2019-001-1

**DELOITTE VIETNAM COMPANY LIMITED**  
30 March 2021  
Hanoi, S.R. Vietnam

# ● CONSOLIDATED BALANCE SHEET

FORM B 01-DN/HN

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

As at 31 December 2020

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>4.959.999.144.880</b>	<b>6.173.238.780.511</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	4	<b>701.504.239.398</b>	<b>852.194.969.387</b>
1. Cash	111		551.504.239.398	398.524.083.049
2. Cash equivalents	112		150.000.000.000	453.670.886.338
<b>II. Short-term financial investments</b>	<b>120</b>		<b>788.158.684.912</b>	<b>494.643.176.666</b>
1. Held-to-maturity investments	123	5	788.158.684.912	494.643.176.666
<b>III. Short-term receivables</b>	<b>130</b>		<b>1.498.241.305.903</b>	<b>1.195.523.794.624</b>
1. Short-term trade receivables	131	6	172.584.643.781	294.574.594.760
2. Short-term advances to suppliers	132	7	93.596.830.533	96.527.158.702
3. Short-term loan receivables	135	8	885.000.000.000	322.359.066.193
4. Other short-term receivables	136	9	405.045.636.978	516.522.089.621
5. Provision for short-term doubtful debts	137	10	(57.985.805.389)	(34.459.114.652)
<b>IV. Inventories</b>	<b>140</b>	11	<b>1.826.717.690.762</b>	<b>3.383.542.174.980</b>
1. Inventories	141		1.853.134.198.142	13.399.092.416.117
2. Provision for devaluation of inventories	149		(26.416.507.380)	(15.550.241.137)
<b>V. Other short-term assets</b>	<b>150</b>		<b>145.377.223.905</b>	<b>247.334.664.854</b>
1. Short-term prepayments	151	12	119.330.193.082	118.431.159.332
2. Value added tax deductibles	152		26.045.172.004	128.901.646.703
3. Taxes and other receivables from the State budget	153	16	1.858.819	1.858.819
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>427.578.741.148</b>	<b>420.534.253.911</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>116.400.384.163</b>	<b>105.270.293.641</b>
1. Other long-term receivables	216	9	116.400.384.163	105.270.293.641
<b>II. Fixed assets</b>	<b>220</b>		<b>50.627.870.323</b>	<b>48.570.958.580</b>
1. Tangible fixed assets	221	13	8.708.246.794	6.614.568.303
- Cost	222		14.159.992.286	11.190.777.144
- Accumulated depreciation	223		(5.451.745.492)	(4.576.208.841)
2. Intangible assets	227	14	41.919.623.529	41.956.390.277
- Cost	228		46.875.627.990	46.415.767.990
- Accumulated amortisation	229		(4.956.004.461)	(4.459.377.713)
<b>III. Other long-term assets</b>	<b>260</b>		<b>260.550.486.662</b>	<b>266.693.001.690</b>
1. Long-term prepayments	261		257.565.908.116	266.693.001.690
2. Deferred tax assets	262		2.984.578.546	0
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>5.387.577.886.028</b>	<b>6.593.773.034.422</b>

The accompanying notes are an integral part of these consolidated financial statements

## Consolidated Balance Sheet (Continued)

FORM B 01-DN/HN

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

As at 31 December 2020

RESOURCES	Codes	Note	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>4.162.447.981.264</b>	<b>5.314.409.715.145</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>4.162.447.981.264</b>	<b>5.308.130.313.386</b>
1. Short-term trade payables	311	15	1.214.790.045.465	1.287.522.072.458
2. Short-term advances from customers	312		28.401.024.82	19.464.369.762
3. Taxes and amounts payable to the State budget	313	16	31.619.901.384	9.107.550.641
4. Payables to employees	314		1.577.532.062	1.512.347.136
5. Short-term accrued expenses	315	17	219.972.444.070	162.531.437.632
6. Other current payables	319	18	162.944.770.886	110.701.883.788
7. Short-term loans and obligations under finance leases	320	19	2.485.948.231.980	3.698.035.574.035
8. Bonus and welfare funds	322		17.194.030.597	19.255.077.934
<b>II. Long-term liabilities</b>	<b>330</b>		<b>0</b>	<b>6.279.401.759</b>
1. Deferred tax liabilities	341		0	6.279.401.759
<b>D. EQUITY</b>	<b>400</b>		<b>1.225.129.904.764</b>	<b>1.279.363.319.277</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>20</b>	<b>1.225.129.904.764</b>	<b>1.279.363.319.277</b>
1. Owners' contributed capital	411		789.817.920.000	789.817.920.000
- Ordinary shares carrying voting rights	411a		789.817.920.000	789.817.920.000
2. Retained earnings	421		423.908.570.033	483.908.235.123
- Retained earnings accumulated to the prior year end	421a		404.926.443.124	282.085.449.452
- Retained earnings of the current year	421b		18.982.126.909	201.822.785.671
3. Non-controlling interests	429		11.403.414.731	5.637.164.154
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>5.387.577.886.028</b>	<b>6.593.773.034.422</b>



**Tran Thi Nga**  
Preparer/  
Chief Accountant



**Pham Duy Hoang Nam**  
Chief Financial Officer



**Hoang Trung Kien**  
Chief Executive Officer

30 March 2021

The accompanying notes are an integral part of these consolidated financial statements

# ● CONSOLIDATED INCOME STATEMENT

FORM B 02-DN/HN

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Note	Closing balance	Opening balance
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	23	<b>14,799,952,534,765</b>	<b>16,988,956,546,078</b>
2. Deductions	02	23	138,535,502,543	354,996,798,915
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>	23	<b>14,661,417,032,222</b>	<b>16,633,959,747,163</b>
4. Cost of sales	11	24	12,620,414,733,505	14,522,902,581,026
<b>5. Gross profit from goods sold and services rendered (20=10-11)</b>	<b>20</b>		<b>2,041,002,298,717</b>	<b>2,111,057,166,137</b>
6. Financial income	21	26	70,749,420,260	78,050,133,404
7. Financial expenses	22	27	133,811,898,461	147,964,791,194
- In which: Interest expense	23		113,682,404,790	135,183,263,352
8. Selling expenses	25	28	1,565,736,555,190	1,419,309,973,054
9. General and administration expenses	26	28	397,884,049,877	349,010,009,416
<b>10. Operating profit (30=20+(21-22)-(25+26))</b>	<b>30</b>		<b>14,319,215,449</b>	<b>272,822,525,877</b>
11. Other income	31	29	14,991,747,878	5,334,005,795
12. Other expenses	32		883,584,837	153,872,420
<b>13. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>14,108,163,041</b>	<b>5,180,133,375</b>
<b>14. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>28,427,378,490</b>	<b>278,002,659,252</b>
15. Current corporate income tax expense	51	30	27,474,628,269	67,875,765,738
16. Deferred corporate tax (income)/expense	52	30	(9,263,980,305)	6,279,401,759
<b>17. Net profit after corporate income tax (60=50-51-52)</b>	<b>60</b>		<b>10,216,730,526</b>	<b>203,847,491,755</b>
In which:				
17.1 Profit after tax attributable to Parent Company	61		24,718,596,246	213,015,479,163
17.2 (Loss) after tax attributable to non-controlling shareholders	62		(14,501,865,720)	(9,167,987,408)
18. Basic earnings per share	70	31	266	2,612



**Tran Thi Nga**  
Preparer/  
Chief Accountant



**Pham Duy Hoang Nam**  
Chief Financial Officer



**Hoang Trung Kien**  
Chief Executive Officer

30 March 2021

The accompanying notes are an integral part of these consolidated financial statements

# ● CONSOLIDATED CASH FLOW STATEMENT

FORM B 03-DN/HN

Issued under Circular No.202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

Unit: VND

For the year ended 31 December 2020

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>28,427,378,490</b>	<b>278,002,659,252</b>
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	1,372,163,399	836,635,952
Provisions	03	34,392,956,980	18,859,508,387
Foreign exchange gain arising from translating foreign currency items	04	(75,365,966)	(1,573,500,000)
Gain from investing activities	05	(55,870,719,645)	(61,193,294,228)
Interest expense	06	113,682,404,790	135,183,263,352
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>121,928,818,048</b>	<b>370,115,272,715</b>
Changes in receivables	09	(79,329,822,257)	113,730,989,869
Changes in inventories	10	1,545,958,217,975	(879,508,612,026)
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	65,446,926,710	554,572,458,872
Changes in prepaid expenses	12	8,228,059,824	(68,023,248,333)
Interest paid	14	(114,531,622,270)	(133,877,354,423)
Corporate income tax paid	15	(23,606,280,229)	(82,148,822,013)
Other cash outflows	17	(5,761,400,376)	(512,175,011)
<b>Net cash generated by/(used in) operating activities</b>	<b>20</b>	<b>1,518,332,897,425</b>	<b>(125,651,490,350)</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(3,429,075,142)	(3,815,776,185)
2. Cash outflow for lending, buying debt instruments of other entities	23	(1,549,982,232,750)	(1,321,150,000,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	1,098,825,790,697	628,646,866,305
4. Interest earned, dividends and profits received	27	58,323,657,870	49,329,885,363
<b>Net cash (used in) investing activities</b>	<b>30</b>	<b>(396,261,859,325)</b>	<b>(646,989,024,517)</b>

The accompanying notes are an integral part of these consolidated financial statements



## Consolidated cash flow statement (Continued)

FORM B 03-DN/HN

Issued under Circular No.202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

Unit: VND

For the year ended 31 December 2020

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from share issue, re-issuance of treasury shares and owners' contributed capital	31	18,232,000,000	6,800,000,000
2. Buy-back of issued shares	32	0	(14,000,000,000)
3. Proceeds from borrowings	33	10,586,373,171,060	11,735,834,006,696
4. Repayment of borrowings	34	(11,798,460,513,115)	(10,983,496,917,268)
5. Dividends and profits paid	36	(78,981,792,000)	(68,680,000,000)
<b>Net cash (used in)/generated by financing activities</b>	<b>40</b>	<b>(1,272,837,134,055)</b>	<b>676,457,089,428</b>
<b>Net (decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>(150,766,095,955)</b>	<b>(96,183,425,439)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>852,194,969,387</b>	<b>948,378,394,826</b>
Effects of changes in foreign exchange rates	61	75,365,966	0
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>701,504,239,398</b>	<b>852,194,969,387</b>



**Tran Thi Nga**

Preparer/  
Chief Accountant



**Pham Duy Hoang Nam**

Chief Financial Officer



**Hoang Trung Kien**

Chief Executive Officer

30 March 2021

The accompanying notes are an integral part of these consolidated financial statements

## ● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

FORM B 09-DN/HN

Issued under Circular No.202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

### ● 1. GENERAL INFORMATION

#### Structure of ownership

FPT Digital Retail Joint Stock Company (the "Company") was incorporated under the first Enterprise Registration Certificate No. 0311609355 dated 08 March 2012 issued by Ho Chi Minh City Department of Planning and Investment and as amended.

The Company's shares are listed on Ho Chi Minh Stock Exchange since April 2018 with stock symbol "FRT".

The number of employees of the Company and the subsidiary as at 31 December 2020 was 7,123 (31 December 2019: 7,234).

#### Operating industry and principal activities

The principal activity of the Company is to retail digital mobile products including mobile phones, tablets, laptops, accessories and technology services, etc. and trading of pharmaceuticals.

#### The main products and services offered are:

- Retail of computers, peripherals, software and telecommunications equipment in specialized stores, via mail order or via internet;
- Repair of machinery and equipment (except for mechanical processing, recycling, electroplating at head office);
- Agents, brokers, auction;
- Advertising;
- Sales of spare parts and accessories of automobiles and other motor vehicles;
- Wholesale of materials, other installation equipment used in construction;
- Wholesale of other household appliances;
- Wholesale of electronic and telecommunication equipment and components;
- Wholesale of computers, peripherals and software;
- Other information services: value added services on the Internet, data access services, online data and information processing services, electronic data interchange services;
- Activities of insurance agents and insurance brokers;
- Supply and management of labor resources;
- Postal and delivery; and
- Trading modern drugs, herbal drugs, traditional drugs, biological products requiring normal storage conditions.

#### 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.

#### The Company's structure

The Company's head office is located at No. 261 - 263 Khanh Hoi, Ward 02, District 4, Ho Chi Minh City. As at 31 December 2020, the Company had branches in 63 provinces and cities throughout the country and 01 subsidiary as below:

	Incorporation and operation place	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity
FPT Long Chau Pharma Joint Stock Company	Ho Chi Minh City	88,50	88,50	Pharmaceutical business

During the year, FPT Long Chau Pharma Joint Stock Company - the subsidiary of the Company reissued VND 14,000,000,000 of treasury shares in accordance with Decision No. 04/2020/QD-DHDCD dated 20 October 2020 of the General Meeting of Shareholders, at the same time, also issued additional 15,423,200 ordinary shares, thereby increasing the charter capital from VND 100,000,000,000 to VND 254,232,000,000 according to Decision No. 1432/2020/QD DHCD dated 01 December 2020 of the General Meeting of Shareholders.

## Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2019. Certain reclassifications have been made to the prior year's figures to enhance their comparability with the current year's presentation. Details are as follows:

Unit: VND

	Previously reported amount	Reclassification	Amount after reclassification
<b>Consolidated balance sheet as at 31 December 2019</b>			
Cash	415,978,667,247	(17,454,584,198)	398,524,083,049
Other short-term receivables	499,067,505,423	17,454,584,198	516,522,089,621
<b>Consolidated cash flow statement for the year ended 31 December 2019</b>			
Changes in receivables	131,185,574,067	(17,454,584,198)	113,730,989,869
Net cash (used in) operating activities	(108,196,906,152)	(17,454,584,198)	(125,651,490,350)
Net (decrease)/increase in cash	(78,728,841,241)	(17,454,584,198)	(96,183,425,439)
Cash and cash equivalents at the end of the year	869,649,553,585	(17,454,584,198)	852,194,969,387

## 2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

### Accounting convention

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

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

### Financial year

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### Estimates

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

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiary) up to 31 December each year. 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 year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## Business combinations

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

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

## Cash and cash equivalents

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

## Financial investments

### Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits 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 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.

### Loan receivables

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

### 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. In 2020, the Board of Executive Officers has changed the way in which it determines loss estimates for overdue receivables based on actual loss ratio statistics. The impact of this change resulted in an increase in general and administration expenses for the year ended 31 December 2020 by the amount of about VND 20.7 billion.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchasing costs and other directly attributable expenses that have been incurred in bringing the inventories to their present location and condition. The Company uses perpetual method to record inventories. Cost is calculated using first in-first out method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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

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

	Unit: VND
	Years
Buildings and structures	25 - 50
Machinery and equipment	3 - 5
Motor vehicles	6
Office equipment	3

## Intangible assets and amortisation

### Computer software

Intangible assets representing computer software are stated at cost less accumulated amortisation. Computer software is amortised using the straight-line method over the duration from 3 - 5 years.

### Land use rights

Intangible assets representing the indefinite land use rights are not amortized.

## Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including business places and office rentals and other types of prepayments.

Business places and office rentals represent rentals that have been paid in advance, are charged to the consolidated income statement using the straight-line method over the lease term.

Other prepayments comprise shop design and set-up costs, costs of small tools and supplies issued for consumption and other types of prepayments which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the consolidated income statement using the straight-line method in accordance with the current prevailing accounting regulations.

## Revenue recognition

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

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

Revenue 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 years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the 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 Company;
- (c) the percentage of completion of the transaction at the 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.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Dividend income from investments is recognised when the Company's right to receive payment has been established.



## Foreign currencies

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

## Borrowing costs

Borrowing costs are recognised in the consolidated income statement in the year 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 Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by having the profit or loss attributable to the ordinary shareholders of the Company divided by the weighted average number of outstanding ordinary shares during the year.

## Taxation

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

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

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

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

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

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

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

## Related party

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties of the Company are:

- Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company;
- Individuals holding, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel of the Company and close members of any such individual's family.
- Enterprises in which a substantial interest in the voting power is held, directly or indirectly, by any above individuals or over which such individuals are able to exercise significant influence.

In considering each possible related party relationship for purpose of preparation and presentation of consolidated financial statements, attention is directed to the substance of the relationship rather than the legal form.

#### ● 4. CASH AND CASH EQUIVALENTS

Unit: VND

	Closing balance	Opening balance
Cash on hand	92,761,711,237	101,890,134,793
Bank demand deposits	458,742,528,161	296,633,948,256
Cash equivalents (i)	150,000,000,000	453,670,886,338
	<b>701,504,239,398</b>	<b>852,194,969,387</b>

(i) As at 31 December 2020, cash equivalents represent deposits at credit institutions with the original term from 01 to 03 months and interest rate from 3.8% to 4% p.a.

#### ● 5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent deposits at credit institutions with the original term of over 3 months and remaining term of less than 12 months and interest rate from 5% to 7.5% p.a.

#### ● 6. SHORT-TERM TRADE RECEIVABLES

Unit: VND

	Closing balance	Opening balance
Sunshine Technology and Commerce Development Company Limited	33,331,056,000	0
Prudential Vietnam Life Insurance Company Limited	9,572,651,018	0
Home Credit Vietnam Finance Company Limited	975,753,592	5,565,585,862
Apple Vietnam Company Limited	0	11,313,632,000
Advanced International Joint Stock Company	0	10,790,000,000
Digital Town City Center Co., Ltd.	0	4,191,029,258
Others	128,705,183,171	262,714,347,640
	<b>172,584,643,781</b>	<b>294,574,594,760</b>
<b>In which:</b>		
Receivables from related parties (See Note 33)	4,664,721,600	4,391,147,012

#### ● 7. SHORT-TERM ADVANCES TO SUPPLIERS

Unit: VND

	Closing balance	Opening balance
Electronic Value Trading Company Limited	57,806,224,234	76,563,327,778
Anh Khue Sai Gon Joint Stock Company	4,465,154,418	0
<b>Others</b>	31,325,451,881	19,963,830,924
	<b>93,596,830,533</b>	<b>96,527,158,702</b>

## ● 8. SHORT-TERM LOAN RECEIVABLES

Unit: VND

	Closing balance	Opening balance
FPT Corporation (i)	845,000,000,000	220,000,000,000
Others (ii)	40,000,000,000	102,359,066,193
	885,000,000,000	322,359,066,193
<b>In which:</b> Loan receivables from related parties (See Note 33)	845,000,000,000	220,000,000,000

(i) Represent loans to FPT Corporation with the term within 6 months and interest rate from 3.8% to 6.0% p.a.

(ii) Represent loans to the Company's employees with the term of 01 month and interest rate of 6.0% p.a.

## ● 9. OTHER RECEIVABLES

Unit: VND

	Closing balance	Opening balance
<b>a. Other short-term receivables</b>		
Receivables from suppliers (i)	324,270,355,462	437,714,515,252
Receivables under sales program (ii)	15,632,583,739	32,030,767,955
Sales by bank cards not yet received	22,347,299,800	17,454,584,198
Accrued interest income	18,337,181,394	20,790,119,619
Receivables from employees	6,306,964,950	1,801,285,494
Deposits and mortgages	1,050,500,000	1,050,500,000
Other receivables	17,100,751,633	5,680,317,103
	<b>405,045,636,978</b>	<b>516,522,089,621</b>
<b>In which:</b> Other receivables from related parties (Details in Note 33)	2,320,032,187	5,077,780,822
<b>b. Other long-term receivables</b>		
Deposits and mortgages	116,400,384,163	105,270,293,641
	<b>116,400,384,163</b>	<b>105,270,293,641</b>

(i) Represent receivables from suppliers as committed support to conduct marketing, advertising programs for agents.

(ii) Represent receivables under the mobile subsidy program in respect of data pack applicable to operators namely Vietnamobile Telecommunications Joint Stock Company and Mobifone Telecommunication Joint Stock Company.

## 10. BAD DEBTS

	Closing balance				Opening balance			
	Cost	Provision	Recoverable amount (*)	Payees	Cost	Provision	Recoverable amount (*)	Payees
Digital Town City Center Co., Ltd.	0	0	0	Trên 3 năm	4,191,029,259	(4,191,029,259)	0	Trên 3 năm
Others	1,551,089,909	(1,551,089,909)	0	Trên 3 năm	0	0	0	Trên 3 năm
Others	27,048,938,948	(26,947,788,048)	101,150,900	Trên 2 năm đến 3 năm	4,874,957,781	(3,412,470,447)	1,462,487,334	Trên 2 năm đến 3 năm
Others	13,230,823,504	(13,042,026,238)	188,797,266	Trên 1 năm đến 2 năm	46,586,691,676	(22,821,539,695)	23,765,151,981	Trên 1 năm đến 2 năm
Others	55,252,795,098	(16,444,901,194)	38,807,893,904	Trên 6 tháng	13,446,917,506	(4,034,075,251)	9,412,842,255	Trên 6 tháng
	<b>97,083,647,459</b>	<b>(57,985,805,389)</b>	<b>39,097,842,070</b>		<b>69,099,596,222</b>	<b>(34,459,114,652)</b>	<b>34,640,481,570</b>	

(\*) Recoverable amount is stated at cost less provision for short-term doubtful debts.

## 11. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision (*)	Cost	Provision (*)
Goods in transit	3,034,573,631	0	11,162,601,645	0
Tools and supplies	2,906,430,105	0	6,987,441,761	0
Merchandise	1,847,193,194,406	(26,416,507,380)	3,380,942,372,711	(15,550,241,137)
	<b>1,853,134,198,142</b>	<b>(26,416,507,380)</b>	<b>3,399,092,416,117</b>	<b>(15,550,241,137)</b>

(\*) Provision for devaluation of inventories is stated at cost less net realisable value.

As at 31 December 2020, the Company assessed the net realizable value of inventories and made an allowance for inventory devaluation with the amount of VND 26,416,507,380 (as at 31 December 2019: VND 15,550,241,137) on the consolidated balance sheet and record the cost of provision for devaluation of inventories with the amount of VND 10,866,266,243 on the consolidated Income Statement.

## ● 12. PREPAYMENTS

Unit: VND

	Closing balance	Opening balance
<b>a. Current</b>		
Business places and office rentals	99,848,698,434	97,639,710,054
Other short-term prepayments	19,481,494,648	20,791,449,278
	<b>119,330,193,082</b>	<b>118,431,159,332</b>
<b>b. Non-current</b>		
Shop design and set-up costs	236,246,329,995	252,778,651,397
Other long-term prepayments	21,319,578,121	13,914,350,293
	<b>257,565,908,116</b>	<b>266,693,001,690</b>

## ● 13. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

Unit: VND

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
<b>COST</b>					
Opening balance	4,619,723,333	4,533,133,590	1,455,363,637	582,556,584	11,190,777,144
Additions	0	623,399,796	915,754,546	1,430,060,800	2,969,215,142
Closing balance	4,619,723,333	5,156,533,386	2,371,118,183	2,012,617,384	14,159,992,286
<b>ACCUMULATED DEPRECIATION</b>					
Opening balance	136,754,695	3,924,038,587	112,061,875	403,353,684	4,576,208,841
Charge for the period	46,657,092	284,372,910	423,138,091	121,368,558	875,536,651
Closing balance	183,411,787	4,208,411,497	535,199,966	524,722,242	5,451,745,492
<b>NET BOOK VALUE</b>					
Opening balance	4,482,968,638	609,095,003	1,343,301,762	179,202,900	6,614,568,303
Closing balance	4,436,311,546	948,121,889	1,835,918,217	1,487,895,142	8,708,246,794

As at 31 December 2020, the cost of the Company's tangible fixed assets includes VND 3,892,424,499 (31 December 2019: VND 3,599,446,317) of fixed assets which have been fully depreciated but are still in use.



## ● 14. INCREASES, DECREASES IN INTANGIBLE ASSETS

Unit: VND

	Land use rights	Computer software	Total
<b>COST</b>			
Opening balance	40,294,000,000	6,121,767,990	46,415,767,990
Additions	0	459,860,000	459,860,000
Closing balance	40,294,000,000	6,581,627,990	46,875,627,990
<b>ACCUMULATED AMORTISATION</b>			
Opening balance	0	4,459,377,713	4,459,377,713
Charge for the period	0	496,626,748	496,626,748
Closing balance	0	4,956,004,461	4,956,004,461
<b>NET BOOK VALUE</b>			
Opening balance	40,294,000,000	1,662,390,277	41,956,390,277
Closing balance	40,294,000,000	1,625,623,529	41,919,623,529

As at 31 December 2020, the cost of the Company's intangible assets includes VND 4,187,737,990 (31 December 2019: VND 3,764,206,626) of assets which have been fully amortised but are still in use.

## ● 15. SHORT-TERM TRADE PAYABLES

Unit: VND

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
Apple Vietnam Company Limited	698,805,678,162	698,805,678,162	638,644,751,009	638,644,751,009
Synnex FPT Distribution Company Limited	88,288,124,092	88,288,124,092	25,433,260,342	25,433,260,342
Vimedimex Binh Duong Company Limited	26,842,323,703	26,842,323,703	10,386,077,260	10,386,077,260
Sang Trading and Pharmaceutical Company Limited	17,153,573,519	17,153,573,519	11,039,678,477	11,039,678,477
Masscom Vietnam Joint Stock Company	14,696,770,419	14,696,770,419	26,672,549,467	26,672,549,467
R&M E-Commerce Company Limited	6,452,544,550	6,452,544,550	33,525,374,150	33,525,374,150
Samsung Electronics Vietnam Company Limited	0	0	47,698,207,600	47,698,207,600
Smart Phone Joint Stock Company	0	0	27,756,561,200	27,756,561,200
Vinh Khang Science & Technology Joint Stock Company	358,295,704,075	358,295,704,075	273,822,866,977	273,822,866,977
Others	1,214,790,045,465	1,214,790,045,465	1,287,522,072,458	1,287,522,072,458
<b>In which:</b>				
Trade payables to related parties (Details stated in Note 33)	13,200,877,678		3,075,050,631	

## ● 16. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

Unit: VND

	Opening balance	Payable during the year	Paid/Deducted during the year	Closing balance
<b>a. Receivables</b>				
Personal income tax	1,858,819	2,345,610	2,345,610	1,858,819
	<b>1,858,819</b>	<b>2,345,610</b>	<b>2,345,610</b>	<b>1,858,819</b>
<b>b. Payables</b>				
Value added tax	715,306,204	1,902,468,625,800	1,882,972,360,052	20,211,571,952
Corporate income tax	5,901,721,515	27,474,628,269	23,606,280,229	9,770,069,555
Personal income tax	2,490,522,922	17,893,034,043	18,975,178,839	1,408,378,126
Contractor withholding tax	0	2,193,133,907	1,963,252,156	229,881,751
Other taxes	0	558,300,000	558,300,000	0
	<b>9,107,550,641</b>	<b>1,950,587,722,019</b>	<b>1,928,075,371,276</b>	<b>31,619,901,384</b>

## ● 17. SHORT-TERM ACCRUED EXPENSES

Unit: VND

	Closing balance	Opening balance
Accrued salary	171,944,481,045	119,791,396,035
Accruals for installment support costs	14,944,768,814	12,297,889,809
Accrued interest expense	9,403,325,854	10,252,543,334
Accruals for cost of sales	4,968,203,320	3,585,432,179
Other accruals	18,711,665,037	16,604,176,275
	<b>219,972,444,070</b>	<b>162,531,437,632</b>

## ● 18. OTHER CURRENT PAYABLES

Unit: VND

	Closing balance	Opening balance
Collection on behalf of partners	151,511,990,695	101,907,555,715
Trade union fee	9,140,617,504	7,149,524,826
Other payables	2,292,162,687	1,644,803,247
	<b>162,944,770,886</b>	<b>110,701,883,788</b>
<b>In which:</b>		
Trade payables to related parties (Details stated in Note 33)	192,321,244	769,228,975

## 19. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

FORM B 09-DN/HN

Unit: VND

	Opening balance		In the year		Closing balance	
	Amount	Amountable to be paid off	Increases	Decreases	Amount	Amountable to be paid off
Joint Stock Commercial Bank for Investment and Development of Vietnam	0879,923,193,829	879,923,193,829	1,732,535,328,544	2,050,184,507,216	562,274,015,157	562,274,015,157
Standard Chartered Bank Vietnam	246,607,380,206	246,607,380,206	947,885,817,898	659,845,063,022	534,648,135,082	534,648,135,082
HSBC Vietnam	679,300,000,000	679,300,000,000	1,582,452,082,913	1,771,067,274,326	490,684,808,587	490,684,808,587
DBS Bank	0	0	226,561,148,882	0	226,561,148,882	226,561,148,882
ANZ Bank Vietnam	417,300,000,000	417,300,000,000	1,047,918,394,781	1,309,823,959,073	155,394,435,708	155,394,435,708
MUFG Bank Malaysia	0	0	150,620,000,000	0	150,620,000,000	150,620,000,000
MUFG Bank, Ltd.	0	0	475,276,672,911	370,422,639,745	104,854,033,166	104,854,033,166
United Overseas Bank	0	0	304,511,391,372	225,796,705,783	78,714,685,589	78,714,685,589
Joint Stock Commercial Bank for Foreign Trade of Vietnam	0	0	314,390,544,600	258,167,872,600	56,222,672,000	56,222,672,000
HSBC Hongkong	587,480,000,000	587,480,000,000	2,413,614,450,000	2,951,246,700,000	49,847,750,000	49,847,750,000
Shinhan Bank Vietnam Limited	0	0	32,769,220,000	0	32,769,220,000	32,769,220,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	0	0	22,244,411,809	0	22,244,411,809	22,244,411,809
Military Commercial Joint Stock Bank Company	0	0	60,219,200,250	39,106,284,250	21,112,916,000	21,112,916,000
ANZ Bank Singapore	299,523,000,000	299,523,000,000	254,615,900,000	554,138,900,000	0	0
Citibank Vietnam	416,000,000,000	416,000,000,000	200,063,207,100	616,063,207,100	0	0
Standard Chartered Bank Singapore	171,902,000,000	171,902,000,000	370,695,400,000	542,597,400,000	0	0
FPT Corporation	0	0	450,000,000,000	450,000,000,000	0	0
	<b>3,698,035,574,035</b>	<b>3,698,035,574,035</b>	<b>10,586,373,171,060</b>	<b>11,798,460,513,115</b>	<b>2,485,948,231,980</b>	<b>2,485,948,231,980</b>

Short-term borrowings from banks are unsecured with terms of less than 01 year and interest rates as per each indebtedness certificate for the purpose of financing business operations. Loans in USD are subject to interest rates from 2.2% p.a to 2.35% p.a, loans in VND are subject to interest rates from 1.9% p.a to 4.1% p.a.

**20. OWNERS' EQUITY**

## Movement in owners' equity

Unit: VND

	Owners' contributed capital	Retained earnings	Non-controlling interests	Total
<b>Prior year's opening balance</b>	<b>680,000,000,000</b>	<b>453,783,369,452</b>	<b>24,983,763,171</b>	<b>1,158,767,132,623</b>
Capital increase	6,800,000,000	0	0	6,800,000,000
Profit/(loss) for the year	0	213,015,479,163	(9,167,987,408)	203,847,491,755
Retained earnings distributed to capital	103,017,920,000	(103,017,920,000)	0	-
Dividends declared	0	(68,680,000,000)	0	(68,680,000,000)
Profit distributed to funds	0	(7,371,305,101)	0	(7,371,305,101)
	0	(3,821,388,391)	(10,178,611,609)	(14,000,000,000)
<b>Current year's opening balance</b>	<b>789,817,920,000</b>	<b>483,908,235,123</b>	<b>5,637,164,154</b>	<b>1,279,363,319,277</b>
Capital increase (i)	0	0	4,232,000,000	4,232,000,000
Impact of subsidiary's treasury shares re-issuance and capital increase (i)	0	(2,036,116,297)	16,036,116,297	14,000,000,000
Profit/(loss) for the year	0	24,718,596,246	(14,501,865,720)	10,216,730,526
Dividends declared (ii)	0	(78,981,792,000)	0	(78,981,792,000)
Profit distributed to funds (iii)	0	(3,700,353,039)	0	(3,700,353,039)
<b>Current year's closing balance</b>	<b>789,817,920,000</b>	<b>423,908,570,033</b>	<b>11,403,414,731</b>	<b>1,225,129,904,764</b>

(i) During the year, FPT Long Chau Pharma Joint Stock Company - the subsidiary of the Company reissued VND 14,000,000,000 of treasury shares in accordance with Decision No. 04/2020/QD-DHDCD dated 20 October 2020 of the General Meeting of Shareholders, at the same time, also issued additional 15,423,200 ordinary shares, thereby increasing the charter capital from VND 100,000,000,000 to VND 254,232,000,000 according to Decision No. 1432/2020/QD DHCD dated 01 December 2020 of the General Meeting of Shareholders.

(ii) Resolution No. 01.2020/NQ-DHCDTN/FRT dated 13 August 2020 of the Annual General Meeting of Shareholders approved the plan to distribute profits of 2019 in the form of cash dividend at the rate of 10% of par value/stock. As at the date of these consolidated financial statements, all dividends have been paid to shareholders.

(iii) According to Decision of the Company's Chairwoman dated 31 December 2020, the Company temporarily appropriated bonus and welfare funds from 2020 profit after tax at the rate of 3%. The final appropriation rate for bonus and welfare funds will be approved at the Annual General Meeting of shareholders in 2021.

## Charter capital

According to the Company's first Enterprise Registration Certificate No. 0311609355 dated 08 March 2012 and the 51st amended Certificate dated 22 March 2021, the Company's charter capital is VND 789,817,920,000. The charter capital contribution by the owners as at 31 December 2020 had been fully made as follows:

Unit: VND

	Closing balance		Opening balance	
	VND	%	VND	%
FPT Corporation	367,540,000,000	46.53	367,540,000,000	46.53
VOF Investment Limited	60,281,340,000	7.63	60,281,340,000	7.63
Others	361,996,580,000	45.84	361,996,580,000	45.83
	<b>789,817,920,000</b>	<b>100.00</b>	<b>789,817,920,000</b>	<b>100.00</b>

## Shares

Đơn vị: Shares

	Closing balance		Opening balance	
- Number of shares issued to the public				7
+ Ordinary shares		78,981,792		8,981,792
+ Preference shares		0		-
- Number of outstanding shares in circulation				
+ Ordinary shares		78,981,792		78,981,792
+ Preference shares		0		-

An ordinary share has par value of VND 10,000.

## 21. OFF CONSOLIDATED BALANCE SHEET ITEMS

	Closing balance		Opening balance	
<b>Foreign currency</b>				
United States Dollar (USD)		296,019		500,091



## Guarantee letters

As at 31 December 2020, HSBC Hong Kong, United Oversea Bank Limited, HSBC Vietnam, MUFG Bank, Ltd., Vietnam Prosperity Joint Stock Commercial Bank, Joint Stock Commercial Bank for Investment and Development of Vietnam and Tien Phong Commercial Bank issued payment guarantee letters to the Company and its subsidiary's partners. The outstanding guarantee balances of these letters as at 31 December 2020 were as follows:

Unit: VND

Banks	Opening balance
HSBC Hongkong	425,000,000,000
United Oversea Bank Limited	190,000,000,000
HSBC Vietnam	100,000,000,000
MUFG Bank, Ltd.	100,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	28,428,256,000
Joint Stock Commercial Bank for Investment and Development of Vietnam	26,603,612,800
Tien Phong Commercial Bank	9,850,000,000
	<b>879,881,868,800</b>

## 22. BUSINESS AND GEOGRAPHICAL SEGMENTS

A segment is a distinguishable component of the Company involved in the provision of related products or services (business segment), or the supply of products or services in a particular economic environment (geographical segment), each of which has risks and benefits different from those of other segments.

### Geographical segment

The Company and its subsidiaries do not have any business activities outside Vietnam; therefore, the Company and its subsidiary do not have geographical segment outside Vietnam.

### Business segments

In terms of risk and economic benefits, the Board of Executive Officers has assessed that the Company and its subsidiary operate in two business segments: informatics equipment, mobile phones, components, related accessories, and pharmaceutical business.

Unit: VND

Items	Informatics equipment, mobile phones, components and related accessories	Pharmaceutical business	Elimination for consolidation	Total
<b>Segment revenue</b>				
Net external sales	13,475,727,500,638	1,190,840,333,140	(5,150,801,556)	14,661,417,032,222
Net inter-segment sales	0	0	0	0
<b>Total segment revenue</b>	<b>13,475,727,500,638</b>	<b>1,190,840,333,140</b>	<b>(5,150,801,556)</b>	<b>14,661,417,032,222</b>
<b>Segment expenses</b>				
Cost of sales by segment	11,637,352,696,175	987,883,216,341	(4,821,179,011)	12,620,414,733,505
Operating expenses by segment	1,652,213,570,189	311,736,657,423	(329,622,545)	1,963,620,605,067
<b>Total segment expenses</b>	<b>13,289,566,266,364</b>	<b>1,299,619,873,764</b>	<b>(5,150,801,556)</b>	<b>14,584,035,338,572</b>
<b>Operating results by segment</b>	<b>186,161,234,274</b>	<b>(108,779,540,624)</b>	<b>0</b>	<b>77,381,693,650</b>
<b>Profit/(Loss) before tax by segment</b>	<b>141,555,749,300</b>	<b>(113,128,370,810)</b>	<b>0</b>	<b>28,427,378,490</b>
<b>Segment assets</b>	<b>4,985,674,949,760</b>	<b>636,972,909,585</b>	<b>(235,069,973,317)</b>	<b>5,387,577,886,028</b>
<b>Segment liabilities</b>	<b>3,634,721,048,478</b>	<b>537,796,906,102</b>	<b>(10,069,973,316)</b>	<b>4,162,447,981,264</b>

Unit: VND

Items	Informatics equipment, mobile phones, components and related accessories	Pharmaceutical business	Elimination for consolidation	Total
<b>Segment revenue</b>				
Net external sales	16,123,176,430,175	510,783,316,988	0	16,633,959,747,163
Net inter-segment sales	0	0	0	0
<b>Total segment revenue</b>	<b>16,123,176,430,175</b>	<b>510,783,316,988</b>	<b>0</b>	<b>16,633,959,747,163</b>
<b>Segment expenses</b>				
Cost of sales by segment	14,101,312,092,499	421,590,488,527	0	14,522,902,581,026
Operating expenses by segment	1,636,568,529,908	131,751,452,562	0	1,768,319,982,470
<b>Total segment expenses</b>	<b>15,737,880,622,407</b>	<b>553,341,941,089</b>	<b>0</b>	<b>16,291,222,563,496</b>
<b>Operating results by segment</b>	<b>385,295,807,768</b>	<b>(42,558,624,101)</b>	<b>0</b>	<b>342,737,183,667</b>
<b>Profit/(Loss) before tax by segment</b>	<b>319,865,337,642</b>	<b>(41,862,678,390)</b>	<b>0</b>	<b>278,002,659,252</b>
<b>Segment assets</b>	<b>6,536,391,531,831</b>	<b>367,091,432,943</b>	<b>(309,709,930,352)</b>	<b>6,593,773,034,422</b>
<b>Segment liabilities</b>	<b>5,226,100,586,847</b>	<b>323,019,058,650</b>	<b>(234,709,930,352)</b>	<b>5,314,409,715,145</b>

● **23. REVENUE**

Unit: VND

	Current year	Prior year
<b>Gross revenue from goods sold and services rendered</b>		
- Revenue from goods sold and services rendered	14,799,952,534,765	16,988,956,546,078
	<b>14,799,952,534,765</b>	<b>16,988,956,546,078</b>
<b>In which:</b>		
Revenue from related parties (Details in Note 33)	84,345,887,117	26,699,669,409
<b>Sales deductions</b>	<b>138,535,502,543</b>	<b>354,996,798,915</b>
- Sales return	138,535,502,543	354,996,798,915
<b>Net revenue from goods sold and services rendered</b>	<b>14,661,417,032,222</b>	<b>16,633,959,747,163</b>

● **24. COST OF SALES**

Unit: VND

	Current year	Prior year
Cost of goods sold and services rendered	12,609,548,467,262	14,520,717,226,779
Provision for devaluation of inventories	10,866,266,243	2,185,354,247
	<b>12,620,414,733,505</b>	<b>14,522,902,581,026</b>

● **25. PRODUCTION COST BY NATURE**

Unit: VND

	Current year	Prior year
Labour	886,607,784,037	783,800,049,846
Depreciation and amortisation	1,372,163,399	836,635,952
Out-sourced services	1,049,511,248,773	945,000,852,000
Provision	34,392,956,980	18,859,508,387
	<b>1,971,884,153,189</b>	<b>1,748,497,046,185</b>

● **26. FINANCIAL INCOME**

Đơn vị: VND

	Current year	Prior year
Bank and loan interest	55,870,719,645	61,193,294,228
Foreign exchange gain	1,840,576,402	3,069,391,901
Other financial income	13,038,124,213	13,787,447,275
	<b>70,749,420,260</b>	<b>78,050,133,404</b>

● **27. FINANCIAL EXPENSES**

Unit: VND

	Current year	Prior year
Interest expense	113,682,404,790	135,183,263,352
Foreign exchange loss	20,129,493,671	12,781,527,842
	<b>133,811,898,461</b>	<b>147,964,791,194</b>

● **28. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES**

Unit: VND

	Current year	Prior year
<b>Selling expenses</b>		
Labour cost	647,222,355,812	584,472,624,910
Shop rental fees	462,395,271,722	388,345,124,587
Other selling expenses	456,118,927,656	446,492,223,557
	<b>1,565,736,555,190</b>	<b>1,419,309,973,054</b>
<b>General and administration expenses</b>		
Labour cost	239,385,428,225	199,327,424,936
Provision	27,717,719,995	16,674,154,140
Out-sourced services	64,517,488,425	66,364,712,757
Other expenses	66,263,413,232	66,643,717,583
	<b>397,884,049,877</b>	<b>349,010,009,416</b>

● **29. OTHER INCOME**

Đơn vị: VND

	Current year	Prior year
Income from the exchanges of goods	8,467,976,390	2,370,032,960
Others	6,523,771,488	2,963,972,835
	<b>14,991,747,878</b>	<b>5,334,005,795</b>



### ● 30. CORPORATE INCOME TAX EXPENSE

Unit: VND

	Current year	Prior year
<b>Current corporate income tax expense</b>		
Corporate income tax expense based on taxable profit in the current year	37,609,202,788	67,875,765,738
Adjustments for corporate income tax expense in previous years to the current year (i)	(10,134,574,519)	0
<b>Total current corporate income tax expense</b>	<b>27,474,628,269</b>	<b>67,875,765,738</b>

(i) In which, including VND 10,182,099,896 of corporate income tax expenses for 2019 is adjusted according to Decree 68/2020/ND-CP dated 24 June 2020 on tax administration for enterprises with related transactions.

Unit: VND

	Current year	Prior year
<b>Deferred corporate income tax expense</b>		
Deferred corporate income tax expense arising from taxable temporary differences	(2,984,578,546)	6,279,401,759
Deferred corporate income tax expense arising derecognition of deferred tax payables	(6,279,401,759)	0
<b>Total deferred corporate income tax expense</b>	<b>(9,263,980,305)</b>	<b>6,279,401,759</b>

### ● 31. BASIC EARNING PER SHARES

The calculation of the basic earnings per share attributable to ordinary shareholders of the parent company is based on the following data:

	Unit	Current year	Prior year
Earnings in the year	VND	24,718,596,246	213,015,479,163
Allocation to bonus and welfare funds (i)	VND	(3,700,353,039)	(7,371,305,101)
<b>Earnings for the purposes of calculating basic earnings per share</b>	<b>VND</b>	<b>21,018,243,207</b>	<b>205,644,174,062</b>
Weighted average number of ordinary share during the year	Shares	78,981,792	78,718,477
<b>Weighted average number of ordinary share for the purposes of calculating basic earnings per share</b>	<b>Shares</b>	<b>78,981,792</b>	<b>78,718,477</b>
<b>Basic earnings per share</b>	<b>VND</b>	<b>266</b>	<b>2,612</b>

(i) For the purpose of calculating the basic earnings per share, the Company temporarily appropriated bonus and welfare funds for the year ended 31 December 2020 at 3% of profit after tax according to Decision of the Company's Chairwoman dated 31 December 2020. The allocation to bonus and welfare funds will be finalized at the Annual General Meeting of Shareholders in 2021.

### ● 32. OPERATING LEASE COMMITMENTS

Operating lease payments represent total payables by the Company for office and shop rentals. Minimum lease payment in the future under non-cancellable operating lease under the following terms:

Unit: VND

	Closing balance	Opening balance
Within one year	505,873,799,081	386,394,401,219
In the second to fifth year inclusive	757,202,862,748	783,536,894,674
After five years	31,265,991,156	25,552,334,000
	<b>1,294,342,652,985</b>	<b>1,195,483,629,893</b>

### ● 33. ELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the year:

Related parties	Relationship
FPT Corporation	Major shareholder (the Company is an associate of FPT Corporation)
FPT Software Company Limited	Subsidiary of Major shareholder (FPT Corporation)
FPT Telecom Joint Stock Company	Subsidiary of Major shareholder (FPT Corporation)
FPT Information System Corporation	Subsidiary of Major shareholder (FPT Corporation)

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

Unit: VND

	Current year	Prior year
<b>Sales</b>		
FPT Information System Corporation	38,870,367,632	8,514,342,286
FPT Corporation	32,458,952,465	6,998,976,229
FPT Telecom Joint Stock Company	8,484,046,728	7,166,281,329
FPT Software Company Limited	4,532,520,292	4,020,069,565
	<b>84,345,887,117</b>	<b>26,699,669,409</b>
<b>Purchases</b>		
FPT Telecom Joint Stock Company	17,212,553,787	8,998,181
FPT Information System Corporation	11,877,045,435	25,921,283,287
FPT Corporation	5,014,980,739	6,722,304,188
FPT Software Company Limited	0	155,030,746
	<b>34,104,579,961</b>	<b>32,807,616,402</b>

	Current year	Prior year
<b>Dividend distributed</b>		
FPT Corporation	36,754,000,000	31,960,000,000
	<b>36,754,000,000</b>	<b>31,960,000,000</b>
<b>Lending</b>		
FPT Corporation	1,660,000,000,000	830,000,000,000
	<b>1,660,000,000,000</b>	<b>830,000,000,000</b>
<b>Recovery from lending</b>		
FPT Corporation	1,035,000,000,000	610,000,000,000
	<b>1,035,000,000,000</b>	<b>610,000,000,000</b>
<b>Interest income from lending</b>		
FPT Corporation	13,769,640,729	10,663,160,718
	<b>13,769,640,729</b>	<b>10,663,160,718</b>
<b>Borrowing</b>		
<b>FPT Corporation</b>	450,000,000,000	0
	<b>450,000,000,000</b>	<b>0</b>
<b>Loan repayment</b>		
FPT Corporation	450,000,000,000	0
	<b>450,000,000,000</b>	<b>0</b>
<b>Interest expenses</b>		
FPT Corporation	4,976,273,973	0
	<b>4,976,273,973</b>	<b>0</b>

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

Unit: VND

	Số cuối năm	Opening balance
<b>Short-term trade receivables</b>		
FPT Information System Corporation	2,667,252,351	2,486,650,906
FPT Corporation	1,546,677,249	3,180,000
FPT Telecom Joint Stock Company	402,100,000	1,876,886,906
FPT Software Company Limited	48,692,000	24,429,200
	<b>4,664,721,600</b>	<b>4,391,147,012</b>

	Closing balance	Opening balance
<b>Short-term loan receivables</b>		
FPT Corporation	845,000,000,000	220,000,000,000
	<b>845,000,000,000</b>	<b>220,000,000,000</b>
<b>Other short-term receivables</b>		
FPT Corporation	1,401,945,124	5,077,780,822
FPT Telecom Joint Stock Company	918,087,063	0
	<b>2,320,032,187</b>	<b>5,077,780,822</b>
<b>Short-term trade payables</b>		
FPT Information System Corporation	11,216,576,470	0
FPT Corporation	1,100,000,000	1,153,165,126
FPT Telecom Joint Stock Company	884,301,208	1,359,385,505
FPT Software Company Limited	0	562,500,000
	<b>13,200,877,678</b>	<b>3,075,050,631</b>
<b>Other short-term payables</b>		
FPT Telecom Joint Stock Company	192,321,244	769,228,975
	<b>192,321,244</b>	<b>769,228,975</b>

#### Remuneration paid to the Company's Board of Directors, Board of Supervisors and Chief Executive Officer and other key management members during the year was as follows:

In 2020, the Board of Directors did not have remuneration.

Unit: VND

Name	Position	Current year
Ms. Nguyen Bach Diep	Chairwoman	0
Ms. Trinh Hoa Giang	Member	0
Mr. Le Hong Viet	Member	0
Mr. Hoang Trung Kien	Member	0
Mr. Nguyen Dac Viet Dung	Member	0
<b>Total</b>		<b>0</b>

Trong năm 2020, Thành viên Ban Kiểm soát không nhận thù lao.

Name	Position	Current year
Mr. Bui Huy Cuong	Head of Board of Supervisors	0
Mr. Nguyen Dinh Hung	Member of Board of Supervisors	0
Ms. Ngo Thi Minh Hue	Member of Board of Supervisors	0
<b>Total</b>		<b>0</b>

## Remuneration paid to the Chief Executive Officer and other key management members

Unit: VND

Name	Position	Current year
Mr. Hoang Trung Kien	Chief Executive Officer	1,912,000,000
Ms. Trinh Hoa Giang	First Deputy Chief Executive Officer	1,516,200,000
Mr. Nguyen Viet Anh	Second Deputy Chief Executive Officer	1,166,700,000
Mr. Pham Duy Hoang Nam	Chief Financial Officer	692,000,000
Ms. Tran Thi Nga	Chief Accountant	416,266,227
<b>Total</b>		<b>5,703,166,227</b>

## 34. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

### Supplemental non-cash disclosures

Unit: VND

	Current year	Prior year
Interest income not yet received	18,337,181,394	20,790,119,619
Interest expense not yet paid	9,403,325,854	10,252,543,334

## 35. OTHER INFORMATION

In 2020, the COVID-19 epidemic that originated in China has spread to many countries, having a wide-ranging influence, creating many challenges for all retail industries as well as society. The Company assessed the overall impact of the epidemic on its entire operations and took all possible measures to limit the negative impact of the disease on its employees and operations. The Company is constantly monitoring disease developments in order to respond proactively, promptly and appropriately.



**Tran Thi Nga**  
Preparer/  
Chief Accountant



**Pham Duy Hoang Nam**  
Chief Financial Officer



**Hoang Trung Kien**  
Chief Executive Officer  
30 March 2021





# FINANCIAL STATEMENTS

## **AUDITED SEPARATE FINANCIAL STATEMENTS**

**For The Year Ended 31 December 2020**

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## ● STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers of FPT Digital Retail Joint Stock Company (the “Company”) presents this report together with the Company’s consolidated financial statements for the year ended 31 December 2020.

### — The Boards Of Directors And Executive Officers

The members of the Board of Directors and Board of Executive Officers of the Company who held office during the year and to the date of this report are as follows:

#### ● Board of Directors

Ms. Nguyen Bach Diep	Chairwoman
Ms. Trinh Hoa Giang	Member
Mr. Le Hong Viet	Member
Mr. Hoang Trung Kien	Member
Mr. Nguyen Dac Viet Dung	Member (appointed on 28 May 2020)
Mr. Nguyen The Phuong	Member (resigned on 06 March 2020)

#### ● Board of Executive Officers

Mr. Hoang Trung Kien	Chief Executive Officer (appointed on 07 March 2020)
Ms. Nguyen Bach Diep	Chief Executive Officer (resigned on 07 March 2020)
Ms. Trinh Hoa Giang	First Deputy Chief Executive Officer
Mr. Nguyen Viet Anh	Second Deputy Chief Executive Officer

## ● BOARD OF EXECUTIVE OFFICERS’ STATEMENT OF RESPONSIBILITY

The Board of Executive Officers of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of Executive Officers 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 consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

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

The Board of Executive Officers confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Executive Officers,



**Hoang Trung Kien**  
**Chief Executive Officer**

30 March 2021

## ● INDEPENDENT AUDITORS' REPORT

**To: The shareholders  
The Board of Directors and the Board of Executive Officers  
FPT Digital Retail Joint Stock Company**

We have audited the accompanying consolidated financial statements of FPT Digital Retail Joint Stock Company (the "Company"), prepared on 30 March 2021 as set out from page 05 to page 37, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statement of income and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



**Pham Nam Phong**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No. 0929-2019-001-1

**DELOITTE VIETNAM COMPANY LIMITED**  
30 March 2021  
Hanoi, S.R. Vietnam

**Pham Tuan Linh**  
**Auditor**  
Audit Practising Registration Certificate  
No. 3001-2019-001-1

# BALANCE SHEET

FORM B 02-DN

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

As at 31 December 2020

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>4,445,864,675,433</b>	<b>6,093,382,598,401</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	4	<b>671,429,104,441</b>	<b>836,825,071,425</b>
1. Cash	111		521,429,104,441	386,825,071,425
2. Cash equivalents	112		150,000,000,000	450,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>758,482,342,573</b>	<b>453,493,176,666</b>
1. Held-to-maturity investments	123	5	758,482,342,573	453,493,176,666
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,492,272,487,505</b>	<b>1,327,190,351,666</b>
1. Short-term trade receivables	131	6	171,423,336,910	198,044,641,541
2. Short-term advances to suppliers	132	7	89,921,553,564	92,469,596,257
3. Short-term loan receivables	135	8	885,000,000,000	542,359,066,193
4. Other short-term receivables	136	9	403,913,402,420	528,776,162,327
5. Provision for short-term doubtful debts	137	10	(57,985,805,389)	(34,459,114,652)
<b>IV. Inventories</b>	<b>140</b>	11	<b>1,420,669,367,994</b>	<b>3,243,001,114,252</b>
1. Inventories	141		1,447,085,875,374	3,258,551,355,389
2. Provision for devaluation of inventories	149		(26,416,507,380)	(15,550,241,137)
<b>V. Other short-term assets</b>	<b>150</b>		<b>103,011,372,920</b>	<b>232,872,884,392</b>
1. Short-term prepayments	151	12	100,875,932,522	114,251,310,689
2. Value added tax deductibles	152		2,133,581,579	118,619,714,884
3. Taxes and other receivables from the State budget	153	17	1,858,819	1,858,819
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>539,810,274,327</b>	<b>443,008,933,430</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>99,269,730,873</b>	<b>97,128,328,921</b>
1. Other long-term receivables	216	9	99,269,730,873	97,128,328,921
<b>II. Fixed assets</b>	<b>220</b>		<b>49,031,520,606</b>	<b>48,529,153,024</b>
1. Tangible fixed assets	221	13	7,421,686,693	6,614,568,303
- Cost	222		12,620,837,944	11,190,777,144
- Accumulated depreciation	223		(5,199,151,251)	(4,576,208,841)
2. Intangible assets	227	14	41,609,833,913	41,914,584,721
- Cost	228		46,501,767,990	46,372,767,990
- Accumulated amortisation	229		(4,891,934,077)	(4,458,183,269)
<b>III. Long-term financial investments</b>	<b>250</b>		<b>225,000,000,000</b>	<b>75,000,000,000</b>
1. Investments in subsidiaries	251	15	225,000,000,000	75,000,000,000
2. Other long-term assets	<b>260</b>		<b>166,509,022,848</b>	<b>222,351,451,485</b>
3. Long-term prepayments	261	12	163,524,444,302	222,351,451,485
4. Deferred tax assets	262		2,984,578,546	0
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>4,985,674,949,760</b>	<b>6,536,391,531,831</b>

The accompanying notes are an integral part of these separate financial statements

As at 31 December 2020

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>3,634,721,048,480</b>	<b>5,226,100,586,847</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>3,634,721,048,480</b>	<b>5,219,821,185,088</b>
1. Short-term trade payables	311	116	1,083,732,539,976	1,228,106,701,355
2. Short-term advances from customers	312		27,930,745,589	19,457,256,341
3. Taxes and amounts payable to the State budget	313	17	30,999,999,322	8,713,096,893
4. Payables to employees	314		1,577,532,063	1,424,641,288
5. Short-term accrued expenses	315	18	188,843,850,709	143,884,128,888
6. Other current payables	319	19	163,276,862,719	109,883,186,224
7. Short-term loans and obligations under finance leases	320	20	2,121,165,487,505	3,689,097,096,165
8. Bonus and welfare funds	322		17,194,030,597	19,255,077,934
<b>II. Long-term liabilities</b>	<b>330</b>		<b>0</b>	<b>6,279,401,759</b>
1. Deferred tax liabilities	341		0	6,279,401,759
<b>D. EQUITY</b>	<b>400</b>	<b>21</b>	<b>1,350,953,901,280</b>	<b>1,310,290,944,984</b>
<b>I. Owners' equity</b>	<b>410</b>		<b>1,350,953,901,280</b>	<b>1,310,290,944,984</b>
1. Owners' contributed capital	411		789,817,920,000	789,817,920,000
- Ordinary shares carrying voting rights	411a		789,817,920,000	789,817,920,000
2. Retained earnings	421		561,135,981,280	520,473,024,984
- Retained earnings accumulated to the prior year end	421a		441,491,232,984	282,134,159,940
- Retained earnings of the current year	421b		119,644,748,296	238,338,865,044
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>4,985,674,949,760</b>	<b>6,536,391,531,831</b>



**Tran Thi Nga**  
Preparer/  
Chief Accountant



**Pham Duy Hoang Nam**  
Chief Financial Officer



**Hoang Trung Kien**  
Chief Executive Officer

30 March 2021

The accompanying notes are an integral part of these separate financial statements



# ● INCOME STATEMENT

FORM B 02-DN

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

For the year ended 31 December 2020

Unit: VND

Items	Codes	Notes	Current year	Prior year
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>24</b>	<b>13,614,263,003,181</b>	<b>16,478,173,229,090</b>
2. Deductions	02	24	138,535,502,543	354,996,798,915
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>	<b>24</b>	<b>13,475,727,500,638</b>	<b>16,123,176,430,175</b>
4. Cost of sales	11	25	11,637,352,696,175	14,101,312,092,499
<b>5. Gross profit from goods sold and services rendered (20=10-11)</b>	<b>20</b>		<b>1,838,374,804,463</b>	<b>2,021,864,337,676</b>
6. Financial income	21	27	71,543,575,988	79,325,787,274
7. Financial expenses	22	28	127,606,650,612	147,872,618,561
- In which: Interest expense	23		108,027,806,941	135,091,090,719
8. Selling expenses	25	29	1,321,028,037,294	1,334,564,278,565
9. General and administration expenses	26	29	331,185,532,895	302,004,251,343
<b>10. Operating profit (30=20+(21-22)-(25+26))</b>	<b>30</b>		<b>130,098,159,650</b>	<b>316,748,976,481</b>
11. Other income	31	30	12,328,367,943	3,235,864,581
12. Other expenses	32		870,778,293	119,503,420
<b>13. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>11,457,589,650</b>	<b>3,116,361,161</b>
<b>14. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>141,555,749,300</b>	<b>319,865,337,642</b>
15. Current corporate income tax expense	51	31	27,474,628,269	67,875,765,738
16. Deferred corporate tax (income)/ expense	52	31	(9,263,980,305)	6,279,401,759
<b>17. Net profit after corporate income tax (60=50-51-52)</b>	<b>60</b>		<b>123,345,101,336</b>	<b>245,710,170,145</b>



**Tran Thi Nga**  
Preparer/  
Chief Accountant



**Pham Duy Hoang Nam**  
Chief Financial Officer



**Hoang Trung Kien**  
Chief Executive Officer

30 March 2021

The accompanying notes are an integral part of these separate financial statements

## ● CASH FLOW STATEMENT

FORM B 03-DN

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

Unit: VND

For the year ended 31 December 2020

Items	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>141,555,749,300</b>	<b>319,865,337,642</b>
<b>2. Adjustments for:</b>			
Depreciation and amortisation of fixed assets	02	1,056,693,218	835,441,508
Provisions	03	34,392,956,980	18,859,508,387
Foreign exchange gain arising from translating foreign currency items	04	(75,365,966)	(1,573,500,000)
Gain from investing activities	05	(57,221,314,873)	(62,468,948,098)
Interest expense	06	108,027,806,941	135,091,090,719
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>227,736,525,600</b>	<b>410,608,930,158</b>
Changes in receivables	09	265,923,900,359	218,323,408,447
Changes in inventories	10	1,811,465,480,015	(745,037,702,475)
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(17,113,890,740)	480,176,090,861
Changes in prepaid expenses	12	72,202,385,350	(22,400,526,250)
Interest paid	14	(109,889,744,852)	(133,785,181,790)
Corporate income tax paid	15	(23,606,280,229)	(82,148,822,013)
Other cash outflows	17	(5,761,400,377)	(512,175,011)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>2,220,956,975,126</b>	<b>125,224,021,927</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(1,559,060,800)	(3,772,776,185)
2. Cash outflow for lending, buying debt instruments of other entities	23	(2,106,455,890,411)	(1,520,000,000,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	1,458,825,790,697	648,646,866,305
4. Equity investments in other entities	25	(150,000,000,000)	0
5. Interest earned, dividends and profits received	27	59,674,253,098	49,985,991,288
<b>Net cash (used in) investing activities</b>	<b>30</b>	<b>(739,514,907,416)</b>	<b>(825,139,918,592)</b>

The accompanying notes are an integral part of these separate financial statements

For the year ended 31 December 2020

Items	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from share issue and owners' contributed capital	31	0	6,800,000,000
2. Proceeds from borrowings	33	9,887,399,304,802	11,726,895,528,826
3. Repayment of borrowings	34	(11,455,330,913,462)	(10,983,496,917,268)
4. Dividends and profits paid	36	(78,981,792,000)	(68,680,000,000)
<b>Net cash (used in)/generated by financing activities</b>	<b>40</b>	<b>(1,646,913,400,660)</b>	<b>681,518,611,558</b>
<b>Net decreases in cash (50=20+30+40)</b>	<b>50</b>	<b>(165,471,332,950)</b>	<b>(18,397,285,107)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>836,825,071,425</b>	<b>855,222,356,532</b>
Effects of changes in foreign exchange rates	61	75,365,966	0
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>671,429,104,441</b>	<b>836,825,071,425</b>



**Tran Thi Nga**  
Preparer/  
Chief Accountant



**Pham Duy Hoang Nam**  
Chief Financial Officer



**Hoang Trung Kien**  
Chief Executive Officer

30 March 2021

The accompanying notes are an integral part of these separate financial statements

## ● NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

**FORM B 03-DN**

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

### ● 1. GENERAL INFORMATION

#### Structure of ownership

FPT Digital Retail Joint Stock Company (the "Company") was incorporated under the first Enterprise Registration Certificate No. 0311609355 dated 08 March 2012 issued by Ho Chi Minh City Department of Planning and Investment and as amended.

The Company's shares are listed on Ho Chi Minh Stock Exchange since April 2018 with stock symbol "FRT".

The number of employees as at 31 December 2020 was 5,110 (31 December 2019: 6,126).

#### Operating industry and principal activities

The principal activity of the Company is to retail digital mobile products including mobile phones, tablets, laptops, accessories and technology services, etc.

#### The main products and services offered are:

- Retail of computers, peripherals, software and telecommunications equipment in specialized stores, via mail order or via internet;
- Repair of machinery and equipment (except for mechanical processing, recycling, electroplating at head office);
- Agents, brokers, auction;
- Advertising;
- Sales of spare parts and accessories of automobiles and other motor vehicles;
- Wholesale of materials, other installation equipment used in construction;
- Wholesale of other household appliances (except for pharmaceutical business);
- Wholesale of electronic and telecommunication equipment and components;
- Wholesale of computers, peripherals and software;
- Other information services: value added services on the Internet, data access services, data processing services and online information, electronic data exchange;
- Activities of insurance agents and insurance brokers;
- Supply and management of labor resources; and
- Postal and delivery.

#### 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.

#### The Company's structure

The Company's head office is located at No. 261 - 263 Khanh Hoi, Ward 02, District 4, Ho Chi Minh City. As at 31 December 2020, the Company had branches in 63 provinces and cities throughout the country and 01 subsidiary as below:

	Incorporation and operation place	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity
FPT Long Chau Pharma Joint Stock Company	Ho Chi Minh City	88,50	88,50	Pharmaceutical business

## Disclosure of information comparability in the separate financial statements

Comparative figures are the figures of the audited separate financial statements for the year ended 31 December 2019. Certain reclassifications have been made to the prior year's figures to enhance their comparability with the current year's presentation. Details are as follows:

Unit: VND

	Previously reported amount	Reclassification	Amount after reclassification
<b>Balance sheet as at 31 December 2019</b>			
Cash	404,279,655,623	(17,454,584,198)	386,825,071,425
Other short-term receivables	511,321,578,129	17,454,584,198	528,776,162,327
<b>Cash flow statement for the year ended 31 December 2019</b>			
Changes in receivables	235,777,992,645	(17,454,584,198)	218,323,408,447
Net cash generated by operating activities	142,678,606,125	(17,454,584,198)	125,224,021,927
Net (decrease)/increase in cash	(942,700,909)	(17,454,584,198)	(18,397,285,107)
Cash and cash equivalents at the end of the year	854,279,655,623	(17,454,584,198)	836,825,071,425

## 2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

### Accounting convention

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

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

Users of these separate financial statements should read these in conjunction with the Company's consolidated financial statements for the year ended 31 December 2020 dated 30 March 2021 in order to obtain comprehensive information on the financial position as well as the results of operations and the cash flow of the Company during the year.

### Financial year

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### Estimates

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



## Cash and cash equivalents

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

## Financial investments

### Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits held to maturity to earn periodic interest and other held-to-maturity investments.

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

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

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

### Loan receivables

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

### Investments in subsidiaries

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

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

Investments in subsidiaries are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries are made when there is reliable evidence for declining in value of these investments as at the balance sheet date.

## 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. In 2020, the Board of Executive Officers has changed the way in which it determines loss estimates for overdue receivables based on actual loss ratio statistics. The impact of this change resulted in an increase in general and administration expenses for the year ended 31 December 2020 by the amount of about VND 20.7 billion.

## Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchasing costs and other directly attributable expenses that have been incurred in bringing the inventories to their present location and condition. The Company uses perpetual method to record inventories. Cost is calculated using first in-first out method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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

## Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

Unit: VND

	Years
Buildings and structures	25 - 50
Machinery and equipment	3 - 5
Motor vehicles	6
Office equipment	3

## Intangible assets and amortisation

### Computer software

Intangible assets representing computer software are stated at cost less accumulated amortisation. Computer software is amortised using the straight-line method over the duration from 3 - 5 years.

### Land use rights

Intangible assets representing the indefinite land use rights are not amortized.

## Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including business places and office rentals and other types of prepayments.

Business places and office rentals represent rentals that have been paid in advance, are charged to the income statement using the straight-line method over the lease term.

Other prepayments comprise shop design and set-up costs, costs of small tools and supplies issued for consumption and other types of prepayments which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

## Revenue recognition

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

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

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 years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

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

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

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

## Foreign currencies

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 income statement.

## Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard 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.

## Related party

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties of the Company are:

- Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company;
- Individuals holding, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel of the Company and close members of any such individual's family;
- Enterprises in which a substantial interest in the voting power is held, directly or indirectly, by any above individuals or over which such individuals are able to exercise significant influence.

In considering each possible related party relationship for purpose of preparation and presentation of consolidated financial statements, attention is directed to the substance of the relationship rather than the legal form.

## Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the 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 separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

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

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

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

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

#### ● 4. CASH AND CASH EQUIVALENTS

Unit: VND

	Closing balance	Opening balance
Cash on hand	986,469,136,300	99,838,883,300
Bank demand deposits	434,959,968,141	286,986,188,125
Cash equivalents (i)	150,000,000,000	450,000,000,000
	<b>671,429,104,441</b>	<b>836,825,071,425</b>

(i) Cash equivalents represent deposits at credit institutions with the original term from 01 to 03 months and interest rate from 3.8% to 4% p.a.

#### ● 5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent deposits at credit institutions with the original term of over 3 months and remaining term of not exceeding 12 months and interest rate from 5% to 7.5% p.a.

#### ● 6. SHORT-TERM TRADE RECEIVABLES

Unit: VND

	Closing balance	Opening balance
Sunshine Technology and Commerce Development Company Limited	33,331,056,000	0
Prudential Vietnam Life Insurance Company Limited	9,572,651,018	0
tHome Credit Vietnam Finance Company Limited	975,753,592	5,565,585,862
Apple Vietnam Company Limited	0	11,313,632,000
Advanced International Joint Stock Company	0	10,790,000,000
Digital Town City Center Co., Ltd.	0	4,191,029,258
Others	127,543,876,300	166,184,394,421
	<b>171,423,336,910</b>	<b>198,044,641,541</b>
<b>In which:</b>		
Receivables from related parties (See Note 33)	4,664,721,600	4,474,222,131

#### ● 7. SHORT-TERM ADVANCES TO SUPPLIERS

Unit: VND

	Closing balance	Opening balance
Electronic Value Trading Company Limited	57,806,224,234	76,563,327,778
Anh Khue Sai Gon Joint Stock Company	4,465,154,418	0
Others	27,650,174,912	15,906,268,479
	<b>89,921,553,564</b>	<b>92,469,596,257</b>

## ● 8. SHORT-TERM LOAN RECEIVABLES

Unit: VND

	Closing balance	Opening balance
FPT Corporation (i)	845,000,000,000	220,000,000,000
FPT Long Chau Pharma Joint Stock Company	0	220,000,000,000
Others (ii)	40,000,000,000	102,359,066,193
	<b>885,000,000,000</b>	<b>542,359,066,193</b>
<b>In which:</b> Loan receivables from related parties (See Note 33)	845,000,000,000	440,000,000,000

(i) Represent loans to FPT Corporation with the term within 6 months and interest rate from 3.8% to 6.0% p.a.

(ii) Represent loans to the Company's employees with the term of 01 month and interest rate of 6.0% p.a.

## ● 9. OTHER RECEIVABLES

Unit: VND

	Closing balance	Opening balance
<b>a. Other short-term receivables</b>		
Receivables from suppliers (i)	324,270,355,462	437,714,515,252
Receivables under sales program (ii)	15,632,583,739	32,030,767,955
Sales by bank cards not yet received	21,396,732,735	17,454,584,198
Accrued interest income	18,337,181,394	20,790,119,619
Receivables from employees	3,986,102,152	1,801,285,494
Deposits and mortgages	1,050,500,000	1,050,500,000
Other receivables	19,239,946,938	17,934,389,809
	<b>403,913,402,420</b>	<b>528,776,162,327</b>
<b>In which:</b> Other receivables from related parties (See Note 33)	6,385,039,404	5,702,438,356
<b>b. Other long-term receivables</b>		
Deposits and mortgages	99,269,730,873	97,128,328,921
	<b>99,269,730,873</b>	<b>97,128,328,921</b>

(i) Represent receivables from suppliers as committed support to conduct marketing, advertising programs for agents.

(ii) Represent receivables under the mobile subsidy program in respect of data pack applicable to operators namely Vietnamobile Telecommunications Joint Stock Company and Mobifone Telecommunication Joint Stock Company.



## 10. BAD DEBTS

	Closing balance				Opening balance			
	Cost	Provision	Recoverable amount (*)	Payees	Cost	Provision	Recoverable amount (*)	Payees
Digital Town City Center Co., Ltd.	0	0	0	Over 3 years	4,191,029,259	(4,191,029,259)	0	Over 3 years
Others	1,551,089,909	(1,551,089,909)	0	Over 3 years	0	0	0	Over 3 years
Others	27,048,938,948	(26,947,788,048)	101,150,900	Over 2 years to 3 years	4,874,957,781	(3,412,470,447)	1,462,487,334	Over 2 years to 3 years
Others	13,230,823,504	(13,042,026,238)	188,797,266	Over 1 year to 2 years	46,586,691,676	(22,821,539,695)	23,765,151,981	Over 1 year to 2 years
Others	55,252,795,098	(16,444,901,194)	38,807,893,904	Over 6 months	13,446,917,506	(4,034,075,251)	9,412,842,255	Over 6 months
	<b>97,083,647,459</b>	<b>(57,985,805,389)</b>	<b>39,097,842,070</b>		<b>69,099,596,222</b>	<b>(34,459,114,652)</b>	<b>34,640,481,570</b>	

(\*) Recoverable amount is stated at cost less provision for short-term doubtful debts.

## 11. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision (*)	Cost	Provision (*)
Goods in transit	3,034,573,631	0	11,162,601,645	0
Tools and supplies	2,906,430,106	0	4,432,034,881	0
Merchandise	1,441,144,871,637	(26,416,507,380)	3,242,956,718,863	(15,550,241,137)
	<b>1,447,085,875,374</b>	<b>(26,416,507,380)</b>	<b>3,258,551,355,389</b>	<b>(15,550,241,137)</b>

(\*) Provision for devaluation of inventories is stated at cost less net realisable value.

As at 31 December 2020, the Company assessed the net realizable value of inventories and made an allowance for inventory devaluation in the amount of VND 26,416,507,380 (as at 31 December 2019: VND 15,550,241,137) on the balance sheet and record the provision for devaluation of inventories with the amount of VND 10,866,266,243 on the Income Statement.

## ● 12. PREPAYMENTS

Unit: VND

	Closing balance	Opening balance
<b>a. Current</b>		
Business places and office rentals	85,078,552,976	97,639,710,054
Other short-term prepayments	15,797,379,546	16,611,600,635
	<b>100,875,932,522</b>	<b>114,251,310,689</b>
<b>b. Non-current</b>		
Shop design and set-up costs	150,604,283,354	208,377,413,444
Other long-term prepayments	12,920,160,948	13,974,038,041
	<b>163,524,444,302</b>	<b>222,351,451,485</b>

## ● 13. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

Unit: VND

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
<b>COST</b>					
Opening balance	4,619,723,333	4,533,133,590	1,455,363,637	582,556,584	11,190,777,144
Additions	0	0	0	1,430,060,800	1,430,060,800
Closing balance	4,619,723,333	4,533,133,590	1,455,363,637	2,012,617,384	12,620,837,944
<b>ACCUMULATED DEPRECIATION</b>					
Opening balance	136,754,695	3,924,038,587	112,061,875	403,353,684	4,576,208,841
Charge for the year	46,657,092	212,356,140	242,560,620	121,368,558	622,942,410
Closing balance	183,411,787	4,136,394,727	354,622,495	524,722,242	5,199,151,251
<b>NET BOOK VALUE</b>					
Opening balance	4,482,968,638	609,095,003	1,343,301,762	179,202,900	6,614,568,303
Closing balance	4,436,311,546	396,738,863	1,100,741,142	1,487,895,142	7,421,686,693

As at 31 December 2020, the cost of the Company's tangible fixed assets includes VND 3,892,424,499 (31 December 2019: VND 3,599,446,317) of fixed assets which have been fully depreciated but are still in use.

## ● 14. INCREASES, DECREASES IN INTANGIBLE ASSETS

Unit: VND

	Land use rights	Computer software	Total
<b>COST</b>			
Opening balance	40,294,000,000	6,078,767,990	46,372,767,990
Additions	0	129,000,000	129,000,000
Closing balance	40,294,000,000	6,207,767,990	46,501,767,990
<b>ACCUMULATED AMORTISATION</b>			
Opening balance	0	4,458,183,269	4,458,183,269
Charge for the year	0	433,750,808	433,750,808
Closing balance	0	4,891,934,077	4,891,934,077
<b>NET BOOK VALUE</b>			
Opening balance	40,294,000,000	1,620,584,721	41,914,584,721
Closing balance	40,294,000,000	1,315,833,913	41,609,833,913

As at 31 December 2020, the cost of the Company's intangible assets includes VND 4,187,737,990 (31 December 2019: VND 3,764,206,626) of assets which have been fully amortised but are still in use.

## ● 15. INVESTMENTS IN SUBSIDIARIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
FPT Long Chau Pharma Joint Stock Company	225,000,000,000	0	75,000,000,000	0

According to Decision No. 1432/2020/QĐ ĐHĐCD dated 01 December 2020 of the General Meeting of Shareholders of FPT Long Chau Pharma Joint Stock Company - the subsidiary of the Company, FPT Long Chau Pharma Joint Stock Company issued an additional 15,423,200 ordinary shares, which increased charter capital from VND 100,000,000,000 to VND 254,232,000,000. In which, the Company purchased 15,000,000 shares, thereby increasing VND 150,000,000,000 of capital contribution to its subsidiary.

The performance of the subsidiary during the year	Current year
FPT Long Chau Pharma Joint Stock Company	Loss

As at 31 December 2020, the Company's Board of Executive Officers assessed that there is no indicator of impairment in the investment in FPT Long Chau Pharma Joint Stock Company, therefore no provision was made.

The significant balances and transactions between the Company and its subsidiary are presented in Note 33.

## ● 16. SHORT-TERM TRADE PAYABLES

Unit: VND

	Closing balance		Opening balance	
	Giá trị	Số có khả năng trả nợ	Giá trị	Số có khả năng trả nợ
Apple Vietnam Company Limited	698,805,678,162	698,805,678,162	638,644,751,009	638,644,751,009
Synnex FPT Distribution Company Limited	88,288,124,092	88,288,124,092	25,433,260,342	25,433,260,342
Masscom Vietnam Joint Stock Company	14,696,770,419	14,696,770,419	26,672,549,467	26,672,549,467
R&M E-Commerce Company Limited	6,452,544,550	6,452,544,550	33,525,374,150	33,525,374,150
Samsung Electronics Vietnam Company Limited	4,255,326,945	4,255,326,945	192,542,745,976	192,542,745,976
Smart Phone Joint Stock Company	0	0	47,698,207,600	47,698,207,600
Vinh Khang Science & Technology Joint Stock Company	0	0	27,756,561,200	27,756,561,200
Others	271,234,095,808	271,234,095,808	235,833,251,611	235,833,251,611
<b>In which:</b>	<b>1,083,732,539,976</b>	<b>1,083,732,539,976</b>	<b>1,228,106,701,355</b>	<b>1,228,106,701,355</b>
Trade payables to related parties (See Note 33)	14,067,760,265		3,075,050,631	

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

Unit: VND

	Opening balance	Payable during the year	Paid/Deducted during the year	Opening balance
<b>a. Receivables</b>				
Personal income tax	1,858,819	2,345,610	2,345,610	1,858,819
	<b>1,858,819</b>	<b>2,345,610</b>	<b>2,345,610</b>	<b>1,858,819</b>
<b>b. Payables</b>				
Value added tax	715,306,204	1,814,403,255,191	1,794,906,989,443	20,211,571,952
Corporate income tax	5,901,721,515	27,474,628,269	23,606,280,229	9,770,069,555
Personal income tax	2,096,069,174	14,421,869,617	15,729,462,727	788,476,064
Contractor withholding tax	0	2,193,133,907	1,963,252,156	229,881,751
Other taxes	0	324,500,000	324,500,000	0
	<b>8,713,096,893</b>	<b>1,858,817,386,984</b>	<b>1,836,530,484,555</b>	<b>30,999,999,322</b>

● **18. SHORT-TERM ACCRUED EXPENSES**

Unit: VND

	Closing balance	Opening balance
Accrued salary	143,928,283,748	101,693,969,853
Accruals for installment support costs	14,944,768,814	12,297,889,809
Accrued interest expense	8,390,605,423	10,252,543,334
Accruals for cost of sales	4,968,203,320	3,585,432,179
Other accruals	16,611,989,404	16,054,293,713
	<b>188,843,850,709</b>	<b>143,884,128,888</b>

● **19. OTHER CURRENT PAYABLES**

Unit: VND

	Closing balance	Opening balance
Collection on behalf of partners	155,649,684,152	101,907,555,715
Trade union fee	6,992,573,004	7,149,524,826
Other payables	634,605,563	826,105,683
	<b>163,276,862,71</b>	<b>109,883,186,224</b>
<b>In which:</b>		
Other payables to related parties (See Note 33)	6,016,455,218	769,228,975

## 20. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

FORM B 03-DN

Unit: VND

	Opening balance		Trong năm		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
Joint Stock Commercial Bank for Investment and Development of Vietnam	870,984,715,959	870,984,715,959	1,732,535,328,544	2,041,246,029,346	562,274,015,157	562,274,015,157
Standard Chartered Bank Vietnam	246,607,380,206	246,607,380,206	947,885,817,898	659,845,063,022	534,648,135,082	534,648,135,082
HSBC Vietnam	679,300,000,000	679,300,000,000	1,393,989,131,913	1,662,672,858,326	410,616,273,587	410,616,273,587
ANZ Bank Vietnam	417,300,000,000	417,300,000,000	1,047,918,394,781	1,309,823,959,073	155,394,435,708	155,394,435,708
MUFG Bank Malaysia	0	0	150,620,000,000	0	150,620,000,000	150,620,000,000
MUFG Bank, Ltd.	0	0	475,276,672,911	370,422,639,745	104,854,033,166	104,854,033,166
Joint Stock Commercial Bank for Foreign Trade of Vietnam	0	0	314,390,544,600	258,167,872,600	56,222,672,000	56,222,672,000
HSBC Hongkong	587,480,000,000	587,480,000,000	2,413,614,450,000	2,951,246,700,000	49,847,750,000	49,847,750,000
Shinhan Bank Vietnam Limited	0	0	32,769,220,000	0	32,769,220,000	32,769,220,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	0	0	22,244,411,809	0	22,244,411,809	22,244,411,809
Military Commercial Joint Stock Bank Company	0	0	60,219,200,250	39,106,284,250	21,112,916,000	21,112,916,000
DBS Bank	0	0	20,561,624,996	0	20,561,624,996	20,561,624,996
ANZ Bank Singapore	299,523,000,000	299,523,000,000	254,615,900,000	554,138,900,000	0	0
Citibank Vietnam	416,000,000,000	416,000,000,000	200,063,207,100	616,063,207,100	0	0
Standard Chartered Bank Singapore	171,902,000,000	171,902,000,000	370,695,400,000	542,597,400,000	0	0
FPT Corporation	0	0	450,000,000,000	450,000,000,000	0	0
	<b>3,689,097,096,165</b>	<b>3,689,097,096,165</b>	<b>9,887,399,304,802</b>	<b>11,455,330,913,462</b>	<b>2,121,165,487,505</b>	<b>2,121,165,487,505</b>



## 21. OWNERS' EQUITY

### Movement in owners' equity

Unit: VND

	Owners' contributed capital	Retained earnings	Total
<b>Prior year's opening balance</b>	<b>680,000,000,000</b>	<b>453,832,079,940</b>	<b>1,133,832,079,940</b>
Capital increase	6,800,000,000	0	6,800,000,000
Profit for the year	0	245,710,170,145	245,710,170,145
Retained earnings distributed to capital	103,017,920,000	(103,017,920,000)	0
Dividends declared	0	(68,680,000,000)	(68,680,000,000)
Profit distributed to funds	0	(7,371,305,101)	(7,371,305,101)
<b>Current year's opening balance</b>	<b>789,817,920,000</b>	<b>520,473,024,984</b>	<b>1,310,290,944,984</b>
Profit for the year	0	123,345,101,336	123,345,101,336
Dividends declared (i)	0	(78,981,792,000)	(78,981,792,000)
Profit distributed to funds (ii)	0	(3,700,353,040)	(3,700,353,040)
<b>Current year's closing balance</b>	<b>789,817,920,000</b>	<b>561,135,981,280</b>	<b>1,350,953,901,280</b>

(i) Resolution No. 01.2020/NQ-DHCDTN/FRT dated 13 August 2020 of the Annual General Meeting of Shareholders approved the plan to distribute profits of 2019 in the form of cash dividend at the rate of 10% of par value/stock. As at the date of these separate financial statements, all dividends have been paid to shareholders.

(ii) According to Decision of the Company's Chairwoman dated 31 December 2020, the Company temporarily appropriated bonus and welfare funds from 2020 profit after tax at the rate of 3%. The final appropriation rate for bonus and welfare funds will be approved at the Annual General Meeting of shareholders in 2021.

## Charter capital

According to the Company's first Enterprise Registration Certificate No. 0311609355 dated 08 March 2012 and the 51th amended Certificate dated 22 March 2021, the Company's charter capital is VND 789,817,920,000. The charter capital contribution by the owners as at 31 December 2020 had been fully made as follows:

Unit: VND

	Closing balance		Opening balance	
	VND	%	VND	%
FPT Corporation	367,540,000,000	46.53	367,540,000,000	46.53
VOF Investment Limited	60,281,340,000	7.63	60,281,340,000	7.63
Others	361,996,580,000	45.84	361,996,580,000	45.83
	<b>789,817,920,000</b>	<b>100.00</b>	<b>789,817,920,000</b>	<b>100.00</b>

## Shares

Unit: Shares

	Closing balance		Opening balance	
- Number of shares issued to the public				7
+ Ordinary shares		78,981,792		8,981,792
+ Preference shares		0		-
- Number of outstanding shares in circulation				
+ Ordinary shares		78,981,792		78,981,792
+ Preference shares		0		-

An ordinary share has par value of VND 10,000.

## 22. OFF BALANCE SHEET ITEMS

	Closing balance		Opening balance	
<b>Foreign currency</b>				
United States Dollar (USD)		296,019		500,091

## Guarantee letters

As at 31 December 2020, HSBC Hong Kong, United Oversea Bank Limited, HSBC Vietnam, MUFG Bank, Ltd., Vietnam Prosperity Joint Stock Commercial Bank and Joint Stock Commercial Bank for Investment and Development of Vietnam issued payment guarantee letters to the Company's partners. The outstanding guarantee balances of these letters as at 31 December 2020 were as follows:

Unit: VND

Bank	Opening balance
HSBC Hongkong	425,000,000,000
United Oversea Bank Limited	190,000,000,000
HSBC Vietnam	100,000,000,000
MUFG Bank, Ltd.	100,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	28,428,256,000
Joint Stock Commercial Bank for Investment and Development of Vietnam	20,403,612,800
	<b>863,831,868,800</b>

## 23. BUSINESS AND GEOGRAPHICAL SEGMENTS

A segment is a distinguishable component of the Company involved in the provision of related products or services (business segment), or the supply of products or services in a particular economic environment (geographical segment), each of which has risks and benefits different from those of other segments.

In terms of risk and economic benefits, the Board of Executive Officers has assessed that the Company operates in a single business segment: informatics equipment, mobile phones, components and related accessories and a single geographic area of Vietnam.

## 24. REVENUE

Unit: VND

	Current year	Prior year
<b>Gross revenue from goods sold and services rendered</b>		
- Revenue from goods sold and services rendered	13,614,263,003,181	116,478,173,229,090
	<b>13,614,263,003,181</b>	<b>16,478,173,229,090</b>
<b>In which:</b>		
Revenue from related parties (See Note 33)	84,345,887,117	26,699,669,409
<b>Sales deductions</b>	<b>138,535,502,543</b>	<b>354,996,798,915</b>
- Sales return	138,535,502,543	354,996,798,915
<b>Net revenue from goods sold and services rendered</b>	<b>13,475,727,500,638</b>	<b>16,123,176,430,175</b>

## ● 25. COST OF SALES

Unit: VND

	Current year	Prior year
Cost of goods sold and services rendered	11,626,486,429,932	14,099,126,738,252
Provision for devaluation of inventories	10,866,266,243	2,185,354,247
	<b>11,637,352,696,175</b>	<b>14,101,312,092,499</b>

## ● 26. PRODUCTION COST BY NATURE

Unit: VND

	Current year	Prior year
Labour	714,913,504,176	702,469,278,310
Depreciation and amortisation	1,056,693,218	835,441,508
Out-sourced services expenses	912,716,682,058	894,581,365,418
Provision	34,392,956,980	18,859,508,387
	<b>1,663,079,836,432</b>	<b>1,616,745,593,623</b>

## ● 27. FINANCIAL INCOME

Unit: VND

	Current year	Prior year
Bank and loan interest	57,221,314,873	62,468,948,098
Foreign exchange gain	1,288,233,902	3,069,391,901
Other financial income	13,034,027,213	13,787,447,275
	<b>71,543,575,988</b>	<b>79,325,787,274</b>

## ● 28. FINANCIAL EXPENSES

Unit: VND

	Current year	Prior year
Interest expense	108,027,806,941	135,091,090,719
Foreign exchange loss	19,578,843,671	12,781,527,842
	<b>127,606,650,612</b>	<b>147,872,618,561</b>

## ● 29. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

Unit: VND

	Current year	Prior year
<b>Selling expenses</b>		
Labour cost	520,319,441,628	540,868,176,426
Shop rental fees	402,197,132,989	376,510,695,529
Other selling expenses	398,511,462,677	417,185,406,610
	<b>1,321,028,037,294</b>	<b>1,334,564,278,565</b>
<b>General and administration expenses</b>		
Labour cost	194,594,062,548	161,601,101,884
Provision for doubtful debts	27,717,719,995	16,674,154,140
Out-sourced services expenses	51,467,938,870	60,302,458,528
Other expenses	57,405,811,482	63,426,536,791
	<b>331,185,532,895</b>	<b>302,004,251,343</b>

## ● 30. OTHER INCOME

Unit: VND

	Current year	Prior year
Income from the return of goods	8,467,976,390	2,370,032,960
Others	3,860,391,553	865,831,621
	<b>12,328,367,943</b>	<b>3,235,864,581</b>

## ● 31. CORPORATE INCOME TAX EXPENSE

Unit: VND

	Current year	Prior year
<b>Current corporate income tax expense</b>		
Corporate income tax expense based on taxable profit in the current year	37,609,202,788	67,875,765,738
Adjustments for corporate income tax expense in previous years to the current year (i)	(10,134,574,519)	0
<b>Total current corporate income tax expense</b>	<b>27,474,628,269</b>	<b>67,875,765,738</b>

(i) In which, VND 10,182,099,896 of corporate income tax expenses for 2019 is adjusted according to Decree 68/2020/ND-CP dated 24 June 2020 on tax administration for enterprises with related transactions.

Unit: VND

	Current year	Prior year
<b>Profit before tax</b>	<b>141,555,749,300</b>	<b>319,865,337,642</b>
Adjustments for taxable profit	46,490,264,638	19,513,491,049
Less: deductible expenses	0	(31,397,008,793)
Add: non-deductible expenses	46,490,264,638	50,910,499,842
<b>Taxable profit</b>	<b>188,046,013,938</b>	<b>339,378,828,691</b>
Normal tax rate	20%	20%
<b>Corporate income tax expense based on taxable profit in the current year</b>	<b>37,609,202,788</b>	<b>67,875,765,738</b>

Unit: VND

	Current year	Prior year
<b>Deferred corporate income tax expense</b>		
Deferred corporate income tax expense arising from taxable temporary differences	(2,984,578,546)	6,279,401,759
Reversal of deferred tax liabilities	(6,279,401,759)	0
<b>Total deferred corporate income tax expense</b>	<b>(9,263,980,305)</b>	<b>6,279,401,759</b>

## ● 32. OPERATING LEASE COMMITMENTS

Operating lease payments represent total payables by the Company for office and shop rentals. Minimum lease payment in the future under non-cancellable operating lease is under the following terms:

	Closing balance	Opening balance
Within one year	418,478,472,124	362,121,365,539
In the second to fifth year inclusive	470,471,397,034	695,288,657,234
After five years	15,172,567,500	16,392,930,000
	<b>904,122,436,658</b>	<b>1,073,802,952,773</b>



### 33. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the year:

Related parties	Relationship
FPT Corporation	Major shareholder (the Company is an associate of FPT Corporation)
FPT Software Company Limited	Subsidiary of Major shareholder (FPT Corporation)
FPT Telecom Joint Stock Company	Subsidiary of Major shareholder (FPT Corporation)
FPT Information System Corporation	Subsidiary of Major shareholder (FPT Corporation)
FPT Long Chau Pharma Joint Stock Company	Subsidiary

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

Unit: VND

	Current year	Prior year
<b>Sales</b>		
FPT Information System Corporation	38,870,367,632	8,514,342,286
FPT Corporation	32,458,952,465	6,998,976,229
FPT Telecom Joint Stock Company	8,484,046,728	7,166,281,329
FPT Software Company Limited	4,532,520,292	4,020,069,565
	<b>84,345,887,117</b>	<b>26,699,669,409</b>
<b>Purchases</b>		
FPT Telecom Joint Stock Company	17,212,553,787	25,921,283,287
FPT Information System Corporation	11,877,045,435	8,998,181
FPT Long Chau Pharma Joint Stock Company	5,150,801,556	0
FPT Corporation	5,014,980,739	6,722,304,188
FPT Software Company Limited	0	155,030,746
	<b>39,255,381,517</b>	<b>32,807,616,402</b>

	Current year	Prior year
<b>Dividend distributed</b>		
FPT Corporation	36,754,000,000	31,960,000,000
	<b>36,754,000,000</b>	31,960,000,000
<b>Lending</b>		
FPT Corporation	1,660,000,000,000	830,000,000,000
FPT Long Chau Pharma Joint Stock Company	140,000,000,000	240,000,000,000
	<b>1,800,000,000,000</b>	1,070,000,000,000
<b>Recovery from lending</b>		
FPT Corporation	1,035,000,000,000	610,000,000,000
FPT Long Chau Pharma Joint Stock Company	360,000,000,000	20,000,000,000
	<b>1,395,000,000,000</b>	630,000,000,000
<b>Interest income from lending</b>		
FPT Corporation	13,769,640,729	10,663,160,718
FPT Long Chau Pharma Joint Stock Company	3,842,932,083	3,236,712,327
	<b>17,612,572,812</b>	13,899,873,045
<b>Borrowing</b>		
FPT Corporation	450,000,000,000	0
	<b>450,000,000,000</b>	0
<b>Loan repayment</b>		
FPT Corporation	450,000,000,000	0
	<b>450,000,000,000</b>	0
<b>Interest expenses</b>		
FPT Corporation	4,976,273,973	0
	<b>4,976,273,973</b>	0
<b>Capital contributed</b>		
FPT Long Chau Pharma Joint Stock Company	150,000,000,000	0
	<b>150,000,000,000</b>	0

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

Unit: VND

	Closing balance	Opening balance
<b>Short-term trade receivables</b>		
FPT Information System Corporation	2,667,252,351	2,486,650,906
FPT Corporation	1,546,677,249	3,180,000
FPT Telecom Joint Stock Company	402,100,000	1,876,886,906

	Closing balance	Opening balance
FPT Software Company Limited	48,692,000	24,429,200
FPT Long Chau Pharma Joint Stock Company	0	83,075,119
	<b>4,664,721,600</b>	<b>4,474,222,131</b>
<b>Short-term loan receivables</b>		
FPT Corporation	845,000,000,000	220,000,000,000
FPT Long Chau Pharma Joint Stock Company	0	220,000,000,000
	<b>845,000,000,000</b>	<b>440,000,000,000</b>
<b>Other short-term receivables</b>		
FPT Long Chau Pharma Joint Stock Company	4,065,007,217	624,657,534
FPT Corporation	1,401,945,124	5,077,780,822
FPT Telecom Joint Stock Company	918,087,063	0
	<b>6,385,039,404</b>	<b>5,702,438,356</b>
<b>Short-term trade payables</b>		
FPT Information System Corporation	11,216,576,470	0
FPT Corporation	1,100,000,000	1,153,165,126
FPT Long Chau Pharma Joint Stock Company	866,882,587	0
FPT Telecom Joint Stock Company	884,301,208	1,359,385,505
FPT Software Company Limited	0	562,500,000
	<b>14,067,760,265</b>	<b>3,075,050,631</b>
<b>Other short-term payables</b>		
FPT Long Chau Pharma Joint Stock Company	5,824,133,974	0
FPT Telecom Joint Stock Company	192,321,244	769,228,975
	<b>6,016,455,218</b>	<b>769,228,975</b>

#### Remuneration paid to the Company's Boards of Directors, Board of Supervisors and Chief Executive Officer and other key management members during the year was as follows:

In 2020, the Boards of Directors did not have remuneration.

Unit: VND

Name	Position	Current year
Ms. Nguyen Bach Diep	Chairwoman	0
Ms. Trinh Hoa Giang	Member	0
Mr. Le Hong Viet	Member	0
Mr. Hoang Trung Kien	Member	0
Mr. Nguyen Dac Viet Dung	Member	0
<b>Total</b>		<b>0</b>

In 2020, the Boards of Supervisors did not have remuneration.

Name	Position	Current year
Mr. Bui Huy Cuong	Head of Board of Supervisors	0
Mr. Nguyen Dinh Hung	Member of Board of Supervisors	0
Ms. Ngo Thi Minh Hue	Member of Board of Supervisors	0
<b>Total</b>		<b>0</b>

#### Remuneration paid to the Chief Executive Officers and other key management members

Unit: VND

Name	Position	Current year
Mr. Hoang Trung Kien	Chief Executive Officer	1,912,000,000
Ms. Trinh Hoa Giang	First Deputy Chief Executive Officer	1,516,200,000
Mr. Nguyen Viet Anh	Second Deputy Chief Executive Officer	1,166,700,000
Mr. Pham Duy Hoang Nam	Chief Financial Officer	692,000,000
Ms. Tran Thi Nga	Chief Accountant	416,266,227
<b>Total</b>		<b>5,703,166,227</b>

### 34. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

#### Supplemental non-cash disclosures

Unit: VND

Name	Current year	Prior year
Interest income not yet received	18,337,181,394	20,790,119,619
Interest expense not yet paid	8,390,605,423	10,252,543,334

### 35. OTHER EVENTS

In 2020, the COVID-19 epidemic that originated in China has spread to many countries, causing a wide-ranging influence, creating many challenges for all retail industries as well as society. The Company assessed the overall impact of the epidemic on its entire operations and took all possible measures to limit the negative impact of the disease on its employees and operations. The Company is constantly monitoring disease developments in order to respond proactively, promptly and appropriately.



**Tran Thi Nga**  
Preparer/  
Chief Accountant



**Pham Duy Hoang Nam**  
Chief Financial Officer



**Hoang Trung Kien**  
Chief Executive Officer

30 March 2021



FPT Retail



FPT RETAIL **STRIVES WHOLEHEARTEDLY**  
**TO BRING MORE VALUE FOR ITS CONSUMERS, STAFFS AND PARTNERS**





FPT Retail



# ANNUAL REPORT 2020

**FPT DIGITAL RETAIL JOINT STOCK COMPANY**

261 - 263 Khanh Hoi, Ward 5, District 4, Ho Chi Minh City

(+84-28) 7302 3456

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