

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION**Form of capital ownership**

FPT Online Services Joint Stock Company (referred to as the "Company") was established in Vietnam under the Business Registration Certificate initially issued by the Ho Chi Minh City Department of Planning and Investment on June 21, 2007, and the 16th adjustment license of Business Registration Certificate No. 0305045911 dated November 6, 2023.

The parent company of the Company is FPT Telecom Joint Stock Company. The ultimate parent company of the Group is FPT Corporation.

Business activities and main Operations

The Company's business activities include wired telecommunications activities; data processing; leasing and related activities; manufacturing consumer electronics products; information technology services and other related computer services; software publishing; other education services; computer programming services; information portals; other professional, scientific and technological activities; other telecommunications activities; real estate business; land use rights owned by owners or lessees or used by lessees; computer consultancy and system administration services; wholesale of machinery and equipment and other machine parts and accessories; wholesale of automobiles and other motor vehicles; activities of employment placement agencies and labor supply agencies; wholesale of computers, peripheral equipment and software; wholesale of electronic and telecommunications equipment and parts; automobile and other motor vehicle agents; other passenger land transport activities; freight transport by road; food production activities; wholesale of food products; retail sale of cars (under 9 seats); retail sale of food in specialized stores; manufacture of electric motors, generators, transformers and electricity distribution and control apparatuses; supporting services related to advertising and tour organization activities; other supporting services related to transport activities; brokerage agents, auction agents activities; manufacture of communication equipment devices and computers and peripheral equipment devices for computers manufacturing activities.

The main operations of the Company are providing telecommunications services, online advertising services, internet access services, data access services, data processing and information services on the internet, electronic data interchange services, and other online services.

Normal operating cycle

The normal operating cycle of the Company is conducted within a period of 12 months.

Enterprise structure

The Company has its head office in Ho Chi Minh City and a branch in Hanoi.

Explanation on the comparability of information in the separate financial statements

Comparative figures are those of the financial statements as at March 31, 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND FINANCIAL YEAR**Basis of preparation of financial statements**

The accompanying financial statements are presented in Vietnamese Dong (VND), on the historical cost basis and in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, and the relevant statutory requirements applicable to financial reporting.

Fiscal year

The financial year of the Company starts on January 1 and ends on December 31.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing the separate financial statements:

Accounting estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, and the relevant statutory requirements applicable to financial reporting requires the Board of General Directors 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 Board of General Directors' 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 investments that are readily convertible into 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 are those investments which the Company has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks and other held-to-maturity investments.

Held-to-maturity investments are initially recognized at purchase cost plus any directly attributable transaction costs. Interest income from held-to-maturity investments after the purchase date is recognized in the separate income statement on an accrual basis. Interest received before the Company holds the investments is deducted from the purchase cost at the purchase date.

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

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

Investments in subsidiaries and other entities

Investments in subsidiaries

Subsidiaries are entities controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of the investee so as to obtain benefits from its activities.

Investments in equity instruments of other entities

Investments in equity instruments of other entities reflect investments in equity instruments where the Company does not have control, joint control, or significant influence over the investee.

Investments in subsidiaries and equity instruments of other entities are stated at cost less provision for impairment.

Provision for impairment of investments in subsidiaries, joint ventures, and associates is made in accordance with Circular No. 228/2009/TT-BTC dated December 7, 2009, of the Ministry of Finance on "Guidelines for provision and use of provisions for devaluation of inventories, loss of financial investments, bad debts, and product warranty at enterprises", Circular No. 89/2013/TT-BTC dated June 28, 2013, of the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC, and the prevailing accounting regulations.

Receivables

Receivables are amounts recoverable from customers or other parties. Receivables are presented at the carrying amount less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or for receivables where the debtor is in liquidation, bankruptcy, or facing similar difficulties.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories includes purchase cost and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is determined on a first-in, first-out basis. Net realizable value is the

estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Provision for devaluation of inventories is made in accordance with the prevailing accounting regulations. Accordingly, the Company is allowed to make provision for devaluation of obsolete, damaged, and substandard inventories and in cases where the cost of inventories is higher than the net realizable value at the end of the accounting period.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Cost of tangible fixed assets includes purchase cost and all directly attributable costs of bringing the asset to working condition for its intended use.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives, as follows:

- Machinery and equipment: 3 – 5 years
- Office equipment: 2 – 5 years

Gains or losses arising from the disposal or sale of assets are the difference between the proceeds from disposal and the carrying amount of the asset and are recognized in the income statement.

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

The Company as lessor: Operating lease income is recognized on a straight-line basis over the lease term.

The Company as lessee: Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Intangible fixed assets and amortization

Intangible fixed assets include copyrights, patents, and computer software, and are stated at cost less accumulated amortization. Intangible fixed assets are amortized on a straight-line basis over 3 years.

Prepayments

Prepayments include prepaid office rental, prepaid royalties, website construction costs, and other prepayments.

Prepaid office rental represents office rental paid in advance. Prepaid office rental is allocated to the income statement on a straight-line basis over the lease term.

Other prepayments include prepaid royalties, website construction costs, and other prepayments, which are recognized in the income statement on a straight-line basis over the contract term.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of General Directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Revenue recognition

Revenue from service transactions is recognized when the outcome of the transaction can be measured reliably. Where the service transaction involves multiple periods, revenue is recognized in the period by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a service transaction is measured when all of the 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 stage of completion of the

transaction at the balance sheet date can be measured reliably; and (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is recognized on an accrual basis, determined by the balance of the deposit accounts and the applicable interest rates.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the exchange rates at that date. Exchange differences arising are recognized in the income statement.

Bonus and welfare fund

The annual bonus and welfare fund is appropriated at a rate not exceeding 10% of profit after tax and is subject to the approval of the General Meeting of Shareholders.

Taxation

Corporate income tax represents the total of current tax and deferred tax.

Current tax is calculated based on taxable income for the year. Taxable income differs from profit before tax as reported in the income statement because taxable income excludes items of income or expense that are taxable or deductible in other years (including carryforward losses, if any) and further excludes items that are not taxable or deductible.

Deferred income tax is calculated on the differences between the carrying amounts and the tax bases of assets and liabilities in the financial statements and is accounted for using the balance sheet method. Deferred income tax liabilities are recognized for all temporary differences, while deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is determined using tax rates that are expected to apply in the year when the asset is realized or the liability is settled. Deferred income tax is recognized in the income statement, except when it relates to items that are recognized directly in equity, in which case the deferred tax is also recognized in equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxable entity and the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the Company's income tax is based on the current tax regulations. However, these regulations change over time and the final determination of corporate income tax depends on the results of the tax authorities' examinations. Other taxes are applied in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	End of quarter	Beginning of year
Cash	62,501,883	25,978,924
Cash at bank	34,504,635,383	23,224,458,703
Cash equivalents		30,000,000,000
Total	34,567,137,266	53,250,437,627

5. SHORT-TERM INVESTMENTS

	End of quarter	Beginning of year
Term deposits	744,498,405,126	763,020,228,533
Other Investments		
Total	744,498,405,126	763,020,228,533

6. SHORT-TERM TRADE ACCOUNTS RECEIVABLES

	End of quarter	Beginning of year
Short-term trade accounts receivable	77,319,544,517	108,876,824,442
Total	77,319,544,517	108,876,824,442

7. OTHER RECEIVABLES

Short-terms	End of quarter	Beginning of year
Employee receivables	922,996,715	
Deposits and mortgages	3,323,878,220	6,943,031,220
Interest receivables	9,350,000,000	8,710,000,000
Others		
Total	13,596,874,935	15,653,031,220
Long-term	End of quarter	End of quarter
Deposits and mortgages	602,100,000	602,100,000
Total	602,100,000	602,100,000

8. DOUBTFUL DEBTS

Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision
VND	VND	VND	VND	VND	VND
17,078,880,096	216,000,000	16,862,880,096	17,427,880,096	250,538,832	17,177,341,264
17,078,880,096	216,000,000	16,862,880,096	17,427,880,096	250,538,832	17,177,341,264

9. PREPAID EXPENSES

	End of quarter	Beginning of year
Short-term	3,696,232,554	2,752,081,985
Total	3,696,232,554	2,752,081,985
	Số cuối quý	End of quarter
Long-term	41,398,561,225	43,766,640,115
Total	41,398,561,225	43,766,640,115

10. TANGIBLE FIXED ASSETS

	Machinery and equipment	Office equipment	Total
Historical cost			
Beginning of year	143,429,743	93,868,632,595	93,846,745,702
Charge for the period			
Other decreases/Disposals		(165,316,636)	(165,316,636)
End of quarter	143,429,743	93,868,632,595	93,846,745,702

Accumulated Depreciation			
Beginning of year	143,429,743	88,206,397,171	88,349,826,914
Charge for the period		767,561,954	767,561,954
Other decreases/Disposals			
End of quarter	<u>143,429,743</u>	<u>88,973,959,125</u>	<u>89,117,388,868</u>
Net book value			
End of quarter	<u>0</u>	<u>4,729,356,834</u>	<u>4,729,356,834</u>
Beginning of year	<u>0</u>	<u>5,496,918,788</u>	<u>5,496,918,788</u>

11. INTANGIBLE FIXED ASSETS

	Patent and License	Total
Historical cost		
Beginning of year	98,000,000	98,000,000
Charge for the period		
Other decreases/Disposals		
End of quarter	<u>98,000,000</u>	<u>98,000,000</u>
Accumulated Depreciation		
Beginning of year	178,506	178,506
Charge for the period	8,054,794	8,054,794
Other decreases/Disposals		
End of quarter	<u>8,233,300</u>	<u>8,233,300</u>
Netbook value		
End of quarter	<u>89,766,700</u>	<u>89,766,700</u>
Beginning of year	<u>97,821,494</u>	<u>97,821,494</u>

12. DEFERRED INCOME TAX ASSETS

Below are the deferred income tax assets recognized by the Company and the changes in these items during the year and the previous year:

Beginning balance of the previous year	911,967,807
Transferred to the income statement	
Beginning balance of the current year	<u>911,967,807</u>
Transferred to the income statement	-1,186,258,655
Deferred income tax assets related to temporary differences	911,967,807
Ending balance of the current year	<u>874,909,767</u>

13. SHORT-TERM TRADE ACCOUNTS PAYABLE

	End of quarter	Beginning of year
Short-term trade accounts payable	10,261,289,080	19,102,983,975
Total	<u>10,261,289,080</u>	<u>19,102,983,975</u>

14. SHORT-TERM ADVANCES FROM CUSTOMERS

Short-term advances from customers include amounts paid in advance by customers before the Company provides advertising services as stipulated in the service contracts between the Company and the customers.

15. TAX AND OTHER PAYABLES TO THE STATE

	<u>Beginning of year</u>	<u>Payable during the period</u>	<u>Payment during the period</u>	<u>End of quarter</u>
VAT output	1,530,463,072	9,404,811,334	9,298,774,679	1,636,499,727
GT	7,577,140,394	4,531,409,298	7,447,959,840	4,660,589,852
PIT	969,464,206	6,442,253,724	7,107,975,379	303,742,551
Others	1,294,109	114,405,295	113,675,019	2,023,485
Total	10,078,361,781	20,492,879,651	23,968,385,817	6,602,855,615

16. SHORT-TERM ACCRUED EXPENSES

	<u>End of quarter</u>	<u>Beginning of year</u>
Accrued expenses	100,000,000	3,033,370,111
	100,000,000	3,033,370,111

17. OWNERS' CAPITAL

Ordinary shares have a par value of 10,000 VND. Each ordinary share corresponds to one voting right at the Company's shareholders' meetings. Shareholders receive dividends declared by the Company. All ordinary shares have equal priority concerning the Company's net assets. The rights of the shares repurchased by the Company are suspended until they are reissued.

Treasury shares reflect the number of shares repurchased from former employees who no longer work at the Company.

Changes in owner's equity during the year are as follows:

	<u>Owners' Capital</u>	<u>Share premium</u>	<u>Treasury share</u>	<u>Undistributed earnings</u>	<u>Total</u>
	184,712,750,000	36,208,703,645	(721,035,000)	510,747,888,532	730,948,307,177
Beginning balance of the previous year					
Capital contributions					
Net changes in treasury shares					
Profit for the year				132,828,034,428	132,828,034,428
Appropriation to the Bonus and Welfare Fund (**)				(13,282,803,443)	(13,282,803,443)
Dividend distribution(***)				(36,839,768,000)	(36,839,768,000)
Other changes					
Beginning balance of the current year	184,712,750,000	36,208,703,645	(721,035,000)	593,453,351,517	813,653,770,162
Net changes in treasury shares					
Profit for the year				18,759,552,718	18,759,552,718
Appropriation to the Bonus and Welfare Fund (**)					
Dividend distribution(***)					
Other changes					
Ending balance of the current year	184,712,750,000	36,208,703,645	(721,035,000)	612,212,904,235	832,413,322,880

18. OFF BALANCE SHEET ITEMS

	End of quarter	Beginning of year
Foreign currencies		
- US dollars (USD)	588,252	24,794
	<u>588,252</u>	<u>24,794</u>

19. REVENUE FROM SALES OF MERCHANDISES AND SERVICES RENDERED

	AS 31.03.2025	AS 31.03.2024
Sale	117,791,817,639	127,304,699,310
Sale deductions	- 309,834,255	- 120,121,419
	<u>117,481,983,384</u>	<u>127,184,577,891</u>

20. COSTS OF GOODS SOLD

	AS 31.03.2025	AS 31.03.2024
Costs	64,616,049,448	80,562,207,926
	<u>64,616,049,448</u>	<u>80,562,207,926</u>

21. COST OF OPERATION BY FACTOR

	AS 31.03.2025	AS 31.03.2024
Tools and supplies	730,072,048	855,730,894
Staff costs	29,299,381,288	25,291,145,370
Depreciation	775,616,748	931,989,556
External services	70,276,461,999	85,367,541,406
Others	3,410,869,373	4,452,716,344
	<u>104,492,401,456</u>	<u>116,899,123,570</u>

22. REVENUE FROM FINANCING ACTIVITY

	AS 31.03.2025	AS 31.03.2024
Interest income from deposits and loans	9,838,486,487	8,343,549,138
Profit foreign exchange gains	619,463,919	1,671,263,075
	<u>10,457,950,406</u>	<u>10,014,812,213</u>

23. FINANCIAL EXPENSES

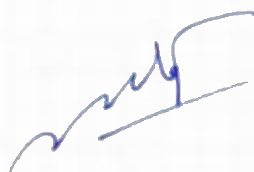
	AS 31.03.2025	AS 31.03.2024
Loss foreign exchange gains	943,354	2,806,057
Others		
	<u>943,354</u>	<u>2,806,057</u>

24. CORPORATE INCOME TAX ("CIT")

	AS 31.03.2025	AS 31.03.2024
Accounting profit before tax	23,431,912,819	20,348,357,963
Effect of tax purposes	(794,866,329)	(1,669,872,423)
Total taxable income	22,637,046,490	18,678,485,540
Tax rate(%)	20%	20%
Total CIT	4,531,409,298	3,735,697,108
CIT charge	4,531,409,298	3,735,697,108



Nguyen Ngoc Duy Sinh
Preparer



La Thi Thanh Hang
Chief Accountant



Ngô Mạnh Cường
General Director
16 April 2025