

**F.I.T INVESTMENT JOINT STOCK COMPANY**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**F.I.T INVESTMENT JOINT STOCK COMPANY**

16<sup>th</sup> Floor, Center Building (Hapulico complex),  
No. 1 Nguyen Huy Tuong, Thanh Xuan, Hanoi

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**STATEMENT OF THE BOARD OF DIRECTORS**

The Board of Directors of F.I.T Investment Joint Stock Company (the “Company”) presents this report together with the Company’s consolidated financial statements for the year ended 31 December 2014.

**THE BOARDS OF MANAGEMENT AND DIRECTORS**

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

**Board of Management**

Mr. Phan Trung Phuong	Chairman	
Ms. Nguyen Thi Minh Nguyet	Vice Chairman	
Ms. Bui Thanh Huong	Member	
Mr. Pham Cong Sinh	Member	
Mr. Phan Minh Sang	Member	(Assigned on 26 April 2014)
Mr. Duong Minh Tu	Member	(Resigned on 26 April 2014)

**Board of Directors**

Ms. Nguyen Thi Minh Nguyet	General Director
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**BOARD OF DIRECTORS’ RESPONSIBILITY**

The Board of Directors 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 and of its results and cash flows for the year in accordance with Vietnamese accounting standards, accounting regime and legal regulations relating to consolidated financial statement preparation and presentation. Under preparation of these consolidated financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make reasonable and prudent judgments and estimation that are;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the 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 financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the separated financial position of the Company and that the consolidated financial statements comply with Vietnamese accounting standards, accounting regime and legal regulations relating to financial statement preparation and presentation. The Board of Directors 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 Directors confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Directors,

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**Nguyen Thi Minh Nguyet**  
**General Director**  
*Hanoi, 5 February 2015*

No: /VACO/BCKT.NV2

## INDEPENDENT AUDITORS' REPORT

**To: Shareholders, the Boards of Management and Directors  
F.I.T Investment Joint Stock Company**

We have audited the accompanying consolidated financial statements of F.I.T Investment Joint Stock Company (the "Company"), prepared on 5 February 2015 as set out from page 3 to page 29, which comprise the consolidated balance sheet as at 31 December 2014, the consolidated statements of income and cash flows for the year then ended, and the notes to the consolidated financial statements (collectively referred to as the "consolidated financial statements").

### ***Board of Directors' Responsibility***

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese accounting standards, accounting regime and legal regulations relating to consolidated financial statement preparation and presentation and for such internal control which the Board of Directors determines to be necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's 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 auditor's 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 auditor considers 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 the Board of Directors, 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 opinion.

### ***Opinion***

In our opinion, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime and legal regulations relating to consolidated financial statement preparation and presentation.

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**Nguyen Duc Tien**  
**Deputy General Director**  
Auditing Practicing Certificate No: 0517-2013-156-1  
*For and on behalf of*  
**VACO AUDITING COMPANY LIMITED**  
*Hanoi, 5 February 2015*

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**Bui Thi Phuong**  
**Auditor**  
Auditing Practicing Certificate No: 2369-2013-156-1

**CONSOLIDATED BALANCE SHEET**  
As at 31 December 2014

**FORM B 01-DN**  
Unit: VND

<b>ASSETS</b>	<b>Codes</b>	<b>Notes</b>	<b>31/12/2014</b>
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>702,365,294,839</b>
<b>(100=110+120+130+140+150)</b>			
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>208,465,681,019</b>
1. Cash	111		34,285,681,019
2. Cash equivalents	112		174,180,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>5</b>	<b>303,257,316,078</b>
1. Short-term investments	121		303,257,316,078
<b>III. Short-term receivables</b>	<b>130</b>		<b>118,284,745,145</b>
1. Trade accounts receivable	131	6	114,024,171,633
2. Advances to suppliers	132	7	9,650,244,600
3. Other receivables	135	8	9,175,149,574
4. Provision for doubtful debts	139		(14,564,820,662)
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>62,601,694,541</b>
1. Inventories	141		62,601,694,541
2. Provision for devaluation of inventories	149		-
<b>V. Other short-term assets</b>	<b>150</b>		<b>9,755,858,056</b>
1. Short-term prepayments	151		1,796,040,426
2. VAT deductibles	152		6,849,661,271
3. Other receivables from the State budget	154		128,107,709
4. Other short-term assets	158		982,048,650
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>290,050,351,907</b>
<b>(200=220+240+250+260+269)</b>			
<b>I. Fixed assets</b>	<b>220</b>		<b>168,487,605,483</b>
1. Tangible fixed assets	221	10	113,556,353,264
- Cost	222		182,314,294,227
- Accumulated depreciation	223		(68,757,940,963)
2. Intangible fixed assets	227	11	45,440,907,699
- Cost	228		46,367,734,849
- Accumulated amortisation	229		(926,827,150)
3. Construction in progress	230	12	9,490,344,520
<b>II. Investment property</b>	<b>240</b>	<b>13</b>	<b>14,794,935,427</b>
- Cost	241		15,781,667,712
- Accumulated depreciation	242		(986,732,285)
<b>III. Long-term financial investments</b>	<b>250</b>	<b>14</b>	<b>46,986,185,491</b>
1. Investments in associates	252		28,037,695,491
2. Other long-term investments	258		18,948,490,000
3. Provision for diminution in value of long-term financial investments	259		-
<b>IV. Other non-current assets</b>	<b>260</b>		<b>30,363,594,813</b>
1. Long-term prepayments	261	15	29,127,745,896
2. Deferred tax assets	262		924,773,917
3. Other non-current assets	268		311,075,000
<b>V. Goodwill</b>	<b>269</b>		<b>29,418,030,693</b>
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>992,415,646,746</b>

The notes set out on pages 08 to 29 are an integral part of these financial statements

**CONSOLIDATED BALANCE SHEET (Continued)**  
As at 31 December 2014

**FORM B 01-DN**  
Unit: VND

<b>RESOURCES</b>	<b>Codes</b>	<b>Notes</b>	<b>31/12/2014</b>
<b>A. LIABILITIES (300=310+330)</b>	<b>300</b>		<b>202,807,209,607</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>201,952,573,847</b>
1. Short-term loans and liabilities	311	16	104,627,847,552
2. Trade accounts payable	312	17	25,509,123,365
3. Advances from customers	313		4,010,808,032
4. Taxes and amounts payable to the State budget	314	18	38,350,876,864
5. Payables to employees	315		10,134,318,543
6. Accrued expenses	316		4,469,345,547
7. Other current payables	319	19	7,780,980,205
8. Bonus and welfare funds	323		7,069,273,739
<b>II. Long-term liabilities</b>	<b>330</b>		<b>854,635,760</b>
1. Other long-term payables	333		135,132,000
2. Deferred tax liabilities	335		561,081,226
3. Unearned revenue	338		158,422,534
<b>B. EQUITY (400=410)</b>	<b>400</b>		<b>660,600,044,697</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>20</b>	<b>660,600,044,697</b>
1. Charter capital	411		499,999,940,000
2. Share premium	412		15,260,716,800
3. Investment and development funds	417		2,520,895,078
4. Financial reserve funds	418		1,734,552,567
5. Retained earnings	420		141,083,940,252
<b>C. BENEFIT OF MINORITY SHAREHOLDERS</b>	<b>439</b>		<b>129,008,392,442</b>
<b>TOTAL RESOURCES (440=300+ 400+439)</b>	<b>440</b>		<b>992,415,646,746</b>

**OTHER ITEMS ASIDE FROM THE BALANCE SHEET**

	<b>31/12/2014</b>
1. Currencies	
- USD	195,906.77
- EURO	473.16

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**Nguyen Thi Minh Nguyet**  
General Director  
Hanoi, 5 February 2015

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**Tran Thi Mai Huong**  
Chief Accountant

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**Le Thi Hau**  
Preparer

**CONSOLIDATED INCOME STATEMENT**  
For the year ended 31 December 2014

**FORM B 02-DN**  
Unit: VND

ITEMS	Codes	Notes	Year 2014
<b>1. Sales of merchandise and services</b>	<b>01</b>		<b>247,736,451,219</b>
2. Less deductions	02		3,358,735,773
<b>3. Net sales of merchandise and services (10=01-02)</b>	<b>10</b>	<b>22</b>	<b>244,377,715,446</b>
4. Cost of sales	11	23	164,781,914,262
<b>5. Gross profit from sales (20=10-11)</b>	<b>20</b>		<b>79,595,801,184</b>
6. Financial income	21	25	142,989,271,709
7. Financial expenses	22	26	6,668,098,087
- In which: Loan interest	23		2,913,138,424
8. Selling expenses	24		13,713,173,354
9. General and administration expenses	<b>25</b>		<b>19,373,688,625</b>
<b>10. Operating profit (30=20+21-22-24-25)</b>	<b>30</b>		<b>182,830,112,827</b>
11. Other income	31		6,277,277,616
12. Other expenses	32		6,653,455,856
<b>13. Profit/(loss) from other activities (40=31-32)</b>	<b>40</b>	<b>27</b>	<b>(376,178,240)</b>
14. Profit (loss) in associates, joint ventures	45		(1,347,304,509)
<b>15. Accounting profit before tax (50=30+40+45)</b>	<b>50</b>		<b>181,106,630,078</b>
16. Current tax expense	51	28	35,811,166,117
17. Deferred tax expense/(income)	52		(736,092,660)
<b>18. Net profit after tax (60=50-51-52)</b>	<b>60</b>		<b>146,031,556,621</b>
<b>19. Benefit of minority shareholders</b>			<b>13,894,955,590</b>
<b>20. Benefit of shareholders of parent company</b>			<b>132,136,601,031</b>
21. Basic earnings per share	70	29	4,115

Because the Company determined the purchase date of the subsidiaries on 30 September 2014, income statement's figures of the subsidiaries include figures on the income statements for the period from 30 September 2014 to 31 December 2014 of 3 companies as follows: Can Tho Techno - Agricultural Supplying Joint Stock Company, TSC Agricultural Pharmaceutical Joint Stock Company and West Food Processing for Export Joint Stock Company.

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**Nguyen Thi Minh Nguyet**  
**General Director**  
Hanoi, 5 February 2015

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**Tran Thi Mai Huong**  
**Chief Accountant**

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**Le Thi Hau**  
**Preparer**

The notes set out on pages 08 to 29 are an integral part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**  
*(Indirect method)*

For the year ended 31 December 2014

**FORM B 03-DN**  
Unit: VND

	Notes	Year 2014
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>1. Profit before tax</b>	<b>1</b>	<b>181,106,630,078</b>
<b>2. Adjustments for:</b>		
Depreciation and amortisation	2	4,068,124,935
Provisions	3	14,564,820,662
(Gain) loss from investing activities	5	(162,096,129,062)
Interest expense	6	2,913,138,424
<b>3. Operating profit (loss) before movements in working capital</b>	<b>8</b>	<b>40,556,585,037</b>
Changes in receivables	9	(5,330,365,240)
Changes in inventories	10	(62,601,694,541)
Changes in accounts payable (not including accrued interest and business income tax payable)	11	192,191,820,234
Changes in prepaid expenses	12	(30,923,786,322)
Interest paid	13	(2,493,116,364)
Corporate income tax paid	14	(9,415,856,826)
Other cash inflows	15	(440,018,809)
Other cash outflows	16	(15,377,747,706)
<b>Net cash from (used in) operating activities</b>	<b>20</b>	<b>106,165,819,463</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
1. Acquisition of fixed assets and other long-term assets	21	(28,564,196,265)
2. Proceeds from sales of fixed assets and other long-term	22	23,917,157,918
3. Cash outflow for lending and buying debt instruments	23	(1,938,967,646,664)
4. Cash recovered from lending and selling debt instruments	24	1,701,001,356,801
5. Investments in other entities	25	(154,731,344,556)
6. Cash recovered from investments in other entities	26	72,675,000,000
7. Dividend received	27	13,598,657,430
<b>Net cash from (used in) investing activities</b>	<b>30</b>	<b>(311,071,015,336)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
1. Proceeds from issuing stocks, receiving capital from owners	31	326,894,966,800
2. Proceeds from borrowings	33	1,161,396,419,510
3. Repayments of borrowings	34	(1,100,120,188,537)
<b>Net cash from (used in) financing activities</b>	<b>40</b>	<b>388,171,197,773</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>50</b>	<b>183,266,001,900</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>60</b>	<b>25,199,679,119</b>
Effect of changes in foreign exchange rates	61	-
<b>Cash and cash equivalents at end of year (70=50+60+61)</b>	<b>70</b>	<b>208,465,681,019</b>

**Supplemental non-cash disclosures**

Cash inflows from issuance of shares, capital contribution by the owners during the year exclude the increase in contributed capital by issuing shares to pay dividends with the amount of VND 31,499,990,000.



**CONSOLIDATED CASH FLOW STATEMENT (Continued)**  
*(Indirect method)*

For the year ended 31 December 2014

**Supplemental non-cash disclosures (Continued)**

Because the Company determined the purchase date of the subsidiaries on 30 September 2014, income statement's figures of the subsidiaries include figures on the income statements for the period from 30 September 2014 to 31 December 2014 of 3 companies as follows: Can Tho Techno - Agricultural Supplying Joint Stock Company, TSC Agricultural Pharmaceutical Joint Stock Company and West Food Processing for Export Joint Stock Company.

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**Nguyen Thi Minh Nguyet**  
**General Director**

*Hanoi, 5 February 2015*

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**Tran Thi Mai Huong**  
**Chief Accountant**

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**Le Thi Hau**  
**Preparer**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FORM B 09-DN**

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

**1. GENERAL INFORMATION**

**Structure of ownership**

F.I.T Investment Joint Stock Company (the “Company”) was established in Vietnam under the first Business Registration Certificate No. 0103016102 dated 8 March 2007 and the seventeenth amended certificate No. 0102182140 on 25 December 2014 issued by Hanoi Department of Planning and Investment.

The charter capital according to the seventeenth amended certificate on 25 December 2014 is VND 499,999,940,000.

The total number of employees as at 31 December 2014 was 32 (as at 31 December 2013: 17).

Subsidiaries are consolidated in the consolidated financial statements of the Company include:

<b>Subsidiaries</b>	<b>Established place</b>	<b>Percentage of ownership</b>	<b>Percentage of voting rights</b>	<b>Main activities</b>
F.I.T Vietnam Trading and Import Export Company Limited	Hanoi	100%	100%	Importing and exporting goods,...
Can Tho Techno - Agricultural Supplying Joint Stock Company	Can Tho	65,01%	65,01%	Trading agricultural products
<b>Sub-subsidiaries</b>				
TSC Agricultural Pharmaceutical Joint Stock Company	Long An	51,13%	51,13%	Trading fertilizers and plant protection products
West Food Processing for Export Joint Stock Company	Can Tho	62,05%	62,05%	Processing exported agricultural products

Note: (i) Percentage of share ownership and voting rights of F.I.T in the sub-subsidiaries are determined by the bridge property through the investment value of Can Tho Techno - Agricultural Supplying Joint Stock Company in the sub-subsidiaries.

**Operating industry and principal activities**

Operating industry according to Business Registration Certificate of F.I.T Investments Joint Stock Company are as follows: Office rental service; Real estate business; Services: Parking and public works; Investment advisory, mergers and acquisitions (M&A) advisory, equitization advisory, business management consultancy, market development (not including legal and financial advisory); Investment advisory, business management consulting, human resource development (not including legal and financial advisory); Real estate brokerage; And operating industries.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention for consolidated financial statements**

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 and legal regulations relating to consolidated financial statement preparation and presentation.

Although the time when the Company officially owned more than 51% of shares and voting rights to become the parent company of Can Tho Techno - Agricultural Supplying Joint Stock Company (subsidiary) was on 19 September 2014, the subsidiary did not prepare the financial statements as at 19 September 2014 and because there was no substantial trading for the period from 19 September 2014 to 30 September 2014, the Company determined the purchase date was on 30 September 2014 when preparing these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR (Continued)**

**Financial year**

The Company's financial year begins on 1 January and ends on December 31.

**Applied accounting form**

The Company is applying General Journal accounting form.

**Related parties**

The parties which are determined as related parties of the Company during the year are:

- Associates: Sao Nam Trading Manufacturing and Services Joint Stock Company and Today Cosmetics Joint Stock Company;
- Members of the Boards of Management and Directors.

**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 and legal regulations relating to consolidated financial statement preparation and presentation requires the Board of 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 financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Directors' best knowledge, actual results may differ from those estimates.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) 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.

All inter-company transactions and balances between group enterprises are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Company except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**      **FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

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

**Business combinations**

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

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

**Interests in joint ventures**

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control. Joint control is meant to make strategic decisions relating to financial and operating policy of the joint venture which require the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Company prepares a report on the benefits of business establishments jointly controlled under the equity method.

Any goodwill arising on the acquisition of the Company's interest in a jointly controlled entity is accounted for in accordance with the Company's accounting policy for goodwill arising on the acquisition of a subsidiary.

**Goodwill**

Goodwill represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and is amortised on the straight-line basis over its estimated useful life should not exceed 10 years.

Goodwill arising on the acquisition of associates and jointly controlled entities is included in the carrying amount of the associates and jointly controlled entities. Goodwill arising on the acquisition of subsidiaries is presented separately as an intangible asset in the consolidated balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

**Financial instruments**

***Initial recognition***

*Financial assets:* At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, trade accounts receivable, other receivables, deposits and financial investments.

*Financial liabilities:* At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade accounts payable, other payables, accrued expenses, obligations under finance leases and borrowings.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

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

***Subsequent measurement after initial recognition***

Currently, there is no regulation on revaluation of such financial after initial recognition. Accordingly, the Company does not assess the fair value of financial assets and financial liabilities as at the end of the accounting year under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance issued on 06 November 2009 ("Circular 210") as well as current regulations do not provide specific guidance on determining the fair value of financial assets and financial liabilities. Circular 210 requirements applicable financial Reporting Standards International on presentation of financial statements and disclosures for financial instruments but does not give guidance for the assessment and recognition of financial instruments including fair value applied in order to conform with the International Financial Reporting Standards.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with withdrawal or maturity no longer than 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Short-term financial investments**

Short-term financial investments of the Company include short-term securities investments, fixed-interest rate investments.

Investments in short-term securities are recognized from the date of acquisition of securities and the initial valuation at cost, and the costs relating to the purchase of securities investments. In the following accounting periods, the investments in securities are determined at cost less diminution in value of investments in securities.

Provision for diminution in value of investment in securities is made accordingly to the provisions of the current accounting. Accordingly, the Company is allowed to provision for free-exchange-securities investments while book value is higher than the market price as at the ending date of the accounting year.

**Provision for doubtful debts**

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

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

	Year 2014 (Estimated useful lives)
Buildings and structures	5 - 50
Machinery and equipment	3 - 15
Motor vehicles	6 - 30
Management equipment	3 - 10

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

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

**Intangible fixed assets**

Intangible assets comprise the value of the land use rights, the copyright, accounting software and other intangible assets.

**Investment property**

Investment properties, which are composed of buildings and structures held by the Company to earn rentals or for capital appreciation or both, are stated at cost less accumulated depreciation. The cost of purchased investment properties comprises its purchase price and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs.

Investment properties are stated at cost. As at 31 December 2014, the Company has not determined the fair value of investment property because it did not have basis and information to determine a reasonable price.

Investment properties are depreciated using the straight-line method over their estimated useful lives from 25 to 46 years.

**Investments in associates, joint ventures**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Capital contribution in the joint venture companies is an agreement on the basis of signed contracts under which the Company and the parties perform economic activities on the basis of jointly control. Jointly control is understood that strategic decisions regarding policies and financial activities of the joint venture must have the consents of the sharing control parties.

Investments in associates and joint ventures are recorded at cost and are reflected as an investment in associates and joint ventures in the consolidated financial statements.

**Other long-term financial investments**

Other long-term financial investments are security purchase investment with the percentage less than 20% of charter capital of a joint stock company. These investments are reflected by historical cost.

**Provisions for the devaluation of long-term financial investments**

Provisions for the devaluation of long-term financial investments are recorded under the prevailing regulations. Accordingly, the provisions of long-term financial investments are able to be made when the investments exceeds the owner's equity as at the end of the fiscal year. The percentage of provision to be made is based on the proportion between the Company's investment and the actual contribution capital of other parties into this entity.

**Long-term prepayments**

Long-term prepayments comprise tools, supplies and spare parts awaiting for allocation. These costs are allocated to income using the straight-line method over the period of two years.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

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

**Revenue**

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

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

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 currency**

The Company applies processing rate differences under the guidance of Vietnam Accounting Standard No. 10 (VAS 10) "Effects of Changes in exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates at the dates of the transactions. The balances of monetary assets and liabilities receivable and payable denominated in foreign currencies at the balance sheet date accounting is converted at the exchange rate at that date. Foreign exchange differences arising are accounted for in the statement of operations. Interest rate differences due to the revaluation of balance sheet date in the accounting is not used to divide for owners.

**Borrowing costs**

Borrowing costs are recorded in the income during the year including the entire loan interest calculated on items which the Company received the investment cooperation of organizations and individuals.

**Provisions**

Provisions are recognised 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 Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

**Taxation**

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

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

**Taxation (Continued)**

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the 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**

	<b>31/12/2014</b>
	<b>VND</b>
Cash on hand	125,002,787
Bank deposits	34,160,678,232
Cash equivalents (i)	174,180,000,000
	<b>208,465,681,019</b>

Note: (i) Deposits with term less than 3 months in credit institutions.

**5. SHORT-TERM FINANCIAL INVESTMENTS**

	<b>Quantity</b>	<b>31/12/2014</b>	<b>Book value</b>
<b>Short-term investments</b>			<b>303,257,316,078</b>
Short-term securities investments, in which:			37,739,290,000
- Investment in listed securities (i)	74,533		10,000
- Investment in unlisted securities (ii)	3,117,856		37,739,280,000
Other short-term investments			265,518,026,078
- Deposits with maturity more than 3 months	-		43,420,000,000
- Other short-term investments (iii)	-		222,098,026,078
<b>Provision for diminution in value of short-term investments</b>			-
			<b>303,257,316,078</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**5. SHORT-TERM FINANCIAL INVESTMENTS (Continued)**

Note:

- (i) Within the number of listed shares as at 31 December 2014, the number of bonus shares is 74,532 shares.
- (ii) For unlisted securities: Because the Company did not collect the transaction prices in the market as at 31 December 2014, the Company did not have enough basis to consider to make provision for discounts (if any). Therefore, investments in unlisted securities are stated at historical on the financial statements;
- (iii) Other short-term investments are investments in which the Company contributed capital in investment cooperation agreement with individuals and organizations, the term is less than 12 months and the Company will receive an unchanged profit calculated on percentage rate of the capital contribution that does not depend on the business results of the contributed party.

**6. TRADE ACCOUNTS RECEIVABLE**

	<b>31/12/2014</b>
	<b>VND</b>
<b>Balance of receivables:</b>	
F.I.T Invesment Join Stock Company	34,299,375,824
Can Tho Techno - Agricultural Supplying Joint Stock Company	10,681,815,579
TSC Agricultural Pharmaceutical Joint Stock Company	52,248,123,970
F.I.T Vietnam Trading and Import Export Company Limited	7,513,248,836
West Food Processing for Export Joint Stock Company	9,281,607,424
	<b>114,024,171,633</b>

**7. ADVANCES TO SUPPLIERS**

	<b>31/12/2014</b>
	<b>VND</b>
<b>Balance of Advances to suppliers</b>	
West Food Processing for Export Joint Stock Company	87,500,000
Can Tho Techno - Agricultural Supplying Joint Stock Company	3,272,349,740
F.I.T Invesment Join Stock Company	4,210,988,343
TSC Pharmaceutical Agriculture Joint Stock Company	824,637,143
F.I.T Vietnam Trading and Import Export Company Limited	1,254,769,374
	<b>9,650,244,600</b>

**8. OTHER RECEIVABLES**

	<b>31/12/2014</b>
	<b>VND</b>
Interest income	5,818,620,420
Other receivables	3,356,529,154
	<b>9,175,149,574</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**9. INVENTORIES**

	<b>31/12/2014</b>
	<b>VND</b>
Goods in transit	7,051,436,246
Raw materials	25,486,798,375
Tools and supplies	563,165,432
Finished goods	25,561,221,268
Merchandise	2,955,442,841
Goods on consignment	983,630,379
<b>Total</b>	<b>62,601,694,541</b>
<b>Provision for devaluation of inventories</b>	<b>-</b>
<b>Net realisable value</b>	<b>62,601,694,541</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FORM B 09-DN**

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

**10. TANGIBLE FIXED ASSETS**

Unit: VND

	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Motor vehicles</b>	<b>Management equipment</b>	<b>Others</b>	<b>Total</b>
<b>COST</b>						
<b>As at 01/01/2014</b>	<b>6,138,782,420</b>	<b>-</b>	<b>2,117,210,000</b>	<b>31,809,091</b>	<b>-</b>	<b>8,287,801,511</b>
Additions	111,641,251,329	49,686,345,767	17,748,283,004	991,985,390	97,409,646	180,165,275,136
- Addition by consolidating subsidiaries	102,716,990,425	48,831,945,767	9,200,807,549	353,980,977	97,409,646	161,201,134,364
- Purchase	8,924,260,904	854,400,000	8,547,475,455	638,004,413	-	18,964,140,772
Decrease during the year	(6,138,782,420)	-	-	-	-	(6,138,782,420)
- Disposal and liquidation	(6,138,782,420)	-	-	-	-	(6,138,782,420)
<b>As at 31/12/2014</b>	<b>111,641,251,329</b>	<b>49,686,345,767</b>	<b>19,865,493,004</b>	<b>1,023,794,481</b>	<b>97,409,646</b>	<b>182,314,294,227</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>As at 01/01/2014</b>	<b>264,243,682</b>	<b>-</b>	<b>876,289,711</b>	<b>4,303,919</b>	<b>-</b>	<b>1,144,837,312</b>
- Charge for the year	1,209,413,322	1,202,275,906	715,736,572	20,616,364	-	3,148,042,164
- Addition by consolidating subsidiaries	33,575,206,004	25,138,141,527	5,648,152,829	279,548,833	97,409,646	64,738,458,839
- Disposal and liquidation	(273,397,352)	-	-	-	-	(273,397,352)
<b>As at 31/12/2014</b>	<b>34,775,465,656</b>	<b>26,340,417,433</b>	<b>7,240,179,112</b>	<b>304,469,116</b>	<b>97,409,646</b>	<b>68,757,940,963</b>
<b>NET BOOK VALUE</b>						
<b>As at 31/12/2014</b>	<b>76,865,785,673</b>	<b>23,345,928,334</b>	<b>12,625,313,892</b>	<b>719,325,365</b>	<b>-</b>	<b>113,556,353,264</b>

During the year, the Company transferred all 800m2 of office floor space at MIPEC Building to Military Insurance Joint Stock Company (MIC) under the contract No. 01-01/2014-BDS/FIT-HDKT dated 17 January 2014. In which, the using area of the Company is 200m2 (monitoring on the tangible fixed assets account), and the leasing area of the Company is 600m2 (monitoring on the investment property account).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**11. INTANGIBLE FIXED ASSETS**

	Unit: VND				
	Land use rights	Copyright, patent	Computer software	Others	Total
<b>COST</b>					
<b>As at 01/01/2014</b>	-	-	-	-	-
Addition by consolidating subsidiaries	20,376,803,433	308,405,680	-	113,267,886	20,798,476,999
Purchase	5,250,557,850	20,200,000,000	118,700,000	-	25,569,257,850
<b>As at 31/12/2014</b>	<b>25,627,361,283</b>	<b>20,508,405,680</b>	<b>118,700,000</b>	<b>113,267,886</b>	<b>46,367,734,849</b>
<b>ACCUMULATED DEPRECIATION</b>					
<b>As at 01/01/2014</b>	-	-	-	-	-
Charge for the year	-	505,000,000	153,584	-	505,153,584
Addition by consolidating subsidiaries	-	308,405,680	-	113,267,886	421,673,566
<b>As at 31/12/2014</b>	<b>-</b>	<b>813,405,680</b>	<b>153,584</b>	<b>113,267,886</b>	<b>926,827,150</b>
<b>NET BOOK VALUE</b>					
<b>As at 31/12/2014</b>	<b>25,627,361,283</b>	<b>19,695,000,000</b>	<b>118,546,416</b>	<b>-</b>	<b>45,440,907,699</b>

Land use rights of the Company is largely agricultural land at Can Tho Techno - Agricultural Supplying Joint Stock Company over the useful lives of 25 years. According to the current law on agricultural land, the Company has the rights to continue to extend the leasing term for agricultural land when it expires. The Board of Directors intends that the Company will continue to renew the land lease contract in the future; therefore, the Company does not amortize for these assets.

**12. CONSTRUCTION IN PROGRESS**

	31/12/2014 VND
Cost of buying land without transferring ownership	9,490,344,520
	<b>9,490,344,520</b>

**13. INVESTMENT PROPERTY**

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Note: (i) During the year, the Company has liquidated the investment property by transferring 600m2 of leasing floor space at MIPEC Building to Military Insurance Joint Stock Company (MIC) as stated in Note 10 of the notes to the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**14. LONG-TERM FINANCIAL INVESTMENTS**

		<b>31/12/2014</b>
	<b>Quantity</b>	<b>Book value</b>
<b>Investments in associates, joint ventures</b>		<b>28,037,695,491</b>
<i>Investments in associates</i>		
Sao Nam Trading Manufacturing and Service JSC	370,758	11,485,665,870
Today Cosmetics Joint Stock Company (new name of Minh Hao Vietnam Joint Stock Company)	1,715,000	16,552,029,621
<b>Other long-term investments (i)</b>		<b>18,948,490,000</b>
<b>Provision for diminution in value of long-term investments</b>		<b>-</b>
		<b>46,986,185,491</b>

*Note:* (i) Investment cooperation with individuals. The Company has not considered to make provision for diminution in value of long-term investments for this item because there has been no basis for evaluating the decline in value of investments. These investments have not been matured.

*Details of investments in associates as at 31 December 2014 were as follows:*

Associates	Established place	Percentage of ownership	Percentage of voting rights	Main activities
Sao Nam Trading Manufacturing and Services JSC	Hanoi	21,186%	21,186%	Consumer goods trading
Today Cosmetics JSC	Long An	49%	49%	Producing cosmetics, soaps...

*Summary financial information about the associates of the Company were as follows:*

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**15. LONG-TERM PREPAID EXPENSES**

	<b>31/12/2014</b>
	<b>VND</b>
Prepaid land rental (at TSC Agricultural Pharmaceutical JSC)	27,453,878,886
Other long-term prepayments	1,673,867,010
	<b>29,127,745,896</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FORM B 09-DN**

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

**16. SHORT-TERM LOANS AND BORROWINGS**

	<b>31/12/2014</b>
	<b>VND</b>
<b>Short-term borrowings come due</b>	<b>97,827,847,552</b>
Vietnam Prosperity Joint Stock Commercial Bank	51,800,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Can Tho Branch	12,358,520,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch	28,218,334,541
Personal loans	5,450,993,011
<b>Long-term loans come due</b>	<b>6,800,000,000</b>
Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch	6,800,000,000
	<b>104,627,847,552</b>

**17. PAYABLES TO SUPPLIERS**

	<b>31/12/2014</b>
	<b>VND</b>
<b>Balance of payables</b>	
TSC Agricultural Pharmaceutical Joint Stock Company	11,925,436,982
F.I.T Vietnam Trading and Import Export Company Limited	6,560,065,750
Can Tho Techno - Agricultural Supplying Joint Stock Company	1,042,450,375
F.I.T Investment Joint Stock Company	981,589,227
West Food Processing for Export Joint Stock Company	4,999,581,031
	<b>25,509,123,365</b>

**18. TAXES AND OTHER PAYABLES TO STATE**

	<b>31/12/2014</b>
	<b>VND</b>
Value-added tax	355,384,915
Corporate income tax	37,899,727,027
Personal income tax	95,764,922
	<b>38,350,876,864</b>

**19. OTHER PAYABLES**

	<b>31/12/2014</b>
	<b>VND</b>
Social insurance, health insurance, labor union fee, and unemployment	459,293,443
Sao Nam Trading Manufacturing and Service JSC (i)	6,500,000,000
Other payables	821,686,762
	<b>7,780,980,205</b>

Note: (i) Prepayment of Sao Nam Trading Manufacturing and Service Joint Stock Company (Sao Nam) under the securities investment cooperation contract No. 21/12/2012/HDDT/F.I.T dated 21 December 2012. Accordingly, Sao Nam authorized F.I.T to seek for a consumer goods production company in Vietnam for capital contribution within 5 years. The Company is in the process of seeking investment partner for Sao Nam.

**F.I.T INVESTMENT JOINT STOCK COMPANY**

16<sup>th</sup> Floor, Center Building (Hapulico complex),  
No. 1 Nguyen Huy Tuong, Thanh Xuan, Hanoi

**Consolidated financial statements**

For the year ended 31 December 2014

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FORM B 09-DN**

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

**20. OWNER'S EQUITY*****Movement in owner's equity:***

	Charter capital	Share premium	Treasury shares	Investment and development	Financial reserve fund	Retained earnings	Unit: VND Total
<b>Balance as at 01/01/2014</b>	<b>157,500,000,000</b>	-	(40,000)	<b>200,000,000</b>	-	<b>35,779,693,332</b>	<b>193,479,653,332</b>
Profit during the year	-	-	-	-	-	146,031,556,621	146,031,556,621
Additions (i)	310,999,950,000	15,895,016,800	-	-	-	-	326,894,966,800
Decreased the dividend payable in 2011	-	-	-	-	-	12,469,372,500	12,469,372,500
Issuing stock dividend (i)	31,499,990,000	-	-	-	-	(31,499,990,000)	-
Profit distribution (ii)	-	-	-	686,852,413	-	(1,373,654,826)	(686,802,413)
Increase/(decrease) by consolidating subsidiaries	-	-	-	1,634,042,665	1,734,552,567	(8,005,372,370)	(4,636,777,138)
Benefit of minority shareholders	-	-	-	-	-	(13,894,955,590)	(13,894,955,590)
Other increase/(decrease)	-	(634,300,000)	40,000	-	-	1,577,290,585	943,030,585
<b>Balance as at 31/12/2014</b>	<b>499,999,940,000</b>	<b>15,260,716,800</b>	<b>-</b>	<b>2,520,895,078</b>	<b>1,734,552,567</b>	<b>141,083,940,252</b>	<b>660,600,044,697</b>

**Note:**

(i) In 2014, the Company increased capital under the Resolution of the General Meeting of Shareholders No.01/2014/NQ-BOD/FIT dated 18 January 2014, and registration certificate of share offering to the public No.14/GCN-UBCK dated 4 March 2014, the Company conducted a share offering in 2014 into 3 tranches. General data was as follows:

- Divident paid in shares in 2013 was 3,149,999 shares, equivalent to VND 31,499,999,000.
- Offering to existing shareholders was 22,075,113 shares, equivalent to VND 220,751,130,000.
- Offering to strategic partners is 7,947,500 shares, equivalent to VND 95,370,000,000.
- Issuance of shares sold to employees was 787,500 shares, equivalent to VND 7,875,000,000.
- Number of shares that are not offered now to be offered to other shareholders was 289,882 shares, equivalent to VND 2,898,820,000.

(ii) According to the Resolution of the General Meeting of Shareholders No. NQ-DHDCD/2014 dated 26 April 2014, the Company implemented the profit distribution in 2013 to the following funds: Development and investment funds worth VND 686,852,413; Bonus and welfare fund worth VND 686,852,413.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**20. OWNER'S EQUITY (CONTINUED)**

*Charter capital*

According to the seventeenth amended Business Registration Certificate No. 0102182140 dated 25 December 2014, the charter capital of the Company is VND 499,999,940,000. As at 31 December 2014, the charter capital has been contributed as follows:

	Per Business Registration Certificate		Contributed capital 31/12/2014	
	VND	Rate (%)	VND	Rate (%)
Phan Trung Phuong	21,704,620,000	4.34%	21,704,620,000	4.34%
Nguyen Van Sang	26,223,750,000	5.24%	26,223,750,000	5.24%
Nguyen Thi Minh Nguyet	6,594,750,000	1.32%	6,594,750,000	1.32%
Tran Thanh Mai	19,420,000	0.00%	19,420,000	0.00%
Others	445,457,400,000	89.09%	445,457,400,000	89.09%
<b>Total</b>	<b>499,999,940,000</b>	<b>100.00%</b>	<b>499,999,940,000</b>	<b>100.00%</b>

*Share issuing situation*

	Unit	Year 2014
<b>Common shares</b>		
+ Number of shares issued to the public	Share	49,999,994
+ Number of shares issued and contributed	Share	49,999,994
+ Face value per share	VND/Share	10,000
+ Number of outstanding shares in circulation at the end of the year	Share	49,999,994

**21. BUSINESS SEGMENTS AND GEOGRAPHICAL SEGMENTS**

**Business segments**

For management purposes, the organizational structure of the Company is divided into 6 operating parts - Advisory and Investment Division, Agricultural Products Import and Export Division, Agricultural Techniques Manufacturing and Trading Division, Agricultural Pharmaceutical Manufacturing and Trading Division, Food Processing Division and Other Services Division. The Company prepares segment reporting under these 6 divisions:

Main activities of 6 divisions are as follow:

- Advisory and Investment Division: Investment advisory, acquisitions advisory, real estate investment, securities, and other long-term investments.
- Agricultural Products Import and Export Division: Buying, selling, exporting and importing agricultural products.
- Agricultural Techniques Manufacturing and Trading Division: Producing and selling agricultural technical goods and supplies.
- Agricultural Pharmaceutical Manufacturing and Trading Division: Producing and selling agricultural pharmaceutical products.
- Food Processing Division: Processing food for export.
- Other Services Division: Assets leasing, real estate business.

Division information of the business activities of the Company are as follows:



**F.I.T INVESTMENT JOINT STOCK COMPANY**

16<sup>th</sup> Floor, Center Building (Hapulico complex),  
No. 1 Nguyen Huy Tuong, Thanh Xuan, Hanoi

**Consolidated financial statements**

For the year ended 31 December 2014

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FORM B 09-DN**

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

**21. BUSINESS SEGMENTS AND GEOGRAPHICAL SEGMENTS (Continued)****Business segments (Continued)****Balance sheet**

	<b>Cosulting and Investment</b>	<b>Import and export of agricultural products</b>	<b>Agricultural engineering supplies</b>	<b>Pharmaceutical Agriculture</b>	<b>Food processing</b>	<b>Others</b>	<b>Less</b>	<b>Total</b>
<b>As at 31/12/2014</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Assets</b>								
Segment assets	737,409,898,864	104,230,124,872	303,191,677,154	217,353,069,801	79,075,539,727	17,162,917,838	(495,425,612,203)	962,997,616,053
<b>Consolidated assets</b>								<b>962,997,616,053</b>
<b>Liabilities</b>								
Segment liabilities	112,218,448,384	52,198,086,258	39,211,740,592	50,062,526,743	38,774,789,018	-	(89,658,381,388)	202,807,209,607
<b>Consolidated liabilities</b>								<b>202,807,209,607</b>
	<b>Cosulting and Investment</b>	<b>Import and export of agricultural products</b>	<b>Agricultural engineering supplies</b>	<b>Pharmaceutical Agriculture</b>	<b>Food processing</b>	<b>Others</b>	<b>Less</b>	<b>Total</b>
<b>Year 2014</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Revenue</b>								
External sales	42,181,822,043	26,948,502,808	50,811,554,320	47,740,071,631	54,673,079,826	22,022,684,818	-	244,377,715,446
Inter-segment sales	3,378,875,906	-	23,324,506,120	-	-	6,317,126,064	(33,020,508,090)	-
Total revenue	45,560,697,949	26,948,502,808	74,136,060,440	47,740,071,631	54,673,079,826	28,339,810,882	(33,020,508,090)	244,377,715,446
<b>Result</b>								
Cost of Sales	19,427,170,134	25,125,661,926	64,629,167,259	34,001,693,758	47,319,341,356	5,087,502,791	(30,808,622,962)	164,781,914,262
<b>Gross profit</b>	<b>26,133,527,815</b>	<b>1,822,840,882</b>	<b>9,506,893,181</b>	<b>13,738,377,873</b>	<b>7,353,738,470</b>	<b>23,252,308,091</b>	<b>(2,211,885,128)</b>	<b>79,595,801,184</b>
Selling expenses and general and administration expenses								33,086,861,979
Operating profit								182,830,112,827
Profit from other activities								(376,178,240)
Financial income								142,989,271,709
Financial expenses								6,668,098,087
Accounting profit before tax								181,106,630,078
Current tax expense								35,811,166,117
Deferred tax expense/(income)								736,092,660
<b>Net profit after tax</b>								<b>146,031,556,621</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**21. BUSINESS SEGMENTS AND GEOGRAPHICAL SEGMENTS (Continued)**

**Geographical segments (Continued)**

The Company's operations are carried out in Hanoi, Can Tho and Long An. The consulting, investment and import export of agricultural products are carried out in Hanoi. Agricultural engineering supplies, pharmaceutical agriculture and food processing are carried out in Can Tho and Long An. Others are carried out in Hanoi and Can Tho.

The following is an analysis of the revenue of the Company according to geographical area, irrespective of the origin of goods or services.

	<b>31/12/2014</b>
	<b>VND</b>
Hanoi	72,509,200,757
Can Tho, Long An	176,549,211,897
Hanoi and Can Tho	28,339,810,882
Less: Internal sales	(33,020,508,090)
	<b><u>244,377,715,446</u></b>

The following is an analysis of the carrying value of the assets, increasing tangible and intangible fixed assets according to geographical area where those assets are located.

	<b>Carrying amount of segment assets 31/12/2014 VND</b>	<b>Additions to tangible assets and intangible 31/12/2014 VND</b>
Hanoi	230,129,302,885	3,932,646,416
Can Tho, Long An	154,151,253,175	43,659,757,864
	<b><u>384,280,556,060</u></b>	<b><u>47,592,404,280</u></b>

**22. NET SALES OF MERCHANDISE AND SERVICES**

	<b>Year 2014 VND</b>
<b>Sales of merchandise and services</b>	<b><u>179,213,853,496</u></b>
- Sales of merchandise and finished goods sold	11,823,225,639
- Sales of services supplied	7,792,914,134
- Sales of consulting and introducing listed customers	25,213,152,530
- Operating of real estate	18,227,224,958
- Operating of investment property	5,466,080,462
- Sales of other services	<b><u>247,736,451,219</u></b>
<b>Total</b>	<b><u>3,358,735,773</u></b>
Less deductions	170,630,366
- Sales returns	3,188,105,407
- Sales rebates	<b><u>244,377,715,446</u></b>
<b>Net sales of merchandise and services</b>	<b><u>244,377,715,446</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**23. COSTS OF SALES**

	<b>Year 2014</b>
	<b>VND</b>
Cost of merchandise and finished goods sold	148,881,676,749
Cost of services supplied	(1,460,929,718)
Cost of consulting and introducing listed customers	386,545,761
Cost of real estate	5,087,502,791
Cost of investment property	11,518,399,200
Cost of other services	368,719,479
	<b>164,781,914,262</b>

**24. PRODUCTION COSTS BY NATURE**

	<b>Year 2014</b>
	<b>VND</b>
Raw materials	2,328,474,903
Labour cost	7,165,518,421
Depreciation cost of fixed assets	1,529,443,103
Outside purchasing services	15,260,957,839
Provisions	5,154,496,124
Others	3,559,006,817
	<b>34,997,897,207</b>

**25. FINANCIAL INCOME**

	<b>Year 2014</b>
	<b>VND</b>
Bank and loan interest	17,963,056,545
Short-term securities investment interest	123,946,086,878
Dividend, profit paid	61,335,900
Other financial income	1,018,792,386
	<b>142,989,271,709</b>

**26. FINANCIAL EXPENSES**

	<b>Year 2014</b>
	<b>VND</b>
Interest expenses	2,913,138,424
Short-term securities investment loss	3,401,500,000
Other financial expenses	353,459,663
	<b>6,668,098,087</b>

**27. PROFIT/(LOSS) FROM OTHER ACTIVITIES**

	<b>Year 2014</b>
	<b>VND</b>
<b>Other income</b>	<b>6,277,277,616</b>
Receipt from liquidation of assets	6,063,633,430
Other income	213,644,186
<b>Other expenses</b>	<b>6,653,455,856</b>
Liquidation cost	5,868,436,291
Other expenses	785,019,565
	<b>(376,178,240)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**28. CURRENT TAX EXPENSE**

	<b>31/12/2014</b>
	<b>VND</b>
<b>Current corporate income tax</b>	<b>35,811,166,117</b>
<i>In which:</i>	
Corporate income tax of Parent Company	30,074,190,722
Corporate income tax of Can Tho Techno - Agricultural Supplying JSC	5,070,057,300
Corporate income tax of F.I.T Vietnam Trading and Import Export Co., Ltd	584,136,028
Corporate income tax of West Food Processing for Export JSC	82,782,067
	<b>35,811,166,117</b>

**29. BASIC EARNINGS PER SHARE**

	<b>Year 2014</b>
	<b>VND</b>
Earnings for the purposes of calculating basic earnings per share	146,031,556,621
Weighted average number of ordinary shares	35,487,460
Basic earnings per share	4,115
Face value per share	10,000

**30. FINANCIAL INSTRUMENTS**

**Capital risk management**

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

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and owners' equity (comprising capital, reserves and retained earnings).

As at 31 December 2014, the Company's financial leverage ratio is zero.

	<b>31/12/2014</b>
	<b>VND</b>
Borrowings	104,627,847,552
Less: Cash and cash equivalents	208,465,681,019
Net debt	-
Equity	660,600,044,697
Net debt to equity ratio	-

**Significant accounting policies**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**30. FINANCIAL INSTRUMENT (Continued)**

**Financial instruments**

	<b>Book value</b>
	<b>31/12/2014</b>
	<b>VND</b>
<b>Assets</b>	
Cash and cash equivalents	208,465,681,019
Short-term financial investments	303,257,316,078
Short-term receivables	118,284,745,145
Long-term financial investments	18,948,490,000
<b>Total</b>	<b><u>648,956,232,242</u></b>
<b>Liabilities</b>	
Borrowings	104,627,847,552
Trade and other payables	33,425,235,570
Accrued expenses	4,469,345,547
<b>Total</b>	<b><u>142,522,428,669</u></b>

The Company has not assessed the fair value of financial assets and financial liabilities as at the end of the accounting year under Circular No. 210/2009 / TT-BTC of the Ministry of Finance issued November 6 year 2009 ("Circular 210") as well as current regulations do not provide specific guidance on determining the fair value of financial assets and financial liabilities. Circular 210 requirements applicable International Financial Reporting Standards on presentation of financial statements and disclosures for financial instruments but does not give guidance for the assessment and recognition of financial instruments including applying fair value in order to conform with the International Financial Reporting Standards.

**The objective of financial risk management**

The company has developed risk management systems in order to detect and assess the risks that the company can suffer, establish policies and procedures to control the risk at an acceptable level. Risk management systems are reviewed regularly to reflect changes in market conditions and operations of the Company.

Financial risks include market risks, credit risks and liquidity risk.

**Market risks**

*Interest rate risk management*

The Company suffers interest risks arising from loans with concluded interest rate. The risk is managed by the Company by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

*Share price risk management*

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**30. FINANCIAL INSTRUMENTS (Continued)**

***Credit risks***

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

***Liquidity risks management***

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

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

	<b>Less than 1 year</b>	<b>From 1 - 5 years</b>	<b>Total</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Assets</b>			
<b>As at 31/12/2014</b>			
Cash and cash equivalents	208,465,681,019	-	208,465,681,019
Short-term financial investments	303,257,316,078	-	303,257,316,078
Trade and other receivables	118,284,745,145	-	118,284,745,145
Long-term financial investments	-	18,948,490,000	18,948,490,000
<b>Total</b>	<b>630,007,742,242</b>	<b>18,948,490,000</b>	<b>648,956,232,242</b>
<b>Liabilities</b>			
<b>As at 31/12/2014</b>			
Trade and other payables	33,290,103,570	-	33,290,103,570
Borrowings	104,627,847,552	-	104,627,847,552
Accrued expenses	4,469,345,547	-	4,469,345,547
Other financial liabilities	-	135,132,000	135,132,000
<b>Total</b>	<b>142,387,296,669</b>	<b>135,132,000</b>	<b>142,522,428,669</b>
<b>Net liquidity gap</b>	<b>487,620,445,573</b>	<b>18,813,358,000</b>	<b>506,433,803,573</b>

The Board of Directors assessed the liquidity risk concentration is in low level. The Board of Directors believe that the company can generate sufficient funds to meet its financial obligations when due.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FORM B 09-DN**  
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**31. MAJOR TRANSACTIONS WITH RELATED PARTIES**

<i>Transactions with related parties during the period</i>			<i>Balance with related parties as at 31/12/2014</i>
<i>Service Provider</i>			
	<b>Arising</b>	<b>Payments</b>	<b>Balance of receivables</b>
<b>Sao Nam Trading Manufacturing and Service JSC</b>			
Original loan	10,000,000,000	2,500,000,000	20,551,632,350
Interest of investment cooperation agreements	1,369,661,219	1,330,188,988	72,715,883
<b>Today Cosmetic Joint Stock Company</b>			
Original loan	1,500,000,000	1,750,000,000	-
Interest of investment cooperation agreements	68,979,166	71,506,904	-

**32. SUBSEQUENT EVENTS**

For the period from 24 December 2014 to 6 January 2015, the Company completed the issuance of 1,712,499 shares for employees, equivalent to the value of VND 17,124,990,000, increasing the total capital charter of the Company to VND 517,124,930,000. Besides to the increase in charter capital, no significant events occurred after the cut-off date had significant effect and need to be disclosed in the financial statements for the year ended 31 December 2014.

**33. COMPARATIVE FIGURES**

There are no comparative figures because this is the first time the Company has prepared the consolidated financial statements.

\_\_\_\_\_  
**Nguyen Thi Minh Nguyet**  
**General Director**  
Hanoi, 5 February 2015

\_\_\_\_\_  
**Tran Thi Mai Huong**  
**Chief Accountant**

\_\_\_\_\_  
**Le Thi Hau**  
**Preparer**