

2017

ANNUAL
REPORT

YEAR OF CHALLENGING

F.I.T GROUP COMPANY
fitgroup.com.vn





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01

OVERVIEW

MESSAGE FROM CHAIRMAN

COMPANY OVERVIEW

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MESSAGE

F.I.T GROUP'S CHAIRMAN



Mr. **NGUYEN VAN SANG**
CHAIRMAN
 F.I.T Group

Dear Shareholders and Investors,

One year ago, the Board of Directors have set the foundation for a restructuring strategy to retain and focus only on business lines that have potentials or that we have advantages. It was a decisive time. And we decided for the long-term values of shareholders.

Today, I am honored to inform that the strategic plans that we have implemented in the last year have resulted in significant changes: we have built the holdings business model that focuses on core businesses including pharmaceuticals, foods and beverages, and consumer goods, while, at the same time, have reduced or removed unprofitable business lines. Especially, we have invested and committed ourselves to be a group that is more transparent and friendlier to consumers and investors.

STRATEGIC PLANS AND ACTIVITIES THAT HAVE BEEN DONE DURING THE LAST YEAR INCLUDE:

In pharmaceuticals: we have successfully acquired Eurovipharm to gain more access to new product lines and to benefit from using the factory infrastructure. We have also built a new factory for capsule production at Duoc Cuu Long (DCL) to increase the capacity of DCL in order to meet the increasing demand from market. Specifically, we have set up a joint-venture with SCIC to form Benovas, to produce and distribute cancer treatment medicines in Vietnam. The factory is now under construction, and upon completion it is expected that the company is the first of this type in Vietnam pioneering in this exceptional field.

In foods and beverages: it is worth noting that we have invested in a new frozen system at Westfood that helps increase the capacity from 2.7 to 6.2 tons per hour, and, more importantly improve the product quality to meet strict regulations from markets such as Japan, United States, Australia, New Zealand, and Europe. Besides, we have invested in Research & Developments to introduce more product lines not only in the foods and beverages but also in the consumer goods to meet an increasing and diversified demand from consumers.

In corporate governance: we have invited quality professionals to work for us. An example is the participation in the Board of Directors by Mr. Hua Xuan Sinh, a well-known former CEO of Duc Viet Foods with extensive experience in developing distribution network and applying technology in production. We have also established the best practices in corporate governance and initiated the application of ERP in management, aiming at improving the transparency of the group and being friendlier to stakeholders, especially customers and shareholders.

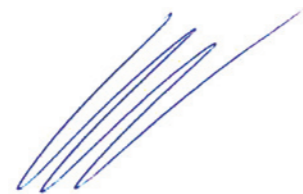
In summary, we have done a number of projects in the last year, and I feel thankful to my colleagues - without them the above are not possible. Their effort implies that in 2018 we can step forward from restructuring process and focus more on the future. Specifically, we will continue to explore and invest in potential acquisition opportunities in pharmaceuticals, foods and beverages, and consumer goods to make ourselves a leading company in these fields. In the meantime, we strengthen our production base, increase our sales and improve our financial indicators.

Those plans are not easy, but we are determined to make them happen. By listening to our customers, shareholders and simplifying what we do, I believe we have done the right things to build a more efficient, transparent and sustainable group. In our philosophy, all what we have done for the group start with an understanding of the customers' needs and decisions are made based on this. With such a philosophy that prioritizes the understanding of customers before serving them, I am confident that we will be successful at the end.

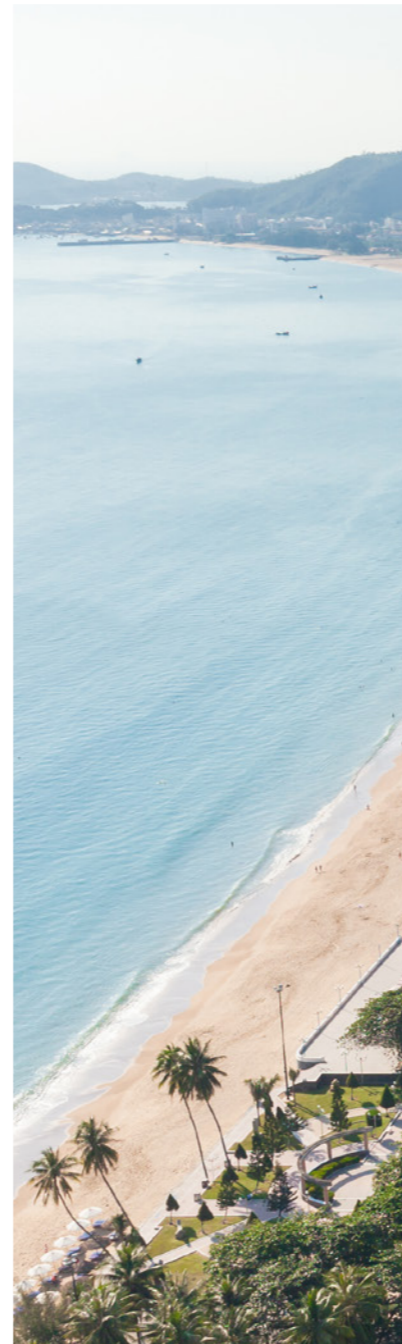
The reason I am so that confident is because I see the commitment and the endless efforts from our colleagues given to our group and customers. Working with people in this group, regardless of level, location, and member company, I am always surprised at their contribution and dedication. Their dedication is the most valued asset, and that is the foundation of the group's future. I would like to discuss more about the group's future in the next annual general shareholders meeting.

Wish you a happy and wealthy year!

Chairman of the Board of Directors
F.I.T Group Joint Stock Company



NGUYEN VAN SANG



GENERAL INFORMATION

BUSINESS DEVELOPMENT

2007



Established **F.I.T Investment Joint Stock Company**, the previous name of **F.I.T Group Joint Stock Company**

2012



After 5 years establishment, charter capital reached 350 bio VND, multiplied by 10 times compared to the initial charter capital. The core business was financial services and investment consulting.

Sao Nam Trading, Manufacturing and Service JSC became F.I.T's associate, set a sound background for the holding company in the future.

2013



Listed on HNX, code is **F.I.T**

2014



F.I.T became majority owner of TSC - Can Tho Technology and agricultural supplying Joint Stock Company (TSC's members company were **Westfood Processing Export JSC and Pesticide TSC Joint Stock Company**)

2015



F.I.T became majority owner of **Cuu Long pharmaceutical JSC**
F.I.T became investor of **Khanh Hoa Mineral Water JSC (Vikoda)**

2017



Charter capital increased to **2.547 billion dong**.

F.I.T became main owner of Euvipharm JSC - previously known as a joint venture between Canada and Vietnam

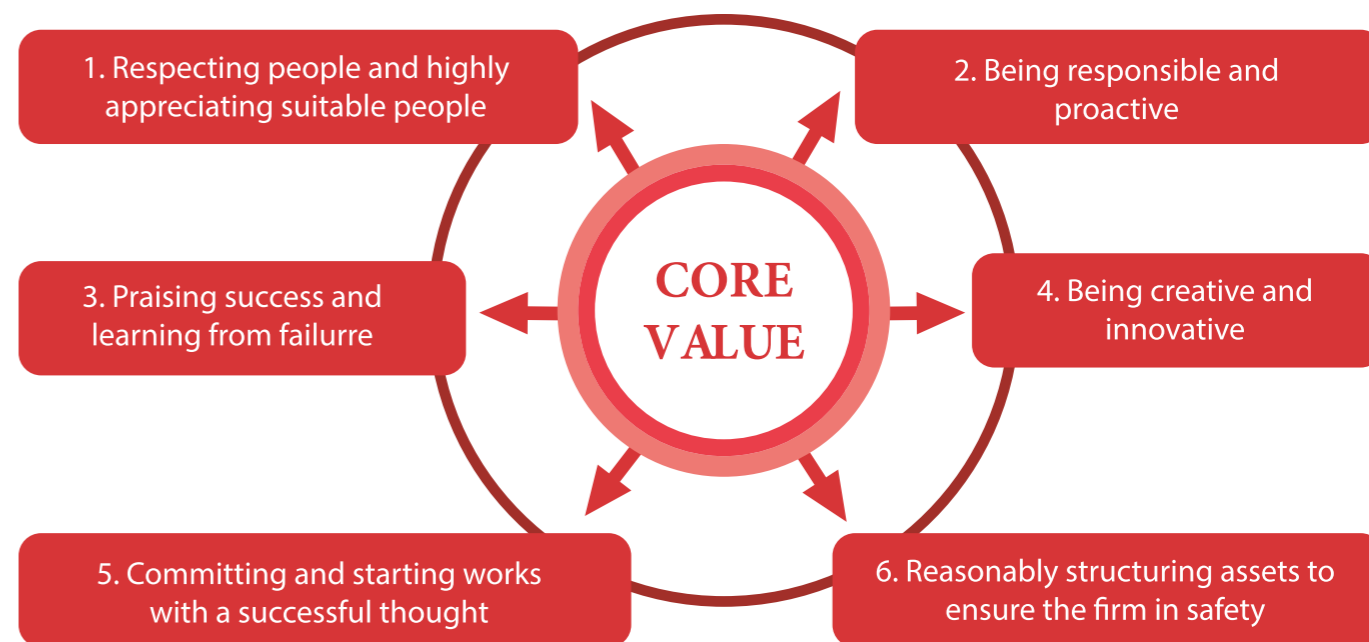
Establishment of Benovas Oncology JSC - the first oncologic manufacturer in Vietnam with the most modern technology.



CORE VISION

F.I.T is an effective investment firm which raises benefits of shareholders by its series of various consultant products, qualified portfolio and professional staff.

CORE VALUE



GENERAL INFORMATION

F.I.T GROUP JOINT STOCK COMPANY

Company name	F.I.T Group JSC
Established date	08/03/2007
Ticker	FIT
Charter capital	2,547,302,470,000 VND
Headquarter	5 Floor, Times Tower, HACC1 Complex No. 35 Le Van Luong, Thanh Xuan District, Ha Noi
Tel	(84-4) 7309 4688
Fax	(84-4) 7309 4686
Business registration license and tax identification number	0102182140
Website	www.fitgroup.com.vn

CERTIFICATES AND AWARDS

Top 500 Biggest Vietnam private companies - 2016

VIETNAM
TOP500
LARGEST
PRIVATE ENTERPRISES

Top 10 Trusted Company in Vietnam 2016

2016

Vietnam Golden Star - 2015

2015

Sustainable development Company in Vietnam - 2014

2014

The excellent Leadership in Asia Pacific - 2014

2014

FINANCIAL HIGHLIGHT

2016-2017

Unit: million VND

INCOME STATEMENT

	2017	2016
Net revenue	1.625.361	2.422.754
Gross profit	384.620	436.225
EBITDA	213.564	308.855
Profit before tax	164.409	195.734
Profit after tax	112.583	143.684
Profit after minority interest	106.047	112.030

BALANCE SHEED

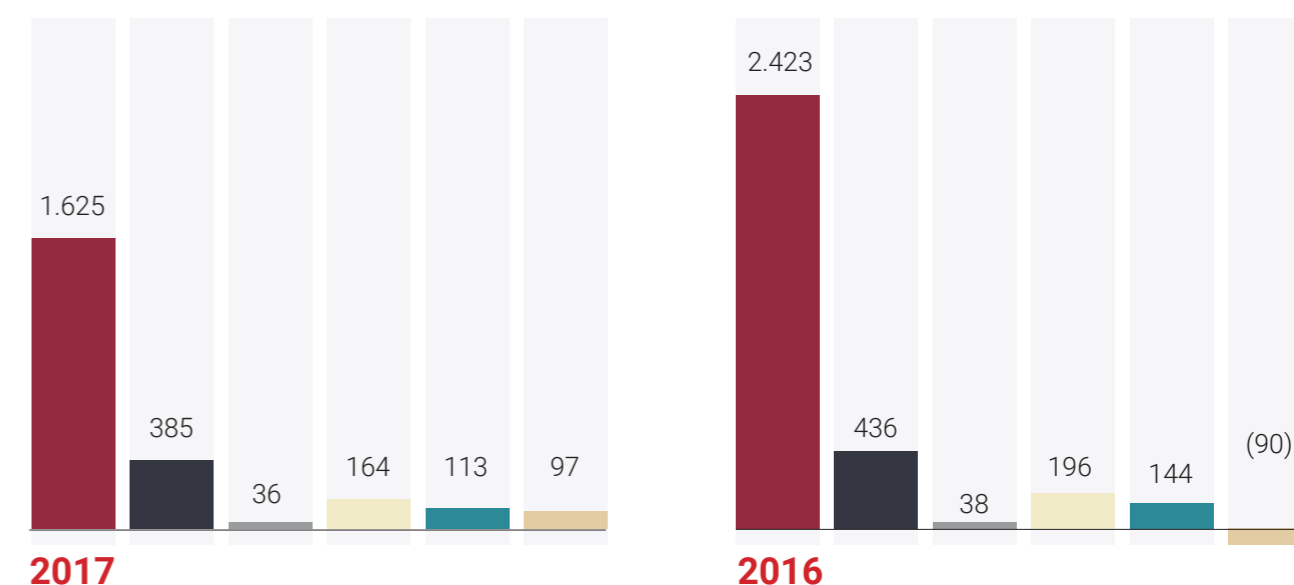
	2017	2016
Total asset	4.899.489	4.339.323
Short-term asset	2.421.819	2.298.901
Long-term asset	2.477.670	2.040.423
Total liability	901.611	576.365
Short-term liability	665.919	543.282
Long-term liability	235.692	33.083
Total Equity	3.997.878	3.762.958
Equity after minority interest	2.921.707	2.519.473
Charter capital	2.547.302	2.235.490

CASHFLOW STATEMENT

	2017	2016
Cashflow from operating activities in which	96.909	(90.460)
Cash generated by operating activities	121.041	174.799
Working capital variation	(24.132)	(265.259)
Cashflow from investment activities	(757.615)	(414.231)
Cashflow from financial activities	657.628	(187.200)
Cashflow	(3.079)	(691.892)
Cashflow and Equivalent at the beginning	47.232	739.124
Cash and Equivalent at the end	44.148	47.232
Diluted EPS (VND)	417	591
Book value pershare (VND)	11.470	11.270
Dividend (share dividend)	n/a	n/a

The year of 2017 is not an impressive fiscal year if we just looking at the absolute numbers. It witnessed the falloff in all values of the benchmarks on the income statement in comparison to the year of 2016. In graph 1, the right side reflects the 2016 income results and left side is for the 2017. The left-to-right benchmarks are, respectively, revenue, gross profit, operating profit, profit before tax, profit after tax and operating cash flow. Figures showed that the income plunged the most, just by 67% compared to 2016, while other indicators reached 80% to 95% over the same period. However, it is worth noting that the operating cash flow increased sharply, from minus 90 billion in 2016 to 97 billion in 2017.

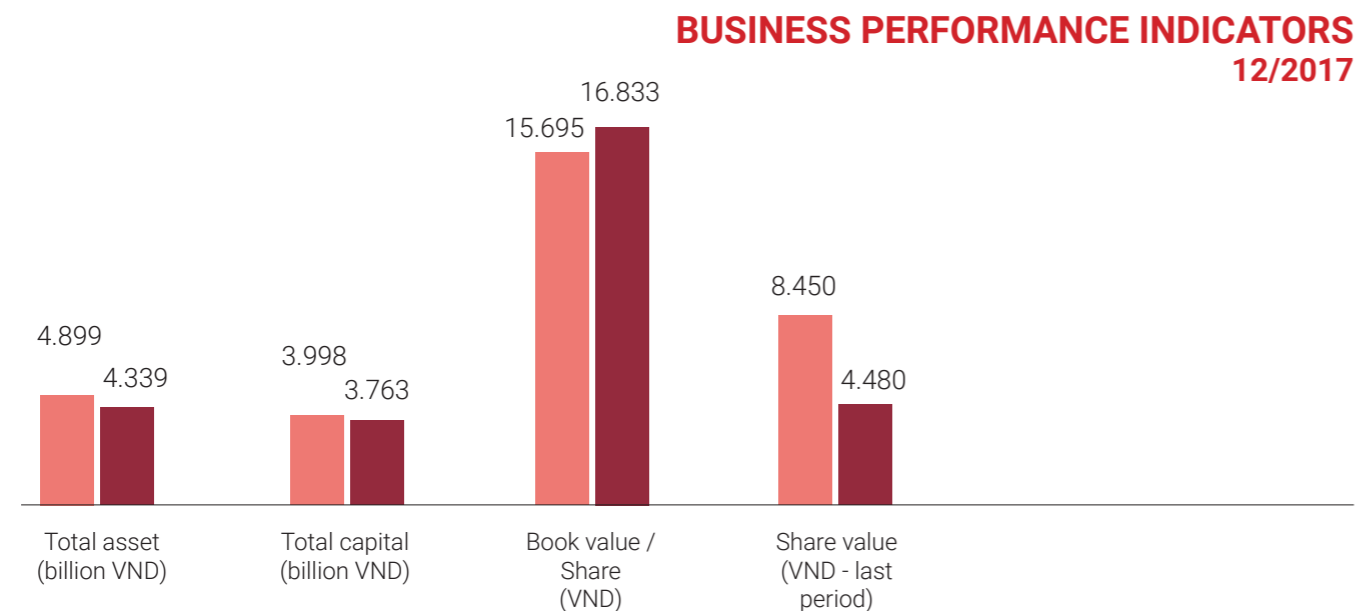
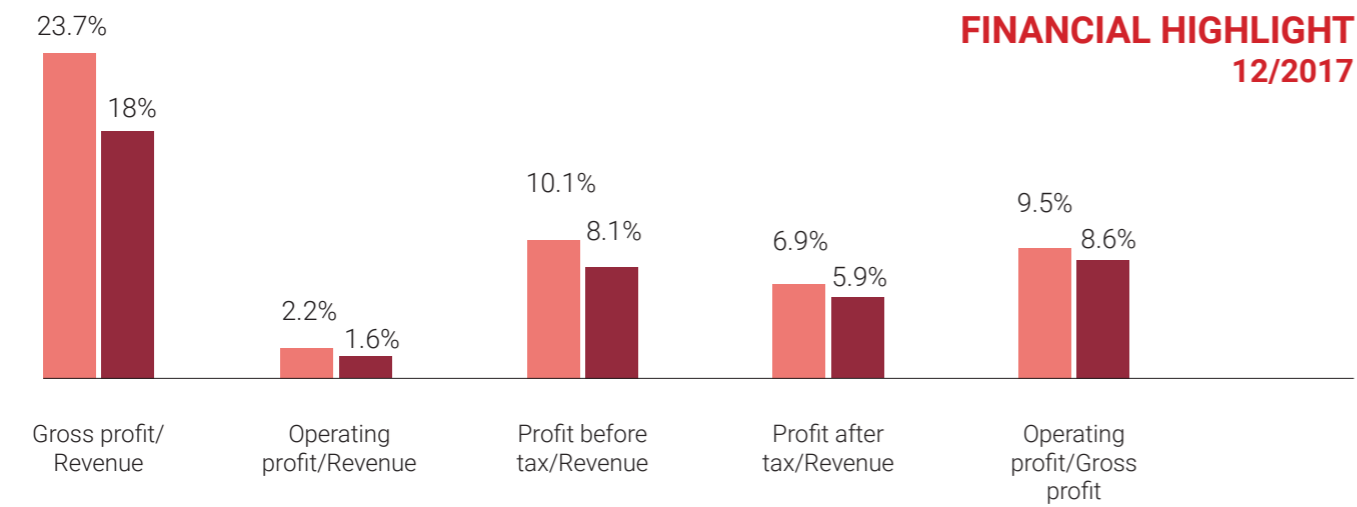
BUSINESS PERFORMANCE INDICATORS



The decline in revenue resulted from the proactively action of the Group's to narrow down the business operation of the Can Tho Agricultural Technical Material Company (TSC). The Group, through the TSC parent company, has withdrawn capital from Can Tho Agro-Pharmaceuticals (TSP) from late 2016 and ceased trading activities of Nong Tin JSC throughout 2017. Trade and transaction activities of the TSC parent company was also shrank. The decrease in revenue of TSC group led to a sharp fall in turnover of the Group. However, this decline in the turnover was necessary for the shareholder value in the future. The Group saw no strength in the business sectors of TSC while it had been forecasted that the level of market competition would be much severe, resulting in inefficient potential in the future. In addition to the drop in revenue due to the shrinking of non-core businesses, the concentration of resources on the strength sectors including pharmaceuticals and food has led to the acquisition and investment in new plants, contributed to the stagnation of normal manufacturing and business activities.

The drop in revenue definitely led to a decrease in profitability benchmarks. Specifically, operating profit fell from VND38 billion to VND36 billion, or after-tax profit fell from VND144 billion to VND113 billion in comparison to 2016. However, these decline is not worrisome as we understand clearly the reason why the turnover dropped. Instead, we should be proud of all the crucial indicators that reflect improved business performance. In Chart 2, all profit margins against sales or gross profit showed a significant improvement over 2016. This implies that when revenue returns to the normal growth rate after the completion of business restructuring and fundamental investment activities, we have the right to believe that the profitability benchmarks will be much better than usual due to improved performance. In addition, the fact that operating cash flow grew stronger and shifted from negative to positive in 2017, to a certain extent, suggests that the Group is operating on a safer financial security. In other words, the Group is creating shareholder value by greater efficiency in its operations.

The belief in shareholder value in the future is strengthened by looking at the financial position of the Group. In Chart 3, the total assets and total owner's equity have grown well over 2016. The book value per share is slightly down in 2017 due to the Group's issuance of shares to increase capital in the period. Remarkably, stock prices over the same period at the end of 2016 grew nearly 100% in the context of the Group's restructuring; it is a good sign showing that the market has positive evaluation about the potential value of the Group. Although the gap to book value is still quite large, the Group has been striving to keep stock prices parallel to the book value and value of the Group in the future.



02

BUSINESS SEGMENT, ACTIVITIES EVALUATION AND DEVELOPMENT STRATEGY

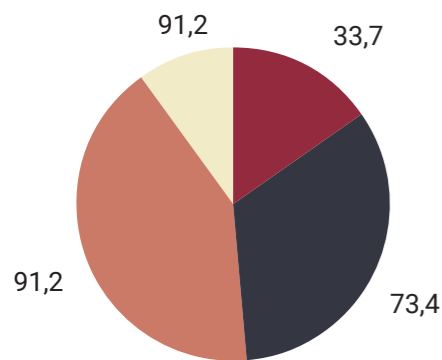
MACROECONOMY OVERVIEW

CORPORATE STRUCTURE

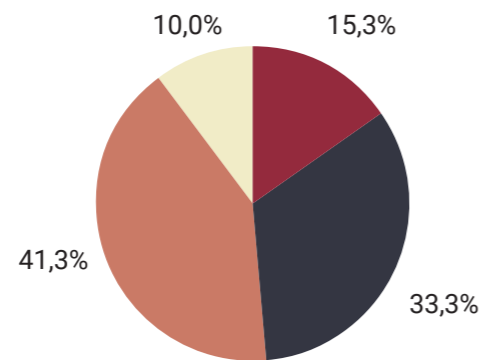
BUSINESS EVALUATION

DEVELOPMENT STRATEGY

MACROECONOMY OVERVIEW



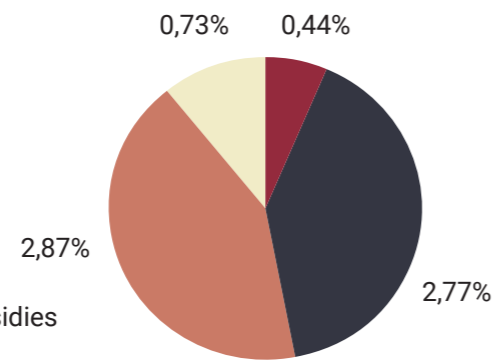
GDP 2017
220,3 (billion USD)



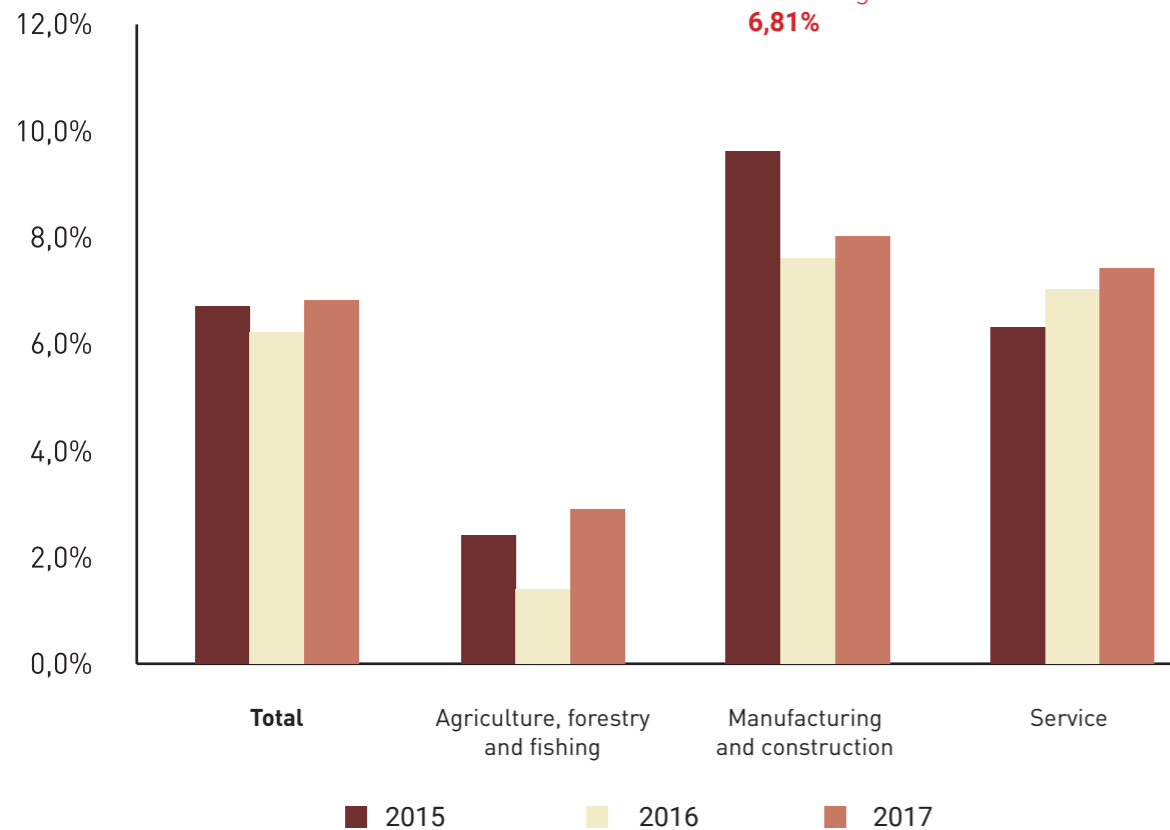
%GDP 2017

The gross domestic product (GDP) of Vietnam increased sharply in the last two quarters, reached 6.81%, surpassing the target of 6.7% as planned at the beginning of the year, and achieving the highest growth in the past 6 years, confirmed the recovery after economic crisis during 2008-2011. Industry and construction sectors continue to lead in terms of growth, followed by services. The agro-forestry-fisheries sector recovered strongly in the two areas: agriculture and fisheries after being heavily affected by natural disasters in 2016, surging sharply in comparison with 2016 and exceeding growth rate of 2015.

- Agriculture, forestry and fishing
- Manufacturing and construction
- Service
- Product tax minus product subsidies



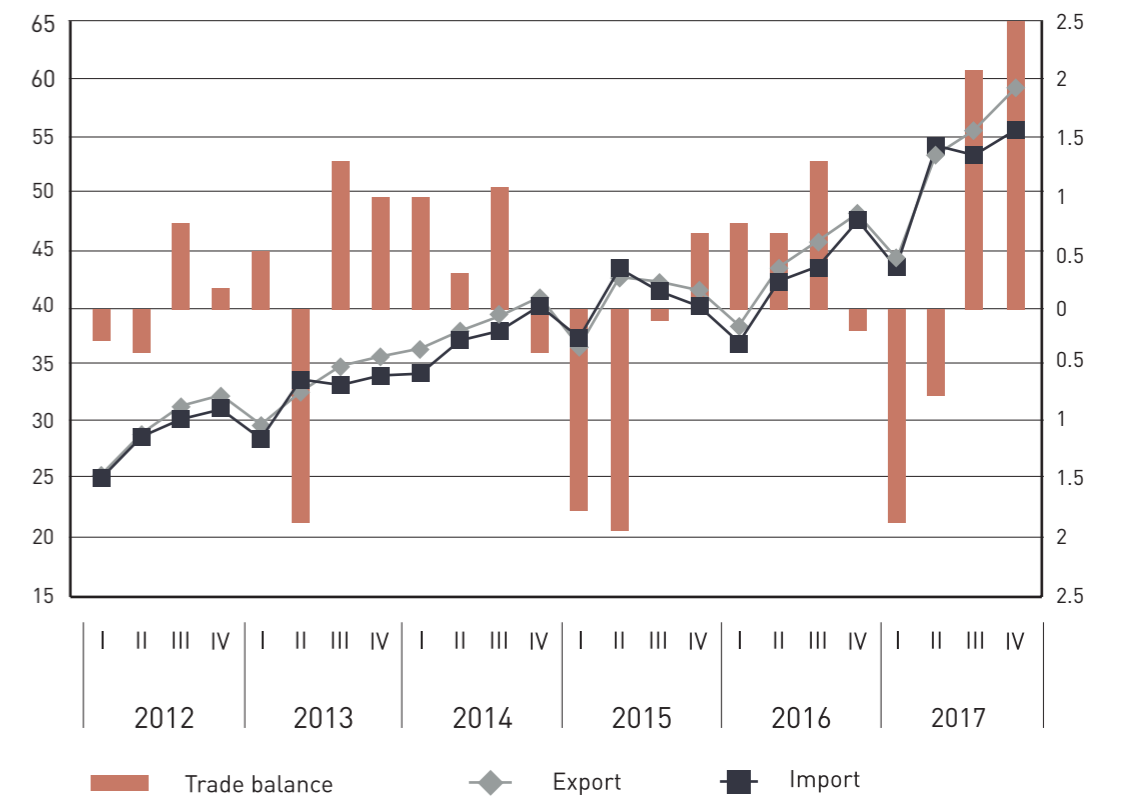
Contribution to the growth 2017
6,81%



Foreign direct investment disbursement in 2017 reached US\$ 17.5 billion; increased 10.8% compared to 2016. The total new registered capital increased sharply by 67.1% compared to the same period in quarter 4/2017; in 2017, the total registered capital achieved US\$ 21.28 billion with a total of 2,591 new registered projects, 1/3 of which was in the manufacturing industry, with high growth rate and became the driving force for the economy. Japan leads among the investment partners in Vietnam with US\$ 9.11 billion in 2017; South Korea ranked second with US\$ 8.49 billion and Singapore ranked third with US\$5.31 billion.

Import – export diagram

Unit: billion USD



Vietnam had trade surplus of US\$ 2.67 billion in 2017, mainly concentrated in the last two quarters of the year. South Korea replaced China to be the market where Vietnam had the largest trade deficit with at the value of US\$ 31.8 billion (since Samsung expanded its investment in Vietnam, the demand for imported machinery increased sharply). Trade deficit with China was US\$ 23.2 billion, decreased compared to US\$ 28 billion in 2016 as exports to China increased sharply by 60.6%. The United States and the EU were two largest markets which Vietnam had trade surplus with and the value were \$ 32.4 billion and \$ 26.3 billion respectively; increased by 10.2% and 14.9% respectively. The domestic sector had trade deficit at US\$ 26.1 billion, while the foreign-invested sector enjoyed trade surplus of US\$ 28.8 billion.

MACROECONOMY ENVIRONMENT

The Index of Industrial Production (IIP) increased 9.4% in 2017 (higher in compared to 7.4% in 2016). The manufacturing industry increased 14.5%, achieved the highest value in the past six years, was the largest contribution to overall growth of 10.2 percentage points; offset to the mining sector which declined deeply by 7.1%, lost 1.5 percentage points of overall growth.

The index of industrial production also showed a positive picture of the recovery of the economy: Manufacturing Inventories Index rose by 8% (the lowest increase in many years); the average inventory level in the period was only 65.9% (compared to 66.1% in 2016). PMI of manufacturing sector continued to remain above 50 points for the 25th consecutive month, showing a positive signal of the prospects for the manufacturing sector.

The data on enterprises' business performance also reflects the trend of economic recovery: In 2017, 126.9 thousand new enterprises were established with the registered capital of 1,295.9 billion VND; raised 15.2% in number of enterprises and 45.4% in registered capital compared to 2016. The number of enterprises resuming their operations were 26,448 enterprises, up 0.9% compared to 2016. Number of enterprises completed their dissolution were 12,113 enterprises, decreased 2.9% year on year. Number of enterprises temporarily suspending their businesses were 60,553 enterprises, decreased 0.2% compared to 2016.

Money market in Banks: Credit growth as of Dec 2017 achieved 16.96% (2016: 18.71%). Capital mobilization of commercial banks reached 14.5% (compared with the same period last year: 16.88%). Credit increased faster than mobilization, but thanks to the state bank to buy \$ 7.5 billion during the year, liquidity system is still guaranteed. The interest rate was stable during the year and decreased in some sectors due to SBV's policies. Total liquidity increased by 14.19% (compared to the same period: 16.47%). The foreign exchange market is stable throughout the year of 2017, the foreign exchange reserves of the SBV reached the record with the value of US\$ 51.5 billion, enough to stabilize the exchange rate fluctuation in the short term.

ECONOMIC OUTLOOK 2017



Economic growth spiked in the last two quarters of this year, surpassed the growth target set earlier of the year.

Import and export achieved a new record, the total flow of imports and exports reached 400 billion US dollars.

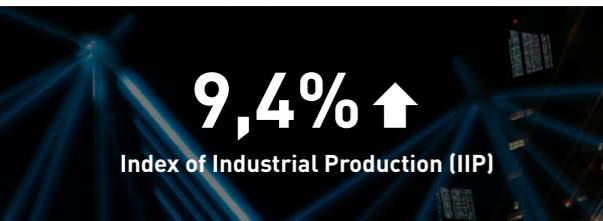
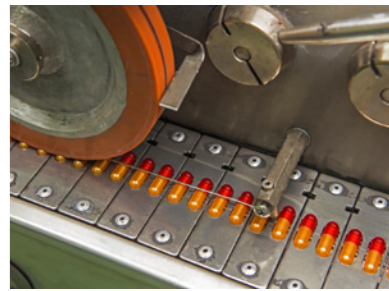
The manufacturing industry was growing well, offsetting the decline of mining sector. Industry and Construction continued to lead in terms of growth over the agro-forestry-fisheries and services sector.

Inflation maintained at 3.5%, completed the target which was set to be under 4%. Inflation mainly came from the policy of raising medical prices, rising education prices and rising petrol prices.

The exchange rate was maintained stably in the year, the SBV aggressively bought USD, increased its foreign exchange reserves and was ready to stabilize in the event of strong exchange rate fluctuations.

Interest rates remained stable during the year and decreased in some sectors as regulated by the SBV. Rediscount interest rates and refinancing rates were down to 4.25% and 6.25%, respectively.

Macroeconomics is generally considered to be stable and the growth will create the foundation for F.I.T Group to continue its steady development.

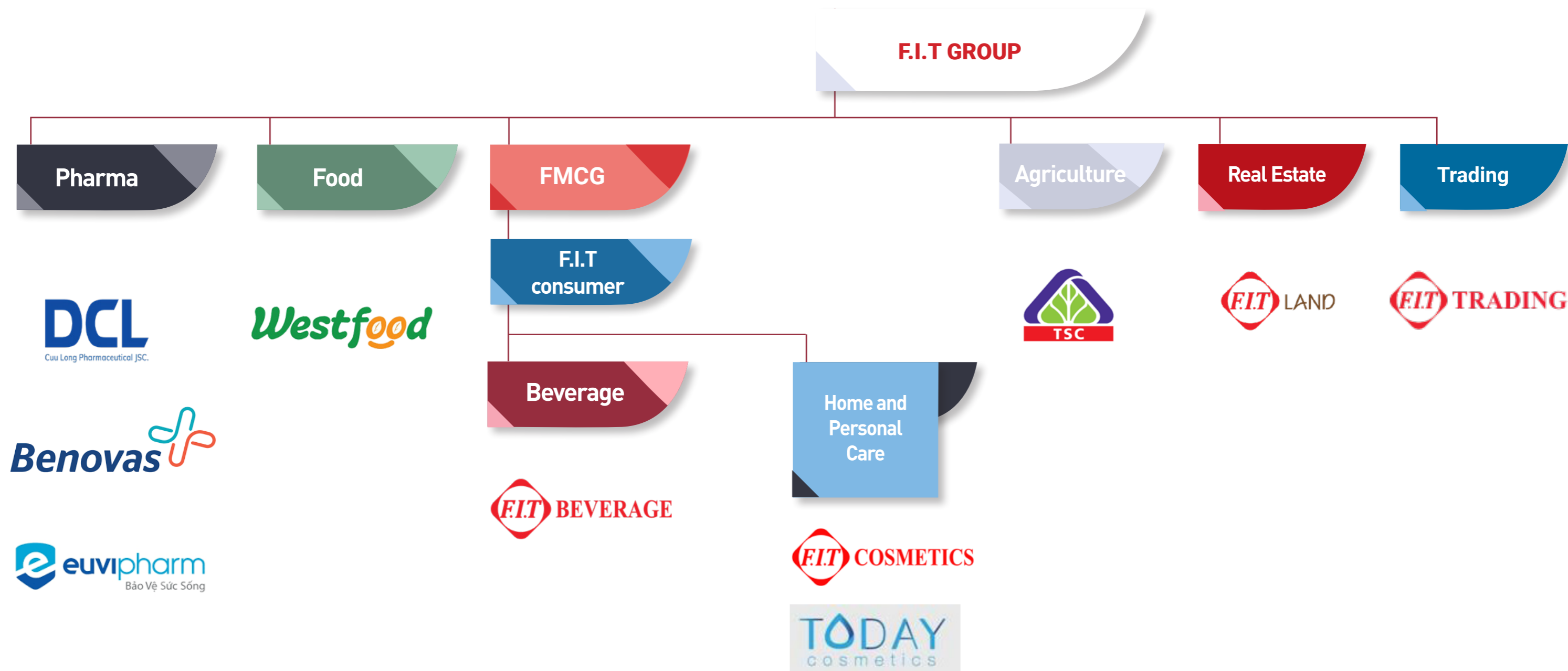


CORPORATE STRUCTURE OF THE GROUP

CURRENT CORPORATE STRUCTURE

The segments that the Group is investing

- Pharmaceutical
- Food
- FMCG including Beverage and Home & Personal Care
- Agriculture: F.I.T has divested from the pesticide company, the main activity of this segment is trading
- Real estate: F.I.T just joined this operation at the end of 2016





FINANCIAL DATA OF BUSINESS SECTORS UNDER THE GROUP

The year of 2017 witnessed the Group's dramatic changes in its overall business strategy. Narrowing the operation in the sectors that does not have the strength and focusing on those segments that have the advantage was a strategic decision. That strategy also led to a vital tradeoff for the future of the Group: choosing either the long-term shareholder value, or short-term trading results. The choice for long-term shareholder value has led to a decline in business targets in the short term, but it is expected to bring great value to shareholders from greater efficiency in manufacturing and business. The results of 2017 are not impressive in terms of numbers but it is very impressive to reflect the initial positive results of the restructuring process. The performance indicators have improved a lot compared to 2016. We expect that when the investment and construction activities are fundamentally complete, the business results and financial position will be the good determination for the appropriateness of restructuring strategy that the Group is pursuing. At the core business segments, business results reflected and aligned with the overall strategy of the Group.

BUSINESS OPERATING SEGMENTS AND EVALUATION OF PERFORMANCE IN EACH SECTOR OF THE GROUP

BUSINESS IN PHARMACEUTICALS SEGMENT DCL PHARMACEUTICAL JOINT STOCK COMPANY'S (DCL)

The company currently operates in three segments: Pharmaceuticals, Capsules and Medical Equipment. With a lot of efforts of the leaders and staffs, the year of 2017 becomes the year with many memorable milestones and events.

OPERATION IN 2017

In the early of 2017, DCL completed the acquisition of Eu-vipharm Pharmaceuticals from Canada's Valeant Pharmaceuticals International, Inc., which helped the company access new product lines and has the orientational changes.

In early March, 2017, DCL together with SCIC established Benovas Oncology Pharmaceuticals Joint Stock Company which has been become the first anti-cancer drug manufacturer in Vietnam.

In July of 2017, DCL re-launched its Panagal product line to the market with better packaging and quality, marking the beginning of a brand repositioning strategy for a variety of other products. The DCL Panalgan product line is manufactured on a modern line imported from Canada and Korea with better packaging and following quality standards in USP (United States Pharmacopoeia) which is effective in analgesic, antipyretic, treatment of pain and flu.

In December, DCL finished the deal of issuing US\$ 20 million convertible bond to Rhinos Asset Management, and at the same time completed the Capsule III Plant project, which was launched in March, 2017 to jointly produce old Vicancap capsules in order to meet the increasing demand of the market.



Benchmarks	2017	2016
1. Liquidity ratio		
+ Short-term ratio	3,64	4,23
+ Quick ratio	3,14	3,68
2. Capital structure		
+ Debt /Total assets	0,18	0,13
+ Debt/ Owner's equity	0,23	0,15
3. Performance indicator		
+ Inventory turnover	3,92	5,81
+ Net revenue/Total assets	0,33	0,56
4. Profitability ratio		
+ Profit after tax/Net revenue	6,93%	5,93%
+ Profit after tax/ Owner's Equity	2,82%	3,82%
+ Profit after tax/Total Assets	2,30%	3,31%
+ Profit from Operation/Net Revenue	9,59%	8,07%

PHARMACEUTICAL SEGMENT

Cuu Long Pharmaceutical Joint Stock Company (DCL)

BUSINESS SITUATION

In terms of business activity, DCL's consolidated revenue grew from 737 billion in 2016 to 765 billion in 2017. The increase is resulted from the merger of the revenue with the Euvipharm subsidiary which was acquired in the year. However merging with Euvipharm also resulted in DCL's consolidated revenue results being impacted because in the transfer process, the Euvipharm plant had operated far below its designed capacity. Profit before tax in this segment fell from 113 billion in 2016 to 98 billion in 2017. The year of 2017 witnessed the fierce competition in ECT distribution market (Ethical Channel), the selling price of the packages drastically reduced and that impacted on the sales of the pharmaceutical segment of DCL, made it go down by 4.3%, reached 458 billion. However, at the pharmacy medicine distribution market (OTC), sales continue to be well maintained.

Revenue did not grow in capsule segment as the plant had already operated at 100% capacity. From 2018, the capsule manufacturing plant -

Capsule III will start to operate and it is expected to help this segment increase 50% of output compared to 2017. In the medical equipment segment, by cause of market demand, in 2017 DCL decided to invest in installation of 2 more plastic injection machines in order to raise the output of medical equipment in October 2017. However, Vikimco's sales figures remained at the same level as in 2016 due to the fact that the factory had some time to use the machine temporarily for first time GMP FDA testing.

DEVELOPMENT PLAN FOR 2018 AND FOR THE NEXT INCOMING YEARS

DCL will prioritize investment in production, infrastructure construction which meets international standards, research for products with high economic value to help enterprises create added value. The anti-cancer drug factory in Vietnam is a key project of Cuu Long Pharmaceuticals and will be a solid foundation for future takeoff. To a business strategy that is appropriate from time to time, and to maximize revenue and planned profit. To implement tight financial management, control costs in each step to improve operation efficiency. The business plan for 2018 is as follows:

- Net revenue: 963 billion dong
- Profit after tax: 86 billion dong

Pharmaceuticals (DCL) Unit: billion VND	2017	2016
Net revenue	765	737
Medicine	458	479
Capsule	168	167
Medical equipment	77	77
Other activities	62	14
Operating Profit	88,5	107,2
Financial performance	(0,2)	5,5
Profit before tax	98,3	113,1
Free cash flow	(103,7)	33,7
Operating Cash flow	49,8	47,4

BUSINESS IN FOOD SEGMENT

WESTFOOD FOOD PROCESSING JOINT STOCK COMPANY (WESTFOOD)

At present, the factory has 2 production lines corresponding to 2 product groups:

- Canned fruits: The line can produce many sizes of boxes. Capacity: 2 containers of 20'FLC/day

- Individual Quick Freezing fruits (IQF): 5 IQF machines with a total capacity of 4.2 tons/hour.

Food (WESTFOOD) Unit: billion VND	2017	2016
Revenue	273,6	295,5
Operating Profit	19,9	6,6
Financial performance	0,7	4,2
Profit before tax	20,7	10,9
Free cash flow	(18,4)	(12,7)
Operating cash flow	5,2	26,1

In the harsh business environment, Westfood, one of the leading canned and frozen fruit manufacturers in Vietnam, has successfully restructured its business strategy. In order to avoid fierce competition from Thailand, Westfood has decided to restructure its products, focusing more on high profit margin products instead of focusing on sales growth. The slip in revenue from 296 billion in 2016 to 274 billion in 2017 did not lead to a drop in profitability, but vice-verse, operating profit and profit before tax increased dramatically. Operating profit increased from VND 7 billion to VND 20 billion and profit before tax increased from VND 11 billion to VND 21 billion. As a result, the aggressiveness of the product restructuring strategy as well as the efficiency in business management has been reflected in the figures in this segment.



Westfood's certificates in quality management and production management systems



BRC



FDA



HACCP



HALAL



IFS CERTIFICATE



KOSHER

BUSINESS IN FAST-MOVING CONSUMER GOODS SEGMENT

F.I.T CONSUMER JOINT STOCK COMPANY

F.I.T Consumer (FC) was established on January 1, 2016 to manage the FMCG industry of F.I.T Group whose starting point was operating in the beverage industry and personal and family care products. FC acts as a distributor of products in the Vietnam market for manufacturing companies. Operating companies were consolidated into FC under the equity method. With a 49% investment in Vikoda and Sao Nam. FC has been focusing on restructuring the companies through the improvement of the distribution system to expand the coverage and move to the active sales model, switching to brand identity aiming at increasing consumer's recognition of the brand of the company, expanding the product line and launching new products as well as reorganizing the marketing department with emphasis on the recruitment of experienced personnel. Some of the new products featured in F.I.T Consumer in 2017 may include:

- Tero neutral Liquid detergent and softener
- Dr. Clean Hand Gel 200g with two new fragrances Ocean Iris and Coco Milk
- Nuwhite Yogurt Shower Gel
- iMen Ban Me bottled coffee
- Vitamin lemon Tea - iTeen Pokemon
- Dr Kool Herbal Toothpaste
- Dr Kool Junior – Toothpaste for kids
- Dr Kool 5 effects toothpaste

FMCG is one of the Group's core businesses in the future, consumer goods and beverages have experienced a slight growth in revenue from 351 billion in 2016 to 383 billion in 2017. In the stage of market development and distribution channel building, this business segment has not generated profit. The loss before tax in 2017 is 18.5 billion, equivalent to 18 billion in 2016. According to the Group's plan, the investment in market development and distribution network will start to actively develop from 2018, making this segment to become a profitable business.



FMCG Unit: VND billion	2017	2016
Net revenue	382,6	351,3
Operating Profit	(19,7)	(18,9)
Financial performance	0,7	0,9
Profit before tax	(18,5)	(18,0)
Free cash flow	(4,7)	20,6
Operating cash flow	(3,6)	22,4

BUSINESS IN AGRICULTURE SEGMENT

CAN THO AGRICULTURAL TECHNIQUES AND MATERIALS JOINT STOCK COMPANY, NONG TIN, TSS

The business segment which contributed to the Group's revenue slump was in the agriculture segment. This is the business segment that the Group has determined that it is not the Group's strength and will continue its downsizing. Therefore, it is no wonder that revenue has decreased from 1.087 billion in 2016 to 170 billion in 2017 and recorded operating loss.

Agriculture (Agricultural Technique and Agricultural Technology JSC, TSS) Unit: VND billion	2017	2016
Net revenue	170	1,036
Operating Profit	(17)	-2,4
Financial performance	(9)	-0,2
Profit before tax	(29)	6
Free cash flow	(109)	153
Operating cash flow	(48)	153

ACTIVITIES OF THE F.I.T GROUP

F.I.T provides services in the areas of consultancy, investment cooperation and investment.

CONSULTANCY SERVICES

With a team of experienced and well trained professionals, we provide our clients with reasonable and valuable advice in the areas of mobilizing and arranging funds for projects. , issuance of corporate bonds. Repo stocks, consulting for M & A projects, consulting brand development.

OPERATION OF INVESTMENT COOPERATION

In order to increase the benefits for both partners and F.I.T, we have researched and launched many cooperative investment products such as Repo stocks or bonds, Repo homes.

INVESTMENT

We continue to disbursing to financial investment products, real estate projects as well as subsidiaries and associates. From 2014, F.I.T started to buy companies and factories so as to create a structural shift from the pure investment company to a company that does business.



DEVELOPMENT DIRECTIONS STRATEGY

F.I.T is in the midst of a transition from a pure investment and consulting company to a manufacturing and trading corporation.

For the sustainable development, F.I.T always builds a strict management system not only from the parent company but also throughout from the parent company to the subsidiaries in order to create consistency which constructs the synergy.

The Group's primary goal is to be effective in the large-scale sectors that create products and services to serve the needs of the middle class in Vietnam such as Pharmaceuticals, Food and FMCG. F.I.T will consider investing in potential companies in the above-mentioned development sectors and will support businesses with a great deal of governance, investment in exclusive products, strong brands, broaden sales systems, distribution channels to add value to the enterprise and gradually bring the company to lead in the participated industries.

Besides, real estate is also a sector which F.I.T will take into account to invest because this is a sector with large scale, high growth potential and bring great profit. However, F.I.T will invest in a careful manner combined with careful research and strict management to bring the most effective results to investment capital.

In addition, F.I.T continues to maintain a short-term portfolio to capture market opportunities and generate high returns.

In the coming time, the Group will continue to expand its operations through self-growth as well as acquisition of other potential companies. At the same time, we maintain and develop partnerships with large domestic and foreign enterprises to promote governance ability, technology, technicality and trade.



03

CORPORATE GOVERNANCE

CORPORATE STRUCTURE

HR STRUCTURE

HR POLICIES

CSR

SHAREHOLDER STRUCTURE AT 17/10/2017

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BOARD OF MANAGEMENT REPORT

SUPERVISOR REPORT

REMUNERATION OF BOD, BA, SUPERVISOR

INTERNAL AND RELATED SHARE TRANSACTION OF LISTED COMPANY

F.I.T GROUP COMPANY

ORGANIZATION CHART



BOARD OF DIRECTORS AND BOARD OF MANAGEMENT



Mr. **NGUYEN VAN SANG**

Chairman

Mr. Nguyen Van Sang, Chairman and co-founder of F.I.T Group, has extensive experience in operating and managing companies in various sectors thanks to its more than 10 years working experience with Multinational corporations including P & G, Shell, and Electrolux.

As the soul of F.I.T Group, Mr Sang builds the strategy for the Group to become a leading conglomerate in Vietnam with the support from other members of the BOD.

Mr Nguyen Van Sang earned his BA and Master degree in Finance – Banking from the National Economics University.



Ms. **NGUYEN THI MINH NGUYET**

Vice Chairwoman & Chief Executive Officer

Ms. Nguyen Thi Minh Nguyet, CEO and co-founder, is leading the operations of the entire Group for a smooth implementation of the orientation and strategy defined by the BOD. Being an expert in Finance and Accounting and Human Resources Administration, from the very early stage of her career, she has dedicated to the development of F.I.T Group

Before joining F.I.T, Ms Nguyet has over 16 years working experience in finance, commercial and human resource fields notably at Mekong Automobile Corporation and Shell Gas Hai Phong Ltd.

She earned her BA from the Foreign Languages University as well as her BA and MBA from National Economics University respectively.



Mr. **PHAN MINH SANG**

BOD Member

Mr Phan Minh Sang has more than 18 years of working experience in finance, business and administration in GMN Motor and Auto Parts Production JSC, Delta Beverage Company, Geleximco and Vietnam Lottery Company. Joining F.I.T since 2014 as a BOD member, Mr. Sang has contributed to F.I.T orientation for strategic development, notably for the Food and Agri Divisions as CEO of TSC.

He graduated from Faculty of Finance National Economics University in 1995 and had his MBA from National Economics University.



Mr. **PHAM CONG SINH**

BOD Member

Mr Sinh has over 10 years experience in executive and management in corporations or manufacturing companies, branding and distribution of consumer goods such as P & G. After leaving P&G, Mr. Sinh established and developed Sao Bam Commercial production and Trading company which has many branding products: Hand wash DrClean; shower Nuwhite; tooth paste DrKool; wet tissue Rosy and Mosquito spray Rocket... As BOD member, Mr. Sinh will take responsibility for the development of F.I.T in middle and long term.

Besides, with experience and ability, Mr. Sinh also was pointed to be CEO of Vikoda; F.I.T consumer – a F.I.T member which mainly production and distribution of FMCG products.

He graduated from National Economics University in 1995 and got Master degree of Business Administration of this university.

BOARD OF DIRECTORS AND BOARD OF MANAGEMENT



Mrs. **Tuong Thi Thu Hanh**
BOD Member

As an independent member of Board of Directors, Ms. Hanh used to work for BIDV, ACB Securities, PSI and is currently the CEO of AWR Lloyd Consulting Ltd (Hong Kong). With the firm foundation of experience, Hanh will have a lot of contribution to improve management efficiency and business results in accordance with the company's new strategy.



Mrs. **Bui Thanh Huong**
BOD Member

Ms. Huong has experience working in import and export for big companies in Vietnam such as: Vietnam airline, Thang Long limited.. As BOD member, Mrs. Huong together with BOD members have responsibility for the development of F.I.T in new period. Ms. Huong graduated from University of Commerce.



Mr. **Hua Xuan Sinh**
BOD Member

He is experienced in enterprise management, production management and sales system development. Whose name is associated with Duc Viet Sausage and he has developed this company from nothing to become a leader in the field of food. The presence of Mr. Sinh in the Board will contribute to F.I.T Group.



Mr. **Le Xuan Vu**
Deputy CEO (Incharge Finance)

Mr. Le Xuan Vu graduated with a Bachelor of Economics from National Economics University, and he holds a Master of Business Accounting degree from Victoria University of Technology in Australia. With many years of experience in finance, before joining FIT, Mr. Vu has held important positions at prestigious companies such as: Deputy Finance Director at some member companies of Carlsberg Breweries; Finance Manager at Shell Gas Vietnam (LPG) Company & Shell Gas Haiphong, Finance Forecast Supervisor at Ford Vietnam. Assigned as Chief Financial Officer at FIT, with experience in management accounting, risk analysis, financial accounting, taxation, Mr. Vu will play a major role in advising General Director, Board of Directors on issues related to finance such as: optimal governance structures construction, short and long-term budget plans and risk management.

SUPERVISION BOARD AND PERCENTAGE SHARE

NUMERICAL	FULLNAME	POSITION	SHARE PERCENTAGE
1	Mr. Ninh Viet Tien	Supervision Leader	0 share
2	Mr. Luu Duc Quang	Supervision Board Member	0 share
3	Mrs. Nguyen Thi Thanh Thuy	Supervision Board Member	0 share

INVESTMENT GROUP STRUCTURE

NUMERICAL	FULLNAME	POSITION	SHARE PERCENTAGE
1	Mr. Nguyen Van Sang	Investment Group Leader	0 share
2	Mrs. Nguyen Thi Minh Nguyet	Investment Group Member	100.000 share

Position of BOD and BOM members at other companies

BOD Member	Position	Percentage share	Position at other companies	Company	Remark
Mr. Nguyen Van Sang	BOD Chairman	0	Chairman Chairman Chairman Chairman	Cuu Long Pharmaceutical JSC Euvipharm Phamarceutical JSC F.I.T Cosmetics JSC Today Cosmetics JSC	2/12/2015
Mrs. Nguyen Thi Minh Nguyet	Deputy Chairman	100.000	Chairman Member Member Member Member	Can Tho Techno - Agricultur Supplying JSC Cuu Long Pharmaceutical JSC TSC Seed JSC West Food Hau Giang JSC West Food Processing Export JSC F.I.T Consumer JSC	
Mr. Phan Minh Sang	BOD Member	0	Member Member Member Member	Can Tho Techno - Agricultur Supplying JSC Khanh Hoa Mineral Water JSC TSC Seed JSC West Food Hau Giang JSC West Food Processing Export JSC	
Mr. Pham Cong Sinh	BOD Member	0	Member Member Chairman	Can Tho Techno - Agricultur Supplying JSC Khanh Hoa Mineral Water JSC F.I.T Consumer JSC CTCP F.I.T Cosmetics	
Mrs. Bui Thanh Huong	BOD Member	0	Member	Can Tho Techno - Agricultur Supplying JSC	Independent BOD Member

HR POLICIES

One of the core values of F.I.T is "Respecting people and highly appreciating suitable people." At F.I.T, people are always considered the most valuable assets and need the most investment. As the result, the working environment and the welfare for employees are always top priority of BOD. In the year of 2017, a number of infrastructure items have been implemented to improve the working conditions of the staff such as the gym room, yoga and zumba classes as well as lunches at the company canteen. The company also purchases Additional Health Insurance and 24/24 Personal Accident Insurance for all employees.

Human Resource Department together with other departments cooperates to carry out the ability frame assessment for each member in the company annually to orient the training and personal development, build the succession team, on the one hand to foster the capacity for each staff, on the other hand to meet the development requirements of the enterprise.

In terms of training and skill development, the company organizes training courses on corporate culture for its employees, enable the employees to quickly grasp the core values of the corporate and integrate it into working environment. In addition, the company offers specialized courses for each skill such as "Selling Skills Training Course", courses for "Mindfulness Transformation at work" for employees of the Group and managers at its Subsidiaries.

The number of employees of the parent F.I.T. by 31/12/2017 is 42 people. With an average salary of 20,661,393 VND/person/month.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In many regions of the country, F.I.T together with its subsidiaries has been actively organizing and participating in social activities, in line with the strategy set out for 2017 which is to develop F.I.T and its subsidiaries to become sustainable enterprises, to serve the community.

Social activities reflect the corporate responsibility of F.I.T and its subsidiaries in 2017 are more diversified and larger than in previous years. Specifically:

- 3,000 vegetarian meals: donated at K hospital, National Institute of Burns and Central Acupuncture Hospital;
- 3,000 poor families: received medical examination and gifts;
- 10,000 boxes of Vikoda water: sponsored at major golf tournaments;
- 13,000 gifts: sponsored on the occasion of Mid-Autumn Festival;
- 100 million VND: funded by Rocket for National Hospital of Tropical Diseases in order to support repelling dengue fever;
- And vocational activities, seminars for students.

Looking ahead to 2018, F.I.T Group will continue to participate and implement more extensive social activities with the expectation of building a more developed society, improving and lifting up the life of the Vietnamese.

SHARE HOLDERS STRUCTURE AT 17/10/2017

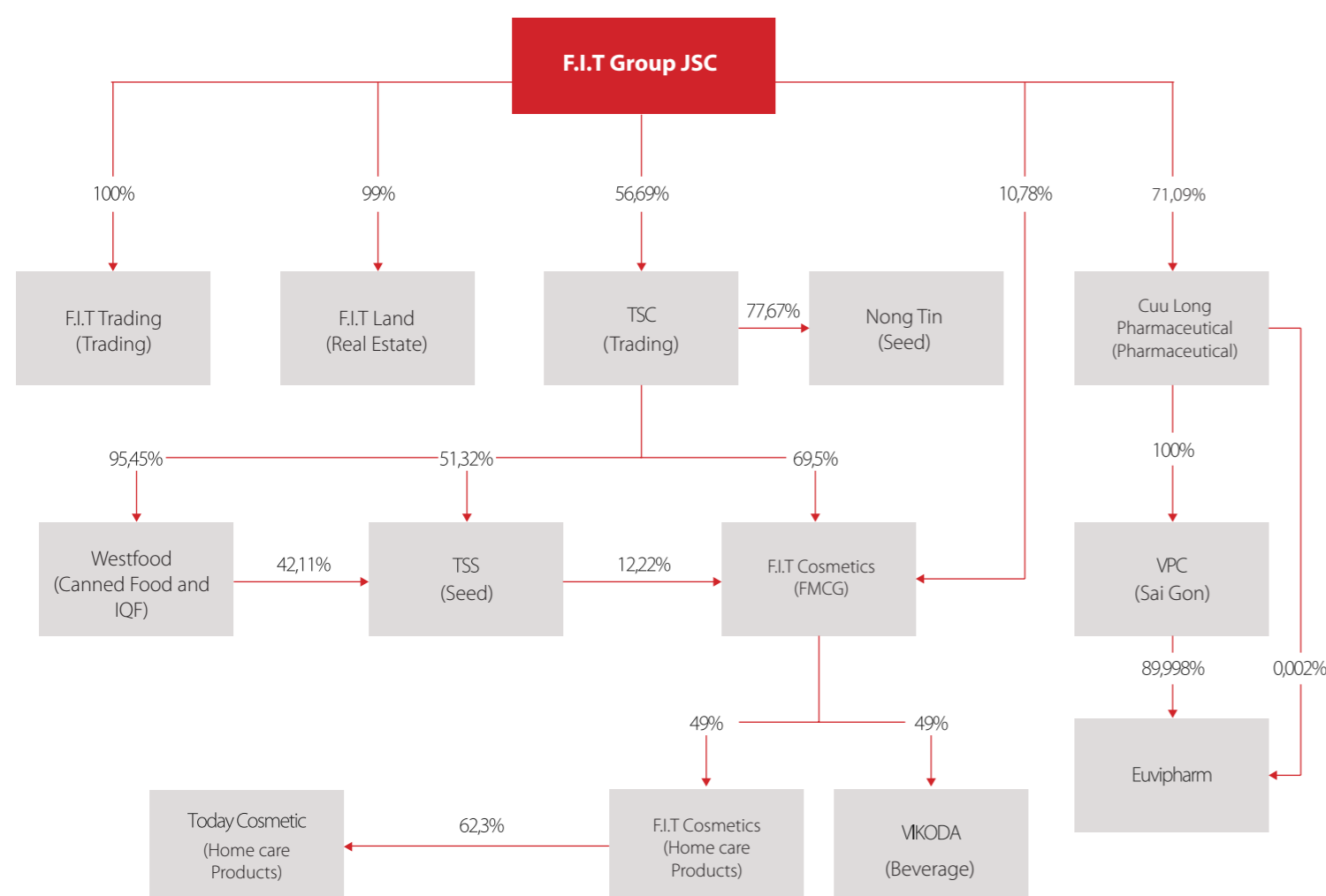
Numerical	Share Holders	QTY of Share Holder	QTY of Share	Share Value (VND)	Percentage share
I	Domestic Shareholders	6.459	253.031.431	2.530.314.310.000	99.33
1	Organization	39	124.331.541	1.243.315.410.000	48.8
2	Personal Share Holders	6.420	128.699.890	1.286.998.900.000	50.53
II	Foreigner Share Holders	51	1.698.816	16.988.160.000	0.67
1	Organization	11	1.391.727	13.917.270.000	0.55
2	Personal Shareholders	40	307.089	3.070.890.000	0.12
Total			254.730.247	2.547.302.470.000	100%

In 2017, F.I.T don't have any Stock fund transaction.

RAISING CAPITAL PERIOD 2017

In 2017, F.I.T Group JSC don't process any raising capital period. Currently, F.I.T Group Capital is 2.547 billion dong.

SUBSIDIARIES STRUCTURE



Information of subsidiaries owned by F.I.T.

i. Cuu Long Pharmaceutical Joint Stock Company

Address: No. 150. 14/9 Street. Ward 5. Vinh Long City. Vinh Long Province.

Scope of Business: Manufacturing, trading and direct importing and exporting: pharmaceuticals, capsule, medical equipment, medical instruments for pharmaceutical industry, healthcare industry, cosmetics, functional foods, medicals, chemicals, raw materials and packaging products used in the pharmaceutical industry.

Charter capital: VND 568,328,240,000.

Operating under the Business Registration Certificate No. 1500202535 issued by the Department of Planning and Investment of Vinh Long Province for the first time on November 09, 2004, the seventh amendment on November 15, 2017.

Owning rate of F.I.T: 71.09% (as of 31/12/2017).

Owning value of F.I.T (at par value): 404,026,160,000 VND (as of 31/12/2017).

ii. Can Tho Techno-Agriculture Supplying Joint Stock Company

Address: No. 1D Pham Ngu Lao. Thoi Binh Ward. Ninh Kieu District. Can Tho City.

Scope of Business: Importing and trading all kinds of fertilizers; purchasing, processing, supplying rice and agricultural products; importing and trading in machinery and equipment for agricultural production.

Charter capital: VND1,476,480,840,000.

Operating under the Business Registration Certificate No. 1800518314 registered for the first time on 25/07/2003 and had the 12th amendment on 09 October 2015 issued by the Department of Planning and Investment of Can Tho City.

Owning rate of F.I.T: 56.69% (as of 01/6/2016).

Owning value of F.I.T (at par value): 837,005,230,000 VND (as of 31/12/2017).

iii. F.I.T. Vietnam F.I.T Import Export and Trading Company Limited

Address: 35 Le Van Luong, Nhan Chinh Ward, Thanh Xuan District, Hanoi City.

Scope of business: Export, import and distribution of agriculture and forest products, food, beverage, trading.

Charter capital: 100,000,000,000 VND.

Operating under the Business Registration Certificate No. 0106567335 registered for the first time on 10/06/2014 and amended the second time on 08/10/2015, issued by the Department of Planning and Investment of Hanoi.

Owning rate by F.I.T: 100% (as of 31/01/2017).

Owning value by F.I.T (at par value): 100,000,000,000 VND (as of 31/03/2017).

iv. FIT Real Estate Investment Joint Stock Company

Address: 35 Le Van Luong. Nhan Chinh Ward. Thanh Xuan district. Hanoi City.

Scope of business: Real estate business, trading land use rights of owners, users or renters; real estate consulting, brokerage, auction, auctions of land use rights; other business related to real estate.

Charter capital: 100,000,000,000 VND.

Operating under Business Registration Certificate No. 0107499328 issued by Department of Planning and Investment of Hanoi on 11/07/2016.

Owning rate of F.I.T: 99% (as at 08/12/2017).

Owning value of F.I.T (in par value): 99,000,000,000 VND (as of 31/01/2017).

BOARD OF DIRECTORS REPORT

STRUCTURE OF THE BOARD OF DIRECTORS

In November 2017, the General Meeting of Shareholders approved the appointment as members of the Board of Directors of Mr. Hua Xuan Sinh and Mrs. Tuong Thi Thu Hanh. Board members have been rigorously monitoring and operating the activities of F.I.T. in general and the Board in particular.

In 2017, the Company paid remuneration to the members of the Board of Directors at 268,000,000 VND per annum, in which the Chairman was paid 5,000,000 VND per month and the members were paid 4,000,000 VND per person per month (mid-November 2017: the Company's General Meeting of Shareholders approved the appointment of 2 more members, namely, Mr. Hua Xuan Sinh and Mrs. Tuong Thi Thu Hanh. Therefore, the paid remuneration in reality was higher than the approved one which was at 252,000,000 VND/year).

GUIDANCE AND SUPERVISION ON THE IMPLEMENTATION OF THE BUSINESS PLAN

In 2017, the Board of Directors has directed and supervised the Board of Management and its managers in production and business, capital management mobilization, maintained and gradually improved the quality of services and products. .

In the year of 2017, the members of the Board of Directors have coordinated to work with high level of responsibility to make accurate and timely decisions to have high efficient results. The BOD plays the role of directing, instructing and supervising the implementation of the policies and decisions as well as supporting the Board of Management in the production and business activities of the Company.

In relationship with the Board of Management, the Chairman of the BOD regularly participated in the monthly meetings with the Board of Management to grasp the business situation and give directions, instructions as well as solution for proposals and recommendations in business activities of the Company. In addition, the Board of Directors requested the Board of Management to report on the Company's operations and to report any unexpected problems that may seriously affect the Company's business.

The Board of Directors has closely followed the targets set by the General Meeting of Shareholders on the basis of combining analysis of the actual situation and market developments to direct the Company's operations.

The Board of Directors has concentrated on directing the reorganization of the management apparatus of the Company in line with the new business model and production and business tasks of the Company. To improve the corporate governance system, adjust the functions and duties of the departments in parent company as well as subsidiaries to operate more effectively. Beside strengthening the organizational structure in the departments, the BOD has also stabilized the structure of key personnel in the Board of Management to run the company.

The company has fully and timely complied with disclosure of periodical information, extraordinary information and disclosure of information required toward listed companies. The company has also contacted and provided information about the Company to shareholders in accordance with the law and the Company Charter.

REVIEW THE RESULTS OF THE GENERAL MEETING OF SHAREHOLDERS RESOLUTION 2016

Increase of charter capital:

The plan to issue shares to existing shareholders was approved at the Annual General Meeting of Shareholders 2017 and the plan to issue shares to employees was approved at the extraordinary General Meeting of Shareholder 2017, the BOD has not implemented on reality. Offers will continue to be extended until completion. Release time depends on market advantage and capital needs of the enterprise.

Promulgating the New Charter:

In 2017, in accordance with the authorization of the General Meeting of Shareholders, in compliance with the law, the Board of Directors issued the New Charter of the Company in replacement of the current Charter on the basis of the Model Charter issued attached to Circular No. 95/2017 / TT-BTC.

Adoption of internal regulations on corporate governance:

In 2017, the General Meeting of Shareholders approved the issuance of internal regulations on corporate governance to meet the requirements of specialized law.

Approval of transactions with related parties:

In 2017, the General Meeting of Shareholders approved and authorized the Board of Directors to make the decision on any transactions that result in revenue or expense with related parties.

Results of production and business activities:

Benchmark	Unit	Year 2016	Plan 2016	Plan 2017 (audit)	% Completing	% vs year 2015
Revenue	Bil VNĐ	2.489	2.554	1.668	65%	67%
Total Profit before tax	Bil VNĐ	196	204	164	80%	84%
Total Profit after tax	Bil VNĐ	112	119	106	89%	95%
% after tax/ Revenue	%	4,5%	4,7%	6,4%	136%	141%

REVIEW THE RESULTS OF THE GENERAL MEETING OF SHAREHOLDERS RESOLUTION 2016

In 2017, with the advocacy for strengthening the business activities, the Board of Directors of F.I.T has closely coordinated with the Board of Managers of the parent company and member companies to implement the strategy of promoting the all the business sectors and to achieve remarkable successes.

At the core business sectors, business results reflected and followed the overall strategy of the Group.

Specifically, in the pharmaceutical segment, revenue grew from 738 billion in 2016 to 765 billion in 2017. Revenue growth reflects the efforts of the Group to focus on its advantage operation. However, this revenue growth has yet to reflect its full future potential due to the impact of fundamental investments, including the purchase of the Euvipharm plant and the construction of the Capsule III plant. The purchase of the Euvipharm plant has also led to the consolidation of losses in the pharmaceutical segment due to the fact that under the transferring process, the plants has operated at a much more lower capacity than the design capacity. As a result, pre-tax profit fell from 113 billion in 2016 to 98 billion in 2017. This result does not accurately reflect the potential of the pharmaceutical segment for the above reasons. In 2017, DCL has made strong changes such as: successful acquiring Euvipharm pharmaceutical company, one of the pharmaceutical companies which have the most modern factory; constructing new Capsule III plant to become the largest capsule supplier (40%) in Vietnam; establishing Benovas Oncology Pharmaceuticals Joint Stock Company in association with SCIC to become oncology manufacturer in Vietnam; investing in modern machinery systems to improve product quality. In addition, the signing of a cooperation agreement with Rhinos Asset Management (RAM) of Korea not only helps DCL gain a great financial benefit, but with the participation of Rhinos - with its experience in investing in a large number of large companies throughout Asia, Europe and the US is also expected to create a strong momentum for DCL in both professional management and opportunity to cooperate with other major partners in the world.

In the food segment, the results of the restructuring of business strategies are reflected obviously in numbers. The decline in revenue from 296 billion in 2016 to 274 billion in 2017, mainly due to product restructuring, did not lead to a decrease in profitability but vice versa, operating profit and profit before tax all had remarkable rises. Operating profit increased from 7 billion VND to 20 billion VND while profit before tax increased from 11 billion VND to 21 billion VND. As a result, the positives of the product restructuring strategy as well as the efficiency in business management has been reflected in the figures of this segment.

Another segment that is identified as the core segment of the Group in the future but still is in the process of developing market is beverage and consumer goods. This segment have experienced a slight growth in revenue from 351 billion in 2016 to 383 billion in 2017. Due to the fact that it is in the market development and distribution channel development, this segment has not generated any profit. The loss before tax in 2017 was 18.5 billion, equivalent to 18 billion in 2016. According to the group's plan, investment in market development and distribution network will start to actively promote from 2018, make this segment become a profitable business.

And last but not least, the business segment that contributed significantly to the Group's decline in sales is Agriculture. This is a business segment that the Group has determined not to be its advantage and will continue its operation downsizing. Therefore, it is no wonder that revenue decreased from 1.087 billion in 2016 to 170 billion in 2017 and recorded operating loss.

RESULTS OF BUSINESS ACTIVITIES IN 2018

BUSINESS PLANS AND BENCHMARKS FOR 2018

Benchmark	Unit	Value
Operating Revenue	Bil VNĐ	2,037
Profit before tax	Bil VNĐ	169
Profit after tax (group)	Bil VNĐ	127
Revenue after tax (group)	Bil VNĐ	102
Profit before tax/Revenue	%	8,28%
Profit after tax/Revenue	%	6,23%
Dividend	%	

The reason for not distribute the dividend: The Group is in the stage of investing and expanding business activities, therefore, it should prioritize all resources for these activities.

STRATEGY AND DIRECTION OF BUSINESS ACTIVITIES

Since 2014, the General Meeting of Shareholders of F.I.T has adopted the policy of strategic investment in basic industries. With this strategy, the BOD aims to make F.I.T to become a billion-dollar company regarding to the turnover of these industries in 2020. This is a very challenging goal, but if F.I.T does not do it, then we will probably miss the opportunity to grow and occupy the industry.

In pursuit of this strategy, F.I.T has triggered M&A activity in the past few years in order to quickly create a niche market position through the ownership of enterprises with a unique advantage in each industry. The next two steps in realizing this goal are to restructure existing enterprises and to build business specific strategies and targets for each of them, in addition to continuing to seek M&A opportunities with a reasonable cost to shorten the process of business expansion.

STRATEGY AND DIRECTION OF BUSINESS ACTIVITIES

At present, the restructure of member companies has been relatively complete, including development of Human resources, management and business mechanism, industry orientation and development of business facilities.

With this strategy, the Board of Directors develops strategies and business directions for 2018 and the following years as below:

- Continue to implement the objectives of the F.I.T's development strategy for the period 2015-2020, make F.I.T to be a powerful investment group, owning subsidiary companies and affiliated companies with high growth potential in developed industries;
- Depending on the demand for capital and in consideration for market factors, to continue to implement the plan to increase charter capital through the issuance of shares to existing shareholders and employees following the plan which was approved at the Annual General Meeting of Shareholders 2017 and the extraordinary General Meeting of Shareholders in 2017.
- Maintain and promote strengths in traditional investment and financial activities including financial services, investment consultancy, investment in bonds, stocks etc.
- Closely follow the investment strategy approved by the General Meeting of Shareholders and the Board of Directors: To reduce the ratio of short-term investments and increase the proportion of long-term investments in subsidiaries and affiliates in appropriate sectors, with the coming time core segments are the pharmaceuticals, consumer goods and agriculture to provide a solid foundation for F.I.T. In addition, the company also launch the real estate development plan and the plan to build a retail distribution system;
- For agriculture-food and beverages: The company continues to speed up the restructuring of Can Tho Techno-Agriculture Supplying Joint Stock Company in the direction of reducing or stopping ineffective operations, investing to expand in food segment and areas with great potential such as food, beverage, cosmetics etc.
- In the pharmaceuticals: Continue to promote existing business activities, successfully restructure Euvipharm and closely follow the investment project of oncology manufacturer, Capsule plant.
- Continue to seek for M&A opportunities to expand the business.
- Risk management activities continue to be focused, in which, focus on F.I.T's financial risk management, credit risk in financial services, operational risk of subsidiaries, affiliated companies;
- Continue to improve human resource structure and HR policies. To strengthen the internal training on profession and corporate culture.

BOARD OF MANAGEMENT REPORT

BUSINESS RESULTS IN 2017

Macroeconomic picture

According to the General Statistics Office, economic growth in 2017 reached 6.81%, this year's growth exceeded the target which had set at 6.7% and higher than the growth of the years from 2011-2016. The economic growth in 2017, driven by the agro-forestry-fisheries, has seen a significant recovery with an increase of 2.90% (higher than the figure of 1.36% in 2016). Industry and construction sector increased by 8.00%, service sector increased 7.44%, contributed 2.87 percentage points.

In the agro-forestry-fisheries sector, the fishery sector had the highest growth rate of 5.54%, as fishery production in 2017 had a lot of improvement compared to 2016. The forestry sector increased 5.14%, the agricultural sector rose 2.07% (it grew 0.72% in 2016), showing signs of recovery of agriculture after the severe effects of natural disasters in 2016. The product structural change trend in the sector from within following the direction of investing in products with high economic value has brought about efficiency.

In the industry and construction sectors, the industry rose 7.85%, higher than the rise of 7.06% in 2016. The highlight of this sector was the manufacturing and processing industry with an increase of 14, 40% (the highest gain in the past 7 years). Meanwhile, the mining sector fell by 7.10%, the sharpest decline since 2011, mainly due to a decrease in crude oil production by 1.6 million tons compared to the previous year. Coal output also reached only 38 million tons, went down by more than 180 thousand tons.

In the service area, the contribution of some sectors which have a high proportion of the general growth rate is as follows: Wholesale and retail sales were up 8.36% over the previous year, and to be the industry contributing the highest to overall growth rate, accommodation and catering services saw a high growth rate of 8.98% compared to 6.70% in 2016; financial services, banking and insurance increased by 8.14% (the highest increase in 7 years); Real estate business increased 4.07% (the highest increase since 2011).

In 2017, the Board of Managers has worked closely with the Board of Directors to develop a business strategy to create a solid growth for the Group in the long run. The focus of F.I.T's activities is to focus on investing in commodities, increasing the value of member companies.

Status of production and business activities in 2017

2017 is not an impressive fiscal year if just looking at absolute numbers. The values of the benchmarks on the report of business results all dropped in comparison to 2016. Revenues declined the most, only accounted for 67% compared to 2016, while other indicators reached 80% to 95% over the same period. However, it is worth noting that the operating cash flow increased sharply, from minus 90 billion in 2016 to 97 billion in 2017.

BUSINESS RESULTS IN 2017

The decline in revenue resulted from the proactively action of the Group's to narrow down the business operation of the Can Tho Techno-Agriculture Supplying JSC (TSC). The Group, through the TSC parent company, has withdrawn capital from Can Tho Agro-Pharmaceuticals (TSP) from late 2016 and ceased trading activities of Nong Tin JSC throughout 2017. Trade and transaction activities of the TSC parent company was also shrank. The decrease in revenue of TSC group led to a sharp fall in turnover of the Group. However, this decline in the turnover was necessary for the shareholder value in the future. The Group saw no strength in the business sectors of TSC while it had been forecasted that the level of market competition would be much severe, resulting in inefficient potential in the future. In addition to the drop in revenue due to the shrinking of non-core businesses, the concentration of resources on the strength sectors including pharmaceuticals and food has led to the acquisition and investment in new plants, contributed to the stagnation of normal manufacturing and business activities.

The drop in revenue definitely led to a decrease in profitability benchmarks. Specifically, operating profit fell from VND38 billion to VND36 billion, or after-tax profit fell from VND144 billion to VND113 billion in comparison to 2016. However, these decline is not worrisome as we understand clearly the reason why the turnover dropped. Instead, we should be proud of all the crucial indicators that reflect improved business performance. The drop in revenue definitely led to a decrease in profitability benchmarks. Specifically, operating profit fell from VND38 billion to VND36 billion, or after-tax profit fell from VND144 billion to VND113 billion in comparison to 2016. However, these decline is not worrisome as we understand clearly the reason why the turnover dropped. Instead, we should be proud of all the crucial indicators that reflect improved business performance.

The belief in shareholder value in the future is strengthened by looking at the financial position of the Group. The book value per share is slightly down in 2017 due to the Group's issuance of shares to increase capital in the period. Remarkably, stock prices over the same period at the end of 2016 grew nearly 100% in the context of the Group's restructuring; it is a good sign showing that the market has positive evaluation about the potential value of the Group. Although the gap to book value is still quite large, the Group has been striving to keep stock prices parallel to the book value and value of the Group in the future.

About the business results in 2017:

- Total revenue reached 1,668 billion VND,
- Total profit after tax reached 164 billion VND, reached 84% of the plan.

Benchmark	Unit	Year 2016	Result 2017 (audit)	% completing vs 2016
Revenue	Bil VND	2.489	1.668	67%
Profit before tax	Bil VND	196	164	84%
Profit after tax	Bil VND	112	106	95%
Profit after tax/Revenue	%	4,5%	6,4%	141%

BUSINESS PLAN FOR 2018:

With the ambition of becoming a billion-dollar enterprise in basic industries, the year of 2018 is seen as a year of another next year that F.I.T boosts investment in the business segment, in addition to continuing to take advantage of financial investment opportunities to promote the strength of the company, contributing to the increase of business efficiency.

Whereby:

Agriculture – Food Segment: Expand investment in raw material areas to increase initiative and improve profit margin. Increase production capacity, expand investment to meet customer requirements, maintain stable business performance, minimize the risks from the supply of raw materials outside.

Pharmaceutical Segment: Continue to closely follow the investment and restructuring activities of the member companies, to ensure that the investment in the project is timely, economical and efficient; Reengineering is a process and takes more time to turn into results. It took 3 years since successful M&A to complete basically F.I.T's goal of raising the DCL to a new level but not only stopping at the profit growth numbers. And in the coming time, fruit from the process of restructuring from other activities will gradually come.

FMCG segment: Following the strategy implemented from 2017, in 2018, the company continues to promote investment for revenue growth target. The goal of F.I.T is to bring F.I.T Consumer to the ranks of the strongest companies in the FMCG segment.



SUPERVISORY BOARD REPORT

ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board attends all meetings of the BOD, the monthly meetings of the company. The Supervisory Board monitors the corporate governance of the Board of Directors, the Board of Management to ensure their compliance with the laws, company charter and corporate governance regulations. The SB supervises the implementation of the content approved by the shareholders at the Annual General Meeting of Shareholders.

The SB checks and monitors the legitimacy and truthfulness in the management and governance of business activities, in the recording of accounting books, monthly, quarterly and annual financial statements; monitors the compliance with government policies, procedures and company's internal regulations; supervises the issuance, amendment and supplement of 5 processes and regulations of the company; supervises the timely and adequate disclosure of information according to regulations.

The SB supervises the management of bookkeeping related to shareholders, ensures the legal rights of shareholders; at the same time, the shareholders are allowed to participate in the comments, questions and requests to provide information in accordance with regulations.

The coordination between the Supervisory Board and the Board of Directors, the Board of Managers has been effectively implemented. The Supervisory Board has been facilitated by the Board of Directors and the Board of Managers to accomplish its tasks. The departments in the company have actively coordinated to provide full documentation required by the SB.

Apart from the inspection and supervision activities, the Supervisory Board also performs the following tasks:

- Contribute comments to the BOD, the Board of Managers in the management, performing Company's tasks and business objectives.
- Analyze, assess independently the business activities of the company; on that basis, to make timely suggestions and recommendations, to offering appropriate measurements to rectify and overcome the violations, limit risks in business activities.
- Coordinate and direct the internal supervisory section to periodically and irregularly inspect the operations of the company.
- Support and comment on the standardization of the internal management reporting system, the system of procedures and regulations of the company.
- Participate in supervising and criticizing the investment projects of the company.
- Contribute ideas to build and improve the business plan of 2017 and other objectives of the company.



RESULTS OF INSPECTION AND SUPERVISION:

Supervising the management of business operations, accounting, statistics and making financial reports; details as follow:

- Regarding to management of business activities
 - + The Supervisory Board has been provided with sufficient information on the resolutions and decisions of the Board of Directors and the Board of Management, regularly exchanged with the Board of Directors and the Board of Management on the implementation of the business plan and resolutions passed by the 2017 General Meeting of Shareholders.
 - + Based on that, the Supervisory Board assessed the management of business activities of the Board of Directors and the Board of Management whether they had complied with the legal regulations related to production and business as well as in accordance and compliance with the Resolution of the Annual General Meeting of Shareholders in 2017.
 - + The Board of Management has taken the initiative in supervising and managing the business strategy in a timely manner as well as making specific decisions in the Company's operations.
 - + The Board of Management has followed these resolutions to carry out specific tasks, the Board of Directors and the Board of Management together with the efforts of all staffs of the Company have overcome difficulties.
 - + The Supervisory Board did not detect any violations of the law of the Board of Directors and the Board of Management.
- Regarding to accounting, statistic and financial reporting:
 - + The accounting work has complied with the relevant regulations, ensured the principles of truthfulness, prudence and rationality, and financial statements have been prepared on the basis of full compliance with the current regulations.
 - + Accounting work promptly helped the BOD and the Board of Management make timely decisions in line with business activities.
 - + The Supervisory Board did not detect the proof of violations in the financial and accounting work in the period.

Auditing the 2017 financial report

- The Supervisory Board has reviewed the report on business activities, annual, quarterly and 6-month financial statements of the Company, reports on the evaluation of the activities of the Board of Directors and the Board of Management in the General Meeting of Shareholders.
- The Supervisory Board verified that the reports have ensured high compliance with the current regulations on reporting contents and reporting time.
- The Supervisory Board agreed with the data in audited financial statement for 2017.

Supervising the Resolutions and Decisions of the BOD and the Board of Management

- The Supervisory Board recognized that the resolutions, decisions of the BOD and the Board of Management were in accordance with the Law on Enterprise and the Company Charter as well as follows the objectives set by the 2016 General Meeting of Shareholders.
- The Supervisory Board did not detect any breach of the law or the Charter of the Company by members of the BOD, the Board of Management.
- The Supervisory Board agreed with the contents of the Board of Directors' 2017 Business Result Report.

Shareholders comments

- At the time of finalizing the list of shareholders to exercise the right to attend the General Meeting, the Supervisory Board did not receive any comments or suggestions from shareholders regarding the mistakes of the Board of Directors, Board of Management and Supervisory Board during the process of performing assigned tasks.

PLAN OF THE SUPERVISORY BOARD

The Supervisory Board has focused on the following key tasks in the fiscal year 2017:

- Examine and supervise the implementation of the Resolution of the Annual General Meeting of Shareholders in 2018;
- Examine and strictly supervise the governance, management and production activities of the Company and its member companies through the activities of internal audit, independent audit and direct activities of the SB;
- Conduct internal supervision and auditing of the Company and its member companies on a regular basis according to the regime of regular and irregular inspection;
- Control the capital contribution and participate in the management of capital contribution and efficiency of capital contribution to member companies and affiliates of the Company;
- Perform the auditing of the financial reports, reports on business activities of the company, evaluate the activities of the Board of Directors, the Board of Management to submit to the General Meeting of Shareholders;
- Examine each specific issue related to management and operation of the Board of Management's activities if necessary or at the request of shareholders or groups of shareholders in accordance with the Law on Enterprises and the Charter of the company.
- Coordinate with the Board of Directors, the Board of Management in the management and operation of the company, to ensure the compliance of the BOD and Board of Management with the resolutions and decisions of the General Assembly of Shareholders.



REMUNERATION OF BOD, BS AND BOM

No	ITEM	NUMBER OF MEMBER	REMUNERATION (VND/person/month)	TOTAL REMUNERATION/MONTH
A	Board of Directors			
1	Chairman	1	5.000.000	5.000.000
2	Member	6	4.000.000	24.000.000
B	Supervisory Board			
1	Head of Supervisory Board	1	3.000.000	3.000.000
2	Member	2	1.500.000	3.000.000
C	Total			35.000.000

SHARES TRADING OF INSIDERS AND AFFILIATED WITH LISTED COMPANY

No	Share Trader	Relationship with insider	Number of shares at the beginning of the period		Number of shares at the end of the period		Reasons of the increased/decrease (buying, selling, transferring, bonus...)
			Number of share	Ratio	Number of share	Ratio	
1	Dung Tam Investment JSC	Nguyen Van Sang - Chairman of F.I.T BOD	67.112.733	26,35%	77.112.733	30,27%	Increase the ratio

04

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF THE BOARD OF DIRECTORS

INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED BALANCE SHEET

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NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of F.I.T Group Joint Stock Company (the "Company") presents this report together with the Company's audited consolidated financial statements for the year ended 31 December 2017.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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.	Nguyen Van Sang	Chairman
	Ms.	Nguyen Thi Minh Nguyet	Vice chairman
	Mr.	Phan Minh Sang	Member
	Ms.	Bui Thanh Huong	Member
	Mr.	Pham Cong Sinh	Member
	Mr.	Hua Xuan Sinh	Member (appointed at 7 November 2017)
	Ms.	Tuong Thi Thu Hanh	Member (appointed at 7 November 2017)
Board of Directors	Ms.	Nguyen Thi Minh Nguyet	General Director
	Mr.	Le Xuan Vu	Deputy General Director

Legal representative

The legal representative of the Company during the year and up to the reporting date is as follows:

Name	Position	Appointed date
Ms. Nguyen Thi Minh Nguyet	General Director	October 2012

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the consolidated financial statements of each year, which give a true and fair view of the financial position of the Company and of its results and cash flows for the year under Vietnamese accounting standards, corporate accounting regime and legal regulations relating to the consolidated financial statement preparation and presentation. In preparing these consolidated financial statements, the Board of Directors is required to:

Select suitable accounting policies and then apply them consistently;

Make judgments and estimates that are reasonable and prudent;

State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;

Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and

Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the consolidated financial statements comply with Vietnamese accounting standards, corporate accounting regime and legal regulations relating to the consolidated financial statement preparation and presentation. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In the Board of Directors' opinion, the consolidated financial statements give a true and fair view in all material respects, the consolidated financial position of the Company as at 31 December 2017, its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with Vietnamese accounting standards, corporate accounting regime and legal regulations relating to the consolidated financial statement preparation and presentation.

For and on behalf of the Board of Directors,



Nguyen Thi Minh Nguyet
General Director
Hanoi, 8 March 2018

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of F.I.T Group Joint Stock Company ("the Company"), prepared on 8 March 2018 as set out from page 4 to page 51 which comprise the consolidated balance sheet as at 31 December 2017, 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 of the Company is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese accounting standards, corporate accounting regime and legal regulations relating to the consolidated financial statement preparation and presentation and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view in all material respects, the consolidated financial position of the Company as at 31 December 2017, its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with Vietnamese accounting standards, corporate accounting regime and legal regulations relating to the consolidated financial statement preparation and presentation.



Bui Ngoc Binh
Deputy General Director
Auditing Practicing Certificate No: 0657-2018-156-1
For and on behalf of
VACO AUDITING COMPANY LIMITED
Hanoi, 8 March 2018

Pham Xuan Son
Auditor
Auditing Practicing Certificate No: 1450-2018-156-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2017

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A - CURRENT ASSETS	100		2,421,819,120,570	2,298,900,738,968
I. Cash and cash equivalents	110	5	44,148,305,882	47,232,054,588
1. Cash	111		44,148,305,882	43,732,054,588
2. Cash equivalents	112			3,500,000,000
II. Short-term financial investments	120	6	1,642,018,203,026	1,227,245,102,236
1. Trading securities	121		173,780,426,948	223,638,003,610
2. Provision for impairment of trading securities	122			(13,089,677,452)
3. Held-to-maturity investments	123		1,468,237,776,078	1,016,696,776,078
III. Short-term receivables	130		363,902,255,542	700,263,184,361
1. Short-term trade receivables	131	7	290,225,501,025	646,345,653,860
2. Short-term advances to suppliers	132	8	73,318,845,984	74,803,832,487
3. Other short-term receivables	136	9	65,487,140,179	44,257,064,854
4. Provision for short-term doubtful debts	137	10	(65,229,249,787)	(65,617,702,921)
5. Deficits in assets awaiting solution	139		100,018,141	474,336,081
IV. Inventories	140	11	333,005,642,039	299,409,105,580
1. Inventories	141		350,739,513,900	305,102,274,229
2. Provision for devaluation of inventories	149		(17,733,871,861)	(5,693,168,649)
V. Other short-term assets	150		38,744,714,081	24,751,292,203
1. Short-term prepayments	151	16	5,804,520,504	3,569,315,183
2. Value added tax deductibles	152		31,204,091,073	19,358,177,212
3. Taxes and other receivables from the State budget	123		1,736,102,504	1,823,799,808

CONSOLIDATED BALANCE SHEET

As at 31 December 2017

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
B - NON-CURRENT ASSETS	200		2,477,669,675,454	2,040,422,570,775
I. Long-term receivables	210		24,934,044,441	6,261,870,115
1. Long-term trade account receivables	211	7	18,949,699,326	
2. Other long-term receivables	216	9	5,984,345,115	6,261,870,115
II. Fixed assets	220		557,505,695,931	339,351,366,323
1. Tangible fixed assets	221	12	364,097,989,906	232,978,489,726
- Cost	222		902,265,619,048	602,956,689,187
- Accumulated depreciation	223		(538,167,629,142)	(369,978,199,461)
2. Intangible assets	227	13	193,407,706,025	106,372,876,597
- Cost	228		200,086,496,135	108,359,379,145
- Accumulated depreciation	229		(6,678,790,110)	(1,986,502,548)
III. Investment property	230	14	82,546,083,828	13,988,887,651
- Cost	231		84,672,504,853	15,781,667,712
- Accumulated depreciation	232		(2,126,421,025)	(1,792,780,061)
IV. Long-term assets in progress	240	15	145,344,672,017	71,107,152,461
1. Long-term working in progress	241		6,688,075,213	3,418,123,704
2. Long-term construction in progress	242		138,656,596,804	67,689,028,757
V. Long-term financial investments	250	6	1,462,907,258,485	1,420,971,815,673
1. Investments in joint-ventures, associates	252		773,925,078,485	787,805,635,673
2. Equity investments in other entities	253		26,982,180,000	3,302,180,000
3. Held-to-maturity investments	255		662,000,000,000	629,864,000,000
VI. Other long-term assets	260		16,729,773,528	19,524,340,854
1. Long-term prepayments	261	16	13,685,180,735	17,374,212,797
2. Deferred tax assets	262		3,044,592,793	2,150,128,057
VII. Good will	269	17	187,702,147,224	169,217,137,698
TOTAL ASSETS (270=100+200)	270		4,899,488,796,024	4,339,323,309,743

CONSOLIDATED BALANCE SHEET

As at 31 December 2017

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C - LIABILITIES	300		901,611,266,400	576,364,909,277
I. Current liabilities	310		665,919,137,575	543,281,500,921
1. Short-term trade payables	311	18	162,774,635,378	103,293,248,207
2. Short-term advances from customers	312		8,344,895,102	7,668,528,249
3. Taxes and amounts payable to the State	313	19	37,812,386,109	45,978,550,165
4. Payables to employees	314		32,565,613,565	36,785,562,136
5. Short-term accrued expenses	315	20	34,408,159,267	24,440,509,581
6. Short-term unearned revenue	318		113,332,560	202,593,478
7. Other current payables	319	21	24,605,070,340	20,911,752,017
8. Short-term loans and obligations under	320	22	353,692,888,292	291,867,279,413
9. Bonus and welfare funds	322		11,602,156,962	12,133,477,675
II. Long-term liabilities	330		235,692,128,825	33,083,408,356
1. Other long-term payables	337	21	21,354,764,679	9,446,929,821
2. Long-term loans and obligations under finance leases	338	22	209,847,799,062	23,636,478,535
3. Deferred tax liabilities	341		4,489,565,084	
D - EQUITY	400		3,997,877,529,624	3,762,958,400,466
I. Owner's equity	410	23	3,997,877,529,624	3,762,958,400,466
1. Owner's contributed capital	411		2,547,302,470,000	2,235,489,620,000
- Ordinary shares carrying voting rights	411		2,547,302,470,000	2,235,489,620,000
2. Share premium	412		70,045,649,714	23,284,722,214
3. Other owner's capital	414		80,481,887,391	80,481,887,391
4. Investment and development fund	418		886,852,413	886,852,413
5. Retained earnings	421		222,990,534,408	179,329,530,562
- Retained earnings accumulated to the prior year end	421		116,943,174,103	67,299,969,318
- Retained earnings of the current year	421		106,047,360,305	112,029,561,244
6. Benefits of non-controlling shareholders	429		1,076,170,135,698	1,243,485,787,886
TOTAL RESOURCES (440=300+400)	440		4,899,488,796,024	4,339,323,309,743



Nguyen Thi Minh Nguyet
General Director
Hanoi, 8 March 2018

Phan Thi Hoa
Chief Accountant

Ninh Thi Phuong
Preparer

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2017

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Sales of merchandise and services	01		1,667,997,836,209	2,489,445,411,633
2. Deductions	02		42,636,849,924	66,691,641,109
3. Net sales of merchandise and services (10 = 01 - 02)	10	26	1,625,360,986,285	2,422,753,770,524
4. Cost of sales	11	27	1,240,740,514,377	1,986,528,301,662
5. Gross profit from sales (20 = 10 - 11)	20		384,620,471,908	436,225,468,862
6. Financial income	21	29	164,691,867,739	231,938,046,869
7. Financial expenses	22	30	34,972,228,190	73,951,049,222
- In which: Interest expense	23		41,853,673,182	50,935,974,764
8. Profit or loss of joint ventures, associates	24		(10,335,967,979)	
9. Selling expenses	25	31	210,721,192,972	255,834,291,738
10. General and administration expenses	26	31	137,467,606,845	142,783,440,459
11. Operating profit (30 = 20 + (21 - 22) - (25 + 26))	30		155,815,343,661	195,594,734,312
12. Other income	31		13,053,519,511	2,048,879,162
13. Other expenses	32		4,460,047,081	1,909,801,245
14. Profit from other activities (40 = 31 - 32)	40		8,593,472,430	139,077,917
15. Accounting profit before tax (50 = 30 + 40)	50		164,408,816,091	195,733,812,229
16. Current corporate income tax expenses	51	32	49,403,510,518	50,742,089,318
17. Deferred corporate tax expenses	52		2,422,673,292	1,307,583,364
18. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		112,582,632,281	143,684,139,548
19. Profit after tax of parent company	61		106,047,360,305	112,029,561,245
20. Profit after tax of non-controlling shareholders	62		6,535,271,976	31,654,578,303
21. Basic earnings per share	70	33	417	591

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the year ended 31 December 2017

Unit: VND

ITEMS	Codes	Current year	Prior year
I. Cash flows from operating activities			
1. Profit before tax	01	164,408,816,091	195,733,812,229
2. Adjustments for			
- Depreciation and amortisation of fixed assets and investment properties, goodwill	02	73,011,167,559	62,185,546,628
- Provisions	03	(19,907,721,246)	14,395,651,300
- Foreign exchange (gain)/ loss due to revaluation of monetary items denominated in foreign currencies	04	88,971,613	403,924,469
- (Gain)/ loss from investing activities	05	(138,413,989,638)	(148,855,818,065)
- Interest expense	06	41,853,673,182	50,935,974,764
3. Operating profit before movements in working capital	08	121,040,917,562	174,799,091,325
- (Increase) decrease in receivables	09	7,079,320,815	(283,149,093,213)
- (Increase) decrease in inventories	10	22,676,808,572	87,070,758,909
- Increase (decrease) in accounts payable (not including accrued interest and business income tax payable)	11	(5,879,797,980)	(158,043,728,342)
- (Increase) decrease in prepaid expenses	12	3,602,616,150	23,152,001,011
- (Increase) decrease in trading securities	13	49,857,576,662	171,234,762,928
- Interest paid	14	(41,720,983,969)	(45,701,398,843)
- Corporate income tax paid	15	(56,592,194,447)	(58,424,031,441)
- Other cash outflows	17	(3,155,394,214)	(1,398,215,582)
Net cash from/ (used in) operating activities	20	96,908,869,151	(90,459,853,247)



Nguyen Thi Minh Nguyet
General Director
Hanoi, 8 March 2018

Phan Thi Hoa
Chief Accountant

Ninh Thi Phuong
Preparer



Nguyen Thi Minh Nguyet
General Director
Hanoi, 8 March 2018

Phan Thi Hoa
Chief Accountant

Ninh Thi Phuong
Preparer

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the year ended 31 December 2017

Unit: VND

ITEMS	Codes	Current year	Prior year
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(308,089,144,025)	(80,106,871,050)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	46,136,727,182	1,522,636,363
3. Cash outflow for lending, buying debt instruments of other entities	23	(5,090,176,416,240)	(3,790,416,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	4,612,999,416,240	3,552,092,437,500
5. Investments in other entities	25	(462,924,670,026)	(385,260,855,673)
6. Cash recovered from investments in other entities	26	322,095,000,000	160,386,690,600
7. Interest earned, dividends and profits received	27	122,343,826,570	127,550,552,365
Net cash from / (used in) investing activities	30	(757,615,260,299)	(414,231,409,895)
III. Cash flows from financing activities			
1. Proceeds from issuing stocks, receiving capital from owners	31	409,584,777,500	97,500,000,000
2. Proceeds from borrowings	33	5,707,511,240,996	7,307,670,322,746
3. Repayment of borrowings	34	(5,459,468,197,438)	(7,592,370,571,952)
Net cash from / (used in) financing activities	40	657,627,821,058	(187,200,249,206)
Net increase/(decrease) in cash (50 = 20 + 30 + 40)	50	(3,078,570,091)	(691,891,512,349)
Cash and cash equivalents at beginning of the year	60	47,232,054,588	739,123,566,937
Effect of changes in foreign exchange rates	61	(5,178,615)	
Cash and cash equivalents at end of the year (70=50+60+61)	70	44,148,305,882	47,232,054,588



Nguyen Thi Minh Nguyet
General Director
Hanoi, 8 March 2018

Phan Thi Hoa
Chief Accountant

Ninh Thi Phuong
Preparer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Structure of ownership

F.I.T Group Joint Stock Company (the "Company"), formerly known as F.I.T Investment Joint Stock Company, was established in Vietnam under the first Business Registration Certificate No. 0103016102 dated 8 March 2007 and the 28th amended certificate No. 0102182140 dated 27 July 2017 issued by Hanoi Department of Planning and Investment.

The charter capital according to the 28th amended Business Registration Certificate on 27 July 2017 is VND 2,547,302,470,000.

The total number of employees of the parent company and its subsidiaries as at 31 December 2017 was 2,011 (as at 31 December 2016: 2,491).

Operating industry and principal activities

Operating industries according to Business Registration Certificate 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; Export and import of agricultural commodities; Trade in agricultural products and supplies; Trade in drug items; And operating industries.

Normal business and production cycle

Normal business and production cycle of the Company is carried out for a period of 12 months or less.

Company's structure

Subsidiaries	Head office	Owning rate	Proportion of voting rights held	Main activities
Subsidiary level 1				
F.I.T Vietnam Trading and Import Export Co., Ltd	Ha Noi	100%	100%	Export and import of agricultural commodities
commoditiesCan Tho Techno - Agricultural Supplying JSC	Can Tho	56.69%	56.69%	Trade in agricultural products and supplies
Cuu Long Pharmaceutical Joint Stock Corporation	Vinh Long	71.09%	71.09%	Trade in drug items, medical equipment
F.I.T Land JSC	Ha Noi	99.00%	99.00%	Trade in real estates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries	Head office	Owning rate	Proportion of voting rights held	Main activities
Subsidiary level 2				
West food Joint Stock Company	Can Tho	54.80%	96.66%	Agricultural processing
TSC Seed Joint Stock Company	Can Tho	55.74%	99.74%	Trading seeds
F.I.T Consumer Joint Stock Company	Ho Chi Minh	56.99%	81.72%	Trading consumer goods
Nong tin Co.,Ltd	Ho Chi Minh	44.03%	77.67%	Producing and trading in plant varieties
Westfood Hau Giang	Hau Giang	55.08%	100%	Agricultural processing
Joint Venture Business Production, Import and Export Pharmaceutical and Medical Equipment	Lao	36.26%	51.00%	Introduction of drugs
Mekong Pharmaceutical One Member Limited Liability Company	Vinh Long	71.09%	100.00%	Trading in pharmaceuticals, medical equipments
VPC - SG Pharma	Ho Chi Minh	71.09%	100.00%	Trading in pharmaceuticals and medical instruments
Benovas Pharma	Ho Chi Minh	67.54%	95.00%	Trading in pharmaceuticals, medical equipments
Benovas Medevices	Vinh Long	70.38%	99.00%	Manufacturing and trading of medical equipments and instruments
Benovas Cancer Drugs Joint Stock Company	Ha Noi	39.10%	55.00%	Production of medicines, pharmaceutical chemistry, and pharmaceuticals...
Euvipharm Phamaceutical Joint Stock Company	Long An	63.98%	89.99%	Production of medicines, pharmaceutical chemistry, and pharmaceuticals...
Associated company				
F.I.T Cosmetics Joint Stock Company	Ho Chi Minh	27.97%	49.08%	Distribution of cosmetic goods
Khanh Hoa Mineral Water Joint Stock Company	Khanh Hoa	27.92%	49.00%	Production of mineral water and mineral water products

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, corporate accounting regime and legal regulations relating to the consolidated financial statement preparation and presentation.

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

Financial year

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

3. NEW LAW ON ACCOUNTING

The Law on Accounting No. 88/2015/QH13 was passed on 20 November 2015, by the XIII National Assembly of the Socialist Republic of Vietnam, at its 10th session, and takes effect as from 1 January 2017. Pursuant to Article 28 - Evaluation and recognition at fair value. However, by the time of issuing this report, there is no guidance in applying the assessment and recognition at fair value. Therefore, the Company has not applied the fair value in preparing the separate financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of separate financial statements in conformity with Vietnam accounting standards, corporate accounting regime and legal regulations relating to 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 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 Directors' best knowledge, actual results may differ from those estimates.

Evaluation and recognition at fair value

As stated in Note 3, the Law on Accounting came into effect from 1 January 2017, which included regulations on assessment and recognition at fair value. However, there is no specific instruction for this matter; therefore, the Board of Directors [Board of General Directors] has considered and applied as follows:

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Financial instruments are recognized and revaluated at fair value based on historical cost less provisions (if any) in accordance with current regulations.

b) Monetary items denominated in foreign currencies shall be evaluated based on the actual exchange rates;

c) Investment properties that are stated at fair value are disclosed in Note 14;

d) For assets and liabilities (except items a, b and c as mentioned above), the Company does not have any basis to determine the reliable value; therefore, the Company records at historical cost.

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 of each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent's ownership interests in them. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if the losses are higher than its share of non-controlling shareholders in the net assets of subsidiaries.

Business combinations

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 at the date of acquisition. Goodwill is recognised as an intangible asset and is amortised on the straight-line basis over its estimated period of benefit of 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 and has not been allocated (from 2015). 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 less 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.

Subsequent measurement after initial recognition

Current, The Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations, it did not adopt the equivalent guidance for the recognition and measurement of fair value of these financial assets and liabilities.

Cash and cash equivalents

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

Financial investments

Trading securities

Trading securities are securities held by the Company for trading purposes. Trading securities are recorded starting from the date when the Company has ownership and are determined the initial value based on the fair value of payment at the time having transactions plus the costs related to the purchase of trading securities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the following accounting periods, the investments in trading securities are determined at cost less diminution in value of trading securities.

Provision for impairment of trading securities is made for each type of securities which are traded on the market and its market price is lower than the original price. To determine the fair value of trading securities listed on the securities market or traded on UPCOM, the fair value of securities is the closing price at the balance sheet date. If there is no transactions on the securities market or UPCOM at the balance sheet date, the fair value of the securities is the closing price at the day before the balance sheet date.

The change of provision for impairment of trading securities at the balance sheet date is recognized in financial expenses

Held to maturity investments

Held to maturity investments are investments in which the Company has the intent and ability to hold to maturity. Held to maturity investments comprise the bank deposits (including treasury bills, promissory notes), bonds, preferred shares which the issuer obliges to repurchase at a specific date in the future and held to maturity loans for the purpose of collecting periodical interest and other held to maturity investments.

Held to maturity investments are recognized starting from the date of purchase and are determined the initial value based on the purchase price and the expenses related to the purchase of investments. Interest income from held to maturity investments after the acquisition date is recognized in the income on an accrual basis. Enjoyed interest before the Company held is deducted from the cost of acquisition.

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

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

Investments in associates

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.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans

Loans are determined at cost less provision for doubtful debts. Provision for doubtful debts of loans is made in accordance with the prevailing accounting regulations.

Equity investments in other entities

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

Provision of loss for equity investment in other entities as follows:

For investments in listed shares or the fair value of a defined investment, provision is made based on the market value of the shares.

For an investment that does not have a fair value at the reporting date, provision is made based on the investee's losses at the rate by the difference between the actual contributed capital of the parties at other unit and owner's equity multiplied by the ratio of capital contribution of the Company/Enterprise to the total actual contributed capital of the parties at other unit.

Receivables

Receivables are the recoverable amounts of customers or other objects. Receivables are stated at book value less the provision for doubtful debts.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Inventories are accounted under the regular enumeration method.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible fixed assets and depreciation

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

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

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

	Estimated useful lives
Buildings and structures	05 - 50
Machinery and equipment	03 - 25
Motor vehicles and transmit instrument	05 - 20
Management equipment	03 - 10
Perennial plants, livestock	03 - 04
Other fixed assets	10 - 20

Intangible fixed assets and amortisation

Land use rights

Intangible assets represent land use rights that are stated at cost less accumulated amortisation. Land use rights are amortised using the straight-line method over the duration of the right to use the land. This is long-term land use rights without allocation.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on the straight-line basis over their estimated useful lives.

Investment properties

Investment properties, which are composed of buildings and structures held by the Company to earn rentals or for capital appreciation, 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 recorded as original cost as at 31 December 2017.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes related service cost and interest cost in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Long-term prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Long-term prepayments comprise tools, supplies, equipment, repair, maintenance and other prepaid expenses. These expenditures have been capitalised as long-term prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payables and accrued expenses

Payables and accrued expenses are recognized for future amounts payable related to goods and services received. Accrued expenses are recognized based on reasonable estimates of the amount payable.

The classification of payables into trade payables, accrued expenses, inter-company payables and other payables are made on the following principles:

- Trade payables reflect payables arising from purchases of goods, services, assets and sellers are independent units to the Company, including accounts payable upon importation through consignee.
- Accrued expenses reflect amounts payable for goods or services received from the seller or provided to the buyer but not be paid due to lack of invoices or incomplete accounting records and documents, payments to employees for leave and prepaid production and business expenses.
- Other payables reflect non-trade payables and does not relate to the purchase, sale or supply of goods or services.

Equity

Owner's contributed capital: Owner's contributed capital is recognized based on the actual contributed capital of the shareholders.

Share premium: Share premium is recognized based on the difference between the issue price and the face value of the shares when they are issued for the first time, additional issuance, the difference between the reissue price and the book value of treasury shares and equity component of convertible bonds upon maturity. Direct expenses related to the issuance of additional shares and reissue of treasury shares are recorded as a decrease in share premium.

Other owner's capital: Other capital is formed by supplementing from the results of business operations, revaluation of assets and the net book value between the fair value of gifts, donations after deducting the tax payable (if any) related to these assets.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Profit distribution

Profit after tax is distributed to shareholders after deducting funds in accordance with the Charter of Group and regulations of the law which has been approved by the General Meeting of Shareholders.

Profit distribution to shareholders is referenced to the non-monetary items included in retained earnings that may affect cash flows and the ability to pay dividends/profits such as gains from revaluation of assets contributed capital, interest from revaluation of monetary items, financial instruments and other non-monetary items.

Dividends/profits are recognized as liabilities when having the approval of the General Meeting of Shareholders.

Revenue recognition

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

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

The sale price of the subsidiary's products - Euvipharm Pharmaceutical JSC is negotiated under each sale contract, based on the listed price minus direct discounts on the invoice (if any). The discount policy is implemented from time to time and for each individual subject to discount programs approved by the Board of Directors of Euvipharm Pharmaceutical JSC. For sales revenue with Amigo Vietnam Pharmaceutical JSC in June 2017, the selling price is in accordance with the price quoted by Euvipharm Pharmaceutical JSC and there is no discount involved.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

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

Taxation

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

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

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the 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.

Related parties

Parties are considered to be related when one party has ability to control another or has significant influence in making decision related to financial and operation policies. Parties are also considered as related parties when they bare the same control and significant influence.

When considering the relationship of related parties, it is more focused on the nature of the relationship than the legal form.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	2,820,660,889	1,156,125,457
Demand deposit	41,327,644,993	42,575,929,131
Cash equivalent		3,500,000,000
Total	44,148,305,882	47,232,054,588

6. FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
a) Trading securities	173,780,426,948	173,892,557,000		223,638,003,610	210,548,326,158	13,089,677,452
Total value of shares	173,780,426,948	173,892,557,000		223,638,003,610	210,548,326,158	13,089,677,452
- Listed shares (i)	1,097,869,948	1,210,000,000		107,708,403,610	94,618,726,158	13,089,677,452
- Investments in unlisted securities (ii)	172,682,557,000	172,682,557,000		115,929,600,000	115,929,600,000	

Note: (i) For listed securities, the fair value of the shares is the closing price quoted on the securities market at the balance sheet date.

(ii) For unlisted securities: Because the Company did not collect the market price as at 31 December 2017, it has no basis to make provision for diminution in value (if any).

6. FINANCIAL INVESTMENTS

	Closing balance		Opening balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
b) Held to maturity investments	2,130,237,776,078	2,130,237,776,078	1,646,560,776,078	1,646,560,776,078
<i>Short-term</i>	<i>1,468,237,776,078</i>	<i>1,468,237,776,078</i>	<i>1,016,696,776,078</i>	<i>1,016,696,776,078</i>
- Time deposit	916,760,000,000	916,760,000,000	698,500,000,000	698,500,000,000
- Bonds				
- Other investments (i)	551,477,776,078	551,477,776,078	318,196,776,078	318,196,776,078
+ Investments in organisations	551,262,632,350	551,262,632,350	117,056,632,350	117,056,632,350
+ Investments in individuals	215,143,728	215,143,728	201,140,143,728	201,140,143,728
<i>Long-term</i>	<i>662,000,000,000</i>	<i>662,000,000,000</i>	<i>629,864,000,000</i>	<i>629,864,000,000</i>
- Time deposit	52,500,000,000	52,500,000,000	10,000,000,000	10,000,000,000
- Bonds (ii)	512,000,000,000	512,000,000,000	512,000,000,000	512,000,000,000
- Other long-term investments (iii)	97,500,000,000	97,500,000,000	107,864,000,000	107,864,000,000
+ Investments in organisations	97,500,000,000	97,500,000,000		
+ Investments in individuals			107,864,000,000	107,864,000,000

Deposits are being mortgaged for loans as stated in Note 20.

Note:

(i) Other short-term investments are investments under the form of capital contribution in the investment cooperation contracts with the organizations and individuals, the term regulated in the contract is less than 12 months and the Company will be received a fixed profit that is calculated on the percentage rate (%) of actually contributed capital by the Company and does not depend on the business results of the transferee.

(ii) The purchase of bonds applies a maturity of 5 years and the interest rate of 5% per year if the company does not convert to shares at the maturity date.

(iii) Other short-term investments are investments under the form of capital contribution in the investment cooperation contracts with the individuals and the Company will be received a fixed profit that is calculated on the percentage rate (%) of actually contributed capital by the Company and does not depend on the business results of the transferee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCIAL INVESTMENTS (Continued)

Long-term financial investments

	Current year			Prior year		
	Cost VND	Provision VND	Fair value VND	Cost VND	Provision VND	Fair value VND
c) Long-term financial investments	814,787,815,673	800,907,258,485		791,107,815,673	791,107,815,673	
<i>c1) Investments in associates</i>	787,805,635,673	773,925,078,485		787,805,635,673	787,805,635,673	
F.I.T Cosmetics Joint Stock Company	423,224,780,000	411,313,058,833		423,224,780,000	423,224,780,000	
Khanh Hoa Mineral Water JSC	364,580,855,673	362,612,019,652		364,580,855,673	364,580,855,673	
<i>c2) Equity investments in other entities</i>	26,982,180,000	26,982,180,000		3,302,180,000	3,302,180,000	
VP Agriculture Development & trading JSC	23,680,000,000	23,680,000,000				
NgoVietnam Development Investment Corporation	3,302,180,000	3,302,180,000		3,302,180,000	3,302,180,000	

Details of investments in associates as at 31 December 2017 were as follows:

	Closing balance		Opening balance	
	Voting rate %	Owning rate %	Voting rate %	Owning rate %
Associates				
F.I.T Cosmetics Joint Stock Company	49.08%	27.97%	49.08%	27.74%
Khanh Hoa Mineral Water JSC	49.00%	27.92%	49.00%	27.69%

Summary activities of associates:

Khanh Hoa Mineral Water Joint Stock Company operates in the field of mineral water and mineral water products under the Business Registration Certificate No. 4200283916 dated 9 June 2006, the 9th amended certificate dated 16 January 2017. The investment capital as at 31 December 2017 is VND 364,580,855,673. The financial statements of Khanh Hoa Minerals Joint Stock Company for the year ended 31 December 2017 has a loss of VND 1,865,985,662 and the owner's equity as at 31 December 2017 is VND 153,313,288,151.

6. FINANCIAL INVESTMENTS (Continued)

F.I.T Cosmetics Joint Stock Company operates in the field of cosmetic goods distribution under the Business Registration Certificate No. 0104344157 dated 11 December 2009, the 8th amended certificate dated 18 May 2017. The investment capital as at 31 December 2017 is VND 423,224,780,000. The financial statement of F.I.T Cosmetics Joint Stock Company for the year ended 31 December 2017 has a loss VND 22,608,827,588 and the owner's equity as at 31 December 2017 is VND 133,414,998,690.

The Company does not make provision for other long-term financial investments as these companies are suffering losses as per the plan determined by the Company when preparing the business plan.

Determine the fair value of long-term financial investments:

Because the current regulations do not have specific guidance on the fair value determination of financial investments, the value presented in the fair value is as follows:

- For investments in associates: Value of the investment is presented under the equity method;
- For other unlisted long-term investments: The fair value of these investments has not been determined

because of insufficient information necessary to assess fair value.

7. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Short-term trade receivables	290,225,501,025	646,345,653,860
Customers of F.I.T Investment JSC - Parent company	3,328,713,576	3,640,066,458
Customers of Can Tho Techno - Agricultural Supplying JSC (Consolidation)	62,304,009,849	407,703,642,521
Customers of Cuu Long Pharmaceutical Joint Stock Corporation (Consolidation)	224,179,243,516	234,836,383,121
Customers of F.I.T Vietnam Trading and Import Export Co., Ltd	413,534,084	165,561,760
Long-term trade receivables	18,949,699,326	
Customers of Cuu Long Pharmaceutical Joint Stock Corporation (Consolidation) (i)	18,949,699,326	
Provision for doubtful debts	(54,040,165,231)	(52,865,810,774)

Note:

(i) This receivable comprises short-term receivables of Euvipharm Pharmaceutical JSC (a subsidiary of Cuu Long Pharmaceutical Joint Stock Corporation) from Amigo Vietnam Pharmaceutical Joint Stock Company with the amount of VND 18,949,699,326 related to revenue arising in June 2017 (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
Short-term advances to suppliers	73,318,845,984	74,803,832,487
Suppliers of F.I.T Investment JSC - Parent company	8,838,906,842	3,837,014,120
Suppliers of Can Tho Techno - Agricultural Supplying JSC (Consolidation)	40,088,799,115	34,672,851,702
Suppliers of Cuu Long Pharmaceutical Joint Stock Corporation (Consolidation)	24,371,840,027	36,293,966,665
Suppliers of F.I.T Vietnam Trading and Import Export Co., Ltd	16,500,000	
Suppliers of F.I.T Land Joint Stock Company	2,800,000	
Provision for advances to suppliers	(3,166,490,453)	(4,295,742,532)

9. OTHER RECEIVABLES

	Closing balance		Opening balance	
	Value VND	Provision VND	Value VND	Provision VND
a) Short-term	65,487,140,179	(7,807,450,375)	44,257,064,854	(8,419,877,890)
Accrued interest on deposits, loans, investment cooperation	40,988,247,095		26,460,208,435	(1,238,315,518)
Collateral, deposits	2,467,611,256		62,090,320	
Advances	7,029,280,858	(689,833,740)	5,185,152,015	(710,286,516)
Cost of sales, marketing			4,391,060,504	(3,924,082,450)
Receivable from Mr. Do Van Tam - Advances for construction of cassava factory in Binh Dinh	3,500,000,000	(2,450,000,000)	3,500,000,000	(1,750,000,000)
Others	11,502,000,970	(4,667,616,635)	4,658,553,580	797,193,406)
b) Long-term	5,984,345,115		6,261,870,115	
Collateral, deposits	5,984,345,115		6,261,870,115	

10. NỢ QUÁ HẠN

	Closing balance		Opening balance	
	Value VND	Provision VND	Value VND	Provision VND
Other short-term investments	215,143,728			
Customers of F.I.T Group JSC - Parent company	215,143,728			
Trade accounts receivable	70,602,353,374	16,562,188,143	68,944,579,316	16,078,768,542
Customers of F.I.T Group JSC - Parent company	99,436,958		99,436,958	
Customers of Can Tho Techno - Agricultural Supplying JSC (Consolidation)	17,130,543,719	6,224,166,930	13,019,183,604	4,178,636,145
Customers of Cuu Long Pharmaceutical Joint Stock Corporation (Consolidation)	53,372,372,697	10,338,021,213	55,825,958,754	11,900,132,397
Other receivables	8,869,881,677	1,062,431,302	10,434,250,458	2,014,372,568
Customers of F.I.T Group JSC - Parent company	46,793,763		1,490,756,847	252,441,266
Customers of Can Tho Techno - Agricultural Supplying JSC (Consolidation)	3,500,000,000	1,050,000,000	3,500,000,000	1,750,000,000
Customers of Cuu Long Pharmaceutical Joint Stock Corporation (Consolidation)	5,323,087,914	12,431,302	5,443,493,611	11,931,302
Advances to suppliers	5,785,660,768	2,619,170,315	4,332,014,257	
Suppliers of F.I.T Group JSC - Parent company			3,784,694,120	
Suppliers of Can Tho Techno - Agricultural Supplying JSC (Consolidation)	5,238,340,631	2,619,170,315		
Suppliers of Cuu Long Pharmaceutical Joint Stock Corporation (Consolidation)	547,320,137		547,320,137	
Total	85,473,039,547	20,243,789,760	83,710,844,031	18,093,141,110

11. INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	14,213,190,546		53,186,750,957	
Raw materials	140,881,613,536	(15,810,930,650)	97,783,173,359	(2,071,198,426)
Tools and supplies	7,977,335,715		6,524,389,538	
Work in progress	23,370,880,463		15,793,445,193	
Finished goods	116,210,863,228	(1,753,505,111)	95,422,719,602	(1,626,332,196)
Merchandise	48,082,895,520	(169,436,100)	28,004,116,531	(1,995,638,027)
Goods for sale	2,734,893		8,387,679,049	
Total	350,739,513,900	(17,733,871,861)	305,102,274,229	(5,693,168,649)

As stated in Note 20, inventories with a minimum average inventory value of VND 30 billion at all times are reflected in the accounting books of Cuu Long Pharmaceutical Joint Stock Corporation as collateral for the short-term loan at the Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch under the commodity mortgage contract No. 301/KHDN/2016 dated 30 September 2016.

12. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles	Management equipment	Others	Total
COST						
Opening balance	161,347,889,273	400,212,116,059	37,054,326,567	4,146,422,187	195,935,101	602,956,689,187
- Purchase	1,339,036,364	42,596,142,327	5,568,940,000	9,025,076,521	63,000,000	58,592,195,212
- Completed construction	23,612,414,374					23,612,414,374
- Increase due to the first time consolidation subsidiary	73,734,265,735	75,172,819,115	1,226,624,346	90,266,190	90,059,569,803	240,283,545,189
- Disposal	(8,503,039,166)	(4,274,554,796)	(10,268,516,952)	(133,114,000)		(23,179,224,914)
Closing balance	251,530,566,580	513,706,522,705	33,581,373,961	13,128,650,898	90,318,504,904	902,265,619,048
ACCUMULATED DEPRECIATION						
Opening balance	71,073,007,848	281,334,463,217	15,490,592,139	1,936,321,121	143,815,136	369,978,199,461
- Charge for the year	10,497,562,953	28,481,078,089	3,563,610,676	1,379,203,846	3,448,873,595	47,370,329,159
- Increase due to the first time consolidation subsidiary	21,284,841,756	57,889,067,663	1,168,470,360	113,309,787	50,374,556,356	130,830,245,922
- Disposal	(4,161,548,327)	(4,274,554,796)	(1,441,928,277)	(133,114,000)		(10,011,145,400)
- Reclassification of depreciation	(220,083,989)	220,083,989				
Closing balance	98,473,780,241	363,650,138,162	18,780,744,898	3,295,720,754	53,967,245,087	538,167,629,142
NET BOOK VALUE						
Opening balance	90,274,881,425	118,877,652,842	21,563,734,428	2,210,101,066	52,119,965	232,978,489,726
Closing balance	153,056,786,339	150,056,384,543	14,800,629,063	9,832,930,144	36,351,259,817	364,097,989,906

The cost of fixed assets which have been fully depreciated but are still in use as at 31 December 2017 is VND 157,561,737,338 (as at 31 December 2016: VND 138,559,217,491).
The net book value of assets used as collateral for bank loans as at 31 December 2017 is VND 258,037,135,322 (as at 31 December 2016: VND 17,999,120,055).

13. INCREASE, DECREASE IN INTANGIBLES FIXED

	Land use rights VND	Copyright, patents VND	Computer software VND	Others VND	Total VND
COST					
Opening balance	106,378,718,810	136,363,635	855,616,700	988,680,000	108,359,379,145
- Purchase (i)	97,480,085,650				97,480,085,650
- Complete construction investment			3,399,614,400		3,399,614,400
- Increase due to purchase subsidiary	10,446,219,040		349,222,500		10,795,441,540
- Disposal	(19,948,024,600)				(19,948,024,600)
Closing balance	194,356,998,900	136,363,635	4,604,453,600	988,680,000	200,086,496,135
ACCUMULATED DEPRECIATION					
Opening balance	1,437,067,908	136,363,635	404,832,006	8,238,999	1,986,502,548
- Charge for the year	1,667,397,126		291,917,583	49,434,000	2,008,748,709
- Increase due to purchase subsidiary	2,421,621,978		261,916,875		2,683,538,853
Closing balance	5,526,087,012	136,363,635	958,666,464	57,672,999	6,678,790,110
NET BOOK VALUE					
Opening balance	104,941,650,902		450,784,694	980,441,001	106,372,876,597
Closing balance	188,830,911,888		3,645,787,136	931,007,001	193,407,706,025

Note:

(i) During the year, the Company purchased two plots of land in Long Hoa Ward, Binh Thuy District, Can Tho City are an area of 3,691.9 m² (perennial land) and 2,438.7 m² (paddy land) have the total value of VND 61,549,000,000 to expand the agro-processing and import-export business. It will be the key industry of the Company in the future. Up to now, there is no project cost has been incurred in these two plots.

Land use rights at 31 December 2017 of the Company includes:

- Long-term land use rights at 35 Le Van Luong (corresponding to the office area owned by the Company);
- The land use rights at Can Tho Techno-Agricultural Supplying JSC: mostly agricultural land has duration is 25 years. According to the current law on agricultural land, the company has the right to extend the term of the agricultural land lease on the expiration date. The General Director intends to continue leasing the land in the future and does not make any depreciation for these assets.

The Company has mortgaged land use rights in Ninh Kieu District, Can Tho under the mortgage contract No.72/2014/VCBCT dated 8 October 2014 and the mortgage contract No. 20/2015/VCBCT dated 18 March 2015 to secure short-term loans at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Can Tho Branch with the remaining value as at 31 December 2017 is VND 13,194,675,585 (as at 31 December 2016: VND 13,194,675,585).

The Company used the intangible fixed assets - the land use rights as collateral for bank loans as at 31 December 2016 with the amount of VND 13,194,67,585 (as at 31 December 2016: VND 13,194, 675,585).

14. INVESTMENT PROPERTY

	Buildings, structures VND	Total VND
COST		
Opening balance	15,781,667,712	15,781,667,712
- Complete construction investment	71,793,804,853	71,793,804,853
- Disposal	223,690,640	223,690,640
- Other decrease	(3,126,658,352)	(3,126,658,352)
Closing balance	84,672,504,853	84,672,504,853
ACCUMULATED DEPRECIATION		
Opening balance	1,792,780,061	1,792,780,061
- Charge for the year	1,134,262,147	1,134,262,147
- Disposal	(291,821,460)	(291,821,460)
- Other decrease	(508,799,723)	(508,799,723)
Closing balance	2,126,421,025	2,126,421,025
NET BOOK VALUE		
Opening balance	13,988,887,651	13,988,887,651
Closing balance	82,546,083,828	82,546,083,828

15. LONG-TERM ASSETS IN PROGRESS

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
<i>Long-term work in progress</i>	6,688,075,213		3,418,123,704	
Investment cost of project material area in Hau Giang	6,688,075,213		3,418,123,704	
<i>Long-term construction in progress</i>	138,656,596,804		67,689,028,757	
Purchase fixed assets	10,729,275,946		10,316,395,000	
Purchase Le Van Luong office			40,584,251,404	
Expenses to upgrade Caps 3 factory (i)	109,224,134,375		59,270,000	
Purchase land without completing the transfer owner's name(ii)	9,490,344,520		9,490,344,520	
Investment of factory construction in Hau Giang	4,888,387,833		4,888,387,833	
Other constructions	4,324,454,130		2,350,380,000	
Total	145,344,672,017		71,107,152,461	

Note:

(i) The Company has mortgaged the construction in progress as at 31 December 2017 with the amount of VND 109,224,134,375 to secure the bank loan. During the year, the interest expense was capitalized as part of the construction in progress for the amount of VND 706,450,227.

(ii) The expenses for acquiring and using the land in An Binh Ward, Ninh Kieu District, Can Tho City have been incurred from 2009 to 2012. The Company is still processing to complete the procedure to transfer land use rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. PREPAYMENTS

	Closing balance VND	Opening balance VND
a) Short-term	5,804,520,504	3,569,315,183
Prepayment related to assets held under operating lease		39,000,000
Tools and supplies for consumption	2,671,363,521	2,112,345,536
Others	3,133,156,983	1,417,969,647
b) Long-term	13,685,180,735	17,374,212,797
Tools and supplies for consumption	2,304,617,518	
Prepayment of the Westfood Hau Giang project - Unavailable phase	1,441,030,660	
Expenses for repair, renovation and maintenance	8,222,257,906	14,296,567,745
Others	1,717,274,651	3,077,645,052

17. GOODWILL

	Current year VND	Prior year VND
Opening balance	169,217,137,698	191,673,765,163
Increase during the year	42,801,919,499	
Charge for the year	(24,316,909,973)	(20,393,400,686)
Other decrease		(2,063,226,779)
Closing balance	187,702,147,224	169,217,137,698

The remaining value of goodwill arising on the acquisition of subsidiaries is as follow:

	Closing balance VND	Opening balance VND
Euvipharm Pharmaceutical Joint Stock Company	38,878,410,212	
Nong Tin Seed JSC	9,648,288,993	10,934,727,525
Can Tho Techno - Agricultural Supplying JSC	18,774,696,854	21,556,133,426
Cuu Long Pharmaceutical Joint Stock Corporation	120,400,751,165	136,726,276,747
Total	187,702,147,224	169,217,137,698

18. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Value VND	Amount able to be paid VND	Value VND	Amount able to be paid VND
Short-term trade payables	162,774,635,378	162,774,635,378	103,293,248,207	103,293,248,207
<i>a) Trade payables to related parties</i>	88,609,031,535	88,609,031,535	49,571,381,417	49,571,381,417
Customers of Can Tho Techno - Agricultural Supplying JSC (Consolidation)	88,609,031,535	88,609,031,535	49,571,381,417	49,571,381,417
+ Khanh Hoa Mineral Water JSC	47,161,690,846	47,161,690,846	20,335,645,732	20,335,645,732
+ F.I.T Cosmetics JSC	41,447,340,689	41,447,340,689	29,235,735,685	29,235,735,685
<i>b) Other short-term trade payables</i>	74,165,603,843	74,165,603,843	53,721,866,790	53,721,866,790
Customers of F.I.T Group JSC - Parent company	689,673,668	689,673,668	712,759,117	712,759,117
Customers of Can Tho Techno - Agricultural Supplying JSC (Consolidation)	6,850,878,883	6,850,878,883	28,825,337,178	28,825,337,178
Customers of Cuu Long Pharmaceutical Joint Stock Corporation (Consolidation)	66,618,631,292	66,618,631,292	24,175,970,495	24,175,970,495
Customers of F.I.T Vietnam Trading and Import Export Co., Ltd	6,420,000	6,420,000		
F.I.T Land JSC			7,800,000	7,800,000

19. TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	Closing balance VND	Amount paid during the year VND	Actual paid amount during the year VND	Opening balance VND
Payables	37,812,386,109	98,922,525,501	107,088,689,557	45,978,550,165
- Value added tax	263,842,298	36,937,836,431	37,798,936,309	1,124,942,176
- Corporate income tax	36,671,607,484	49,403,510,518	56,592,194,447	43,860,291,413
- Personal income tax	875,175,477	8,286,712,544	8,316,918,134	905,381,067
- Land rental		4,213,252,105	4,213,252,105	
- Other taxes and charges	1,760,850	81,213,903	167,388,562	87,935,509

20. ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Short-term	34,408,159,267	24,440,509,581
Interest expenses	1,058,414,428	219,274,988
Cost of construction investment	11,692,540,118	
Discount costs, sales commission, shop rental	14,606,123,470	13,987,173,126
Transportation cost	2,389,970,735	2,690,824,000
Other expenses	4,661,110,516	7,543,237,467
Total	34,408,159,267	24,440,509,581

21. OTHER PAYABLES

	Closing balance VND	Opening balance VND
a) Short-term	24,605,070,340	20,911,752,017
- Surplus of assets awaiting resolution	172,739,856	172,739,856
- Social insurance, health insurance, unemployment insurance, union fee	747,172,127	1,529,531,840
- Business cooperation payable	12,000,000,000	2,030,000,000
Dung Tam Investment JSC (i)	10,000,000,000	
Others	2,000,000,000	2,030,000,000
- Valeant Group (ii)	8,500,000,000	
- Short-term deposit, collateral		14,832,005,400
- Other payables	3,185,158,357	2,347,474,921
b) Long-term	21,354,764,679	9,446,929,821
- Long-term deposits, collateral	8,591,407,665	6,109,391,715
- Other payables	2,763,357,014	3,337,538,106
- Business cooperation payable	10,000,000,000	
DPV Property JSC (iii)	10,000,000,000	

Note:

(i) Other payables to Dung Tam Investment Joint Stock Company: Dung Tam Investment Joint Stock Company makes a capital contribution to the investment cooperation contract No.0113012017/HDDT/DTFITTRADING dated 13 January 2017. The term of investment cooperation is 12 months. Dung Tam Investment Joint Stock Company will enjoy a certain profit on the percentage of actual capital contribution (9.9%/360 days) without dependence on the results of operation of F.I.T Vietnam Trading and Import Export Co., Ltd

(ii) A margin of 5% on the total value of 170 billion dong in 6 months (equivalent to VND8.5 billion) that the subsidiary - Cuu Long Pharmaceutical Joint Stock Corporation had to pay to Valeant Group in the transaction Acquisition of shares of Euvipharm Pharmaceutical Joint Stock Company on 06 January 2017.

(iii) Payable to DPV Property Joint Stock Company under the cooperation contract No.2017-08-01/HTDT/FIT-DPV and appendix 1 dated 01 August 2017, the term of cooperation is 60 months from the date of contract. DPV Property Joint Stock Company has contributed capital to F.I.T Group Joint Stock Company with the amount of VND 10,000,000,000. The purpose of the investment cooperation contract is to invest in Vietnam's stock market. In all cases, the two parties shall divide their profits from securities investment cooperation according to the prescribed capital contribution (F.I.T is 51%, DPV is 49%).

22. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Closing balance		During the year		Opening balance	
	Value VND	Amount able to be paid VND	Increase VND	Decrease VND	Value VND	Amount able to be paid VND
a) Short-term loans	353,692,888,292	353,692,888,292	5,502,233,099,030	5,440,407,490,151	291,867,279,413	291,867,279,413
- Bank loans	307,628,097,501	307,628,097,501	5,456,086,826,487	5,433,278,608,399	284,819,879,413	284,819,879,413
+ Vietnam Prosperity Joint Stock Commercial Bank (i)	87,353,400,465	87,353,400,465	922,441,510,104	835,088,109,639		
+ Military Commercial Joint Stock Bank (ii)	25,636,907,370	25,636,907,370	127,464,374,630	143,273,511,026	41,446,043,766	41,446,043,766
+ Vietnam International Commercial Joint Stock Bank	7,721,519	7,721,519	233,818,609,263	233,864,209,722	53,321,978	53,321,978
+ Joint Stock Commercial Bank for Foreign Trade of Vietnam (iii)	46,195,755,417	46,195,755,417	423,460,528,286	431,636,211,182	54,371,438,313	54,371,438,313
+ Joint Stock Commercial Bank for Investment and Development of Vietnam (iv)	110,161,995,514	110,161,995,514	3,640,214,773,950	3,696,070,232,280	166,017,453,844	166,017,453,844
+ Public Bank Vietnam (v)	997,884,341	997,884,341	997,884,341			
+ Vietnam Joint Stock Commercial Bank for Industry and Trade (vi)	37,274,432,875	37,274,432,875	107,689,145,913	93,346,334,550	22,931,621,512	22,931,621,512
Long-term loans due to date	46,064,790,791	46,064,790,791	46,146,272,543	7,128,881,752	7,047,400,000	7,047,400,000
b) Long-term loans	209,847,799,062	209,847,799,062	251,422,671,557	65,211,351,030	23,636,478,535	23,636,478,535
Southeast Asia Joint Stock Commercial Bank (i)	33,856,426,500	33,856,426,500	52,086,810,000	18,230,383,500		
+ Joint Stock Commercial Bank for Foreign Trade of Vietnam (ii)	82,030,561,484	82,030,561,484	77,675,237,227	17,759,654,278	22,114,978,535	22,114,978,535
+ Vietnam Joint Stock Commercial Bank for Industry and Trade (iii)	89,138,124,000	89,138,124,000	111,250,124,000	22,112,000,000		
+ Military Commercial Joint Stock Bank (iv)	4,822,687,078	4,822,687,078	10,410,500,330	5,587,813,252		
+ Vietnam Prosperity Joint Stock Commercial Bank			1,521,500,000		1,521,500,000	1,521,500,000

22. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)

Note:

Details of short-term loans:

(i) Loan from Vietnam Prosperity Joint Stock Commercial Bank (VPBank):

Contract No.161117-1206291-01-SME dated 16 November 2017 with VPBank. The overdraft limit is VND 41,360,000,000, the duration is 3 months from 16 November 2017 to 5 February 2018, the interest rate is 7.5%/year (360 days). The purpose of overdraft is to supplement working capital for production and business activities. This loan was pledged with the term deposit of 1147044881 at VPBank with the amount of VND 41,360,000,000, pledge agreement No. 250417-1206291-01-SME dated 25 April 2017 with the amount of VND 20,000,000,000 and appendix attached. Balance as at 31 December 2017 is VND 40,028,408,394.

Contract No. 130717-3294992-01-SME/HBTC dated 21 July 2017, the overdraft is VND 50,000,000,000, the purpose is to coverage the deficiency of the payment, to mortgage deposit contract No. VPBFC/TGCKH-1107/2017 dated 13 July 2017 with the amount of VND 50,000,000,000. Balance as at 31 December 2017 is VND 47,324,992,081.

(ii) Loan from Military Commercial Joint Stock Bank:

The loan from the Military Commercial Joint Stock Bank - Can Tho Branch under the loan contract No. 2032.451.345764.TD dated 10 March 2017 with the purpose of borrowing to supplement working capital for pharmaceutical business, guarantee, open LC; With the loan limit of VND 80,000,000,000, the loan term is 6 months from the date of withdrawal with each debt acknowledgment note. The interest rate is stated at the interest rate notice of the bank at the time of receiving the debt.

(iii) Loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam:

Debt Document No. 04 attached to the Credit Agreement No.01091116/HBTD/VCB-FIT dated 9 November 2016, the loan amount under debt acknowledgment is VND 20,000,000,000, loan term is 6 months from 4 October 2017 to 5 March 2018, the fixed interest rate is 6.5% (paid interest on the 26th monthly), purpose loans to serve the business operation. Balance as at 31 December 2017 is VND 20,000,000,000.

Short-term loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vinh Long Branch under the loan contract No.32/HBTD-VLO.KH dated 18 August 2016 with the purpose of borrowing to supplement working capital for production and business. The loan limit is VND 40 billion, the loan term is 6 months from the date of withdrawal for each debt note, the interest rate of 6% per annum and subject to interest rate announcement of the bank at the time of debt acknowledgment. The loan has no collateral. Loan from the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vinh Long Branch under the loan agreement No.01/2016/VCB- VLO.KH dated 30 December 2016 to supplement additional temporary capital deficit for legal, rational and valid production and business activities of the Company. The overdraft limit is VND 100 billion. The term is 6 months with the interest rate of 6.7% per year Balance as at 31 December 2017 is VND 15,068,340,417.

Short-term loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Can Tho Branch under the loan contract No.120/VCBCT dated 6 July 2017 with the limit of VND 13,000,000,000. The term is 12 months, the interest rate according to the Bank's notice of interest is recorded on each debt acknowledgment. The loan is secured by real estate according to the trust agreement No. 20/2015/VCBCT dated 18 March 2015, the trust agreement No. HBTC72/2014/VCBCT dated 8 October 2014 between TSC and Vietcombank - Can Tho Branch. Balance as at 31 December 2017 is VND 11,127,415,000.

(iv) Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam:

Overdraft contract No. 03/2017/2268539/HBTC dated 30 March 2017 with the Joint Stock Commercial Bank for Investment and Development of Vietnam. The value of overdraft limit is VND 130,000,000,000. Overdraft period is from the contract signing date to 8 January 2018. The floating interest rate is adjusted every 3 months, the interest rate of the first period until 30 June 2017 is 6.8%. The purpose of overdraft is to compensate for temporary short-term capital. Collateral is the deposit contract No. 11/2017/HDTG. TX-XC dated 6 January 2017 with the amount VND 130,000,000,000. Balance as at 31 December 2017 is VND 51,670,542,024.

Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Vinh Long Branch under the loan agreement No. 01/2017/742762/HBTD dated 5 January 2017 with the purpose of borrowing to supplement working capital for business pharmacy, guarantee, opening LC; The loan limit is VND 40 billion, the term limit is 12 months from the contract signing date. The interest rate at the Bank's interest rate in each period. And the overdraft loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Vinh Long Branch under the loan contract No.001/2016/742762/HBTC dated 4 October 2016 with the purpose of borrowing to supplement temporary deficit for expenses in line with business sector No.1500202535 issued by the Department of Planning and Investment of Vinh Long province on 9 November 2004, the 14th amended registration dated 22 April 2016 with the loan limit of VND 99 billion in 6 months and has been extended until 23 September 2017. The interest rate of 6.7% per year. Balance as at 31 December 2017 is VND 25,306,707,790.

22. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)

Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thanh Xuan Branch under the contract of depreciation of 01/2017/9595952/HDTTC dated 11 May 2017 with the purpose is to compensate for the temporary shortfall due to the inadequate balance of payments, or due to the characteristics and requirements of seasonal business; The overdraft limit is VND 29,990,000,000; The interest rate applicable to the floating rate is adjusted every 3 months. The first interest rate applied until 30 June 2007 is 6.71% per year. The interest rate of the next period is equal to the base interest rate announced by BIDV at the time of adjustment. This loan was secured by a deposit contract with the value of VND 30,000,000,000 at BIDV Thanh Xuan. Balance as at 31 December 2017 is VND 5,074,830,338.

Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thanh Xuan Branch under the loan contract No. 01/2017/7223548/HDTTC dated 28 March 2017. The loan limit is VND 29,990,000,000 - maintenance period to 26 March 2018. Floating rate is adjusted every 6 months. The loan is secured by time savings deposit at Vietnam Joint Stock Commercial Bank for Investment and Development. Balance as at 31 December 2017 is VND 7,515,285,822.

Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - BIDV Hai Ba Trung under the overdraft contract No. 01/2017/HD dated 23 November 2017, the overdraft limit is VND 22,499,000,000, the purpose of the loan is to offset shortage of payment. Collateral is the term deposit contract No. 01.2017/HDTG/FITTRADING-HBT dated 23 November 2017 with the amount of VND 22,500,000,000. Balance as at 31 December 2017 is VND 20,594,629,540.

(v) Loan from Public Bank Vietnam:

Overdraft loan (OD) No. TXN/000001/17 dated 15 December 2017, the loan limit is VND 1,000,000,000 at the interest rate of 1% + the interest rate of the certificate of deposit guarantee bank. Collateral is a certificate of time deposit valued VND 1,000,000,000 mortgaged at the Public Bank Vietnam - Thanh Xuan Branch.

(vi) Loan from Vietnam Joint Stock Commercial Bank for Industry and Trade:

Loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch under the contract No.50/2017-HDTHM/NHCT820 dated 23 February 2017. The purpose is to supplement current working capital production and business; The loan limit is VND 50 billion, the loan term is 6 months from the contract signing date and the interest rate is 5.2% per year. The loan is secured by the mortgage contract No.301/KHDN/2016 dated 30 September 2016.

Details of long-term loans

(i) Loan from Southeast Asia Joint Stock Commercial Bank:

Medium and long-term credit agreement No. REF1631600086/HDTD dated 29 November 2016 with Southeast Asia Joint Stock Commercial Bank. Loan amount is VND 55,000,000,000, loan term is from 13 January 2017 to 13 January 2022. The first year interest rate is 9%/year. The purpose of the loan is to pay a part of the purchase price of the 4th and 5th Floor - HACC1 Complex Building at the land lot 2.6 NO Le Van Luong street, Thanh Xuan, Hanoi. Collateral is the property right arising from the purchase contract No. 239/HDMB and 240/HDMB dated 7 December 2015 with Hanoi Construction Joint Stock Company No.1. The total value of collateral is VND 103,616,600,000.

22. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)

(ii) Loan at Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank):

Medium and long-term loan from Vietcombank - Vinh Long Branch under the contract No. 06/HDDTDA-VLO.KH dated 3 July 2017 for the purpose of payment of "reasonable, legal expenses related to the investment project "Investment Capsule Factory III - Phase 1" at 21B, Phan Dinh Phung, Ward 8, Vinh Long City, Vinh Long Province, the Company is the investor. The loan limit is maximum of VND 111,915,145,300 and 70% of the total investment of the project excluding VAT; The maximum loan term is 72 months from the date of the initial disbursement; The interest rate is the fixed interest rate of 7.6% applied in the first year from the disbursement date. Then, the interest rate is equal to the interest rate of deposit term 12 months with interest payment at expiry date announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vinh Long Branch (+) a margin of 2.15% per year.

Collateral is the assets including construction works and equipment formed in the future from the project under the following mortgage contracts:

+ Contract of mortgage of assets attached to land formed in the future No.200/HDTTC-VLO.KH dated 3 July 2017, value VND 31,399,000,000.
 + Contract of mortgage of assets attached to land 201/HDTTC-VLO.KH dated 03 July 2017, value VND 8,028,309,960.
 + The contract for mortgage of machinery and equipment No.202/HDTTC-VLO.KH dated 03 July 2017, the value VND 122,068,729,000.

Balance at 31 December 2017 of this contract is VND 67,642,262,924.

A loan under the credit contract for each time No.05/VCBCT dated 30 May 2017 in VND with a maximum loan amount of 680,000,000 VND. The loan term is 54 months from the next day of the first loan disbursement. The loan is used to pay for the investment cost of the pineapple processing system. The Company uses this property as collateral for the loan secured by the future collateral agreement no.29/2017 dated 30 May 2017. The interest rate in the first year from the first withdrawal date is 7.6% per annum. Then, the interest rate is adjusted every three months. The balance as of 31 December 2017 is VND 600,760,000.

The loans under Credit Contract No.01/VCBCT dated 03 August 2016 and Amendment No.1 dated 30 December 2016 with a total loan amount of USD 470,600 to pay for the investment in machinery and equipment. The loan term is 60 months from 3 August 2016 to 03 August 2021. The loan is secured by assets under the future property mortgage agreement No. 34/2016 /VCBCT dated 03 August 2018. The balance at 31 December 2017 is USD 390,600.

The loans under loan contract No.02/VCBCT dated 27 January 2016 with loan amount is 15,300,000,000 VND to make up for payment of investment in machinery and equipment. The loan has a term of 60 months from 28 January 2016 to 28 January 2021. The interest rate is 6.7% per annum for the first year and will be adjusted each month. From the 2nd year, the interest rate will be adjusted every 6 months. This loan is secured by the Company's fixed assets and assets formed from the loan under the mortgage contract No. 20/2013/VCBCT dated 29 March 2013, No.18/VCBCT dated 26 January 2016 and 19/VCBCT dated 26 January 2016 as stated in Note 13. The balance at 31 December 2017 is VND 9,944,527,560.

The loan of 03 contracts above which have the balance at 31 December 2017 is VND 14,388,298,560.

(iii) Loan at Vietnam Joint Stock Commercial Bank for Industry and Trade

The long-term and medium-term loans at Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch under Contract No.143/2017HDDCVDDDDADDT/NHCT820 dated 03 November 2017 for the purpose of paying for legal investment expenses to offset a part of the money used to raise capital at VPC - SG Pharma. (Subsidiary 100% capital, to expand the scale of business activities) (hereinafter referred to as "the project"). Loan in Vietnamese currency, the total value not exceeding VND 107 billion; The loan term is 60 months from the date of the first disbursement date; The interest rate is the adjusted interest rate written on each debt note and is valid from the time of disbursement until the interest rate is adjusted. This loan is secured by the assets and forms of collateral under the contracts: Mortgage Agreement No.156/KHDN/2017 dated 03 November 2017, 157/KHDN/2017 dated 03 November 2017, and Mortgage Agreement No.159/KHDN/2017 dated 03 November 2017. Whereby:

22. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)

- The total value of the land use rights with residual value as at 31 December 2017 was VND7,830,757,361 which was pledged by the Company as collateral for the loans of Cuu Long Pharmaceutical Joint Stock Corporation at the Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch under real estate contract No.156/KHDN/2017 dated 02 November 2017.

- The residual value of tangible fixed assets as at 31 December 2017 was VND97,872,519,892 which was pledged by the Company for the loans of Cuu Long Pharmaceutical Joint Stock Corporation at Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch under real estate mortgage agreement No.156/KHDN/2017 dated 02 November 2017 and mortgage contract No.157/KHDN/2017 dated 03 November 2017.

The balance at 31 December 2017 of this loan is VND 85,600,000,000

The long-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch are loans under the credit agreement No. 260/2017-HDCVDADT/NHCT820-CTY CB TP XK MIEN TAY on 14 November 2017 is amount VND 4,250,124,000 to pay for investment in machinery and equipment. Under loan agreement No.1 dated 20 November 2017, the loan has a debt term of up to 27 November 2023. The interest rate at 7.5% per annum and will be adjusted every 3 months as required by the bank. This loan is secured by assets formed from the loan under the mortgage contract No.193/KHDN/2027/17 dated 16 August 2017 as stated in Note 13. Balance at 31 December 2017 is VND 3,538,124,000.

(iv) Loan at Military Commercial Joint Stock Bank

The medium and long-term loans at Military Commercial Joint Stock Bank - Can Tho Branch under the contract No.4084.17.451.345764.TD dated 19 May 2017 for the purpose of financing the cost of investing in new warehouses and the purchase of additional machinery and equipment for the production of the pharmaceutical factories, medical devices, and capsules in Vinh Long City; The loan limit is VND 34,415,000,000, but not exceeding the loan amount on collateral assets; The loan term is 60 months from the first day of the first disbursement date to the end of the maturity date specified in the debt acknowledgment document, the specific loan term will be specified in each debt acknowledgment document, the interest rate is in the debt acknowledgment document. Loans secured by assets formed from the investment plan are the entire factory and machinery for the production and trading of pharmaceutical products, medical instruments, capsule owned by the Company, Under the mortgage agreement will be signed between the Company and MB, the proportion of financing 70% of the value of the collateral.

The outstanding balance of long-term loans as at 31 December 2017 does not include long-term loans due to date as at 31 December 2017 as follow:

Long-term loans are repayable on the following schedule:

	Closing year VND
Within a year	46,064,790,791
In the second year	53,639,728,993
From the second to the fifth year	155,517,946,069
After 5 years	690,124,000
Total	255,912,589,853
Minus: Amounts payable within 12 months (Present at Note for Short-term loans)	46,064,790,791
Amounts payable after 12 months	209,847,799,062

23. OWNER'S EQUITY

a) Movements in owner's equity

	Owner's contributed capital VND	Share premium VND	Option to convert bonds VND	Investment and development VND	Retained earnings VND	Other owner's capital VND	Benefit of noncontrolling shareholders VND	Total VND
Opening balance of prior year	1,792,124,770,000	14,805,156,176	8,490,566,038	886,852,413	261,562,252,028		979,304,952,928	3,057,174,549,583
Convertible Bonds (Stock Option Value) (i)	300,000,000,000							300,000,000,000
Profit during the year					112,029,561,244		31,654,578,303	143,684,139,547
Issuance of shares for dividend	143,364,850,000							
DCL divides bonus shares						80,481,887,391		80,481,887,391
Increase due to TSC consolidation							234,656,472,205	234,656,472,205
Increase/(decrease) due to additional acquisition/disposal a portion of interest in subsidiaries					(43,112,312,706)			(43,112,312,706)
Disposal a portion of interest in TSC							33,437,456,653	33,437,456,653
Other increase/(decrease)		8,479,566,038	(8,490,566,038)		(6,176,438,707)			(6,187,438,707)
Additional acquisition a portion of interest in DCL							(35,567,672,203)	(35,567,672,203)
Other decrease					(1,608,681,297)			(1,608,681,297)
Opening balance of current year	2,235,489,620,000	23,284,722,214		886,852,413	179,329,530,562	80,481,887,391	1,243,485,787,886	3,762,958,400,466
Increase capital in the year	311,812,850,000	46,771,927,500						358,584,777,500
Profit during year					106,047,360,305		6,535,271,976	112,582,632,281
Increase due to TSC consolidation							(188,712,429,179)	(188,712,429,179)
Increase due to DCL consolidation							57,244,222,122	57,244,222,122
Increase the benefit of non-controlling shareholders in F.I.T Land							1,000,000,000	1,000,000,000
Increase the benefit of non-controlling shareholders in DCL							5,000,000,000	5,000,000,000
Other Increase					732,490,363			732,490,363
Increase/(decrease) due to additional acquisition/disposal a portion of interest in subsidiaries					(52,355,535,453)		(48,382,717,107)	(100,738,252,560)
Other decrease		(11,000,000)			(10,763,311,370)			(10,774,311,370)
Closing balance of current year	2,547,302,470,000	70,045,649,714		886,852,413	222,990,534,408	80,481,887,391	1,076,170,135,698	3,997,877,529,624

23. OWNER'S EQUITY (Continued)**a) Movements in owner's equity (Continued)****Note:**

(i) Implementing the Resolution of the Extraordinary General Meeting of Shareholders in 2016 No.02/2016ĐHĐCĐ/F.I.T on 22 September 2016, the Company has implemented the first offering of shares to strategic shareholders. The number of issued shares is 31,181,285 shares, equivalent to 311,812,850,000 VND.

As at 31 December 2017, the increase in charter capital, share premium of the Company as follows:

	Opening balance VND	Increase VND	Decrease VND	Closing balance VND
Charter capital	2,235,489,620,000	311,812,850,000		2,547,302,470,000
Share premium	23,284,722,214	46,771,927,500	11,000,000	70,045,649,714
	2,258,774,342,214	358,584,777,500	11,000,000	2,617,348,119,714

b) Charter capital

According to the 28th amended Business Registration Certificate dated 27 July 2017, the charter capital of the Company is VND 2,547,302,470,000 (VND 2,235,489,620,000 as at 31 December 2016). As at 31 December 2017, the charter capital was fully contributed by the owners and the shareholders.

c) Capital transactions with owners, profit distribution and dividends paid

	Current year VND	Prior year VND
Owner's contributed capital	2,547,302,470,000	2,235,489,620,000
- Contributed capital at beginning of year	2,235,489,620,000	1,792,124,770,000
- Increase in capital during the year	311,812,850,000	443,364,850,000
- Contributed capital at end of year	2,547,302,470,000	2,235,489,620,000

d) Shares

	Current year VND	Prior year VND
Number of shares registered to issue	254,730,247	223,548,962
Number of shares issued to the public	254,730,247	223,548,962
- Common shares	254,730,247	223,548,962
Number of shares in circulation	254,730,247	223,548,962
- Common shares	254,730,247	223,548,962
Face value per share (VND)	10,000	10,000

24. OFF BALANCE SHEET ITEMS

	Closing year	Opening year
a) Foreign currencies	2.547.302.470.000	2.235.489.620.000
USD	2.235.489.620.000	1.792.124.770.000
EUR	311.812.850.000	443.364.850.000

Supplies and goods kept in custody

These are the products that have been sold to Amigo Vietnam Pharmaceutical Joint Stock Company but are also being deposited at Euvipharm Pharmaceutical Joint Stock Company - Member of F.I.T Corporation on 31 December 2017 (see Note No. 24). Details of shipments include:

Numerical	ID	Name	Lot number	Expiration date	Unit	Amount
1	AN2182T	SIMVASTATIN 10mg	2185001	07/04/2018	Tablet	19,542
2	AN0051T	ACEFALGAN 150	0055011	07/05/2018	Pack	26
3	AN0271T	EUXAMUS 100	0276001	18/05/2018	Pack	2,502
4	AN1792T	ATORVASTATIN 10mg	1795001	19/05/2018	Tablet	19,166
5	AN1792T	ATORVASTATIN 10mg	1795002	19/05/2018	Tablet	28,175
6	AN1792T	ATORVASTATIN 10mg	1795003	19/05/2018	Tablet	28,339
7	AN1802T	ATORVASTATIN 20mg	1805001	16/06/2018	Tablet	22,899
8	AN1802T	ATORVASTATIN 20mg	1805001	16/06/2018	Tablet	28,493
9	AN2081T	COLCHICINE 1mg	1805002	05/08/2018	Tablet	4,615
10	AN2081T	COLCHICINE 1mg	2085003	06/08/2018	Tablet	14,089
11	AN2771T	ACEFALGAN 500	2085004	11/08/2018	Tablet	50
12	AN2141T	ZYRIMAX 300	2775005	13/08/2018	Tablet	9,156
13	AN1792T	ATORVASTATIN 10mg	2145002	25/08/2018	Tablet	24,652
14	AN1792T	ATORVASTATIN 10mg	1795004	26/08/2018	Tablet	28,444
15	AN1792T	ATORVASTATIN 10mg	1795005	26/08/2018	Tablet	29,167
16	AN1802T	ATORVASTATIN 20mg	1795006	26/08/2018	Tablet	25,176
17	AN2002T	MOTIRIDON	1805003	28/08/2018	Bottle	50
18	AN2002T	MOTIRIDON	2005055	29/08/2018	Bottle	1,561
19	AN2002T	MOTIRIDON	2005057	31/08/2018	Bottle	3,075
20	AN2002T	MOTIRIDON	2005058	07/09/2018	Bottle	3,043
21	AN2002T	MOTIRIDON	2005059	07/09/2018	Bottle	3,032
22	AN2002T	MOTIRIDON	2005060	08/09/2018	Bottle	3,054
23	AN2002T	MOTIRIDON	2005061	08/09/2018	Bottle	3,061
24	AN2002T	MOTIRIDON	2005062	08/09/2018	Bottle	3,056
25	AN2002T	MOTIRIDON	2005063	09/09/2018	Bottle	3,053
26	AN2002T	MOTIRIDON	2005064	09/09/2018	Bottle	3,035
27	AN2002T	MOTIRIDON	2005065	09/09/2018	Bottle	3,051
28	AN2002T	MOTIRIDON	2005066	10/09/2018	Bottle	3,119
29	AN2771T	ACEFALGAN 500	2005067	25/09/2018	Tablet	1,996

24. OFF BALANCE SHEET ITEMS (Continued)

Supplies and goods kept in custody (Continued)

Numerical	ID	Name	Lot number	Expiration date	Unit	Amount
30	AN2771T	ACEFALGAN 500	2775011	28/09/2018	Tablet	1,987
31	AN2771T	ACEFALGAN 500	2775012	28/09/2018	Tablet	1,984
32	AN2141T	ZYRIMAX 300	2145003	13/10/2018	Tablet	14,481
33	AN2141T	ZYRIMAX 300	2145004	14/10/2018	Tablet	13,840
34	AN1321T	CIMETIDIN 300mg	1325002	15/10/2018	Tablet	127
35	AN2081T	COLCHICINE 1mg	2085005	16/10/2018	Tablet	14,403
36	AN2081T	COLCHICINE 1mg	2085006	16/10/2018	Tablet	14,435
37	AN2081T	COLCHICINE 1mg	2085007	16/10/2018	Tablet	14,481
38	AN2081T	COLCHICINE 1mg	2085008	16/10/2018	Tablet	14,563
39	AN1321T	CIMETIDIN 300mg	1325004	02/12/2018	Tablet	2,438
40	AN1321T	CIMETIDIN 300mg	1325005	04/12/2018	Tablet	2,467
41	AN2222T	SIMVASTATIN 20mg	2226001	28/01/2019	Tablet	19,179

Bad debts written off

Bad debts written off as at 31 December 2017 are as follows:

	Closing year VND	Opening year VND
Customers in the North	2,167,314,544	1,940,872,484
Customers in the Ho Chi Minh	24,941,237,145	22,811,329,192
Total	27,108,551,689	24,752,201,676

25. BUSINESS AND GEOGRAPHICAL SEGMENTS

Geographical segments

The Company operates in Hanoi (in the North), Can Tho, Long An, Vinh Long (in the South). Consulting, investment, importing and exporting of agricultural products are performed in the North. Manufacturing and trading in agricultural products, technical supplies, drug and medical equipment are performed in the South.

Geographical segment information of the Company is presented as follows:

Closing balance

	The North VND	The South VND	Elimination VND	Total VND
Assets				
Segment assets	3,335,422,634,533	3,278,419,951,991	(1,714,353,790,500)	4,899,488,796,024
Total consolidated assets				4,899,488,796,024
Liabilities				
Segment liabilities	282,993,749,759	629,234,436,410	(10,616,919,769)	901,611,266,400
Total consolidated liabilities				901,611,266,400
Current year				
Revenue				
Net revenue from sales outside	35,242,686,232	1,579,782,332,074		1,615,025,018,306
Net revenue from sales to other departments	12,752,330,406	6,420,000	(12,752,330,406)	
Total revenue	47,995,016,638	1,579,782,332,074	(12,752,330,406)	1,615,025,018,306
Business result				
Cost of goods sold	33,705,186,112	1,210,512,196,487	(3,476,868,222)	1,240,740,514,377
Gross profit	14,289,830,526	369,270,135,587	(9,275,462,184)	374,284,503,929
Selling expenses and administration expenses	45,389,687,828	309,305,742,173	(6,506,630,184)	348,188,799,817
Other profit (loss)	102,352,211	8,491,120,219		8,593,472,430
Financial income	149,137,150,408	31,420,003,819	(15,865,286,488)	164,691,867,739
Financial expenses	10,167,605,941	25,669,908,737	(865,286,488)	34,972,228,190
Financial operation income	138,969,544,467	5,750,095,082	(15,000,000,000)	129,719,639,549
Profit before tax	107,972,039,376	74,205,608,715	(17,768,832,000)	164,408,816,091
Current corporate income tax expense	22,407,406,526	26,996,103,992		49,403,510,518
Deferred corporate tax income		2,422,673,292		2,422,673,292
Profit for the year	85,564,632,850	44,786,831,431		112,582,632,281

25. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments (Continued)

Opening balance

	The North VND	The South VND	Elimination VND	Total VND
Assets				
Segment assets	2,703,917,201,041	3,168,591,423,082	(1,533,185,314,380)	4,339,323,309,743
Total consolidated assets				4,339,323,309,743
Liabilities				
Segment liabilities	149,603,688,770	426,961,220,507	(200,000,000)	576,364,909,277
Total consolidated liabilities				576,364,909,277
Current year				
Revenue				
Net revenue from sales outside	7,938,021,611	2,414,815,748,913		2,422,753,770,524
Net revenue from sales to other departments	12,341,752,420	313,534,685	(12,655,287,105)	
Total revenue	20,279,774,031	2,415,129,283,598	(12,655,287,105)	2,422,753,770,524
Business result				
Cost of goods sold	9,950,563,093	1,981,002,125,319	(4,424,386,750)	1,986,528,301,662
Gross profit	10,329,210,938	434,127,158,279	(8,230,900,355)	436,225,468,862
Selling expenses and administration expenses	31,563,108,642	356,219,071,757	10,835,551,798	398,617,732,197
Other profit (loss)	(1,164,503,318)	1,344,091,235	(40,510,000)	139,077,917
Financial income	236,202,355,257	58,045,744,487	(62,310,052,875)	231,938,046,869
Financial expenses	80,933,045,098	19,466,926,719	(26,448,922,595)	73,951,049,222
Financial operation income	155,269,310,159	38,578,817,768	(35,861,130,280)	157,986,997,647
Profit before tax	132,870,909,137	117,830,995,525	(54,968,092,433)	195,733,812,229
Current corporate income tax expense	26,417,002,134	24,325,087,184		50,742,089,318
Deferred corporate tax income		1,307,583,364		1,307,583,364
Profit for the year	106,453,907,003	92,198,324,977	(54,968,092,433)	143,684,139,547

25. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments

For management purposes, the organization structure of the Company is divided into 3 departments: Advisory and Investment Department, Production, Import and Export of Agricultural products and Technical supplies Department, and Production and Trading in drug and Medical equipment Department. The Company prepares the segment report based on these three departments.

The following are the analysis of sales of merchandise and services according to business segments, irrespective of the origin of goods and services.

	Current year VND	Prior year VND
Advisory and investment	22,007,551,697	20,593,308,716
Production, trading in agricultural products and technical supplies	850,763,967,136	1,677,009,765,848
Production and trading in drug and medical equipment	765,341,797,858	737,805,983,065
Eliminate inter-company revenue	(12,752,330,406)	(12,655,287,105)
	1,625,360,986,285	2,422,753,770,524

The following are the analysis of the remaining value of the segment assets, increase in tangible and intangible fixed assets according to business segments of these assets.

	Remaining value of segment assets		Increase in tangible assets and intangible assets	
	Closing balance VND	Opening balance VND	Current year VND	Prior year VND
Advisory and investment	123,496,633,517	16,503,994,010	111,857,970,520	44,400,000
Production, trading in agricultural products and technical supplies	241,361,273,332	157,876,028,312	102,126,708,467	93,755,912,758
Production and trading in drug and medical equipment	275,193,872,910	178,960,231,652	292,196,112,871	13,618,844,459
	640,051,779,759	353,340,253,974	506,180,791,858	107,419,157,217

26. SALES OF MERCHANDISE AND SERVICES

	Current year VND	Prior year VND
- Sales of merchandise (i)	1,654,885,819,374	2,465,088,209,531
- Sales of services	4,779,548,922	18,929,572,512
- Revenue from real estate business, investment lease	6,408,091,835	3,208,248,792
- Others	1,924,376,078	2,219,380,798
	1,667,997,836,209	2,489,445,411,633
Deduction	42,636,849,924	66,691,641,109
In which:		
- Sale discount	21,807,695,388	42,256,376,235
- Sale rebate	520,173,399	421,916,989
- Sale return	20,308,981,137	24,013,347,885

Note:

(i) In which, the revenue from sale finished goods to Amigo Vietnam pharmaceutical in June 2017 is VND 20,175,606,077. (The respectively cost of good sold is VND6,739,707,115.). As at 31 December 2017, some of these goods are sold to Amigo but still in the Company's warehouse (see Note 24). The Company still has receivables of VND18,949,699,326 relating to The above-mentioned goods have not yet been collected with the payment term of 24 months.

27. COST OF GOOD SOLD

	Current year VND	Prior year VND
Cost of goods sold and finished goods	1,213,341,092,680	1,966,565,891,695
Cost of services	3,192,132,822	15,438,430,544
Cost of real estate business, investment lease	3,490,546,541	1,982,242,216
Reversal of provision for devaluation of inventories	(26,033,187,576)	(700,598,025)
Provision for devaluation of inventories	17,356,099,449	1,044,425,773
Others	29,393,830,461	2,197,909,459
Total	1,240,740,514,377	1,986,528,301,662

28. PRODUCTION COSTS BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	656,823,459,703	829,797,321,206
Labour	244,455,572,320	268,885,256,624
Depreciation and amortization	49,013,858,242	41,792,145,942
Out-sourced services	89,497,461,137	177,898,891,339
Out-sourced services	1,472,092,489	
Other monetary expenses	170,266,758,025	67,375,243,980
Total	1,211,529,201,915	1,385,748,859,091

29. FINANCIAL INCOME

	Current year VND	Prior year VND
Interest on deposits, loans	60,424,339,668	68,028,477,769
Interest on sale of investments	27,923,470,935	88,888,389,672
Dividends, profit paid	1,625,535,479	7,605,649,812
Profit from investment cooperation	74,188,127,072	53,611,302,098
Foreign exchange gain	530,394,585	2,203,309,673
Interest due to divestment from TSP		11,469,996,978
Other financial income		130,920,867
Total	164,691,867,739	231,938,046,869

30. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	41,853,673,182	50,935,974,764
Loss from disposal of financial investments		3,318,190,668
Interest payable to the supplier	2,470,718,589	
Foreign exchange loss	474,929,755	1,123,487,227
Reversal of provision for allowance of trading securities and investment losses	(14,796,687,652)	
Provision for allowance of trading securities and investment losses	1,890,366,444	13,089,677,452
Financial cost for investment cooperation contract	1,777,228,829	2,894,301,598
Other financial expenses	1,301,999,043	2,589,417,513
Total	34,972,228,190	73,951,049,222

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
a) Selling expenses incurred during the period		
Labour	64,265,764,510	106,839,358,028
Stationery	11,589,636,894	491,509,472
Depreciation and amortization	2,034,433,999	2,662,638,721
Out-sourced services	85,554,886,685	109,614,501,594
Other monetary expenses	47,276,470,884	36,226,283,923
Total	210,721,192,972	255,834,291,738
b) General and administration expenses incurred during the period		
Labour	64,283,464,900	60,518,189,050
Stationery	1,934,545,200	1,099,123,081
Depreciation and amortization	3,913,684,314	5,528,788,389
Taxes, fees and charges	839,788,017	5,161,612,811
Provision expense	1,561,085,144	17,405,490,394
Out-sourced services	28,448,627,929	22,252,804,754
Goodwill	24,316,909,973	20,393,400,686
Other monetary expenses	12,169,501,368	10,424,031,294
Total	137,467,606,845	142,783,440,459

32. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Corporate income tax expenses are calculated on the taxable income of the current year	49,403,510,518	50,742,089,318

33. BASIC EARNINGS PER SHARE

	Current year VND	Prior year VND
Profit to calculate basic earning per share (i)	106,047,360,305	112,029,561,244
Number of weighted average shares of common shares used to calculate earning per share	254,046,822	189,494,561
Basic earning per share	417	591
Face value per share (VND)	10,000	10,000

34. 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 2017, the Company's financial leverage ratio was as follows:

	Closing year VND	Opening year VND
Borrowings	563,540,687,354	315,503,757,948
Less: Cash and cash equivalents	44,148,305,882	47,232,054,588
Net debt	519,392,381,472	268,271,703,360
Equity	3,997,877,529,624	3,762,958,400,466
Net debt to equity ratio	0.13	0.07

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 4.

Categories of financial instruments

	Carrying amounts	
	Closing year VND	Opening year VND
Financial assets		
Cash and cash equivalents	44,148,305,882	47,232,054,588
Trade receivables, receivables from loans and other receivables	326,964,263,584	631,246,885,908
Short-term financial investments	1,642,018,203,026	1,227,245,102,236
Long-term financial investments	688,982,180,000	633,166,180,000
Total	2,702,112,952,492	2,538,890,222,732
Financial liabilities		
Borrowings	563,540,687,354	315,503,757,948
Trade and other payables	208,734,470,397	133,651,930,045
Accrued expenses	34,408,159,267	24,440,509,581
Total	806,683,317,018	473,596,197,574

34. FINANCIAL INSTRUMENTS (Continued)

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, 2009 ("Circular No. 210") as well as current regulations do not provide specific guidance on determining the fair value of financial assets and financial liabilities. Circular No. 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 Consolidated 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 associates. The Company's Board of Management assesses and approves decisions on investments in associates such as operating industry, investees, etc. Investments in 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.

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.

34. FINANCIAL INSTRUMENTS (Continued)

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.

	Less than 1 year VND	From 1 year to 5 years VND	Total VND
As at closing year			
Cash and cash equivalents	44,148,305,882		44,148,305,882
Trade receivables, receivables from loans and other receivables	302,030,219,143	24,934,044,441	326,964,263,584
Short-term financial investments	1,642,018,203,026		1,642,018,203,026
Long-term financial investments		688,982,180,000	688,982,180,000
Total	1,988,196,728,051	713,916,224,441	2,702,112,952,492
As at closing year			
Borrowings	353,692,888,292	209,847,799,062	563,540,687,354
Trade and other payables	187,379,705,718	21,354,764,679	208,734,470,397
Accrued expenses	34,408,159,267		34,408,159,267
Total	575,480,753,277	231,202,563,741	806,683,317,018
Net liquidity gap	1,412,715,974,774	482,713,660,700	1,895,429,635,474
As at opening year			
Cash and cash equivalents	47,232,054,588		47,232,054,588
Trade and other receivables	624,985,015,793	6,261,870,115	631,246,885,908
Short-term financial investment	1,227,245,102,236		633,166,180,000
Long-term financial investments		633,166,180,000	2,538,890,222,732
Total	1,899,462,172,617	639,428,050,115	2,538,890,222,732
As at opening year			
Borrowings	291,867,279,413	23,636,478,535	315,503,757,948
Trade and other payables	124,205,000,224	9,446,929,821	133,651,930,045
Accrued expenses	24,440,509,581		24,440,509,581
Total	440,512,789,218	33,083,408,356	473,596,197,574
Net liquidity gap	1,458,949,383,399	606,344,641,759	2,065,294,025,158

The Board of Directors assessed the liquidity risk at low level. The Board of Directors believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

35. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

During the year, except for the presentation at Note 18, the Company had the significant transactions with related parties as follows:

	Relationship	Current year VND	Prior year VND
FIT Cosmetics JSC			
	Associate		
Money transfer investment cooperation		860,000,000	5,000,000,000
Purchase		77,367,602,442	76,801,772,613
Interest from investment cooperation		3,058,270,670	3,379,496,426
Revenue from consultancy, office rental, other revenue		1,822,248,055	1,770,816,364
Offset liability by salary			1,465,214,936
FIT Cosmetics pays for the purchase		332,037,120	
Trade discounts		1,046,425,980	
Khanh Hoa Mineral Water JSC			
	Associate		
Purchase		215,188,876,665	188,513,248,440
F.I.T transfers money Investment cooperation to Vikoda		2,500,000,000	2,500,000,000
Vikoda transfers money and interest from investment cooperation to Vikoda		33,861,112	
Vikoda transfers money for supplied services		6,527,811,207	
Interest from investment cooperation		7,666,667	26,194,445
Revenue from consultancy, office rental, other revenue		3,079,292,913	4,281,497,269
Deposit, collateral			4,952,845,115
Trade discounts		3,306,329,906	
Goods return		457,495,472	
Dung Tam Investment JSC			
	The same leaders		
Receive money from investment cooperation		10,000,000,000	
Expense for investment cooperation		970,750,000	
Office rent		293,090,463	434,443,635
Financial expenses			4,900,000,000
Bond interest expense			6,000,000,000

35. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (Continued)

Balances with related parties:

	Relationship	Current year VND	Prior year VND
F.I.T Cosmetics JSC			
	Associate		
Receivables from investment cooperation contract		33,411,632,350	32,551,632,350
Interest from investment cooperation contract		3,163,805,997	105,535,327
Trade account receivables		1,847,476,240	175,040,500
Short-term loan			
Khanh Hoa Mineral Water JSC			
	Associate		
Interest from investment cooperation contract			26,194,445
Receivables from investment cooperation contract			2,500,000,000
Trade account receivables			3,140,589,000
Deposit, collateral		4,962,845,115	4,952,845,115
Dung Tam Investment JSC			
	The same leaders		
Payables for Investment cooperation		10,970,750,000	
Trade account receivables		123,279,510	

Remuneration of the Board of Directors:

	Current year VND	Prior year VND
Remuneration of the Board of Management	340,000,000	371,000,000
Income of the Board of Directors	1,606,098,630	1,682,400,000
Total	1,946,098,630	2,053,400,000

36. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash flow from the investment of fixed assets and construction in progress in the period exclude VND 34,738,825,104, which is the amount used for the purchase of fixed assets and construction in progress in the period not yet paid. The amount of VND 706,450,227 is the capitalized interest expense capitalized in construction in progress for the year. Therefore, a corresponding amount has been adjusted on the increase, decrease in payables and interest paid.

37. SUBSEQUENT EVENTS

At Cuu Long Pharmaceutical Joint Stock Corporation: According to the resolution of the extraordinary shareholders' meeting in 2017 No.02/NQ-ĐHĐ dated 09 September 2017, The Congress has approved the issuance of individual convertible bonds to the international market with the following basic contents: The total value of bonds issued is US \$ 20,000,000, par value of US \$ 1,000,000 per bond, which are convertible bonds issued on the international market without collateral. It can be converted into ordinary shares of the Company. The issuance price is equal to 100% of the face value; The bond interest rate is 1% per year in USD; The bond term is 5 years from the issue date.

The conversion time is one year later from the date of issuance of the bond. The whole or a part of the issued bonds are converted into DCL shares. The minimum conversion value of USD 5,000,000 and a maximum total multiples of USD 1,000,000. The convertible shares will be listed on the Ho Chi Minh Stock Exchange. After conversion, the convertible price is VND 25,000 per share, the exchange rate is equal to the par value of the bond divided by the conversion price. After 3.5 years from the issue date, the bond is redeemed according to the terms and conditions of the bond.

The proceeds from the bond issue will be used to expand the production capacity and supplement working capital of the Company and subsidiaries and associates.

On 01 February 2018, Company has received the document No.775/UBCK-QLCB dated 31 January 2018 of the State Securities Commission on the approval for the company to issue individual convertible bonds. On 07 February 2018, Company has successfully issued USD 20,000,000 worth of convertible bonds under the above plan to RHINOS VIETNAM CONVERTIBLE BOND PRIVATE INVESTMENT FUND NO.3 managed by RHINOS ASSET MANAGEMENT CO., LTD



Nguyen Thi Minh Nguyet
General Director
Hanoi, 8 March 2018

Phan Thi Hoa
Chief Accountant

Ninh Thi Phuong
Preparer

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