

Dear Shareholders,

F.I.T Group Joint Stock Company has been recently made efforts in many activities in different aspects. The changes could not immediately meet the expectations of shareholders and the Board members, but have brought encouraging results and a promise of a positive perspective. Revenue growth, profit in the first half of 2019 are positive, showing significant improvement compared to the negative level in the same period of 2018.

F.I.T Group's figures and business results demonstrated initial improvement in the second quarter compared to the first quarter which were the results of efforts in many aspects including:

Management activities from the parent company: The entire system and people of the parent company were asked to concentrate on supporting member companies in order to overcome or eliminate business activities that are ineffective, on a downward trend, or offering no long-term opportunities. In addition, with many years of experience in operation and management, the members of the parent company have collaborated with subsidiaries in building processes and regulations to ensure smooth operations up to standards, reducing excessive reliance on a few individuals in some stages.

Besides, the financial factors were also carefully considered and drastically dealt with to improve indicators such as receivables turnover, reduce bad debts or optimize inventory.

Pharmaceutical Business: The main business of Cuu Long Pharmaceutical (DCL) has not changed much recently and needs more time to gradually overcome the situation. The decline in business results of Cuu Long Pharmaceutical was still affected by the following major factors: the increasing competitiveness in the pharmaceutical field with the participation of foreign enterprises; raising prices of input materials and pharmaceutical materials that affected the cost price. And the final and main reason came from its subsidiary, Euvipharm which led to a drop in DCL's profits in the second quarter. However, the divestment according to the resolution of 2019 annual shareholder meeting was speeding up and showing many positive signals. DCL's internal activities were also under better control. Especially the coordination between materials import, production and sales was well implemented and expected to bring positive results in coming quarters, especially from 2020, reducing unnecessary inventory and capital costs.

One of the encouraging signals was that DCL had successfully renewed some important drug visas and continued to promote the remaining new drug visas to serve sales plans at the end of 2019 and 2020.

The Benovas project, in collaboration with the State Capital Investment Corporation (SCIC), was also closely followed and pushed to soon bring the first cancer drug products to distribution. This business was expected to bring in revenue and profit.

Agricultural business: Although the Can Tho Agricultural Materials and Technique Corporation (TSC) still face many difficulties, especially in exporting goods to China, TSC's achievements are very commendable and can be considered as a bright spot that needs to be further promoted.

Westfood: This was a business that was subject to a lot of fluctuations due to seasonal factors, therefore, Westfood's strategy was to prioritize the development of self-growing areas as well as long-term cooperation with partners having stable fruits supply. Westfood achieved impressive profit results, exceeding the set target and grew more than 40% in profit in the first 6 months, especially in the 2nd quarter.

Vikoda: Vikoda's achievements in the first 6 months are also encouraging with its revenue growing in the first half of 2019 compared to the same period of 2018. It mainly came from the increase in output. Since the beginning of 2019, Vikoda has planned to restructure and focus on the development of the product groups with competitive advantages, contributing to a large gross profit margin. Along with that, Vikoda boldly cut off products with no competitive advantage and products with a very high level of competition. Thanks to concentrating resources appropriately, Vikoda's revenue and profit increased significantly despite actively cutting down some product lines. In addition, Vikoda's leaders also changed its marketing strategy, allocating resources to strategic product lines and locations and associating marketing activities with sales effectiveness.

Not only in the sales stage but also in the production stage, all factory employees thoroughly grasped the spirit of saving, optimizing the production system to reduce costs and product price.

As a result, Vikoda achieved a record profit while losing more than 3 billion in the same period of 2018. This is a very positive and encouraging signal. Another point to note is that Vikoda's business results continued to grow steadily over the months without any abnormal fluctuations as in previous years, showing the stability in both production and sales.

HPC: HPC focused on quality control and production processes, improving the autonomy in production and quality control in the first quarter of this year. Coming to the second quarter, HPC continued to improve the quality of key products and concentrate resources to develop these product lines. In addition, HPC also started to restructure sales after its production was gradually controlled. The short-term effect of the restructuring process in the sales team reduced the revenue targets but it was expected to improve in the coming quarters, especially in modern sales channels.

The table below shows the revenue results and operating indicators in Quarter II - 2019 compared to the same period of the previous year.

Table 1 – Profitability F.I.T Group (Quarter II/ 2019. Unit: Million dong)

	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019
Operating Revenue	399,781	404,215	438,700	270,117	317,374
Cost of good sold	323,827	318,608	349,719	220,860	248,532
Gross operating profit	75,954	85,607	88,981	49,257	68,842
Income from financial activities	38,786	35,012	30,765	30,630	33,099
Expense from financial activities	32,905	18,605	21,085	13,159	19,295
Selling expenses	59,128	63,871	60,654	35,579	43,640
Administrative expenses	32,418	38,244	37,235	26,927	29,406
Net operating profit	-10,235	-13,337	489	4,285	10,425
Accounting profit before tax	-7,421	-13,144	-2,285	4,537	16,262
Net profit after tax	-8,328	-17,745	-6,001	-633	11,441
Net profit after tax for shareholders	-7,518	-8,268	-4,707	2,508	8,064

The number showed the impact of the restructuring process in the first quarter of 2019 with the revenue plummeted due to the restructuring of commodities, but the profit of the first quarter turned positive. With regards to the second quarter of 2019, revenue and profit began to grow again. This was the premise for the whole Board of Directors and F.I.T Group's leaders to be more determined to implement the restructuring process

Financial Position

Positive assets and equity

F.I.T Group remained financially stable and debts were being cut down following the policy of restructuring process in operation and business product, reducing interest expenses.

Table 2 – Financial Position F.I.T Group (Quarter II/ 2019. Unit: million dong)

	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019
Short-term assets	2,781,633	2,701,664	2,568,443	2,446,055	2,467,087
Cash and Cash Equivalents	55,166	38,351	40,802	70,511	24,098
Short-term financial investments	1,867,916	1,825,378	1,716,311	1,655,584	1,762,320
Long-term assets	2,734,429	2,601,799	2,628,848	2,600,446	2,640,359
Fixed assets	551,647	724,556	714,384	705,488	691,993
Long-term financial investments	1,715,344	1,579,557	1,619,574	1,607,137	1,672,889
Total assets	5,516,062	5,303,463	5,197,292	5,046,501	5,107,446
Liabilities	1,518,850	1,328,647	1,228,665	1,078,001	1,131,319
Short-term liabilities	858,901	682,561	598,492	460,700	539,123
Long-term liabilities	659,949	646,085	630,173	617,301	592,195
Shareholders' equity	3,997,212	3,974,817	3,968,627	3,968,500	3,976,127
Owners' capital	2,547,302	2,547,302	2,547,302	2,547,302	2,547,302
Surplus of equity	70,046	70,046	70,046	70,046	70,046
Undistributed net profit after tax	226,743	215,870	211,114	214,128	218,379
Total equity	5,516,062	5,303,463	5,197,292	5,046,501	5,107,446

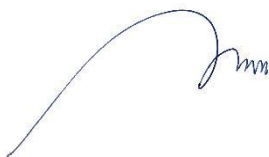
Following the social responsibility activities in the previous periods, FIT Group has implemented many meaningful volunteer programs such as free medical examination, free rice delivery program in hospitals. etc. In addition, we also have sponsored activities for physical training and sports, contributing to improving the health of Vietnamese people.

As stated in previous letters, in addition to financial goals, FIT Group always positioned itself as a pioneer in social responsibility issues. Although F.I.T Group's activities are small in scope, they demonstrate a great commitment of F.I.T Group to the community and society. With the orientation from the Board of Directors, the Group will continue to give priority to social activities, especially ones done on a large scale and with great community appeal.

With the results achieved in the first and second quarter of 2019, we can count on the restructuring process as well as its correctness and necessity. Business results have obtained fundamental changes, moving from a loss to a profit. Especially in some member companies like Vikoda, the results have been extremely prosperous. However, we still need more time to restructure our operations and product lines in some businesses. Although the efficiency in these businesses has not been immediately seen, it brought about positive signals. In addition, the improvement of processes, regulations and strict management helps parent company and the whole Group save more time and resources. In the last two quarters of 2019, Board of Directors and FIT employees are determined to further devote resources to the remaining businesses and member companies to soon achieve positive results like what Vikoda did in the first 6 months of this year.

In short, on behalf of the Group, I would like to express my deepest gratitude to all staff, customers and shareholders of the Group who have always stood by us. Thank you for your growing belief in the future of F.I.T Group.

Best Regards,



Nguyễn Thị Minh Nguyệt
General Director