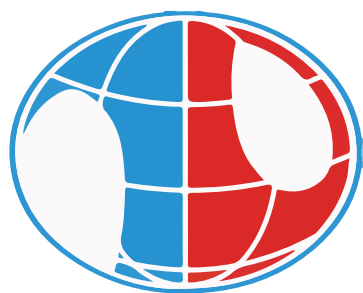




2017 | TRANSPORT AND INDUSTRY DEVELOPMENT INVESTMENT JOINT STOCK COMPANY ANNUAL REPORT





TRACODI

MESSAGE FROM CHAIRMAN

01.

TRACODI AT A GLANCE

1. General information	06
2. Scope of business	09
3. Governance model & structure	11
4. Development plan	14
5. Risk factors	15

02.

2017 PERFORMANCE REVIEW

1. 2017 business results	19
2. Organization and human resource	19
3. Investment activities and project implementation	20
4. 2017 financial presentation	22
5. Shareholders structure, change in owner's equity	23
6. Report on environmental and social responsibilities	24

03.

REPORT OF THE BOARD OF MANAGEMENT

1. 2017 macroeconomic outlook	29
2. Assessment on 2017 performance	29
3. Financial situation	33
4. Improvement in organizational structure, policies and management	33
5. 2018 business plan	34

04.

REPORT BY THE BOARD OF DIRECTORS

1. Assessment on 2017 performance	47
2. Assessment on performance of the Board of Management	48
3. Future plan, orientation of the Board of Directors	50

05.

CORPORATE GOVERNANCE

1. Board of Directors	55
2. Board of Management	62
3. Supervisory Board	63
4. Transactions, remuneration and benefits of the Board of Directors, Board of Management and Supervisory Board	66

06.

CONSOLIDATED INCOME STATEMENT

1. Report of Management	69
2. Independent auditor's report	73
3. Consolidated financial statements	
• Consolidated balance sheet	75
• Consolidated income statement	79
• Consolidated cash flow statement	81
• Notes to the consolidated financial statements	83

MESSAGE FROM CHAIRMAN



Dear Shareholders and partners of the Company,

2017 was a very successful year for TRACODI after its restructuring period starting from 2015. Over the past years, despite challenging and volatile market conditions, we achieved our impressive financial target for the year. The successful development of our company in 2017 has been achieved thanks to strategy primarily focusing on core businesses, thanks to flexibility of Management, and also thanks to contribution of our passionate and motivated Tracodi employees. On 26 May 2017, Tracodi officially listed on Hochiminh Stock Exchange (HOSE) with stock code TCD, this was an important milestone for our company. This is a huge opportunity to approach long-term capital locally and internationally and also is a foundation for sustainable development and sustainable prosperity in the coming years.

In fiscal 2017, we delivered a strong business performance, achieved VND 1,095.93 billion in consolidated revenue and VND 91.4 billion in profit before tax, equivalent 124.6% and 121.7% of the plan respectively, which approved by the Annual General Meeting of Shareholders 2017. Tracodi has built its strategy based on sustainable development, and during its course of business, Tracodi has always striven to improve performance efficiency and risk management and definitely emphasized in "People" as the core factor of the Company's strategic development.

Entering 2018, we will be pursuing clear ambitions for TRACODI. We are determined to conquer bigger objectives in order to generate more profitable growth and create sustainable shareholder values. During 2018-2020, as part of our commitment to our shareholders and partners, we will dedicate our efforts to implement our medium and long-term plans, focus on our core businesses as infrastructure construction and project development; trading; and quarrying will continuously play a key contributor to the revenue of the Company. In addition, we aim to become one of leading construction company in infrastructure and renewable energy.

On behalf of the Board of TRACODI, I would like to thank our shareholders for your support and confidence in our company and our brand, and I also would like to thank you, the Management and creative, passionate and motivated employees for their commitment and contributions to our business success in 2017. In addition, I would like to take the opportunity to present our gratitude to our valued customers and partners for their continued trust and accompany with us over the past years. We believe, with your support and strong determination of our devoted employees, TRACODI will continuously achieve tremendous success.

Sincerely!

CHAIRMAN OF THE BOARD OF DIRECTORS



Nguyen Ho Nam

01

TRACODI AT A GLANCE

1. General information
2. Scope of business
3. Governance model & structure
4. Development plan
5. Risk factors

GENERAL INFORMATION

Registered name in Vietnamese:

CÔNG TY CỔ PHẦN ĐẦU TƯ PHÁT TRIỂN
CÔNG NGHIỆP VÀ VẬN TẢI

Registered name in English:

TRANSPORT AND INDUSTRY DEVELOPMENT
INVESTMENT JOINT STOCK COMPANY

Trading name:

TRACODI

Business License:

No. 0300482393 by HCMC Department
of Planning and Development

Charter Capital:

VND 344,340,340,000

Shareholders' Equity:

VND 433,550,499,030
(as at 31 December 2017)

Address:

89 Cach Mang Thang Tam, Ben Thanh Ward,
District 1, HCM City, Vietnam

Tel: +84 28 38330314 - 38330315

Fax: +84 28 38330317

Website: www.tracodi.com.vn.

Securities Symbol: TCD

HISTORY OF THE COMPANY

DATE OF INCORPORATE

Transport and Industry Development Investment Joint Stock Company (TRACODI) was established on March 27, 2013 approved by the General Meeting of Shareholders, officially converted from Transport and Industry Development Investment Company Limited (TRACODI Co., Ltd.) into Joint Stock Company on April 4, 2013.

LISTING

TRACODI stock has been officially traded on Hochiminh Stock Exchange (HOSE) since May 26, 2017.

Type of share: Ordinary share

Securities Symbol: TCD

Par value per share: VND 10,000

Total number of shares: 34,434,034 (as at 31 December 2017)

28 YEARS OF INCORPORATION AND DEVELOPMENT

1993

June, 16, 1993, re-established under the model of State-owned Enterprise and renamed TRANSPORT INVESTMENT AND DEVELOPMENT COMPANY (TRACODI) which under the management of the Ministry of Transport under the Decision No. 1190/QĐ/TCCB-LĐ.

2005

May 18, 1995, TRACODI's status quo was transferred to management under the People's Committee of Long An Province according to Decision No. 611/TTg-CN of the Prime Minister.

1990

1993

1995

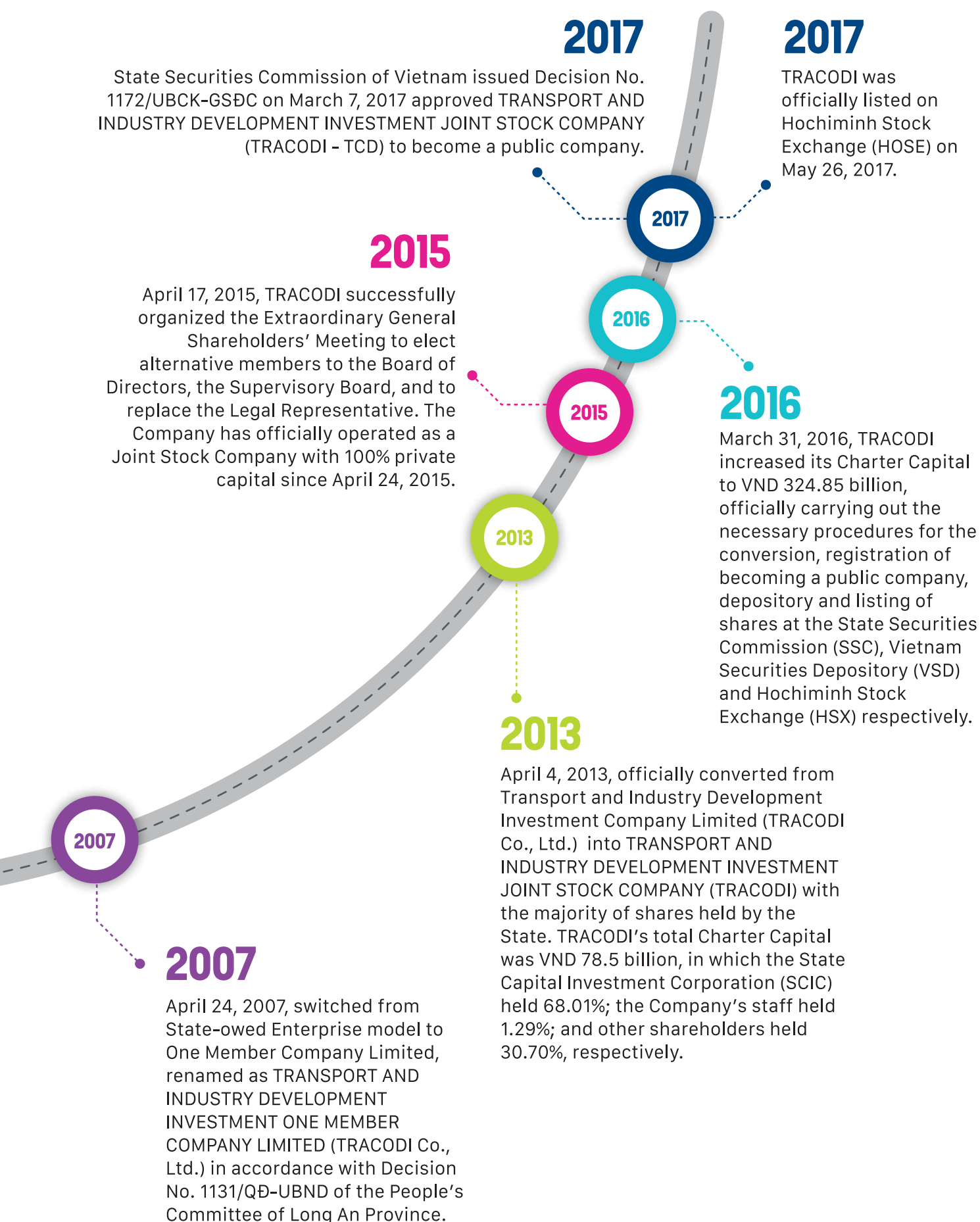
2005

1990

October 30, 1990, established under the Decision No. 1988/QĐ/TCCB-LĐ in the name of TRANSPORT AND INDUSTRY DEVELOPMENT INVESTMENT CORPORATION (TRACODI) – A State Enterprise under management of the Ministry of Transport and Post, located in 55A Pasteur Ben Thanh Ward, District 1, HCM City.

1995

May 15, 1995, TRACODI's status quo was transferred to management under Civil Engineering Construction Corporation No. 6 (CIENCO 6) according to Decision No. 2767/QĐ/TCCB-LĐ by the Ministry of Transport, with its business activities addressed in Decision - No.90/QĐ-TTg of the Prime Minister on March 7, 1994 (model of Corporation 90).



SCOPE OF BUSINESS

Tracodi focuses on four (4) core activities Infrastructure Construction; Trading; Quarrying; and Labor Export.

1. INFRASTRUCTURE CONSTRUCTION

With multiple functions of constructing traffic, industrial, civil and irrigation works, over 28 years, TRACODI has implemented many big and small construction projects such as: bridge, traffic road, wharf, airport, production and processing plants (sugar plant, textile plant, rubber processing plant, pulp plant, etc.), residential complex, hotels, building, hospital, schools, offices, motels, etc... In 2016 and beyond, TRACODI will mainly focus on projects owned by its holding company Bamboo Capital JSC. TRACODI aims to become the market leading EPC contractor in Vietnam.

2. QUARRYING

Exploiting and processing construction stones at Antraco Joint Venture quarry in Tri Ton (An Giang), currently TRACODI owns 51% shares of Antraco. Mining capacity reaches 1.4 million m³/annual, the quality of stone (high anti-compression intensity) meets requirements of key infrastructure works in Mekong Delta. Apart from construction stone products, Antraco has researched artificial sand for civil works.

3. AGRICULTURAL PRODUCT TRADING

TRACODI has more than 15 years of experience in the field of entrusted import and export and has been highly praised by many customers. Starting in 2015, TRACODI has made a major change from entrusted goods export into trade and distribution, including: exporting cassava starch from THANH VU TAY NINH JSC to Korea, Japan, Europe; providing a wide range of buses (30/45/80 seats) from 1-5 AUTO JSC to domestic market; supplying construction stones and outdoor furniture.

4. LABOR EXPORT

TRACODI is one of the first companies in Vietnam to be licensed to send laborers to work abroad. In the process of restructuring, labor export section has been splitted off from Tracodi to become a separate business in the form of Joint Stock Company under the name Tracodi Labor Export Joint Stock Company (TRACODI LABOUR).

VISION, MISSION, CORE VALUES, BUSINESS PHILOSOPHY

MISSION

The corporate mission of TRACODI is to constantly create superior values for shareholders, employees and the society as a whole.

CORE VALUES

- Commit to the highest values for shareholders.
- People focus.
- Corporate social responsibility.
- Annual dividend target from 12%.

VISION

TRACODI aims to become one of the industry leaders in Vietnam in terms of scale and efficiency in areas including:

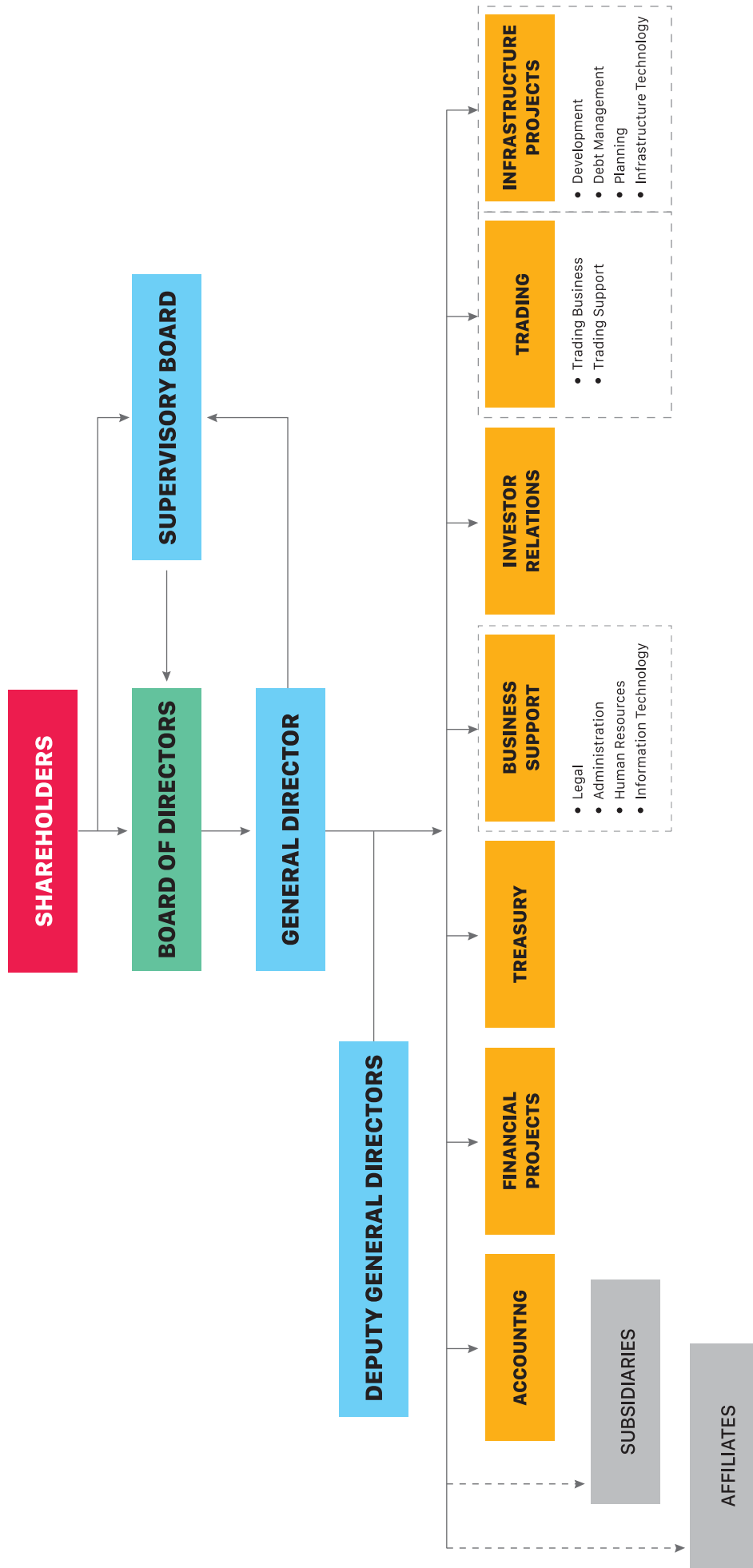
- Infrastructure construction and project development.
- Quarrying.
- Trading of agricultural products.
- Labor export.

BUSINESS PHILOSOPHY

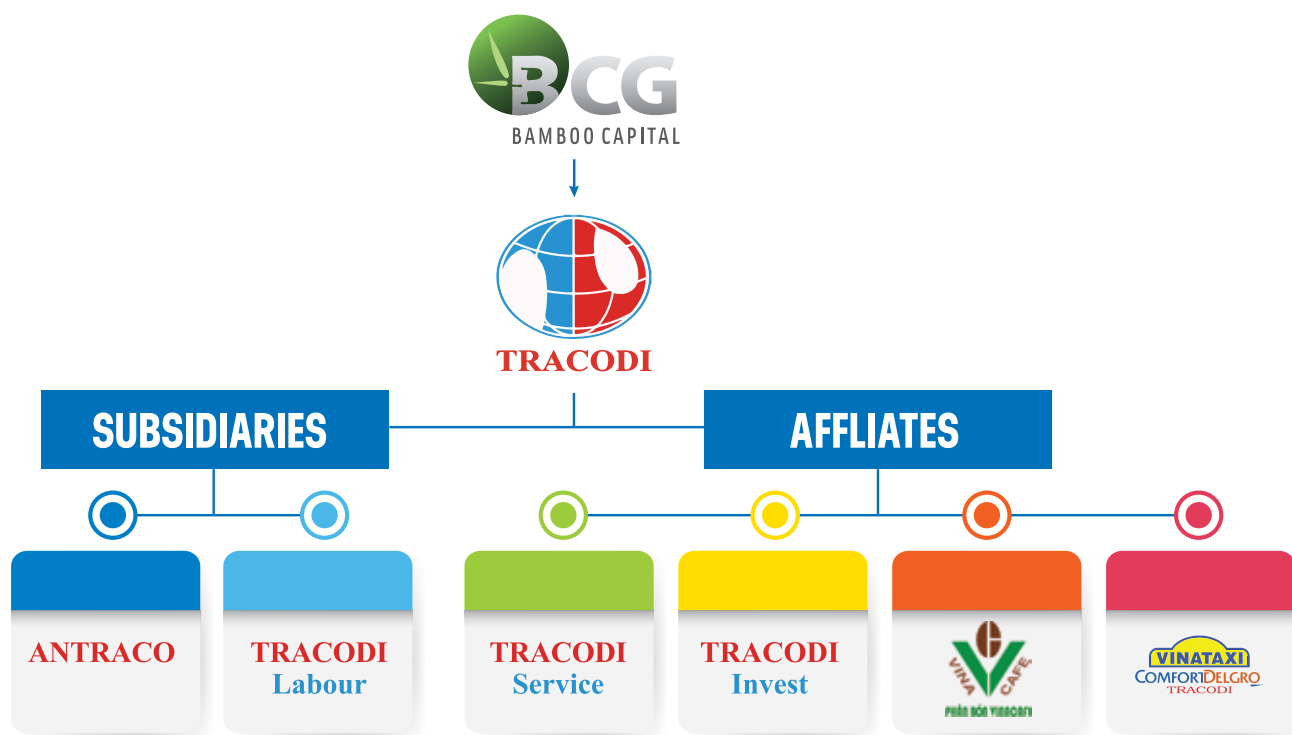
- Safe, effective and sustainable
- Passionate, committed, creative and principled

GOVERNANCE MODEL & STRUCTURE

1. ORGANIZATIONAL STRUCTURE



2. SUBSIDIARIES AND AFFILIATES



SUBSIDIARIES

01

AN GIANG BUILDING MATERIAL EXPLOITING AND PROCESSING Co., Ltd. (ANTRACO JOINT VENTURE Co., Ltd)

An Giang Building Material Exploiting and Processing Co., Ltd (ANTRACO) is a local Joint Venture between TRACODI Co., Ltd. and An Giang Mechanical Enterprise, Antraco currently owns the most biggest quarries in Mekong Delta with mining area of 70 ha, mining reserves are estimated around 24,000,000 m³. Antraco was established under Investment License No. 5346/GP/TLDN-02 dated September 7, 1994.

Location: Lo Reng Village, Chau Lang Commune, Tri Ton District, An Giang Province.

Charter Capital: VND 17,984,151,943

TCD's ownership: 51%

02

TRACODI LABOUR EXPORT JOINT STOCK COMPANY (TRACODI LABOUR)

TRACODI Labour was formerly the Labour Export Division under Transport and Industry Development Investment JSC (TRACODI), whose status quo was separated under Decision No. 46/2017/QĐ-HĐQT dated October 2, 2017. Its Business Registration No. 0314385382 was granted by the Department of Planning and Investment of Ho Chi Minh City on May 4, 2017. Additionally, TRACODI LABOUR has also been licensed by the Ministry of Labor – Invalids and Social Affairs (MOLISA) with Certificate No. 998/LĐT BXH-GP to send workers abroad. Its holding company TRACODI is one of first companies providing labor export services in Vietnam.

Location: 89 Cach Mang Thang Tam, Ben Thanh Ward, District 1, HCM City.

Charter Capital: VND 10,000,000,000

TCD's ownership: 70%

AFFILIATES

01

VIETNAM TAXI Co., Ltd (VINATAXI)

VINATAXI was established on 08/10/1992 under the Investment License No. 361/G, the company is a joint venture between Tecobest Investment (HongKong) and Tracodi. VinaTaxi, a Taxi Service Provider in Vietnam, has been the first taxi company to start using card payment which bringing the convenience for customers since 1996. VinaTaxi is highly appreciated and supported by thousands of organizations in Ho Chi Minh City and its neighborhood such as; Binh Duong, Dong Nai, Long An...

Location: Lot IV - 15B Street No. 4 - Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, HCM City.

Charter Capital: USD 6,200,000

TCD's ownership: 30%

02

VINACAFE FERTILIZER JSC

Vinacafe Fertilizer Joint Stock Company is a subsidiary of Vietnam Coffee Corporation, operating mainly in manufacturing and trading of bio-fertilizer and agricultural products.

Location: Lot D9-10 EaDar Industrial Complex, Eakar District, Đắk Lắk

Charter Capital: VND 7,500,000,000

TCD's ownership: 35%

03

TRACODI SERVICE JSC (TRACODI SERVICE)

TRACODI Service provides office leasing services including virtual offices and shared offices, along with other accompanied services; management consultancy; combined office administrative services; real estate agent, consultant activities

Location: L14 - 08B, 14th Floor, Vincom Tower, 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, HCM City.

Charter Capital: VND 700,000,000,000,000

TCD's ownership: 29%

04

TRACODI INVEST JSC (TRACODI INVEST)

The Company operates in areas of: management consultancy activities (excluding financial and accounting consultancy) and real estate projects; dealer, brokers, auction (excluding real estate broker); market research and public survey; investment consultancy activities; and real estate activities with own or lease property.

Location: 89 Cach Mang Thang Tam, Ben Thanh Ward, District 1, HCM City.

Charter Capital: VND 20,000,000,000

TCD's ownership: 44%

DEVELOPMENT PLAN

1. 2018 TARGETS

In 2018, TRACODI mainly focuses on four (4) core activities: trading of agricultural products, infrastructure construction, quarrying and labor export. In particular:

Trading: The Company continuously focuses on its strength as export of agricultural products from BCG's affiliates such as coffee, cassava starch and outdoor furniture.

Infrastructure construction: Serve as the main contractor for infrastructure, residential and renewable energy projects owned by BCG and its subsidiaries & affiliates. Continue to enhance project management capacity, consolidate and develop construction teams.

Labor export: continuously focus on traditional markets such as Taiwan, emphasized to high quality labor market such as Japan. Look for opportunities in other potential market such as Germany, Europe.

Quarrying at ANTRACO: maintain the growth rate to gain remarkable profits for TCD; expand the capacity to compete with rivals in the market.

2. MEDIUM AND LONG - TERM DEVELOPMENT STRATEGY

For 5-year strategy, through to 2018 and beyond, TRACODI will gradually divest on non-core businesses and mainly focus on core activities such as construction, trading, quarrying and labor export. Invest and develop potential real estate projects owned by its holding company Bamboo Capital JSC (BCG). Enhance its project management competence to become the market leading EPC contractor in renewable energy and infrastructure in Vietnam.

3. OBJECTIVES FOR CORPORATE ENVIRONMENT, SOCIETY AND COMMUNITY SUSTAINABILITY

With its strategy of sustainable development, Tracodi is not only focusing on performance improvement and profit enhancement, but also developing towards community interests. The Company will constantly contribute to social welfare, target mainly on social security work and implement various green projects, environmental protection projects, social house building projects, infrastructure projects.

RISK FACTORS

1. ECONOMIC RISK

Economic risk factors such as economic growth rate, inflation index, interest rate, exchange rate, etc which are objective factors and directly affects the development of the Companies. The Company shall be directly affected by the macro-economic fluctuations, particularly companies operating in the fields of trade, export and import.

2. WORKPLACE HEALTH AND SAFETY RISK

2017 is the year that Tracodi has promoted its core activity of infrastructure construction, which also brought back high turnover and this has been the strategic direction for medium and long-term development of the Company. However, this also has the highest accident rate if do not ensure labor safety for workers. When the incident occurs, the Company is responsible for the safety of workers, works must stop which will affect the performance of the contract and productivity. In order to minimize risks and accidents on site, the Company ensures compliance with the regulations on construction on site, conducts professional trainings and occupational safety for employees, equips and guides how to use protective equipment when working on site; builds and develops regulations and requires workers to strictly observe the labor discipline and work safety rules.

3. DISASTER RISK

According to report, 2017 is the hurricane year is not only a "speciality" of the Central Region, the North, but also the South Central, and up to the northern provinces and left a severe aftershock. The failure and lack of raw materials leading to the lack of input sources supplying to partners that is one of risks that the Company is facing. In addition, fluctuations in raw material prices will also affect business performance. In order to minimize the risk, Tracodi has chosen input sources from reputable partners, effectively manage the cost of goods sold based on experience in price-forecasting, also build a close business relationship with suppliers who are able to proactively supply raw materials at reasonable prices and minimize the impact on the Company's profitability.

4. LABOR EXPORT RISK

Employees working abroad under unilateral contracts who personally terminate the contracts, flee from workplace or have labor accidents while working overseas are also risks that the Company should consider. If the incidents happen, the production activities shall be interrupted, the employers shall be punished by their customers due to late delivery, spending more time and effort for re-recruitment. In addition, the Company shall face with the violation of the contract, being asked to pay damages in the form of fines and reducing numbers of workers accepted to work abroad in next contracts and absolutely affect the Company's reputation. Understanding these risks, the Company has worked directly with local job introduction centers to ensure recruitment through good sources as well as cost savings. In the meantime, the Company also communicates with the local authorities to ask for legal support for families who have their family members working abroad, ensures that our workers always comply with regulations while working abroad. In addition, the Company also provides on-job safety training as well as work processes in factories to ensure the safety for workers before going abroad to minimize potential risks.



5. LEGAL RISK

Besides the risks of macro-economy, the Company is subject to the regulatory risk locally and internationally. Legal risk is systematic, potentially affecting the industry and the economy. Operating in Vietnam in the form of a joint stock company, the Company is subject to the Law on Enterprises. In addition, Tracodi is subject to other regulations such as Commercial Law, Construction Law, Bidding Law, Housing Law, Accounting Law, Corporate Income Tax Law, Real Estate Business Law 2014, Land Law 2003, Investment Law, Environmental Law, and sub-laws such as decree, circular relating to Construction and Building Materials. The laws mentioned above may also affect the operation of the Company.

02

2017 PERFORMANCE REVIEW

1. 2017 business results
2. Organization and human resource
3. Investment activities and project implementation
4. 2017 financial presentation
5. Shareholders structure, change in owner's equity
6. Report on environmental and social responsibilities



2017 BUSINESS RESULTS

According to the audited consolidated financial statements 2017, TCD has achieved a revenue of VND 1,095.9 billion from sales of goods and rendering of services, profit before tax has reached VND 91.37 billion, profit after tax has reached VND 74.9 billion, equivalent 117% compared with the same period last year.

Trading: impressive growth of VND 595 billion compared with its plan of VND 334 billion, exceeding 78% of the plan.

Infrastructure construction: has contributed more than VND 135 billion in revenue, the BOT DT 830 project has been done, successfully built up two (2) key construction teams.

Labor export: successfully sent 487 workers to Japan, contributed VND 9.9 billion in revenue compared with its plan of VND 6 billion, exceeding 65% of the plan.

TRACODI Branch in Ha Noi: earned VND 4.1 billion in revenue, loss VND 242 million compared with the plan. Therefore, the Board of Directors of TRACODI has decided to shut down TRACODI Branch in Ha Noi under the Resolution No. 37/2017/QĐ-HĐQT on August 28, 2017 due to its continuous under-performance.

Quarrying: revenue has reached VND 351 billion compared with its plan of VND 275 billion, exceeding 28% of the annual plan, profit before tax reached VND 47.8 billion.

CONSOLIDATED NET REVENUE AND GROSS PROFIT IN 2017

Unit: VND million

No.	Sectors	Revenue	Profit
1	Trading	594,982	43,281
2	Infrastructure Construction	135,384	8,070
3	Labor Export	9,946	407
4	Antraco	351,474	123,210
5	Ha Noi Branch	4,115	(242)

ORGANIZATION AND HUMAN RESOURCE

The Board of Management

No.	Full name	Title
1	Nguyen Thanh Hung	General Director
2	Le Thi Mai Loan	Deputy General Director
3	Nguyen Hoa Bac	Chief Accountant

INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION

1. BOT PROJECT OF INTERSTATES 830 & 824 IN DUC HOA & BEN LUC, LONG AN PROVINCE



New expanding Interstates 830 & 824

- **Total investment:** VND 1,079 billion, construction cost: VND 850 billion.
- **Location:** Long An Province.
- **Toll fee starts:** Q2/2018.
- **Contractor:** TRACODI and Bang Duong Investment Building Trading Co., Ltd.

On November 17, 2016, the project new expanding interstates 830 & 824 in the form of BOT, joint venture between Bamboo Capital JSC (BCG) and Bang Duong Investment Building Trading Co., Ltd, has officially broken ground. This is first BOT project in Long An province that is expected to significantly contribute connecting huge industrial zones and creating a breakthrough lifting Long An to become buffer zone for economic development in Mekong Delta (Southwest region).

Being one of three key projects in Long An province, Interstate 830 is the main traffic flow that connects Duc Hoa and Ben Luc towns. The project has a total investment of VND 1,079 billion with a total route length of more than 24 km. Joint venture between Bamboo Capital JSC (BCG) and Bang Duong Investment Building Trading Co., Ltd are responsible for construction works and the project to be completed in Q1/2018.



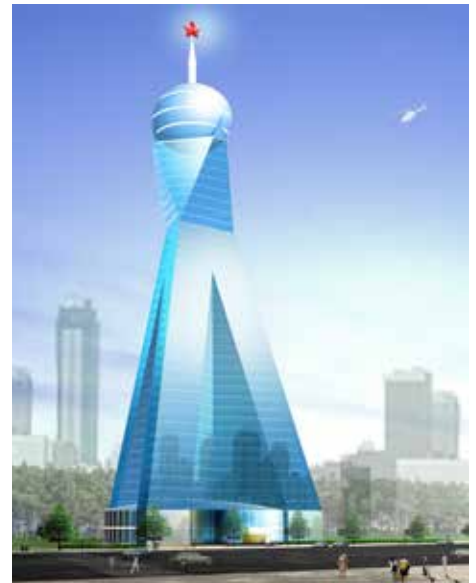
Ben Luc toll station

2. BAMBOO PRINCE COURT TOWER

An office building and serviced apartment complex in the center of Ho Chi Minh City invested by TCD.

- **Total investment:** USD 36.6 million.
- **Location:** District 1, Ho Chi Minh City.
- **Area:** 2,300 m².

The Land, where Tracodi head office located since 1997, will be used for the project. Currently, the Company is carrying out necessary procedures to complete legal investment documents.



3. CU CHI TRADE CENTER

A modern commercial and residential complex building in 9 ha land, located in the front of Highway 22, Cu Chi.

- **Total investment:** USD 16.8 million.
- **Location:** Cu Chi, Ho Chi Minh City.
- **Area:** 09 ha

Due to the fact that the land has not been cleared yet and the project is not potential, the management decided not to continue the project.

2017 FINANCIAL PRESENTATION

Indicators	2016	2017	% +/-
Total Assets	2,499,340,607,753	1,153,441,133,045	-53.85%
Net Revenue	831,822,302,020	1,095,900,438,254	31.75%
Operating profit	71,941,528,156	91,991,709,595	27.87%
Other profit	1,417,199,425	-623,595,248	-144.00%
Profit before tax	73,358,727,581	91,368,114,347	24.55%
Profit after tax	60,228,211,801	74,948,252,377	24.44%
Dividend	6%	10%-12%	

In 2017, total Assets reduced VND 1,295 billion compared with the year of 2016 due to divestment in Hoang Anh Housing Development and Construction JSC (HAL) and paid off long-term debt of VND 1,660 billion.

MAJOR FINANCIAL BENCHMARKS

Indicators	Unit	2017	2016
1. Asset structure			
Short-term asset/Total assets	%	70.0%	35.6%
Long-term assets/Total assets	%	30.0%	64.4%
2. Capital structure			
Debt/Total capital	%	62.4%	84.4%
Total equity/Total capital	%	37.6%	15.6%
3. Liquidity ratio			
Instant ratio		0.13	0.13
Quick ratio		1.07	2.53
Current ratio		1.26	2.70
4. Profitability ratio			
Profit to sales ratio			
Profit before tax	%	7.3%	7.9%
Profit after tax	%	6.0%	6.5%
Profit to total asset ratio			
Profit before tax	%	7.9%	3.0%
Profit after tax	%	6.5%	2.5%
Profit after tax to equity ratio	%	17.3%	15.7%

SHAREHOLDERS STRUCTURE, CHANGE IN OWNER'S EQUITY

Indicators	Content
Issuer	Transport and Industry Development Investment Joint Stock Company
Type of shares	Ordinary share
Securities symbol	TCD
Outstanding shares	34,434,034

List of shareholders with restricted shares transfer

No.	Full name	Title	No. of shares owned (31 December 2017)	Number of restricted shares
Individual				
1	Nguyen Ho Nam	The Chairman of BOD	53,000	50,000
2	Dang Trung Kien	Vice Chairman of BOD	53,000	50,000
3	Nguyen Thanh Hung	Member of BOD	53,000	50,000
4	Le Thi Mai Loan	Member of BOD	53,000	50,000
Organisation				
1	Bamboo Capital JSC	Holding Company	18,471,996	8,713,206

1. SHAREHOLDERS STRUCTURE (as at 31 December 2017)

No.	Shareholders	No. of Shareholders	No. of shares owned	Par value	Ownership percentage (%)
I	Local shareholders	385	30,592,321	305,923,210,000	88.84%
1	Organizations	7	20,488,999	204,889,990,000	59.50%
2	Individuals	378	10,103,322	101,033,220,000	29.34%
II	Foreign shareholders	9	3,841,713	38,417,130,000	11.16%
1	Organizations	4	3,653,798	36,537,980,000	10.61%
2	Individuals	5	187,915	1,879,150,000	0.55%
Total		394	34,434,034	344,340,340,000	100%

2. CHANGE IN SHAREHOLDER'S EQUITY

In 2017, the Company successfully issued additional shares to pay dividends, thereby the Company's Charter Capital has been raised from VND 324.85 billion to VND 344.34 billion.

Execution time: June 2017.

3. TREASURY SHARE TRANSACTIONS: None

4. OTHERS: None

REPORT ON ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

1. STAFF AND LABOUR POLICY

NUMBER OF EMPLOYEES, AVERAGE WAGES OF WORKERS

The Board of Directors (BOD), Board of Management (BOM) and Supervisory Board (SB) are entitled to salaries, bonuses and other benefits under the salary, bonus and other welfare regimes in accordance with the prevailing regulations of TRACODI. Of which, remuneration of members of BOD, BOM and SB are taken from the general salary budget of TRACODI and paid according to roles and responsibilities of each individuals with level of completion.

In 2017, remuneration of BOD and SB was 0.54% of profit after tax.

Total number of employees as of 31 December 2017 was 533 (including employees of all subsidiaries and affiliates).

LABOR POLICIES ENSURING HEALTH, SAFETY AND WELFARE OF EMPLOYEES

TRACODI employees are entitled to the following remuneration mechanisms:

- Monthly salary is paid based on role and responsibilities of each position, individual capacity and job performance (KPIs);
- 13th month pay, salary and bonuses are linked with the achievement and performance of agreed upon tasks as well as employees' contribution to final business results of the Company. The title and performance-related-salary scheme continued to be an important motivation to our employees and helped to improve their performance. In addition, employees received additional benefits from the Company on public holidays such as New Year, Lunar New Year, Independent Day, Labor Day,....
- Employees are provided with equal opportunities to develop careers by being promoted to senior management positions within the Company and eligible for award consideration.
- Each employee is entitled to full insurance benefits under Vietnamese Labour Law which ensures the employees' rights to early retirement, annual check-up, sick leave and maternity leave. Employees also are entitled to other premium insurance coverage for health and accident (Bao Viet insurance).
- Employees are also eligible for welfare regimes including holiday vacations and other benefits in case of sickness, personal and family issues, birthday, wedding...

TRAINING

In TRACODI, all employees are fostered to improve their professional competence and skills, the Company always gives support to our employees to attend local and foreign training programmes. In particular, the Company has sent one senior leader to attend the Keiejuku Training Program sponsored by Japan's JICA and one senior leader to attend the Senior Executive Leadership Program in Germany. We ensure our people is equipped sufficient knowledge and skills to fulfil their assigned tasks and achieve goals.



Mr. Nguyen Thanh Hung made a speech at the Keiejuku Training Program sponsored by JICA (Japan)

2. REPORT ON CORPORATE SOCIAL RESPONSIBILITY



Mr. Nguyen Thanh Hung – The Chairman of Members' Council of Antraco (blue, in the middle) handed over scholarships to representatives of the Study Promotion Association of communes in Tri Ton (An Giang).

Tracodi understands that carrying out charity and social welfare activities in favor of society's benefits. We share the responsibilities with the Government and state provinces that are in need of supports.

In 2017, TRACODI and its subsidiary ANTRACO handed over 800 gifts worth a total of VND 240 million to poor families in Tri Ton (An Giang) to have a warm Tet holiday.

In education, we built the Antraco scholarship program, one of the Company's annual activities to engage our social responsibility. The Company annually granted over 150 scholarships worth a total of VND 250 million for poor children with good academic records in Tri Ton (An Giang).



Mr. Nguyen Thanh Hung handed over gifts to poor families in Tri Ton (An Giang) for Tet holiday.

In addition, the Company annually contributes to gratitude fund to build houses for families in need of support. We also pay regular visits and support wounded veterans, martyrs' families and others who have contributed to the nation's revolution.

Assessing the impact on the environment surrounding the Antraco stone mining site, the Company has built "the green project" by growing trees to extract dust and filter air, repairing damage to the roads, in particular, dredge of drainage ditches 955B route for better transport.

3. ENVIRONMENTAL PROTECTION COMPLIANCE

Number of times the Company fined for failing to comply with laws and regulations on environment protection: NONE

Total amount fined for failing to comply with laws and regulations on the environment protection: NONE

03

REPORT OF THE BOARD OF MANAGEMENT

1. 2017 macroeconomic outlook
2. Assessment on 2017 performance
3. Financial situation
4. Improvement in organizational structure, policies and management
5. 2018 business plan



2017 MACROECONOMIC OUTLOOK

2017 is considered a successful year of Vietnam economy with many records in GDP growth, foreign investment attraction, import-export, tourism. For the first time in many years, Vietnam completed and surpassed all 13 socio-economic targets in the year. According to the General Statistics Office (GSO), Vietnam reached its highest economic growth in 10 years by expanding 6.81% in 2017, slightly higher than the target of 6.7% set by the legislative National Assembly. However, budget deficit, low labour productivity and natural disasters remain challenges to the economy.

In that context, Vietnam's economy still achieved remarkable achievements. Foreign investment and import-export turnover reached record levels, foreign direct investment was estimated at \$ 17.5 billion, up 10.8% over the same period in 2016 which was a highest record for the past 10 years. Five projects worth billions of dollars have been granted investment certificates this year. The macro-economy was stable, inflation was successfully controlled at 3.53%, lower than the ceiling of 4%; money market and banking activity were positive; The interest rate, exchange rate was stable. The World Economic Forum ranked Vietnam's competitiveness up 5 levels to 55/137; World Bank ranked Vietnam's business environment up 14 points, to 68 out of 90 countries and territories. Vietnam's sustainable development index in 2017 increased 20 levels to 68/157 countries and territories. Following the success of 2016 when the tourism industry welcomed a record of 10 million visitors. In 2017, nearly 13 million international visitors arrived in Vietnam, up 29% over the same period last year. Tourism revenue this year is estimated at VND 35.9 trillion, up 10.4% over the same period last year.

ASSESSMENT ON 2017 PERFORMANCE

2017 is the second year TRACODI officially transformed from state-owned enterprises into solely owned enterprises since April 20, 2015; this was considered a steady and stable year after restructuring period, the workforce rearranged to match the Company's situation. Tracodi focused on four key sectors: Infrastructure Construction, agricultural product trading, quarrying, and labor export.

2017 showed impressive growth with net revenue and profit before tax of VND 1,096 billion and VND 91.4 billion respectively, equivalent to 124.6% and 121.7% respectively. Based on business plan of the Company set earlier, which excellently exceeding the target. The result showed significant determination and commitment of Management.

- Net revenue from sale of goods and rendering of services reached VND 1,095.9 billion, representing 125.3% compared with its plan of VND 874.4 billion. Revenue also came from trading, quarrying and construction.
- Profit before tax reached VND 91.4 billion, presenting 121.7% compared with its plan of VND 75.1 billion.
- Profit after tax achieved VND 74.9 billion, accounting for 117.7% compared with its plan of VND 63.7 billion.
- Dividend is expectedly paid from 10-12% per annum (in shares). This is our commitment and determination to ensure shareholders' interest but still ensure sufficient capital for running business in the next years.

Unit: VND million

No.	Items	2017	2017F	%
1	Gross revenues from sale of goods and rendering of services	1,095,934	879,480	124.6%
2	Revenue deductions	34	5,040	0.7%
3	Net revenue	1,095,900	874,440	125.3%
4	Costs of goods sold	921,005	760,619	121.1%
5	Gross profit	174,895	113,821	153.7%
6	Financial income	159,090	180,715	88.0%
7	Financial expenses	148,184	155,790	95.1%
8	Share of profit (loss) of affiliates	991		
9	Selling expenses	53,458	34,238	156.1%
10	General administration expenses	43,342	29,415	147.3%
11	Operating profit	91,991	75,092	122.5%
12	Other profits	(624)	-	
13	Total net (accounting) profit before tax	91,368	75,092	121.7%
14	Current corporate income tax expenses	16,420	11,418	143.8%
15	Net profit after tax	74,948	63,674	117.7%

BUSINESS RESULTS BY SECTORS

1. TRADING

Following the success of 2016, this year, trading sector continuously gained impressive growth contributing VND 595 billion in revenue which fulfilling 178% of the target, and VND 43.28 billion in gross profit. The contribution of trading sector was a major breakthrough of the Company which gave expectation for strong development of this segment in the coming years.



2. INFRASTRUCTURE CONSTRUCTION

In 2017, the parent company – Bamboo Capital JSC (BCG) in partnership with Bang Duong Joint Investment Building Trading Co., Ltd implemented BOT DT 830 project in Long An with a total investment of VND 1,079 billion and Tracodi joined this project. The project has been done and the road will be in use in Q2/2018.

In the meantime, Tracodi also implemented several contracts such as Song Hau thermo power project, Sai Gon - Hiep Phuoc port project and Phu My Industrial Park 3- Ba Ria project which contributed the revenue of VND 13.5 billion, VND 17.7 billion, and VND 26.3 billion respectively.



3. QUARRYING

In 2017, although facing with many competitors who took stones from Eastern quarries with low transportation costs and product diversity, but ANTRACO's business remained stable due to its dynamism and determination to achieve the goal of constantly improving product quality.

In 2017, quarrying reached VND 351 billion in revenue, surpassing 27.6% of the plan, representing 98.9% compared with 2016; gross profit reached VND 119.6 billion, representing 130% of the plan, contributed VND 12.7 billion to the holding company Tracodi.



4. LABOUR EXPORT

2017 was continuously a successful year, all efforts of the Management have been paid back as we maintained top 5 enterprises in Vietnam in providing labour export services. In particular, labour export contributed VND 9.9 billion in revenue, represented 165% of the plan.

In 2017, Tracodi focused on high-quality and potential market such as Japan. After identifying the key market and high quality labour to supply, Tracodi strived to look for partners, labour sources, and then directly trained and sent laborers to work in Japan. The interview has been organised more and more professionally. In addition, we worked closely with the locals to ensure labour source in order to satisfy our customers. As a result, in 2017, we have signed many contracts with partners and sent 487 workers to Japan compared with the target of 450 workers.



With strategy of intensive development on labor export, in 2017, Labor Export Division has been splitted off Tracodi to become a separate business in the form of Joint Stock Company under name Tracodi Labor Export Joint Stock Company (TRACODI LABOUR). Tracodi Labor has seven (7) recruitment branches and one (1) training center.

Labor export is one of sensitive fields, therefore issues relating to expenses, documents, forms and templates need to be monitored and observed frequently to prevent from others who shall intentionally use the Company's reputation and brand to cheat individuals who are looking for working aboard.

5. VINATAXI CO., LTD

Taxi business is increasingly fierce competition, besides traditional taxi rivals like Vinasun, Mai Linh, we also have to face with private-hire services like Uber and Grab - use application in smartphone to connect with drivers and customers to receipt services. Although, we have not badly affected compared with other taxi firms as our strategy not focus much on the central districts (where focused by Uber and Grab), Vinataxi still has to find solutions to stay safe and compete in the market such as using application on smartphone for better connection with customers.



In 2017, VINATAXI earned VND 47.6 billion in revenue and VND 1.22 billion in profit after tax. In general, Vinataxi's revenue decreased due to fierce competition and other reasons such as shortage of drivers which led to numbers of cars could not be increased as planned.

6. TRACODI BRANCH IN HA NOI

The Board of TRACODI has decided to shut down TRACODI Branch in Ha Noi under the Resolution No. 37/2017/QĐ-HĐQT on 28 August 2017 due to its under-performance.

7. INVESTOR RELATIONS ACTIVITY

Successfully held the Annual General Meeting of Shareholders 2017 in an open and transparent manner.

Information disclosure: The Company frequently updated information of the Company and its subsidiaries on the website in compliance with the laws and held talks with investors interested in the Company.

The Company also actively participated in workshops and training programs held by the State Securities Commission, Hochiminh Stock Exchange, Vietnam Securities Depository in collaboration with IFC and VCCI for the purpose of improvement of corporate management.

The Management of TRACODI actively worked with local and foreign investors and investment funds who seeking opportunities to invest in TRACODI.

FINANCIAL SITUATION

1. ASSETS

As at 31 december 2017

- **Total assets:** reached VND 1,153,441,133,045
- **Current assets:** reached VND 807,298,974,303
- **Long-term assets:** reached VND 346,142,158,742

2. LIABILITIES

As at 31 december 2017

- **Total liabilities:** reached VND 719,890,634,015, declined by 65% compared to that of 2016.
- **Owner's equity:** reached VND 433,550,499,030, rose by 13% compared to that of 2016.
- **Profit after tax:** VND 74.95 billion, rose by 24.4% compared to that of 2016.

IMPROVEMENT IN ORGANIZATIONAL STRUCTURE, POLICIES AND MANAGEMENT

In the last year, apart from actively performing its management, operation, and investment, the Management made some improvements in structure, policies, and management to bring efficiency to the Company, in particular:

1. ADMINISTRATION

Strengthening the administration in TRACODI and its subsidiaries through applying streamlined processes and regulations and implementing IT applications for the whole system to ensure quick and timely reports and statistics.

2. PERSONNEL, TRAINING, AND WAGE MECHANISM

TRACODI focused on enhancing high quality human resources, improving remuneration and benefits for employees to make sure that salary mechanism was the driving force for business and in accordance with market practices. Training, emulation and bonus schemes were performed in diversity to improve the quality of our human resources and encouraged individuals to successfully complete their assigned tasks.

3. COMMUNICATION, INVESTOR RELATIONS

Provided information to investors in a timely manner. Maintained strong relationships with investors via providing information reflecting the value of the Company in accurate way for better understand about the Company.

Built the Company's brand, reputation and image to partners, financial institutions, shareholders and investors. Maintained the Company's reputation and brand in the investor community.

Actively performed our social responsibility, lifted up Tracodi's brand and position in the market.

2018 BUSINESS PLAN

After a year with full of records, Vietnam economy shall be full of opportunities and challenges in the new year 2018. According to economic experts, in 2018, Vietnam economy will continue to maintain its stable growth, macro-economy will continue to stabilize. However, the growth pressure will be relatively larger in next year. Public debt, State budget deficit, low labour productivity will threaten development of the economy.

Based on performance result 2017 and current situation, entering 2018, Tracodi shall continue to achieve targets focusing on medium and long-term strategy with highest efforts determination, we shall concentrate resources to promote strong business growth in order to affirm Tracodi's brand in local market on the basis of ensuring effectiveness, quality control and risk management. In addition, Tracodi will emphasize on standardizing all aspects of our operation, enhancing construction management, building qualified and professional workforce, modernizing information technology in accordance with international standards and practices.

FINANCIAL INDICATORS IN 2018

No.	Unit: VND million	2016	2017	2018F
1	Trading	375.1	595.0	405.0
2	Infrastructure Construction	87.8	135.4	268.2
3	Real Estate Project	-	-	122.5
4	Labour Export	5.9	8.0	8.0
5	Tracodi Training Center	1.5	1.9	2.3
6	Hanoi Office	6.8	4.1	-
7	Antraco	354.7	351.5	295.0
I	Net revenue	831.8	1,095.9	1,101.0
II	Profit after tax	60.2	74.9	82.6



BUSINESS PLAN 2018

Items		2016	2017	% (2017/2016)	2018F	% (2018F/2017)
I	Net revenue					
01	Consolidated	831,822,301,020	1,095,900,438,254	131.75%	1,101,000,000,000	100.47%
02	Separate	478,927,630,512	746,151,332,093	155.80%	806,000,000,000	108.02%
II	Profit after tax					
01	Consolidated	60,228,211,801	74,948,252,377	124.44%	82,600,000,000	110.21%
02	Separate	23,548,435,705	57,361,158,469	243.59%	62,600,000,000	109.13%
III	Owner's Equity					
01	Consolidated	382,809,529,862	433,550,499,030	113.25%	467,761,593,456	107.89%
02	Separate	349,140,664,183	400,611,247,760	114.74%	419,885,273,481	104.81%
IV	Return on revenue					
01	Consolidated	7.24%	6.84%	-0.40%	7.50%	0.66%
02	Separate	4.92%	7.69%	2.77%	7.77%	0.08%
V	Return on Equity					
01	Consolidated	15.73%	17.29%	1.56%	17.66%	0.37%
02	Separate	6.74%	14.32%	7.58%	14.91%	0.59%
VI	Dividend					
		6%	10% - 12%		12% - 15%	

1. TRADING

Following the success of 2017, we continuously maintain the growth with our strategy mainly focusing on key products and customers to achieve better profit margins. In 2018, TRACODI plans to earn VND 405 billion in revenue and VND 20.6 billion in gross profit.

Actively looking for customers for exporting out key products such as cassava starch; coffee...

Taking advantage from our subsidiary Vinacafe Producing Trading Fertilizer Joint Stock Company, we will kick-off micro-fertilizer products to local market.

Looking for agencies to provide construction materials such as sand, stone (construction materials); to develop e-commerce for outdoor furniture products.

2. INFRASTRUCTURE CONSTRUCTION

In 2017, the company has implemented many projects, including BOT DT 830 project in Long An, this project showed its recovery on project management capacity of project management. In 2018, the company continues to improve its construction capacity not only infrastructure but also civil and industrial works. In particular:

- Achieving double revenue in 2017.
- Focusing on the projects invested by its parent company Bamboo capital in Long An province: BT 830C; building social houses in Ben Luc; solar power plant project in Thanh Hoa (Long An).
- Managing construction works to ensure good quality, progress, disbursement plan and acceptance of works in line.
- Building and developing construction teams for real estate and solar projects.

3. QUARRY

In 2018, we will maintain our revenue growth rate based on the permitted quota and continuously bring stable profit to TCD.

Focusing on product quality improvement, exploiting the potential and advantages of quality and brand of Antraco's products; strengthening research and market analysis, maximizing profit by identifying potential targets and markets based on reasonable price strategy, product strategy, promoting products to neighborhoods.

Finding solutions on cost savings, reasonable labor use, step-by-step reinforcing the organizational structure and management.

Conducting necessary training for employees in accordance with the needs and actual conditions of the Company. Enhancing recruitment and training quality in order to develop human resources of the Company.

Directly approaching customers to bring Antraco's products into the upcoming key projects such as Hau Giang Thermal Power Plant 3, Dai Ngai Bridge - Soc Trang, Chau Doc Bridge - An Giang, Ho Chi Minh road, upgrading and expanding Highway 30, Trung Luong Expressway - My Thuan and My Thuan Expressway - Can Tho.

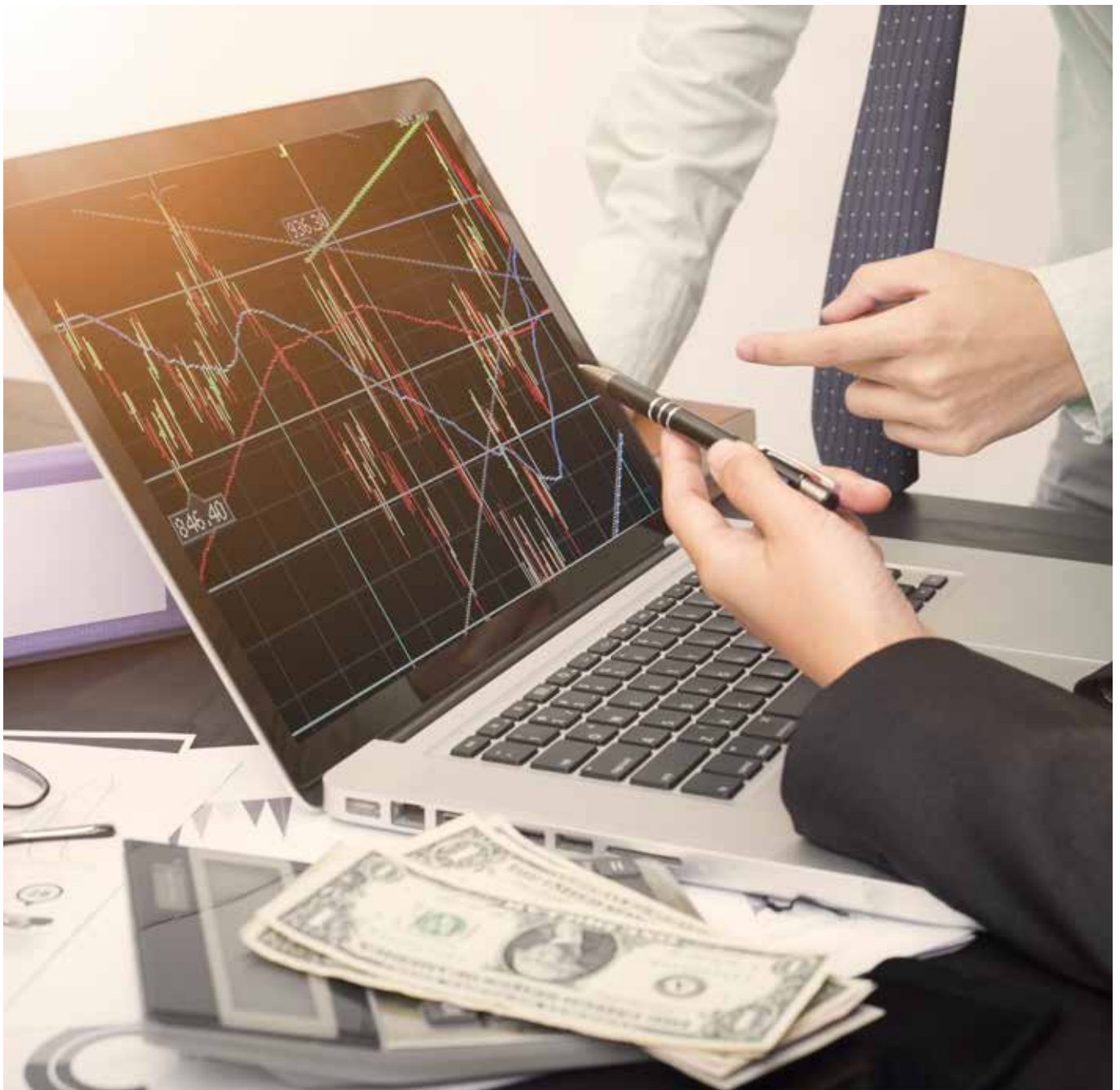
4. LABOUR EXPORT

In 2017, after splitting off Tracodi to become a separate business, TRACODI LABOR built its long-term plan for more than 3-5 years. In 2018, TRACODI LABOR aims continuously to focus on Japanese market by sending more than 500 laborers, while also gradually penetrating high quality markets such as Germany and Europe.

Starting to seek for labor sources in provinces in Mekong Delta, where its parent company Bamboo Capital (BCG) has projects, in order to have sufficient laborers in the future.

Directly conducting interview and providing training; looking for more foreign partners in Japan, Germany, Europe.

Reinforcing the operation of recruitment branches and training center of TRACODI LABOR. TRACODI Training Center is a place providing resources, training, and additional services for labor export services. Maximizing the advantages of the training center for cost savings.



2018 BUSINESS PLAN

1. PROJECTS

SOCIAL HOUSES - LONG AN PROVINCE



- **Construction cost:** USD 53.2 million.
- **Land area:** 11 ha.
- **Location:** Ben Luc – Long An Province.
- **Construction period:** 2018 – 2019.

As Long An Province will be the second largest industrial hub, it is forecasted that the need of houses for low-income local workers in Long An Province will be increased. Joint venture BCG Bang Duong plans to invest in social house project which providing 2,500 houses for local workers in Ben Luc.

MALIBU VILLAS



- **Estimated Construction cost:** USD 30.7 million
- **Land area:** 110,306 m²
- **Construction period:** 2018– 2020.
- **Main investor:** BCG Land

Da Nang coastal and marine tourism continues to show an impressive growth of 18% in 2016 with high occupancy rates of 60 – 70% on average.

Malibu Villas comprises 10 Deluxe Villas (500 m²) and 200 Premium Villas (274 m²), is located in the coastal line connecting Da Nang and Hoi An. The Villas will be designed by BAKH Design Company (USA) who has more than 20 years of experience in designing.

THAO DIEN RESIDENTIAL



- **Estimated construction cost:** USD 39.5 million
- **Land area:** 9,120 m²
- **Estimated completion:** 2020.
- **Location:** District 2, HCM City

Luxurious apartment invested by BCG Land, which is located in the center of District 2. The project was planned building in two (2) blocks with 616 apartments and 70 shophouses.

PRINCE COURT TOWER



An office building and serviced apartments complex in the center of Ho Chi Minh City (District 1).

- **Estimated construction cost:** USD 25 million.
- **Starting:** 2017 – 2019.
- **Location:** District 1, HCM City.
- **Main Constructor:** Tracodi.

The project is aimed to develop and construct a high-class building with main functions of shopping mall and grade A offices which built in the land with its area of 1,040 m² (phase 1).

2. RENEWABLE ENERGY PROJECTS

GAIA 100 MW



The GAIA Solar Power Plant will be located in Thanh Hoa (Long An) owned by its parent company Bamboo Capital JSC (BCG) and BCG's partner Hanwha (Korea). The project has been approved by Ministry of Industry and Trade and in the procedure of preparation of infrastructure construction documents.

- **Total investment:** USD 101 million
- **Land area:** 120 ha.
- **Estimated infrastructure cost:** USD 10 million
- **Construction period:** 2018 – 2019.
- **Capacity:** 100 MW.

TCD will play a role as general contractor who provides design solution, equipment and installation for solar energy system for the project.

BCG BANG DUONG 40 MW

The BCG Bang Duong Solar Power Plant will be located in Thanh Hoa (Long An) owned by its parent company BCG. The project has been approved by Ministry of Industry and Trade and in the procedure of implementation of infrastructure construction.

- **Total investment:** USD 40.5 million
- **Estimated infrastructure cost:** USD 5 million
- **Capacity:** 40 MW.
- **Land area:** 50 ha.
- **Construction period:** 2018 – 2019

LONG AN SUNFLOWER 50 MW

- **Total investment:** USD 50 million
- **Estimated infrastructure cost:** USD 5 million
- **Capacity:** 50 MW.
- **Land area:** 60 ha.
- **Construction period:** 2018 – 2019

PHU NINH FLOATING 200 MW



This is the first solar energy project in Vietnam by installing floats in the surface of Phu Ninh Lake (Quang Nam).

- **Total investment:** USD 200 million
- **Capacity:** 50 MW.
- **Land area/ water surface:** 240 ha.
- **Construction period:** 2018 – 2019

SOC TRANG WIND ELECTRICITY 150 MW



Soc Trang has an average annual wind speed of 6-6.2 m/s and a coastline of 72 km. After assessment of wind power potential, the parent company BCG has proposed to invest in BCG Wind Farm project in Tran De (Soc Trang).

- **Total investment:** USD 300 million.
- **Capacity:** 150 MW.
- **Survey area:** 3,800 ha.
- **Construction period:** 2019 – 2020.





04

REPORT BY THE BOARD OF DIRECTORS

1. Assessment on 2017 performance
2. Assessment on performance of the Board of Management
3. Future plan, orientation of Board of Directors



ASSESSMENT ON 2017 PERFORMANCE

1. PERFORMANCE ON RESOLUTION OF THE GENERAL MEETING OF SHAREHOLDERS

Last year, the Board of Directors has actively performed their tasks, organized meetings and issued resolutions. Also, we completed several important resolutions approved by shareholders at the Annual General Meeting 2017 such as issuing shares to pay dividends.

2. REMARKABLE RESULTS WERE ACHIEVED

Despite challenging and volatile market conditions, the successful development of our company in 2017 has been achieved thanks to clear strategy of the Board of Directors and contribution from our passionate and motivated employees. It is their commitment spirit which make the difference in a highly competitive market environment. In 2017, we delivered remarkable results:

- The Management, during 2016-2020, has determinately focused on the implementation of strategic restructure. On May 26, 2017, we remarked significant transformation as Tracodi stock (TCD) has been officially traded in Hochiminh Stock Exchange (HOSE). This is an important milestone for Tracodi in the trend of integration.
- We delivered strong business performance, achieved our financial targets for the year with significant growth in revenue and profit, successfully completed the plan. This showed great determination and commitment of members of the Board of Directors and the Board of Management.

Our financial performance in 2017:

- + The audited consolidated revenue reached VND 1,095.9 billion, presenting 124.6% compared with the plan, increasing 31.75% compared with 2016.
- + Profit after tax reached VND 74.95 billion, presenting 117.7% compared with the plan, increasing 24.44% compared with 2016.

3. SHAREHOLDER'S EQUITY AND INVESTOR RELATIONS

SHAREHOLDER'S EQUITY

Shareholder's Equity as of financial year, ended 31 December 2017 reached VND 433.55 billion, of which, Charter Capital was VND 344.34 billion, increase by VND 19.49 billion compared with 2016. Capital adequacy ratios were well-maintained and fully complied with prevailing regulations and requirements.

INVESTOR RELATIONS

Investor relations were emphasized during the year to ensure its importance in connecting Tracodi's Management with local and foreign investors.

Our Investor Relations team continued to provide important inputs about Tracodi's performance and future prospects to local and international investment funds, securities companies and analysts. These activities significantly contributed to our reputation and shareholding value enhancement in timely manner and transparent information disclosure as well as good relations with the market.

Tracodi continued to be the Company that publishes sufficient and transparent information, in

compliance with the law. Our website <http://www.tracodi.com.vn/quan-he-nha-dau-tu/-co-phieu-tracodi> was constantly updated to ensure the role of a gateway to information.

4. GOVERNANCE

SENIOR LEADERSHIP

The financial year 2017 was the last year of the Board of Directors' five-year term (2013-2018) with following members:

Mr. Nguyen Ho Nam – Chairman of the Board of Directors

Mr. Dang Trung Kien – Vice Chairman of the Board of Directors

Mr. Nguyen The Tai – Vice Chairman of the Board of Directors

Mr. Nguyen Thanh Hung – Member of the Board of Directors

Mr. Bui Thanh Lam – Member of the Board of Directors

Ms. Le Thi Mai Loan – Member of the Board of Directors

Mr. Lin Kuo Wei – Member of the Board of Directors, appointed since June 2017

Mr. Tomas Sven Jeahnig – Independent member of the Board of Directors, appointed since April 2017

Mr. Morishima Kenji – Independent member of the Board of Directors, appointed since April 2017

Members of the Board were united to successfully complete assigned tasks, continued to promote our internal resources, managed and implemented innovation policies and drove the Company success.

ASSESSMENT ON PERFORMANCE OF THE BOARD OF MANAGEMENT

The General Director performed his responsibility and obligation in compliance with regulations prescribed in the Law on Enterprises and the Company's Charter, implemented the resolutions approved by shareholders and the Board of Directors. He well managed day-to-day business activities of the Company in the manner of efficiency. He regularly reported to the Board of Directors to ensure the Company running well in accordance with the Company's Charter and the laws.

Members of the Board of Management, who are qualified and professional, have excellent management and leadership skills. They have many years of intensive experience in their respective fields and corporate management. Also, they have improved their performance by joining professional training and leadership programs.

Members of the Board of Management were united and supported each other to fulfill their tasks and enhance management efficiency.

With the clear direction given by the Board of Directors and strongly understand the market, Management and our employees have united to efficiently implement the targets, ran the Company with safe and efficiency, successfully managed the risks towards sustainable development.

Business results during 2013-2018*Unit: VND million*

Indicators	2013	2014	2015	2016 (consolidated)	2017 (consolidated)
Charter Capital	78,500	78,500	78,500	324,850	344,340
Revenue	87,083	87,510	138,630	831,822	1,095,900
% Actual/Forecast	65.7%	69.3%	100.9%	114.3%	124.6%
Profit after tax	3,897	-1,207	6,467	60,228	74,948
% Actual/Forecast	87.21%		68.82%	120.3%	117.7%
Dividend	3.48%		6.5%	6%	10% - 12%

The table shows that after switched from State-owned Enterprise model to a Joint Stock Company with 100% private capital since April 24, 2015. Under operation of Management, the Company's performance gradually recovered and moved forward. It showed the success of strategic restructure of the Company, the Company performed poorly in the past and currently completed the annual plan approved by shareholders at the Annual General Meeting. The business results of conductive two (2) years of 2016 and 2017 showed the Management has followed the direction of the Board of Directors in the right and efficient ways.



FUTURE PLAN, ORIENTATION OF THE BOARD OF DIRECTORS

Through to 2018, the Vietnam economy will continue achieve strong growth. Also, 2018 is a year for the Company to seize the opportunity to develop the medium and long-term development strategy. However, there are still many difficulties and challenges the Company shall face to. The Board of Directors constantly emphasizes on our core activities, maintains sustainable growth, in particular:

1. 2018 FINANCIAL OBJECTIVES

Indicators	Unit	2017 (consolidated)	2018F (consolidated)	% +/-
Revenue	VND million	1,095,900	1,101,000	100.47%
Profit after tax	VND million	74,948	82,600	109.88%
Dividend	%	10%-12%	12%-15%	

2. SHAPE OUR FUTURE

Focusing on our four (4) core activities including: (1) Trading; (2) Infrastructure construction and real estate; (3) Quarrying; (4) Labor export.

- **Trading:** maintaining revenue growth of key products including cassava starch, micro fertilizers, coffee beans, construction materials (Antraco) and outdoor furniture for export; and others such as animal food, automobiles (1-5 Automobile Joint Stock Company).
- **Infrastructure construction:** developing construction teams for road projects, building more construction teams for real estate and renewable energy projects. Our objective to gain double revenue in 2018 from projects such as: BT 830C (Long An), social house project (Long An), infrastructure construction for renewable energy projects owned by its holding company BCG: Malibu (Hoi An), BCG Plaza (Thao Dien, District 2).
- **Quarrying:** remaining revenue growth based on quota allowed to use in Antraco quarry, stably contributing to Tracodi's profit; looking for acquiring other mineral deposits in the area.
- **Labor export:** promoting the strength of Tracodi Labour Export JSC (Tracodi Labor); focusing on potential market such as Japan, Germany, Europe; maximizing the advantages of Training Center; continuously maintaining meaningful activities contribute to the economy and society.





05

CORPORATE GOVERNANCE

1. Board of Directors
2. Board of Management
3. Supervisory Board
4. Transactions, remuneration and benefits of the Board of Directors, Board of Management and Supervisory Board



BOARD OF DIRECTORS

1. BOARD MEMBERS AND STRUCTURE

Nine (9) members in which seven (7) members are permanent members and two (2) independent members.



MR. NGUYEN HO NAM

CHAIRMAN

He is currently the Chairman of BOD of TRACODI, Nam's principles of value creation and entrepreneurial management suffuse all of Tracodi's activities. The climate of incisive analysis, healthy debate and collegial interaction that has been created at Tracodi and with our partners is a direct reflection of Nam's personal style. He received his Economics B.A. in Vietnam and Master's degree in Finance & Banking from Monash University, Australia.



MR. DANG TRUNG KIEN

VICE CHAIRMAN

Kien has over 20 years of experience in professional management in Vietnam. He is also Vice Chairman of TRACODI JSC as well as Chairman of Truong Thanh Vietnam Investment and Development Ltd. He received his B.A. from Law University, Hanoi.



MR. NGUYEN THE TAI

VICE CHAIRMAN

Tai has extensive experience in building strong management teams focused on profitability, with more than 10 years of international experience in manufacturing companies and 6 years in financial services industry. Tai received his Bachelor of Business Administration from the University of Economics, Ho Chi Minh City.

**MR. NGUYEN THANH HUNG**

MEMBER AND CHIEF EXECUTIVE OFFICER

Hung has an extensive career with more than 9 years of experience in financial services in Vietnam, along with expertise in negotiations, M&A, and divestitures. Hung received his B.A. from Social Science and Humanities University and B.A. in Corporate Finance from the University of Economics, Ho Chi Minh City.

**MS. LE THI MAI LOAN**

MEMBER AND DEPUTY GENERAL MANAGER

Loan focuses on optimizing various funding structures for group operations, maintains relationships with local and international financial institutions. Loan received her B.A. in Economy from the University of Economics, Ho Chi Minh City and IEMBA from PGSM University, France.

**MR. BUI THANH LAM**

MEMBER

Lam maintains strong business relationships with international investors from UK, USA, Netherlands, Japan and Korea. Lam earned his M.A. from Huron University, UK.

**MR. LIN KUO WEI**

MEMBER

Mr. Lin Kuo Wei has become a Board Member of TRACODI since June 2017. He has many years of experience in investment and construction. Mr. Lin Kuo Wei is the Director of DWS Star Bridge Limited as well as CEO of Intact Management.

**MR. TOMAS SVEN JEAHNIG**

INDEPENDENT MEMBER

Mr. Tomas has more than 25 years of experience in tooling and furniture manufacturing as well as international trade. He is currently the Founder cum Chairman of Indoba GmbH and Chief Financial Officer of Gartinex GmbH. Mr. Tomas received his Certificates in Business Administration, Quality Control, Management, Economics and Law in Germany.

**MR. MORISHIMA KENJI**

INDEPENDENT MEMBER

Morishima Kenji is an independent member of BOD of TRACODI's since April 2017.

He has 16 years of experience in business administration and trading. Morishima is the Founder and Director of Dream Off - ASA since 2001 and World Creation Corporation since 2014.

TITLES IN OTHER COMPANIES

01

NGUYEN HO NAM**Chairman****4,744,996 shares**

Individual: 53,000 shares
BCG's representative: 4,691,996 shares

Number of shares owned (31 Dec 2017)

- The Chairman of BOD in Bamboo Capital JSC
- The Chairman of BOD in Thang Long Fund Management JSC
- Vice Chairman of the Members' Council in Vietnam Taxi Co., Ltd
- Member of the Members' Council in An Giang Building Material Exploiting and Processing Co., Ltd
- Vice Chairman of the Members' Council in Truong Thanh Dai Nam Security Company
- Member of BOD 1-5 Auto JSC
- The Chairman of BOD in Tracodi Labour Export JSC
- The Chairman of BOD in Nguyen Hoang Development JSC.
- The Chairman of BOD in Hanwha – BCG Bang Duong Energy JSC
- Vice Chairman of the Members' Council in BOT DT 830 Co., Ltd
- The Chairman of BOD in BCG Floating Energy JSC.

02

DANG TRUNG KIEN**Vice Chairman****53,000 shares**

Number of shares owned (31 Dec 2017)

- The Chairman of BOD in Truong Thanh Viet Nam Development Investment One Member Co., Ltd
- Vice Chairman of BOD in Truong Thanh Real Estate and Construction JSC
- The Chairman of the Members' Council in Truong Thanh Dai Nam Security
- Vice Chairman of BOD in Bamboo Capital JSC
- Head of Supervisory Board in An Giang Building Material Exploiting and Processing Co., Ltd
- General Director in Tracodi Land JSC
- Vice Chairman of BOD in 1-5 Auto SJC
- The Chairman of BOD 108 Truong Thanh Construction Investment SJC
- Member of BOD in Thanh Phuc JSC

03

NGUYEN THE TAI**Vice Chairman**

BCG's representative:
3,710,000 shares

Number of shares owned (31 Dec 2017)

- Vice Chairman of BOD and General Director in Bamboo Capital JSC
- Member of Supervisory Board in Thang Long Fund Management JSC
- Vice Chairman of BOD and General Director in Nguyen Hoang JSC
- The Chairman of BOD and General Director in Thanh Phuc JSC
- The Chairman of BOD in Thanh Vu Tay Ninh JSC
- Vice Chairman of BOD in Dalat Coffee Import and Export JSC
- Vice Chairman of BOD in Vinacafe Producing Trading Fertilizer JSC
- Vice Chairman of BOD in Tracodi Service JSC
- Deputy General Director in Truong Thanh Dai Nam Security Company

04

NGUYEN THANH HUNG**Member****4,293,000 shares***Individual: 53,000 shares**BCG's representative: 4,240,000 shares*Number of shares owned (31 Dec 2017)

- The Chairman of the Members' Council in An Giang Building Material Exploiting and Processing Co., Ltd
- Chairman of BOD in Viet Golden Farm JSC
- Member of Supervisory Board in Vung Tau Shipyard Corporation
- Deputy General Director in Truong Thanh Viet Nam Development Investment One Member Co., Ltd
- Member of BOD in Thang Long Fund Management JSC
- The Chairman of BOD and Deputy General Director in Bamboo Capital JSC
- Member of Supervisory Board in Dalat Coffee Import and Export JSC
- The Chairman of BOD in Tracodi Service JSC.
- Member of Members' Council in Vietnam Taxi Co., Ltd
- Vice Chairman of BOD in Agroforestry Golden Field JSC
- Deputy General Director in Truong Thanh Dai Nam Security

05

BUI THANH LAM**Member****BCG's representative:
2,120,000 shares**Number of shares owned (31 Dec 2017)

- The Chairman of the Members' Council in Thai Son Sai Gon Advisory Investment JSC
- General Director in Prince Court JSC
- Member of BOD in Bamboo Capital JSC
- Member of BOD in 1-5 Auto JSC

06

LE THI MAI LOAN**Member****3,763,000 shares***Individual: 53,000 shares**BCG's representative: 3,710,000 shares*Number of shares owned (31 Dec 2017)

- Member of Supervisory Board in Bamboo Capital JSC
- Deputy General Director in Tracodi Service
- Chairman of BOD in Vinacafe Producing Trading Fertilizer JSC
- Member of BOD in Tracodi Labour Export JSC
- General Director in Phú Tam Khôi JSC

TITLES IN OTHER COMPANIES

07

LIN KUO WEI

Member

0 shares

Number of shares owned (31 Dec 2017)

- General Director in DWS Star Bridge Limited Liability Company
- General Director in Intact Management Co., Ltd

08

TOMAS SVEN JEAHNIG

Member

0 shares

Number of shares owned (31 Dec 2017)

- The Chairman in Indoba – GmbH – Dresden

09

MORISHIMA KENJI

Member

0 shares

Number of shares owned (31 Dec 2017)

- Director in Dream Off – ASA
- Director in World Creation Corporation

2. COMMITTEES UNDER THE BOARD OF DIRECTORS: NONE

3. ACTIVITY

In 2017, The Board of Directors held 25 meetings to evaluate business results and provide directions for the operation of TRACODI and discussion on other issues:

No.	Board member	Title	No. of meeting attended	Percentage	Reasons for absence
01	Mr. Nguyen Ho Nam	Vice Chairman (before 9 Oct 2017) Chairman (since 9 Oct 2017)	25	100%	
02	Mr. Dang Trung Kien	Chairman (before 9 Oct 2017) Vice Chairman (since 9 Oct 2017)	25	100%	
03	Mr. Bui Thanh Lam	Member	25	100%	
04	Mr. Nguyen Thanh Hung	Member & Deputy General Director (before 9 Oct 2017)	25	100%	
05	Mr. Nguyen The Tai	Vice Chairman	25	100%	
06	Ms. Le Thi Mai Loan	Member & Deputy General Director	25	100%	
07	Mr. Lin Kuo Wei	Member	16	100%	
08	Mr. Morishima Kenji	Independent Member	22	95%	Authorize Mr. Nguyen Ho Nam to attend and vote at the meeting
09	Mr. Tomas Sven Jaehnig	Independent Member	22	95%	Authorize Mr. Nguyen Ho Nam to attend and vote at the meeting

4. CHANGES IN MEMBERS OF THE BOARD DURING THE YEAR

No.	Full name	Title	Date of appointment/resignation
01	Mr. Tomas Sven Jeahnig	Independent Member	Appointed under Resolution No. 02/2017/NQ-ĐHĐCĐ of the shareholders at the Annual General Meeting on 14 April 2017
02	Mr. Morishima Kenji	Independent Member	Appointed under Resolution No. 02/2017/NQ-ĐHĐCĐ of the shareholders at the Annual General Meeting on 14 April 2017
03	Mr. Lin Kuo Wei	Member	Appointed under Resolution No. 06/2017/NQ-ĐHĐCĐ of shareholders at extraordinary general meeting on 28 June 2017

5. ACTIVITIES OF INDEPENDENT MEMBERS

In compliance with the laws and the Charter of the Company.



BOARD OF MANAGEMENT



MR. NGUYEN THANH HUNG

MEMBER AND CHIEF EXECUTIVE OFFICER

Hung has an extensive career with more than 9 years of experience in financial services in Vietnam, along with expertise in negotiations, M&A, and divestitures. Hung received his B.A. from Social Science and Humanities University and B.A. in Corporate Finance from the University of Economics, Ho Chi Minh City.



MS. LE THI MAI LOAN

MEMBER AND DEPUTY GENERAL MANAGER

Loan focuses on optimizing various funding structures for group operations, maintains relationships with local and international financial institutions. Loan received her B.A. in Economy from the University of Economics, Ho Chi Minh City and IEMBA from PGSM University, France.



MR. NGUYEN HOA BAC

CHIEF ACCOUNTANT

Bac, born in 1973, holds Bachelor Degree in Accounting and Auditing.

He has more than 15 years of experience in finance and accounting. He has held many managerial positions in different companies. In 2012, he worked as Chief Accountant at Saigon Securities Joint Stock Bank (Sacombank).

He has worked as Chief Accountant at Tracodi since April 2015.

SUPERVISORY BOARD

1. PERSONNEL AND STRUCTURE



MR. NGUYEN VIET CUONG

HEAD OF SUPERVISORY BOARD

Cuong has many years of experience in auditing. Prior to joining Tracodi, He worked at Southern Auditing and Accounting Financial Consultancy Services Co., Ltd (AASCS). Currently, he is Head of Supervisory Board of Tracodi.

Cuong received his B.A in Economics, B.A in Law, CPAVN and Lawyer Training Certificate



MS. DAO THI THANH HIEN

MEMBER

Hien is a member of Supervisory Board of BCG since April, 2016. Ms. Hien is capable of managing, analyzing, assessing investment and business operations. Ms. Hien is also a member of Supervisory Board of Transport and Industry Development Investment Joint Stock Company (Tracodi). Hien received her Master of Laws.



MS. HUYNH THI KIM TUYEN

MEMBER

Tuyen had worked as Deputy Manager of Accounting Department of Tracodi for many years, where she has earned extensive experience in accounting and finance. With more than 20 years working at Tracodi, Tuyen intensely understands the company's operation. She has ability to analyze and evaluate the company.

2. SHARE OWNERSHIP OF MEMBERS OF SUPERVISORY BOARD

No.	Full name	Title	No. of share owned	Percentage
01	Nguyen Viet Cuong	Head of Supervisory Board	0	0%
02	Dao Thi Thanh Hien	Member	0	0%
03	Huynh Thi Kim Tuyen	Member	0	0%
Total			0	0%

3. MAIN ACTIVITY

In 2017, the Supervisory Board performed its tasks in accordance with the laws, the Charter of the Company, regulations on organization and operation of the Supervisory Board and direction of the Supervisory Board approved by shareholders at the Annual General Meeting 2016, in particular:

- To regularly advise the Board of Directors, the Executive Board on the management of the Company and continuously supervise its conduct of business. We satisfied ourselves that their works complied with all legal and regulatory requirements and the Company's Charter at all times.
- To oversee the implementation of the Resolutions approved by the Annual and Extraordinary General Meetings.
- To propose an external audit firm for the 2018 fiscal year (financial reports for the half year and full year).
- To oversee and inspect activities of the Board of Directors and the Executive Board. To attend the board meetings and diligently supervise its implementation.
- To inspect the rationality, legality and truthfulness in the management and administration of business performance; to inspect the rationality, legality and truthfulness in accounting, statistics and financial statements of the Company.

4. BUSINESS PERFORMANCE DURING THE FINANCIAL YEAR 2017

The Supervisory Board was given ample opportunity to thoroughly examine any reports and resolutions proposed by the Management Board at all times. In this context, we undertook various measures to assure ourselves that the corporate governance of the Company was lawful, appropriate and in compliance with the laws. Although the Company has faced with the shortage of assets and human resources, and aggressive competition in the market, but the Board of Directors have had right strategy, all employees with their determination and efforts to successfully complete assigned tasks.

- Trading sector with trading key products such as cassava starch, construction materials, animal feeds brought impressively results, up by 78% of the plan.
- In infrastructure and construction sector, although we have not achieved our targets as expected, but commitment of employees will play a very important role in the coming business strategy. To be successful in infrastructure and construction, we have built a solid foundation such as experience, human resources and processes to be ready to for real estate and renewable energy projects.

- Quarrying has played a significant role which contributed to the company's revenue and profit, remaining its high growth rate. In 2017, its sales exceeded 29% of the plan, profit before tax reached over VND 48.8 billion.
- Tracodi Labor Export Joint Stock Company (TRACODI LABOUR) was separated from its holding company TRACODI. In 2017, its sales exceeded the plan. Training center remained stable which bringing constant sources for labor export activity.

5. EVALUATION OF FINANCIAL SITUATION IN 2017

- After examination of the consolidated and separate (parent-company) financial statements for the 2017 fiscal year prepared by the Executive Board and discussion with external auditors, the Supervisory Board approved the audit reports.
- The consolidated and separate (parent-company) financial statements showed business situation faithfully, logically as at 31 December 2017; Income statements and cash flow statements for the period from 01 January 2017 to 31 December 2017 were prepared in accordance with the Financial Reporting Standards and in compliance with all material aspects of Vietnam Accounting Law.
- **The key indicators:**

Business performance 2017

We delivered an impressive business performance. In particularly, consolidated revenue from sale of goods and rendering of services reached VND 1,095.90 billion, increased VND 264.08 billion, equivalent to 31.75% compared with 2016. Profit before tax and profit after tax reached VND 91.37 billion and VND 74.95 billion respectively, increased 24.44%.

Total assets, owners' equity as at 31 December 2017

Total assets decreased by VND 1,295.90 billion compared with the beginning of 2017. Total assets went down mainly due to the decrease in long-term assets (VND 1,231.51 billion). Owners' equity went down mainly due to the decrease in non-current liabilities (VND 1,665.99 billion). The decrease in total assets was the results of restructuring our investment portfolio not for the purpose of business scale downsizing. All decisions made by BOD and EB relating to assets, owners' equity such as investments, divestments, borrowings, buying and selling assets were found to be lawful, appropriate and in accordance with the business strategy approved by shareholders at the General Meeting.

6. ACTIVITIES OF THE BOARD OF DIRECTORS AND EXECUTIVE BOARD DURING THE OFFICE TERM OF 2013 - 2018

- The Board of Directors held regular and irregular meetings to approve Resolutions. Decisions under their power/competence as prescribed in the Company's Charter and the laws.
- The Board of Directors constantly updated information and consult the management in a timely manner and in compliance with the laws and the Company's Charter. Resolutions and decisions of the Board of Directors were issued strictly in accordance with the procedures, power/competence and in compliance with the laws.
- The management were responsible and always tried their best on day to day maintenance of the Company.
- Employees tried their best to complete assigned tasks. Monthly reports regularly updated to the Board. They showed their dynamic, creative, and professional attitude at work.

- The weaknesses and shortcomings regularly overviewed and improved towards sustainable development of the Company.
- The Supervisory Board highly appreciated the Executive Board's determination in running the Company and implementing the Resolutions of the Board of Directors.
- The Executive Board timely reported and informed to the Board of Directors to ensure that BOD was constantly aware of situations and significant issues for prompt and appropriate advices.

7. COOPERATION AMONG THE SUPERVISORY BOARD, BOARD OF DIRECTORS, THE EXECUTIVE BOARD AND SHAREHOLDERS

- The Management Board and Supervisory Board continued cooperation in 2017 through extensive dialog founded on mutual trust and confidence. The Management Board kept us regularly and extensively informed of all major issues affecting the Company's business with prompt written and verbal reports to help us fulfilling our tasks.
- In the board meetings, we discussed the reports submitted by the Management Board, we also monitored the work of the Management Board, gave our advices and supports under our role and responsibility.
- The Board of Directors, the Supervisory Board and the Executive Board were willing to work with our shareholders, in the spirit of the Enterprise Law, to deal with any issues in which they were interested; Information were available on our website or provided directly to our shareholders if required.

TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SUPERVISORY BOARD

1. SALARY, BONUSES, REMUNERATION AND BENEFITS

Remuneration for members of Board of Directors, Executive Board and Supervisory Board were in accordance with the resolution approved by shareholders at the Annual General Meeting.

The operating expenses of the Board of Directors aligned with current regulations and instructions of the Company and the laws.

In 2017, calculation of remuneration of the Board of Directors and Supervisory Board was 0.54% of profit after tax.

2. SHARES TRANSACTIONS OF INTERNAL SHAREHOLDERS

None

3. CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS

None

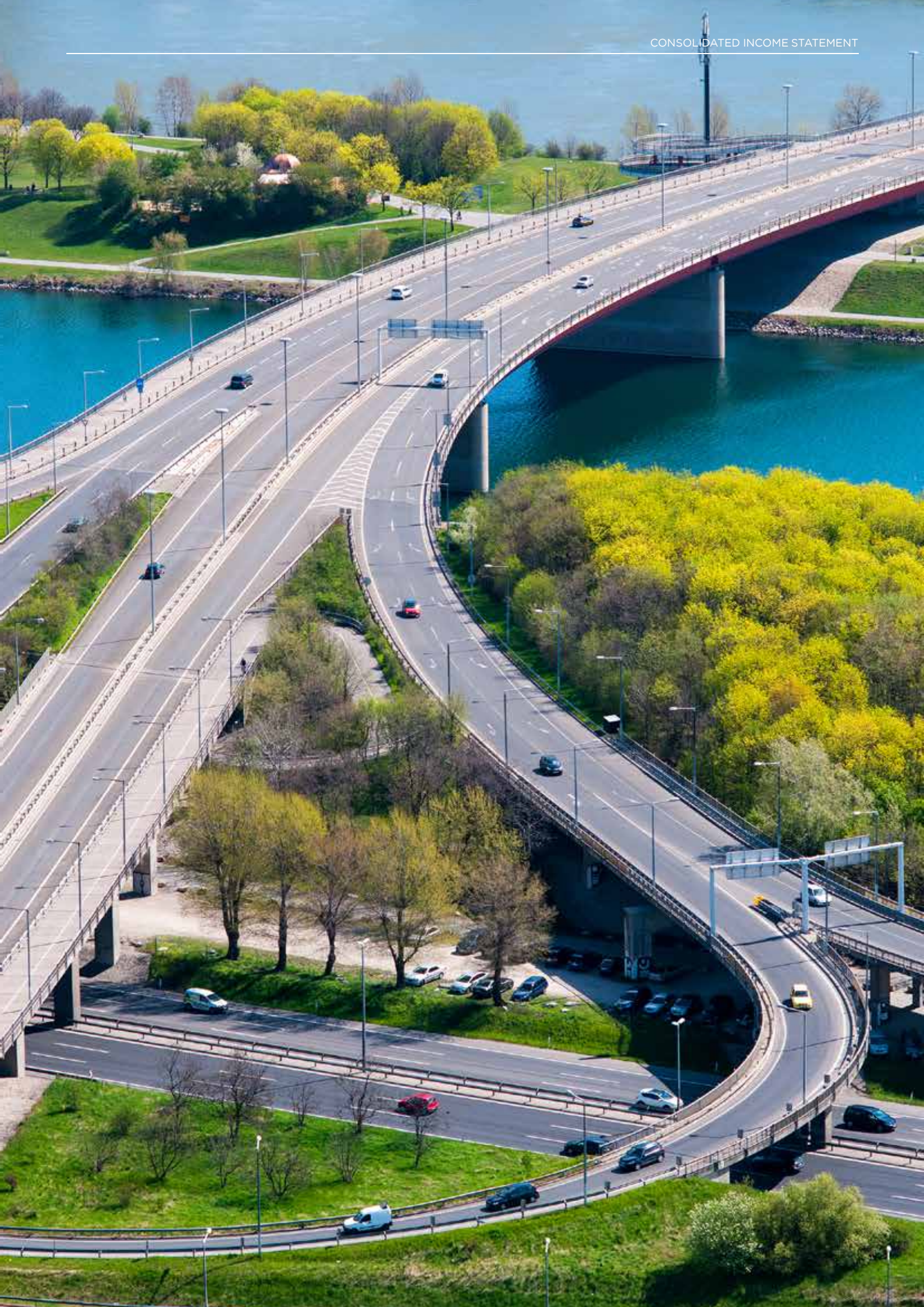
4. IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

TRACODI fully complies with applicable rules and regulations on corporate governance.

06

CONSOLIDATED INCOME STATEMENT

1. Report of Management
2. Independent auditor's report
3. Consolidated financial statements
 - Consolidated balance sheet
 - Consolidated income statement
 - Consolidated cash flow statement
 - Notes to the consolidated financial statements



REPORT OF MANAGEMENT

Management of Transport and Industry Development Investment JSC (hereinafter called "The Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the financial year 2017 ended 31 December 2017.

1. FORM OF OWNERSHIP

Transport and Industry Development Investment JSC is incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 0300482393 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City, which were 1st amended on 25 May 2007 and 12th amended on 19 October 2017.

Charter capital of the Company under the Business Registration Certificate:	VND 344,340,340,000
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Contributed capital of the Company as at 31 December 2017:	VND 344,340,340,000
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The head office is located at 89 Cach Mang Thang Tam Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

2. BUSINESS FIELDS

Manufacturing, trading, services.

3. PRINCIPAL ACTIVITIES (BUSINESS LINES)

Construction of utility projects, Construction of other civil engineering projects, Wholesale of metals and metal ores, Educational support services, Real estate activities with own or leased property, Other land transport of passenger, Wholesale of electronic and telecommunications equipment and supplies, Quarrying of stone, sand and clay, Manufacture of clay building materials.

4. OPERATING CYCLE

Normal operating cycle of the Company and its Subsidiaries is 12 months.

5. GROUP STRUCTURE

As at 31 December 2017, Transport and Industry Development Investment JSC has 02 (four) subsidiaries and 04 (four) affiliates and 01 (one) branch:

A. LIST OF SUBSIDIARIES

Name of company	Address	Ratio of voting power	Ratio of benefit
An Giang Building Material Exploiting and Processing Co., Ltd (ANTRACO)	Lo Reng Village, Chau Lang Commune, Tri Ton District, An Giang Province.	51.0%	51.0%
TRACODI Labour Joint Stock Company	89 Cach Mang Thang Tam Street, Ben Thanh Ward, District 1, HCM City.	70.0%	70.0%

B. LIST OF AFFILIATES

Name of company	Address	Ratio of voting power	Ratio of benefit
Vietnam Taxi Co., Ltd (Vinataxi)	Lot IV - 15B Street No. 4, Tan Binh Industrial Zone, Tay Thanh Ward, Tan Phu District, HCM City.	30.0%	30.0%
Tracodi Invest JSC	89 Cach Mang Thang Tam Street, Ben Thanh Ward, District 1, HCM City.	44.0%	44.0%
Tracodi Services JSC	L14-08B, Vincom Tower, 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City.	29.0%	29.0%
Vinacafe Producing Trading Fertilizer JSC	Lot D9-10 EaĐar Industrial Complex, Eakar District, Dac lak.	35.0%	35.0%

C. LIST OF BRANCHES

Name	Address
Transport and Industry Development Investment JSC – Da Nang Branch	24 Ton Duc Thang street, Hoa Minh Ward, Lien Chieu District, Da nang City.

The Board of Directors of TRACODI has decided to shut down TRACODI Branch in Ha Noi under the Resolution No. 37/2017/QĐ-HĐQT on August 28, 2017.

6. BUSINESS RESULTS

Transport and Industry Development Investment Joint Stock Company was incorporated under Business License No. 0300482393 granted by HCMC Department of Planning and Development, first issuance on May 25, 2007, twelfth issuance on October 19, 2017.

7. EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date, which would require adjustments or disclosures to be made in the financial statements.

8. THE BOARD OF DIRECTORS AND MANAGEMENT, SUPERVISORY BOARD AND LEGAL REPRESENTATIVE

Board of Directors

Mr. Nguyen Ho Nam	Chairman
Mr. Dang Trung Kien	Vice Chairman
Mr. Nguyen The Tai	Vice Chairman
Mr. Bui Thanh Lam	Member
Mr. Nguyen Thanh Hung	Member
Mrs. Le Thi Mai Loan	Member
Mr. Lin Kuo Wei	Member
Mr. Morishima Kenji	Member
Mr. Tomas Sven Jaehnig	Member

Management

Mr. Nguyen Thanh Hung	General Director
Mrs. Le Thi Mai Loan	Deputy General Director

Board of Supervision

Mr. Nguyen Viet Cuong	Head of the Board
Mrs. Dao Thi Thanh Hien	Member
Ms. Huynh Thi Kim Tuyen	Member

Legal Representative

Mr. Nguyen Ho Nam	Chairman of BOD
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9. AUDITORS

The auditors of Southern Auditing and Accounting Financial Consultancy Services Company Limited (AASCS) took the audit of financial statements for the Company.

10. MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial period which give a true and fair view of the consolidated financial position of the Company and of consolidated results of its operations and its consolidated cash flows for the financial year 2017, ended as at 31 December 2017. In preparing those consolidated financial statements, management is required to:

- Build and maintain the internal control system in order to ensure the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are maintained which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable the consolidated financial statements to be prepared which complies with the applied Vietnamese Accounting Standards, the Vietnamese Accounting Systems for enterprises and the relevant statutory requirements applicable to financial reporting. Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We hereby approve the accompanying consolidated financial statements set out on pages 75 to 125 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of the consolidated results of operations and cash flows for the financial year 2017 in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable financial reporting.

STATEMENT BY MANAGEMENT

Management does hereby state that the Company has followed the Circular no. 155/2015/TT-BTC dated October 06, 2015 issued by the Ministry of Finance on guidance of information disclosure to the stock market.

The Chairman of the Board of Directors – legal representative of Transport and Industry Development Investment JSC approves the consolidated financial statements of the Company and its subsidiaries for the financial year 2017 ended 31 December 2017.

**The Chairman of the Board of Directors -
Legal Representative**



Nguyen Ho Nam

Prepared, 28 March 2018

**On behalf of Executive Board
General Directors**

Nguyen Thanh Hung

No: /BCKT/TC/2017/AASCS

INDEPENDENT AUDITOR'S REPORT

**To: The shareholders,
The Board of Directors and Management,
Transport and Industry Development Investment JSC and its subsidiaries**

We have audited the accompanying consolidated financial statements of Transport and Industry Development Investment Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as prepared on 26 February 2018 and set out on pages 75 to 125, which comprise the consolidated balance sheet as at 31 December 2017, the consolidated statements of income and cash flow for the year then ended the explanatory notes thereto.

MANAGEMENT'S RESPONSIBILITY

The Company's Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable financial reporting, and for such internal control as management determines necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit according to 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 Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

AUDIT OPINION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects of the consolidated financial position of the Group as at 31 December 2017, and of the consolidated results of operations and its consolidated cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable financial reporting.

Ho Chi Minh City, 28 March 2018

**Southern Auditing and Accounting
Financial Consulting Services Co., Ltd**

Deputy General Director



Đỗ Khắc Thanh

Audit Practicing Registration Certificate
No. 0064-2018-142-1

Auditor

Nguyen Vu

Audit Practicing Registration Certificate
No. 0699-2018-142-1

CONSOLIDATED BALANCE SHEET

for the year ended 31 December 2017

Unit: VND

Items	Code	Notes	Ending balance	Beginning balance
A. SHORT-TERM ASSETS	100		807,298,974,303	871,685,249,408
I. Cash and cash equivalents	110	V.01	86,352,318,031	42,778,072,651
1. Cash	111		39,052,318,031	42,778,072,651
2. Cash equivalents	112		47,300,000,000	
II. Short-term investments	120	V.03	29,200,848,579	226,505,209,690
1. Trading securities	121		951,748,890	201,956,748,890
2. Provisions for decline in value of trading securities (*)	122		(251,539,200)	(251,539,200)
3. Held to maturity investments	123		28,500,638,889	24,800,000,000
III. Short-term receivables	130		554,598,280,212	546,284,083,972
1. Short-term trade receivables	131	V.02	380,274,445,120	491,646,156,196
2. Short-term advances to suppliers	132		29,208,908,163	21,251,578,732
5. Short – term receivables from loan	135		7,500,000,000	-
6. Other short-term receivables	136	V.04	160,871,069,831	56,262,152,511
7. Short-term provisions for doubtful debts (*)	137	V.05	(23,678,875,159)	(23,239,771,822)
8. Shortage of assets awaiting resolution	139		422,732,257	363,968,355
IV. Inventory	140	V.06	119,608,707,844	54,834,591,704
1. Inventories	141		119,685,461,044	54,911,344,904
2. Provisions for decline in value of inventories (*)	149		(76,753,200)	(76,753,200)
V. Other current assets	150		17,538,819,637	1,283,291,391
1. Short-term prepaid expenses	151	V.10	16,362,382,585	164,907,230
2. Value-added tax deductibles	152		78,738,146	71,011
3. Taxes and other receivables from the State	153	V.12	1,097,698,906	1,118,313,150

B. LONG-TERM ASSETS	200	346,142,158,742	1,577,655,358,345
I. Long-term trade receivables	210	1,360,000,000	1,360,000,000
6. Other long-term receivables	216	V.04	1,360,000,000
II. Fixed assets	220	57,755,839,230	60,222,868,745
1. Tangible fixed assets	221	V.07	60,029,868,738
- <i>Historical cost</i>	222		112,971,378,532
- <i>Accumulated depreciation (*)</i>	223		(52,941,509,794)
3. Intangible fixed assets	227	V.08	193,000,007
- <i>Historical cost</i>	228		339,622,500
- <i>Accumulated amortisation (*)</i>	229		(146,622,493)
III. Investment property	230	-	-
IV. Long-term asset in progress	240	V.09	1,857,006,857
1. Long-term work in progress	241		-
2. Construction in progress	242		2,969,298,814
V. Long-term investment	250	V.03	1,502,393,470,212
1. Investments in subsidiaries	251		-
2. Investments in joint ventures and affiliates	252		62,093,470,212
3. Investments in equity of other entities	253		1,441,442,024,025
4. Provisions for long-term investments (*)	254		(1,142,024,025)
VI. Other long-term assets	260	12,747,933,380	10,709,720,574
1. Long-term prepaid expenses	261	V.10	10,709,720,574
TOTAL ASSETS	270	1,153,441,133,045	2,449,340,607,753

Items	Code	Notes	Ending balance	Beginning balance
C. LIABILITIES	300		719,890,634,015	2,066,531,077,891
I. Short-term liabilities	310		641,792,847,455	322,439,434,611
1. Short-term trade payables	311	V.11	261,728,645,272	41,403,003,320
2. Short-term advances from customers	312		14,776,948,315	18,701,591,847
3. Taxes and other payables to the State	313	V.12	36,378,193,907	24,548,690,031
4. Payables to employees	314		7,476,255,546	6,647,634,567
5. Short-term accrued expenses	315	V.13	5,365,993,101	13,486,814,330
9. Other short-term payments	319	V.14	147,811,978,099	90,806,080,778
10. Short-term borrowings and finance lease liabilities	320	V.15	157,288,772,054	119,591,216,109
12. Bonus and welfare funds	322		10,966,061,161	7,254,403,629
II. Long-term liabilities	330		78,097,786,560	1,744,091,643,280
1. Long-term trade payables	331		-	-
2. Long-term prepayments from customers	332		-	-
7. Other long-term payables	337	V.14	73,597,786,560	1,736,591,643,280
8. Long-term borrowings and finance lease liabilities	338	V.15	4,500,000,000	7,500,000,000
9. Convertible bonds	339		-	-
10. Preference shares	340		-	-
11. Deferred income tax payables	341		-	-
D. OWNER'S EQUITY	400		433,550,499,030	382,809,529,862
I. Owner's equity	410	V.16	433,550,499,030	382,809,529,862
1. Contributed capital	411		344,340,340,000	324,850,000,000
- Ordinary shares with voting rights	411a		344,340,340,000	324,850,000,000
- Preference shares	411b		-	-
2. Capital surplus	412		-	-
4. Other capital	414		-	917,191,749
5. Treasury shares (*)	415		-	-

8. Development and investment funds	418	584,650,517	584,650,517
9. Enterprise reorganization assistance fund	419	-	-
10. Other equity funds	420	917,191,749	38,247,042,142
11. Undistributed profit after tax	421	67,535,995,771	2,060,851,075
- Undistributed earnings by end of previous years	421a	3,661,032,941	36,186,191,067
- Undistributed earnings of current year	421b	63,874,962,830	18,210,645,454
13. Non-controlling interest	429	20,172,320,993	-
II. Funding sources and other funds	430	-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440	1,153,441,133,045	2,449,340,607,753

Preparer



Nguyen Van Bac

Chief Accountant



Nguyen Hoa Bac

Ho Chi Minh City 26 February 2018

General Director



Nguyen Thanh Hung

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2017

Unit: VND

Items	Code	Notes	Current year	Previous year
1. Gross revenues from sale of goods and rendering of services	01	VI.01	1,095,934,111,234	833,348,387,608
2. Revenue deductions	02		33,672,980	1,526,085,588
3. Net revenues from sale of goods and rendering of services	10		1,095,900,438,254	831,822,302,020
4. Costs of goods sold	11	VI.02	921,005,080,486	681,080,009,145
5. Gross profit from sale of goods and rendering of services	20		174,895,357,768	150,742,292,875
6. Financial income	21	VI.03	159,090,153,485	98,713,259,092
7. Financial expenses	22	VI.04	148,184,459,039	101,072,960,336
+ In which: Interest expenses	23		10,537,958,581	5,262,598,097
8. Share of profit (loss) of affiliates	24		991,459,062	222,667,434
9. Selling expenses	25	VI.05	53,458,264,905	43,618,095,340
10. General administration expenses	26	VI.05	41,342,536,776	33,045,635,569
11. Operating profit	30		91,991,709,595	71,941,528,156
12. Other income	31	VI.06	2,128,264,248	1,860,880,285
13. Other expenses	32	VI.07	2,751,859,496	443,680,860
14. Other profits	40		(623,595,248)	1,417,199,425
15. Total net (accounting) profit before tax	50		91,368,114,347	73,358,727,581
16. Current corporate income tax expenses	51	VI.09	16,419,861,970	14,432,946,075
17. Deferred corporate income tax expenses	52			(1,302,430,295)
18. Net profit after tax	60		74,948,252,377	60,228,211,801
19. Net profit after tax attributable to shareholders of the parent	61		56,389,533,781	32,450,316,115
20. Net profit after tax attributable to non-controlling interest	62		18,558,718,596	27,777,895,686
21. Basic earnings per share	70	VI.10	1,698	1,229
22. Diluted earnings per share	71	VI.11	1,698	1,229

Ho Chi Minh City 26 February 2018

Preparer



Nguyen Van Bac

Chief Accountant



Nguyen Hoa Bac

General Director



Nguyen Thanh Hung

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

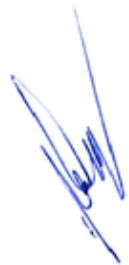
for the year ended 31 December 2017

Unit: VND

Items	Code	Current year	Previous year
I. Cash flows from operating activities			
1. Profit before tax	01	91,368,114,347	73,358,727,581
2. Adjustments for			
- Depreciation and amortisation of fixed assets and investment properties	02	16,297,858,168	9,937,780,358
- Provisions	03	439,103,337	339,692,771
- Losses (gains) on exchange rate differences from revaluation of accounts derived from foreign currencies	04	215,311,598	818,409,157
- Losses (gains) on investing activities	05	(157,816,125,738)	(3,993,566,766)
- Interest expenses	06	10,537,958,581	5,262,598,097
- Other adjustments	07	-	-
3. Operating profit before changes in working capital	08	(38,957,779,707)	85,723,641,198
- Decrease (increase) in receivables	09	64,139,595,675	(430,070,552,817)
- Decrease (increase) in inventories	10	(64,774,116,140)	(25,327,014,327)
- Decrease (increase) in payables (exclusive of interest payables, corporate income tax payables)	11	(1,379,052,575,921)	1,820,352,502,512
- Decrease (increase) in prepaid expenses	12	(18,235,688,161)	(310,375,471)
- Decrease (increase) in trading securities	13	201,005,000,000	(201,005,000,000)
- Interest paid	14	(9,153,665,673)	(5,101,999,771)
- Corporate income tax paid	15	(12,751,342,152)	(9,931,614,518)
- Other receipts from operating activities	16	200,000,000	750,000,000
- Other payments on operating activities	17	(11,251,558,455)	(9,245,634,428)
Net cash flows from operating activities	20	(1,268,832,130,534)	1,225,833,952,378

II. Cash flows from investing activities			
1. Purchase or construction of fixed assets and other long-term assets	21	(15,435,441,796)	(41,904,007,326)
2. Proceeds from disposals of fixed assets and other long-term assets	22	518,181,818	780,779,091
3. Loans and purchase of debt instruments from other entities	23	(15,600,000,000)	(23,200,000,000)
4. Collection of loans and repurchase of debt instruments of other entities	24	5,300,000,000	-
5. Equity investments in other entities	25	(201,551,250,000)	(1,469,016,000,000)
6. Proceeds from equity investment in other entities	26	1,358,070,667,468	
7. Interest and dividend received	27	162,422,751,069	15,640,352,221
Net cash flows from investing activities	30	1,293,724,908,559	(1,517,698,876,014)
III. Cash flows from financial activities			
1. Proceeds from issuance of shares and receipt of contributed capital	31	3,000,000,000	244,718,000,000
3. Proceeds from borrowings	33	302,187,144,816	120,764,116,223
4. Repayment of principal	34	(267,489,588,871)	(3,500,000,000)
5. Repayment of financial principal	35	-	-
6. Dividends or profits paid to owners	36	(19,016,088,590)	(45,736,889,737)
Net cash flows from financial activities	40	18,681,467,355	316,245,226,486
Net cash flows during the fiscal year	50	43,574,245,380	24,380,302,850
Cash and cash equivalents at the beginning of fiscal year	60	42,778,072,651	18,389,079,072
Impact of exchange rate fluctuations	61		8,690,729
Cash and cash equivalents at the end of fiscal year	70	86,352,318,031	42,778,072,651

Preparer



Nguyen Van Bac

Chief Accountant



Nguyen Hoa Bac

General Director



Nguyen Thanh Hung

Ho Chi Minh City 26 February 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2017 and for the year then ended

I. THE COMPANY'S INFORMATION

1. OWNERSHIP STRUCTURE

Transport and Industry Development Investment JSC is incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 0300482393 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City, which were 1st amended on 25 May 2007 and 12th amended on 19 October 2017.

Charter capital of the Company under the Business Registration Certificate:	VND 344,340,340,000
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Contributed capital of the Company as at 31 December 2017:	VND 344,340,340,000
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The head office is located at 89 Cach Mang Thang Tam Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

2. CORE BUSINESS (BUSINESS FIELD)

Manufacturing, trading, services.

3. PRINCIPAL ACTIVITIES (BUSINESS LINES)

Construction of utility projects, Construction of other civil engineering projects, Wholesale of metals and metal ores, Educational support services, Real estate activities with own or leased property, Other land transport of passenger, Wholesale of electronic and telecommunications equipment and supplies, Quarrying of stone, sand and clay, Manufacture of clay building materials.

4. NORMAL OPERATING CYCLE

Normal operating cycle of the Company and its Subsidiaries is within 12 months.

5. CHARACTERISTICS OF THE BUSINESS ACTIVITIES IN THE FISCAL YEAR THAT AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS

6. GROUP STRUCTURE

As at 31 December 2017, Transport and Industry Development Investment JSC had 02 (four) subsidiaries and 04 (four) affiliates and 01 (one) branch as follows:

a. Subsidiaries

Name	Location	% ownership/ voting rights	% benefit
An Giang Building Material Exploiting and Processing Co., Ltd (ANTRACO)	Lo Reng Village, Chau Lang Commune, Tri Ton District, An Giang Province.	51.0%	51.0%
TRACODI Labour Joint Stock Company	89 Cach Mang Thang Tam Street, Ben Thanh Ward, District 1, HCM City.	70.0%	70.0%

b. Affiliates

Name	Location	% ownership/ voting rights	% benefit
Công ty Taxi Việt Nam (VinaTaxi)	Lot IV - 15B Street No. 4, Tan Binh Industrial Zone, Tay Thanh Ward, Tan Phu District, HCM City.	30.0%	30.0%
Tracodi Invest JSC	89 Cach Mang Thang Tam Street, Ben Thanh Ward, District 1, HCM City.	44.0%	44.0%
Tracodi Services JSC	L14-08B, Vincom Tower, 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	29.0%	29.0%
Vinacafe Producing Trading Fertilizer JSC	Lot D9-10 EaĐar Industrial Complex, Eakar District, Dac lak.	35.0%	35.0%

c. Branch

Name	Location
Transport and Industry Development Investment JSC – Da Nang Branch	24 Ton Duc Thang street, Hoa Minh Ward, Lien Chieu District, Da nang City.

The Board of Directors of TRACODI has decided to shut down TRACODI Branch in Ha Noi under the Resolution No. 37/2017/QĐ-HĐQT on August 28, 2017.

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. ACCOUNTING PERIOD

The annual accounting period of the Group is from 01 January to 31 December.

2. ACCOUNTING CURRENCY

The Group's accounting currency is Vietnam Dong ("VND"), which is also the currency used for consolidated financial statement presentation purpose.

III. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

1. ACCOUNTING SYSTEM

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for enterprises and the relevant statutory requirement applicable to financial reporting under Circular no.200/2014/TT-BTC dated December 22, 2014 by Ministry of Finance.

2. DECLARATION OF ADHERENCE TO ACCOUNTING STANDARDS AND SYSTEM

The Company applies Vietnamese Accounting Standards and supplement documents issued by the State. The consolidated financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. CASH AND CASH EQUIVALENTS

a. Cash

Cash includes: cash on hand, cash in bank under current account and cash in transit.

b. Cash equivalents

Cash equivalents comprise highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value from the date of purchase to the date of the consolidated financial statements.

c. Other currencies convert

Transactions in foreign currencies shall be tracked in original currency and converted into Vietnam Dong which are determined as follows:

- Transactions resulting in receivables are applied at the actual exchange rate;
- Transactions resulting in payables are applied the weighted average exchange rate.

Bank overdraft shall be considered as bank loans.

At the reporting date, monetary balance denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly. Foreign currencies deposited in the banks are translated at the actual transaction exchange rate at buying exchange rates of the commercial banks that process these payments.
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

2. FINANCIAL INVESTMENT

Financial investment is the outside investments with purpose to use capital reasonably and improve efficiency of business operations such as investments in subsidiaries, joint ventures, cooperation, investment in securities and other financial investments ...

For the preparation of financial statements, the financial investment must be classified as below:

- Having maturity less than 12 months or 01 normal production period are recorded as short-term.
- Having maturity over than 12 months or 01 normal production period are recorded as long-term.

a. Trading securities

Trading securities are the investment in securities and other financial instruments for trading purposes (hold for increasing price to sell for profit.) Trading securities include:

- Stocks and listed bonds;
- The securities and other financial instruments such as commercial bill, forward contracts, swap contracts.

Trading securities are recorded at original cost at the time when investors hold ownership.

The dividends paid in the period before investment date shall be recorded as a decrease in value of investment. When the investor receives additional shares without payment to issuer from capital surplus shares, capital expenditure funds or dividends in shares, the investors only monitor the quantity of additional shares.

In case shares are exchanged, its value must be determined according to fair value at the exchanging date.

The cost shall be determined in accordance with weighted average method when trading securities are liquidated or transferred.

Provisions for decline in trading securities value: the value of loss may occur if there are reliable evidences showing the market value of the Company's trading securities are lower than book value. The provision shall be additionally created or reverted at the reporting date and shall be recorded as financial expense.

b. Held-to-maturity investments

These investments do not reflect bonds and debt instruments which are held for trading purpose. Held to maturity investments include term deposits (maturity over than 3 months), treasury bills, promissory notes, bonds, share premium which the issuer is required to re-buy them in a certain time and held to maturity loans to earn profits periodically and other held to maturity investments.

Provision for decline in held to maturity investment value: if held to maturity investments are doubtful of being recovered, the provision needs be created at the reporting time. The provision or reversal is made at the reporting date and is recorded as general administration expenses in the fiscal year.

If the provision of held to maturity investment are not created under statutory regulations, the Company has to assess the recovery. In the case, there are reliable evidences showing a part or all of the investments may not be recoverable, the losses have recorded as financial expenses in the period. The provision shall be additionally created or reverted at the reporting time. In case, the loss cannot be determined reliably, investments are not decreased and the recovery of the investments are recorded in the Notes to the Consolidated Financial Statements.

c. Investments in subsidiaries, joint ventures and affiliates

Investments in subsidiaries and associates are stated at original cost. Distributions from accumulated net profits from subsidiaries and affiliates arising after the date of acquisition are recognized in the financial income. Other distributions (except net profits) are considered a recovery of investments and are deducted to the cost of the investment.

The Company applies accounting regulations on jointly controlled operations and jointly controlled assets as on normal business activities. In which:

- Monitoring incomes, expenses of joint ventures separately and allocated to parties of joint ventures;
- Monitoring contributed assets, contributed capital, liabilities separately in the joint ventures arising from operating joint venture.

Expenses directly related to investment activities in joint ventures and affiliates have been recorded as financial expense in the period.

Provision for investment losses in other units: losses of subsidiaries, joint ventures, affiliates have led to loss of capital or provision of investors by declining investment value. The provision is created or reverted at the reporting date for each investment and are recorded as financial expenses in the period.

d. Investment in equity of other entities

Investment in equity of other entities are the investments in equity instruments of other entities but the Company does not control or influence significantly to the invested entities.

3. TRADE AND OTHER RECEIVABLES

All receivables must be recorded in details by aging, by each client and in original currency if any and others details depending on the management request of the company.

The classification of receivables must be managed as below:

- Having maturity less than 12 months or 01 normal production period are recorded as short-term.
- Having maturity over than 12 months or 01 normal production period are recorded as long-term.

At the reporting date, the company revaluates the receivables which have balance in foreign currency (except for advance to suppliers; if we have evidence that the supplier will not supply the good or provide the service and the company will receive back this advance in foreign currency, this advance will be treated as monetary item having foreign currency) at the buying price quoted by commercial bank which is trading with the company at the reporting date.

Provisions for doubtful debts: The doubtful debts are make provision at the balance sheet date. The provision or reversal is made at the reporting date and is recorded as management expense of the fiscal year. For the long-term bad debts which are doubtful of being recovered and there is evidence that the client is unable to pay back, the company may sell these long-term bad debts to debt collection company or write off (according to regulations and charter of the company).

4. INVENTORIES

a. Recognition basis

Inventories are stated at original cost. Where the net realizable value is lower than cost, inventories should be measured at the net realizable value. The cost of inventories should comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The assets are purchased for the production, use or sale are not presented in this item but are presented in item "Long-term equipment" in the Consolidated Balance Sheet, including:

- Unfinished products with production and rotation lead time exceeding a normal operating cycle;
- Supplies, equipment and spare parts for replacement which reserved period are more than 12 months or more than an ordinary cycle of business operation.

b. Cost determination of inventories

Cost of inventories are determined in accordance with method: weighted average basis.

c. Record method of inventories

The perpetual method is used to record inventories.

d. Provisions for decline inventory value

In the end of accounting year, if inventories do not recover enough at its historical value because of damage, obsolescence, reduction of selling price. In this case, the provision for inventories is recognized. The provision for decline in value of inventories created is the difference between the historical value of inventories and its net realizable value.

5. TANGIBLE AND INTANGIBLE FIXED ASSETS, FINANCIAL LEASE, INVESTMENT PROPERTIES

Fixed assets are stated at the historical cost. During the using time, fixed assets are recorded at cost, accumulated depreciation and net book value.

Historical cost of finance lease fixed assets is recognized at the fair value of the leased property or the present value of the minimum lease payment (in case the fair value is higher than the present value of the minimum lease payment) plus the initial costs directly related to the initial operation of financial leasing. If input VAT is depreciated, the present value of the minimum lease payment excludes input VAT.

During the operation, the depreciation is recorded as depreciation expense for using assets. Intangible fixed assets which are termed land use rights are depreciated.

Investment properties held for waiting increase of price do not have depreciation, but only loss for devaluation.

Depreciation is provided on a straight-line basis. The useful life is estimated in accordance with guidance in Circular No. 45/2013/TT-BTC on 25 April 2013 and Circular No. 147/2016/TT-BTC on 13 October 2016 issued by the Ministry of Finance as follows:

	Estimated depreciation by years
- Buildings	05 – 20
- Transportation equipment	05 – 10
- Machinery, equipment	05 – 10
- Office equipment	03 – 05
- Other fixed assets	03 – 06
- Software	03 – 05

6. BUSINESS COOPERATION CONTRACT

Business cooperation contract (BCC) is agreement between two or more parties in order to carry out specific business activities, but it does not require establishment of a new legal entity. In any cases, when receiving money or assets from other entities in the form of BCC, they should be recorded to liabilities, not be recorded to owner's equity. BCC in the forms as follows:

- BCC in the form of jointly controlled assets;
- BCC in the form of jointly controlled operations;
- BCC in the form of shares of profit after tax.

7. DEFERRED CORPORATE INCOME TAX EXPENSES

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates at the balance sheet date.

8. PREPAID EXPENSES

The calculation and allocation of prepaid expenses to expenses by each accounting period based on the nature, level of each prepaid expense to determine the allocation method properly and consistently.

Prepaid expenses are recorded separately: incurred, allocated amount to its cost center and carried amount.

Prepaid expenses are classified as follows:

- Prepaid expense related to purchase or service less than 12 months or 01 normal production period, from incurred date, are recorded as short-term.
- Prepaid expense related to purchase or service over than 12 months or 01 normal production period, from incurred date, are recorded as long-term.

9. TRADE AND OTHER PAYABLES

All payables must be recorded in details by aging, by each client and in original currency if any and others details depending on the management request of the company.

For the preparation of financial statements, the payables must be classified as below:

- Having maturity less than 12 months or 01 normal production period are recorded as short-term.
- Having maturity over than 12 months or 01 normal production period are recorded as long-term.

At the reporting date, the Company revaluates the payables which have balance in foreign currency (except for advance from clients; if we have evidence that the supplier will not supply the good or provide the service and the company will receive back this advance in foreign currency, this advance will be treated as monetary item having foreign currency) at the buying price quoted by commercial bank which is trading with the Company at the reporting date.

10. BORROWINGS AND CAPITALIZATION OF BORROWING COSTS

Loans in the form of issuance of bonds or preference/premium shares with preferential terms required the issuer to repurchase at a certain time in the future shall not be reflected on this item. Loans, debts should be monitored in details for each entity, each contract and each type of loan assets. The financial lease liabilities are stated at present value of minimum lease payment or the fair value of the lease assets.

For the preparation of the consolidated financial statements, the loans and finance lease liabilities must be classified as follows:

- Having maturity less than 12 months or 01 normal production period are recorded as short-term.
- Having maturity over than 12 months or 01 normal production period are recorded as long-term.

For the preparation of the consolidated financial statements, the Company revaluates the loans and finance lease liabilities which have balance in foreign currency at the selling price quoted by commercial bank which is trading with the Company at the reporting date.

Borrowing costs are recognized as financial expenses, except in case where the borrowings cost directly attribute to the acquisition or work in progress is calculated to value of assets (capitalized), when all the conditions are in accordance with Vietnam Accounting System for "Borrowing costs".

11. ACCRUED EXPENSES

Payables for purchase, services received from suppliers but not yet paid due to lack of supporting documents and payables to employee are allowed to record as expense to match the matching concept between revenue and expense. The accrual must be calculated carefully and in accompany with proper evidence. When these expenses arising, if there is any difference with the amount charged, the difference will be recorded or the cost will be decreased equivalent to the difference.

12. OWNER'S EQUITY

a. Contributed capital, capital surplus, conversion options on convertible bonds, other capital

Capital contribution is stated at actually contributed capital of owners and recorded by each individual, organization.

When capital of the investment license is determined in foreign currency, the determination of the investors shall be based on the actual amount of foreign currencies which they contribute.

Contributed capital in assets must be recorded in revaluation of assets which shareholders approved. Intangible assets such as brand, trademark, trade name, right of exploitation, development projects ... shall only be recorded as capital if relevant law allows.

For joint-stock company, contributed capital of the shareholders is recorded according to actual price of stock issuance, but it is reflected in two separate items:

- Contributions from owners are recorded at par value of the shares;
- Capital surplus is recognized by the greater than or less than difference between the actual price of issue of shares and par value.

Other capital: to reflect operation capital which set up additionally from the result of the operating results or given as gifts, presents, asset revaluation (under the current regulations).

b. Undistributed earnings

Undistributed earnings is the profit of business operations after deduction (-) regulated items due to applying a change in accounting retrospectively or to make a retrospective restatement to correct materiality in previous year.

Profit distribution must be complied with the current financial policies.

Parent Company distribute profit to owners which shall not exceed the undistributed post-tax profits on the consolidated financial statements, including the impact of any gain recognized from the transaction by cheap purchase. In case undistributed post-tax profits in the consolidated financial statements is higher than its financial statements of the the parent company, the parent company make distribution after transferring profits from subsidiary companies to the parent companies.

Profit distribution should take account of non-monetary items in undistributed post-tax profits that may affect cash flows and the dividend payment ability of the Company.

13. REVENUE

a. Revenue from sale of goods

Revenue from sale of goods should be recognized when all the following conditions have been satisfied:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- The Company retains neither continuing managerial involvement as a neither owner nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction of goods sold have flown or will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably. Capital contribution is stated at actually contributed capital of owners and recorded by each individual, organization.

b. Revenue from rendering of services

Revenue from rendering of services should be recognized when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

c. Financial income

Financial income includes interest, gain on exchange rate difference, dividends... and other income of financial activities.

For interest earned from loans, deferred payment, installment payment: income is recognized when earned and original loans, principal receivables are not classified as overdue that need provision. Dividend is recognized when the right to receive dividend is established.

d. Turnovers of construction contract

Revenue from construction contracts are recognized in one of the two following cases:

- The construction contract defines that the contractor shall be entitled to payment basing on the progress: when the result of construction contract are estimated reliably, turnover from the construction contract is recorded proportionally to part of finished volume which was determined by contractors at the reporting time;
- The construction contract defines that the contractor shall be entitled to payment basing on finished volume: when the result of construction contract is estimated reliably, turnover from the construction contract is recorded proportionally to part of finished volume which was approved by customer.

When the result of the construction contract cannot be estimated reliably, turnover from the construction contract recognized corresponding to the incurred costs that the reimbursement is relatively certain.

e. Other income

Other income includes income from other activities: disposal of asset; penalty receipt, compensation, collection of bad debt which was write off, unknown payables, gift in cash or non-cash form...

14. REVENUE DEDUCTIONS

The decrease adjustment of revenue shall be as follows:

- The decrease adjustment of revenue in the incurring period if revenue deductions incurred in the same period of consumption of products, goods and services;
- The decrease adjustment of revenue as follows if revenue deductions incurred in the next period of consumption of products, goods and services:
 - + Record a decrease in revenue on the current financial statements if the revenue deductions incurred before reporting date;
 - + Record a decrease in revenue on the next financial statements if the revenue deductions incurred after reporting date; Capital contribution is stated at actually contributed capital of owners and recorded by each individual, organization.

Trade discount is the discount for customers whom bought large quantity of goods.

Sales rebate is the deduction to the buyer because products, goods are bad, degraded or improper as prescribed in contract.

Sales return are reflected the value of the products, goods which customer returns due to causes such as violations of economic contracts, bad, degraded, wrong category or improper goods.

15. COSTS OF SALES

Cost of goods sold includes cost of finished goods, trade goods, services, property, construction unit sold in the production period and expense related to real estate activities...

Damaged or lost value is allowed to record to cost of goods sold after deduction of compensation (if any).

For the used material over the normal production capacity, labor and general production cost is not allowed to record to production cost but allowed to record to cost of goods sold after deduction of compensation (if any), even these finished goods are not sold.

16. FINANCIAL EXPENSES

Items recorded into financial expenses consist of: expense or loss related to financial investment; lending and borrowing expense; expense related to investment to joint venture, associates; loss from share transfer; provision of share decrease or investment; loss on trading foreign currency, ...

17. SELLING AND GENERAL ADMINISTRATION EXPENSES

Selling expense is recorded in the period of selling finished goods, trade goods and providing service.

Administrative expense reflects the general expense of the company, including: labor cost; social and health insurance, unemployment fund, union cost of management employee; office material expense, tools, depreciation of assets using for management; land rental, business license tax; bad debt provision; outsourcing expense and other cash expenses...

18. CURRENT AND DEFERRED INCOME TAX EXPENSE

Current income tax expense is calculated basing on taxable profit and income tax rate applied in the current year.

Deferred income tax expense is the corporate income tax will be paid in future resulted from:

- Record of deferred tax payable during the year;
- Revert of deferred tax assets was recorded in previous years.

19. RELATED PARTIES

The party is considered as related party if one party has capacity to control or has significant impact to other party in the decision of financial and operation activities. All parties are recognized as related parties if having the same control or significant impact.

In the review of related parties, nature of the relationship is considered more than legal form.

20. FINANCIAL INSTRUMENTS

a. Financial assets

According to the Circular No. 210, the Company classify financial assets as below:

- Financial assets which are classified at fair value through the Income Statement are the financial assets held for trading or are classified at fair value group the result of the Income statement at the initial recognition;
- Held-to-maturity investments are the non-derivative financial assets, including fixed or with determined payments, and fixed maturity which the company has to be willing and able to hold till maturity date;
- Loans and receivables are the non-derivative financial assets, including fixed or with determined payments, and non-listed in a listed market;
- Financial assets available for sale are the non-derivative financial assets which are determined as available for sale or not classified in any of the other categories. These assets are measured at fair value through the Income statement, including held-to-maturity investment, loans and receivables.

The classification of financial assets depends on the purpose and nature of the financial assets and is determined at the initial recognition.

The financial assets of the Company include cash and short-term deposits, accounts receivable, other receivables, loans and listed and non-listed financial instruments.

These financial assets are recognized at the acquisition date and not recognized at the date of sale. All financial assets are recognized initially at cost plus directly attributable transaction costs.

b. Financial liabilities and owner's equity instruments

Financial Instruments are classified as Financial Liabilities or owner's equity instruments at the initial recognition and accordingly with its nature and definition.

According to the Circular No. 210, the Company classify financial liabilities as below:

The classification of financial liabilities depends on the purpose and nature of the financial assets and is determined at initial recognition.

The financial liabilities of the company include account payables, other payables, borrowings and debts.

The classification of financial liabilities depends on the purpose and nature of the financial assets and is determined at the initial recognition.

Owner's equity instruments: A contract demonstrates the remaining value of company's assets after deducting all obligations.

Offsetting of financial instruments: Financial assets and financial liabilities are offset with each other and the net amount presented in the Balance Sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

21. ACCOUNTING PRINCIPLES AND METHODS OF PRESENTING THE CONSOLIDATED FINANCIAL STATEMENTS

a. Accounting methods for business combination transactions through once bought

In the consolidated balance sheet, the carrying amount of the investment of the parent company in a subsidiary and the parent company's ownership in the fair value of net assets of subsidiaries at date of acquisition must be eliminated completely, the following principles:

- Parent Company shall recognize assets and liabilities of the subsidiary according to the fair value at the acquisition date;
- The parent company must recognize private share of uncontrolled shareholders in the difference between fair value and book value of net assets of subsidiaries at the acquisition date.
- The parent company recorded deferred tax payable for assets, liabilities of the subsidiaries have a higher fair value book value; Recognition of deferred tax assets for assets, liabilities of the subsidiaries with fair value less than the book value;

Goodwill or gains from transactions in buying cheap subsidiaries (if any) were recorded simultaneously while eliminating investments in the parent company's subsidiaries.

b. Method recognized interests of non-controlling shareholders

In the consolidated balance sheet, Shareholder's benefit uncontrolled in the fair value of net assets of subsidiaries identify and present as a separate indicator in the equity

The losses in the subsidiary must be divided in proportion to the ownership of non-controlling shareholders, including the case that the larger the ownership of non-controlling shareholders in subsidiary net assets.

In consolidated income statement, Shareholder's benefit uncontrolled identify and present separately under "Profit after tax of non-controlling shareholders." Shareholder Benefits uncontrolled determined based on the percentage of Shareholder's benefit uncontrolled and profit after tax corporate income of subsidiaries. Income of non-controlling shareholders in the results of operations of subsidiaries are reflected under "Profit after tax of non-controlling shareholders - Code 62".

At ending period, when determining the value of shareholder's benefit uncontrolled to eliminate the impact of:

- Preferred dividends payable;
- Bonus and welfare funds must be set up during the period.

In addition to the above, shareholder's benefit uncontrolled also affected by other internal transactions.

c. Accounting methods of recognizing profit and loss when there is a change ownership percentage at subsidiaries.

If after controlling subsidiary, if the parent company continues to invest in subsidiaries to increase holding rate, the difference between the cost of additional investments and the book value of net assets subsidiary must be recognized in profit after tax retained and view as equity transactions (not recorded as goodwill or gains from cheap buying). In this case, the parent company does not make the recognition of the net assets of the subsidiary under the fair value as at the time of controlling subsidiaries.

In the business combination transaction via multiple stages, before adjusting investments of the parent company and its subsidiaries, the accounting must make some adjustments to the cost of the parent company's investments on the consolidated financial statements.

d. Methods of adjusting internal transactions

- Adjusting the influence of selling inventory transactions in the internal

In the consolidated financial statements, revenue and cost of goods consumed within the group should be eliminated entirely. Unrealized profits from sales transactions is reflected in the value of inventories should be eliminated completely.

- Adjusting other internal items

The balance of asset and liability items arise from transactions between entities within the Group, such as receivables, payables, unrealized revenue, upfront costs ... must be completely excluded when preparing consolidated financial statements.

Revenues, income, cost, expense arise from other transactions within the group, such as income from financial activities and financial costs arise from the revaluation of cash items denominated in foreign currencies, revenue for rent, service providers ... within the consortium should be eliminated completely.

e. Goodwill

Goodwill arises from the acquisition of subsidiaries, joint ventures and associates. Goodwill is determined at original cost subtracting accumulated amortization. Original cost of goodwill is the difference between the cost of investments and the fair value of the net assets may be identified by the subsidiary at the date of acquisition by the parent company holding (parent company holding time keep control of subsidiaries).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FY2017

V. NOTES TO FINANCIAL STATEMENT

Unit: VND

1. CASH AND CASH EQUIVALENTS

	31 December 2017	01 January 2017
- Cash on hand	2,438,073,406	469,192,324
- Cash in banks	36,614,244,625	42,308,880,327
VND	36,376,968,087	41,629,305,731
Foreign currencies	237,276,538	679,574,596
- Cash in transit	-	-
- Cash equivalents (*)	47,300,000,000	-
Total	86,352,318,031	42,778,072,651

Notes:

(*) Cash equivalents represent term deposits with maturity terms of less than three (3) months at BIDV - Ba Chieu Branch, và Tien phong Bank- Ben Thành Branch. The cash equivalents were pledged as collateral for loans BIDV - Ba Chieu Branch, và Tien phong Bank - Ben Thanh Branch (Note V.15).

2. TRADE RECEIVABLES

	31 December 2017	01 January 2017
a. Short-term trade receivables	380,274,445,120	491,646,156,196
- Thang Phuong Co., Ltd	34,714,414,754	355,599,064,754
- Green Solution Joint Stock Company	47,214,917,778	
- Vietnam Paper Corporation	10,451,263,522	10,451,263,522
- Bang Duong Investment Building Trading Co., Ltd		16,221,913,962
- Thanh Vu Tay Ninh Joint Stock Company	72,563,482,944	13,439,565,885
- HCM Lott 68 Joint Stock Company	15,606,513,819	
- Nguyen Ho Zdu		37,500,000,000
- Le Thi Thanh Thuy		10,000,000,000
- Tracodi Service Joint Stock Company	40,324,242,859	
- Chu Viet Hung	806,540,535	
- Nguyen Nhu Huong	4,717,784,725	
- Bao Minh Tien Trading Service Co., Ltd	7,932,732,500	
- Fujisan Co., Ltd	80,242,080,000	
- Chi Thuy Service Joint Stock Company	1,931,529,600	

- Soc Trang Traffic Construction Joint Stock Company	1,480,437,925	
- Viet Nam Construction and Investment Consulting Joint Stock Company	6,751,737,630	
- Le Thanh Construction Investment Joint Stock Company	6,086,650,500	
- Nam Dia Tan - HCM Co., Ltd	2,935,641,790	
- Six Four Seven Aeronautics Project Construction Joint Stock Company	1,235,437,300	
- An Giang Contruction Bridge and Road Co., Ltd	2,099,832,136	
- Thien Thien Phuc Building Material Service Trading Co., Ltd	1,390,271,300	
- PACIFIC Investment JSC	1,882,693,538	
- Le Thanh Construction Investment Joint Stock Company		
- Others	39,906,239,965	48,434,348,073

b. LONG – TERM TRADE RECEIVABLES

c. RECEIABLES FROM RELATED PARTIES

- Thanh Vu Tay Ninh Joint Stock Company	72,563,482,944	13,439,565,885
- Tracodi Service Joint Stock Company	40,324,242,859	
- Vinacafe Producing Tranding Fertilizer Joint Stock Company	65,100,000	
- HCM Lott 68 Joint Stock Company	15,606,513,819	
- Casa Marina Resort Travel Co., Ltd	273,946,378	

3. FINANCIAL ASSETS

		31 December 2017		01 January 2017				
		Original value	Fair value	Provision		Original value	Fair value	Provision
a. Trading securities		951,748,890	700,209,690	(251,539,200)		201,956,748,890	201,705,209,690	(251,539,200)
	+ PVI Insurance Corporation	853,200	853,200			853,200	853,200	
	+ Baria Thermal Power Joint Stock Company	53,000,000	53,000,000			53,000,000	53,000,000	
	+ Vidipha Central Pharmaceutical Joint Stock Company	445,939,200	194,400,000	(251,539,200)		445,939,200	194,400,000	(251,539,200)
	+ An Giang Mechanical Joint Stock Company	451,655,840	451,655,840			451,655,840	451,655,840	
	+ Vien Lien Joint Stock Company	257,400	257,400			257,400	257,400	
	+ Techno-Agricultural Supplying Joint Stock Company	43,250	43,250			43,250	43,250	
	+ Thanh Vu Tay Ninh Joint Stock Company		-			146,012,500,000	146,012,500,000	
	+ Đa Lat Coffee Import & Export Joint Stock Company		-			54,992,500,000	54,992,500,000	
Total		951,748,890	700,209,690	(251,539,200)		201,956,748,890	201,956,748,890	(251,539,200)

		31 December 2017		01 January 2017	
		Original value	Book value	Original value	Book value
b. Held-to-maturity investments					
b.1 Short-term		28,500,638,889	28,500,638,889	24,800,000,000	24,800,000,000
- Cash in Agribank - Tri Ton Branch, An Giang province (Term deposits)		-	-	1,600,000,000	1,600,000,000
- Cash in BIDV - Ba Chieu Branch (Term deposits) (1)		28,500,638,889	28,500,638,889	23,200,000,000	23,200,000,000
b.2 Long-term					
Total		28,500,638,889	28,500,638,889	24,800,000,000	24,800,000,000

(1) The term deposits were pledged as collateral for loans in BIDV - Ba Chieu Branch (Note V.15).

c. Investments in legal entities	31 December 2017			01 January 2017		
	Original value	Fair value	Provision	Original value	Fair value	Provision
Investments in join ventures and affiliates	248,707,478,875	253,596,379,275		55,862,628,875	62,093,470,212	
+ Tracodi Invest Joint Stock Company	8,800,000,000	8,532,723,382		8,800,000,000	8,541,963,382	
+ Vietnam Taxi Co., Ltd - Vinataxi	34,256,228,875	39,164,670,719		26,062,628,875	32,935,638,225	
+ Tracodi Service Joint Stock Company(2)	203,000,000,000	203,002,439,131		21,000,000,000	20,615,868,606	
+ Vinacafe Producing Tranding Fertilizer JSC	2,651,250,000	2,896,546,043				
Others	18,825,000,000	18,825,000,000		1,441,442,024,025	1,440,300,000,000	(1,142,024,025)
+ Tracodi Song Da Joint Stock Company	300,000,000	300,000,000		300,000,000	300,000,000	
+ Hoang Anh Housing Development and Construction Joint Stock Company (3)				1,440,000,000,000	1,440,000,000,000	
+ FOLEC Viet Nam	-	-		1,142,024,025		(1,142,024,025)
+ Bac Ha Joint Stock Company	9,525,000,000	9,525,000,000				
+ Thang Phuong Co., Ltd	9,000,000,000	9,000,000,000				
Total	267,532,478,875	272,421,379,275		1,497,304,652,900	1,502,393,470,212	(1,142,024,025)

(2) According to the Board Resolution No. 17/2017/NQ-HĐQT dated 16 March 2017 and the Board Resolution No. 69/2017/NQ-HĐQT dated 12 December 2017. Tracodi invested VND 182 billion to increase its voting right rate to 29% at Tracodi Service Joint Stock Company.

(3) According to the Board Resolution No.26/2017/NQ-HĐQT dated 08 May 2017; the Board Resolution No.33/2017/NQ-HĐQT dated 22 June 2017 and Board Resolution No.56/2017/NQ-HĐQT dated 25 October 2017 on share transaction between Hoang Anh Housing Development and Construction JSC and Tracodi, Tracodi sold all its shares at Hoang Anh Housing Development and Construction JSC.

4. OTHER RECEIVABLES

	31 December 2017		01 January 2017	
	Cost	Provision	Cost	Provision
a. Other short-term receivables	160,871,069,831	(4,885,924,318)	56,262,152,511	(5,636,772,283)
- Receivables from dividends and distributed profits	-	-	5,860,200,000	
+ Vietnam Taxi Co., Ltd	-	-	5,860,200,000	
- Advances	16,724,544,782	(3,085,924,318)	8,807,212,159	(3,116,772,283)
- Deposits	1,814,603,942	(1,800,000,000)	1,809,495,695	(1,260,000,000)
+ Ngoc Suong Joint Stock Company	1,800,000,000	(1,800,000,000)	1,800,000,000	(1,260,000,000)
+ Other deposits	14,603,942		9,495,695	
- Other receivables	142,331,921,107		39,785,244,657	
+ VietNam Paper Corporation	230,155,452		230,155,452	
+ Bamboo Capital Joint Stock Company	43,093,000,000		20,280,000,000	
+ Bang Duong Investment Building Trading Co., Ltd	28,242,640,585		13,042,640,585	
+ Chi Thuy Service Joint Stock Company	39,200,000,000			
+ Nguyen Hoang Joint Stock Company	22,646,355,352		570,000,000	
+ Thanh Phuc Joint Stock Company	150,000,000		250,000,000	
+ Tracodi Service Joint Stock Company	3,205,000,000	-	3,205,000,000	-
+ Tran Thi Kieu Tien	4,000,000,000			
+ Others	1,564,769,718		2,207,448,620	
b. Other long-term receivables	1,360,000,000		1,360,000,000	
- Deposits	1,360,000,000		1,360,000,000	
+ Deposits for travelling business	250,000,000		250,000,000	
+ Deposits for labor export business	1,000,000,000		1,000,000,000	
+ Deposits for office leasing	110,000,000		110,000,000	
Total	162,231,069,831	(4,885,924,318)	57,622,152,511	(5,636,772,283)

5. BAD DEBTS

	31 December 2017		01 January 2017	
	Cost	Provision	Cost	Provision
Total receivables, overdue debts and doubtful debts (hard to collect)	26,420,128,589	(23,678,875,159)	30,082,314,583	(23,239,771,822)
+ Receivables from customers	20,009,930,522	(18,004,520,490)	23,641,268,551	(18,074,569,188)
+ Advances	3,085,924,318	(3,085,924,318)	3,116,772,283	(3,116,772,283)
+ Security deposits	1,800,000,000	(1,800,000,000)	1,800,000,000	(1,260,000,000)
+ Advanced payments to suppliers	1,524,273,749	(788,430,351)	1,524,273,749	(788,430,351)
Total	26,420,128,589	(23,678,875,159)	30,082,314,583	(23,239,771,822)

6. INVENTORY

	31 December 2017		01 January 2017	
	Cost	Provision	Cost	Provision
- Raw materials	23,200,362,308	(76,753,200)	27,051,680,795	(76,753,200)
- Tools and equipment	149,141,861		176,391,360	
- Construction in progress	2,413,282,455		1,005,132,164	
- Finished goods	12,583,723,944		4,443,016,550	
- Goods	81,338,950,476		21,837,958,540	
- Goods sent on approval (consignment)			397,165,495	
Total	119,685,461,044	(76,753,200)	54,911,344,904	(76,753,200)

7. INTANGIBLE FIXED ASSETS

Unit: VND

Criterion	Building and structure	Machinery and equipment	Means of transportation	Office equipment	Others	Total
I. HISTORICAL COST						
1. Beginning balance (01/01/2017)	10,143,890,179	86,073,314,355	16,123,738,917	522,799,367	107,635,714	112,971,378,532
2. Increase during the financial year	619,693,272	11,635,448,075	1,211,060,909	38,880,000	-	13,505,082,256
- Purchase	320,000,000	6,876,230,883	580,000,000	38,880,000	-	7,815,110,883
- Investment in construction	299,693,272	4,759,217,192	631,060,909	-	-	5,689,971,373
- Others	-	-	-	-	-	-
3. Decrease during the financial year	-	1,111,255,412	-	-	-	1,111,255,412
- Disposals	-	1,111,255,412	-	-	-	1,111,255,412
- Others	-	-	-	-	-	-
4. Ending balance (31/12/2017)	10,763,583,451	96,597,507,018	17,334,799,826	561,679,367	107,635,714	125,365,205,376
II. ACCUMULATED DEPRECIATION						
1. Beginning balance (01/01/2017)	5,452,297,613	38,948,356,958	7,938,618,415	517,073,425	85,163,383	52,941,509,794
2. Increase during the financial year	1,155,337,194	13,239,661,047	1,760,825,245	16,580,890	12,773,969	16,185,178,345
- Amortisation	1,155,337,194	13,239,661,047	1,760,825,245	16,580,890	12,773,969	16,185,178,345
- Others	-	-	-	-	-	-
3. Decrease during the financial year	-	724,232,809	-	-	-	724,232,809
- Disposals	-	724,232,809	-	-	-	724,232,809
- Others	-	-	-	-	-	-
4. Ending balance (31/12/2017)	6,607,634,807	51,463,785,196	9,699,443,660	533,654,315	97,937,352	68,402,455,330

III. NET CARRYING AMOUNT						
1. Beginning balance (01/01/2017)	4,691,592,566	47,124,957,397	8,185,120,502	5,725,942	22,472,331	60,029,868,738
2. Ending balance (31/12/2017)	4,155,948,644	45,133,721,822	7,635,356,166	28,025,052	9,698,362	56,962,750,046

Notes:

- Net carrying amount of intangible fixed assets to us as collateral for loans: 19,789,443,992 VND
- Historical cost of intangible fixed assets which fully amortised at the end of the fiscal year but they are still in use : 34,648,953,247 VND

8. INTANGIBLE FIXED ASSETS

Unit: VND

Criterion	Indefinite land use rights	Definite land use rights	Computer software	Others	Total
I. HISTORICAL COST					
1. Beginning balance (01 January 2017)			339,622,500		339,622,500
2. Increase during the financial year	112,000,000	401,520,000	199,249,000		712,769,000
- Purchase	112,000,000	401,520,000	199,249,000		712,769,000
- Others	-	-	-	-	-
3. Decreases			-		-
4. Ending balance (31 December 2017)	112,000,000	401,520,000	538,871,500		1,052,391,500
II. ACCUMULATED DEPRECIATION					
1. Beginning balance (01 January 2017)			146,622,493		146,622,493
2. Increase during the financial year		3,068,943	109,610,880		112,679,823
- Amortisation		3,068,943	109,610,880		112,679,823
3. Decrease during the financial year			-		-
4. Ending balance (31 December 2017)		3,068,943	256,233,373		259,302,316

8. INTANGIBLE FIXED ASSETS					Unit: VND
Criterion	Indefinite land use rights	Definite land use rights	Computer software	Others	Total
III. NET CARRYING AMOUNT					
1. Beginning balance (01 January 2017)	-	-	193,000,007		193,000,007
2. Ending balance (31 December 2017)	112,000,000	398,451,057	282,638,127		793,089,184
9. LONG-TERM CONSTRUCTION IN PROGRESS					Unit: VND
a. Costs					
b. Construction in progress					
			31 December 2017	01 January 2017	
- Cu Chi Commercial Center project			434,884,500		2,589,707,634
- Others			1,422,122,357		379,591,180
Total			1,857,006,857		2,969,298,814

10. PREPAID EXPENSES

	Closing balance	Opening balance
a. Short-term prepaid expenses	16,362,382,585	164,907,230
- Rental expenses		
- Instruments and tools	160,932,158	164,907,230
- Loan expenses		
- Others	16,201,450,427	
b. Long-term prepaid expenses	12,747,933,380	10,709,720,574
- Renovations for traveling center	-	46,353,000
- Good will	137,160,997	685,805,041
- Renovations for head office	315,041,338	390,699,726
- Renovations for training center	586,102,352	639,908,850
- Renovations for Ha Noi branch	-	15,919,353
- Office instruments and tools	99,869,051	12,908,742
- Equipment and machines upgrade - Antraco	1,197,502,243	6,364,428,473
- Claim cost for soil and farm produce - Antraco	4,354,575,928	726,732,564
- Sam Mountain construction site - Antraco	2,528,841,411	163,805,051
- Others (Antraco)	3,528,840,060	1,663,159,774
Total	29,110,315,965	10,874,627,804

11. TRADE PAYABLES

	Closing balance		Opening balance	
	Value	Recoverable value	Value	Recoverable value
a. Short-term trade payables	261,728,645,272	261,728,645,272	41,403,003,320	41,403,003,320
- Chuong Duong Corporation	2,198,969,531	2,198,969,531	2,198,969,531	2,198,969,531
- Thanh Vu Tay Ninh JSC	94,966,143,460	94,966,143,460		-
- Dong Phong Co., Ltd	7,130,897,700	7,130,897,700	4,992,594,800	4,992,594,800
- Thanh An Co., Ltd	37,206,523,403	37,206,523,403	3,553,358,500	3,553,358,500
- Quang Phong Consultanting Design and Construction Co., Ltd	4,327,439,647	4,327,439,647		-
- Le Huynh Commercial and Construction Co., Ltd	8,154,526,600	8,154,526,600		
- Fujisan Co., Ltd	9,172,385,700	9,172,385,700		
- HCM Lott 68 JSC	23,508,409,108	23,508,409,108		
- Fico - Corea Construction Co., Ltd	5,971,153,023	5,971,153,023		
- Le Gia 19LG Consultanting Design and Construction Co., Ltd	2,544,111,550	2,544,111,550		

	Closing balance		Opening balance	
	Value	Recoverable value	Value	Recoverable value
a. Short-term trade payables				
- Huynh Gia Cat Commercial and Service Co., Ltd	6,316,292,030	6,316,292,030		
- Tracodi Service JSC	3,838,831,097	3,838,831,097		
- Tan Tram Co., Ltd	5,366,140,470	5,366,140,470	5,156,084,820	5,156,084,820
- Huong Phat Co., Ltd	2,728,172,087	2,728,172,087	645,277,763	645,277,763
- Ngoc Thao Transpotation Business	1,616,762,540	1,616,762,540	765,640,000	765,640,000
- Nguyen Thong Enterprise -Tri Ton	1,871,672,841	1,871,672,841	762,259,476	762,259,476
- Huynh Phuc Loc	2,752,566,000	2,752,566,000	450,957,000	450,957,000
- Phi Chau Commercial and Service JSC	9,332,163,705	9,332,163,705	2,389,748,130	2,389,748,130
- Quoc Dung Commercial and Service Business	1,007,133,000	1,007,133,000	930,775,000	930,775,000
- Tu Kim Huyen	2,103,989,950	2,103,989,950	168,935,900	168,935,900
- Phung Thinh Transportation Co., Ltd	1,918,892,910	1,918,892,910	1,876,519,095	1,876,519,095
- Hai Hai Dung Co., Ltd	1,103,102,737	1,103,102,737	867,138,800	867,138,800
- Thanh Nguyen Enterprise	2,038,863,750	2,038,863,750		
- Others	24,553,502,433	24,553,502,433	16,644,744,505	16,644,744,505

b. Long-term trade payables

Total	261,728,645,272	261,728,645,272	41,403,003,320	41,403,003,320
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c. Overdue debts
d. Trade payables to related parties

- Thanh Vu Tay Ninh JSC	94,966,143,460	94,966,143,460
- Tracodi Service JSC	3,838,831,097	3,838,831,097
- HCM Lott 68 JSC	23,508,409,108	23,508,409,108

12. TAXES AND PAYABLES TO THE STATE

	01/01/2017	Payables in year	Paid in year	31/12/2017
a. Payables	24,548,690,031	70,483,993,003	58,654,489,127	36,378,193,907
Value added tax	2,667,172,421	16,081,359,626	12,238,352,004	6,510,180,043
Import tax	-	468,462,662	468,462,662	-
Corporate income taxes	12,471,336,322	16,419,861,970	12,751,342,152	16,139,856,140
Personal income taxes	879,014,408	1,036,026,416	913,814,408	1,001,226,416
Natural resources consumption tax	5,650,743,023	27,021,220,437	23,752,945,099	8,919,018,361
Others	2,880,423,857	9,457,061,892	8,529,572,802	3,807,912,947

	01/01/2017	Decrease	Increase	31/12/2017
b. Receivables	1,118,313,150	243,844,295	223,230,051	1,097,698,906
Value added tax	-	-	26,848,520	26,848,520
Personal income taxes	70,471,413	243,844,295	196,381,531	23,008,649
Others	1,047,841,737	-	-	1,047,841,737

The Company's tax settlements are subject to examination by the Tax Authority. Because the application of tax laws and regulation to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the Tax Authority.

13. ACCRUED EXPENSES

	Closing balance	Opening balance
a. Short-term accrued expenses	5,365,993,101	13,486,814,330
- Loan interest, bond interest	-	160,598,326
- Accrued cost of goods	3,069,656,185	3,350,248,185
- Accrued costs of Nui Sam project	1,775,130,790	9,442,654,594
- Others	521,206,126	533,313,225
b. Long-term accrued expenses		
Total	5,365,993,101	13,486,814,330

14. OTHER ACCRUED EXPENSES

	Closing balance	Opening balance
a. Short-term accrued expenses	147,811,978,099	90,806,080,778
- Surplus of assets awaiting resolution	456,119,973	431,792,076
- Trade union fees	113,480,418	23,815,700
- Social insurance, health insurance, unemployment insurance	41,176,138	76,238,430
- Short-term deposits	-	-
- Others	147,201,201,570	90,274,234,572
+ VietNam Paper Corporation (South Paper Powder Factory Project)	12,270,680,237	12,270,680,237
+ State Capital Investment Corporation - SCIC	3,213,038,810	3,213,038,810
+ Mr. Mai Nam - Da Nang Branch	7,942,547,376	8,101,675,005
+ Thanh Vu Tay Ninh Joint Stock Company	-	4,635,666,833
+ Tracodi Service joint stock Company.	4,668,166,666	4,333,333,333
+ Viet Golden Farm Joint Stock Company	8,048,004,075	40,264,888,889

	Closing balance	Opening balance
+ Ms. Bui Thi Hieu	-	1,851,746,910
+ Thanh Phuc JSC	14,194,327,778	
+ Phuc Bao Minh Trading Construction Services Corp.	36,409,638,889	
+ Do Phuong Mai	19,198,000,000	
+ Pham Thi Ngoc Thanh	6,000,000,000	
+ Ho Thi Thuy Dung	3,300,000,000	
+ Nguyen Thanh Hien	5,000,000,000	
+ Others	4,012,730,516	3,903,204,555
+ Interest venture payables for An Giang Mechanics JSC	22,944,067,223	11,700,000,000
b. Long-term accrued expenses	73,597,786,560	1,736,591,643,280
- Fee for owning mineral rights	2,683,286,560	5,541,643,280
- Long-term deposits	1,250,000,000	1,050,000,000
- Others	69,664,500,000	1,730,000,000,000
+ Bamboo Capital Joint Stock Company (1)	15,500,000,000	540,000,000,000
+ Viet Golden Farm Joint Stock Company (2)	54,164,500,000	440,000,000,000
+ Thanh Phuc Joint Stock Company	-	210,000,000,000
+ Tracodi Service Joint Stock Company	-	240,000,000,000
+ Phuc Bao Minh Trading Construction Services Corp.	-	300,000,000,000

c. Overdue debts

Notes:

(1) Refer to a contract No. 10/2016/HTKD-BCG-TCD dated 12 May 2016 between Bamboo Capital JSC (BCG) and Transport and Industry Development Investment JSC (Tracodi). According to the minutes of meeting on 1 December 2017, BCG and Tracodi had an agreement to terminate the above contract. Tracodi will repay the principal (original amount) to BCG.

(2) Refer to the contract No.01/2016/HTKD-VGF-TCD dated 13 May 2016, and its appendix No. PL01/2017/HTKD-VGF-TCD dated 7 April 2017 signed between Tracodi and Viet Golden Farm Joint Stock Company (VGF). According to the minutes of meeting on 1 December 2017, VGF and Tracodi had an agreement to terminate the above contract. Tracodi will repay the principal (original amount) to VGF.

15. BORROWINGS AND FINANCIAL LEASE LIABILITIES

31 December 2017				Incur		01 January 2017	
	Value	Recoverable value	Increase	Decrease	Value	Recoverable value	
a. Short-term loan	157,288,772,054	157,288,772,054	305,187,144,816	267,489,588,871	119,591,216,109	119,591,216,109	
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - Ba Chieu Branch	(1) 89,881,172,054	89,881,172,054	172,779,544,816	189,089,588,871	106,191,216,109	106,191,216,109	
Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch	(2) 39,200,000,000	39,200,000,000	39,200,000,000				
Mr. Tran Ngoc Long	-	-	25,000,000,000	25,000,000,000	-	-	
Hoang Anh Tuyet	(3) 10,207,600,000	10,207,600,000	10,207,600,000	-			
Ms. Truong Hoang Manh Thao	-	-	40,000,000,000	40,000,000,000			
Current portion of Long-term debt: Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - An Giang Branch	(4) 2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	
Short-term loan: Vietnam Bank for Agriculture and Rural Development - Tri Ton Branch	(5) 15,000,000,000	15,000,000,000	15,000,000,000	11,000,000,000	11,000,000,000	11,000,000,000	
Current portion of Long-term debt: Vietnam Bank for Agriculture and Rural Development - Tri Ton Branch	(6) 1,000,000,000	1,000,000,000	1,000,000,000	400,000,000	400,000,000	400,000,000	
b. Long-term loan	4,500,000,000	4,500,000,000		3,000,000,000	7,500,000,000	7,500,000,000	
Vietnam Bank for Agriculture and Rural Development - Tri Ton Branch	(6) 3,000,000,000	3,000,000,000		1,000,000,000	4,000,000,000	4,000,000,000	
Joint Stock Commercial Bank for Investment and Development of Vietnam - An Giang Branch	(4) 1,500,000,000	1,500,000,000		2,000,000,000	3,500,000,000	3,500,000,000	
Total	161,788,772,054	161,788,772,054	305,187,144,816	270,489,588,871	127,091,216,109	127,091,216,109	

c. Financial leasing

d. Overdue financial lease liabilities

Notes

(1) This represents a loan with BIDV - Ba Chieu Branch according to credit facility agreement No. 02/2017/538915/HĐTD dated 15 June 2017. The loan amount is VND 150 billion with loan term of 12 months. The purpose of the loan is financing working capital, opening L/C, bank guarantee. As at 31 December 2017, using the Company's term deposit, at Bank for Investment and Development of Viet Nam JSC (Notes V.1 and V.3), and asset of third party as collaterals to secure the loan.

(2) This represents a loan with Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch according to a contract No. 23/2017/HĐTD/TTKHDNLMN01 dated 19 December 2017. The loan amount is VND 39.2 billion with loan term from 20 December 2017 to 18 February 2018. The purpose is to contribute capital according to a contract No. 23/2017/HTKD/CTC-TCD dated 27 November 2017 signed between Chi Thuy Service Joint Stock Company and Transport & Industry Development Investment JSC. The collateral to secure this loan is a term deposit at Tien Phong Commercial Joint Stock Bank under the contract No.95-12.17/HĐTG/TPB-CIBSOU dated 18 December 2017 (Notes V.1).

(3) These represent 2 loans as follows:

- A loan contract signed between Tracodi and Ms. Hoang Anh Tuyet on 10 November 2017. The loan amount was VND 4.537.600.000 with the loan term of 2 months, the contract become effective upon the date this contract is signed. The loan purpose was financing the business with lending rate of 12%/annual. Using third party's asset as collateral to secure the loan.

- A loan contract signed between Tracodi and Ms. Hoang Anh Tuyet on 10 November 2017. The loan amount was VND 5.670.000.000 with the loan term of 2 months, the contract become effective upon the date this contract is signed. The loan purpose was financing the business with lending rate of 12%/annual. Using third party's asset as collateral to secure the loan."

(4) This represents a long-term loan with BIDV - An Giang Branch according to a loan contract No.01/2014/549016/HĐTD dated 08 August 2014 with a loan amount of VND 10 billion. The loan term is 60 months, the interest rate will be determined on the date the Company receives borrowing money. The loan purpose is to buy equipment and machinery for the Company. The intangible fixed asset used as collateral to secure this loan (Notes V.7).

(5) This represents a short-term loan with Vietnam Bank for Agriculture and Rural Development - Tri Ton Branch according to a loan contract No. 036/HĐTD dated 22 March 2017 with a loan amount of VND 15 billion. The loan term is 12 months, the interest rate will be determined on the date the Company receives borrowing money. The loan purpose is to invest in quarrying, sand extraction, pit gravel and clay exploitation. The intangible fixed asset used as collateral to secure this loan (Notes V.7).

(6) This represents a long-term loan with Vietnam Bank for Agriculture and Rural Development - Tri Ton Branch according to a loan contract No. 006/2016/HĐTD dated 1 February 2017 with a loan amount of VND 4.4 billion. The loan term is 60 months, the interest rate will be determined on the date the Company receives borrowing money. The intangible fixed asset used as collateral to secure this loan (Notes V.7)

16. OWNER'S EQUITY

a. Changes in owner's equity

	Contributed capital	Other capital	Investment & development fund	Other funds belonging to owners's equity	Undistributed earnings	Non-controlling interest	Total
a. Previous Beginning balance	78,500,000,000		584,650,517		17,500,348,187	16,584,266,962	113,169,265,666
Increase in capital	246,350,000,000						246,350,000,000
Profits					32,450,316,115	27,777,895,686	60,228,211,801
Increase (decrease) due to consolidation		917,191,749			1,292,667,250	2,143,373,871	4,353,232,870
Profit distribution to development and investment funds							-
Profit distribution to bonus and welfare funds at subsidiaries					(7,893,879,410)	(7,584,315,512)	(15,478,194,922)
Dividend at parent company					(5,102,410,000)		(5,102,410,000)
Dividend paid to the non-controlling interest						(20,710,575,553)	(20,710,575,553)
b. Previous Ending balance	324,850,000,000	917,191,749	584,650,517		38,247,042,142	18,210,645,454	382,809,529,862
c. Current Beginning balance	324,850,000,000	917,191,749	584,650,517		38,247,042,142	18,210,645,454	382,809,529,862
Increase in capital	19,490,340,000						19,490,340,000
Profits					56,389,533,781	18,558,718,596	74,948,252,377
Increase (decrease) due to consolidation		(917,191,749)		917,191,749	21,000,001	3,000,000,000	3,021,000,001
Profit distribution to development and investment funds							-
Profit distribution to development and investment funds					(7,631,240,153)	(7,331,975,834)	(14,963,215,987)
Dividend at parent company (*)					(19,490,340,000)		(19,490,340,000)
Dividend paid to the non-controlling interest						(12,265,067,223)	(12,265,067,223)
Others					-		-
d. Current Ending balance	344,340,340,000		584,650,517	917,191,749	67,535,995,771	20,172,320,993	433,550,499,030

Notes:

(*) Refer to Resolution No.35/2017/NQ-HĐQT dated 16 August 2017 of the Board of Directors and Resolution No. 02/2017/NQ-ĐHĐCĐ of the Annual General Meeting dated 14 April 2017, the Company increased its' charter capital by VND 19,490.340.000 through share issuance to pay dividend for the financial year 2016.

b. Details of contributed capital

	31 December 2017	1 January 2017
- State-owned enterprise		
- Other institutions, individuals	344,340,340,000	344,340,340,000
Total	344,340,340,000	324,850,000,000

c. Capital transactions with owners, distribution of dividends or profits

	2017	2016
- Contributed capital		
+ Opening balance	324,850,000,000	78,500,000,000
+ Additions	19,490,340,000	246,350,000,000
+ Decreases	-	-
+ Closing balance	344,340,340,000	324,850,000,000
- Dividends or distributed profits	19,490,340,000	5,102,410,000

d. Shares

	31 December 2017	1 January 2017
- Authorised shares (Number of shares registered issuance)		
- Issued shares (Number of shares sold to public)	34,434,034	32,485,000
+ Ordinary shares	34,434,034	32,485,000
- Treasury shares	-	-
+ Ordinary shares	-	-
- Shares in circulation	34,434,034	32,485,000
+ Ordinary shares	34,434,034	32,485,000
+ Preference shares	-	-

* The par value of share outstanding: VND 10,000

e. Dividend

	31 December 2017	1 January 2017
- Dividend declared after the year-end:		
+ Dividend declared on ordinary shares:	19,490,340,000	5,102,410,000
+ Dividend declared on preferred shares:		
- Accumulated dividends on preferred shares not recorded:		

f. Funds

	31 December 2017	1 January 2017
- Investment and development funds	584,650,517	584,650,517
- Enterprise reorganization assistance fund		
- Other funds		

17. OFF-BALANCE SHEET ACCOUNT**c. Foreign currency**

	31 December 2017	1 January 2017
- USD	8,470.14	21,177.35
- EUR	606.95	606.95
- JPY	146,385.00	964,310

d. Gold currency

d. Doubtful debts written-off	10,865,430,489	10,865,430,489
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e. Others**VI. NOTES TO INCOME STATEMENTS**

Unit: VND

1. REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2017	2016
a. Revenue	1,095,934,111,234	833,348,387,608
+ Revenue from sales of goods	594,988,695,011	373,320,350,998
+ Revenue from finished goods sold	302,248,225,151	302,847,363,297
+ Revenue from services rendered	63,305,817,419	67,887,059,655
+ Revenue from construction contracts	135,391,373,653	89,293,613,658
b. Revenue deductions	33,672,980	1,526,085,588
- Commercial discount	-	
- Sales rebates	6,586,990	
- Sales return	27,085,990	1,526,085,588
c. Revenue from related parties		
- Nguyen Hoang Development Joint Stock Company	840,702,922	1,073,093,879
- Tracodi Service Joint Stock Company	76,863,808,053	
- Thanh Vu Tay Ninh Joint Stock Company	160,682,989,118	82,577,237,960
- HCM Lott 68 Joint Stock Company	36,655,816,380	
- Casa Marina Resort Travel Co., Ltd	251,366,298	
- 1-5 Automobile Joint Stock Company		8,540,000,000

2. COST OF GOODS SOLD

	2017	2016
- Cost of goods sold	551,700,701,245	361,118,274,889
- Cost of finished goods sold	224,999,187,442	210,493,601,716
- Cost of services rendered	16,990,876,115	27,176,333,478
- Cost of construction	127,314,315,684	82,291,799,062
Total	921,005,080,486	681,080,009,145

3. FINANCE INCOME

	2017	2016
- Interest income	2,083,439,044	505,961,898
- Gains on disposals of financial investments (stocks and bonds)	156,836,986,000	95,188,500,000
- Dividends or distributed profits	103,180,880	2,928,526,753
- Realized gain from foreign exchange difference	66,547,561	90,270,441
- Unrealized gain from foreign exchange difference	-	-
- Others	-	-
Total	159,090,153,485	98,713,259,092

4. FINANCE EXPENSES

	2017	2016
- Interest expenses	10,537,958,581	5,262,598,097
- Realized loss from foreign exchange difference	110,039,697	61,622,639
- Unrealized loss from foreign exchange difference	215,311,598	818,409,157
- Interest expenses under investment	137,314,387,409	94,925,305,555
- Others	6,761,754	5,024,888
Total	148,184,459,039	101,072,960,336

5. SELLING EXPENSES AND GENERAL ADMINISTRATION EXPENSES

	2017	2016
a. Selling expenses	53,458,264,905	43,618,095,340
- Costs of outsourcing services	52,631,823,772	43,534,318,067
- Others	826,441,133	83,777,273

	2017	2016
b. General administration expenses	41,342,536,776	33,045,635,569
- Labor costs and staff costs	22,864,759,663	18,048,526,877
- Tools costs	303,417,106	309,715,750
- Stationery costs	454,389,372	510,857,640
- Fixed asset depreciation	1,526,675,076	1,292,500,651
- Taxes, fees and charges	632,279,744	1,364,844,768
- Provision for bad debts	585,370,540	1,666,791,825
- Goodwill allocation	548,644,044	548,644,044
- Costs of outsourcing services	8,673,971,340	3,890,039,112
- Others	5,753,029,891	5,413,714,902

c. Devaluation in selling expenses and administrative expenses

6. OTHER INCOMES

	2017	2016
- The proceeds from the liquidation or sale of fixed assets	131,159,215	336,410,681
- Income from leasing	731,454,545	868,863,640
- Others	1,265,650,488	655,605,964
Total	2,128,264,248	1,860,880,285

7. OTHERS

	2017	2016
- Tax fines	397,976,084	
- Others	2,353,883,412	443,680,860
Total	2,751,859,496	443,680,860

8. PRODUCTION AND BUSINESS COSTS BY ELEMENT

	2017	2016
- Material costs	159,099,609,788	539,316,911,909
- Labor costs	59,192,215,553	50,368,547,635
- Fixed asset depreciation	16,297,858,168	9,937,780,358
- Costs of outsourcing services	193,706,651,758	108,742,633,774
- Others	43,979,202,549	40,817,037,349
Total	472,275,537,816	749,182,911,025

9. CORPORATE INCOME TAX EXPENSES

	2017	2016
- Total accounting profit before tax	91,368,114,347	73,358,727,581
+ Increase adjustments	3,482,256,573	1,042,201,270
+ Decrease adjustments	(3,421,215,810)	(3,151,194,187)
- Total taxable income	91,429,155,110	71,249,734,664
+ Loss from previous year	(12,956,585,213)	-
+ Tax-free income (non-taxable income)	-	-
- Total assessable income	80,507,329,469	71,249,734,664
+ Assessable income	80,507,329,469	72,164,730,378
+ Non-assessable income	-	(914,995,714)
- Estimated corporate income tax payable	16,419,861,970	14,432,946,075
+ Corporate income tax expenses	16,101,465,893	14,432,946,075
+ Tax arrears	318,396,077	-
- Deferred corporate income tax expenses	-	(1,302,430,295)
- Profit after tax	74,948,252,377	60,228,211,801

10. BASIC EARNINGS PER SHARE

	2017	2016
- Profit or loss allocated to shareholders owned ordinary shareholders	56,389,533,781	32,450,316,115
- Bonus and welfare funds deducted from PAT	-	-
- Average ordinary shares outstanding during the year	33,216,555	26,410,616
- Basic earnings per share	1,698	1,229

11. DILUTED EARNINGS PER SHARE

	2017	2016
- Profit or loss allocated to shareholders owned common/ordinary shareholders	56,389,533,781	32,450,316,115
- Bonus and welfare funds deducted from PAT	-	-
- Average ordinary shares outstanding during the year	33,216,555	26,410,616
- Common shares expected to be issued	-	-
+ Convertible financial instruments	-	-
+ Ordinary shares are issued upon the satisfaction of specified conditions	-	-
+ Put options issued	-	-
- Diluted earnings per share	1,698	1,229

VII. NOTES TO CASH FLOW STATEMENT

As at 31 December 2017, the Company was pledged a cash equivalents (Note V.1) with total amount of VND 47.300.000.000 as a collateral for loans in BIDV - Ba Chieu Branch, and Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch.

VIII. OTHER INFORMATION

1. RELATED PARTY

Transactions with related parties.

Company	Relationships
Bamboo Capital Joint Stock Company	Parent company
Antraco Joint venture Co., Ltd	Subsidiary
Tracodi Labour Joint Stock Company	Subsidiary
Nguyen Hoang Development joint stock Company	The same parent company
Thanh Phuc Joint Stock Company	The same parent company
Phu Thuan Service Trading Co., Ltd	The same parent company
Tracodi Invest Joint Stock Company	Affiliate
Vietnam Taxi Co., Ltd - Vinataxi	Affiliate
Tracodi Service Joint Stock Company	Affiliate
Vinacafe Producing Trading Fertilizer Joint Stock Company	Affiliate
Thanh Vu Tay Ninh Joint Stock Company	Key member in Executive Board
Phu Tam Khoi Joint Stock Company	Key member in Executive Board
1-5 Automobile Joint Stock Company	Key member in Executive Board
Viet Golden Farm Joint Stock Company	Key member in Executive Board
Tracodi Song Da Joint Stock Company	Key member in Executive Board
HCM Lott 68 Joint Stock Company	Key member in Executive Board
Casa Marina Resort Travel Co., Ltd	Key member in Executive Board
Board of Directors, Board of Management, Supervisory Board	Executive Board

b. Transactions with related parties

Company	Transactions	Amount
Excutive Board	Salary, Bonus and allowance	1,623,067,302
Nguyen Hoang Development JSC	Selling goods	840,702,922
Thanh Phuc Joint Stock Company	Payment for investment cooperation Interest payment under investment	210,000,000,000 22,915,077,778
Vietnam Taxi Co., Ltd	Capital investment	5,860,200,000
Thanh Vu Tay Ninh JSC	Selling goods Purchasing goods	160,682,989,118 254,602,070,130
HCM Lott 68 JSC	Selling goods Purchasing goods	36,655,816,380 61,642,008,280
Bamboo Capital JSC	Purchasing goods	56,000,000,000
Tracodi Service JSC	Selling goods Purchasing goods Capital investment	76,863,808,053 7,240,575,000 126,000,000,000
Viet Golden Farm JSC	Purchasing goods	20,930,000,000
1-5 Automobile JSC	Purchasing goods	49,581,818,175
Casa Marina Resort Travel Co., Ltd	Purchasing goods Selling goods	127,135,527 251,366,298

Notes:

Transactions with subsidiaries that excluded in the consolidate financial statements.

c. Related parties ending balance

Company	Criteria	Code in B/S	Amount
Bamboo Capital JSC	Other short-term receivables Short-term repayments to suppliers Other long-term payables	136 132 337	43,093,000,000 945,680,000 15,500,000,000
Tracodi Service JSC	Short-term trade receivables Other short-term receivables Short-term trade payables Other short-term payables	131 136 311 319	40,324,242,859 3,205,000,000 3,838,831,097 4,668,166,666
Thanh Vu Tay Ninh JSC	Short-term trade receivables Short-term trade payables	131 311	72,563,482,944 94,966,143,460
Nguyen Hoang Development JSC	Other short-term receivables Customers paid in advance (Short-term) Short-term repayments to suppliers	136 312 132	22,646,355,352 2,451,545,000 8,690,710,060
Thanh Phuc JSC	Other short-term receivables Other short-term payables	136 319	150,000,000 14,194,327,778
Phu Tam Khoi JSC	Short-term repayments to suppliers	132	235,500,000
Tracodi Invest JSC	Other short-term receivables	136	112,210,944
1-5 Automobile JSC	Short-term repayments to suppliers	132	1,242,594,599
Viet Golden Farm JSC	Other short-term payables Other long-term payables	319 337	8,048,004,075 54,164,500,000

HCM Lott 68 JSC	Short-term trade receivables	131	15,606,513,819
	Short-term trade payables	311	23,508,409,108
Casa Marina Resort Travel Co., Ltd	short-term trade receivables	131	273,946,378
	Short-term repayments to suppliers	132	37,150,920
Vinacafe Producing Tranding Fertilizer JSC	Short-term trade receivables	131	65,100,000

Notes:

Subsidiaries' ending balance was excluded in the consolidate financial statement.

2. SEGMENT REPORT

Segment information is presented in sections according to geographical area of the company. Main report, the department geographic area, based on internal reporting structure and management of the Company.

The result of segment report includes directly allocated items of each segment as well as segments allocated on a reasonable basis. Items are not be allocated include assets, liabilities, revenues from financial income, financial expenses, selling expenses, general administration expenses, other profit / loss and corporate income tax.

Company	Ho Chi Minh City	An Giang	Total
Gross revenue	793,652,213,103	302,248,225,151	1,095,900,438,254
Cost of goods sold	692,741,772,210	228,263,308,276	921,005,080,486
Gross margin	100,910,440,893	73,984,916,875	174,895,357,768

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Book value			Fair value	
	31 December 2017		01 January 2017	31 December 2017	01 January 2017
	Value	Provision	Value	Value	Provision
Financial assets					
Cash and cash equivalents	86,352,318,031		42,778,072,651	86,352,318,031	42,778,072,651
Receivables and others	572,890,860,166	(23,678,875,159)	571,638,271,600	549,211,985,007	548,398,499,778
Short-term investment	29,452,387,779	(251,539,200)	226,756,748,890	29,200,848,579	226,505,209,690
Long-term investment	272,421,379,275	-	1,503,535,494,237	272,421,379,275	1,502,393,470,212
Total	961,116,945,251	(23,930,414,359)	2,344,708,587,378	937,186,530,892	2,320,075,252,331
Financial liabilities					
Loans and borrowings	161,788,772,054		127,091,216,109	161,788,772,054	127,091,216,109
Trade payables and others	541,769,807,699		1,918,698,643,823	541,769,807,699	1,918,698,643,823
Accrued expenses	5,365,993,101		13,486,814,330	5,365,993,101	13,486,814,330
Total	708,924,572,854		2,059,276,674,262	708,924,572,854	2,059,276,674,262

Fair value of financial assets and financial liabilities are measured by financial instrument's value that could be converted into a transaction such that both parties are fully informed and wish to transact.

Fair value of financial assets and financial liabilities are not valued and officially defined at 31 December 2017 and 01 January 2017. The Company estimated fair value and book value of financial assets and financial liabilities which are not extremely different.

4. Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has financial assets including trade and other receivables, and cash and short-term deposits, listed stock and unlisted stock that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Board of Directors consider and apply management policies for these risks as follows:

A - MARKET RISK

Market risk is the risk that the fair value or cash flows in the future of a financial instrument will fluctuate due to changes in the market prices. The market risks include foreign currency risk, interest risk and material price risk. Financial instruments affected by market risk include loans and borrowings, corporate bonds, convertible bonds, deposits and financial investments.

The sensitivity analyses below are on the basis of net debt value, the ratio between debt at fixed interest rates and loans at floating interest rates unchanged.

Interest rate risks

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk substantially relates to term deposits and loans at floating interest rates.

The Company controls the interest rate risk by analyzing the market situation in order to give best rate and under its risk management.

The Company did not perform a sensitive analysis on interest rate risk because changes in interest rates at the reporting date are not significant.

Foreign currency risks

Foreign currency risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in exchange rate. Foreign currency risk of the Company are mainly related to the the Company's operations (when revenue or expenses derived from foreign currencies have difference of the Company's the functional currency).

Since the Company is established and operating in Vietnam where the reporting currency is Vietnam dong. Besides, the currency transactions of the Company is Vietnam dong. Hence, foreign currency risk of the Company is not material.

Share price risk

The listed and non-listed shares are affected by the market risk arising from uncertainty value in the future, hence provisions for investment have increased or decreased. The Company manage share price risk by setting investment limit. The Board of Directors, the Board of Management also consider and approve investment decision in shares.

The Company will analyze and present the sensitivity due to the impact of fluctuation in share price to operating results when they has instructions by the Authorities.

B - CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or business contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily for trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Receivables

The Company minimizes credit risk by dealing only with the customers that have good financial resources. Besides, payments and account receivables regularly followed up and reported to the Management by sales manager and chief accountant.

Cash in bank

Most of the Company's cash in bank is in the well-known and trusted banks in Vietnam. Credit risk to this balance at the bank is managed by the treasury department of the Company in accordance with the Company's policy. The Company does not realize any material credit risk to this cash in bank.

C - LIQUIDITY RISKS

Liquidity risk is the risk that Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's liquidity risk mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The below table summarizes the maturity profile of the Company's financial liabilities based on contractual non-discounted payments:

	< 1 year	> 1 year	Total
Opening balance (01/01/2017)			
Borrowings and debts	119,591,216,109	7,500,000,000	127,091,216,109
Trade payables and other payables	182,107,000,543	1,736,591,643,280	1,918,698,643,823
Accrued expenses	13,486,814,330		13,486,814,330
Total	315,185,030,982	1,744,091,643,280	2,059,276,674,262
Closing balance (31/12/2017)			
Borrowings and debts	157,288,772,054	4,500,000,000	161,788,772,054
Trade payables and other payables	468,172,021,139	73,597,786,560	541,769,807,699
Accrued expenses	5,365,993,101		5,365,993,101
Total	630,826,786,294	78,097,786,560	708,924,572,854

The Company believes that the concentration on liquidity risk of loan payment is low. The Company is able to pay the loans and proceeds from the financial assets to maturity.

The table below shows the maturity of non-derivative financial assets in details. The table is based on the maturity according to non-discounted financial assets including interest (if any). The illustration of the non-derivative financial assets is necessary to understand the Company's liquidity risk management based on liabilities and net assets.

	< 1 year	> 1 year	Total
Opening balance (01/01/2017)			
Cash and cash equivalents	42,778,072,651		42,778,072,651
Receivables and other receivables	547,038,499,778	1,360,000,000	548,398,499,778
Financial investment	226,505,209,690	1,502,393,470,212	1,728,898,679,902
Total	816,321,782,119	1,503,753,470,212	2,320,075,252,331
Closing balance (31/12/2017)			
Cash and cash equivalents	86,352,318,031		86,352,318,031
Receivables and other receivables	547,851,985,007	1,360,000,000	549,211,985,007
Financial investment	29,200,848,579	272,421,379,275	301,622,227,854
Total	663,405,151,617	273,781,379,275	937,186,530,892

5. ASSESSMENT RATIOS PERFORMANCE OVERVIEW

Item	Unit	31/12/2017	01/01/2017
Asset structure			
Short-term assets/ Total assets	%	70.0%	35.6%
Long-term assets/Total assets	%	30.0%	64.4%
Capital/sources structure			
Liabilities/Total sources	%	62.4%	84.4%
Oweners' equity/Total sources	%	37.6%	15.6%
Liquidity ratio			
Cash (liquidity-instant) ratio		0.13	0.13
Quick ratio		1.07	2.53
Current ratio		1.26	2.70
Item	Unit	31/12/2017	01/01/2017
Profitability ratio			
Return on revenue			
Profit before tax/Revenue	%	7.3%	7.9%
Profit after tax/Revenue	%	6.0%	6.5%
Return on assets			
Profit before tax/Total assets	%	7.9%	3.0%
Profits after tax/Total assets	%	6.5%	2.5%
Return on equity	%	17.3%	15.7%

6. REFERENCES

The comparative figures are those taken from the accounts for the 2017 fiscal year, ended 31 December 2017 which were audited by Southern Auditing and Accounting Financial Consulting Services Company Limited (AASCS).

Prepared, 26 February 2018

Prepared by



Nguyen Van Bac

Chief Accountant



Chief Accountant

General Director



Nguyen Thanh Hung

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