

**FUJI MEDIC LIMITED LIABILITY COMPANY**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**



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## **FUJI MEDIC LIMITED LIABILITY COMPANY**

### **CORPORATE INFORMATION**

**Enterprise registration  
certificate**

No. 1801472944 dated 27 July 2016 was issued by the Planning and Investment Department of Can Tho City and its second amendment dated 6 December 2017 was issued by the Planning and Investment Department of Can Tho City.

**Board of Members**

Mdm Pham Thi Viet Nga      Chairwoman

**Board of Directors**

Mr Shuhei Tabata      General Director

**Legal representative**

Mdm Pham Thi Viet Nga      Chairwoman

**Registered office**

Number 88, A1 Street, Hung Phu 1 Residence, Area 8, Hung Phu Ward,  
Cai Rang District, Can Tho City, Vietnam

**Auditor**

PwC (Vietnam) Limited

## **FUJI MEDIC LIMITED LIABILITY COMPANY**

### **STATEMENT OF THE RESPONSIBILITY OF THE GENERAL DIRECTOR IN RESPECT OF THE FINANCIAL STATEMENTS**

The legal representative authorised the General Director of Fuji Medic Limited Liability Company ("the Company") to be responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2017 and the results of its operations and cash flows for the year then ended. In preparing these financial statements, the General Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable the financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The General Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **APPROVAL OF THE FINANCIAL STATEMENTS**

I hereby approve the accompanying financial statements set out on pages 5 to 23 which give a true and fair view of the financial position of the Company as at 31 December 2017 and of the results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.



  
Shuhei Tabata  
General Director  
Authorised signatory

Can Tho City, SR Vietnam  
12 March 2018



## **INDEPENDENT AUDITOR'S REPORT TO THE CHAIRWOMAN OF THE BOARD OF MEMBERS OF FUJI MEDIC LIMITED LIABILITY COMPANY**

We have audited the accompanying financial statements of Fuji Medic Limited Liability Company ("the Company") which were prepared on 31 December 2017 and approved by the General Director on 12 March 2018. These financial statements comprise the balance sheet as at 31 December 2017, the income statement and cash flow statement for the year then ended and explanatory notes to these financial statements including significant accounting policies, as set out on pages 5 to 23.

### **The General Director's Responsibility**

The General Director is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements and for such internal control which the General Director determines necessary to enable the preparation and fair presentation of the 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 the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Director, as well as evaluating the overall presentation of the financial statements.

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





### Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of these financial statements.

### Other matters

The financial statements of the Company for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 10 March 2017.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



Pham Thi Xuan Mai  
Audit Practising Licence No. 1771-2018-006-1  
Authorised signatory

Review report number HCM6626  
Ho Chi Minh City, 12 March 2018

Le Dinh Viet Cuong  
Audit Practising Licence No. 4141-2017-006-1

As indicated in Note 2.1 to the financial statements, the accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

## BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2017 VND	2016 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>11,127,555,254</b>	<b>19,689,377,358</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>8,179,571,532</b>	<b>19,459,693,494</b>
111	Cash		6,179,571,532	19,459,693,494
112	Cash equivalents		2,000,000,000	-
<b>120</b>	<b>Short-term investments</b>		<b>2,500,000,000</b>	-
123	Investments held-to-maturity	4	2,500,000,000	-
<b>130</b>	<b>Short-term receivables</b>		<b>65,989,000</b>	<b>206,137,500</b>
132	Short-term prepayments to suppliers		53,900,000	197,137,500
136	Other short-term receivables		12,089,000	9,000,000
<b>140</b>	<b>Inventories</b>	5	<b>189,662,430</b>	<b>23,546,364</b>
141	Inventories		215,001,289	23,546,364
149	Provision for decline in value of inventories		(25,338,859)	-
<b>150</b>	<b>Other current assets</b>		<b>192,332,292</b>	-
151	Short-term prepaid expenses	6(a)	192,332,292	-
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>12,612,944,043</b>	<b>12,691,425,642</b>
<b>210</b>	<b>Long-term receivables</b>		<b>60,000,000</b>	-
216	Other long-term receivables		60,000,000	-
<b>220</b>	<b>Fixed assets</b>		<b>12,464,841,351</b>	<b>2,100,000,000</b>
221	Tangible fixed assets	7	12,188,202,661	2,100,000,000
222	Historical cost		13,265,700,000	2,100,000,000
223	Accumulated depreciation		(1,077,497,339)	-
227	Intangible fixed assets	8	276,638,690	-
228	Historical cost		278,510,400	-
229	Accumulated amortisation		(1,871,710)	-
<b>240</b>	<b>Long-term assets in progress</b>		-	<b>10,591,425,642</b>
242	Construction in progress	9	-	10,591,425,642
<b>260</b>	<b>Other long-term assets</b>		<b>88,102,692</b>	-
261	Long-term prepaid expenses	6(b)	88,102,692	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>23,740,499,297</b>	<b>32,380,803,000</b>

The notes on pages 9 to 23 are an integral part of these financial statements.

BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2017 VND	2016 VND
<b>300</b>	<b>LIABILITIES</b>		<b>323,529,358</b>	<b>5,411,979,796</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>323,529,358</b>	<b>5,411,979,796</b>
311	Short-term trade accounts payable	10	33,672,500	5,326,800,000
313	Tax and other payables to the State Budget	11	11,830,000	5,710,796
314	Payable to employees		270,526,858	31,800,000
315	Short-term accrued expenses		-	40,000,000
319	Other short-term payables		7,500,000	7,669,000
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>23,416,969,939</b>	<b>26,968,823,204</b>
<b>410</b>	<b>Capital and reserves</b>		<b>23,416,969,939</b>	<b>26,968,823,204</b>
411	Owners' capital	12, 13	26,946,580,020	26,946,580,020
421	(Accumulated losses)/Undistributed earnings	13	(3,529,610,081)	22,243,184
421a	- Undistributed post-tax profits of previous years		22,243,184	-
421b	- Post-tax (loss)/profit of current year		(3,551,853,265)	22,243,184
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>23,740,499,297</b>	<b>32,380,803,000</b>



Le Thi Thu Hang  
Preparer/Chief Accountant



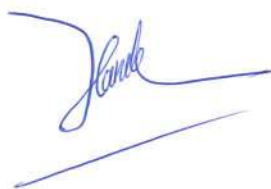
Shuhei Tabata  
General Director  
Authorised signatory  
12 March 2018

The notes on pages 9 to 23 are an integral part of these financial statements.



## INCOME STATEMENT

Code		Note	Year ended 31 December	
			2017 VND	2016 VND
01	Sales		2,073,661,500	-
10	Net sales	15	2,073,661,500	-
11	Cost of sales	16	(2,998,524,648)	-
20	Gross profit		(924,863,148)	-
21	Financial income	17	237,865,050	292,466,327
22	Financial expenses		(120,843,807)	-
25	Selling expenses	18	(131,554,762)	-
26	General and administration expenses	19	(2,542,740,129)	(264,662,347)
30	Net operating (loss)/profit		(3,482,136,796)	27,803,980
31	Other income		58,430,668	-
32	Other expenses		(128,147,137)	-
40	Net other expenses		(69,716,469)	-
50	Net accounting (loss)/profit before tax		(3,551,853,265)	27,803,980
51	Business income tax - current	21	-	(5,560,796)
60	Net (loss)/profit after tax		(3,551,853,265)	22,243,184



Le Thi Thu Hang  
Preparer/Chief Accountant



Shunei Tabata  
General Director  
Authorised signatory  
12 March 2018

The notes on pages 9 to 23 are an integral part of these financial statements.

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

Code	Note	Year ended 31 December	
		2017 VND	2016 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>(3,551,853,265)</b>	<b>27,803,980</b>
		Adjustments for:	
02	7,8	1,079,369,049	-
03		25,338,859	-
04		3,780,669	(269,893,030)
05		(122,712,843)	(22,573,297)
08		<b>(2,566,077,531)</b>	<b>(264,662,347)</b>
09		80,148,500	(735,210,326)
10		(191,454,925)	(23,546,364)
11		(5,082,889,642)	424,185,234
12		(280,434,984)	-
15	11	(5,560,796)	-
20		<b>(8,046,269,378)</b>	<b>(599,233,803)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21		(852,784,758)	(7,180,119,050)
23		(2,500,000,000)	-
27		122,712,843	22,573,297
30		<b>(3,230,071,915)</b>	<b>(7,157,545,753)</b>
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>			
31		-	26,946,580,020
40		-	<b>26,946,580,020</b>
50		<b>(11,276,341,293)</b>	<b>19,189,800,464</b>
60	3	<b>19,459,693,494</b>	-
61		(3,780,669)	269,893,030
70	3	<b>8,179,571,532</b>	<b>19,459,693,494</b>



Le Thi Thu Hang  
Preparer/Chief Accountant



Shuhei Tabata  
General Director  
Authorised signatory  
12 March 2018

The notes on pages 9 to 23 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1 GENERAL INFORMATION**

Fuji Medic Limited Liability Company (“the Company”) was established in SR Vietnam pursuant to the initial Enterprise registration certificate No. 1801472944 dated 27 July 2016 issued by the Planning and Investment Department of Can Tho City and the initial Investment registration certificate No. 3254563143 dated 13 July 2016 issued by the Planning and Investment Department of Can Tho City for a period of 50 years from the date of the initial Investment registration certificate.

The second amended Enterprise registration certificate dated 6 December 2017 was issued by the Planning and Investment Department of Can Tho City and the first amended Investment registration certificate dated 20 June 2017 was issued by Can Tho City Export Processing and Industrial Zones Authority.

The principal activities of the Company are to provide services of general clinic and dental clinic.

The Company’s normal business cycle is within 12 months.

As at 31 December 2017, the Company had 32 employees (2016: 7 employees).

**2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The financial statements have been prepared under the historical cost convention.

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

**2.2 Fiscal year**

The Company’s fiscal year is from 1 January to 31 December.

**2.3 Use of estimates**

The preparation of the financial statements in conformity with Vietnamese Accounting Standards requires the General Director to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amounts of revenues and expenses during the year. Although these estimates are based on the General Director’s best knowledge of current events and actions, actual results may differ from those estimates.



**2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Currency**

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

**2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

**2.6 Trade receivables**

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the General Director of all outstanding amounts at the year end. Bad debts are written off when identified.

**2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

**2.8 Investments held-to-maturity**

Investments held-to-maturity are investments which the General Director has positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits for interest earning. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.



**2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

*Depreciation and amortisation*

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives or over the term of the project if shorter. The estimated useful lives of the assets are as follows:

Machinery and equipment	10 years
Motor vehicles	10 years
Medical test software	10 years

*Disposals*

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

*Construction in progress*

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

**2.10 Leased assets**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

**2.11 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives.

**2.12 Payables**

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables including non-trade payables, and not relating to purchase of goods and services.

**2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.12 Payables (continued)**

Payables are classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

**2.13 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

**2.14 Provisions**

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

**2.15 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the year prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in according with current regulations.

**2.16 Current and deferred income tax**

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.



**2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Current and deferred income tax (continued)**

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2.17 Revenue recognition****(a) Rendering of services**

Revenue from rendering of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the sale of services is only recognised when all four (4) following conditions are 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;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**(b) Interest income**

Interest income is recognised on an earned basis.

**2.18 Cost of sales**

Cost of sales are cost of services provided during the period, and recorded on the basis of matching with revenue and on prudent concept.

**2.19 Financial expenses**

Finance expenses are expenses incurred in the period for financial activities including losses incurred when selling foreign currencies and losses from foreign exchange differences.

**2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses for administrative staff (salaries, wages, allowances, etc.); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration, outside services and other expenses.

**2.21 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Company considers the substance of the relationship not merely the legal form.

**3 CASH AND CASH EQUIVALENTS**

	2017 VND	2016 VND
Cash on hand	27,787,096	1,495,967
Cash at bank	6,151,784,436	19,458,197,527
Cash equivalents (*)	2,000,000,000	-
	<u>8,179,571,532</u>	<u>19,459,693,494</u>

(\*) Cash equivalents included term deposits with an original maturity of 3 months or less.

**4 INVESTMENTS HELD-TO-MATURITY**

	2017		2016	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	<u>2,500,000,000</u>	<u>2,500,000,000</u>	<u>-</u>	<u>-</u>



**5 INVENTORIES**

	2017		2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Chemical	199,352,873	(25,338,859)	-	-
Medical tools	15,648,416	-	-	-
Tools and supplies	-	-	23,546,364	-
	<u>215,001,289</u>	<u>(25,338,859)</u>	<u>23,546,364</u>	<u>-</u>

Movements in the provision for decline in value of inventories during the year were as follows:

	2017 VND	2016 VND
Beginning of year	-	-
Increase (Note 16)	25,338,859	-
End of year	<u>25,338,859</u>	<u>-</u>

The provision of inventories was made for chemical expired as at 31 December 2017 and waiting for destroy.

**6 PREPAID EXPENSES****(a) Short-term prepaid expenses**

	2017 VND	2016 VND
Tool and supplies	94,834,177	-
Others	97,498,115	-
	<u>192,332,292</u>	<u>-</u>

Short-term prepaid expenses are allocated within 12 months or a normal business cycle since the time of prepayment.

**(b) Long-term prepaid expenses**

	2017 VND	2016 VND
Leasehold improvements	<u>88,102,692</u>	<u>-</u>

Long-term prepaid expenses are allocated in a period of more than 12 months or a normal business cycle since the time of prepayment.

**6 PREPAID EXPENSES (continued)****(b) Long-term prepaid expenses (continued)**

Movements in long-term prepaid expenses during the year were as follows:

	2017 VND	2016 VND
Beginning of year	-	-
Increase	121,141,200	-
Allocation	(33,038,508)	-
End of year	<u>88,102,692</u>	<u>-</u>

**7 TANGIBLE FIXED ASSETS**

	Machinery and equipment VND	Motor vehicles VND	Total VND
<b>Historical cost</b>			
As at 1 January 2017	-	2,100,000,000	2,100,000,000
New purchases	296,808,657	-	296,808,657
Transfers from construction in progress (Note 9)	10,868,891,343	-	10,868,891,343
As at 31 December 2017	<u>11,165,700,000</u>	<u>2,100,000,000</u>	<u>13,265,700,000</u>
<b>Accumulated depreciation</b>			
As at 1 January 2017	-	-	-
Charge for the year	877,042,793	200,454,546	1,077,497,339
As at 31 December 2017	<u>877,042,793</u>	<u>200,454,546</u>	<u>1,077,497,339</u>
<b>Net book value</b>			
As at 1 January 2017	-	2,100,000,000	2,100,000,000
As at 31 December 2017	<u>10,288,657,207</u>	<u>1,899,545,454</u>	<u>12,188,202,661</u>

**8 INTANGIBLE FIXED ASSETS****Medical test software  
VND****Historical cost**

As at 1 January 2017

New purchases

As at 31 December 2017

-

278,510,400

278,510,400**Accumulated amortisation**

As at 1 January 2017

Charge for the year

As at 31 December 2017

-

1,871,710

1,871,710**Net book value**

As at 1 January 2017

As at 31 December 2017

-

276,638,690**9 CONSTRUCTION IN PROGRESS****2017  
VND****2016  
VND**

Machinery and equipment in installation

-

10,591,425,642

Movements in the construction in progress during the year were as follows:

**2017  
VND****2016  
VND**

Beginning of year

Additions

Transfers to tangible fixed assets (Note 7)

End of year

10,591,425,642

277,465,701

(10,868,891,343)

-

10,591,425,642

-

-

10,591,425,642

**10 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	2017		2016	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties (*)	33,672,500	33,672,500	627,000,000	627,000,000
Related parties (Note 22(b)(i))	-	-	4,699,800,000	4,699,800,000
	<u>33,672,500</u>	<u>33,672,500</u>	<u>5,326,800,000</u>	<u>5,326,800,000</u>

(\*) Details for suppliers accounting from 10% or more of total short-term trade accounts payable balance were as follows:

	2017 VND	2016 VND
306 Construction Advisory Joint Stock Company	25,252,000	-
Can Tho Center for monitoring environmental resources	8,420,500	-
Siemens Healthcare Limited Company	-	627,000,000
	<u>33,672,500</u>	<u>627,000,000</u>

As at 31 December 2017 and 31 December 2016, there was no balance of short-term trade account payable that was past due.

**11 TAX AND OTHER PAYABLES TO THE STATE BUDGET**

Movement in tax payables to the State Budget during the year were as follows:

	As at 1.1.2017 VND	Payable in the year VND	Payment in the year VND	As at 31.12.2017 VND
Business income tax	5,560,796	-	(5,560,796)	-
Personal income tax	150,000	41,786,483	(30,106,483)	11,830,000
Excise tax	-	3,000,000	(3,000,000)	-
	<u>5,710,796</u>	<u>44,786,483</u>	<u>(38,667,279)</u>	<u>11,830,000</u>



**12 OWNERS' CAPITAL**

	Amount contributed VND	%
DHG Pharmaceutical Joint Stock Company	13,742,460,000	51
Nomura Trading Co., Ltd	8,084,386,800 (equivalent of US\$363,180)	30
Japan Medical Laboratory Co., Ltd	5,119,733,220 (equivalent of US\$229,997)	19
	<u>26,946,580,020</u>	<u>100</u>

Pursuant to the 1st amended Investment registration certificate No. 7636347328 dated 20 June 2017, the charter capital of the Company is US\$1,200,000, equivalent to VND26,946,000,000. As at 31 December 2017, the capital of Nomura Trading Co., Ltd and Japan Medical Laboratory Co., Ltd have been contributed in USD. The charter capital recorded in the financial statement is VND26,946,580,020, which is different with the amount regulated in the Investment registration certificate as it has been translated at rates of exchange ruling at the actual contribution dates.

**13 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND	(Accumulated losses)/ Undistributed earnings VND	Total VND
As at 27 July 2016	26,946,580,020	-	<b>26,946,580,020</b>
Profit for the year	-	22,243,184	<b>22,243,184</b>
As at 31 December 2016	<u>26,946,580,020</u>	<u>22,243,184</u>	<b><u>26,968,823,204</u></b>
Loss for the year	-	(3,551,853,265)	<b>(3,551,853,265)</b>
As at 31 December 2017	<u>26,946,580,020</u>	<u>(3,529,610,081)</u>	<b><u>23,416,969,939</u></b>

**14 OFF BALANCE SHEET ITEMS****Foreign currencies**

Included in cash and cash equivalents are balances held in foreign currencies as follows:

	2017	2016
USD	<u>252,043.49</u>	<u>593,172.6</u>

**FUJI MEDIC LIMITED LIABILITY COMPANY**

**Form B 09 – DN**

**15 NET SALES**

	<b>2017 VND</b>	<b>2016 VND</b>
Sales of service rendered	2,073,661,500	-

**16 COSTS OF SALES**

	<b>2017 VND</b>	<b>2016 VND</b>
Staff costs	884,612,536	-
Direct materials costs	850,738,104	-
Depreciation and amortisation expenses	770,483,759	-
Provision for decline in value of inventories (Note 5)	25,338,859	-
Other overhead costs	467,351,390	-
	<u>2,998,524,648</u>	<u>-</u>

The costs of rendering services include costs for activities at the clinic that generated sales.

**17 FINANCIAL INCOME**

Financial income mainly includes interest from deposits at bank and foreign exchange gains.

**18 SELLING EXPENSES**

Selling expenses mainly include staff costs for salesman.

**19 GENERAL AND ADMINISTRATION EXPENSES**

Major items included in general and administration expenses were:

	<b>2017 VND</b>	<b>2016 VND</b>
Staff costs	937,244,061	170,406,618
Office rental and car rental expenses	577,654,879	-
Tools and supplies expenses	331,839,689	400,000
Depreciation expenses	211,571,822	-
	<u>2,058,310,451</u>	<u>570,406,618</u>

## 20 COST OF OPERATIONS BY FACTOR

	2017 VND	2016 VND
Raw materials	1,388,534,397	400,000
Staff costs	2,006,371,359	170,406,618
Depreciation and amortisation expenses	982,055,581	-
Outside service expenses	995,637,119	71,613,638
Other expenses	231,261,543	22,242,091
	<u>5,603,859,999</u>	<u>264,662,347</u>

## 21 BUSINESS INCOME TAX

The tax on the Company's (loss)/profit before tax differs from the theoretical amount that would arise using the normal tax rate of 20% as regulated in current tax regulations as follows:

	2017 VND	2016 VND
Net accounting (loss)/profit before tax	(3,551,853,265)	27,803,980
Tax calculated at a rate of 20%	(710,370,653)	5,560,796
Effect of:		
Expenses not deductible for tax purposes	25,629,427	-
Tax losses for which no deferred income tax asset was recognised	684,741,226	-
Business income tax charge	<u>-</u>	<u>5,560,796</u>

The Company's business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

The Company's tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Company's future taxable profits are:

Year of tax loss		Status of tax authorities' review		Loss incurred	Loss utilised	Loss carried forward
Year of tax loss	Status of tax authorities' review			VND	VND	VND
2017	Outstanding			<u>3,551,853,265</u>	<u>-</u>	<u>3,551,853,265</u>

**22 RELATED PARTY DISCLOSURES**

The Company is controlled by DHG Pharmaceutical Joint Stock Company, a company established in Vietnam, which owns 51% of the Company's charter capital.

**(a) Related party transactions**

During the year, the following transactions were carried out with related parties:

	2017 VND	2016 VND
<b>i) Purchases of goods and services</b>		
DHG Packaging and Printing 1 One Member Limited Company – a fellow group subsidiary	2,250,000	-
DHG Pharmaceutical Joint Stock Company – parent company	400,000	-
	<u>2,650,000</u>	<u>-</u>
<b>ii) Purchases of fixed assets</b>		
Japan Medical Laboratory Co., Ltd – an owner	278,510,400	-
	<u>278,510,400</u>	<u>-</u>
<b>iii) Sales of services</b>		
DHG Pharmaceutical Joint Stock Company – parent company	1,194,679,000	-
DHG Pharmaceutical One Member Limited Company – a fellow group subsidiary	527,463,000	-
DHG Packaging and Printing 1 One Member Limited Company – a fellow group subsidiary	103,467,000	-
	<u>1,825,609,000</u>	<u>-</u>
<b>iv) Compensation of key management</b>		
Gross salaries and other benefits	185,416,667	40,000,000
	<u>185,416,667</u>	<u>40,000,000</u>
<b>(b) Year end balances with related parties</b>		
	2017 VND	2016 VND
<b>i) Short-term trade accounts payable (Note 10)</b>		
DHG Pharmaceutical Joint Stock Company – parent company	-	4,699,800,000
	<u>-</u>	<u>4,699,800,000</u>



**23 COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with this year's presentation.

The financial statements were approved by the General Director on 12 March 2018.



Le Thi Thu Hang  
Preparer/Chief Accountant



Shunei Tabata  
General Director  
Authorised signatory