



NAVICO
NAM VIET CORPORATION



NAM VIET CORPORATION
ANNUAL REPORT
2018

INVEST NOW, ACHIEVE FUTURE

INVEST NOW, ACHIEVE FUTURE



MESSAGE FROM THE BOARD OF DIRECTORS



“In 2018, Nam Viet penetrated successfully to China market and became one of top three pangasius exporters in Vietnam. 2019 will be the year that Nam Viet invests in the last puzzle to complete the full integrated value chain and sustainable development”

Dear Shareholders,

Been through years of ups and downs, nurtured and invested in Navico, now I'm glad to say that our time has come, Navico has officially completed a solid foundation to welcome the upcoming fruitful results which we have been looking forward to.

In 2018, Nam Viet was one of the three largest Pangasius exporters in Vietnam with net revenue increasing by 40%; profit after tax increasing by 320% compared to that of 2017. Basic earnings per share (EPS) reached 4,811 VND/share.

The markets that Navico occupies still have been in good cooperation, forming sustainable business relations. The markets that Navico wants to penetrate, such as the US and China are on a positive feedback. Scheduled from this year to 2021, we are expecting to return to US market with a blooming debut. In 2018, we have laid the necessary foundation to develop the Chinese market, this year will be the year we build and develop this market strongly.

Navico has also started the megaproject “Binh Phu High-tech Aquaculture Area”, which is the largest centralized Pangasius farming area in Vietnam. The development orientation of healthy fingerlings and supplying sustainable pangasius input material for Navico in particular and the industry in general has come into operation. The plan is still arduous, but specially thank to our inspiring work force who are constantly contributing despite of day and night; all are looking forward to achieving the upcoming goal.

ANV's stock market landscape is also very positive. In 2019, it is expected that ANV shares will reflect its value, it should be proportional to Navico's revenue and profit growth.

On behalf of all employees, I sincerely thank the Shareholders for accompanying Navico throughout the Company's development journey. I pledge to continue to do my best to bring out the best value to deserve the expectations of the Shareholders.

Best Regards,

Chairman of the Board

HIGHLIGHTS 2018

Business results

+40% YOY



4,118

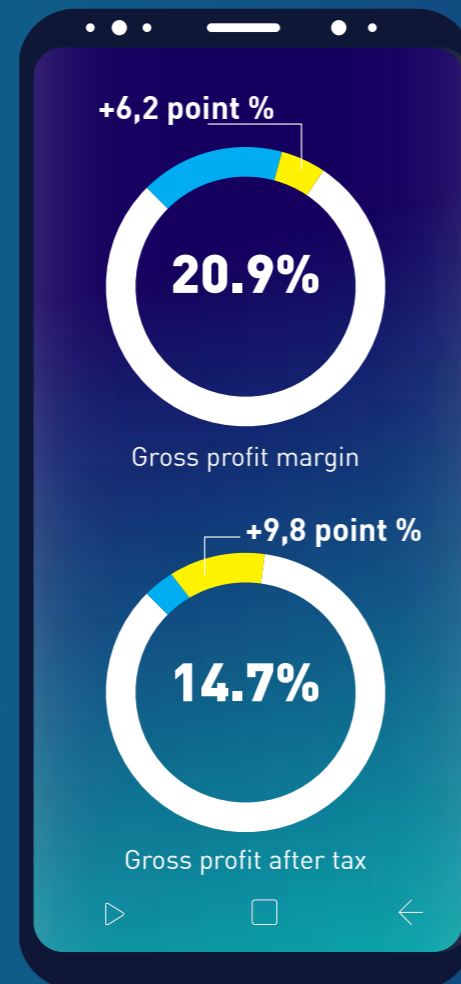
Revenue (VND Billion)

Profit after tax (VND Billion)



604.2

+320% YOY



Focus



Top 3
Pangasius exporters
in Vietnam



Successful penetration
into China market

600 ha
Invest in the future
High-tech Pangasius
farming area

Export to



70
COUNTRIES

21 fish farming areas with total
water surface area reached

250 ha

VISION

Become world-class leading brand **in farming, processing and exporting pangasius**

1

2

MISSION

Improve product quality, trust in customers and prioritize sustainable development goals

TARGET

Aim to be a global brand, at the forefront of “Prestige - Quality - Clean Products - Prioritizing consumer health”

3



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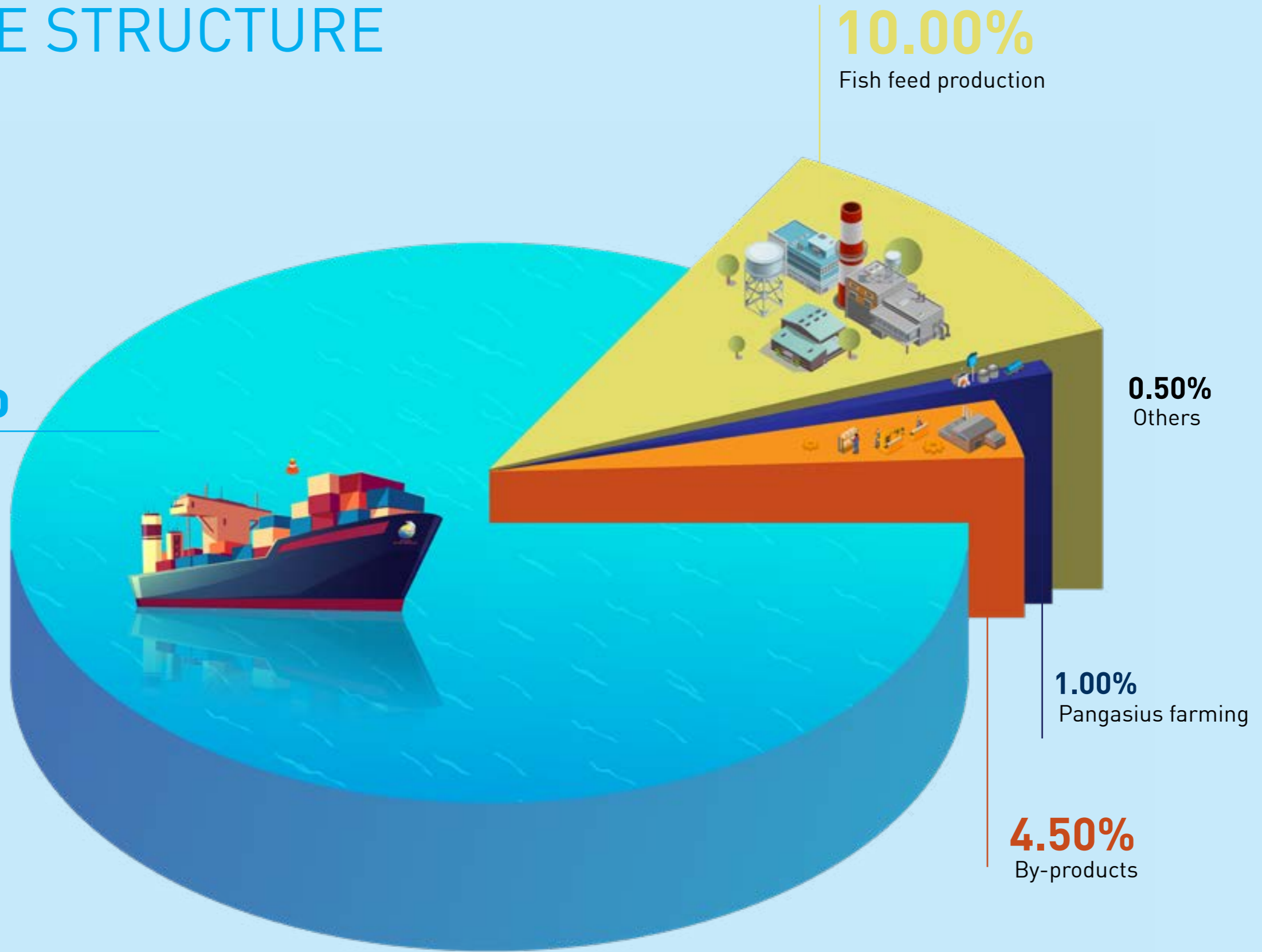
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REVENUE STRUCTURE

84.00%
Export Pangasius



GENERAL INFORMATION

Trading name:
NAM VIET CORPORATION

English name:
NAM VIET CORPORATION

Business registration certificate no.:
1600168736

Tel:
(0296) 834 065 - (0296) 834 060

Owner's investment capital:
1,275,396,250,000 VND

Fax:
(0296) 634 054 - (0296) 932 486

Charter capital:
1,275,396,250,000 VND

Website:
WWW.NAVICORP.COM.VN

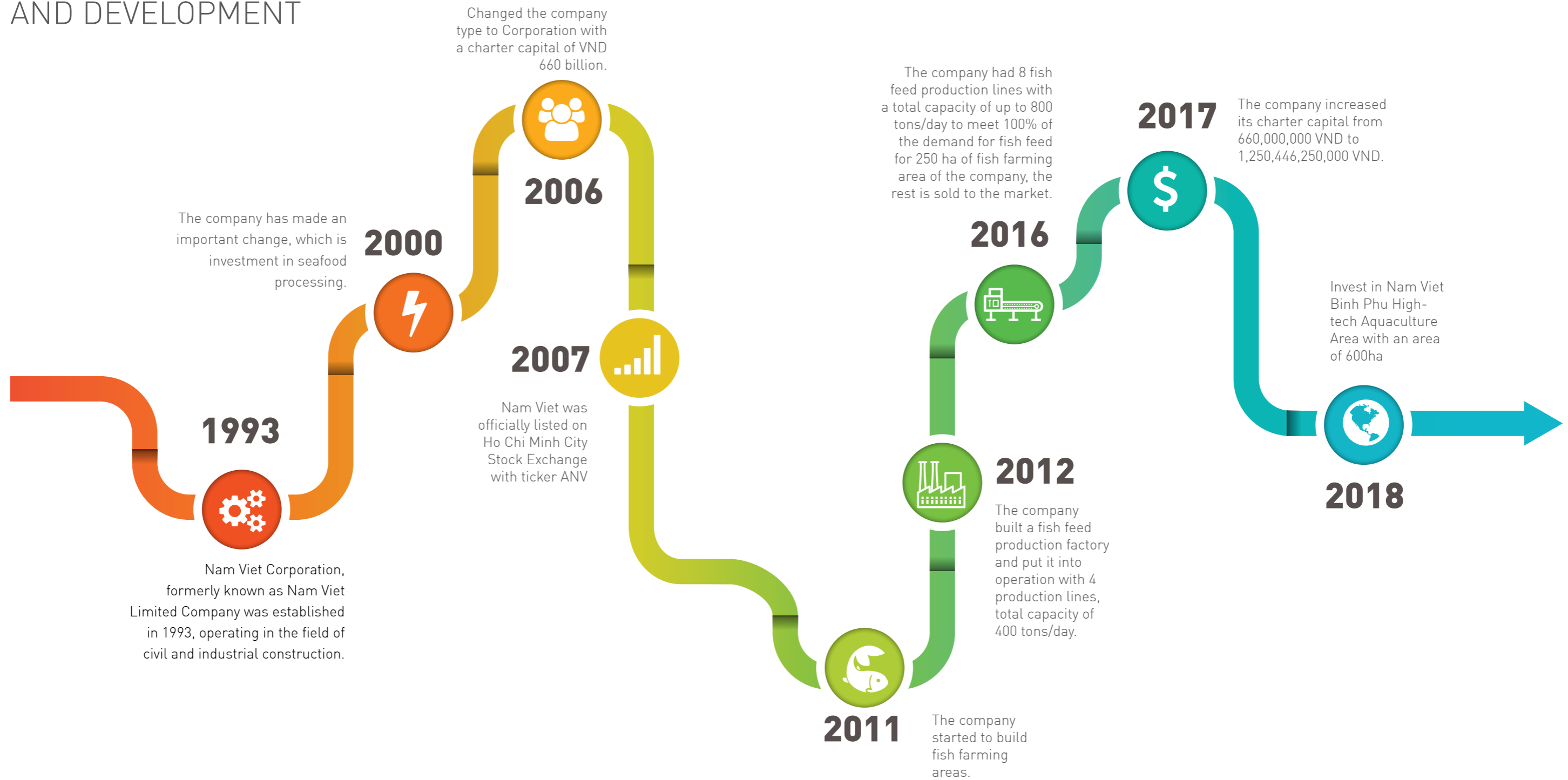
Address:
**19D TRAN HUNG DAO, MY QUY WARD,
LONG XUYEN CITY, AN GIANG**

Ticker
ANV



GENERAL INFORMATION

THE PROCESS OF FORMATION AND DEVELOPMENT



GENERAL INFORMATION
BUSINESS LINES
AND BUSINESS LOCATION

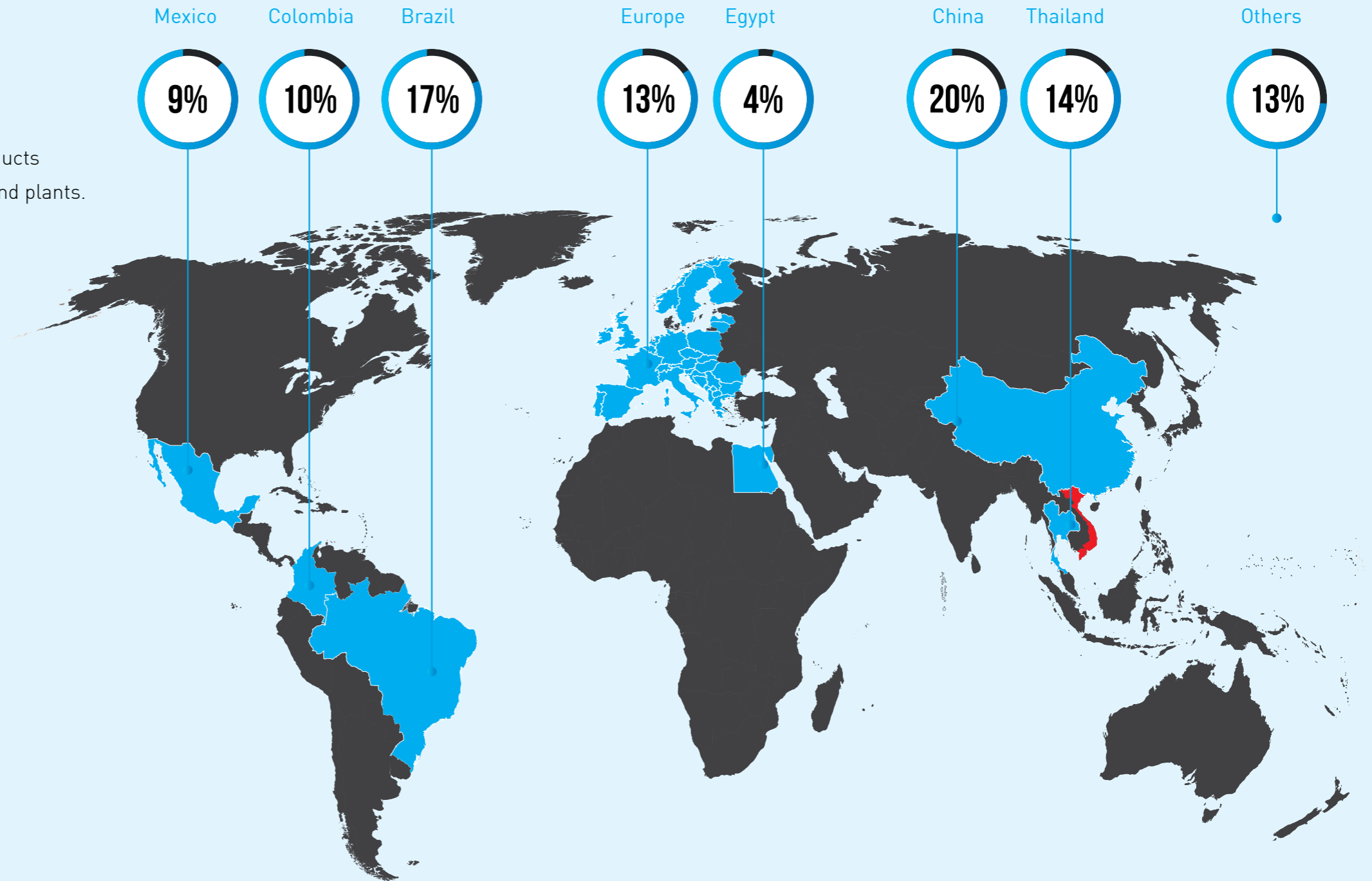
BUSINESS LINES

- Aquaculture
- Fish feed production
- Processing and preserving seafood products
- Production of oil and fat from animals and plants.

BUSINESS LOCATION

The company mainly exports to these countries:

- | | |
|---|--|
| America
Mexico, Brazil,
Colombia | Europe
Belgium, Italy
Netherlands |
| Middle East
Saudi Arabia
Kuwait | Asia
China,
Thailand, Malaysia |



GENERAL INFORMATION
MAIN PRODUCTS



- 1 Red meat
- 2 White fillet
- 3 Skin on fillet
- 4 Steak
- 5 Boneless steak
- 6 Butterfly
- 7 Whole fish



GENERAL INFORMATION INFORMATION ABOUT GOVERNANCE MODEL, BUSINESS ORGANIZATION CHART AND MANAGEMENT TEAM

The Company operates following Corporation Model in compliance with Law on Enterprises and related laws:



GENERAL INFORMATION

SUBSIDIARIES

AFFILIATED COMPANIES

Subsidiaries

01 - Indian Ocean Co., Ltd.

Address	Thot Not Industrial Park, Thoi Thuan Ward, Thot Not District, Can Tho City.
Tel	0291 03649262
Charter capital	36,000,000,000
Contributed capital by NAVICORP	36,000,000,000
NAVICORP's ownership rate	100%
Main business lines	Processing and preserving seafood and aquatic products; fish oil and fish meal processing.

02 - Nam Viet Binh Phu Aquaculture One Member Limited Company

Address	19D Tran Hung Dao, My Quy Ward, Long Xuyen City, An Giang Province
Tel	029 6 932486
Charter capital	540,000,000,000
Contributed capital by NAVICORP	540,000,000,000
NAVICORP's ownership rate	100%
Main business lines	Aquaculture

Affiliated companies

Fresh Fruit Join Stock Company

Address	Thot Not Industrial Park, Thoi Thuan Ward, Thot Not District, Can Tho City.
Tel - Fax	029103649769 - 029103649769
Charter capital	27,000,000,000
Contributed capital by NAVICORP	12,000,000,000
NAVICORP's ownership rate	44.4%
Main business lines	Processing and preserving fruits and vegetables

GENERAL INFORMATION
DEVELOPMENT ORIENTATION

Medium and long-term development strategy

Continue to develop in depth, apply high technology and complete a closed value chain from hatchery, feed production, farming to processing and export.

Increase the efficiency of human resources:

- Reduce the management team and indirect parts which are not effective.
- Apply technological and technical achievements to the work of each department to improve productivity.

The Company's main objectives

Bring the company to the top of the industry by taking advantage of our strengths and develop market share.

Sustainable development goals

Product quality:
fully meet the output requirements and standards of each market. Ensure product quality to consumers by closely managing each stage in the closed process.

For the environment:
Navico will constantly improve the system of practice and environment management to prevent environment pollution. In addition, the Company will strictly implement the energy and material saving program to protect the environment and natural resources.

For society:
Implement clearly working hours, salary, social welfare regimes. Ensure legitimate rights and interests of employees; protect and improve health and create a healthy working environment for workers.



GENERAL INFORMATION RISK FACTORS

01_ ECONOMIC RISKS

The economic growth of Vietnam in 2018 was quite positive when GDP growth reached 7.08%, the highest growth rate since 2008.

Contributing to the growth rate of 7.08%, there are agriculture, forestry and fishery sectors increased by 3.76%; industry and construction sectors increased by 8.85%; service sector increased by 7.03%. The agriculture, forestry and fishery sectors achieved the highest growth rate in the period of 2012-2018. In particular, the agricultural sector continued to recover clearly when reaching an increase of 2.89%, the highest in the period 2012-2018.

In addition, there is a contribution from the export sector. For the whole year of 2018, the export turnover of goods reached USD 244.72 billion, up 12.4% over the previous year, of which seafood exports accounted for USD 9 billion, up 8.4%.

Along with the growth of the economy, Navico has had outstanding business achievements this year. The completion of target in the year and the improvement of the business and production performance of the company along with the development of the economy as mentioned above promise to be a great opportunity for Navico's growth and development.

The economic growth of Vietnam

Source: General Statistics Office of Vietnam



02_ INTEREST RATE RISK

To Navico, although the average interest expense over the past years only accounts for 1-3% of net revenue, the stable trend of interest rates creates more favorable conditions for the Company in production and business activities. In 2019, the Company will take the initiative in cash flow, limit borrowings, so the interest expense may decline sharply.

03_ EXCHANGE RATE RISK

Since export is the Company's main business direction and the amount of foreign currency collected is mainly USD, the exchange rate fluctuations will also be a concern for the Company's management.

USD rate: Currently, Navico is holding a number of assets valued in USD and signed contracts are also paid mainly in USD so the stability of exchange rates will also be an advantage for the Company's business performance.

04_ INDUSTRY-SPECIFIC RISKS

Risks of diseases and environmental pollution: In recent years, the situation of climate change has been quite negative, sea level rise has caused salt water to penetrate deeply into the field, directly impacted on fingerlings production and pangasius farming. With specific activities of fish farming and production, though Navico always tries its best to ensure product quality, it is more or less affected by the common environment and cannot resist the impact of nature.

05_ ENVIRONMENTAL RISKS

Farming and exporting pangasius in the Mekong Delta region has brought high economic efficiency and promises great development potential. However, in recent years, mortality rate of raising pangasius is getting higher and higher. There is even a loss of more than 50% in ponds, which affects the economic efficiency for farmers. If we continue to neglect the issue of environmental protection, the environmental degradation caused by fish farming will have a strong impact on farming and is the biggest obstacle to the development of pangasius in the future.

Risks of increasing material prices: The market that lacks of fingerlings will push fish price to high levels. In addition to the high price of the fingerlings, the rush of raising pangasius will cause the price of feed and aquatic medicine products to increase accordingly, thereby increasing the cost of input materials.

Export market risk: Difficulty for Navico in particular and pangasius exporters in general is additional costs such as inspection costs, storage costs

06_ LEGAL RISKS

The production and business activities of Nam Viet are governed by the Vietnamese legal system such as Enterprise Law, Investment Law, tax and customs policies; Besides, as an enterprise listed on the stock exchange, Nam Viet is also affected by the legal framework system of Vietnam Stock Market. Currently, a number of laws, sanctions and policies are being reformed, so Nam Viet needs more careful preparation to meet these requirements.

07_ OTHER RISKS

Other risks include unforeseeable risks such as the increase in transportation and storage costs ... which are low risks but have a great impact on the business performance of the whole Company.





OPERATION PERFORMANCE IN THE YEAR

OPERATION PERFORMANCE IN THE YEAR PRODUCTION AND BUSINESS ACTIVITIES

Business environment in 2018

ADVANTAGES

- Navico currently has a closed value chain from producing feed, farming and processing seafood, since then, the Company has been able to proactively source fish materials for production and market.
- The company has factories available for use when increasing production without the need of new investment.
- Fish farming areas are concentrated mainly in An Giang and Dong Thap provinces, where they are not affected by saline intrusion.
- The company has a relatively diverse and stable export market over the years, with many traditional customers in each market.

DISADVANTAGES

- Labor source is unstable, often moves between businesses inside and outside the industry.
- Market: Some markets set up non-tariff barriers to limit and tighten the control of imported goods like the US and European markets.

INDICATORS	2017 (VND million)	2018 (VND million)	Increase / decrease in the year
Net revenue	2,949,141	4,117,989	39.6%
Cost of goods sold	2,516,690	3,255,567	29.4%
Gross profit	432,450	862,422	99.4%
Financial income	19,625	73,915	276.6%
Financial expenses	63,842	75,220	17.8%
Selling expenses	145,839	160,836	10.3%
General and administration expenses	39,380	8,659	-78.0%
Profit (loss) from joint venture	(4,757)	(2,032)	-
Net operating profit	198,257	689,591	247.8%
Other profit - Total	(31,650)	558	-
Profit before tax	166,606	690,150	314.2%
Profit after tax	143,999	604,167	319.6%

NET REVENUE

In 2018, Navico's net revenue reached VND 4,118.0 billion, up 39.6% compared to the same period in 2017. Revenue growth is due to the increase in the selling price of the company along with successful market expansion.

GROSS PROFIT

Gross profit margin has improved, increasing from 14.7% in 2017 to 20.9% in 2018, selling expenses and financial expenses significantly reduced.

PROFIT AFTER TAX

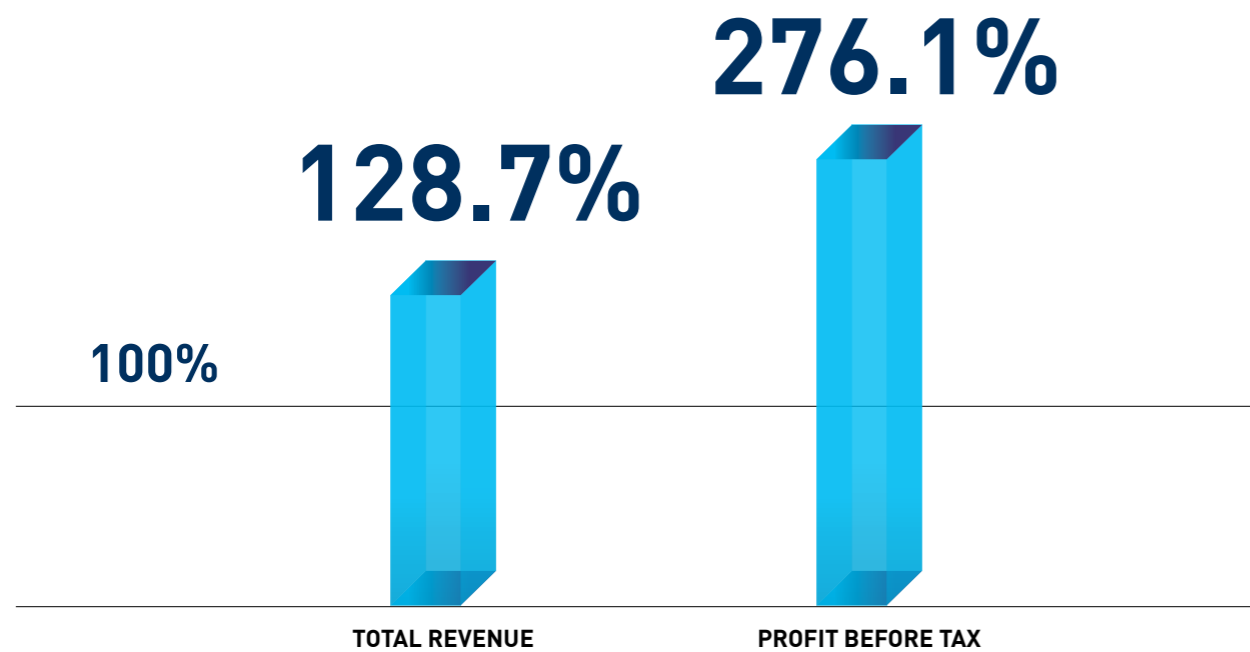
Navico's after-tax profit increased sharply by 319.6% compared to 2017. The main reason is that the Company has successfully expanded its market and the selling price has increased sharply in 2018. This is the biggest factor that makes profit of the whole company grows strongly.



OPERATION PERFORMANCE IN THE YEAR THE IMPLEMENTATION OF BUSINESS PLANS

Indicators	Unit	2018 Plan	2018 Actual	2018 Actual/Plan
Total revenue	VND Million	3,200,000	4,117,989	128.7%
Profit before tax	VND Million	250,000	690,150	276.1%

THE IMPLEMENTATION OF PROPOSED PLANS

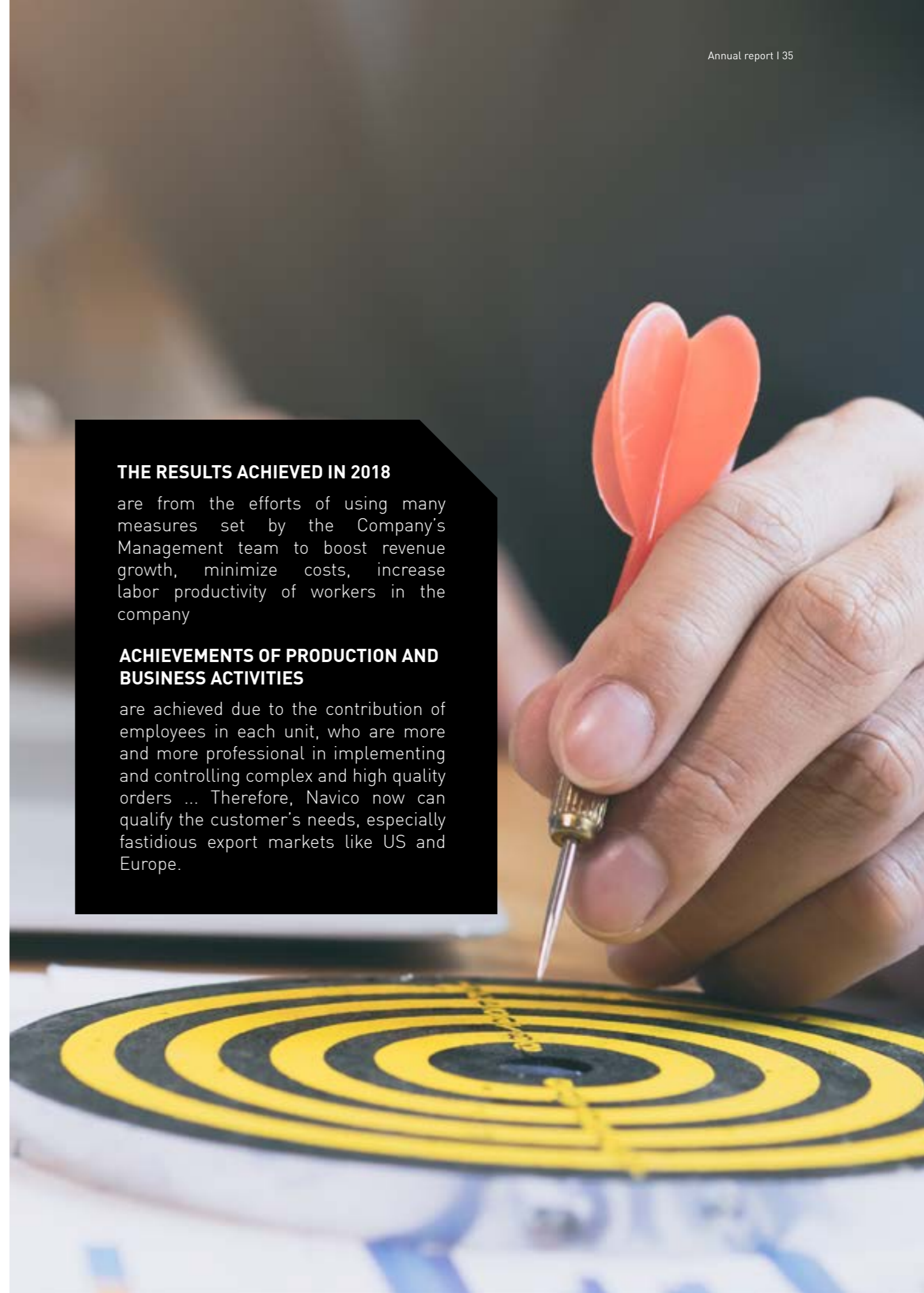


THE RESULTS ACHIEVED IN 2018

are from the efforts of using many measures set by the Company's Management team to boost revenue growth, minimize costs, increase labor productivity of workers in the company

ACHIEVEMENTS OF PRODUCTION AND BUSINESS ACTIVITIES

are achieved due to the contribution of employees in each unit, who are more and more professional in implementing and controlling complex and high quality orders ... Therefore, Navico now can qualify the customer's needs, especially fastidious export markets like US and Europe.



OPERATION PERFORMANCE IN THE YEAR ORGANIZATION AND PERSONNEL

LIST OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT



MR. DOAN TOI
CHAIRMAN OF THE BOARD CUM GENERAL DIRECTOR

Gender: Male
Year of birth: 1954
Nationality: Vietnam
Qualifications: Bachelor of Laws
Working process:
- From October 2006: Chairman of the Board cum General Director of Nam Viet Corporation.
- From 2001 to September 2006: General Director of Nam Viet Limited Company.
- From 1971 to 2001: Military officer (rank of Senior Lieutenant-Colonel) until 2001 retired.
Number of individual shares owned: 61,905,000 shares - 48.5% of charter capital



MR. DO LAP NGHIEP
DEPUTY GENERAL DIRECTOR

Gender: Male
Year of birth: 1975
Nationality: Vietnam
Qualifications: Master of Business Administration
Working process:
- From January 2011: Member of the Board, Deputy General Director of Nam Viet Corporation.
- From 2004 to September 2010: Production Manager of Nam Viet Corporation.
- From 2000 to 2004: Deputy Director of Nam Viet Seafood Freezing Factory
Number of individual shares owned: 469,000 shares - 0.37 % of charter capital



MR. NGUYEN DUY NHUT
DEPUTY GENERAL DIRECTOR

Gender: Male
Year of birth: 1960
Nationality: Vietnam
Qualifications: Master of Economics
Working process:
- From December 2007: Vice-Chairman of the Board, Deputy General Director of Nam Viet Corporation.
- From 2004 to November 2007: Chief Financial Officer of Nam Viet Corporation.
- Before 2004: Worked for Department of Finance of the State.
- Number of individual shares owned: 519,000 shares - 0.41% of charter capital

MR. DOAN CHI THIEN
ASSISTANT OF GENERAL DIRECTOR

Gender: Male
Year of birth: 1989
Nationality: Vietnam
Qualifications: Bachelor of Economics
Working process:
- From 2012: Assistant of General Director, Nam Viet Corporation
Number of individual shares owned: 17,159,999 shares - 13.45% of charter capital



MR. DOAN CHI THANH
SALES MANAGER

Gender: Male
Year of birth: 1983
Nationality: Vietnam
Qualifications: Bachelor of Informatics
Working process:
- From June 2011: Director of Sales Division.
- From 2008 to 2011: Deputy Director of Import and Export Division
Number of individual shares owned: 17,160,000 shares - 13.45% of charter capital



MS. HUYNH THI KIM THOA
CHIEF ACCOUNTANT

Gender: Female
Year of birth: 1985
Nationality: Vietnam
Qualifications: Bachelor of Economics, major in Business Accounting
Working process:
- From 19 July 2007, working at Nam Viet Corporation
Number of individual shares owned: 20,000 shares - 0.016% of charter capital



MR. TRAN MINH CANH
CFO

Gender: Male
Year of birth: 1965
Nationality: Vietnam
Qualifications: Bachelor of Economics
Working process:
- From 2010 to June 2017: Chief Financial Officer, Nam Viet Corporation
- From 2008 to 2010: Deputy Chief Financial Officer, Nam Viet Corporation
Number of individual shares owned: 20,000 shares - 0.016% of charter capital



MR. NGUYEN VAN VY
AQUACULTURE MANAGER

Gender: Male
Year of birth: 1976
Qualifications: MBA
Working process: 19 years at Nam Viet Corporation
Number of individual shares owned: 961,840 shares - 0.75% of charter capital



ORGANIZATION AND PERSONNEL

Number of employees

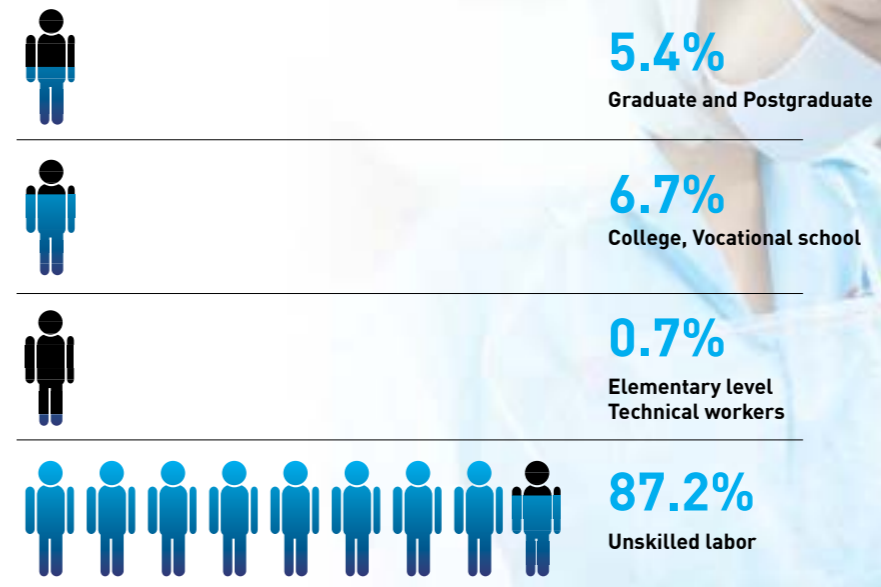
As of 31 December 2018, the total number of employees of the Company is 4,634, specifically as follows:

No.	Items	Quantity (people)	Proportion (%)
I	Based on workers' qualification		
1	Graduate and Postgraduate	251	5.4
2	College, Vocational school	311	6.7
3	Elementary level, Technical workers	29	0.7
4	Unskilled labor	4,043	87.2
II	Based on labor type		
1	Full-time	4,634	100
2	Part-time	0	0
III	Based on gender		
1	Male	2,456	53
2	Female	2,178	47

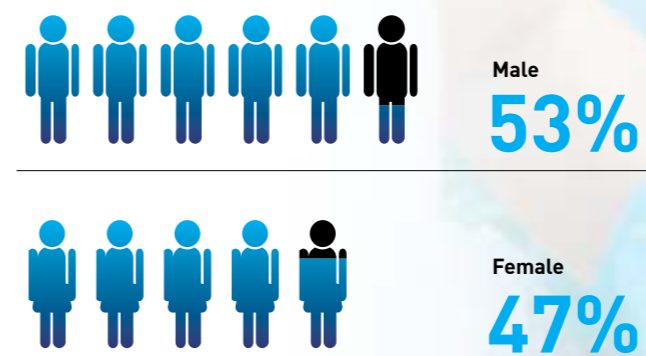
Some policies for employees and changes in 2018:

- The company applies salary and bonus policies to employees in accordance with the law and the company's salary policy based on the basis of work performance of each person, according to the completion level of the production plan and profit of the company.
- In addition, the Company also creates conditions for employees to participate in sports and cultural activities and other spiritual activities organized by local trade unions and organizations on the occasion of holidays, anniversaries in the year such as Women's day, International Children's Day, Company Establishment Day, Lunar New Year ...
- Other welfare regimes:
 - » Bonus on holidays, 13th month salary, bonus for year-end achievements
 - » Regular health check,
 - » Uniforms and Labor protection
 - » Other allowances: Difficulty allowance, bereavement allowance, annual vacation regime; working trip allowance; gas allowance ...
 - » Organize tour trips to improve working spirit

Based on workers' qualification



Based on gender



OPERATION PERFORMANCE IN THE YEAR

INVESTMENT AND IMPLEMENTATION OF PROJECTS

Major investments

New projects in the year: In 2018, the Company invested in project Binh Phu high-tech aquaculture.

The project will be constructed from 2019 to 2020. The highlight of the project is large-scale, centralized, high-tech application and 100% for export market - the project meets all strict criterias such as uniform in size,

punctuality, ensurance of safety factors, environmental protection The project is divided into 2 zones, including the production area of high-quality 3-level pangasius fingerlings (farming area of 150 ha, investment capital of VND 1,000 billion) and high-tech aquaculture and commercial pangasius farming zone (farming area of 450 ha, investment capital of VND 3,000 billion).

Long-term investments

As of December 31st, 2018, the Company still maintains a long-term investment portfolio as previous years and did not have new investment:

Company name	12/31/2017 (VND)	12/31/2018 (VND)
Vietnam Maritime Commercial Join Stock Bank	135,000,000,000	135,000,000,000
Cromit Co Dinh Thanh Hoa Joint Stock Company	20,304,000,000	20,304,000,000
Cộng	166,304,000,000	166,304,000,000

Subsidiaries, affiliated companies

Subsidiaries
INDIAN OCEAN CO., LTD.

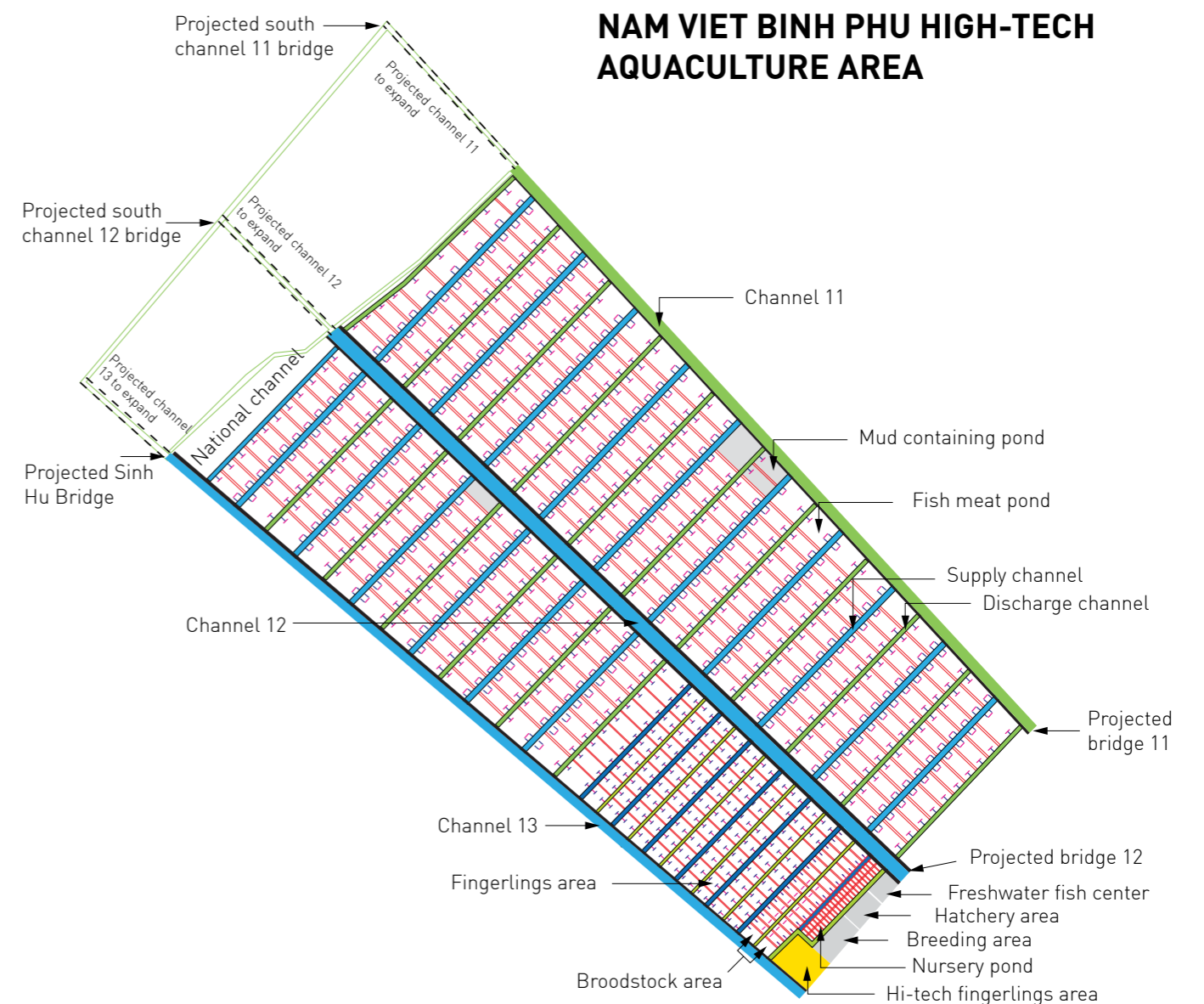
Indicators	Currency	2017	2018
Revenue	VND	571,517,456,392	721,335,072,583
Profit before tax	VND	48,420,108,193	125,778,732,161
Assets	VND	189,384,619,768	220,735,932,177
Charter capital	VND	36,000,000,000	36,000,000,000

Affiliated companies
Fresh Fruit Joint Stock Company (Has stopped operating.).

Nam Viet Binh Phu Aquaculture One Member Limited Company

Indicators	Currency	2017	2018
Revenue	VND	0	0
Profit before tax	VND	0	(3,540,909)
Assets	VND	0	397,391,916,380
Charter capital	VND	0	540,000,000,000

At fiscal year end, the Company will receive 397,097,400,000 VND



OPERATION PERFORMANCE IN THE YEAR FINANCIAL PERFORMANCE

Some financial indicators

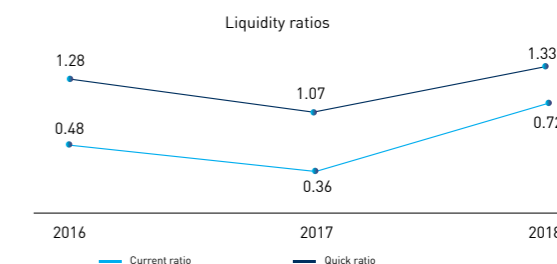
Indicators	2017 (VND million)	2018 (VND million)	Increase / decrease in 2018
Total assets	2,702,315	3,425,069	27%
Net revenue	2,949,141	4,117,989	40%
Operating profit	198,257	689,591	248%
Other profits	(31,650)	558	-
Profit before tax	166,606	690,150	314%
Profit after tax	143,999	604,167	320%

Main financial ratios

Indicators	Unit	2016	2017	2018
<i>Liquidity ratios</i>				
Current ratio	Times	1.28	1.07	1.33
<i>Capital structure</i>				
Debt / Total assets	%	56.6%	48.4%	46.0%
Debt / Equity	%	130.5%	93.9%	85.3%
<i>Operating capacity</i>				
Receivable turnover	Times	4.17	3.82	6.81
Inventory turnover	Times	1.97	2.43	3.55
Asset turnover	Times	0.90	1.03	1.34
<i>Profitability</i>				
Profit after tax / Net revenue	%	0.48%	4.88%	14.67%
Profit after tax / Equity	%	1.49%	10.53%	32.69%
Profit after tax / Total assets	%	0.62%	4.98%	17.63%
Operating profit / Net revenue	%	1.39%	6.72%	16.75%

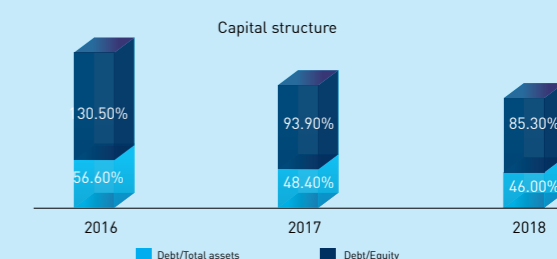
• Liquidity:

Navico's current ratio and quick ratio both increased compared to 2017. Specifically: current ratio increased from 1.07 to 1.33; Quick ratio increased from 0.36x to 0.72x in 2018. The main reason is that the items in short-term assets increased sharply compared to short-term debts.



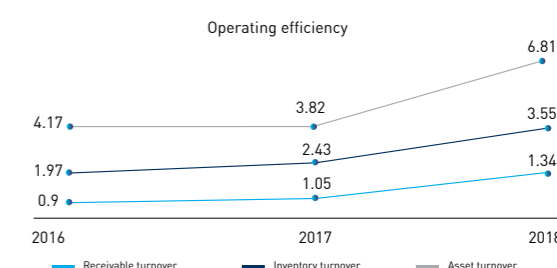
• Leverage ratios:

In 2018, the Company actively decreased long-term debt but increased short-term debt to supplement working capital. However, debt/total assets and debt/equity in 2018 still decreased compared to the previous year because equity and total assets increased sharply.



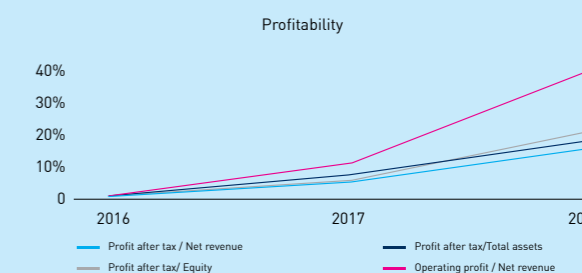
• Operating efficiency:

The basic turnover ratios showed a significant increase: receivable turnover increased from 3.82 to 6.81, asset turnover increased from 1.03 to 1.34, inventory turnover increased from 2.43 turnovers to 3.55.



• Profitability:

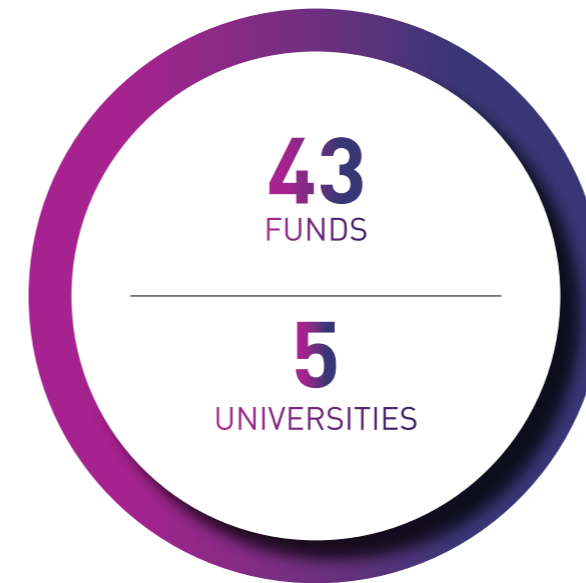
Thanks to the increase in selling price, improvement of business activities and the reduction of many expenses such as interest expense, administration expenses, etc., profitability ratios are high and increase 3-5 times compared to 2017.



OPERATION PERFORMANCE IN THE YEAR

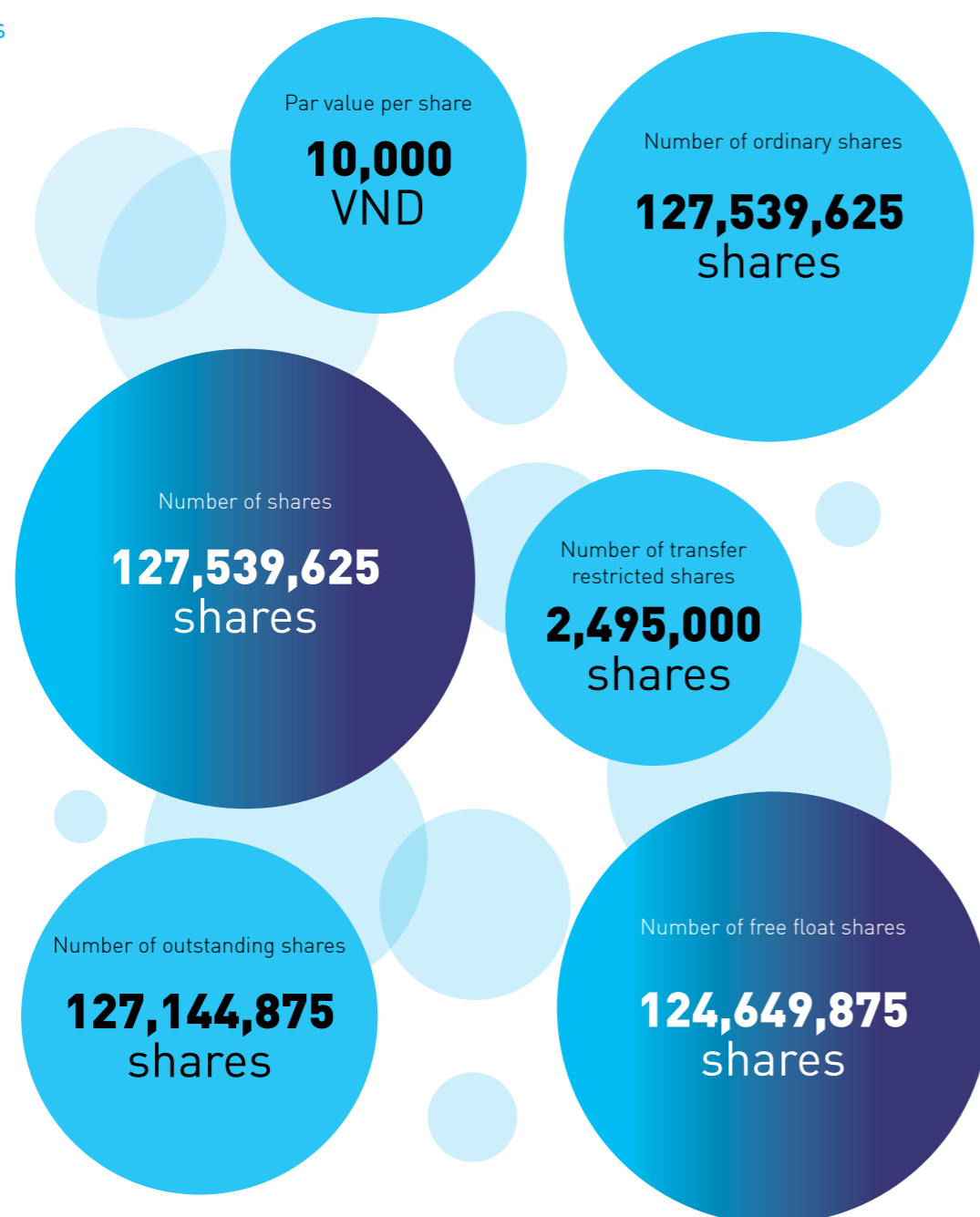
INVESTOR RELATIONS ACTIVITIES

In 2018, IR department set up many meetings with shareholders, domestic as well as foreign institutional and individual investors through different types and locations. Specifically as follows: held more than 10 site visits to Navico's factory and farming site for shareholders, investors and other research organizations from universities in Asia, Europe and America. The Company also actively participated in global investment conference held in Vietnam to meet shareholders and investors. Especially, the Company actively participated in events connecting with investors held by HSC and SSI, which provides shareholders and investors interested in the Company information about 2018 business operation



OPERATION PERFORMANCE IN THE YEAR SHAREHOLDER STRUCTURE, CHANGE OF OWNERS' INVESTMENT CAPITAL

Shares



Shareholder structure (On April 3rd, 2019)

Shareholder structure according to ownership ratio

NO.	OWNERSHIP RATIO	NUMBER OF SHARES
1	More than 5%	91,164,999
2	Less than 5%	36,374,626

Shareholder structure by ownership type

Objects	Number of shares	Ratio / charter capital
Domestic shareholders	123,698,165	97.29%
Individuals	123,571,868	97.19%
Institutions	126,297	0.10%
Foreign shareholders	3,446,710	2.71%
Individuals	216,116	0.17%
Institutions	3,230,594	2.54%
Total	127,144,875 (EXCLUDING TREASURY SHARES 394,750)	100%

Owners' capital change in 2018, the Company issued 2,495,000 ESOP shares, which increases owner's capital to VND 1,275,396,250,000.

Transaction of treasury shares

As of 31 December 2018, the number of treasury shares of the Company is 394,750 shares (equivalent to VND 11.3 billion). In 2018, the Company did not buy/sell treasury shares.

Other securities: None.

OPERATION PERFORMANCE IN THE YEAR REPORT AND ASSESSMENT OF THE ENVIRONMENTAL AND SOCIAL IMPACT OF THE COMPANY

01_REPORT ON ENERGY CONSUMPTION

In 2018, the Company always implemented energy saving policies such as electricity, gasoline, and oil with the aim of saving costs for the company and saving resources for the country to protect the environment. With the company's energy saving initiatives such as:

- Use some energy saving devices at offices and factories.
- Use LED bulbs
- Create a habit of saving electricity for officials and employees

NO.	The total energy used is classified by source	2018
1	Electricity (Kwh)	51,380,100
	Total energy consumption	51,380,100
2	Gas (kg)	16,500
	Total energy consumption	16,500

02_REPORT ON WATER CONSUMPTION

With the characteristics of the company's operations, the amount of water the company uses for activities such as farming pangasius and tilapia; processing the company's main products; processing feed for fish and domestic use.

In addition to the energy saving policy, the Company also has activities and policies to save water. The company's main water supply is from well water. The average amount of water used for production and living of the Company is 1,500 m³/day.



03_RESPONSIBILITY TO EMPLOYEES

Currently, the Company has a total of 4,643 employees with an average income of 8,000,000 VND/person/month.

In addition to the remuneration policies, Navico pays special attention to training activities on safety and occupational hygiene. In the past year, the Company has strictly complied with the provisions of Article 19, Decree No. 46/2016/ND-CP dated 15 May 2016 detailing a number of articles of the Law on Occupational Safety and Hygiene on technical inspection of labor safety, safety training, labor sanitation and labor environment monitoring. Specifically:

Participants in training	Number of training hours
Group 1: Managers in charge of occupational safety and hygiene	At least 16 hours
Group 2: People in charge of occupational safety and hygiene	At least 48 hours
Group 3: Employees who work in jobs with strict requirements on occupational safety and hygiene	
Group 4: Employees are not in group 1, 2, 3 and 5, including apprentices, probationers to work for employers.	At least 24 hours
Group 5: Medical related workers.	At least 56 hours
Group 6: Safety and hygiene staff	At least 4 hours

04_ENVIRONMENTAL RESPONSIBILITY

During the year, the company did not violate environmental laws and regulations.

05_RESPONSIBILITY TO THE SOCIAL COMMUNITY

Navico always has activities to contribute to the social community every year. In addition to activities that contribute directly to preserving social community, the Company also provides financial support to local community.

Over the years, the Company has made financial contributions to:

- The company contributed to the Spring Fund
- The company contributed to social work charity fund
- Contributed to gratitude fund
- The company commends the children of employees for their achievements in academic pursuit.

REPORT OF THE BOARD OF DIRECTORS



REPORT OF THE BOARD OF DIRECTORS

EVALUATION OF BUSINESS RESULTS

2018 marked a successful year for the fisheries sector with export turnover reaching USD 9 billion, up 8.4% compared to the previous year. In particular, the Pangasius industry created a breakthrough growth rate with turnover reached USD 2.26 billion, up 26.4% compared to the previous year, which is all time high.

Thanks to the integrated full value production chain model that we have been invested for many years and advantages of markets and material farming areas since 2017, 2018 has been a remarkable year of Nam Viet Corporation with export turnover reaching USD 145 million, up 56% compared to 2017.

Currently, the company can provide 100% of feed for fish farming, 100% of material fish for processing plants, in which:

- 8 lines of feed mill with a capacity of 800 tons of finished products/day.
- 21 fish farming areas with a total water surface area of 250 ha. In 2018, the company invested VND 540 billion to establish Nam Viet Binh Phu Aquaculture One Member Limited Company with an area of nearly 600ha for aquaculture. According to the plan, by the end of 2019, this fish farming area will be ready to serve production.
- 3 processing factories with a total design capacity of 600 tons fish per day, including:
 - + Indian Ocean Factory: 400 tons of raw material fish per day
 - + Nam Viet factory: 120 tons of raw material fish per day
 - + Pacific factory: 80 tons of raw material fish per day

Business Operation Results in 2018

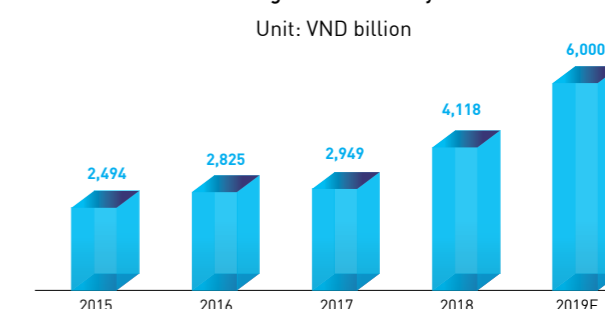
The consolidated targets

Targets	Unit	2017	2018	Increase / decrease in the year
Total revenue	VND billion	2,949	4,118	39.6 %
Total profit before tax	VND billion	167	690	4.1 times
Total profit after tax	VND billion	144	604	4.2 times
EPS	VND/Share	1,142	4,811	4.2 times
Dividend payment / charter capital	%	12%	12%	
Number of employees	Person	3,822	4,634	21.24 %
Per capita income	VND Million /person/month	5.4	8.0	

About revenue

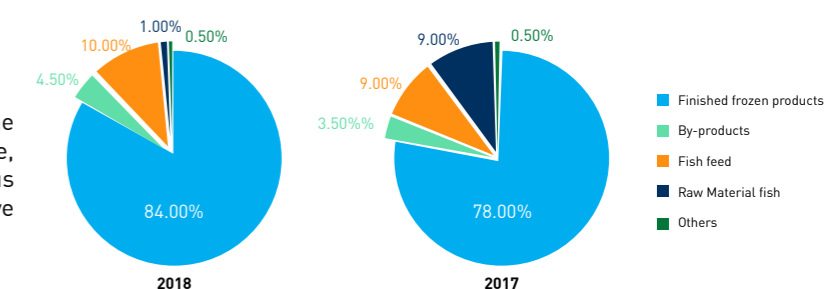
Net revenue of the company in 2018 reached VND 4,117 billion, 39.6% higher than that of same period of last year and is still in an uptrend since 2015. 2018 revenue growth was positive because (1) revenue of markets that Navico exported increased, (2) products had good selling prices, (3) self-farmed raw material fish for processing. Therefore, the company controlled materials and input costs, which helped Navico's products' prices be competitive in the market.

Revenue growth over the years:



Revenue structure:

Sales of finished frozen products still account for the highest proportion in Navico's revenue structure, accounting for 84%, up 7.7% compared to the previous year. Sales of feed and by-products have a relative increase compared to the previous year.



About gross profit

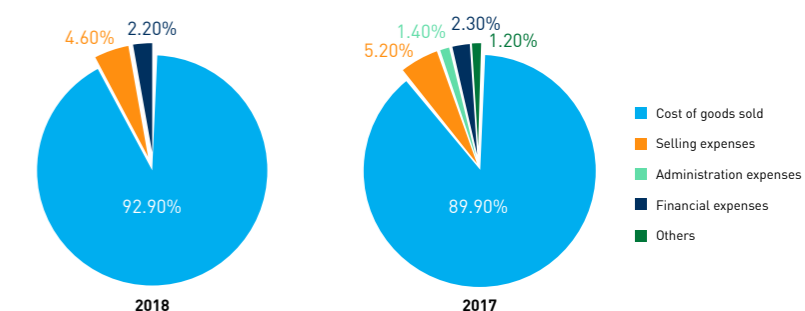
In 2018, Nam Viet recognized gross profit of VND 862 billion, 99.5% higher than 2017. At the same time, the Company's profit margin was also improved due to the stability of cost of goods sold while selling price increased.

About operating cost structure

Cost of goods sold remains the highest proportion in Navico's cost structure. Cost of goods sold in 2018 accounted for 92.9% of total cost, a slight increase of 3% in cost structure compared to 2017.

Proportion of sales expenses, corporate management expenses and financial expenses all decreased compared to 2017.

The company has a stricter operating cost management policy and cuts down some of ineffective operating costs.



REPORT OF THE BOARD OF DIRECTORS FINANCIAL PERFORMANCE

Asset

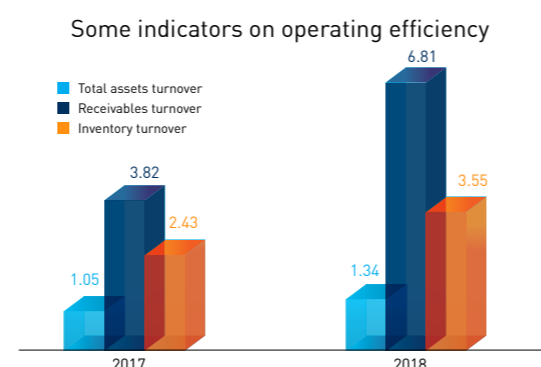
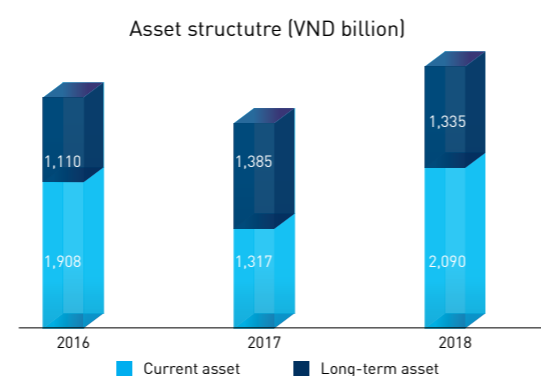
As of 31 December 2018, total assets reached VND 3,425 billion, 26.76% higher than 2017. The proportion of current assets accounted for 64.02%, up 31.35% in asset structure compared to 2017.

In the current asset structure, the Company's inventory accounted for the largest proportion, reaching 46%, followed by short-term receivables, short-term financial investments and cash, these items accounted for 27.2%, 21.5% and 3.3% respectively.

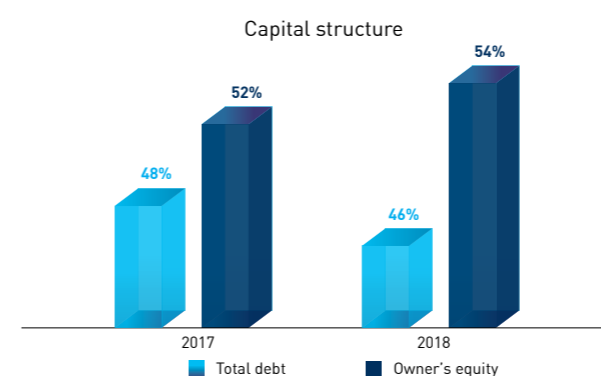
For long-term assets, fixed assets are items which account for the highest proportion, reaching 41%. In addition, construction in progress and long-term financial investments also account for the majority of long-term asset structure, 29.4% and 24.3% respectively, while other items account for 5.3%.

Navico's operating efficiency ratios in 2018 increased compared to 2017, in which:

- Total assets turnover was improved from 1.05 to 1.34.
- Receivables turnover increased from 3.82 to 6.81.
- Nam Viet's inventory turnover in 2018 reached 3.55, up 1.12 compared to 2017.



In fact, the Company always prioritize risk management in general and especially liquidity risk in particular. The Management Board always monitors risk management activities through (1) regular monitoring of current and future payment requirements in order to maintain an appropriate amount of cash and loans, and (2) monitoring the cash flows incurred in reality and in estimation to minimize the impact of the Company's cash flow fluctuations.



The company carries out a number of foreign currency transactions, whereby the company will bear the risk of exchange rate fluctuations.

About the impact of interest rate differences

Items	Unit	2017	2018
Short-term loans	VND Billion	1,025.2	1,251.1
Long-term loans	VND Billion	76.1	9.5
Interest expense	VND Billion	56.8	45.9
Interest expense / net revenue	%	1.9%	1.1%

In 2018, interest expense was VND 45.9 billion, lower than that of 2017, because the company reduced long-term debt and proactively borrowed at lower interest rates than 2017. The ratio of interest expenses on net revenue decreases from 1.9% to 1.1%. This is a low ratio and shows that the company does not bear much risk of interest rate fluctuations.

Liabilities

As of 31 December 2018, total debt of the Company was VND 1,577 billion, accounting for 46% of Navico's asset structure (If eliminating the debt portion corresponding to the company's financial investment of VND 628 billion, debt only accounts for 27.7%). Compared to 2017, the company's debt/total asset ratio decreased by nearly 5%.

In general, this debt structure is good compared to other companies in the same industry.

In particular, short-term debt accounted for 99.36% of the total debt, at VND 1,567 billion, up VND 335 billion compared to 2017. Long-term debt was VND 9.5 billion, down VND 66.5 billion compared to 2017. The Company's debt is mainly in VND.

Besides, bank interest expense continued to decline sharply to only VND 45.9 billion, down by VND 10.9 billion compared to 2017.

REPORT OF THE BOARD OF DIRECTORS

IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICY AND MANAGEMENT

Organizational structure

- In August 2018: Nam Viet Factory and Pacific Factory resumed producing, which increased production output as well as export output.
- In November 2018: Nam Viet Corporation invested 100% ownership in Nam Viet Binh Phu Aquaculture One Member Limited Company. With an area of nearly 600 hectares for farming, it is expected that by the end of 2019, this farming area will serve the factory production.
- Improvement on labor productivity: Over the past year, Navico has implemented the Human resource planning for indirect divisions and applied technology to business operations and management, thereby reduced wage costs.

FUTURE DEVELOPMENT PLANS

Outlook for Pangasius export market in 2019

In 2018, the export of pangasius had a spectacular development, from the turnover of USD 1.78 billion in 2017 to a record of USD 2.26 billion, growing by 26.4% compared to 2017. In fact, during the past 5 years, Pangasius export turnover is only from USD 1.5 to 1.8 billion.

The outstanding growth of pangasius is due to the resonance of many factors. First, the foundation from 2017 has had good results, pangasius is at a high price. An important part is that enterprises have been aware of the improvement of product quality, the organization of production chains from breed to processing and consumption has helped enterprises actively control the supply to market. In addition, in 2018, the demand from all markets increased. Notably, the US is the highest growth market with the rate of 54.5%, accounting for 24.2% market share, returning as the No. 1 import market of Vietnamese pangasius.

In 2019, Pangasius still has a good development momentum; exporting Pangasius to the China market has a lot of potential due to high demand, diverse products, close distance compared to other markets. Pangasius price at the end of 2018 still maintained at a high level, enabling farmers with great benefit. The reason is that the supply of fingerling is still not enough to meet the demand, due to the weather condition affecting the breeding. In early 2019, Pangasius export still maintained at a good pace, it is forecasted that fish prices will continue to remain high and the demand from the China market will increase. This promises to be a great opportunity for Navico to increase revenue in 2019.

However, there are still many potential risks and certain impacts on global seafood import demand; increasingly fierce competition in price and quality of the global seafood market.

The Vietnam Directorate of Fisheries aims to achieve the Pangasius export turnover of USD 2.4 billion in 2019.

REPORT OF THE BOARD OF DIRECTORS

NAVICO'S SALES AND PRODUCTION TARGET AND STRATEGY IN 2019

Following the development momentum of 2018 as well as benefiting from the advantages of overall economic landscape, in 2019, Navico's Board of Directors set goals and strategies as followed:

- Plan to expand NAVICO's operation and investment activity in 2019 and in the future:

Actively prioritize the quality of the production chain to improve product quality, reduce costs, and ensure environment conservation. Promote the farming area project to be in operation soon to complete the closed value chain and increase export output.

Developing new customers along with maintaining existing customers to improve market share and boost the company's growth.

- Long-term goal: increase production capacity and improve aquaculture and processing techniques to have high-quality and reasonably-priced products.

NAVICO'S 2019 TARGET



EVALUATION OF THE BOARD OF DIRECTORS



EVALUATION OF THE BOARD OF DIRECTORS ON THE ECONOMIC SITUATION OF THE FISHERY PRODUCTION AND EXPORT SECTOR IN 2018

World situation in 2018 grew slowly

- In 2018, the global economy is volatile. US-China trade tensions boomed in the first half of 2018, upsetting the global economic landscape. Unrest in US-China trade relations negatively affects the upward momentum of world economy.
- On the US side, goods imported from the US into China plummeted from July 2018, after the trade war between the US and China. World leading economy slowed down in the last months of 2018, however, still maintained the growth rate.
- In Europe, the economic growth of the continent has slowed down in 2018. Personal consumption remains high, unemployment falls low are factors to ensure European economy to grow next year.
- In general, China economy fell into markable lack of stability in the final months of 2018. However, China is a country that has been assessed to have maintained its ability to recover and develop rapidly. The officials of this country have implemented a series of policies, regulatory measures to reduce macroeconomic imbalances and limit financial risks without significantly affecting national growth. For the whole year of 2018, China's gross domestic product (GDP) reached a growth rate of 6.5%.

Domestic growth was positive, gradually recovered and developed again

- The economy grew, in which our country's export turnover grew significantly when reaching USD 244 billion with high export value items such as phones and components, textiles, electronic products, footwear, aquatic products, wood, etc.
- The fisheries sector marked a growth rate of 8.4% over the previous year, of which Pangasius sector grew strongly at 26.4% compared to the previous year.
- Domestic businesses are encouraged to invest to develop.

Typical advantages for Navico

- The US dollar is appreciating, stimulating the export of goods, as well as increasing profit from contracts signed in US dollar.
- The demand for importing Pangasius of China is still very high because the price for Vietnam Pangasius is quite reasonable. Navico has found an importer in this market; therefore, output for products is stable. Most Chinese customers import Pangasius to process fast food for restaurants, hotels, collective kitchens, and meals for flights.

After one year of performing the tasks,
the company activities have the following highlights

Business results in 2018

Items	2018 Plan (VND Billion)	2018 Actual (VND Billion)	Actual/Plan (%)
Net revenue	3,200	4,117	28.7%
Total profit after tax	250	604	141%

The results of 2018 show that the company's actual revenue has exceeded target by 28.7% and the profit exceeded by 141% of the plan. In 2018, the sudden growth of profit results is due to positive achievements such as:

- The company invests in depth of the value chain: stabilizing input materials for production, along with market expansion. Accordingly, the company's profit margin has been greatly increased. In the future, the company continues to initiate fish farming to meet the requirements of raw material fish for factories by providing high-quality, stable, and secure finished products at the most competitive prices.
- Export orders performed quite well and brought high profits for the company by the coordination between the departments from the beginning of proceeding with the purchase order to the final stage in the process of executing orders.

- Continue to maintain and improve analytical meetings, in-depth discussions on shortcomings and have solutions to quickly and satisfactorily meet customer requirements.

- The management team and employees at functioning divisions are becoming more and more active in the assigned tasks, always innovative in the work, etc. contributing to improving production and business efficiency, performing well the assigned targets.

In parallel with the investment in current production activities, the company is continuing to divest from investment projects in affiliated companies that operate inefficiently.

Product quality management: Last year, Navico implemented and well organized the quality assurance system in two key factories: Nam Viet factory and Indian Ocean factory, which Implemented and ensured quality stability for export orders to meet the quality of goods loaded.

Other activities

Accounting, purchasing and manufacturing divisions, etc. always pay attention to cost control and cost savings. They always follow the operation cost through immediate analysis of the causes of rising costs and corresponding solutions; well control the delivery, import and export of goods, etc. contributing to improvement on efficiency of using capital in production.

In management, the company always develops, exploits and applies ERP software or business and production management tools, analyzes operational efficiency and has appropriate solutions to improve efficiency.

Fully implement the accounting regimes and policies promulgated by the Government, comply with the requirements of accounting standards set by the Government, store and arrange well the required accounting documents and records quickly to meet the requirements of inspection and audit by Governmental agencies.

Responsibility for the environment, society and community

The company has controlled and complied with the environmental protection during the production process in accordance with the Government Authorities' regulations and always pay attention to implementing social and community activities locally.

EVALUATION OF THE BOARD OF DIRECTORS

EVALUATION OF THE BOARD OF DIRECTORS ON THE ACTIVITIES OF THE COMPANY'S BOARD OF MANAGEMENT

Supervision activities of The Board of Directors on The Board of Management

- Direct, supervise and operate production and business activities in 2018.
- Monitor and supervise the implementation of the Resolutions that The Board of Directors and the General Meeting of Shareholders proposed.

Evaluation on the Board of Management of the company

- Due to Chairman of the Board cum General Director of Nam Viet Corporation, the management and administration activities of the Company has unity in the goal of maximizing shareholder value. In the direction and administration, the Board of Management always takes economic efficiency and profit as a target of action, always pays close attention to work, has a high responsibility for implementing assigned tasks to bring the highest efficiency to the company.
- Leadership team has an integrated and analytical thinking to find out causes to weaknesses and solutions to improve, promptly overcome the limitations in management to prevent losses and damages for the company.
- Fully and seriously abide by the provisions of the Company's Charter, fully comply with the responsibilities and obligations in accordance with the laws.
- In the executive activities, the Board of Management has creative thinking, implements specific and accurate evaluation programs for each individual, collective capability, has plans to improve labor efficiency and coordination among departments of the Company.

Result achieved

Although in 2018 the company has encountered a lot of competition and market difficulties, the Board of Management has led the company to perform very well the business missions, the profit exceeded by 141% of the target.

The shortcomings that need the Board of Management to focus on improving in the future

- Actively look for new partners and customers to expand the market.
- Continue to improve the quality of output products to meet the standards of each country that the Company exported.





EVALUATION REPORT OF THE SUPERVISORY

EVALUATION REPORT OF THE SUPERVISORY BOARD ACTIVITIES OF THE SUPERVISORY BOARD

In 2018, the Supervisory Board performed the following tasks:

- 1 Supervise the initiation and implementation of the Resolution of the General Meeting of Shareholders in 2018.
- 2 Check the preparation and presentation of the company's financial statements in 2018.
- 3 Attend the executive meetings of the Board of Director and Management of the company.
- 4 Consider the issuance of documents of the Board of Directors, Board of Management and information disclosure in accordance with law.

In general, in 2018, the Supervisory Board completed its assigned tasks. In 2019, the Supervisory Board members continue to monitor and supervise in accordance with the law and the company's charter.

EVALUATION REPORT OF THE SUPERVISORY BOARD SUPERVISION OF ACTIVITIES OF THE BOARD OF DIRECTOR AND BOARD OF MANAGEMENT OF THE COMPANY

Activities of the Board of Director and Board of Management.

In 2018, the Board of Director had regular meetings as prescribed. The Minutes and Resolutions of the Board are published fully and promptly on the company's website.

The Board has initiated and fully implemented the contents of the resolution of the General Meeting of Shareholders in 2018.

During the year, the Company contributed capital to establish Nam Viet Binh Phu Aquaculture One Member Limited Company with a capital contribution ratio of 100% of charter capital, with the aim of raising fish for export processing.

Actively direct and administer production and business activities in 2018

Activities of the Board of Director and the Board of Management the company comply with the competence, in accordance with the provisions of law and the company's Charter.

Status of implementation of Resolution of the Annual General Meeting of Shareholders in 2018

Net revenue 2018 (VND Billion)



Profit after tax (VND Billion)



Dividends



In 2018 the company paid dividends for 2017 to shareholders at the rate of 12%/par value.

Remuneration for the Board of Directors and the Supervisory Board in 2018 is as follows:

Departments	2018 Plan	2018 Actual Spending
Board of Directors	VND 2 billion	VND 2 billion
Supervisory Board	VND 100 million	VND 100 million

On November 10th, 2018, the Board approved the implementation of the issuance plan, issuance regulations and stock issuance documents according to the employee selection program in the company. Implementation time is from November 28th, 2018 to January 10th, 2019.

The Board of Director has chosen A&C Auditing and Consulting Co., Ltd to audit the 2018 financial statements.

The Board of Director and the Board of Management have initiated and fully implemented the Resolution of the General Meeting of Shareholders in 2018.

EVALUATION REPORT OF THE SUPERVISORY BOARD

VERIFICATION OF FINANCIAL STATEMENTS IN 2018

General comments

On the basis of considering the preparation and presentation of the consolidated financial statements of the company on 31st December 2018 and the auditor's comments on the consolidated financial statements of the company.

We agree with the opinion of auditors on the financial statements of Nam Viet Corporation, which reflects truthfully and reasonably in accordance with the current regulations and laws.

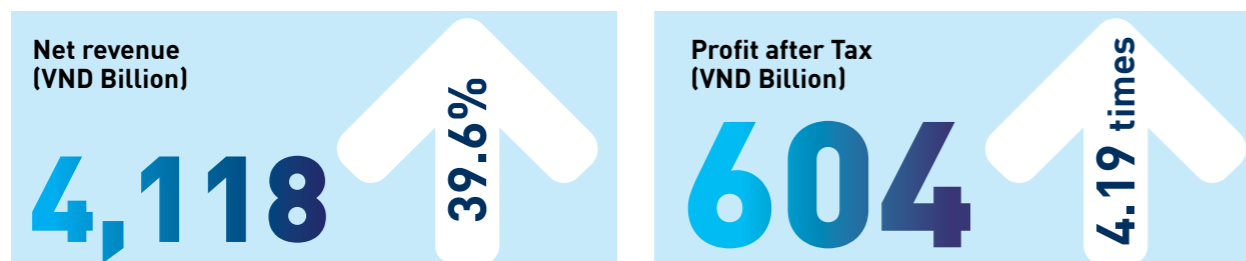
Some items on the 2018 consolidated financial statements

Business results in 2018

Net revenue in 2018 was VND 4,118 billion, an increase of 39.6% compared to the same period in 2017. After-tax profit was VND 604 billion, an increase of 4.19 times compared to the same period in 2017.

Some indicators of financial analysis

- Short-term ratio is 1.3 times, reflecting the company's financial situation to ensure the ability to pay short-term debt.
- Inventory turnover of 3.6 rounds, up by 1.2 rounds compared to the same period of last year, showing that the company has better management and sales, less inventory risk.
- After-tax profit to equity ratio is 32.7%, indicating that the company is doing business effectively.
- Basic interest rate on shares in 2018 is VND 4,811, an increase of VND 3,669 compared to the same period in 2017



Items	Unit	In 2018
1.Short-term ratio	Time	1.3
2.Inventory turnover	Time	3.6
3.After-tax profit / equity ratio (ROE)	%	32.7
4.Basic earnings per share (EPS)	VND	4,811

EVALUATION REPORT OF THE SUPERVISORY BOARD

THE COORDINATION OF ACTIVITIES BETWEEN THE SUPERVISORY BOARD AND THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The Board of Directors and the Board of Management have created favorable conditions for the Supervisory Board to complete the assigned tasks:

- Participate in executive meetings of the Board of Directors and the Board of Management of the company, understand the contents of the guidelines and plans of the company's leaders as a basis to monitor the initiation and implementation of the departments.
- Fully provided with documents and financial reports on a quarterly and annual basis.
- Contribute ideas to the internal control process in the company's departments.

Transaction of shares of internal shareholders

Name	Relationship with internal people	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increasing or decreasing (buying, selling, converting, rewarding ...)
		Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	
Doan Toi	Chairman of the Board of Director	56,905,000	45.51	61,905,000	48.54	Purchase

Contract or transaction with internal shareholders

NO.	Name of organization / individual	Relationship with the company	Time of transaction with the company	Transaction
1	Doan Toi	Chairman of the BOD	During 2018	Lending the company
2	Indian Ocean Co., Ltd.	Subsidiary	During 2018	- Processing for the company - Buying and selling finished products and goods with the company
3	Fresh Fruits Join Stock Company	Affiliated company	During 2018	Buying and selling goods and materials with the company
4	Atlantic Co., Ltd.	Company with the same founder	During 2018	- Allow the company to rent cold storage, wharf - Transfer of shares of DAP 2 that is held by the company
5	Navifeed Co., Ltd.	Company with the same founder	During 2018	Buying and selling aquatic feed
6	Nam Viet Binh Phu Aquaculture One Member Limited Company	Subsidiary	During 2018	Lending the company

FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

REPORT OF THE BOARD

The Board of Director of Nam Viet Corporation (hereinafter referred to as “the Company”) presents its report together with the Consolidated Financial Statements of the fiscal year ended on 31 December 2018 including Financial statements of the Company and its subsidiaries (collectively referred to as “the Group”).

Company overview

Nam Viet Corporation operates under the Business Registration Certificate No. 1600168736, registered for the first time on October 2nd, 2006 and registered for the 11th amendment on September 14th, 2017 issued by the Department of Planning and Investment of An Giang province.

Headquarter

- Address: No. 19D Tran Hung Dao, My Quy Ward, Long Xuyen City, An Giang Province

- Tel : (84-296) 3834060

- Fax : (84-296) 3834054

The company has a subordinate unit, which is Aquatic Feed Processing Factory - Branch of Nam Viet Corporation, located in Thot Not Industrial Zone, Thoi Thuan Ward, Thot Not District, Can Tho City.

Business activities of the Company under the Business Registration Certificate are:

- Construction of civil engineering;
- Construction of industrial works;
- Construction of transportation works (bridges, roads, culverts, etc.);
- Construction of irrigation works;
- Fish farming;
- Production of paper packaging;
- Printing packages of all kinds;
- Producing, processing and preserving aquatic products;
- Bio-diesel oil production;
- Processing fish oil and fish meal;
- Production of Gentaline and Glycerin glue;
- Purchase of fish and aquatic products;
- Mining minerals: Chromite, industrial salt and non-ferrous metals (Iron, copper, lead, zinc, etc.);
- Production and sales of fertilizers;
- Wholesale of chemicals;
- Purchase of metals and metal ores;
- Producing, processing and trading aquatic feed;
- Production and wholesales of veterinary and aquatic drugs;
- Power transmission and distribution;
- Installation of electrical systems;
- Freight transportation by road.

The Board of Director and Management

The members of the Board of Director and Management of Nam Viet Corporation during the year and up to the time of this report include:

The Board

Full name	Position	Appointment /re-appointment date
Mr. Doan Toi	Chairman	Reappointed on 31st May 2016
Mr. Nguyen Duy Nhut	Vice-Chairman	Reappointed on 31st May 2016
Mr. Doan Chi Thanh	Member	Reappointed on 28st May 2016
Mr. Do Lap Nghiep	Member	Reappointed on 28st May 2016
Mr. Tran Minh Canh	Member	Reappointed on 28st May 2016
Mr. Doan Chi Thien	Member	Reappointed on 28st May 2016

Supervisory Board

Full name	Position	Appointment /re-appointment date
Mr. Duong Minh Phong	Head	Reappointed on 31st May 2016
Ms. Le Thi Tuyet Mai	Member	Reappointed on 28st May 2016
Mr. Nguyen Van Bay	Member	Dismissed on 21st April 2018
Mr. Nguyen Trong Huu	Member	Appointed on 21st April 2018

Board of General Directors

Full name	Position	Appointment /re-appointment date
Mr. Doan Toi	General Director	Reappointed on 31st May 2016
Ms. Duong Thi Kim Huong	Deputy General Director	Appointed on 27th July 2007
Mr. Nguyen Duy Nhut	Deputy General Director	Appointed on 09th October 2008
Mr. Do Lap Nghiep	Deputy General Director	Appointed on 03rd August 2011

Legal Representative

The legal representative of the Company during the year and up to the time of this report is Mr. Doan Toi - Chairman of the Board (reappointed on 31 May 2016).

Mr. Doan Toi has authorized Mr. Nguyen Duy Nhut to sign the Consolidated Financial Statements for the year ended 31st December 2018 according to Power of Attorney No. 138/GUQ-KTTC dated 2nd January 2019.

Auditor

A&C Auditing and Consulting Company Limited has been appointed to audit the Consolidated Financial Statements for fiscal year ended 31 December 2018 of the Group.

FINANCIAL STATEMENTS REPORT OF THE BOARD

Board of Management Responsibility

Board of Management is responsible for the preparation of consolidated financial statements, which gives a true and fair view of the financial position, income and cash flow during the year. In the preparation of this Consolidated Financial Statements, Board of General Directors must:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimations reasonably and prudently;
- State clearly the Accounting Standards applied to the Group is or is not complied with and all material misstatements have been disclosed and explained in the consolidated financial statements;
- Prepare the Consolidated Financial Statements on continuous operation basis unless it is impossible to presume that the Group will continue operating.
- Establish and implement an effective internal control system to minimize the risk of material deviations, whether due to fraud or error, in the preparation and presentation of the Consolidated Financial Statements.

Board of Management ensures that appropriate accounting books are fully kept to reflect the financial position of the Group with reasonable accuracy at any time and accounting books must comply with the applied accounting standards. Board of Management is also responsible for managing the Group's assets and therefore have taken appropriate measures to prevent and detect fraud and other violations.

Board of Management pledges to comply with the requirements in question in the preparation of Consolidated Financial Statements.

Approval of Financial Statements

The Company's Board of Director approves the enclosed Consolidated Financial Statements. The Consolidated Financial Statements give a true and fair view of the financial position of the Group at the time of 31 December 2018, as well as income and cash flow position for fiscal year ended the same day, comply with Vietnamese Accounting Standards, Vietnamese Accounting Policy for Enterprises and legal regulations related to the preparation and presentation the Consolidated Financial Statements.

On behalf of The Board of Directors



Nguyen Duy Nhut
Vice-Chairman

12 March 2019

FINANCIAL STATEMENTS INDEPENDENT AUDITORS' REPORT

To: SHAREHOLDERS, THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT OF NAM VIET CORPORATION

We have audited the enclosed Consolidated Financial Statements of Nam Viet Corporation (hereinafter referred to as "Company"), and subsidiaries (hereinafter referred to as "Group"), prepared on 26 February 2019, from page 06 to page 43, which comprise the consolidated balance sheet at the time of 31 December 2018, Consolidated Income Statement, Consolidated Cash Flow Statement for fiscal year ended in the same day and Notes to Consolidated Financial Statements.

Board of General Management' Responsibility

Board of Management is responsible for the honest and suitable preparation and representation of the consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, Vietnamese Accounting Policy for Enterprises and legal regulations related to the preparation and presentation the Financial Statements and is responsible for internal control that Board of General Directors determines they are necessary to ensure that the preparation and presentation of the financial statements are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with Standards and professional ethics regulations 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 of the Group related to the true and honest preparation and representation 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 Board of General Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

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

Auditors' Opinion

In our opinion, the Consolidated Financial Statements gave a true and fair view of the financial position of the Group at the time of 31 December 2018, as well as income and cash flow position for fiscal year ended in the same day, comply with Vietnamese Accounting Standards, Vietnamese Accounting Policy for Enterprises and legal regulations related to the preparation and representation of the Consolidated Financial Statements.

A&C AUDITING AND CONSULTING COMPANY LIMITED

Ly Quoc Trung – Deputy General Director

Auditing practising certificate no.: 0099-2018-008-1

Ho Chi Minh City, 12 March 2019

Phan Vu Cong Ba – Auditor

Auditing practising certificate no.: 0197-2018-008-1

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

					As at 31 December 2018 Currency: VND	
	Code	Note	Ending balance	Beginning balance		
A - CURRENT ASSETS	100		2,090,119,522,506	1,317,061,126,495		
I. Cash and cash equivalents	110	V.1	69,153,027,332	25,901,681,098		
1. Cash	111		32,153,027,332	25,901,681,098		
2. Cash equivalents	112		37,000,000,000	-		
II. Short-term investments	120		451,530,000,000	-		
1. Held-for-trading securities	121		-	-		
2. Provision for held-for-trading securities	122		-	-		
3. Held-to-maturity investments	123	V.2a	451,530,000,000	-		
III. Current accounts receivable	130		569,193,598,874	383,435,171,495		
1. Short-term trade receivables	131	V.3	567,364,514,009	430,413,531,906		
2. Short-term advances to suppliers	132	V.4	5,148,455,484	8,472,312,504		
3. Short-term internal receivables	133		-	-		
4. Receivables following construction progress	134		-	-		
5. Short-term loan receivables	135	V.5a	1,474,674,900	9,336,378,107		
6. Other short-term receivables	136	V.6a	37,260,100,940	24,380,344,061		
7. Provision for doubtful short-term receivables	137	V.7	(42,054,146,459)	(89,167,395,083)		
8. Shortage of assets awaiting resolution	139		-	-		
IV. Inventories	140	V.8	962,242,374,932	873,818,902,160		
1. Inventories	141	V.8	969,279,675,742	887,129,231,895		
2. Provision for devaluation of inventories	149		(7,037,300,810)	(13,310,329,735)		
V. Other current assets	150		38,000,521,368	33,905,371,742		
1. Other current assets	151	V.9a	7,124,497,387	9,845,717,118		
2. Value Added Tax to be reclaimed	152		30,876,023,981	24,059,654,624		
3. Other tax receivables	153		-	-		
4. Transaction of trading Government Bond	154		-	-		
5. Other current assets	155		-	-		

					As at 31 December 2018 Currency: VND	
	Code	Note	Ending balance	Beginning balance		
B - LONG-TERM ASSETS	200		1,334,949,106,216	1,385,253,645,302		
I. Long-term receivables	210		4,699,216,376	252,862,460,778		
1. Long-term trade receivables	211		-	246,750,000,000		
2. Long-term advances to suppliers	212		-	-		
3. Capital at subordinate	213		-	-		
4. Long-term internal receivables	214		-	-		
5. Long-term loan receivables	215	V.5b	184,400,000	26,000,000		
6. Other long-term receivables	216	V.6b	4,514,816,376	7,175,460,778		
7. Provision for doubtful long-term receivables	219	V.7	-	(1,089,000,000)		
II. Fixed assets	220		548,862,194,044	518,591,662,283		
1. Tangible fixed assets	221	V.10	209,960,804,297	197,284,981,385		
- Cost	222		1,079,663,726,573	986,815,165,173		
- Accumulated depreciation	223		(869,702,922,276)	(789,530,183,788)		
2. Fixed assets of finance leasing	224	V.11	41,802,062,279	78,041,134,502		
- Cost	225		61,524,816,469	108,366,446,670		
- Accumulated depreciation	226		(19,722,754,190)	(30,325,312,168)		
3. Intangible fixed assets	227	V.12	297,099,327,468	243,265,546,396		
- Cost	228		307,057,868,452	250,503,910,452		
- Accumulated depreciation	229		(9,958,540,984)	(7,238,364,056)		
III. Investment properties	230		-	-		
- Cost	231		-	-		
- Accumulated depreciation	232		-	-		
IV. Long-term asset in progress	240		392,882,356,500	66,176,144,368		
1. Long-term production cost in progress	241		-	-		
2. Construction in progress	242	V.13	392,882,356,500	66,176,144,368		
V. Long-term investments	250		325,561,271,441	477,905,690,150		
1. Investments in subsidiaries	251		-	-		
2. Investments in associates	252	V.2b	9,695,489	2,041,276,183		
3. Investments in other entities	253	V.2c	155,304,000,000	166,304,000,000		
4. Provision for long-term investments	254	V.2c	(8,652,424,048)	(18,739,586,033)		
5. Held-to-maturity investments	255	V.2a	178,900,000,000	328,300,000,000		
VI. Other long-term assets	260		62,944,067,855	69,717,687,723		
1. Long-term prepaid expenses	261	V.9b	62,719,067,855	69,182,937,723		
2. Deferred tax assets	262	V.14	225,000,000	534,750,000		

CONSOLIDATED BALANCE SHEET

					As at 31 December 2018	
					Currency: VND	
	Code	Note	Ending balance	Beginning balance		
3. Long-term replacement of devices, supplies, accessories	263		-	-		
4. Other long-term assets	268		-	-		
5. Goodwill	269		-	-		
TOTAL ASSETS	270		3,425,068,628,722	2,702,314,771,797		
C - LIABILITIES	300		1,577,085,927,965	1,308,352,616,500		
I. Current liabilities	310		1,567,561,565,110	232,274,555,975		
1. Short-term trade payables	311	V.15	118,846,359,054	99,773,110,619		
2. Short-term advances from customers	312	V.16	14,213,183,620	16,163,545,710		
3. Statutory obligations	313	V.17	85,163,238,533	24,178,765,781		
4. Payables to employees	314	V.18	62,684,030,700	49,981,226,561		
5. Short-term accrued expenses	315	V.19	20,479,243,178	7,375,465,170		
6. Short-term internal payable	316		-	-		
7. Payable following construction progress	317		-	-		
8. Short-term unearned revenues	318		488,244,634	-		
9. Other short-term payables	319	V.20	13,999,006,461	8,979,495,672		
10. Short-term loans and debts	320	V.21a	1,251,131,279,625	1,025,231,967,157		
11. Short-term provisions	321		-	-		
12. Bonus & welfare fund	322	V.22	556,979,305	590,979,305		
13. Price stabilization fund	323		-	-		
14. Transaction of trading government bond	324		-	-		
II. Long-term liabilities	330		9,524,362,855	76,078,060,525		
1. Long-term trade liabilities	331		-	-		
2. Long-term advances from customers	332		-	-		
3. Long-term accrued expenses	333		-	-		
4. Internal payable of capital	334		-	-		
5. Long-term internal payable	335		-	-		
6. Long-term unearned revenues	336		-	-		
7. Other long-term payables	337		-	-		
8. Long-term loans and debts	338	V.21b	9,524,362,855	76,078,060,525		
9. Convertible bond	339		-	-		
10. Preferred stock	340		-	-		
11. Deferred income tax liabilities	341		-	-		
12. Provision for long-term liabilities	342		-	-		
13. Fund for science and technology development	343		-	-		

CONSOLIDATED BALANCE SHEET

					As at 31 December 2018	
					Currency: VND	
	Code	Note	Ending balance	Beginning balance		
D - OWNER'S EQUITY	400		1,847,982,700,757	1,393,962,155,297		
I. Capital	410		1,847,982,700,757	1,393,962,155,297		
1. Owners' capital	411	V.23	1,250,446,250,000	1,250,446,250,000		
- Shares with voting rights	411a		1,250,446,250,000	1,250,446,250,000		
- Preferred shares	411b		-	-		
2. Share premium	412	V.23	21,519,209,100	21,519,209,100		
3. Bond conversion right	413		-	-		
4. Other owners capital	414		-	-		
5. Treasury shares	415	V.23	[27,417,629,848]	[27,417,629,848]		
6. Asset revaluation differences	416		-	-		
7. Exchange rate differences	417		-	-		
8. Investment & development fund	418		-	-		
9. Enterprise arrangement support fund	419		-	-		
10. Other funds belonging to owners' equity	420		-	-		
11. Undistributed after-tax earnings	421	V.23	603,434,871,505	153,314,011,705		
- Accumulated undistributed after-tax profits by the end of prior year	421a		3,434,161,705	153,314,011,705		
- Undistributed after-tax profits of current year	421b		600,000,709,800	-		
12. Construction investment fund	422		-	-		
13. Non-controlling interests	429	V.23	-	[3,899,685,660]		
II. Other budget resources and funds	430		-	-		
1. Budget resources	431		-	-		
2. Budget resources used to acquire fixed assets	432		-	-		
TOTAL LIABILITIES AND OWNERS' EQUITY	440		3,425,068,628,722	2,702,314,771,797		

An Giang, 26 February 2019



Nguyen Trong Huu
Scheduler



Huynh Thi Kim Thoa
Chief Accountant



Nguyen Duy Nhut
Vice-Chairman

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

ITEMS	Code	Note	Accumulated from beginning to ending of this period Currency: VND	
			2018	2017
1. Revenue from sales of goods and rendering of services	01	VI.1	4,136,199,051,328	2,962,439,024,515
2. Less deductions	02	VI.2	18,209,658,123	13,298,465,255
3. Net revenue from sales of goods and rendering of services	10		4,117,989,393,205	2,949,140,559,260
4. Cost of goods sold and services rendered	11	VI.3	3,255,566,716,712	2,516,690,402,944
5. Gross profit from sales of goods and rendering of services	20		862,422,676,493	432,450,156,316
6. Financial income	21	VI.4	73,915,010,635	19,624,551,613
7. Financial expenses	22	VI.5	75,219,735,247	63,841,930,045
Including: Interest expense	23		45,918,386,754	56,834,291,215
8. Profit sharing from investment in associates	24	V.2b	(2,031,580,694)	(4,757,207,505)
9. Selling expenses	25	VI.6	160,835,971,165	145,839,451,266
10. General and administration expenses	26	VI.7	8,659,023,070	39,379,588,561
11. Net operating profit	30		689,591,376,952	198,256,530,552
12. Other income	31	VI.8	1,747,893,475	2,694,196,930
13. Other expenses	32	VI.9	1,189,704,973	34,344,473,534
14. Net other income	40		558,188,502	(31,650,276,604)
15. Net accounting profit before tax	50		690,149,565,454	166,606,253,948
16. Business income tax - current	51	V.17	85,672,411,156	23,141,831,981
17. Business income tax - deferred	52	V.14	309,750,000	(534,750,000)
18. Net profit after tax	60		604,167,404,298	143,999,171,967
19. Net profit after tax of the Parent Company	61		600,000,709,800	142,366,561,532
20. Non-controlling interest	62		4,166,694,498	1,632,610,435
21. Earnings per share	70	VI.10	4,811	1,142
22. Diluted earnings per share	71	VI.10	4,811	1,142

An Giang, 26 February 2019



Nguyen Trong Huu
Scheduler



Huynh Thi Kim Thoa
Chief Accountant



Nguyen Duy Nhut
Vice-Chairman

FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

ITEMS	Code	Note	Accumulated from beginning to ending of this period Currency: VND	
			2018	2017
I. Cash flows from operating activities				
1. Net accounting profit before tax	01		690,149,565,454	166,606,253,948
2. Adjustments for:				
- Depreciation for fixed assets and investment properties	02	V.10, V.11, V.12	80,052,320,607	80,285,483,388
- Provisions	03	V.2, V.7, V.8	(50,377,111,317)	(784,281,758)
- Unrealised foreign exchange gains/losses arising from revaluation of monetary accounts denominated in foreign currency	04	VI.4, VI.5	4,516,173,526	(229,013,154)
- Profits from investing activities	05	V.2, VI.4, VI.8	(56,118,081,999)	(5,283,675,555)
- Interest expense	06	VI.5	45,918,386,754	56,834,291,215
- Other adjustments	07		-	-
3. Operating profit	08		714,141,253,025	297,429,058,084
Decrease/(increase) in receivables	09		113,328,819,984	342,128,002,043
- Decrease/(increase) in inventories	10		(82,150,443,847)	308,228,897,258
- Decrease/(increase) in payables	11		32,223,069,985	(137,516,300,675)
- Decrease/(increase) in prepaid expenses	12		9,185,089,599	7,777,955,089
- Decrease/(increase) in held-for trading securities	13		-	-
- Interest paid	14	V.19, VI.5	(39,861,654,067)	(57,321,774,657)
- Corporate income tax paid	15	V.17	(25,501,580,859)	(14,778,030,812)
- Cash received on operating activities	16		-	-
- Other payments on operating activities	17	V.22	(334,000,000)	(213,000,000)
- Net cash inflows from operating activities	20		721,030,553,820	745,734,806,330

CONSOLIDATED CASH FLOW STATEMENT

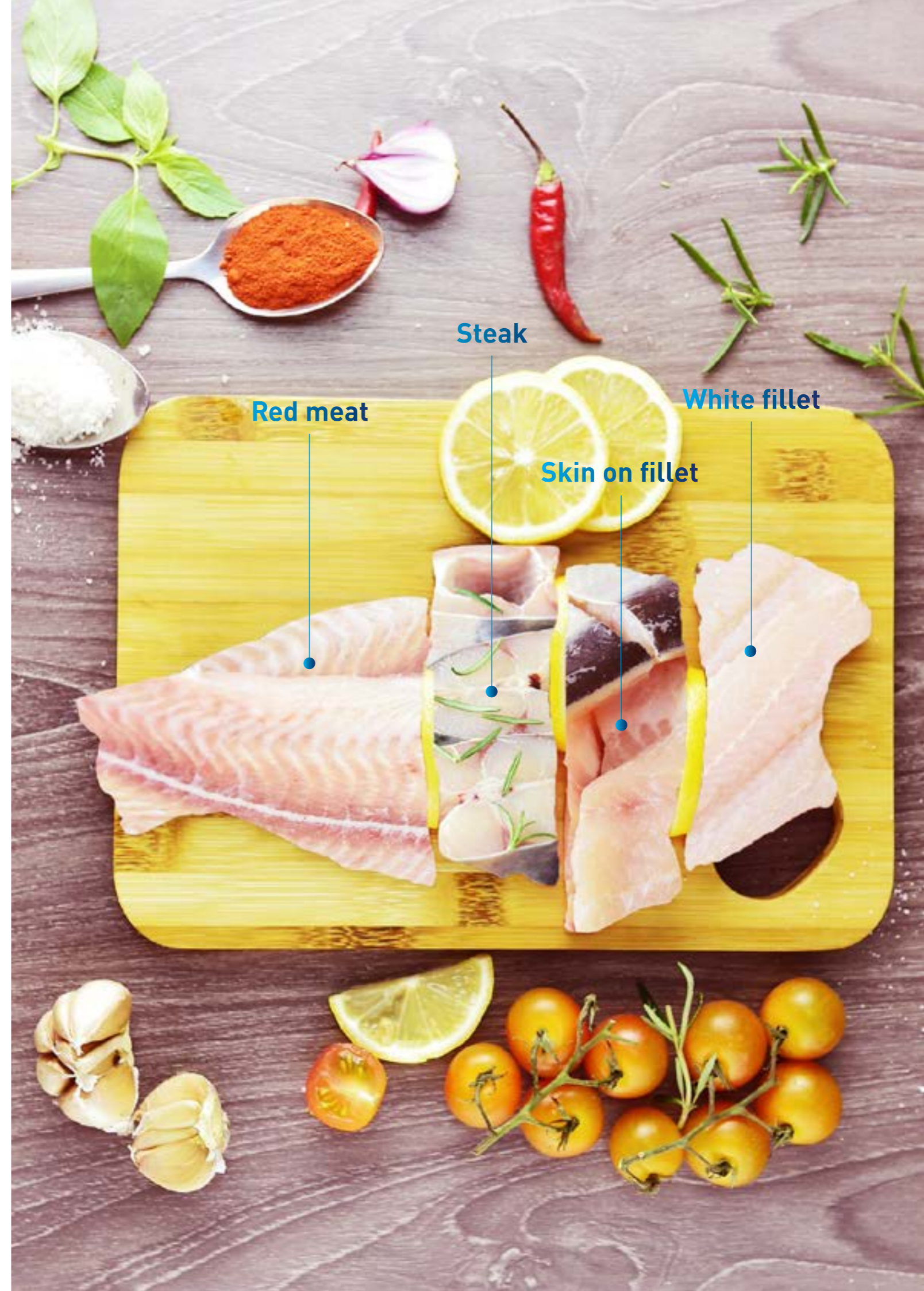
ITEMS	Code	Note	Accumulated from beginning to ending of this period Currency: VND	
			2018	2017
II. Cash flows from investing activities				
1. Purchase and construction of fixed assets and other long-term assets	21	V.10, V.11, V.12, V.13, VII	(432,389,805,432)	(55,854,873,338)
2. Proceeds from disposals of fixed assets and other long-term assets	22	V.10, VI.8	1,151,818,182	2,949,178,452
3. Loans to other entities and payments for purchase of debt instruments of other entities	23	V.2, V5	(904,815,000,000)	(352,790,000,000)
4. Collections from borrowers and proceeds from sale of debt instruments of other entities	24	V.2, V5	610,388,303,207	24,630,000,000
5. Payments for investments in other entities	25		-	-
6. Proceeds from sale of investments in other entities	26	I.6, VI.4	9,613,102,331	-
7. Interest and dividends received	27	V.6, VI.4	31,190,144,774	5,601,305,381
Net cash flows used in investing activities	30		(684,861,436,938)	(375,464,389,505)
III. Cash flows from financing activities				
1. Capital contribution and issuance of shares	31		-	-
2. Repayment of owner's capital, repurchase of issued shares	32		-	-
3. Drawdown of borrowings	33	V.21	3,809,930,022,758	3,387,762,606,581
4. Repayment of borrowings	34	V.21	(3,631,850,383,372)	(3,636,945,273,110)
5. Repayment of finance leasing	35	V.21	(21,516,730,468)	(33,206,612,575)
6. Dividends, profits paid to equity holders	36	V.20, V.23	(149,438,159,600)	(83,763,543,191)
Net cash flows from financing activities	40		7,124,749,318	(366,152,822,295)
Net increase in cash	50		43,293,866,200	4,117,594,530
Cash at beginning of year	60	V.1	25,901,681,098	21,796,050,462
Effect of foreign exchange differences	61		(42,519,966)	(11,963,894)
Cash at end of year	70	V.1	69,153,027,332	25,901,681,098

Nguyen Trong Huu
Scheduler

Huynh Thi Kim Thoa
Chief Accountant



Nguyen Duy Nhut
Vice-Chairman





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