



NHỰA BÌNH MINH®

QUALITY TRUST

ANNUAL REPORT 2017



EVENTS AND NUMBERS IN 40 YEARS (1997 - 2017)

21

21 times in a row year by year
voted by the consumers as
**HIGH QUALITY VIETNAMESE
PRODUCTS.**
(1997 - 2017)

4,057

VND BILLION

VS 3.8

VND
MILLION

Current revenue vs.
40 years ago.

5

Chosen by the Government
for the **NATIONAL BRAND-
VIETNAM VALUE**
5 times in a row.
(2008 - 2018)

818.6

VND BILLION

VS

7.7

VND MILLION

Current Business Capital
vs. 40 years ago.

4

VS

1

Current
number of
facilities vs.
40 years
ago.

TOP 100

Sustainable development
Company.
(2016 - 2017)

TOP 50

Best listed company
in Vietnam.
(2011 - 2017)

94,000

TONS

Total product in 2017.

250

VND BILLION

VS

2

VND
MILLION

Current total budget
submit to the Government
vs. 40 years ago.

583

VND BILLION

VS

1.3

VND
MILLION

Current profit before tax
vs. 40 years ago.

2.2

Kwh MILLION

SAVING

3.6

VND BILLION

Amount of decreased
electricity in 2017.

9,410

VS

600

TONS

Current volume of
consumption vs. 40 years ago.

1,600

VS

1

Current number of outlets
vs. 40 years ago.

1,077

EMPLOYEES

VS

11C

EMPLOYEES

Total number of employees
vs. 40 years ago.

CONTENTS



ABBREVIATIONS

AGM :	Annual General Meeting of Shareholders
GMS :	General Meeting of Shareholders
BOD :	Board of Directors
BOM :	Board of Members
CB :	Control Board
BMP :	Binh Minh Plastics Joint - Stock Company
Ltd. :	Limited liability
NBM :	Northern Binh Minh Plastics One Member Limited Company
DPC :	Da Nang Plastics Joint Stock Company
SCIC :	State Capital Investment Corporation
HCMC :	Hochiminh city
ERP :	Enterprise Resource Planning

Financial highlights	06
Vision - Mission - Core value	10
Message from Chairman of the Board of Directors	12

GENERAL INFORMATION OF THE COMPANY 14

General information	16
process of formation and development	18
Business lines and operation areas	22
Product portfolio	26
Highlights of 2017	30
Honours and awards in 201	32
Information on management model and management structure	36
- Subsidiary companies and associated companies	38
- Management structure	40
Introduction of the Board of Directors	44
Introduction of the Control Board	50
Introduction of the Executive Board	52
Development orientation	56
SWOT analysis	62

REPORT ON BUSINESS ACTIVITIES 64

Information on production and sales of the plastic sector in 2017	66
Reports and assessment of the Executive Board	68
Organizational structure and human resource	78
Project investment and implementation	82
Shareholder structure, changes in owners' equity	83
Achievements in 2017 and challenges	86
Company orientation in 2018	87
Business activities of Subsidiary and Associated Companies	88
Assessment of the Board of Directors on business activities of the Company	90
Reports of the Control Board	100

CORPORATE GOVERNANCE 106

The Board of Directors	108
The Control Board	112
Salary, bonus, remuneration and benefit of members of the Board of Directors, the Executive Board and the Control Board	114
Share transactions of internal shareholders and related persons	116



Risk and risk management	118
--------------------------	-----

SUSTAINABLE DEVELOPMENT REPORTS 122

Message for sustainability report	124
Sustainability goals	126
Overview of the sustainable development reports	128
Organizational structure chart of the quality management system 9001:2015	130
Organizational structure chart of the environmental management system ISO 14001:2015	132
Assessment of critical issues	134
Building sustainable relationships between stakeholders	138
Binh Minh plastic culture	146
Reforms of organizational structure, policies, management	148
Environmental and social impact reports	156
Product responsibility	168
Social community activities	174
GRI4	180

FINANCIAL STATEMENT REPORT 186

Audit consolidated financial statement report for the year end 31 December 2017	188
---	-----



TARGETS	UNIT	2013	2014	2015	2016	2017
Business results						
Revenue	VND billion	2,132	2,501	2,970	3,678	4,057
Net revenue	VND billion	2,088	2,416	2,792	3,309	3,825
Gross profit	VND billion	622	669	890	1,061	923
Operation costs	VND billion	136	197	222	282	260
Net profit from business activities	VND billion	486	472	668	779	663
Net profit from financing activities	VND billion	13.0	6.8	(1.2)	7.5	(73.4)
Net profit from other activities	VND billion	0.6	1.3	(2.0)	(2.3)	(6.9)
Profits are distributed from associated companies	VND billion	(0.5)	0.8	0.5	0.5	0.5
Profit before tax	VND billion	499	481	665	784	583
Profit after tax	VND billion	371	377	519	627	465
Accounting balance sheet						
Total assets	VND billion	1,681	1,929	2,438	2,891	2,872
Charter capital	VND billion	455	455	455	455	819
Equity	VND billion	1,489	1,718	2,015	2,297	2,449
Key financial indicators						
Return on total assets (ROA)	%	23.9%	20.9%	23.8%	23.5%	16.1%
Return on equity (ROE)	%	26.8%	23.5%	27.8%	29.1%	19.6%
Target for a unit of stock						
(The figures have not been retrospectively adjusted for 36,382,458 bonus shares issued in 2017 and the bonus and welfare approved by the Resolution of the General Meeting of Shareholders throughout the years)						
Number of outstanding shares	Share	45,478,480	45,478,480	45,478,480	45,478,480	81,860,938
Basic earnings per share	VND	8,134	8,285	10,317	13,796	5,677
Book value per share	VND	32,742	37,782	44,313	50,516	29,918
Dividend	VND	3,000	3,500	6,000	4,000	1,500(*)
Market price at the end of the year	VND	70,000	73,000	131,000	191,000	85,600
(The figures have been retrospectively adjusted for 36,382,458 bonus shares issued in 2017 and the bonus and welfare approved by the Resolution of the General Meeting of Shareholders throughout the years)						
Number of outstanding shares	Share	81,860,938	81,860,938	81,860,938	81,860,938	81,860,938
Basic earnings per share (**)	VND	4,066	4,138	5,705	6,452	5,677
Book value per share (***)	VND	18,190	20,990	24,618	28,064	29,918
Dividend	VND	3,000	3,500	6,000	4,000	1,500(*)
Market price at the end of the year	VND	70,000	73,000	131,000	191,000	85,600

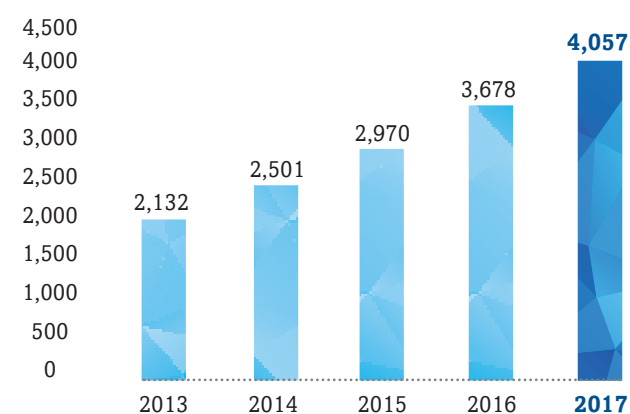
Source: Audited consolidated financial statements of BMP during 2013 - 2017

Provisional dividend in accordance with the Resolution of the General Meeting of Shareholders in 2017 (*)

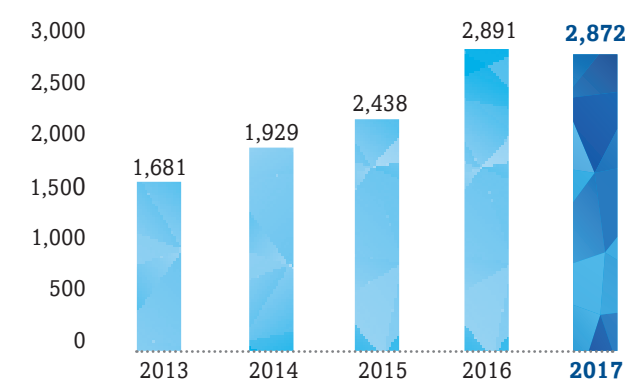
Basic earnings per share (**), book value per share (***) targets have been retrospectively adjusted for 36,382,458 bonus shares issued in 2017 and the bonus and welfare approved by the Resolution of the General Meeting of Shareholders throughout the years.



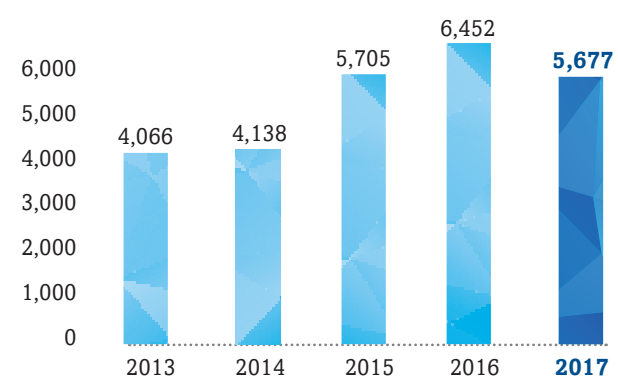
REVENUE (VND BILLION)



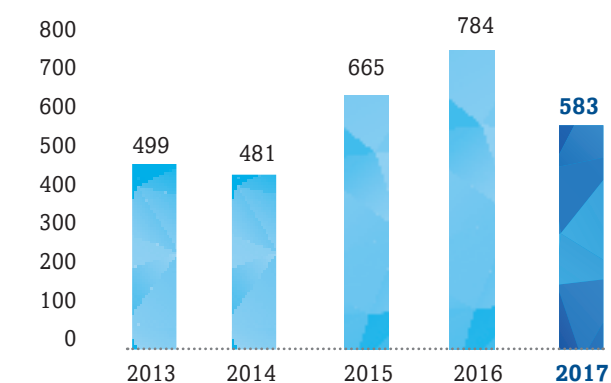
TOTAL ASSETS (VND BILLION)



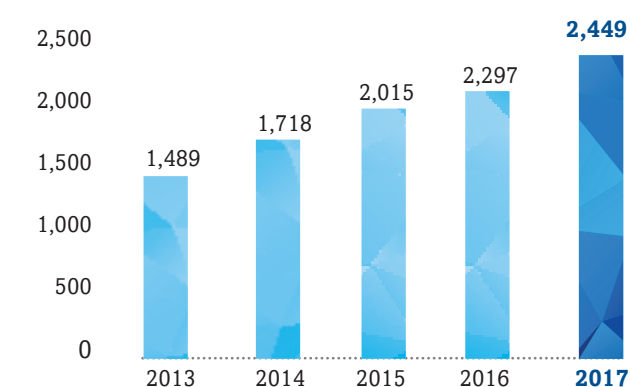
BASIC EARNINGS PER SHARE (VND) (DATA HAS BEEN RETROSPECTIVELY ADJUSTED)



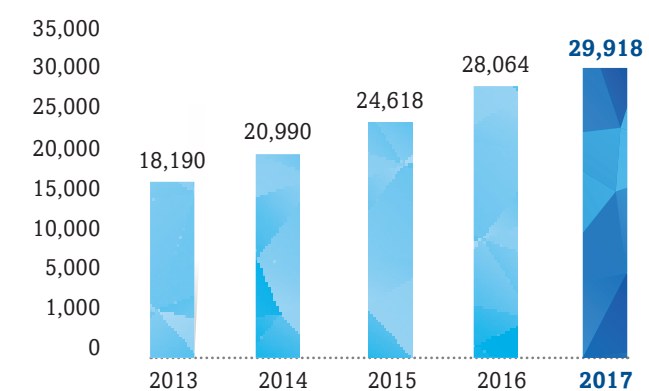
PROFIT BEFORE TAX (VND BILLION)



EQUITY (VND BILLION)



BOOK VALUE PER SHARE (VND) (DATA HAS BEEN RETROSPECTIVELY ADJUSTED)





VISION

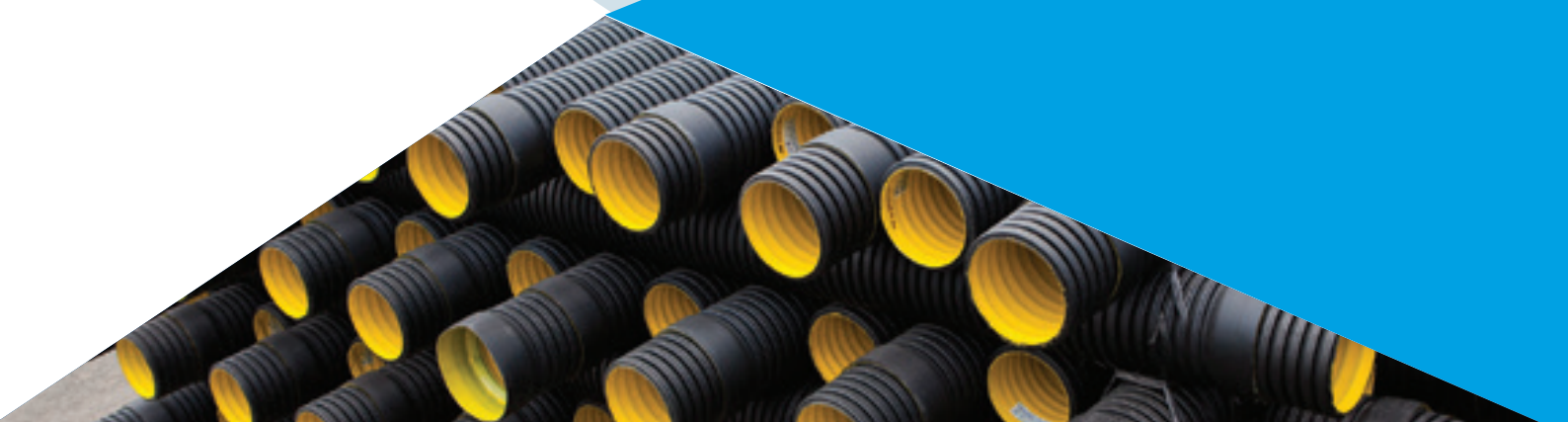
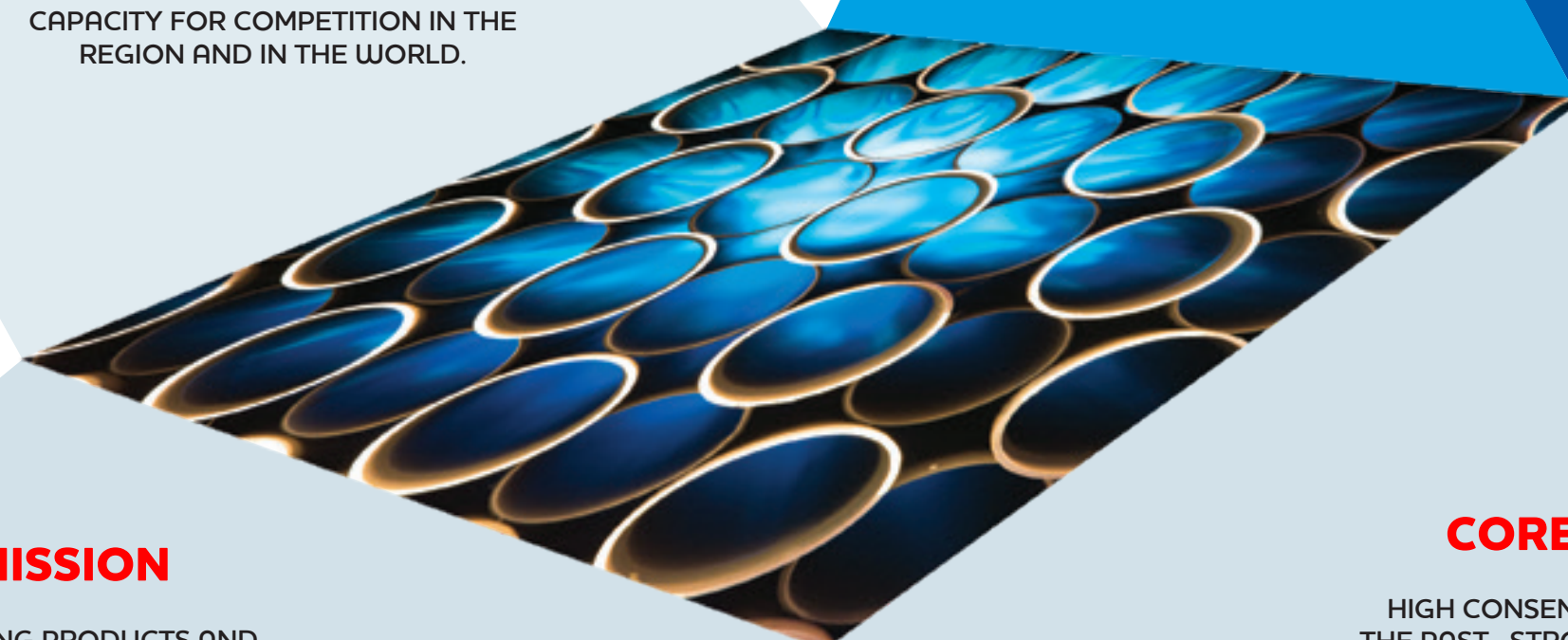
MAINTAINING THE STATUS AS A LEADING ENTERPRISE IN PLASTIC BUILDING MATERIALS INDUSTRY IN VIETNAM. ACTIVELY IMPROVING CAPACITY FOR COMPETITION IN THE REGION AND IN THE WORLD.

MISSION

PROVIDING PRODUCTS AND SERVICES TO MEET INCREASING DEMANDS OF THE MARKET. ENSURING HARMONIZATION OF INTERESTS OF CUSTOMERS, EMPLOYEES, SHAREHOLDERS AND THE SOCIETY.

CORE VALUE

HIGH CONSENSUS, RESPECT OF THE PAST, STRONG DEVELOPMENT AT THE PRESENT, CONFIDENCE FOR THE FUTURE.





MESSAGES FROM THE BOARD OF DIRECTORS

**Dear Shareholders,
Partners, Customers and
all employees of Binh
Minh Plastics Joint Stock
Company!**

On the 40th anniversary of establishment (1977 - 2017), the Board of Directors and staff members of Binh Minh Plastics Joint Stock Company would like to send our sincere and deepest thanks to all shareholders, partners and customers who have been cooperating closely with the Company in the past decades.

Looking back the 40-year history, we cherish the tremendous efforts and contributions of generations of employees, which have resulted in proud achievements in the Company's development. BMP grew from a small business to become a leading manufacturer of plastic materials in Vietnam.

2017 has been a highly challenging year for the Company. The biggest difficulty is the ever-rising prices of raw materials in the context of increasingly fierce competition in the domestic market. However, BMP continued to affirm its leading position, as the long-build trust of investors, partners and customers remained solid and further fortified. Besides, BMP had been continuously learning and innovating to stimulate steady economic growth, particularly in the period of industrialization and modernization.

THE TOTAL REVENUE
REACHED

4,057
BILLION

INCREASING BY
10.3%

The company was awarded the First-class Labor Medal by the State President and the Excellent Emulation Flag by the Prime Minister in recognition of its achievements.

Specifically, as of December 31, 2017, the total revenue reached VND 4,057 billion, increasing by 10.3% compared to the same period of 2016.

On the other hand, BMP continued to promote investment and research to expand its market, as well as to prepare all favorable conditions for sustainable development in the future. Being the first and only manufacturer of pipes and fittings in Vietnam providing clean products without toxic heavy metals, in line with international standards and industrial trends, the Company has been supplying products with the best quality and at the most reasonable prices.

Oriented towards combining the economic prosperity and social responsibility, BMP operates on the principles of fairness and transparency. In 2017, the Company was awarded the First-class Labor Medal by the State President and the Excellent Emulation Flag by the Prime Minister in recognition of its achievements. In addition, a positive business culture has been maintained and promoted

by all staffs and leaders. These achievements have created a great trust in the Company's potentials, thus contributing to its probable success in future endeavors.

Ladies and gentlemen!

On March 9 2018, the State Capital Investment Corporation (SCIC) successfully auctioned the state-owned shares in BMP. For the first time in BMP's 40-year history of production and business activities, the State no longer holds any stake in the Company. Thus, the Board of Directors understands and commits:

- To maintain, at all costs, the prestige of the BINH MINH PLASTICS BRAND, a national brand widely identified with Vietnamese consumers.
- To keep up the orientation of "BALANCED BENEFITS" for shareholders, customers and staffs, for the sustainable development of the Company.
- To strive to promote the BUSINESS CULTURE of BMP, considering it as an intangible asset and a hard-earned result of a painstaking process that

created the public image of BMP in the market.

On behalf of the Board of Directors, I would like to express my sincere thanks to all shareholders, domestic and foreign partners, distributors and all employees who have been incredibly supportive to BMP in all circumstances. Particularly, we appreciate all customers who have trusted and used Binh Minh Plastic products for the past decades. We would like to continue to receive your interest, understanding, support and encouragement so that BMP will continue to grow in 2018 and in the farther future.

Thank you very much.

**BOARD OF DIRECTORS
CHAIRMAN**



LE QUANG DOANH



QUALITY OF SERVICES AND SALES ACTIVITIES

In nearly 40 years of establishment and development, BMP has been continuously expanding its product distribution system. By the end of 2017, the Company has nearly 1,600 outlets all over the country.

Company's name :
**BINH MINH PLASTICS
JOINT STOCK
COMPANY**

Abbreviated name :
BMPLASCO

Business registration certificate & Tax code:
0301464823

issued by the Department of Planning and Investment of
Ho Chi Minh City for the first time on January 2 2004
and the 6th revision on June 6 2017

Charter capital :
VND 818,609,380,000

Head office's address :
240 Hau Giang street, ward 9, district 6, HCMC
Telephone: (84-28) 39 690 973

Fax : (84-28) 39 606 814

Website :
www.binhminhplastic.com.vn

Stock code :
BMP



PROCESS OF FORMATION AND DEVELOPMENT

1977 - 1986: STABILIZATION OF PRODUCTION

In the context of economic embargo in the early 1980s, the Plant operated modestly using inventory materials retained from the former government. The Management Board decided to focus on production of technical plastic products to meet imperative needs of the society with minimum costs of materials. Products such as infusion sets, Karman cannula, plastic parts for textile industry, agricultural sprayers, and labour safety helmets for miners were introduced in this period. This is also an important start-up phase for the Company to become the first supplier of 220mm-uPVC pipe in Vietnam for water supply and drainage, electricity, telecommunications, etc.

On the 16th of November, Binh Minh Plastic Partnership Plant under the Industrial Goods Corporation - Ministry of Light Industry was established by merging Vietnam Chemical Plastic Pipe Company (Kepivi) and Kieu Tinh Technology and Industry Company, focusing on production of domestic plastic products, pipes and fittings spare parts of pipes.

1977

The year saw a historical turning point of Binh Minh Plastic as it was selected by UNICEF to be the first and main supplier of uPVC pipes for the project "Rural Water Program", marking an entire change of product structure of Binh Minh Plastic to industrial and technical plastic products, paving the way for development of plastic pipe industry in Vietnam.

1986

1997 - 2006: REFORM FOR DEVELOPMENT

In the spirit of "Innovation and Development", BMP made effective use of its own financial resources to continually invest in upgrading technical infrastructure, thus diversifying the range and improving the quality of products. This laid a concrete foundation for producing internationally-standardized plastic pipes largest in diameter in Vietnam such as PVC-U pipes 630 mm and HDPE pipes 1.200 mm, along with the trademark PE double pipes and PP-R pipes, creating more choices for customers and contributing to the economic development of Vietnam.



Inauguration of the Plant No. 2 – with total area of 20,000 m² in Binh Duong province and modern equipment from European countries - marked a development stage in terms of production scale and capacity of the Company.

1999

Received ISO 9001 Certificate for quality management system.

2000

1987 - 1996: INVESTMENT ON SCIENCE AND TECHNOLOGY - DEVELOPMENT ORIENTATION

BMP made a critical diversion in its major field of production, moving away from household plastic appliances to focus on industrial plastics, especially plastic pipes complying with international standards. In addition, the company invested in expanding the working site of its factory in HCMC, as well as constructing the second factory well-equipped with cutting-edge, European-made machineries, covering a total area of 20,000 m² in Song Than Industrial Zone, Binh Duong province.

Renamed as Binh Minh Plastic Science and Technology Enterprise, a state-owned enterprise under the Ministry of Light Industry.

Officially registered for protection of merchandise mark, trademark and logo of Binh Minh Plastic in Vietnam, a start for establishment and development of the brand.

Product distribution network of Binh Minh Plastic was established.

1990

Renamed as Binh Minh Plastic Company, a state-owned enterprise under the Ministry of Light Industry.

The first enterprise to apply Dry-Blend advanced technology to directly produce 400 mm uPVC plastic pipe from compound raw materials in Vietnam.

1994

Pure HDPE pipes and double-edge PE pipes were introduced for the first time.

Completed expansion of warehouses and the Plant No. 2 with total area of 30,000 m².



2002

On the 2nd of January, after equitization, Binh Minh Plastic Joint Stock Company officially went into operation under the name of Binh Minh Plastic Joint-Stock Company, abbreviated as BMPLASCO.

The Company invested in equipment and expanded the area of the Plant No. 2 to 50,000m².

2004



On the 11th of July, the Company's shares were officially listed on the Vietnamese stock market as BMP.

2006

PROCESS OF FORMATION AND DEVELOPMENT (CONTINUED)

2007 - PRESENT: SUSTAINABLE DEVELOPMENT

With the strategic orientation of sustainable development and balance of benefits between the company and other parties such as stockholders, customers, workers and the community, in this stage, BMP focused on expanding markets, developing human resources, synchronizing databases through automation solutions, improving labor productivity, saving raw materials, fuel and protecting the environment.



On the 21st of December, the Northern Binh Minh Plastic one member Limited Company was inaugurated in Hung Yen, officially introducing Binh Minh Plastic brand into the northern market.

2007

29% shares

The Company purchased 29% shares of Danang Plastic Joint Stock Company with the aim of developing the Binh Minh Plastic brand in the central and highland areas.

2008

Heat-resistant PP-R pipes were officially introduced into the market.
Production of uPVC pipes with diameter up to 630 mm.

2009



The company was the first company in Vietnam successfully producing the largest HDPE pipes with diameter up to 1,200mm at BMP.

Signed a rental contract for 155,000m² of land at Vinh Loc No. 2 Industrial Park, Ben Luc, Long An for construction of Binh Minh Long An Plant.

2010

Contributed 26% of capital to Binh Minh Viet Real Estate Investment - Trading Joint Stock Company to transfer functions of the land at the Company's Head Office after the Government issued guidance on land clearance.

2011

Applied the ISO 14001 Environmental Management System.

Implemented the information technology project "Enterprise Resource Planning (ERP) - Oracle E-Business Suite".

2012

Received Certificate of Conformity for products in compliance with standards and codes of the Ministry of Construction.

Increased the chartered capital to **VND 454,784,800,000**.

2013

On the 18th of November, Binh Minh Long An Plant was inaugurated.

Successfully deployed 05 ERP'S modules at the Company, its branches and subsidiaries.



2015

Began Phase II of construction of Binh Minh Long An Plant.

Increased 50% of production capacity of spare parts for pipes.

Received the National Brand Award for 5 consecutive years from 2008 to 2018.

Received the Vietnam High Quality Goods Award for 20 consecutive years from 1997 to 2016.

2016

Awarded the First Class Labor Medal (2nd).

Inaugurated the second phase of BMLA.

Successfully applied the non-heavy metal additive system in the production of PVC-U pipes and fittings.

Launched a new product line of PP-R spare parts

Acceptance of ERP management system.

Participating in Vietnam Quality Award.

2017



Successfully converted to newer versions of ISO 9000-2015 Quality Management System and ISO 14000-2015 Environmental Management System.

Increased charter capital **818,609,380,000 VND**

BUSINESS LINES AND OPERATION AREAS

BUSINESS LINES

Binh Minh Plastic is a leading company in Vietnam manufacturing and trading in plastic pipes and fittings for water supply and drainage, telecommunication, electricity, industrial and civil construction.



BUSINESS LINES AND OPERATION AREAS

(CONTINUED)

BUSINESS AREAS

Binh Minh Plastic has domestic business areas nationwide.

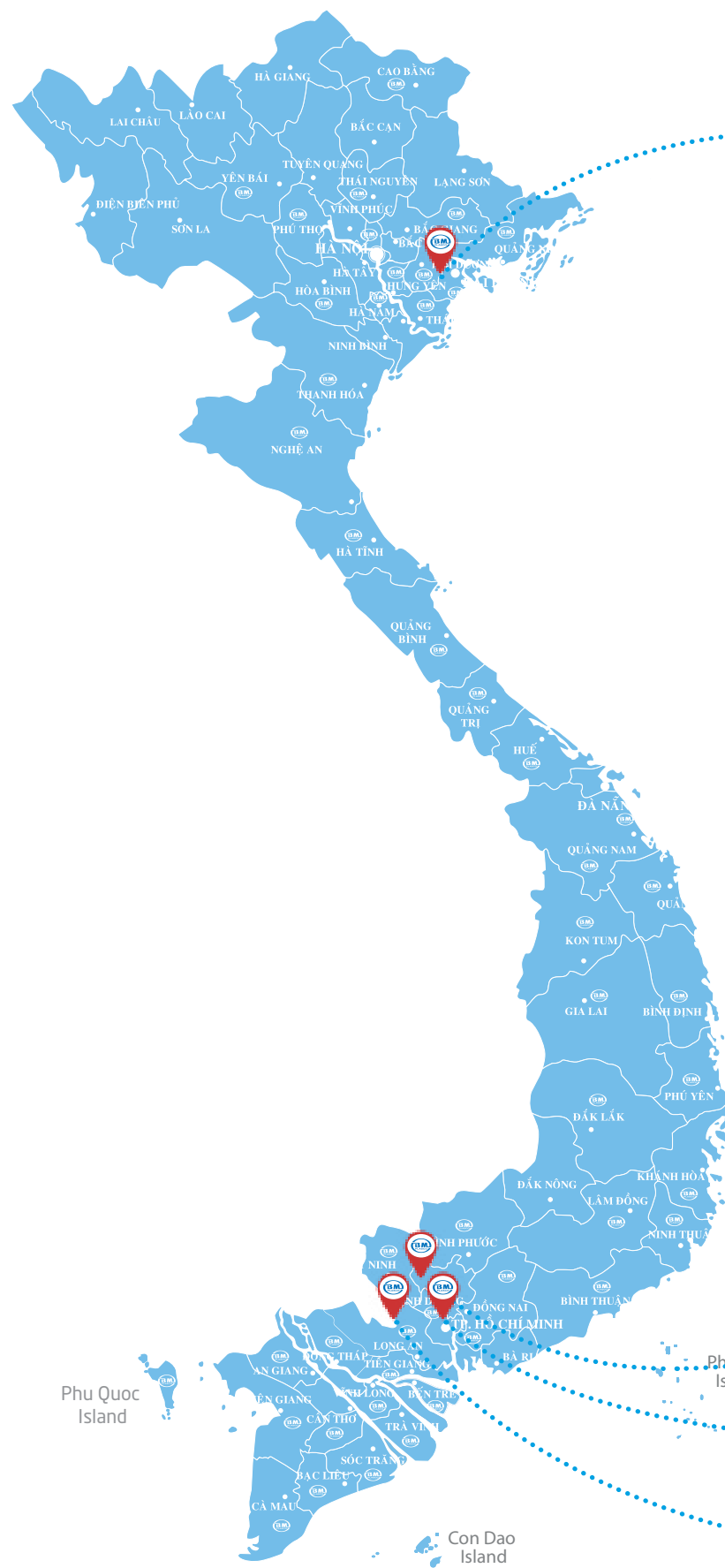
Binh Minh Plastic accounts for 50% of plastic pipe market share in the South and 25% of the national plastic pipe market share.

Production plants:

The Company has 4 plants in HCMC, Binh Duong, Long An and Hung Yen with total capacity by 130.000 MT product/year, meeting goods demand of the national market focusing on R&D, diversification kind and size.

Product distribution network:

after nearly 40 years of establishment and development, the product distribution network of Binh Minh Plastic is extensively increasing. At the end 2017, the Company has nearly 1,600 outlets nationwide, timely providing goods to customers. In addition, the Company has also involved in national important projects, providing plastic pipes for water supply and construction businesses, etc.



**NORTH BINH MINH PLASTICS
ONE MEMBER LIMITED COMPANY**



**BINH MINH SAI GON
PLASTICS PLANT**



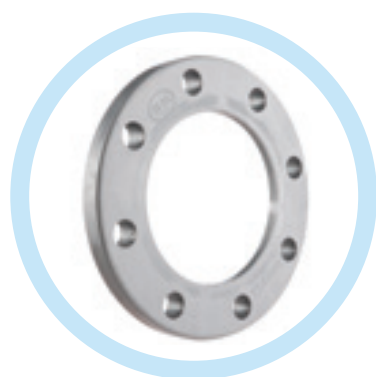
**BINH MINH BINH DUONG
PLASTICS PLANT**



**BINH MINH LONG AN
PLASTICS PLANT**



PRODUCT PORTFOLIO



UPVC PIPES AND FITTINGS



1. Hard PVC-U pipes and fittings with diameters from 21mm to 630mm for water sector and underground cable in compliance with ISO 1452-2:2009 standard and the National Technical Regulation: QCVN 16-4:2011/BXD, specifically:

- PVC-U pipes and fittings inch and metre systems made from un-plasticized PVC.
- PVC-U pipes and fittings with CIOD system and exterior diameter compatible to pressure cast iron pipes.

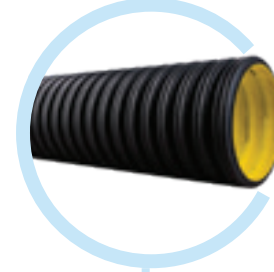
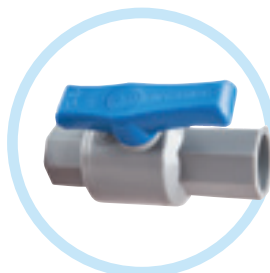
These types are suitable for water systems as follows:

- Domestic water system.
- Industrial irrigation system.
- Industrial pipeline system.
- Rain-water, waste-water drainage systems, etc.



2. PVC-U pipes and fittings for protection of underground cable systems, specifically:

- Telecommunication underground cable system (fibre optic cable, copper cable,...).
- Electric underground cable system (electric cable,...).



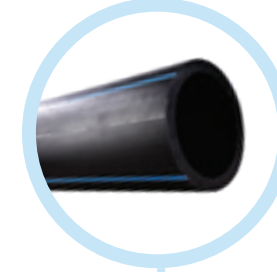
HDPE PIPES AND FITTINGS

1. HDPE pipes and fittings with diameters from 16mm to 1,200mm made from high density polyethylene – PE100 in compliance with ISO 4427:2007 (TCVN 7305:2008), certified in compliance with QCVN16:2017/BXD, suitable for the following systems:

- Domestic water system.
- Industrial irrigation system.
- Industrial pipeline system.
- Rain-water, waste-water drainage systems, etc.

2. HDPE double-wall corrugated pipes and fittings with diameters from 110mm to 500mm made from high density polyethylene (HDPE), suitable for the following systems:

- Highway drainage system.
- Golf-court drainage system.
- Domestic drainage system.
- Industrial drainage and waste-water treatment system.
- Waste-water filter system.
- Underground cable protection system.



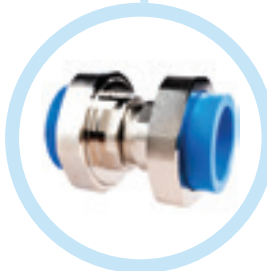
PRODUCT PORTFOLIO (CONTINUED)



PP-R PIPES AND FITTINGS

PP-R pipes and fittings with diameters from 20mm to 160mm made from Polypropylene Copolymer, PP-R80 in compliance with standard DIN8077:2008-9 & DIN8078:2008-09 and TCVN10097-3:2013/ISO15874-3:2013, Certified in compliance with QCNV16:2017/BXD, suitable for the following systems:

- Industrial and domestic under-95°C hot water and cold water systems.
- Low and high temperature food liquid system.
- Floor heating system.



OTHER PRODUCTS

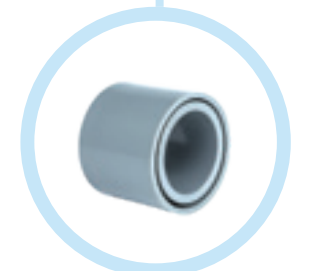
Agricultural sprayers with capacity from 1 litre, 5 litres, 10 litres in accordance with TCVN 5931:1995 for bonsai watering or pesticide spraying

New products in 2017

124 kinds of PP-R plastic pipe fittings for hot and cold water pipes produced by Binh Minh Plastics, functionally comparable to the imported PP-R fittings currently for more competitive prices.

New and improved PVC-U fittings, meeting the diverse needs of the market and aiding construction activities in terms of convenience and sustainability.

- Connection Boxes.
- Changing level connections.
- External discharge Cap.
- Anti-blockage connection kit.
- Threaded plastic in dn 27x3/4.



HIGHLIGHTS OF 2017

23/06/2017

Participation in Vietbuild International Exhibition 2017, HCMC

BMP's participation in the event helped promote its brand widely to consumers, as well as cementing its position as the leading construction plastics manufacturer in Vietnam.



16/11/2017

Celebration of 40th anniversary

In celebration its 40th anniversary (16/11/1977-16/11/2017), BMP carried out many practical activities in the theme of "Binh Minh Plastics – 40 years of Shining".

Completion of master plan for BMP's Long An Industrial Complex and inauguration of Phase 2 for BMP's Long An Factory in a total area of 155,000 m².



08/09/2017

Inspection and acceptance of ERP project

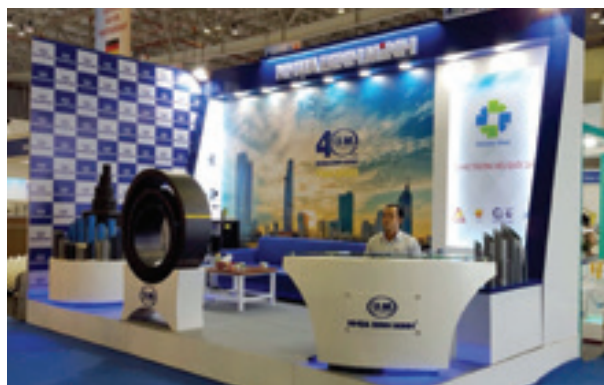
The ERP project would help BMP collect consistent, transparent and accurate accounting data from its Branches, Factories and Subsidiaries, thereby supporting effective decision-making at any time.



8/11/2017

Participation in Vietwater International Exhibition 2017, HCMC

In celebration of its 40th anniversary, BMP took part in Vietwater International Exhibition 2017. This time, the company booth was completely renovated with unique and novel design.



24/11/2017

Launching new product line: PP - R fittings

BMP officially launched a new line of products that complies with both national and international standards. The company has organized 9 conferences in 9 provinces to introduce the new product to representatives of distributors as well as prospective partners and customers all over the country.



16/11/2017

Successful integration of technological revolution in none-heavy metal, environment-friendly additives.

BMP officially announced the completion in adoption of new environment-friendly additives, which removes the use of heavy metal as additives completely and satisfies all international standards of green production for sustainable development.



HONOURS AND AWARDS IN 2017

02/03/2017

BMP RETAINED THE TITLE OF HIGH QUALITY VIETNAMESE PRODUCTS



Binh Minh Plastics is honored as one of 40 enterprises which have been awarded this prestigious title for 21 consecutive years.

09/06/2017

BMP WAS HONORED IN TOP 50 MOST EFFECTIVE BUSINESS COMPANIES IN VIETNAM



This is the 6th consecutive time Binh Minh Plastics has achieved this certification, voted and awarded by Nhip Cau Dau Tu magazine (the Business Review) from 2011-2017. The award was decided after the judges committee had surveyed, analysed and ranked listed companies in Vietnam, using internationally-standardized methods of evaluation under the expert consultancy of world-renowned financial analysts.

14/09/2017

BINH MINH PLASTICS WAS RANKED IN TOP 50 BEST LISTED COMPANIES ON THE VIETNAMESE STOCK MARKET



QUALITY OF RESOURCES

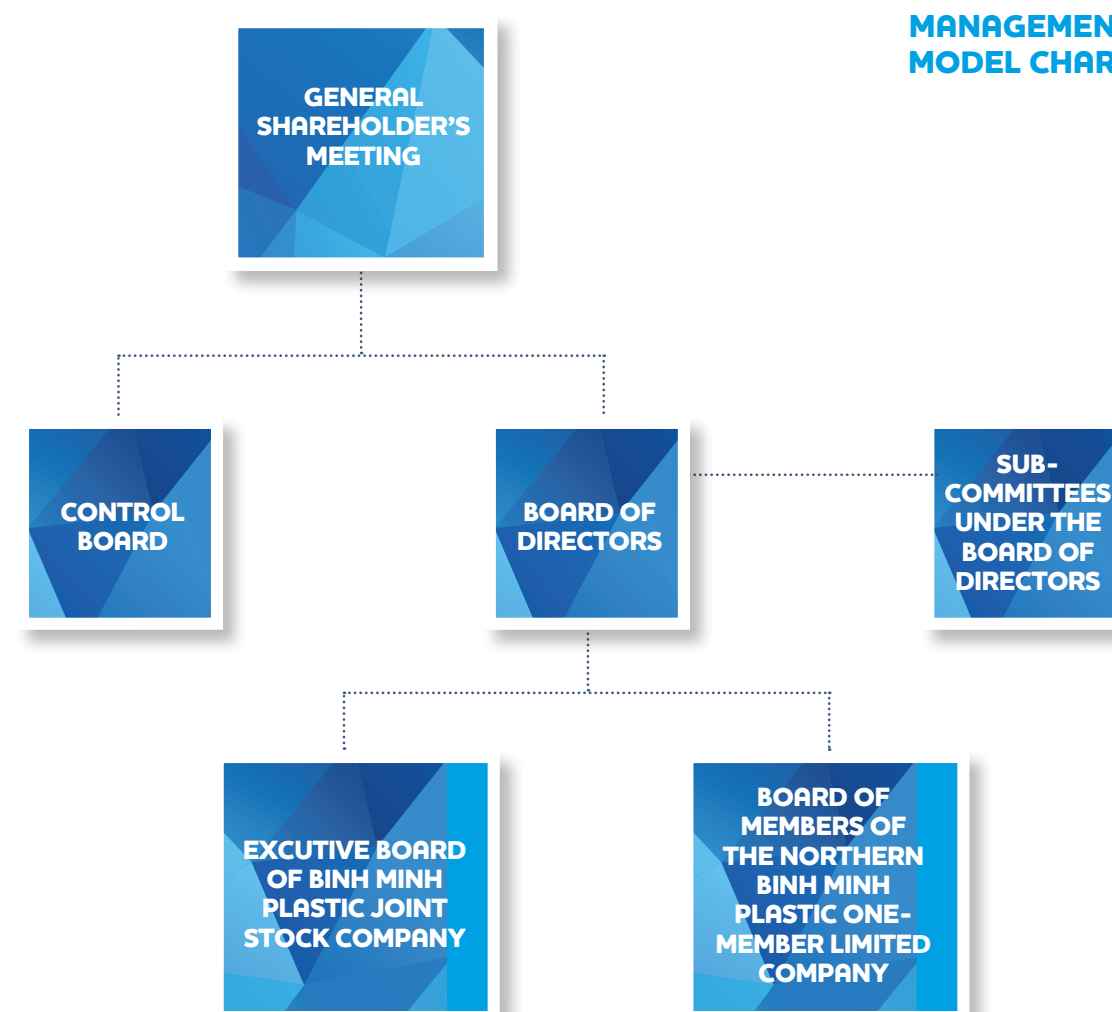
Human resources are an important factor in generating the Company's success. Fully acknowledging of this matter, the Company has always paid attention to policies on trainings to enhance employees' qualifications, skills and knowledge in order to bring their capacity into full play.



MANAGEMENT MODEL

The Company has applied the management model of parent companies, subsidiary companies, associated companies.

The General Shareholders' Meeting is the highest organ of the Company, electing the Board of Directors and the Control Board. The Board of Directors appoints the Executive Board and the Board of Members of subsidiary companies, assigning managers at associated companies. The Board of Directors has sub-committees to support its operation. The General Director is responsible for business performance of subsidiary companies.



SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES

NORTHERN BINH MINH PLASTIC ONE-MEMBER LIMITED COMPANY (NBM) SUBSIDIARY COMPANY



CHARTER CAPITAL
155 BILLION DONGS
CAPITAL CONTRIBUTION OF THE COMPANY
100%

NBM was established under Business Registration Certificate No. 0504000211 on 18 September, 2006 and located at D1 road, D complex, Pho Noi A Industrial Zone, Van Lam district, Hung Yen province with 100% capital from BMP. The Company focuses on production and sales of uPVC, HDPE, PPR plastic pipes and fittings.

NBM officially went into operation on 21 December, 2007. Total current charter capital is 155 billion dong. The Company has modern equipment and newly-built workshops with total area of 40,000 m² and capacity of 40,000 ton/year.



D1 road, D complex, Pho Noi A Industrial Zone, Van Lam district, Hung Yen province.

BINH MINH REAL ESTATE INVESTMENT AND TRADING JOINT STOCK COMPANY ASSOCIATED COMPANIES



CHARTER CAPITAL
210 BILLION DONGS
CAPITAL CONTRIBUTION OF THE COMPANY
26%

The Company was established with a charter capital of VND6 billion in order to implement the project on transform of land functions at 204 Hau Giang when the Plant No.1 of Binh Minh Plastic was moved in accordance with directions of the Government. Planning and design of the Project are pending for approval.

Investment capital to VND 210,000,000,000. Equivalent to 26% of equity.



No. 240 Hau Giang, Ward 9, District 6, Hochiminh city.

DA NANG PLASTIC JOINT STOCK COMPANY (DPC) ASSOCIATED COMPANIES



CHARTER CAPITAL
22.4 BILLION DONGS
CAPITAL CONTRIBUTION OF THE COMPANY
29%

Da Nang Plastic Joint Stock Company was established in 1976, equitized in 2000 and listed in 2001. Presently, DPC shares are listed on Hanoi Stock Exchange. The Company has the head office and production plant at No. 371 Tran Cao Van, Thanh Khe district, Danang city. The Company focuses on production and sales of uPVC, HDPE, PPR plastic pipes and packing papers.

In 2008, BMP purchased 29% of the Company's shares out of the total charter capital of VND22.4 billion, becoming a strategic partner of DPC, aiming to develop Binh Minh Plastic brand in the central and highland area.

Presently, DPC is the warehouse of Binh Minh Plastic responsible for product distribution in the central and highland area.



371 Tran Cao Van, Thanh Khe district, Danang city.

MANAGEMENT STRUCTURE



FUNCTIONS OF DEPARTMENTS

HUMAN RESOURCES DEPARTMENT (HR)

Manage and develop human resources of the Company. Manage recruitment and training activities. Manage the availability of workforce, salaries, social insurance, health insurance, unemployment insurance, accident insurance, etc. according to national policies/ regulations and the Company's regulations.

FINANCE AND ACCOUNTING DEPARTMENT

Manage finance-accounting activities and financial management functions. Manage the Company's capitals and assets. Inspect and supervise the Company's observance of economic and financial policies.

IT SYSTEM MANAGEMENT DEPARTMENT

Manage the ERP system, server system, network system, the Company's website and informatics facilities for the Company's production and business. Manage the information systems and data storage of the Company.

ADMINISTRATIVE DEPARTMENT

Manage office operations, internal and external affairs of the Company. Manage the implementation of legal documents on the administrative work and the Company's rules and regulations. Manage records and participate in solving legal issues of the Company.

SALES DEPARTMENT

Manage purchase of materials, supplies, spare parts, semi-finished products, and finished products for production and business activities. Manage import

and export activities. Manage sales activities and the Company's distribution system. Propose and implement sales policies.

MARKETING DEPARTMENT

Manage customer care and customer development activities. Manage and develop the Company's distribution system. Manage marketing and communications activities.

Conduct seminars, conferences and exhibition fairs domestically and internationally to promote branding and featured products of the Company...

INVESTMENT RESEARCH AND DEVELOPMENT DEPARTMENT

Manage research activities and application of scientific advances, technologies and new materials into the Company's production and business. Research and develop new products, as well as improving existing products.

QUALITY ASSURANCE DEPARTMENT

Control quality of outsourcing raw materials, finished products, and semi-finished products. Manage the quality management system and the working environment in the Company. Manage calibration work, inspect surveillance facilities and measuring equipment in the Company.

FACTORIES

Manage production activities. Manage ISO 14001 environmental management system in assigned areas.



INTRODUCTION OF THE BOARD OF DIRECTORS



MR LE QUANG DOANH

Chairman of the Board
of Directors
(Non-executive member)

Year of birth: 1952
Qualification: Mechanical Engineer

“He is an experienced manager
with nearly 40 years of
working for the Company.”

Mr. Le Quang Doanh is an experienced manager with nearly 40 years of working for the Company. He joined Binh Minh Plastic in 1979 as Workshop Deputy Supervisor and then promoted to Vice Director. In 1996, he was appointed Director of the Company. After equitization, he hold the position of Chairman of the Board of Directors cum General Director from 2004 to 2012. Since November 2012, he has handed over the position of General Director to his successor to focus on administration tasks as Chairman of the Board of Directors.

Employment history:

- Prior to 1979: Team leader of the Production Department of Hai Phong Enamel Iron and Aluminium Wares.
- 1979: Workshop Deputy Supervisor of Binh Minh Plastic Partnership Plant.
- 1987: Vice Director of Binh Minh Plastic Partnership Plant.
- 1996: Director of Binh Minh Plastic Company.
- 2004 – November 2012: Chairman of the Board of Directors – BMP General Director.
- 2013 - present: Chairman of the Board of Directors of BMP; Head of Subcommittee on Human Resource - Policy – Salary and Bonus, non-executive member of the Board of Directors.

Ownership of voting shares and other securities issued by the Company: **1.062.252 shares.**

After graduating from Hochiminh city University of Technology, he joined the army. In 1988, he joined the Company as technical staff. After holding various positions from Head of Technical Department, Vice Director to Deputy General Director, he was appointed General Director in late 2012. Being knowledgeable of Vietnamese plastic technologies, he has accompanied Binh Minh Plastic during reform of product structure, investment in equipment and technology, and expansion of production scale of the Company.

Employment history:

- 1988: Technical staff of Binh Minh Plastic Partnership Plant.
- 1992: Head of Technical Department of Binh Minh Plastic Partnership Plant.
- 1997: Vice Director of Binh Minh Plastic Company.
- 2004: Vice Chairman of the Board of Directors – BMP Deputy General Director.
- 2007 - 2010: Vice Chairman of the Board of Directors - BMP Deputy General Director; Vice Chairman of the Board of Members – BMP Director.
- 2010 – February 2012: Vice Chairman of the Board of Directors - BMP Deputy General Director; Chairman of the Board of Members of BMP.
- March 2012: Vice Chairman of the Board of Directors of BMP- BMP Deputy General Director; Chairman of the Board of Members of BMP; Chairman of the Board of Directors of DPC.
- November 2012 - 2014: Vice Chairman of the Board of Directors of BMP - General Director; Chairman of the Board of Members of BMP; Chairman of the Board of Directors of DPC.
- 2014 - present: Vice Chairman of the Board of Directors - General Director of BMP; Head of the Subcommittee on Strategy – Development.

Ownership of voting shares and other securities issued by the Company: **618.550 shares.**



MR. NGUYEN HOANG NGAN

Vice Chairman of the Board
of Directors –
General Director

Year of birth: 1962
Qualification: Mechanical Engineer,
Master of Management

“He is the most
knowledgeable about
plastic technology in
Viet Nam.”

INTRODUCTION OF THE BOARD OF DIRECTORS (CONTINUED)



MS. NGUYEN THI KIM YEN

Member of the Board of Directors
(Non-executive member)
Chairwoman of NBM

Year of birth: 1960
Qualification: Bachelor of
Industrial Economics, Bachelor of
Business Administration

“She has been one of key
and most senior female staffs
of Binh Minh Plastic.”

She has been one of key and most senior female staffs of Binh Minh Plastic. She began working at Binh Minh Plastic in early 1980s, holding various positions from Deputy Head of Sales Department, Head of Sales Department, Deputy General Sales Director. She has made important contributions to establishment and development of shops and Binh Minh Plastic brand.

Employment history:

- 1981: Statistics staff of Binh Minh Plastic Partnership Plant.
- 1988: Deputy Head of Planning, Supply and Consumption Department of Binh Minh Plastic Company.
- 1998: Head of Sales Department of Binh Minh Plastic Company.
- 2004-2005: Member of the Board of Directors - Head of BMP Sales Department.
- 2006 – 2016: Member of the Board of Directors - Deputy General Director.
- 2017 - present: Member of the Board of Directors BMP; Chairwoman of NBM; Head of the Subcommittee on Shareholder Relation.

Ownership of voting shares and other securities issued by the Company: **457.034 shares.**

Employment history:

- 1995 - 2000: Hanoi Knitting Company.
- 2000 - 2007: Mizuho Hanoi Bank.
- 2007 - 2008: Trang An Securities Joint Stock Company.
- 2008 - present: The State Capital Investment Corporation -SCIC.
- 7 March, 2016 - present: Member of the Board of Directors BMP (non-executive member).

Ownership of voting shares and other securities issued by the Company: **No.**



MS. DANG THI THU HA

Member of the Board
of Directors
(Non-executive member)

Year of birth: 1973
Qualification: Bachelor of
Economics, Bachelor of Foreign
Languages, Master of Business
Administration

INTRODUCTION OF THE BOARD OF DIRECTORS (CONTINUED)



MR. APICHAJ CHAREONSUK

Member of the Board of Directors
(Non-executive member)

Year of birth: 1966
Nationality: Thai
Educational qualifications: Bachelor of Chemistry,
Master of Petrochemical Technology

Employment history:

- 1999 Production Manager of Thai MMA Co., Ltd.
- 2005 Director of Manufacturing Technology of Thai Polyethylene Co., Ltd.
- 2005 Head of LLDPE Manufacturing Division, Thai Polyethylene Co., Ltd.
- 2007 Deputy General Director of Grand Siam Composite Co., Ltd.
- 2011 General Director of Thai Polyethylene Co., Ltd.
- 2017 to present: General Director of Thai Plastic and Chemicals PCL
- From 06/6/2017 to now: Member of Board of Directors - BMP

Ownership of voting shares and other securities issued by the company: **No.**

Employment history:

- 1995: Chief Executive Officer of Thai MFC Limited Company.
- 1998: Deputy Chief Executive Officer of Siam Misui PTA Limited Company and Thai Pet Resin Limited Company.
- 2010: Chief Executive Officer of Rayong Olefins Limited Company.
- 2012: Chief Executive Officer of TNH Thai Plastic & Chemicals PCL Limited Company.
- 2013 - present: Chief Executive Officer of Thai Plastic & Chemicals PCL Limited Company; Member of the Board of Directors BMP (non-executive member).

Ownership of voting shares and other securities issued by the company: **No.**



MR. SUCHAI ASVATHAVORNVANIT

Member of the Board
of Directors
(Non-executive member)

Year of birth: 1957
Nationality: Thai
Qualification: Mechanical Engineer

INTRODUCTION OF THE CONTROL BOARD



MS. NGUYEN THI PHUONG NGA

Head of the Control Board

Year of birth: 1963

Qualification: Bachelor of Economics

Employment history:

- 1982: Staff of the Supply and Consumption Department of Binh Minh Plastic Partnership Plant.
- 1999: Deputy Manager of the Sales Department of Binh Minh Plastic Company.
- 2004: Member of the Control Board - Deputy Manager of Sales Department of Binh Minh Plastic Company.
- 2008: Head of the Control Board - Deputy Manager of BMP Sales Department.
- 2010 - 2013: Head of the Control Board - Manager of BMP Marketing Department.
- 2013 - present: Head of the Control Board - Manager of BMP Sales Department.

Ownership of voting shares and other securities issued by the Company: **228.051 shares.**

Employment history:

- 2007: Auditor - Ernst & Young Vietnam Limited Company.
- 2010 - 2013: Staff of SCIC Risk Management Department.
- 2013 - present: Member of the Control Board - Staff of SCIC Risk Management Department.

Ownership of voting shares and other securities issued by the Company: **None.**



MS. NGUYEN THI THAM

Member

Year of birth: 1985

Qualification: Bachelor of Economics

Employment history:

- 2006: Staff of BMP Finance-Accounting Department.
- 2013 - present: Member of the Control Board – Member of the Subcommittee on Risk Management and Internal Control.

Ownership of voting shares and other securities issued by the Company: **14.040 shares.**



MS. NGUYEN LUU THUY MINH

Member

Year of birth: 1983

Qualification: Bachelor of Accounting,
Master of Finance

INTRODUCTION OF THE EXECUTIVE BOARD

Changes in executive management

On 01/01/2017 Mr. Nguyen Thanh Hai was appointed Deputy General Sales Director.



MR. NGUYEN HOANG NGAN

Vice Chairman of the Board
of Directors –
General Director

Year of birth: 1962
Qualification: Mechanical Engineer,
Master of Management

(See details in the Introduction of the
Board of Directors [page 45])

Employment history:

- 1995 - 2000: Member of Technical Department - Binh Minh Plastic Company.
- 2001 - 2002: Deputy Manager of Factory 1 - Binh Minh Plastic Company.
- 2002 - 2005: Deputy Manager of Human Resource & Administration Department - BMP.
- 2006 - 2010: Manager of Human Resources Department - BMP.
- 2011 - 2014: Member of Board of Members - Director of NBM.
- 2015 - 2016: Manager of Marketing Department - BMP.
- 2017 - present: Deputy General Sales Directors - BMP.

Ownership of voting shares and
other securities issued by the Company:
21,600 shares.



MR. NGUYEN THANH HAI

Deputy General Sales Director

Year of birth: 1971
Educational qualifications:
Mechanical Engineer, MBA

“ To our customers, we are **a dedicated supplier who shares benefits.**

To our staff, we are **the guarantor of material and spiritual life.**

To our shareholders, we are **professional, transparent and high performance managers.**

To our partners, we are **a trusted companion to cooperate for mutual benefit.**

To the community, we are **an honest, socially responsible company.**”

INTRODUCTION OF THE EXECUTIVE BOARD (CONTINUED)



MR. NGUYEN THANH QUAN

Deputy General Technical Director

Year of birth: 1968

Qualification: Chemical Engineer, MBA

Employment history:

- 1994: Technical Staff of Binh Minh Plastic Company.
- 1997: Deputy Manager of Technical Department of Binh Minh Plastic Company.
- 2000: Supervisor of Workshop1 of Binh Minh Plastic Company.
- 2007: Director of BMP Plant No. 1.
- 2010: Director of BMP Plant No. 2.
- 2013 - present: BMP Deputy General Technical Director.

Ownership of voting shares and other securities issued by the Company: **11.709 shares.**



MR. HONG LE VIET

Chief Accountant
Director of DPC

Year of birth: 1966

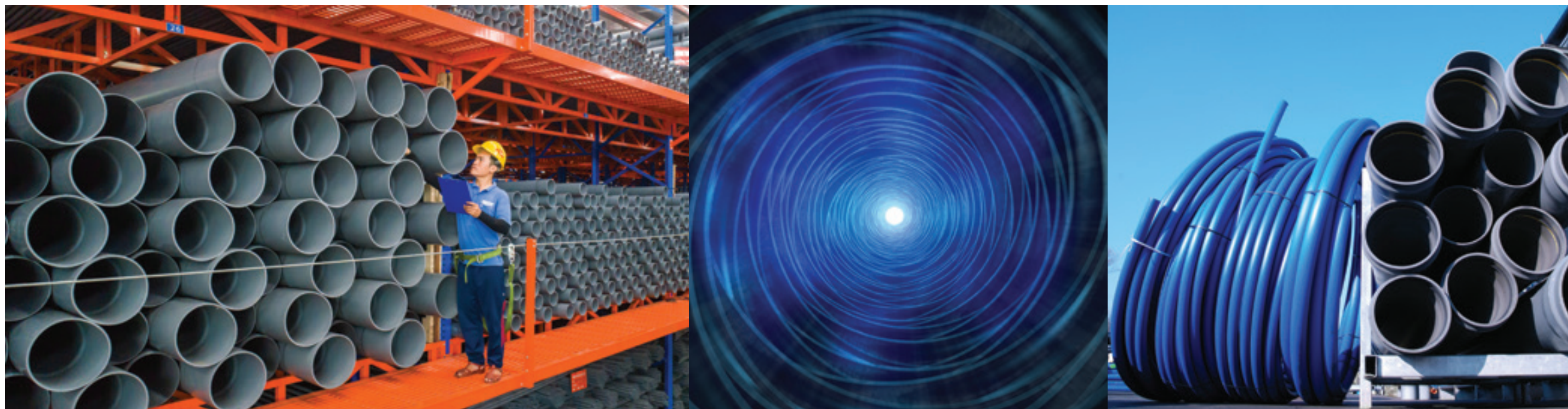
Qualification:
Bachelor of Economics

Employment history:

- 1993: Staff of Finance and Accounting Division of Binh Minh Plastic Company.
- 2002: Deputy Head of Finance and Accounting Division of Binh Minh Plastic Company.
- 2007 - 2013: Deputy Head of BMP Finance and Accounting Division; Chief Accountant of NBM – Member of the Board of Members of NBM.
- 2014 - 2016: Chief Accountant cum Head of BMP Finance and Accounting Division - Member of the Board of Members of NBM.
- 2017 - present: Chief Accountant cum Head of BMP Finance and Accounting Division - Director of DPC.

Ownership of voting shares and other securities issued by the Company: **03 shares.**

DEVELOPMENT ORIENTATION



Binh Minh Plastic Company is currently the market leader in Vietnam in the fields of manufacturing and supplying industrial plastic pipes and fittings. This is the great achievement of Binh Minh Plastics during its 40 years of establishment and development. However, with the increasingly fierce competition in today's world of business, maintaining a leading position in the market is a big challenge for Binh Minh Plastics. In order to keep the streak of achievements over the past years, Binh Minh Plastics is determined to continue development following long-term strategic plans to move forward in solid steps, solidifying its influence in the country and getting ready to take part in the international market.

Strategic product orientation:

SYNCHRONIZED PRODUCTS - DIVERSIFIED APPLICATIONS

Plastic pipes and fittings are considered main products - strategic products - with the motto of gradual finalization and synchronization of products in compliance with various scope of application and standards. Products are diversified for different usage purposes, types of customers, and market segments. Priority is given to development of new products based on market demand analysis and the Company's financial situation and other resources in order to develop core products using

advanced technologies in the world. Strategic orientations still focus on development of plastic building materials with an aim to expand to other potential areas in the long term such as plastic products for supporting industries, advanced agriculture, irrigation, and other key industries.

Strategic quality orientation:

PERFECT QUALITY-INTERNATIONAL STANDARD

Quality of products is always the priority and the ultimate guideline for all activities of Binh Minh Plastics. The company is determined to adhere to the direction of manufacturing top-

quality products, adopting a uniform system of quality standards and ensuring strict compliance to such international and national standards. Priority is given to high-

quality products, unifying product standard system, ensuring that all main products are standardized in compliance with national and international standards.



DEVELOPMENT ORIENTATION (CONTINUED)

Strategic business orientation:

UNITED MARKET - FLEXIBLE POLICIES

Focus on procurement activities in major projects by employing an extensive network of distributors and the specialized division of Project Customers. The company boasts strengths in high quality products, reasonable prices and flexible sales policies. Cooperating with various enterprises in the field, including manufacturers of construction materials, companies of consultancy, design and construction of water supply and drainage, real estate/ infrastructure investors and construction contractors, to create strong, strategic and long-lasting alliances.

Strategic market development orientation:

DOMESTIC MARKET FOCUSING - EXPORT ORIENTATION

Binh Minh Plastics is among the companies with major market shares in Vietnam. In the future, the domestic market will continue to be the dominant market for the company's products, although there is no export advantage due to enormous transportation costs. However, the potential of engaging in regional markets, especially the Indochina countries, is very high. As a result, Binh Minh Plastics is actively exploring, evaluating and gradually

expanding its business activities to neighboring markets in the region in the form of commercial trade, business or investment cooperation.

Strategic brand development and communication orientation:

NATIONAL BRAND - EXPANDING TO THE REGION

Reputation of the Company's brand is confirmed in the market, focusing on protection and promotion of the brand in various forms, especially through national and regional brand programmes at large-scale. A unanimous brand identification system is developed. Communication and marketing activities are diversified, focusing on social network, community-oriented and environment-orientated activities.

Strategic investment orientation:

MODERN EQUIPMENT - PIONEERING TECHNOLOGIES

Priority is given to maintenance of the reputation as a pioneer in research and application of new technologies, development of new products, investment in advanced equipment for stable product quality, modernization and effective control of production process, taking advantage of high capacity, quality and



longevity of equipment. Improve organizational capacity and promote R&D activities, constantly updating information related to the industry and the market, both domestically and internationally, so as to effectively develop new products and to apply the latest scientific and technological advances into production and business activities in 2018 and in the future.

Strategic management and human resource orientation:

APPROPRIATE SCALE - ADVANCED MANAGEMENT

Organizational structure and management of the Company are reformed in line with development

scale in each period, forming the backdrop for restructuring, planning and training of qualified human resources in terms of quantity and quality. Advanced management models are applied and reformed to ensure transparency and efficiency in management.

Strategic finance orientation:

INFORMATION TRANSPARENCY - RISK MANAGEMENT

Effectiveness of business activities is improved in order to ensure short-term financial efficiency with an aim to achieve long-term sustainable development based

on harmonization of interests and high unity among customers, shareholders, employees, and the community. Information technology is applied in planning, management, collection of financial information and risk management.

Strategic orientation relating to international integration and competition:

FAIR COMPETITION - DEVELOPMENT COOPERATION

Given the establishment of the ASEAN Economic Community (AEC) in 2015 and joining other free trade agreements of

Vietnam, competition pressure has knocked at "the door" of all businesses in general and BMP in particular. Compared to similar manufacturers in ASEAN, the Company is confident of its competitiveness due to high quality products, advanced technologies, high labour capacity and effective business management. However, it is required that the Company should improve knowledge on international business environment, understanding opportunities and challenges during integration with other countries in the region and in the world through free trade agreements joined by Vietnam in order to develop an appropriate competition strategy.

DEVELOPMENT ORIENTATION (CONTINUED)



Strategic orientation relating to environmental, social, and community activities:

ENVIRONMENTAL PROTECTION - COMMUNITY SUPPORT

More than ever, corporate social responsibility models (CSR) are promoted and implemented in the world. Strict application and compliance with the Environmental Management System (EMS) in line with ISO 14001 standard have confirmed high awareness of the Company on “responsibilities with the nature, the community and moving towards sustainable development”. The Company has directly or through political and social organizations participated in community activities in many areas, and will continue to make contributions to these activities in the future.

Strategic orientation relating to the Company’s Culture:

UNITY - CAUTION - CREATION - PIONEERING

As culture is considered a core value to implement strategic orientations mentioned above, it should be formed and improved over time. The Company will continue to promote the tradition of solidarity, caution, cooperation, and unity based on creation and willingness to reform for a more effective internal management and a professional and friendly working environment. Continue to build a business culture within Binh Minh Plastics, as well as improving the system of policies, rules and regulations to help workers more effectively in their working and personal lives.

Strategic orientation relating to the sustainable development:

HARMONIZATION OF INTERESTS - SUSTAINABLE DEVELOPMENT

Sustainable development has become a strategic orientation of the Company following the tendency in the world. It is confirmed by the Company that sustainable development not only relates macro issues such as environmental protection, social responsibility, community support but is also included in the internal development strategy of the Company. Sustainable development orientations require balancing of development targets such as increase of market share to maintain long-term growth of the Company, increase of profits to ensure interests of shareholders, increase of incomes and benefits for long-term stay of the employees.

BASES FOR STRATEGY DEVELOPMENT

BMP is a leading company in production of plastic pipes in Vietnam, accounting for 50% market share in the South and 25% of the national market share. The Company has four factories in Hochiminh city, Binh Duong, Long An and Hung Yen with capacity of 130,000 tons/year, entirely meeting domestic demands and preparing for international exports in the future.

Severe competition in the plastic sector is not only a momentum for development but also a challenge in selection of product and market segments to both meet demands of customers and ensure business effectiveness.

CAPACITY FOR STRATEGY IMPLEMENTATION

Resources for strategy implementation

Ensure timely and sufficient financial resources for future business endeavors, such as retained earnings, credit capital available at banks thanks to the prestige of Binh Minh Plastics, and other self-sufficient capital from issued stocks and bonds if necessary.

Human resources have high quality with nearly 100% employees graduated from high school, of which more than 20% having intermediate or college degrees and nearly 20% having undergraduate or postgraduate degrees.

Allocation and use of resources and assets

Resources are properly allocated at the plants in the North and the South based on market development. Human resource capacity is improved in the South. Staffs from the South are seconded to work at the factory in the North at the beginning. These staffs are then replaced by



colleagues in the North after the later are recruited and trained. BMP has a consistent strategic orientation in using resources to create unity for long-term and

sustainable development. This is considered a core competition capacity and an advantage in implementation of business strategies.

SWOT ANALYSIS



STRENGTHS

- S1:** Leading brand. High quality segment products in compliance with international standards.
- S2:** Large production scale. High labour productivity. High production efficiency.
- S3:** Strong financial capacity, modern equipment and machines, quick payback.
- S4:** Wide distribution network, especially well-organized in the South.
- S5:** Good relationship with suppliers, customers and distributors.
- S6:** Strong Company Culture: Employees are united, enthusiastic and committed to the Company.

WEAKNESSES

- W1:** Products, especially big pipe fittings, are not diversified to meet the market's demand. The development of new products is slow.
- W2:** High selling price and low discount which reduce the competitiveness in the market.
- W3:** Uneven distribution system, especially in the Central and North.
- W4:** Overload of management-level personnel. Quality human resources are increasingly difficult to recruit.



OPPORTUNITIES

- O1:** High market demand: Continuous growth of the real estate market with many infrastructure projects. Construction growth rate of 9.7% per year.
- O2:** Investment environment is improving. Signed agreements open up great opportunities for integration and development.
- O3:** The consumption market is expanding, especially the export market.
- O4:** Economic development: Higher living standards and qualification of the people which require better quality products.



THREATS

- T1:** Fierce domestic competition, many competitors producing the same kind of goods, entry of goods from the AEC region.
- T2:** Real estate bubble. Market saturation for plastic pipes.
- T3:** Increasing freight rates and oil prices, unstable, rising raw material prices.
- T4:** Counterfeit and fake goods.

QUALITY OF TECHNOLOGIES QUALITY OF PRODUCTS

BMP is always the pioneer in the application of latest production technologies, in order to provide consumers with top-quality products following international standards.



INFORMATION ON PRODUCTION AND SALES OF THE PLASTIC SECTOR IN 2017

BUSINESS BACKGROUND

According to the Vietnam Plastics Association, as of 2017, Vietnam's plastic consumption per capita has grown at a healthy rate of 43 kg/person/year, increasing about 25% compared to 33 kg/person/year in 2010. However, this growth rate is quite low compared to Asian average of 48kg/person/year and the global average of 70kg/person/year, thus the potential of Vietnam plastic industry in this period is still very large.

The fact that Vietnam has been in the process of joining the free trade agreements signed and implemented has brought many opportunities for enterprises to expand their markets, renovate their equipment, upgrade their technology, and increase the scale of production in the wave of foreign investments and joint ventures.

However, the petrochemical industry in the country is still underdeveloped that leads to the lack of raw material supplies, thus most plastic enterprises have to import materials from abroad. In particular, PE and PP materials are still the most imported items. In 2017, due to the influence of many factors in the Chinese market, the fluctuations in the Middle East, especially the rising oil prices and unpredictable raw material prices, overall business performance of plastic enterprises fairly decreased compared to 2016 and previous years.



Construction materials accounts for about 18.2% of the total plastics market share in Vietnam, with a growth rate of 15-20%/year in the past years, the main causes being the increasing urbanization trend and the rising demands for house renovation in urban areas. According to statistics from the Ministry of Construction, Vietnam is an urbanized country with an annual growth rate of over 30% over the past five years. The rapid rise of the middle class also leads to high demand for new housing and house renovation. This is the basis for long-term development of the building materials industry in the future.

The young population structure, housing demand, rising per capita income and low interest rates have led to an increase in consumer spending and especially the need

for affordable housing. These are the driving forces for growth in civil engineering and, as a result, plastic building materials as cost-saving material.

According to the BMI report, in 2017, real growth in the infrastructure sector reached 6.7%, the highest in the three construction segments. The real estate market has been recovering, the demand for housing and infrastructure has increased with many large projects and high investment capital, especially projects on building workshops and infrastructure for industry, transport infrastructure, road upgrading, etc.

In 2017, the purchasing power of the market was still maintained, however, the overall growth rate of the plastics industry was

only 10%, mainly due to the slow disbursement of public investment capital while the use of infrastructure loans was tightly controlled by the government. The housing segment had a good growth rate at the beginning of the year, however the growth slowed down at the end of the year due to the tightening of real estate management and the common fear of overcapacity in the future.

Companies in other industries also invested in the plastics materials industry due to high profit margins in previous years. Plastic pipe companies made large-scale investments with massive promotion campaigns and high discounts to penetrate the market. This situation led to a rapid increase in supply, while market demand could not keep up with, resulting in short-term saturation and surplus of supplies. At present, Vietnam has about 200 enterprises in plastic pipe and building materials.

In addition, the state management of quality and market is quite inadequate and ineffective. The lack of thorough handling of fake and imitation goods by state agencies has adversely affected the reputation of legitimate companies.

THE COMPANY'S POSITION

Although the plastic pipe industry in Vietnam has been competing fiercely, BMP has maintained

“BMP has maintained good growth momentum in recent years. The Company's average annual revenue growth rate in the last five years is 16% per annum.”



good growth momentum in recent years. The Company's average annual revenue growth rate in the last five years is 16% per annum. With the advantage of being the favorite brand among consumers, the products are positioned in the high quality segment with a wide distribution network, BMP always affirms its leading position in the construction plastic industry in Vietnam.

With strong financial strength and abundant cash flow at BMP, almost no debt was used in factory expansion projects. In

2017, BMP continued to execute the investment plan of over 600 billion VND for production capacity improvement and business network expansion in order to fully meet the market's demand.

Especially in 2017, BMP has produced and sold more than 94 thousand tons of plastic products of all kinds, reaching a growth rate of 15% compared to 2016. Continuing to maintain the leading position with 50% market share at Southern market and 25% market share all over the country.

REPORTS AND ASSESSMENT OF THE EXECUTIVE BOARD

BUSINESS RESULTS IN 2017



2017 was a challenging year for the Company's production and business activities. The size of the Company has expanded, however human resources management has not kept pace with the development demand. The Board of Management and the Board of Director have made timely solutions and policies to help maintain the growth of the Company, namely:

- The Company has applied the new selling policy of increased basic discount rate since 20 March 2017. Selling policies have been more flexible, enhancing the competitiveness of the Company's products over other brands.
- Effective PR and promotional campaigns were conducted on the occasion of the Company's 40th Anniversary with the key program of "40

days of discount incentives" and the series of seminars launching the new PP-R fittings line. These activities were to confirm BMP's brand and reputation and also to express the Company's gratitude to royal customers.

- The aggressive investment in factory equipment has basically solved the shortage of goods, both pipes and fittings. Long An warehouse was put into use, Da Nang warehouse's operation has been enhanced, all helping to increase reserve and sales capacity to meet the needs of customers.
- BMP has assisted the distribution system to increase competitiveness in construction projects. It has also maintained the stable operation of the distribution system while expanding the network

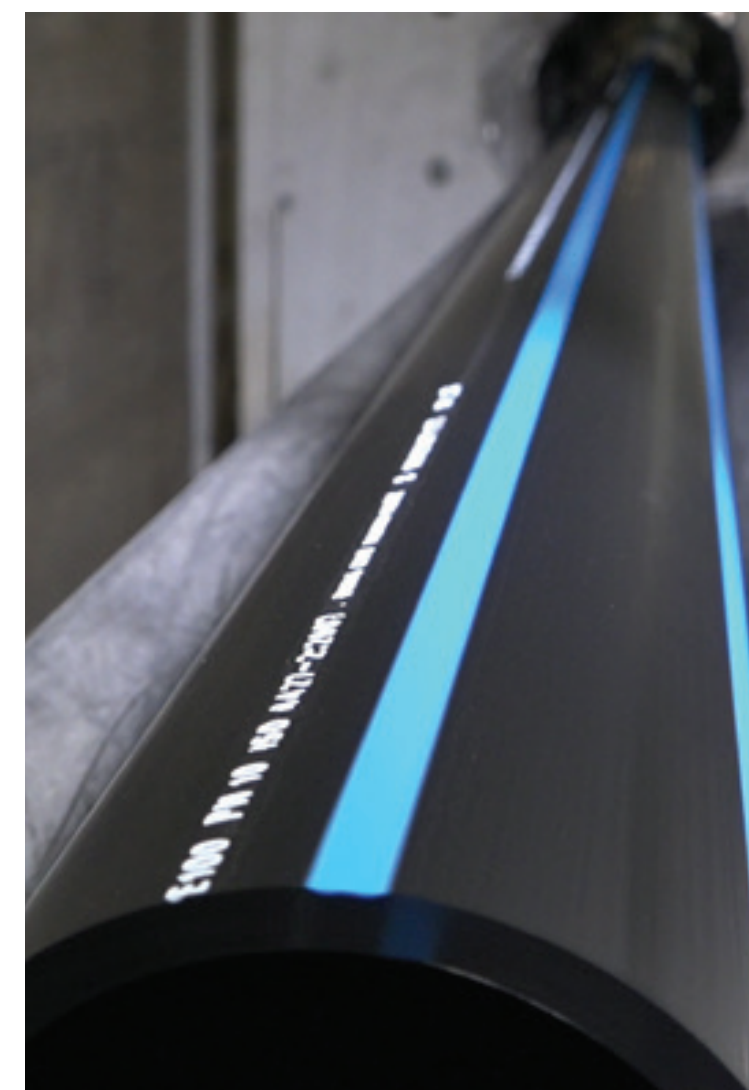
No	TARGET	UNIT	PLANNED 2017	PERFORMED		PERCENTAGE %	
				2017	2016	2017/PLAN	2017/2016
1	Revenue	VND billion	4,050	4,057	3,678	100.2	110.3
2	Consumption capacity	Ton	90,000	94,110	82,052	104.6	114.7
3	Profit before tax	VND billion	700	583	784	83.3	74.4
4	Profit after tax	VND billion	560	465	627	83	74.2

to nearly 10% to deliver goods as fastest as possible to consumers.

As a result, the Company has fulfilled its revenue target and achieved a growth rate of 10%, while the sales volume increased about 15% from 2016, contributing to maintaining the market share and position of the Company.

However, profit before tax was realized only 83% of the plan and equal to only 74.2% of that in 2016. The main reasons of this result are the prices of raw materials increased by 8.2% from the previous year, while the Company did not increase its selling prices.

In addition, the Company had to increase the discount rate by 4% from 20 March 2017 due to the increasing competition from other companies. These factors led to the profit margin in 2017 not as high as in previous years.



BUSINESS RESULT ANALYSIS

FINANCIAL SITUATION



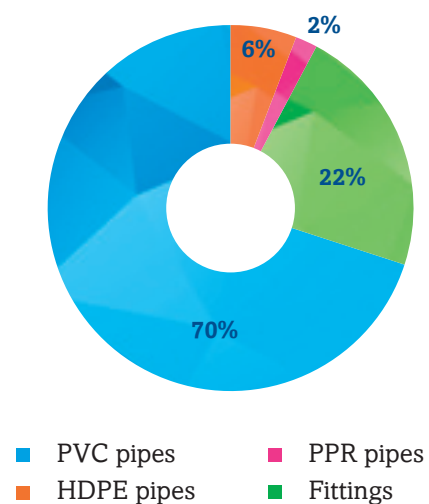
Revenue structure

Total revenue of VND4,057 billion, reaching 100.2% of the plan set at the beginning of 2017

Following sales growth of 2016, in 2017, BMP's revenue reached VND4,057 billion, up 10.3% from 2016. The Company continued to focus on developing its core competency of manufacturing and distribution of plastic pipe products (accounting for 93.8% of total revenue) on the basis of increasing the output of current products and developing new PP-R pipes and fittings line with many advanced features to suit consumers' demands. In general, the timely catching up of the market situation in 2017 and the introduction of proper measures and plans have helped BMP reach the revenue target for the year set by the General Assembly of Shareholders.

In the revenue structure of BMP's products in 2017, PVC-U pipes accounted for 70%. The highlight of the BMP product lines this year was the development of PP-R pipes and fittings with premium features and officially launched in November 2017

REVENUE STRUCTURE OF GOODS PRODUCED BY BMP IN 2017



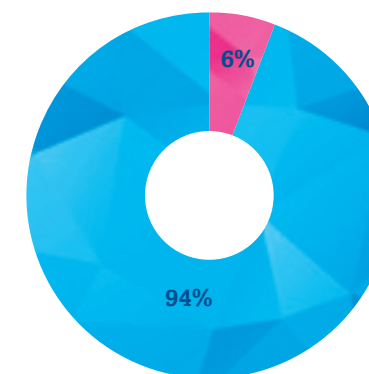
Sales hit VND4,057 billion, reaching 100.2% of the plan in 2017

However, profit before tax was only 83.3% of the plan in 2017. The main reasons were the high cost of capital and the fierce competition in the industry, especially the strong rise of new entrants such as Hoa Sen or Tan A Dai Thanh that have significantly influenced the market share of BMP in the South of Vietnam.

Revenue structure

In 2017, sales of goods produced by BMP accounted for 94% of the Company's total revenue. This shows that BMP still has been focusing on its core competencies.

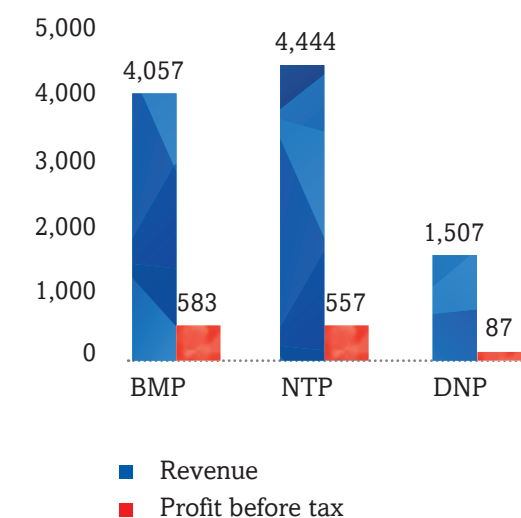
In the revenue structure of goods produced by BMP this year, the PVC-U pipe accounted for 70%.



■ Sales of BMP products
■ Sales of goods

Revenue and profit of construction plastics companies in 2017

It can be seen that the majority of market share was still held by BMP and NTP. Although BMP's revenue from sale was lower than NTP, BMP's profit was better than NTP. In the upcoming future, the competition will be fiercer, given the appearance of Hoa Sen with the "huge discount" strategy to win market share from the opponents. With this pressure, the need for innovation for BMP development is growing to maintain its position.



■ Revenue
■ Profit before tax

TARGETS	2013	2014	2015	2016	2017
Cost of goods sold/ Net revenue	70.2%	72.3%	68.1%	67.9%	75.9%
Sale expenses/ Net revenue	3.3%	5.1%	4.5%	5.0%	3.5%
Management costs/ Net revenue	3.2%	3.0%	3.4%	3.5%	3.3%
Financial costs/ Net revenue	0.8%	0.8%	1.1%	1.3%	2.6%

Source: Audited financial statements of BMP during 2013-2017

BUSINESS RESULT ANALYSIS (CONTINUED)



Cost of goods sold to net revenue ratio increased sharply in 2017. The main reason was the increase in cost of raw materials by 11%, on average, from 2016, of which the price has surged by up to 25.3% at peak. Material price fluctuation led to the decrease of profit margin from 33% to 24%, directly affecting the profitability of BMP.

The ratio of selling, general and administrative expenses to net revenue has not changed much over the years. These cost components mainly come from the expenses of marketing, advertising, promotion, sales support to promote sales and attract new and potential customers. 2017 was the year of BMP's aggressive advertising to increase sales as well as introduce the new PP-R fittings line to consumers.

The ratio of financial expenses to net revenue increased strongly by 2.6%. The reason was that BMP increased the payment discount rate to attract cash flow from customers and reduce the risk of debt management.

BMP's cost structure in comparison with listed construction plastics enterprises

TARGETS	BMP	NTP	DNP	INDUSTRY AVERAGE
Cost of goods sold/ Net revenue	75.9%	66.8%	80.8%	75.2%
Sale expenses/ Net revenue	3.5%	17.6%	4.5%	8.7%
Management costs/ Net revenue	3.3%	4.1%	8.7%	4.0%
Financial costs/ Net revenue	2.6%	1.7%	8.2%	2.9%

Source: caef.vn

BMP's selling, administrative, and financial expenses to net revenue ratio was below the average level of plastic building materials companies listed on the stock exchange of Vietnam. There was a big gap in the cost of goods sold and the selling expenses between the two leading companies - BMP and NTP.

This was explained by the difference in business policies and cost structures of the two companies. However, in terms of total cost to revenue ratio, BMP had better cost management that resulted in higher profits.

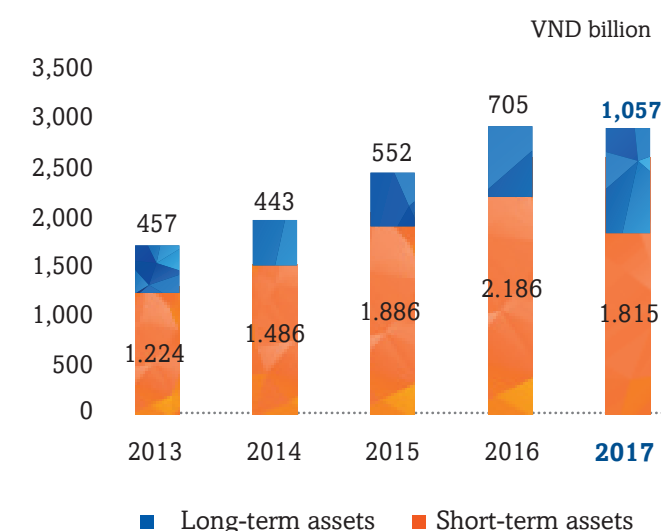
Analysis of assets and capital structure

TARGETS	UNIT	2013	2014	2015	2016	2017
Total assets	VND billion	1,681	1,929	2,438	2,891	2,872
- Short-term assets	VND billion	1,224	1,486	1,886	2,186	1,815
- Long-term assets	VND billion	457	443	552	705	1,057
Account payable	VND billion	192	210	423	594	423
- Short-term liabilities	VND billion	192	210	423	594	423
- Long-term liabilities	VND billion	0	0	0	0	0
Owner's equity	VND billion	1,489	1,718	2,015	2,297	2,449

Source: Audited consolidated financial statements of BMP during 2013-2017

As of 31st December 2017, total assets of BMP reached VND2,872 billion, pretty much unchanged from the previous year-end. There was a shift in asset structure from short to long term. Especially, the capital structure with equity denominating over the years has been the basis for the Company's long-term development strategy.

ASSET STRUCTURE



Short-term asset structure

Short-term assets fell from 76% to 63% of total assets. Short-term assets decreased mainly due to the decrease in receivables from customers by 25% and inventories by 18%. The reason was that BMP was encouraging customers to pay immediately to minimize the risk of debt recovery. Although this made BMP incur additional financial expenses but in return, fast-moving cash flows helped to support business activities and to meet investment expenditure needs over the year.

In addition, on the occasion of the Company's 40th anniversary, a series of further promotion and discount policies, aimed at promoting sales were launched that led to higher inventory turnover, lower inventory balance than at the previous year-end.

BUSINESS RESULT ANALYSIS (CONTINUED)



Long-term asset structure

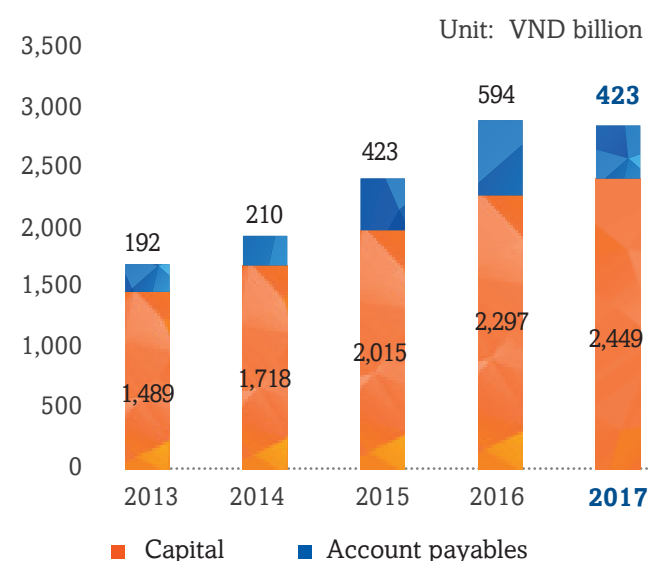
Compared with the beginning of the year, fixed assets increased nearly VND350 billion. This change came from the investment in Phase II of Binh Minh Long An Plant which was completed and put into use on the occasion of the Company's 40th anniversary, increasing the capacity 130,000 tons/year. The ERP project has also been put into operation making the long-term assets increase significantly.

With the ambition to expand the market, the Company has aggressively executed its investment plan to increase its capacity in the development strategy for 2018-2023. However, with the increasing competition pressure, it will be a challenge for the company in the coming years to increase sales volume to avoid stagnant stocks.

Capital structure

In the Company's capital structure, equity has always occupied a major proportion. Almost all assets have been financed entirely by equity, only a small proportion by liabilities. This has helped the Company to operate its own business without the need for external financing, demonstrating the sound and healthy financial structure of BMP. In 2017, BMP increased its chartered capital to VND819 billion, 80% of which was through the issuance of bonus shares to existing shareholders. This helped increase the liquidity of BMP shares on the market, and affirm its leading position in Vietnam's plastic industry.

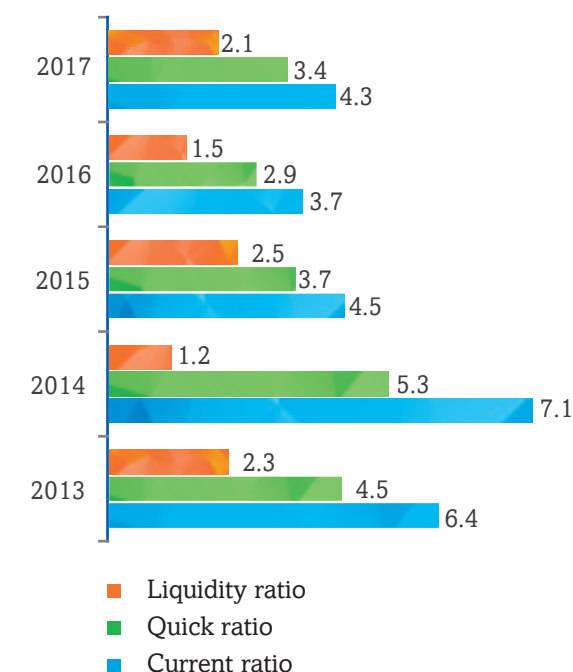
CAPITAL STRUTURE



Solvency

The solvency of BMP has always been high and relatively stable in recent years. At the end of 2017, every dong of short-term debt was secured by 4.3 dong of liquid assets. Up to now, BMP has not used loans, while cash flow from business activities not only meets the normal operating demand but is also enough to cover investment expenditures without using external capital. BMP has taken this solvency advantage to buy raw materials and goods from suppliers at preferential prices, reducing input costs and improving business profitability.

LIQUIDITY OF BMP DURING 2013 - 2017



Operational performance

TARGETS	UNIT	2013	2014	2015	2016	2017
Average collection period	Day	52	45	42	45	39
Inventory turnover	Time	4.2	4.7	5.4	5.6	6.8
Average payment period	Day	13	12	15	18	19
Total asset turnover	Time	1.3	1.3	1.3	1.2	1.3
Fixed asset turnover	Time	8.3	11.1	11.1	7.2	4.9

Source: Audited financial statements of BMP during 2013 - 2017

The policy of raising payment discounts to attract cash flow from customers and mitigate bad debts has reduced the average collection period at the end of 2017 to 39 days which was 6 days shorter than at the same period of 2016.

The average payment period has been relatively stable over the years. The reason is that the financial capacity always meets the payment demand, in order to take advantage of the preferential purchase prices, reducing input costs.

Increased discount rates and incentive programs set for 2017 have made BMP's revenue exceed the threshold of VND 4,000 billion. This, in turn, made the inventory turnover faster, the storage process shortened to 11 days.

BUSINESS RESULT ANALYSIS (CONTINUED)

Profitability analysis

TARGETS	DESCRIPTION	2013	2014	2015	2016	2017
Net profit/Net revenue (1)	Net profit margin	17.8%	15.6%	18.6%	19.0%	12.1%
Net revenue/Total average assets (2)	Asset turnover	1.3	1.3	1.28	1.24	1.33
Total average assets/Equity average (3)	Financial leverage ratios	1.1	1.1	1.17	1.24	1.21
ROA = (1)*(2)	Return on assets	23.9%	20.9%	23.8%	23.5%	16.1%
ROE = ROA* (3)	Return on equity	26.8%	23.5%	27.8%	29.1%	19.6%

Source: Audited financial statements of BMP during 2013 - 2017

The ROA in 2017 reached 16.1%, lower than in the previous years. In the context of high price of plastic grains and intense competition with other companies, BMP increased its basic discount rate further by 4% in March 2017 and launched a large number of discount incentives on the occasion of the Company’s 40th anniversary, all that have affected the year’s profit.

GENERAL ASSESSMENT:

In 2017, the Company made every effort to complete the sales target assigned by the General Assembly of Shareholders. However, the cost of capital and financial expenses have reduced net profit by 26% to VND465 billion, so ROE in 2017 was only 19.6%, down 9.5% to previous year. Competitors’ massive discounts and profit-sacrificing strategy prevented BMP from keeping up with its own track record. The result was a downturn after a long, fast growing.

Although BMP could not achieve the profit target, its effort was undeniable. The results were quite comprehensive, all over the production, business and management of the Company. The Company has taken the right steps to continue to gain and develop its market share. BMP still maintains its position as a high-performing business. And above all, the Company culture continues to work, expressed in the solidarity and dedication towards the common goals. BMP will continue to improve and apply modern management procedures to corporate governance in order to create environmentally friendly products.



The Company will keep on building a wide sales network to better meet the needs of customers. It also works to ensure the harmony of the interests of shareholders and employees, maximizing their value. Those are the premise for the Company to achieve better results in the future.



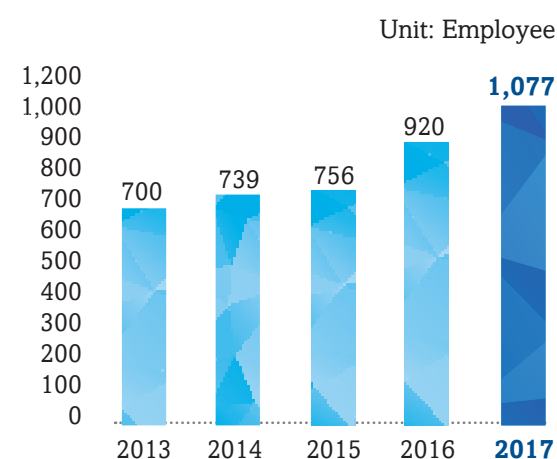
ORGANIZATIONAL STRUCTURE AND HUMAN RESOURCE



Number of employees

In order to increase competitiveness and to meet the market's needs, in 2010 BMP recruited 238 staffs, mainly young engineers and skilled workers. This raised the number of employees in the year to 1,077 people, up 17% over 2016.

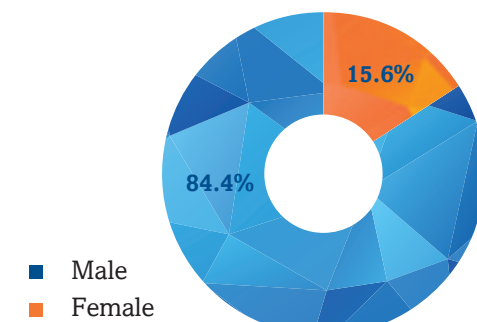
CHART OF HUMAN RESOURCE OVER YEARS



Personnel structure by gender

In 2017, female and male employees increased by 14.3% and 17.6% respectively, year-over-year. However, this did not change the personnel structure by gender. Due to the work demand, the male staffs still occupied a majority of the Company's total labor force in this year. This is quite characteristic of industrial manufacturing.

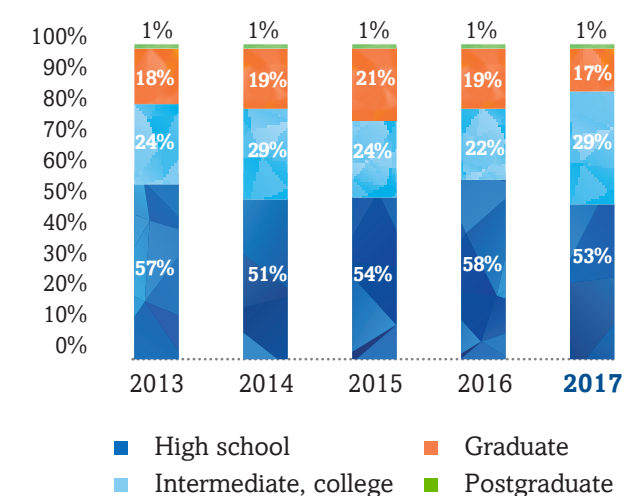
CHART OF HUMAN RESOURCE STRUCTURE BY GENDER



Personnel structure by qualification

With the orientation to improve the quality of human resources, new hires in 2017 were mostly qualified workers. The proportion of vocational school and college graduates in BMP increased by 7% from previous year, making up 47% of the Company's head count. The recruitment of qualified workers will ensure workers quickly catch up on work, while reducing costs and time for training.

CHART OF HUMAN RESOURCE STRUCTURE BY EDUCATION OVER YEAR

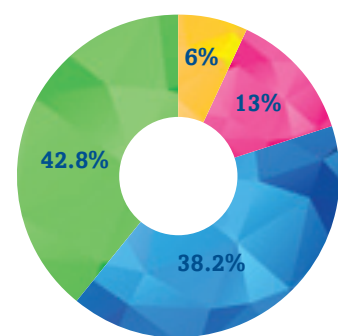


ORGANIZATIONAL STRUCTURE AND HUMAN RESOURCE (CONTINUED)

Personnel structure by age

By 2017, the rate of over 50-year-old workers in BMP fell by about 1% and the percentage of workers under 30 increased by 2%. As such, the BMP workforce was mostly concentrated in the age group of 40 and below. This is also the age at which workers receive high levels of expertise due to their long accumulated experience, ensuring the sustainable development of BMP in the coming period.

CHART OF HUMAN RESOURCE STRUCTURE BY AGE

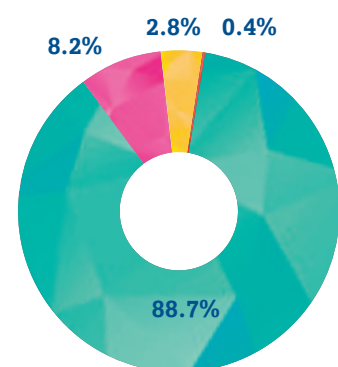


- Over 50 years old
- From 41 to 50 years old
- From 31 to 40 years old
- Less than 30 years old

Personnel structure by management level

In 2017 the number of executives has not changed. However, the proportion of executives in the personnel structure decreased by 2% from 2016 due to the fact that 17% of new hires are employees.

CHART OF HUMAN RESOURCE STRUCTURE BY MANAGEMENT LEVEL

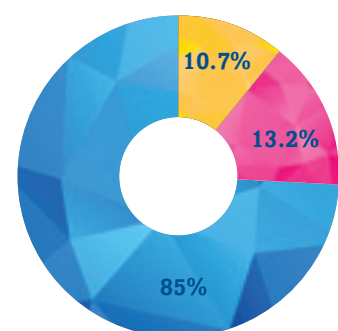


- Senior manager
- Intermediate manager
- Grassroots-level manager
- Employee

Personnel structure by function

In 2017, Production accounted for 85% of the total workforce, up by 11% over 2016, mainly due to BMP's expansion of factories.

CHART OF HUMAN RESOURCE STRUCTURE BY FUNTION

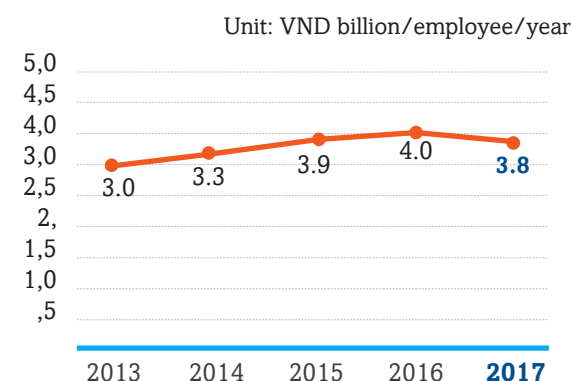


- Office
- Sales
- Production

Labor productivity

Labor productivity in 2017 fell by 5% from 2016, as in 2017 there were many new hires who were still in the training phase.

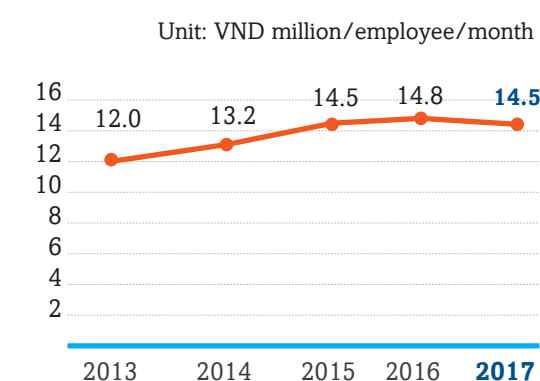
CHART OF LABOUR CAPACITY



Employee salaries

In 2017, BMP's total head count increased by 17% with most of these workers being in the low-wage training period, which reduced the Company's average salary by 2% compared to 2016.

CHART OF AVERAGE INCOME



PROJECT INVESTMENT AND IMPLEMENTATION

EXPANSION OF BINH MINH LONG AN PLANT AND
ENHANCEMENT OF PRODUCTION CAPACITY

From the beginning of 2017, the Company had plans to expand and improve the production capacity of Binh Minh Long An Plant and enhance the Company’s total production capacity with total investment capital is VND680 billion. The Company has made a total investment of VND430 billion, including the construction of new workshops, the

development of new products and investment in machinery and equipment.
Thanks to the good preparation and aggressive execution in 2017, the Company has launched two new product lines which are the PP-R fittings for hot and cold water pipes and the improved PVC-U fittings to meet the diverse needs of consumers.



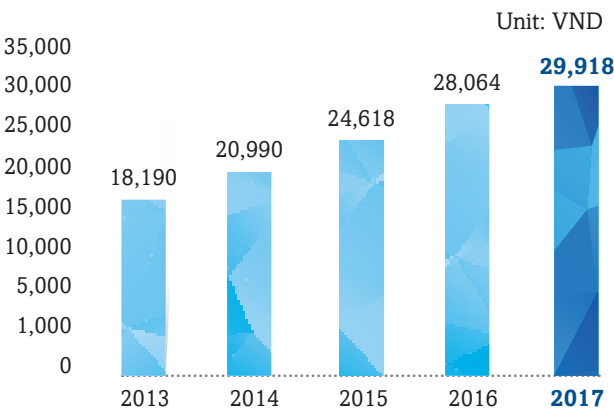
SHAREHOLDER STRUCTURE, CHANGES IN OWNERS’ EQUITY

BOOK VALUE PER SHARE



CHART OF BOOK VALUE PER SHARE

DATA HAS BEEN RETROSPECTIVELY ADJUSTED



Shareholder structure

Charter capital	818,609,380,000	VND
Number of shares	81,860,938	share
Number of outstanding shares	81,860,938	share
Types of shares in circulation: Common shares	81,860,938	share
Number of shares transferred freely:	81,848,968	share
Number of shares restricted:	11,970	share
Treasury shares	0	share
Par value of shares	10,000	VND/share

Information on the issuance of bonus shares: 13 June 2017: 36,382,458 shares.

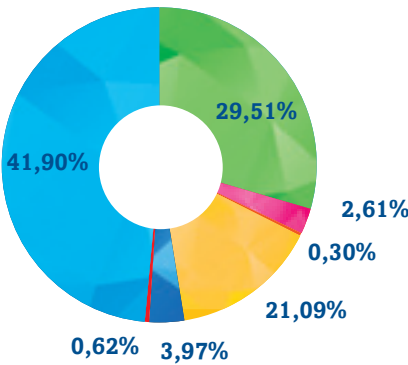
SHAREHOLDER STRUCTURE, CHANGES IN OWNERS' EQUITY (CONTINUED)

SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2017

SHAREHOLDER STRUCTURE	HOLDING OF SHARES	PERCENTAGE %
State shareholder	24,159,906	29.51%
Board of Directors	2,137,836	2.61%
Control Board	242,091	0.30%
Domestic individuals	17,264,931	21.09%
Domestic organizations	3,252,688	3.97%
Foreign individuals	505,865	0.62%
Foreign organizations	34,297,621	41.90%
Total	81,860,938	100%



CHART OF SHAREHOLDER STRUCTURE



- State shareholder
- Board of Directors
- Control Board
- Domestic individuals
- Domestic organizations
- Foreign individuals
- Foreign organizations

INFORMATION ON MAJOR SHAREHOLDERS HOLDING 5% OF SHARES OR MORE

NO	NAMEZ	TYPE OF SHAREHOLDER		HOLD-ING OF SHARES	PER-CENT-AGE
1	State Capital And Investment Corporation (SCIC)	Organization	Domestic	24,159,906	29.51%
Domestic shareholders				24,159,906	29.51%
2	Franklin Templeton Investment Funds-Templeton Frontier Markets Fund	Organization	Foreign	7,262,672	8.87%
3	The Nawaplastic Industries (Saraburi) Co., Ltd.	Organization	Foreign	16,702,288	20.40%
Foreign shareholders				23,964,960	29.28%
Total				48,124,866	58.79%

TRANSACTION OF MAJOR SHAREHOLDERS FROM 1 JANUARY 2017 TO 31 DECEMBER 2017:

No.	SHAREHOLDER	HOLDING OF SHARES BEFORE TRANSAC-TION	OWNER-SHIP PER-CENTAGE BEFORE TRANSAC-TION	TRANS-ACTION TYPE	HOLD-ING OF SHARES AFTER TRANSAC-TION	OWNER-SHIP PER-CENTAGE AFTER TRANSAC-TION	TRANS-ACTION DATE
1	Franklin Templeton Investment Funds-Templeton Frontier Markets Fund	7,375,352	9.010%	Sell	7,262,672	8.87%	Year 2017



ACHIEVEMENTS IN 2017 AND CHALLENGES:

ACHIEVEMENTS

- The business results, though not growing as strongly as in 2016, were still good in comparison with other peer companies.
- BMP promptly invested in the production premises and warehouse spaces at Binh Minh Long An Plant which was put into use effectively.
- The Company timely invested in additional machinery and equipment to enhance production capacity and to launch new products in order to meet market demands.
- The distribution system was developed and expanded and especially flexible business policies were adopted to maintain the stability of the existing system.
- The ERP system has been fully operational and successfully transformed into the 2015 version of Quality Environment Management System (QEMS) as a useful tool for enhancing corporate governance.

CHALLENGES

- Dependence on raw material prices has a huge impact, if not critical, on the Company's annual business performance.
- The domestic market has more competitors at larger scales, with many forms of fierce and unhealthy competition.
- Given the large scale of domestic new entrants and the tariff barriers that could be eliminated in Southeast Asia and Asia, over-supply is a threat to the plastic building material industry in general and the Company in particular.
- The challenge of fake and imitation goods not only affects the Company's economic benefits but also possibly erodes the trust of customers and adversely affects the Company's reputation.



COMPANY ORIENTATION IN 2018



Company orientation for 2018 will focus on a number of key activities as follows:

- Maintain and improve market share.
- Restructure the distribution system.
- Deploy customer relationship management (CRM) solution.
- Hold the Distributor & Customer Conference 2018.
- Restructure the organization model and corporate governance.
- Develop salary, income and benefit schemes.
- Build a strategy and set up a risk management system.
- Strengthen international cooperation and relations.
- Invest in automation and rationalization of production (products, premises, equipment).
- Speed up the development of new products.
- Plan and design an office complex.
- Conduct communication activities on environmentally friendly products.
- Join the National Trademark Program 2018.

“Over the past 40 years, the Leaders, employees and relevant stakeholders have made contributions to development of a successful and powerful BMP today with firm and careful steps.”

Passing the 40th anniversary milestone, BMP is entering a new phase where the market game is more and more challenging. The Company shall continue to prove that the achievements in the past were not just luck but rather the proud result of all the efforts ever made.

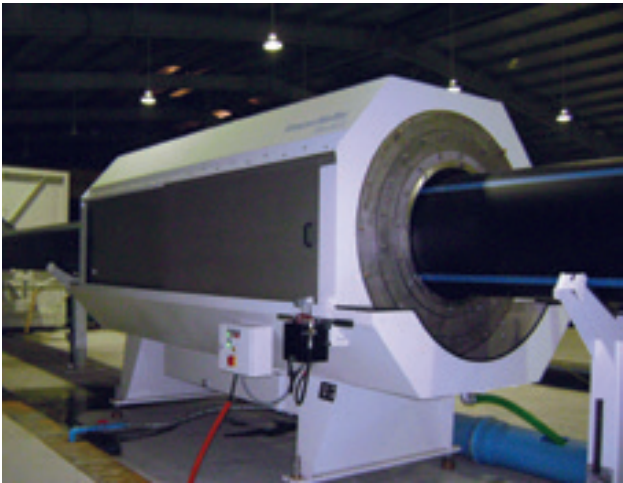
The new context is setting us the challenge that requires new directions and solutions to fit in. However, with trust and confidence in what we have, I believe we are all ready to overcome the challenge to write the next bright future of BMP.

**BUSINESS ACTIVITIES OF SUBSIDIARY
AND ASSOCIATED COMPANIES**

Northern Binh Minh Plastics One Member Limited Company (NBM)

NO	TARGET	UNIT	PERFORMED		PERCENTAGE %
			2017	2016	2017/2016
1	Revenue	VND billion	369.2	444.6	83
2	Profit before tax	VND billion	56.6	82.3	69

In 2017, both revenue and profit of NBM fell over previous year. The main reason was the competition from peer companies was becoming fierce. In addition, sales volume and sales value of NBM’s products sold in the South through BMP also decreased. The development of the distribution network to penetrate the northern retail market also faced many obstacles, which hindered sales. In addition, the significant increase of material prices also made NBM’s business results less favorable than the previous year.



Da Nang Plastic Joint Stock Company (DPC)

Business results

NO	TARGET	UNIT	PERFORMED		PERCENTAGE %
			2017	2016	2017/2016
1	Revenue	VND billion	63.8	67.4	94.7
2	Profit before tax	VND billion	5.0	3.7	138.0

In 2017, net revenue was VND 63.8 billion, reaching only 63.8% of the plan. Profit before tax reached VND 5 billion, fulfilling 100% of the plan. DPC’s business activities did not prospered much in 2017. However, thanks to DPC’s signing of the contract for commercial cooperation, leasing space and total warehouse with BMP in the central region, profit before tax increased 38% compared to 2016.

With a goal of cooperation for mutual development, DPC will continue to negotiate to seek for comprehensive business cooperation in order to develop the market, increase sales, maximize profits and protect interests of shareholders.

Binh Minh Viet Real Estate Investment - Trading Joint Stock Company

This company is in the process of negotiating with its shareholders to complete procedures for dissolution according to the General Assembly of shaholders 2017.



THE BOARD OF DIRECTORS' ASSESSMENT ON THE COMPANY'S PERFORMANCE

ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S PERFORMANCE

In 2017, the domestic and international economic situation has prospered and affected all industries. The business environment has been expanded, leading to active investment activities and economic exchanges between countries. This has increased the need to improve the living quality of consumers. As a result, positive impacts on the domestic and foreign manufacturing sector have brought positive signals to the Vietnamese economy. According to the General Statistics Office, in 2017, the country has achieved impressive results as follows:

- GDP reached **6.81%**, **exceeding 1.64%** of the plan set by the National Assembly at the beginning of the year.
- Export turnover reached **USD213.77 billion, increased by 21.1%** from the previous year.
- Import turnover reached **USD211.1 billion, increased by 20.8%** from the previous year.

In addition to these positive signals, in the previous year, the domestic economy still had some shortcomings, such as the economic restructuring not meeting the market's demands, lacks of improvement in the competence of manufacturing companies, especially those in supporting industries, to join the global supply chain, and unfocused, inefficient public investment. However, the government's strong commitment on national developments contributed to create many great opportunities to grow in depth and scope for enterprises, including Binh Minh Plastics Joint Stock Company.



“ The government's strong commitment on national developments contributed to create many great opportunities to grow in depth and scope for enterprises, including Binh Minh Plastics Joint Stock Company. ”

THE BOARD OF DIRECTORS' ASSESSMENT ON THE COMPANY'S PERFORMANCE (CONTINUED)

ASSESSMENT ON THE COMPANY'S VARIOUS ASPECTS:

Business results:

In 2017, which is also the Company's 40th anniversary accompanied by great achievements in 2016, the whole Company was very excited and had great determination in business activities. Despite facing many obstacles, the Company achieved the revenue of VND4,057 billion, a growth of 10.3% from 2016. However, the Company's profit after tax was only VND465 billion, decreased by 25% compared to 2016, partly due to the fact that the raw material price increased by 8.2% from the previous year. The market simply could not accept that the price of plastic pipes would rise in line with the price of raw materials. The competition has almost been endless as a result of massive investments by peer manufacturers. In 2017, the Company focused on brand promotion, market share development, market launch of the new PP-R fittings line, and organized series of activities to commemorate the Company's 40th anniversary, which led to a sharp rise in expenses. It is clear that the organic relationship of these causes made the Company struggle to be able to end the financial year of 2017.

In 2017, with the entire staff's efforts and the management's leadership, the strategy of quality enhancement, product diversification and inventory utilization has been executed. Although the profit target was not achieved due to objective and subjective reasons, this result was still not impressive enough for the special year of the Company's 40th anniversary. However, the efforts of the management and staff could not be denied, among which were building new factories, purchasing new machinery and equipment, solving the shortage of goods, launching PP-R fittings produced by BMP, maintaining market share and successfully applying the EPR information management system. The Company was granted the National Quality Award and the First Class Labor Medal by the State for the second time, while ensuring employees' welfare, promoting environmental sanitation and actively participating in social activities. Those were the Company's highlights in the previous year.



4,057
VND BILLION
TOTAL REVENUE
A GROWTH OF
10.3%



Competitive position:

Binh Minh Plastics Joint Stock Company is the leading company in producing plastic pipes and especially, currently, the first and only company to produce clean, environmentally friendly and absolutely safe, heavy metal-free products. The Company's market share has continuously expanded and developed in scope and depth, with product diversification. In addition, the positive signals from the market have created opportunities for the Company to invest in technology, upgrade machinery and equipment and control production output in line with the market situation and the Company's goals. This has made a great contribution to the enhancement of its position and sustainable reputation in the Vietnamese market.

Management:

The successful application of the Enterprise Resource Planning (ERP) system has brought management activities to a new level. The system allows BMP to quickly, consistently, transparently and accurately control accounting data from branches, factories and member companies, facilitating efficient decision making. The Company continued to strengthen investments in upgrading and periodically maintaining machinery and equipment systems to improve production capacity. It also strengthened inspection and supervision at production units with the focus on quality control, standard cost, process improvement and labor safety and hygiene. The Company reviewed and developed long-term business strategy in order to achieve sustainable development.

Human resources:

In the previous year, the Company secured human resources in difficult recruitment conditions and accelerated the training to improve skills of the existing workforce to ensure stable production. The Company never failed to acknowledge contributions of the staff, remunerate them in accordance with the provisions of the law, reward for their practical

contributions to the common development of the Company. At the same time, the Company also gave spiritual and material support to employees of difficult situation so that they could be motivated and committed to the Company.



THE BOARD OF DIRECTORS' ASSESSMENT ON THE COMPANY'S PERFORMANCE (CONTINUED)

ASSESSMENT ON THE BOARD OF DIRECTORS' PERFORMANCE IN 2017:



“The BOD has been consistent with the general development orientation of the Company, focused on the quality factor and maintained the Company's leading position in the industry.”

In 2017, the BOD has greatly performed its functions and duties. The details are as follows:

- Successfully held the 2017 Annual General Meeting of Shareholders and strictly adhered to its Resolution, supervised the Management Board to ensure proper and timely responses to shareholders' requests such as dividend payment, investment cap expansion, etc.
- Supported every new foreign BOD member to quickly catch up with the Company's situation, helping to form understanding and consensus in all decisions.
- Listened to the General Director's opinion to meet the need for high-level human resources, the changes in business policy, the demand for expanding investments and the employee policies in order to create the best driving force for the Company.
- The Chairman of the BOD regularly supervised and urged Subcommittees of the BOD to operate appropriately and effectively. During the year, there were meetings between the Chairman of the BOD and the General Director with shareholders to resolve the questions and recommendations of shareholders in a timely manner.
- The Chairman of the BOD, at interim and annual review meetings, motivated and inspired employees to be committed and to trust the sustainability of the Company despite any difficulties.

In general, the BOD has been consistent with the general development orientation of the Company, focused on the quality factor and maintained the Company's leading position in the industry. The BOD's operations were methodical, serious, and effective. However, during the year, the dissolution issue of Binh Minh Viet Real Estate Trading and Investment Joint Stock Company has not been resolved due to lack of cooperation from the partners.

THE BOARD OF DIRECTORS' ASSESSMENT ON THE COMPANY'S PERFORMANCE (CONTINUED)

ASSESSMENT ON THE BOD'S PERFORMANCE DURING THE TERM OF 2013 - 2017:



To the 40-year history of the Company, five years is just a short period of time. However, the operation of the BOD during the past term has contributed to the major changes of the Company:

With consistent orientation for the Company's sustainable development, the past five years marked the Company's rapid development:

- Large investment in machinery and equipment and construction of large new factories that met current demands, went far ahead of the future while harmonizing with and protecting the surrounding natural environment.
- Chartered capital increased from VND455 billion to VND819 billion, total assets increased from VND1,423 billion to VND2,865 billion, profitability ratio remained the highest in the industry, profit before tax in 5 years reached VND 3,012 billion.

The BOD remained consistent in their operations with a view to harmonizing the interests of Shareholders, Employees, Customers and the Society.

The BOD's operations have become increasingly professional with the help of the Subcommittees. This term witnessed many changes in the personnel structure of the Board and senior staffs of the Company but the situation was quickly handled, thus facilitating the Management Board to demonstrate its capacity.

“The BOD has always been supported by shareholders and employee.”

By lifting the investment cap to 100%, the BOD believes to ensure the diversity of shareholders, contributing many initiatives to the BOD's operations in the new term to lead the Company to a new height.

THE BOARD OF DIRECTORS' ASSESSMENT ON THE EXECUTIVE BOARD'S PERFORMANCE

In 2017, the Company's operations were adversely affected by rising raw material prices, driven by rising world oil prices due to the tightening policy of oil supply from the US and other concerned countries. In the situation of intense competition, this posed as a major challenge for the BOD to accomplish their goals.

Despite many obstacles, especially the change of senior officials during the year, the Executive Board quickly caught up and dealt with the new situation. The Executive Board also emphasized the timely updating and analysis of market fluctuations in order to have an overview and develop appropriate policies and strategies for goal achieving.

The Executive Board nurtured good solidarity among the entire staff and promoted the personal capacity in every employee to serve for the Company's business activities. In 2017, the Executive Board executed policies and plans to achieve goals set out at the beginning of the year as follows:

- Focused on investments in upgrading the system of workshops, machinery, equipment and molds. At the same time, inspected the performance of fully depreciated assets in order to save operating costs, optimally utilize the production system and ensure the quality of products.
- Maintained consistency in product strategy, strictly controlled input quality, emphasized the application of advanced technologies and periodic maintenance of the system to bring the best performance for production and to assure product quality. Actively researched and produced new products using heavy metal-free additives which are absolutely safe for consumers.
- Encouraged creativity with modern methods in line with market changes and human resources

of the Company. At the same time, bravely promoted young staff to positions that require modern thinking in order to quickly approach the market situation and take prompt and appropriate measures.

Provided flexible strategies, improved the quality of services in maintaining and diversifying products for existing markets, boosted the search for new customers and strived to achieve the goals set out at the beginning of the year.

However, it should be noted that throughout the year, the Executive Board did not anticipate difficulties in terms of market prices, raw material prices, increasing competition, etc. Thus, the annual plans, especially the profit target, turned out to be a heavy burden on the Executive Board. Therefore, in order to achieve the revenue target, in the last few months of the year, the Company had to struggle, which affected the employees' spirits.

Flexibility in business policies has helped the Company achieve its revenue target, however, due to overwhelming orders at the end of the year, it has brought an “overwhelming” effect on the market.

There were still many delayed work due to the unsuitable assignment, which affected the work.

In general, with the efforts in 2017, the BOD hopes and believes that the Executive Board shall quickly overcome the weaknesses and continue to run the Company in the sustainability direction confirmed by the BOD to all shareholders.

VISION AND DEVELOPMENT STRATEGY



In the current open economy, new entrants and intensive competition are indispensable. Thirty years ago, BMP's decision to gradually abandon then-popular products like plastic handbags and plastic buckets and switch to the production of plastic pipes, in replacement for metal pipes, was definitely a wise call that made history.

Nowadays, BMP affirms its leading position and diversifies its product lines of PVC-U, HDPE and PP-R pipes and fittings that have helped educate consumers and resulted in the rapid, comprehensive development of the Company.

BMP is proud to be the first company in Vietnam to produce plastic pipes and to develop and apply basic standards in accordance with ASTM and BS standards and now the latest ISO and National Standards (TCVN) for its product lines.

The differences between plastic pipes and fittings with other civil plastic products are the long durability of the product, the convenient use, the reasonable price and no better alternatives so far. Therefore, the plastic building material industry can still prosper in the future.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

With BMP, environmental concern and social responsibility are not just about charity. Most essentially, the Company must understand its purpose, comply with the law, maintain transparency and strive to produce high quality products that meet the increasing demand of consumers, while orienting them to use good products that benefit every person and the whole community.

Therefore, even at times of rising raw material and chemical prices, BMP still refuses to use cheap, inferior materials for the sake of profits. In contrast, BMP is now a major domestic and regional manufacturer of pipes and fittings, all of which are managed in accordance with ISO 9001-2015 and ISO 14001-2015 with modern, synchronous machinery and equipment as well as environmentally friendly raw materials and chemicals. Consumers have been acknowledging this issue and they will certainly continue to support BMP in the future. It is not by chance that the government has chosen BMP as the only company in the plastic pipe industry to be constantly qualified for the National Brand Program throughout the past 10 years.

STRATEGIC ORIENTATION

The BOD of BMP is consistent with the strategic orientation of diversified product portfolio of plastic pipes and fittings. Modern and synchronous machinery and equipment is increasingly automated. Management systems are supported by advanced and timely updated information technology programs, thus ensuring sufficient domestic competitiveness as well as regional and international integration.

In the upcoming years, with the objective demands of the socio-economic situation, there are two issues that require the attention of the BOD, the executive team and the entire BMP staff:

- **Human resources:** This is among the top priorities of the Company. The changes in shareholder structure and in the BOD's structure for the 2018-2023 term as well as the upcoming

retirement of many experienced executives will certainly affect the Company's management and operations.

- Not only do we hope that the new workforce will create new motivation with enthusiasm and creative thinking, but we also expect the respect for previous achievements and the inheritance of experience and reputation from previous generations. BMP now operates at large scale with subsidiaries and affiliates in the North, Central and South regions. Thus, the managerial personnel need to be increased accordingly.
- **Corporate culture:** This is ultimately the difference between companies. Machinery, equipment, materials, investment capital, technology approach, etc. can be similar. However, there is still a difference in the choice of consumers and a social appreciation for each business through its value and image. Thus, BMP's corporate culture is definitely part of the Company's brand value.
- With the consensus, the respect for the past and solidity in the present and the confidence towards the future, BMP has created its own mark by being voted as Vietnam high quality products for consecutive 21 years. In addition, BMP is selected by the Government to participate in the National Brand Program and permanently hold the commemorative medal for 5 consecutive times. These are invaluable assets for generations of BMP's management and staff to respect, preserve and improve so that BMP will continue to shine.

On behalf of the BOD, we would like to express our sincere gratitude to shareholders and investors who have supported us in 2017 and during the whole term of 2013 - 2018. We believe that BMP will definitely stand firm in the future. Especially we would like to thank our distributors, customers, consumers and the society for putting trust in the products of Binh Minh Plastics Joint Stock Company.

REPORTS OF THE CONTROL BOARD IN 2017



Control Board's personnel structure

The Control Board for the term of 2013 - 2018 consists of three members, two of whom have been working in the Company and one external member represents the State shareholder (SCIC).

There was no change in the Control Board's personnel in 2017.

Operations of the Control Board:

The operations of the Control Board in 2017 mainly focused on the functions and duties of the Board in accordance with the laws and the Company's Charter as follows:

- **Supervise the execution of the resolution of the General Meeting of Shareholders;**
- **Supervise the Company's operations and financial situation;**
- **Supervise the operations of the BOD and the Management Board;**
- **Supervised the execution of applicable procedures and regulations at the Company.**

Execution of the Resolution of the General Shareholders' Meeting in 2017:

No	TARGET	RESOLUTION	IMPLEMENTATION	PERCENT-AGE %
1	Profit distribution and dividend payment for 2016		In accordance with the resolution	100%
2	Issuance of shares to increase capital from owner's equity	Ratio of 80% of charter capital	In accordance with the resolution (Issued 36,382,458 shares equivalent to the par value of VND363,824,580,000 from owner's equity)	100%
3	Business and investment plan in 2017:			
3.1	Revenue	VND4,050 billion	VND4,057 billion	100.2%
3.2	Profit before tax	VND700 billion	VND583 billion	83.3%
3.3	Investment - Finished items - Construction in progress to be carried forward to 2018	VND680 billion	VND610 billion VND430 billion VND180 billion	89,5% 63% 26,5%
3.4	Cash dividend	Minimum of 20%	1 st payment: paid 15% in cash	
4	Remuneration of the BOD and the Supervisor Board, including:	VND4.050 billion	VND4.050 billion	100%
4.1	Remuneration of the BOD	VND3.240 billion	VND3.240 billion	
4.2	Remuneration of the Supervisor Board	VND810 million	VND810 million	
5	Amendment of the Company's Charter under Enterprise Law 2014	Authorized the BOD to execute	Executed, new charter applied from 1 August 2017	
6	Cancellation of merging DPC into BMP via stock swap, to consider other appropriate forms of cooperation	Authorized the BOD to execute	2017 witnessed the strengthened commercial cooperation between the two companies, with DPC becoming a transit warehouse and distribution center of BMP in the Central and Highlands. DPC's revenue reached VND133 billion, increased 577% from 2016.	
7	Remove two business lines in the Enterprise Registration Certificate, which are "Cargo Transportation by Road" and "Advertising", carry out legal procedures to lift the equity cap on foreign investors to 100%	Authorized the BOD and Management Board to execute	Finished lifting the equity cap on foreign investors to 100%.	
8	Select the Company's independent auditor.	Authorized the General Director to execute	Selected Nam Viet Auditing and Accounting Financial Consulting Services Co., Ltd. (AASCN) as the independent auditor of the 2017 Financial Statement. This was one of the auditing firms approved by the General Meeting of Shareholders in 2017.	
	Commercial – Services - Apartment Project at 240 Hau Giang Street, Ward 9, District 6, HCMC	Authorized the BOD to execute	Pursuant to Article 14 of Decree No.43/2014/ND-CP issued the Government on 15 May 2014, with the ownership ratio of 26%, the Company contributed VND53,040,000,000 to Binh Minh Viet to raise the project's investment capital to VND210 billion. However, due to the inefficiency of the project, the BOD issued Resolution No.03/NQ-BM/HDQT/2017 to terminate the BMV project. We are currently working with shareholders of Binh Minh Viet Real Estate Trading and Investment Joint Stock Company to jointly resolve the necessary procedures of terminating the project and dissolving the company.	

REPORTS OF THE CONTROL BOARD IN 2017 (CONTINUED)

OPERATIONAL AND FINANCIAL PERFORMANCE OF THE COMPANY:

The Company has complied with current regulations of the Accounting Law, Tax Law and other provisions of Vietnamese laws and the Company's Charter. The Company's accounts are maintained fairly and transparently as follows:

Resources and assets

- The owner's equity as of 31 December 2017 was VND818,609,380,000, equivalent to 81,860,938 ordinary shares in circulation, increased by 80% from the beginning of the year due to the issuance of additional 36,382,458 shares at the total par value of VND363,824,580,000 from owner's equity in accordance with the resolution of the General Meeting of Shareholders.
- Total assets as of 31 December 2017 was VND2,872 billion, decreased by 0.66% from the same point of 2016. This was mainly due to a 25% decrease in receivables and 39% decrease in inventory. In the last two months of 2017, a series of preferential discount policies were launched, the demand for goods was rising, therefore, there was not enough time for inventory to accumulate. In addition, customers paid immediately to receive discount payments, which led to the corresponding decreased receivables balance. Owner's equity increased by 6.6% thanks to the contribution from the profit after tax.
- The Company had a good control and effective use of debts, with total liabilities of VND423 billion and the debt to asset ratio of 14.7%, of which 100% was short-term.
- In 2017, the General Department of Taxation conducted tax inspections on the Company's FY2016. As a result, the Company had to pay supplementary taxes and got fined of VND12,189,604,376 because of some improper recording of expenses.
- The decision on the additional collection of business income tax in 2009 and 2010 has been issued by the General Department of Taxation. The Company has paid and temporarily accounted as other receivables on the balance sheet at the amount of VND49.1 billion.

Investment activities:

- All financial investments, asset purchases and projects were carried out in accordance with the resolution of the General Shareholders' Meeting and the Company's Charter with major investments in 2017 as follows:
- **Financial investment:** In addition to the capital contribution to other businesses via shares purchase that remained unchanged from the previous year, in 2017, the Company had a short-term financial investment of VND450 billion, which was a term deposit at bank.
- **Asset investment and infrastructure construction:** The Company has invested in fixed assets procurement and plant construction. The finished items are worth VND430 billion, fulfilling 63% of the plan. The other construction-in-progress items of VND180 billion will be continued in 2018.

Management of cash, revenue and expenses

- Receivables situation: Apart from the debts incurred in previous years, in 2017, the Company incurred insignificant bad debts. The Company has made full provisions in accordance with the regulations of the State.



REPORTS OF THE CONTROL BOARD IN 2017 (CONTINUED)

OPERATIONS OF THE BOARD OF DIRECTORS:

The Control Board found no misconduct of the BOD's members during the year. The BOD has been operating in accordance with provisions of the laws and the Company's Charter in directing and supervising business activities of the Executive Board to accomplish the resolution of the General Meeting of Shareholders in 2017.

During the year, the BOD held 5 meetings, issued 8 resolutions and 3 decisions in accordance with the Company's Charter, keeping track of the business situation and promptly resolving issues arising.

4 Sub-committees under the BOD have fully performed their consulting and supporting role to the operations of the BOD.

OPERATIONS OF THE MANAGEMENT BOARD:

One member of the Executive Board was also a BOD member, therefore, the transfer of information and execution of the resolutions of the General Meeting of Shareholders and the BOD were quite convenient, quick and highly effective.

The price of raw materials and other inputs sharply increased in 2017, in which the price of PVC powder, the main raw material, soared by over 8%. The market competition also became fiercer, thus the Company could not reach its profit target. However, the Company did exceed its targets for sales revenue and volume, growing by over 10% from 2016. In addition to production stabilization and development, the Executive Board proposed many flexible business policies, increased investment and expanded the market to maintain the Company's leading position in the plastic pipe industry.

INTERNAL AUDIT AND AUDIT REPORT:

The Company does not carry out internal audits. Consolidated financial and accounting data are monthly reported to the Management Board and quarterly reported to the BOD by the department in charge and periodically audited every six months. In accounting work, the Company has complied with current standards and accounting regime. The Internal Control and Risk Management Subcommittee, in conjunction with the application of ISO9000 management procedures, has well supervised the Company's operations and promptly reported related management issues to the Management Board and the BOD.

The Company's independent auditor was Nam Viet Auditing and Accounting Financial Consulting Services Co., Ltd. (AASCN), one of eight auditing firms approved by the General Meeting of Shareholders in 2017. After reviewing the auditing report, we agreed with the data and conclusion of the auditor.

RESOLUTION RESULTS OF THE CONTROL BOARD'S RECOMMENDATIONS:

The Management Board has applied many measures to strengthen the control and collection of debts, which resulted in the business growth and insignificant bad debt in 2017.

In general, the Control Board's recommendations related to the Company's operations were all thoroughly considered and resolved by the BOD and the Management Board in accordance with the actual situation

RECOMMENDATIONS:

For the BOD and the Executive Board:

- Completely resolve the VND49.1 billion retrospective collection of business income tax for FY2009 and 2010.
- Continue to maintain control and collection of debt, especially large and bad debts.
- Establish an internal audit department under the Management Board.
- Issue Financial Regulation.

For shareholders: Under the increasingly competitive pipe market, despite not achieving the 2017 profit target, under the leadership of the BOD, the Executive Board came up with timely and effective solutions. Together with the entire staff's efforts, the Company continued to maintain its leading position in the plastic pipe industry and expanded its market share. Therefore, shareholders should consider appropriate encouragements and rewards.

THE ACTION PLAN OF THE SUPERVISOR BOARD IN 2018:

This year's General Meeting of Shareholders is the last meeting in the Control Board's term. However, we still propose the Control Board's action plan for 2018 as follows:

1. Inspect the compliance with the laws, policies, financial accounting regimes, revenue and expenses management through examining quarterly and annual financial statements and participating in the Company's periodical asset count.
2. Inspect the BOD and the Executive Board's execution of the Company's Charter and resolutions of the General Shareholders' Meeting in 2018.

3. Inspect the execution of the BOD's resolutions on the mobilization and use of capital as well as execution of investment projects.
4. New members shall participate in relevant training courses and seminars to improve their qualifications and skills for duties in the Control Board.

ASSESSMENT ON THE CONTROL BOARD'S PERFORMANCE IN 2017 AND THE 2013 – 2018 TERM:

In consideration of the Control Board's operations in 2017, each member completed the tasks assigned within schedule. In addition, the Control Board participated in the preparation of the Annual Report, coordinated with the BOD to successfully hold the Annual General Meeting of Shareholders.

On morality:

All members of the Control Board have good morality, positive working attitude and good interpersonal relationships. They do not take advantage of information for personal gain, nor affect the Company's image.

During the 5-year term of 2013 - 2018, the Control Board received high coordination and support from the BOD and the Management Board to successfully fulfill the duties assigned by the General Meeting of Shareholders.

We pledge that we did give an objective and prudent performance of our duties, that all of the above comments and data are honest and objective and that we will take full responsibility to shareholders for the above report.

QUALITY OF MANAGEMENT

BMP also pioneers the application of information technology in management. In 2017, the Company completed the acceptance of ERP information management system and successfully put it into operation.



BOARD OF DIRECTORS

MEMBERS AND ORGANIZATIONAL STRUCTURE OF THE BOARD OF DIRECTORS



In 2017, the Board of Directors approved Mr. Suchai Asvathavornvanit's resignation submitted on 6 June 2017. Mr. Apiachai was voted to take this position on the same date.

As such, as of 31st December 2017, the BOD's organizational structure at Binh Minh Plastics Joint Stock Company consists of five members, including one executive member and four non-executive members as follows:

No	NAME	POSITION	HOLDING OF SHARES	NOTE
1	Mr. Le Quang Doanh	Chairman	1,062,252	Non-executive
2	Mr. Nguyen Hoang Ngan	Vice Chairman	618,550	Cum General Director
3	Ms. Nguyen Thi Kim Yen	Member	457,034	Non-executive
4	Mr. Suchai Asvathavornvanit	Member	0	Non-executive
5	Ms. Dang Thi Thu Ha	Member	0	Non-executive

ACTIVITIES OF THE BOARD OF DIRECTORS

Number of official meetings of the BOD in 2017:

Resolutions/Decisions of the Board of Directors in 2017

No	RESOLUTION No.	DATE	CONTENT
1	01/NQ-BM/HĐQT/2017	24/4/2017	Payment of remaining dividends of 2016
2	02/NQ-BM/HĐQT/2017	24/4/2017	Issuance of shares to increase charter capital
3	03/NQ-BM/HĐQT/2017	24/4/2017	Termination of the BMV project
4	04/NQ-BM/HĐQT/2017	10/5/2017	Approval of documents for the shares issuance
5	05/NQ-BM/HĐQT/2017	10/5/2017	Approval of the shares issuance
6	06/NQ-BM/HĐQT/2017	06/6/2017	Mr. Suchai's resignation and Mr. Apichai's appointment
7	07/NQ-BM/HĐQT/2017	31/7/2017	Issuance of shares to increase charter capital (additional issuance at the request of DPI)
8	08/NQ-BM/HĐQT/2017	31/7/2017	The first advance payment of dividend in 2017

Decisions

No	RESOLUTION No.	DATE	CONTENT
1	01/QĐ-BM/HĐQT/2017	29/6/2017	Issuance of NBM's Charter
2	02/QĐ-BM/HĐQT/2017	29/6/2017	Appointment of NBM's Chairwoman
3	03/QĐ-BM/HĐQT/2017	14/7/2017	Disbursement of the Executive Bonus Fund 2016

The implementation of corporate governance practices:

- BMP strictly followed regulations on regular and irregular information disclosure. There was no reminder of HOSE in regards to this matter in 2017.
- Procedures for holding the 2017 General Meeting of Shareholders were executed properly in accordance with regulations
- The BOD together with the Control Board conducted regular meetings, in accordance with the Company's regulations, to assess the performance in the current period and make plan for the following period.
- Sub-committees under the BOD performed effectively with many recommendations and advices to the BOD.

BOARD OF DIRECTORS (CONTINUED)

ACTIVITIES OF THE BOARD OF DIRECTORS

In 2017, the BOD strictly adhered to the Resolution of the Annual General Meeting of Shareholders, with the number and percentage of members attending the BOD's meetings recorded as follows:

No	NAME	POSITION	DATE OF BEING MEMBER OF THE BOARD OF DIRECTORS	NUMBER OF PARTICIPATED MEETINGS	PERCENTAGE OF MEETING PARTICIPATION (%)	REASON FOR ABSENCE
1.	Mr. Le Quang Doanh	Chairman	From 2004	5	100	
2.	Mr. Nguyen Hoang Ngan	Vice chairman	From 2004	5	100	
3.	Ms. Nguyen Thi Kim Yen	Member	From 2004	5	100	
4.	Mr. Suchai Asvathavornvanit	Member	From 24/4/2013 to 06/6/2017	3	60	Resigned
5.	Ms. Dang Thi Thu Ha	Member	From 06/6/2017	4	80	Busy with other business activities
6.	Mr. Apichai Chareonsuk	Member	07/3/2016	2	40	New member

List of BOD members participating in corporate governance programs during the year

In 2017, the Vice Chairman of the Board attended management programs as follows:

- Corporate governance forum.
- Representative Conference.
- Forum on conflict of interest and related party transactions.

List of BOD members with corporate governance certificates

All five members of the BOD have training certificates on corporate governance.



SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

No	SUB-COMMITTEE	MEMBER	POSITION IN THE COMPANY
1	HUMAN RESOURCE - POLICY - SALARY AND ALLOWANCE	1. Mr. Le Quang Doanh	Chairman of the Board of Directors
		2. Mr. Bui Quang Khoi	BMLA Director; Company's secretary
		3. Mr. Nguyen Thanh Hai	Deputy General Sales Directors
		4. Ms. Nguyen Thi Chuc Quynh	Legal staff - the Administrative Department
2	INVESTOR RELATIONS	1. Ms. Nguyen Thi Kim Yen	Member of the Board of Director; Chairwoman of NBM
		2. Mr. Bong Hoa Viet	Manager of the Administrative Department
		3. Mr. Nguyen Viet Anh	Deputy Manager of the Research - Development Department
		4. Mr. Phung Huu Luan	Deputy Manager of the Finance and Accounting Department - Controller of NBM
3	STRATEGY - DEVELOPMENT	1. Mr. Nguyen Hoang Ngan	Vice chairman of the Board of Directors - General Director
		2. Mr. Nguyen Thanh Quan	Deputy General Technical Director
		3. Mr. Hong Le Viet	Chief Accountant - Manager of the Finance and Accounting Department
		4. Ms. Nguyen Thi Phuong Nga	Manager of the Sales Department
4	RISK MANAGEMENT AND INTERNAL CONTROL	1. Mr. Nguyen Kim Thuong	Manager of the IT System Management Department
		2. Ms. Nguyen Luu Thuy Minh	Member of the Control Board
		3. Ms. Nguyen Ngoc Linh	Deputy Manager of the Human Resource Department
		4. Ms. Vy Thi Hong Loan	Deputy Manager of the Sales Department

General assessment of the Board of Directors on activities of its sub-committees

Although working part time, members of sub-committees have been very active. Activities of sub-committees have met requirements of business and production of the Company. Sub-committees have reviewed policies and regulations to make recommendations to the Board of Directors for timely review of business activities, performing tasks as approved by the Board of Directors.

Especially in 2017, in the difficult business situation where the Company had to increase capital, raise foreign-investor caps, amend the Charter, the sub-committee has actively reviewed many policies and regulations and made suggestions and consultations to help the BOD catch up with the Company's situation and make appropriate decisions.

THE CONTROL BOARD

MEMBERS AND ORGANIZATIONAL STRUCTURE OF THE CONTROL BOARD IN 2017

The Control Board for the term of 2013 - 2018 consists of 03 members including 02 members working at the Company and 01 independent member as representative from the state shareholder (SCIC).

In 2017 there was no change in the personnel structure of the Control Board.

No	NAME	POSITION	HOLDING OF SHARES	NOTE
1	Ms. Nguyen Thi Phuong Nga	Head of the Control Board	228,051	Working at the Company
2	Ms. Nguyen Luu Thuy Minh	Member of the Control Board	14,040	Working at the Company
3	Ms. Nguyen Thi Tham	Member of the Control Board	0	Not working at the Company

SUMMARY OF MEETINGS OF THE CONTROL BOARD

MEETING	MAIN CONTENTS
Session 1 23 February 2017	<ul style="list-style-type: none"> Review the Company's performance in 2016 Inspect the implementation of the resolutions of the General Meeting of Shareholders in 2016 by the BOD and the Executive Board Review the performance and coordination between the BOD and the Executive Board in 2016 Binh Minh Long An extended project, phase 1, and 240 Hau Giang project Operation Plan 2017 of the Control Board.
Session 2 18 April 2017	<ul style="list-style-type: none"> Review and vote on the Control Board's performance in 2016
Session 3 31 August 2017	<ul style="list-style-type: none"> Company's performance in the first 6 months of 2017 Inspect the implementation of the resolutions of the General Meeting of Shareholders for the year 2017 by the BOD and the Executive Board for the first 6 months of 2017. Review the Company's financial statements for the first 6 months of 2017 Binh Minh Long An project, phase 2.

Apart from official meetings, the Control Board participated in one regular meeting with the BOD and discussed among the Control Board's members by email and telephone exchanges so that the members could catch up with the Company's policies and timely support each other to achieve the best results.



SALARY, BONUS, REMUNERATION AND BENEFIT OF MEMBERS OF THE BOARD OF DIRECTORS, THE EXECUTIVE BOARD, AND THE CONTROL BOARD

INCOME OF MEMBERS OF THE BOARD OF DIRECTORS, THE EXECUTIVE BOARD AND THE CONTROL BOARD

Unit: VND

N o	NAME	POSITION	TOTAL INCOME BEFORE TAX	PERSONAL INCOME TAX	TOTAL INCOME AFTERTAX	NOTE
1	Le Quang Doanh	Chairman of the Board of Directors	3,353,556,000	1,017,744,600	2,335,811,400	
2	Nguyen Hoang Ngan	Vice Chairman of the Board of Directors - General Director	4,622,959,307	1,435,846,657	3,187,112,650	
3	Nguyen Thi Kim Yen	Member of the Board of Directors - Deputy General Director	2,682,044,427	782,715,552	1,899,328,875	
4	Suchai Asvathavornvanit	Member of the Board of Directors	1,022,167,000	204,433,000	817,734,000	Representative of Nawaplastic Industries
5	Apichai Chareonsuk	Member of the Board of Directors	232,000,000	46,400,000	185,600,000	Representative of Nawaplastic Industries
6	Dang Thi Thu Ha	Member of the Board of Directors	1,244,167,000		1,244,167,000	Representative of SCIC
TOTAL INCOMES OF THE BOARD OF DIRECTORS			13,156,893,734	3,487,139,809	9,669,753,925	
7	Nguyen Thi Phuong Nga	Head of the Control Board - Head of Sales Department	2,459,414,829	642,520,272	1,816,894,557	
8	Nguyen Luu Thuy Minh	Member of the Control Board	1,185,393,428	207,590,736	977,802,692	
9	Nguyen Thi Tham	Member of the Control Board	604,962,000		604,962,000	Representative of SCIC
TOTAL INCOMES OF THE CONTROL BOARD			4,249,770,257	850,111,008	3,399,659,249	
10	Nguyen Thanh Quan	Deputy General Director	1,742,853,955	382,021,428	1,360,832,527	
11	Nguyen Thanh Hai	Deputy General Director	1,447,219,746	306,927,360	1,140,292,386	
12	Hong Le Viet	Chief Accountant - Manager of Finance and Accounting Department	1,438,807,676	306,273,588	1,132,534,088	
TOTAL INCOMES OF OTHERS			4,628,881,377	995,222,376	3,633,659,001	
Total			22,035,545,368	5,332,473,193	16,703,072,175	



SHARE TRANSACTIONS OF INTERNAL SHAREHOLDERS AND RELATED PERSONS

Share transactions of internal shareholders: No contract or transaction with internal shareholders.

CHANGES IN HOLDING OF SHARES OF THE BOARD OF DIRECTORS, THE CONTROL BOARD UNTIL 31ST DECEMBER, 2017

NO	NAME	POSITION	HOLDING OF SHARES BEFORE TRANSACTION	TRANSACTION IN THE YEAR			HOLDING OF SHARES AFTER TRANSACTION	OWNER-SHIP RATIO	NOTE
				DATE	BUY	SELL			
1	2	3	4				8	9	10
1	Le Quang Doanh	Chairman of the Board of Directors	1,062,252				1,062,252	1.298%	
2	Nguyen Hoang Ngan	Vice Chairman of the Board of Directors	618,550				618,550	0.756%	General Director
3	Nguyen Thi Kim Yen	Member of the Board of Directors	457,034				457,034	0.558%	
4	Bui Quang Khoi	Secretary	157,154	Year 2017	1,800	7,000	151,954	0.186%	
5	Nguyen Thi Phuong Nga	Head of the Control Board	228,051				228,051	0.279%	
6	Nguyen Luu Thuy Minh	Member of the Control Board	14,040				14,040	0.017%	
TOTAL			2,537,081		1,800	7,000	2,531,881	3.093%	

CHANGES IN HOLDING OF SHARES OF THE EXECUTIVE BOARD AND THE CHIEF ACCOUNTANT UNTIL 31ST DECEMBER 2016

NO	NAME	POSITION	HOLDING OF SHARES BEFORE TRANSACTION	TRANSACTION IN THE YEAR			HOLDING OF SHARES AFTER TRANSACTION	OWNER-SHIP RATIO	NOTE
				DATE	BUY	SELL			
1	2	3	4				8	9	10
1	Nguyen Hoang Ngan	General Director	618,550				618,550	0.756%	Vice Chairman of the BOD
2	Nguyen Thanh Hai	Deputy General Director	21,600				21,600	0.024%	
3	Nguyen Thanh Quan	Deputy General Director	11,709				11,709	0.014%	
4	Hong Le Viet	Chief Accountant	3				3	0.000%	
TOTAL			630,262		0	0	630,262	1.33%	

HOLDING OF SHARES AND CHANGES IN HOLDING OF SHARES BY RELATED PERSONS: NO



RISK AND RISK MANAGEMENT

“ Based on opportunities and challenges identified in the Company’s procedures and context, as well as expected needs of interested parties, BMP works to take advantage of the opportunities and mitigate the risks, in order to form a sustainable foundation for the Company’s development. ”

The Risk Management - Internal Control Subcommittee is established to help the BOD detect and prevent possible risks in all areas of the Company’s operation.

In 2017, the Company has successfully converted its Quality Management System into ISO 9001:2015 with the focus on risk management.

All departments in the Company are trained and carry out risk identification and assessment through Risk Management Procedures and Opportunities (TT-22), with the following steps:



STEP 1

Identify risks and opportunities, based on:

- Processes.
- Organizational background.
- Expected needs of interested parties.
- Obligations for compliance.
- Environmental aspects.
- Environmental conditions.

STEP 2

Analyze risks

- Based on ISO regulations, review and score the two following criteria:
- Likelihood.
- Severity (Consequences).

STEP 3

Evaluate risks, based on:

- The scores of the two criteria: likelihood and severity assessed.
- ISO regulations: Conduct risk assessment and classification in three levels: High, Medium and Low.

STEP 4

Approve Risk and Opportunity Identification Table

- Departments must establish an Identification Table for Risk and Opportunity for approval under the corresponding authority.

STEP 5

Identify actions to address risks and opportunities

- Based on the “Risk and Opportunity Identification Table” approved, departments make a “Risk and Opportunity Action Table”. The content of this table is to provide measures and actions for HIGH and MEDIUM risks.

STEP 6

Approve actions to address risks and opportunities

STEP 7

Execute and monitor

- Perform the risk and opportunity control actions approved

STEP 8

Re-evaluate risks and opportunities:

- On an annual basis.
- When there is any change that affects the desired output of the management system.

If the expected results are not achieved, risk and opportunity control actions have to be improved. Khi có sự thay đổi làm ảnh hưởng kết quả đầu ra mong muốn của hệ thống quản lý.

RISK AND RISK MANAGEMENT (CONTINUED)

RISK FACTORS

RISKS OF ECONOMIC CONDITIONS



In 2017, Vietnam’s macro-economic conditions were quite favorable with the inflation being well controlled and reasonable interest rates facilitating businesses. The real estate growth was also a good opportunity for companies in plastic building materials.

However, the market also implied the risk of economic crisis due to the world trade war, the inflation was showing signs of increasing due to ineffective public investment, and the real estate bubbles were ready to burst at any time. These were major risks affecting the Company’s operation.

Management measures

In awareness of the issue, BMP actively updated domestic and international economic and political information, especially relevant information in construction, real estate, and building materials to make the right decisions. The Company strictly monitored the monthly market and sales fluctuations to make appropriate policies. The Company strengthened its financial management to mitigate risks and actively sought cooperation opportunities to expand the market.

RISKS ON LEGISLATION AND COMPLIANCE



BMP operates under the form of a joint stock company and shares are listed on the Ho Chi Minh City Stock Exchange, so the Company is under the management and guidance of the Enterprises Law, Securities Law, Tax Law, etc. By the end of 2017, the Vietnam’s legal system was still in the process of amendment and development which might also affect the Company’ business operations.

Management measures

Therefore, in order to limit the impact of changes in the State’s policies to its operations, the Company set up a legal department to study the legal provisions on business, labor, environment, etc., to review the Company’s processes and regulations and adjust accordingly to comply with the law. In addition, the Company uses legal consultancy services for related activities to help improve compliance and avoid unnecessary risks and damages.

MARKET AND COMPETITION RISKS



In 2017, the building materials industry faced fierce competition. Enterprises invested to expand production on a large scale, making the supply of products exceed the market demand from time to time. As a result, this led to the competition by endless discounting and price cutting to win market share from each other.

Management measures

To adapt to the above situation, BMP continued to maintain and develop the wide distribution network as the traditional sales channel in order to expand its scale and develop its market share. At the same time, BMP also strengthened its penetration into construction project customers to increase sales value and sales volume.

BMP also applied flexible discount policy, suitable to each stage to maintain market share in addition to continuously improve the quality and product diversification.

RISKS OF INPUT FLUCTUATIONS



In 2017, plastic material costs, transportation costs, labor costs, etc. which were unstable and tended to increase affected the business efficiency of the Company. Because raw materials accounted for 70%-75% of total cost of goods sold, while selling price was hard to change, fluctuations in raw material prices very much affected the Company’s efficiency. Domestic raw materials were insufficient for the market, the proportion of imported raw materials was still high, thus the price of raw materials was influenced largely from the world market.

Management measures

In order to prevent unstable fluctuations, the Company regularly updated the situation and forecasts of domestic and international economy and the raw material price on monthly and quarterly basis and adjusted the inventory balance accordingly. Inventory ensured that the Company could operate continuously for 2-3 months. The Company prioritized domestic raw materials to help minimize fluctuations in exchange rates, transportation and delivery schedules. At the same time it built relationships with partners, created trust with suppliers, retained credibility with the win-win motto and limited the monopoly of suppliers.

QUALITY OF ENVIRONMENTAL ACTIVITIES

During its 40 years of operation, BMP has always been consistent with its goals of sustainable development. BMP is committed to promoting the effective development and implementation of programs for the sake of social benefits and environmental protection, with particular attention to the environment and the working conditions of laborers.



MESSAGE FOR SUSTAINABILITY REPORT

Ladies and gentlemen,

In 2017, on the occasion of the Company's 40th anniversary, BMP has conducted many practical activities to demonstrate its social responsibility. The Company has launched a new product line which is heavy metal-free, environmentally friendly and absolutely safe for consumers' health.

In addition to encouraging business results in 2017, the Company was also interested in solutions for sustainability and environmental responsibility through the control of water and electricity consumption. Accordingly, the Company has reduced more than 2.2 million kWh of electricity, equivalent to over VND3.6 billion. In addition, the Company also engaged in community activities with a total donation of over VND2 billion.

In 2018, we are committed to continuing the development and execution of programs for social benefits and environmental protection, and to update and improve the internal organization. We will pay special attention to the working environment and conditions for our employees. We also continue to conduct regular independent audits and reviews of our performance to seek innovative opportunities for sustainability.

On behalf of the whole Binh Minh Plastics Joint Stock Company, I would like to send sincere thanks to our partners, distributors, relevant authorities and the entire staffs for your trust, support and hard work for sustainability. And especially, we are grateful to Vietnamese consumers for their trust in using BMP products over the years.

We wish you all good health, happiness and success.

Best regards,

CHAIRMAN OF THE BOARD OF DIRECTORS



LE QUANG DOANH



SUSTAINABILITY GOALS

To achieve the goals of sustainability, BMP has executed a series of specific measures for each aspect:



FOR BUSINESS ACTIVITIES

- Strengthen measures to save energy and water and treat wastewater
- Improve the production process and installation of modern equipment in order to increase productivity, save materials and minimize environmental pollution.
- Abide by principles of business ethics.
- Act against counterfeit and fake goods.

FOR THE ENVIRONMENT

- Adopt the latest environmental management system.
- Comply with the laws and other requirements on the environment.
- Establish an environmental monitoring and management system to monitor and evaluate environmental impacts.
- Identify and evaluate environmental pollution risks, take measures to control and mitigate pollution; also apply waste classification at source.
- Build a team and procedures for responding to emergencies.

FOR EMPLOYEES

- Annually evaluate the work environment for timely improvement measures.
- Maintain and improve the quality of health care and living standard improvement for employees.
- Assign employees to attend domestic and overseas training courses to improve their professional skills to meet the Company's demands for development.
- Raise employees' awareness of energy reduction and environmental conservation.

FOR THE COMMUNITY

- Actively engage in community activities to build an environment-friendly and responsible company.
- Maintain regular charitable activities such as blood donation, support for Vietnamese Heroic Mothers, day wages donation for the poor, etc.
- Raise employees' awareness of humanitarian and charitable activities.

OVERVIEW OF THE SUSTAINABLE DEVELOPMENT REPORTS

In 2017, the Company has made remarkable progress in keeping statistical data as a basis for analyzing, evaluating and improving environment-related activities. At the same time, it helped to prepare the Sustainability Report in an accurate, transparent manner.

As in the previous years, in 2017 BMP continued to issue the Sustainability Report integrated in the Company's Annual Report, in accordance with the Guidelines for Sustainability Report issued by the State Securities Commission of Vietnam and IFC and in reference to the GRI - G4 disclosure standard.

In this report, key areas are identified based on a combination of stakeholder interest and their impact on BMP's business activities. Over 40 years of operation, BMP always insists on the goals of sustainability. It started from the movement for cost savings in production, then formed the spirit of continuous, comprehensive

savings and heightened awareness of environmental protection and sustainability.

In 2017, the Company upgraded its environmental management system from ISO 14001: 2004 to the new version of ISO 14001: 2015. This version focuses on identifying and assessing risks and the PDCA process, helping the Company to anticipate and take timely preventive actions to minimize the potential risks and take advantage of opportunities for development. At the same time, it helps to record and assess environmental activities quickly and accurately.

REPORTING PERIOD

The report was made for 2017 fiscal year, starting on 1 January, 2017 and ending on 31st December, 2017. Since 2015, Binh Minh Plastic has developed its regular sustainable development reports for disclosure at the same time with annual reports.

SCOPE OF REPORTING

The report is made in Vietnam on plastic production and business for Binh Minh Plastic Joint Stock Company and the Northern Binh Minh Plastic One Member Company Limited, a subsidiary company wholly owned by BMP.

METHODS OF DEVELOPING CONTENTS OF THE REPORT

The report is developed in compliance with the Guidance on preparing sustainable development reports in 2016 Guidance on preparing annual reports of Vietnam Annual Report Awards (ARA), the Guidance on disclosure of environmental and social information of the State Securities Commission, IFC and Circular No. 155/2015/TT-BTC guiding stock market information disclosure by the Ministry of Finance. In addition, GRI-G4 information disclosure standards are also referred in identifying key factors affecting relevant parties.

“ BMP always insists on the goals of sustainability. It started from the movement for cost savings in production, then formed the spirit of continuous, comprehensive savings and heightened awareness of environmental protection and sustainability. ”



CONTACT FOR FURTHER INFORMATION

Please contact the following persons for further comments or inquiries on the report:

Mr. Nguyen Thanh Hai – Deputy General Director

Telephone: 84 28 39690973 (Ext. 104)

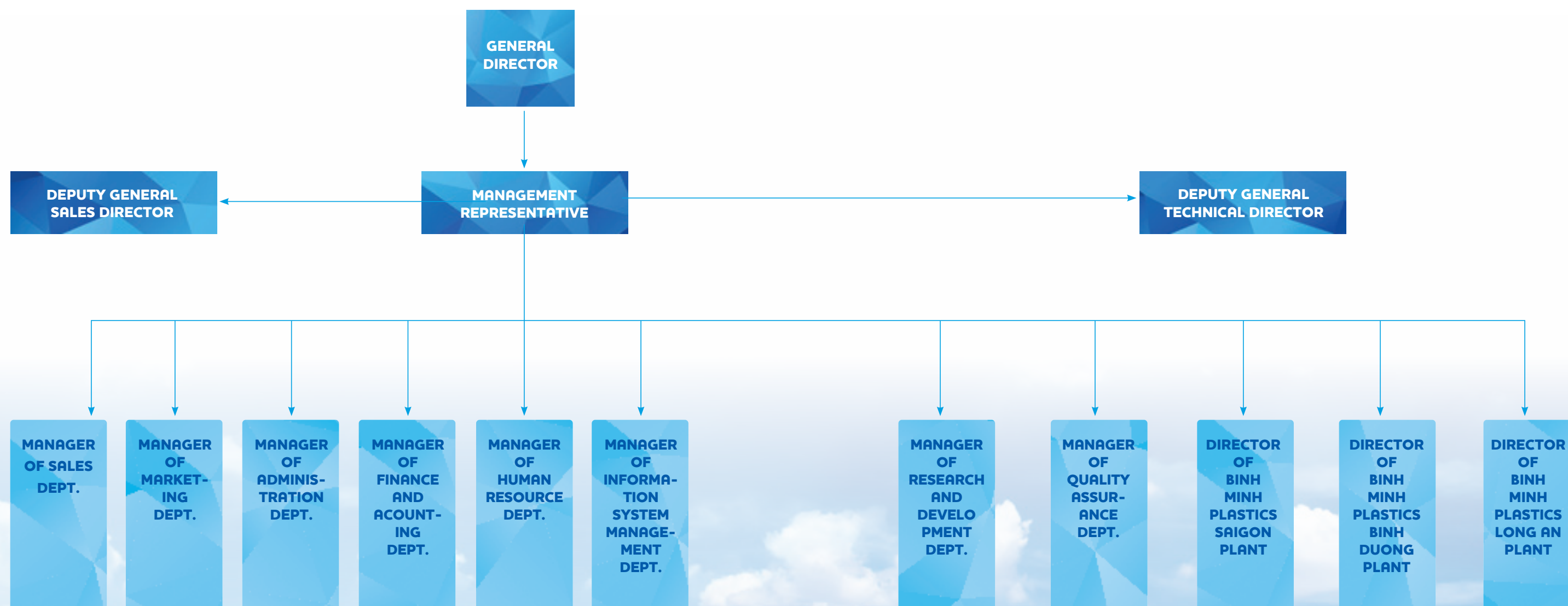
Address: 240 Hau Giang, Ward 9, District 6, HCMC

Mr. Le Anh Huy – representative of the Company Executive Board

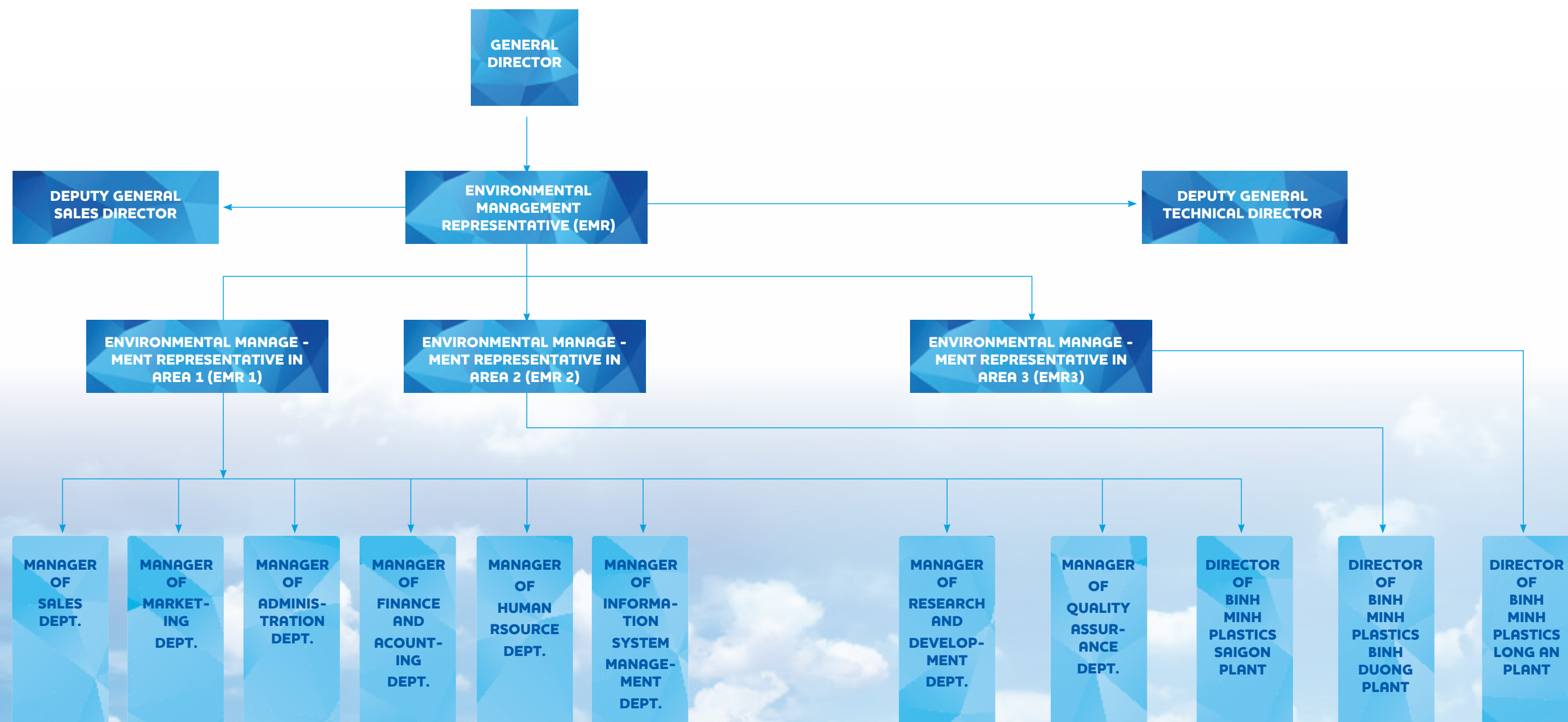
Telephone: 84 28 9690973 (Ext. 147)

Address: 240 Hau Giang, Ward 9, District 6, HCMC

ORGANIZATIONAL STRUCTURE CHART OF THE QUALITY MANAGEMENT SYSTEM 9001:2015



ORGANIZATIONAL STRUCTURE CHART OF THE ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015



ASSESSMENT OF CRITICAL ISSUES

PRINCIPLE OF IDENTIFYING CRITICAL ISSUES

Proper assessment and identification of critical issues relating to economic, social and environmental situations and business activities of the Company are important to ensure best interests of relevant parties. Therefore, based on the current situation of domestic and international plastic sector as well as feedbacks of relevant stakeholders, we have identified critical issues as priorities for implementation in 2017.

BASES FOR IDENTIFYING CRITICAL ISSUES

- Annual production and business results of BMP.
- Assessment of activities of functional departments.
- Assessment from monitoring reports, audit statements, results of regular and irregular checking and inspection.
- Feedbacks from customers, consulting organizations.
- Reference to reports on general economic forecast and development of the plastic sector.

PROCESS OF ASSESSMENT AND IDENTIFICATION OF CRITICAL ISSUES

- **Step 1:** Assess the plastic sector market, consider the sustainable development strategy of the Company.
- **Step 2:** Analyse issues affecting the sustainable development strategy of the Company.
- **Step 3:** Identify important issues affecting the business strategy of the Company, the economy, environment, and the society.
- **Step 4:** Assess control level of activities.
- **Step 5:** Select critical issues for reporting..

CRITICAL ISSUES ARE IDENTIFIED BY THE COMPANY AS FOLLOWS

Economy

- Economic efficiency
- Compliance with tax policies of the Government
- Interests of shareholders

Environment

- Material
- Energy
- Water
- Emission
- Waste water and waste
- Information on product label and service
- Improvement of working environment
- Dealing with emergency

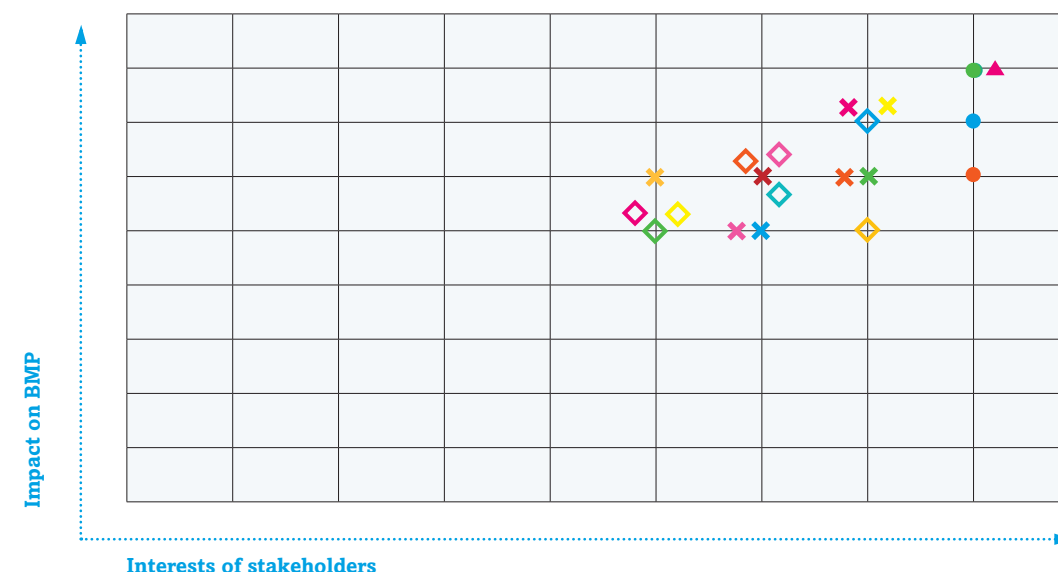
Society

- Employment
- Safety and professional health
- Education and training
- Human rights
- Collective Labour Agreement
- Product responsibility
- Community activities
- Assessment of suppliers

Sector standards

- Compliance

ASSESSMENT MATRIX OF CRITICAL ISSUES



Economy

- Economic efficiency
- Compliance with tax policies of the Government
- Interests of shareholders

Environment

- ◆ Material
- ◆ Energy
- ◆ Water
- ◆ Emission
- ◆ Waste water and waste
- ◆ Information on product label and service
- ◆ Improvement of working environment
- ◆ Dealing with emergency

Society

- ✕ Employment
- ✕ Safety and professional health
- ✕ Education and training
- ✕ Human rights
- ✕ Collective Labour Agreement
- ✕ Product responsibility
- ✕ Community activities
- ✕ Assessment of suppliers

Sector standards

- ▲ Compliance

ASSESSMENT OF CRITICAL ISSUES (CONTINUED)

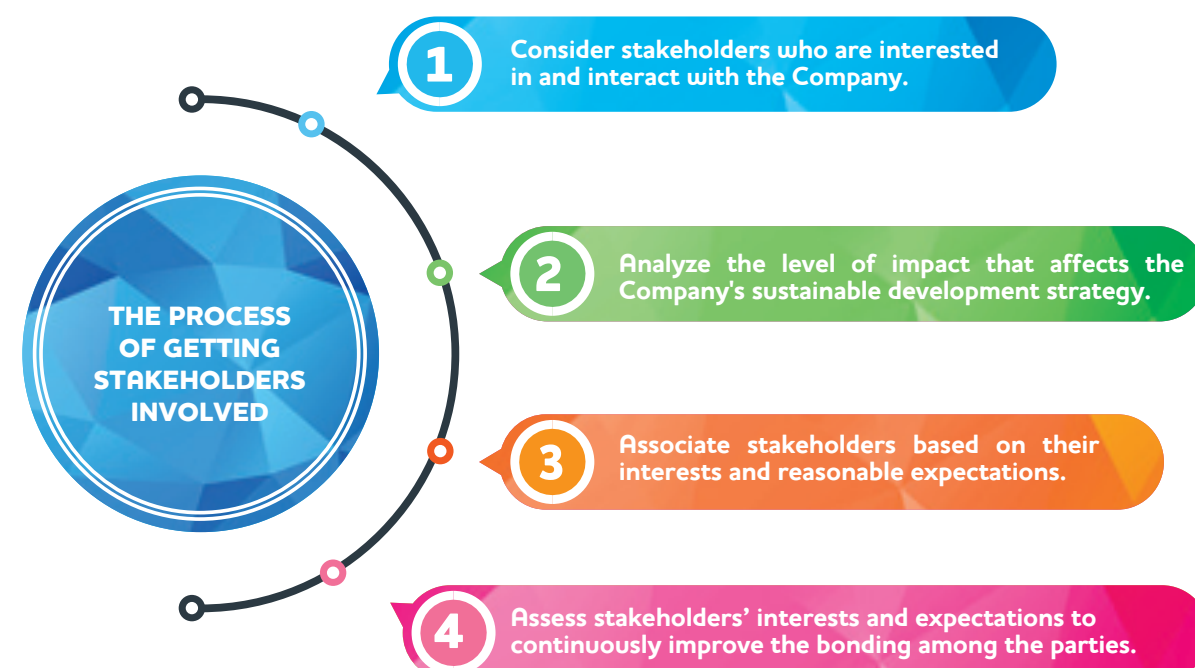
GETTING STAKEHOLDERS INVOLVED

The basis for identification of stakeholders



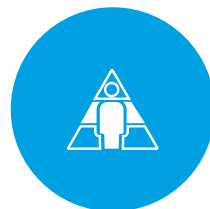
- Assessment results by the General Director Board and its consulting team on the level of stakeholders' interest in, interaction to and impact on the Company's activities.
- Assessment results from monitoring reports, audit reports, periodical and extraordinary inspection and examination results.
- Feedback from customers and consultants.
- Reference to reports on the general economic situation and the development of the plastics industry.

The process of getting stakeholders involved




- **Step 1:** Consider stakeholders who are interested in and interact with the Company.
- **Step 2:** Analyze the level of impact that affects the Company's sustainable development strategy.
- **Step 3:** Associate stakeholders based on their interests and reasonable expectations.
- **Step 4:** Assess stakeholders' interests and expectations to continuously improve the bonding among the parties.



BUILDING SUSTAINABLE RELATIONSHIPS BETWEEN STAKEHOLDERS

STAKE HOLDERS	STAKE HOLDERS' EXPECTATIONS	BMP'S ACTIONS	VALUES CREATED
GOVERNMENT AUTHORITIES 	<ul style="list-style-type: none"> Compliance with the laws. Execution of and support for the State's programs. Economic efficiency. Compliance with the State's taxation policies. Economical use of resources and energy. 	<ul style="list-style-type: none"> Strictly comply with provisions of the laws on taxation, environmental protection, labor safety, etc. Promote relationships with competent authorities, however take no advantage of these relationships to offer bribes for illicit benefits. Strengthen the collection and processing of information, coordinate with competent authorities to deal with counterfeit and fake goods. 	<ul style="list-style-type: none"> Create stable jobs and welfare for employees. Among the top contributors the State's budget. Effectively implement energy, resources and raw materials saving policies. Ensure consumers' interests, protect the Company's reputation and brand value.
SHAREHOLDERS AND INVESTORS 	<ul style="list-style-type: none"> Capital efficiency. Information transparency. Protection of investors' interests. The Company's value. Business management capacity 	<ul style="list-style-type: none"> Ensure timely, complete and transparent information disclosure. Regularly organize public programs and conferences to provide shareholders and investors with a comprehensive view of the Company's operations as well as long-term development strategy. Ensure the profitability of investments of shareholders and investors. Commit to keep confidentiality of shareholders and investors' information. 	<ul style="list-style-type: none"> Fulfill the business plan. Continuously achieve notable awards. Make timely and transparent information disclosure. High earnings per share. Ensure the annual dividend payout ratio.
CUSTOMERS 	<ul style="list-style-type: none"> Variety of products that meet the demands. Clearly product information. High quality, reasonable products and good services. 	<ul style="list-style-type: none"> Always support and listen to customers. Promote research and development of new products, Strictly control product quality. Continue to expand the distribution system, improve product and services quality to maximize customers' satisfaction. Express gratitude to customers through customer conferences, promotions, incentives, and attractive warranty and after-sales policies. Reasonable and competitive pricing policy to ensure the harmony between the customers' and the Company's interests.. 	<ul style="list-style-type: none"> High and consistent product quality. The distribution system extends throughout the country with nearly 1,600 outlet stores. Customers are consulted through seminars, conferences, fairs, etc. Thoughtful and timely warranty policy. Customers are loyal to the Company.

BUILDING SUSTAINABLE RELATIONSHIPS BETWEEN STAKEHOLDERS

STAKE HOLDERS	STAKE HOLDERS' EXPECTATIONS	BMP'S ACTIONS	VALUES CREATED
EMPLOYEES 	<ul style="list-style-type: none"> • A good scheme of salary, bonus, welfare and working conditions. • Safe and non-discriminatory working environment with occupational health care. • Stable jobs with training and promotion opportunities. 	<ul style="list-style-type: none"> • Develop a clear and fair salary, bonus and allowance scheme. • Apply bonus through monthly work performance review. • Apply remuneration and benefit policies that are more favorable than the laws' requirements. • Ensure a friendly, united and clean working environment. • Commit not to use forced labor in any form. • Respect all decisions, desires, expectations, freedoms and other legal rights of employees. 	<ul style="list-style-type: none"> • Ensure that every year 100% of employees get medical examination and health care. • Always maintain a safe working environment where occupational diseases and accidents are controlled and minimized. • Increase employees' motivation and commitment to BMP.
PARTNERS AND SUPPLIERS 	<ul style="list-style-type: none"> • Cooperation for development. • Reasonable procurement price. 	<ul style="list-style-type: none"> • Fulfill commitments with partners. • Fairly select partners based on their capacity. • Make no use of the Company's advantages to put pressure and unreasonable requests on partners. • Do not cooperate with partners who have no transparency in business activities. • Do not disclose partners' confidential information to their competitors. 	<ul style="list-style-type: none"> • Create strong relationships and sustainable cooperation. • Proactively control purchase sources with reasonable pricing. • Ensure stable, consistent quality
THE COMMUNITY 	<ul style="list-style-type: none"> • Compliance with the requirements of law and other requirements. • Creation of local jobs. • Responses to emergency circumstances. • Reduction of emissions, sewage and wastes. • Participation in and support for community activities. 	<ul style="list-style-type: none"> • Work with organizations to share difficulties with the community through activities such as blood donation, support for disaster and flood victims, and building of charity houses. • Commit to minimize adverse effects on the community and the surrounding environment. 	<ul style="list-style-type: none"> • Control environmental management activities. • Create good reputation in the local community. • Raise employees' awareness of environmental protection.

MECHANISM FOR RECEIVING OPINIONS OF CONCERNING PARTIES

With the motto of honesty, openness and transparency in all activities, since its establishment, Binh Minh Plastic has actively developed an appropriate mechanism for receiving opinions of concerning parties. Consequently, practical measures and strategic development orientations are identified relating to improvement of management and operation of the Company, aiming to obtain long-term value chain for all parties.

TARGETED GROUP

APPROACH

GOVERNMENT



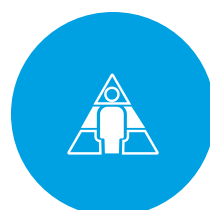
- Receive opinions of competent agencies through unexpected and annual inspections.
- Participate in conferences, seminars organized by the Government, ministries and departments.
- Participate in activities of relevant organizations and associations: HCMC Business Association, Young Business Association, Vietnam Water Supply and Sewerage Association, Vietnam Plastics Association.
- Prepare tax and fee reports as required.
- Actively cooperate with competent agencies in prevention of counterfeit plastic.

SHAREHOLDERS, INVESTORS



- Organize meetings on monthly, quarterly basis and upon request; publish meeting agendas on the Company's website.
- Receive and answer inquiries via email, telephone, fax,...
- Organize Shareholders' General Meeting regular and unexpected meetings; disclose detailed financial statements on mass media.
- Disclose information as required by the State Securities Commission and Hochiminh Stock Exchange.

CUSTOMERS



- Advise and answer inquiries through information received on social networks, Question-Answer section on the Company's website; face-to-face meeting or exchanges via telephone, email with relevant departments.
- Advise and answer inquiries through customer surveys at commercial fairs, opinions of shops.
- Update information on social networks, the Company's website.
- Organize and participate in exhibitions, conferences, workshops, seminars, etc. (Customer Conference in Malaysia, Conference on guided to use products of the Company).

EMPLOYEES



- Face-to-face meeting with the Company's managers, Trade Union;
- Employee survey on labour safety, working environment, policies, social benefits, etc. via email, telephone, social networks;
- Organize internal training courses;
- Organize conferences, review seminars, annual review workshops, traditional ceremonies, sightseeing, outdoor activities, etc.

PARTNERS



- Face-to-face meeting;
- Receive and answer inquiries via email, telephone, fax,...
- Financial disclosure.
- Participate in commercial fairs, exhibitions, economic forums (Congress of Southern Water Supply Branch, VietBuild Exhibition, High-quality Vietnamese Goods Fair, etc.).
- Through procurement procedures, cooperation contracts, purchase regulations, etc.
- Participate in seminars, forums of plastic sector to share investment information and opportunities

COMMUNITY



- Participate in blood donation campaigns, charity activities for the poor, support to the people in areas affected by natural disasters, flooding, etc.
- Organize charity activities for beneficiaries of social welfare.

CODE OF CONDUCT TO STAKEHOLDERS

To customers

BMP is committed to providing customers with high quality products and thoughtful services. The Company ensures honesty in advertising and promotions. It also maintains a reasonable pricing policy to ensure win-win cooperation with customers.

To investors

The Company ensures transparency, accuracy, clarity and timeliness of information disclosure. The Company provides information effectively for investors via website, Annual Report, quarterly investor meetings, in-person meetings, and telephone and email exchanges.

To suppliers

BMP ensures fair and transparent competition among suppliers based on the principle of equal cooperation and mutual benefit. The Company also keeps suppliers' information confidential.

To Employees

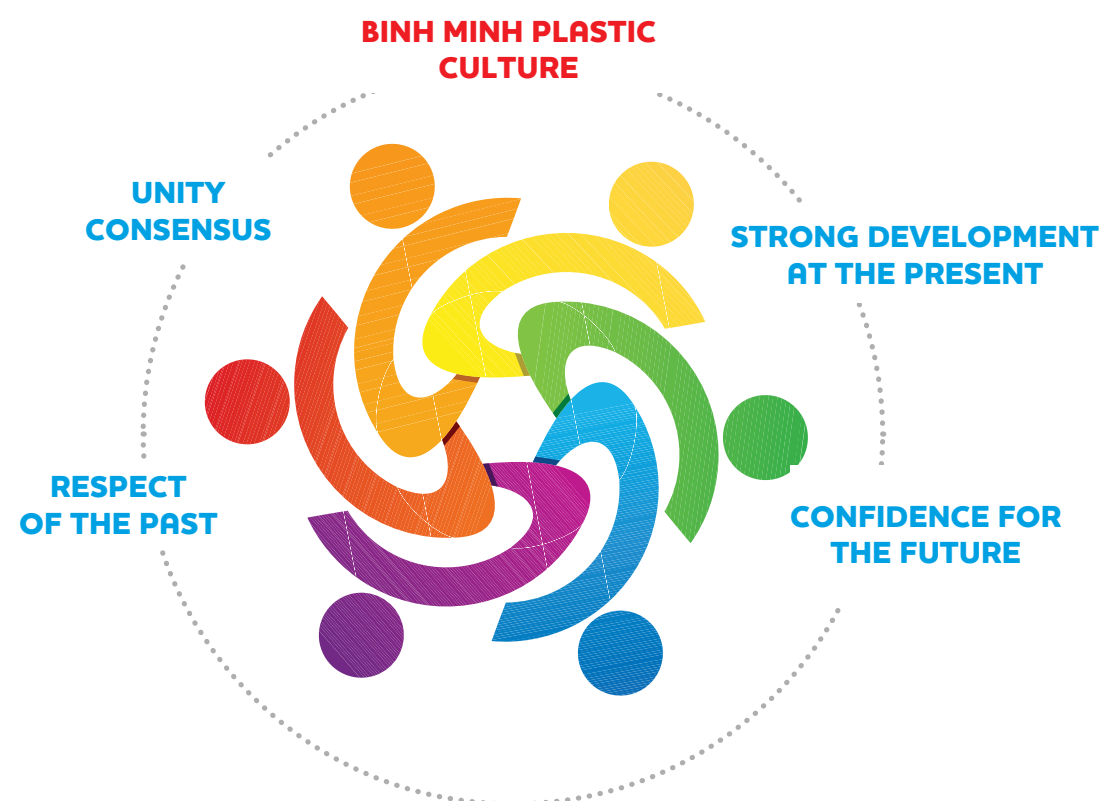
The Company always maintains a high level of average labor income compared to the market's general level. Its labor contract has better provisions than required by the laws. The Company always creates a friendly working environment where colleagues treat, respect and help each other with kindness.

To the community

In terms of benefit sharing to the community, BMP actively contributes and engages in social activities such as donating blood, visiting Vietnamese Heroic Mothers, building houses of gratitude, helping victims of natural disasters, supporting the Disabled Children's Association.



BINH MINH PLASTIC CULTURE



Binh Minh Plastic culture was identified right at the first days of the Company. The culture includes devotion to work and sincere relations between the Board of Management and all employees during most difficult periods. After different stages of development, Binh Minh Plastic culture has been more and more clearly developed into core values, paving the way for outstanding and stable development as a leading plastic business in Vietnam. Binh Minh Plastic culture has become a coherent flow inside the Company's employees from generation to generation.

UNITY – CONSENSUS

This special characteristic has been an exclusive pride of Binh Minh Plastic. Under the Company, employees are always striving for the right, making arguments and discussions to reach consensus in performing works.

RESPECT OF THE PAST

"Respect of the past for future development" has been highlighted at Binh Minh Plastic. The lessons learned from previous generations are indispensable for future generations. All efforts and achievements of the previous generation are gratefully respected by the next generation. Consequently, the stable bridge between the past and the present has confirmed the principle of "Let every man praise the bridge that carries him over" in each member of Binh Minh Plastic.



STRONG DEVELOPMENT AT THE PRESENT

The Board of Management and all employees have been trained and matured over the years at the Company with full capacity and ability to solve current problems: Production expansion, brand improvement, market development, etc., to maintain the reputation of Binh Minh Plastic as a leading plastic brand in Vietnam. Customers and suppliers always find Binh Minh Plastic a reliable partner who knows how to respect, listen, accompany and share their aspirations for long-term cooperation.

CONFIDENCE FOR THE FUTURE

In any circumstances, confidence is always found in the Board of Management of Binh Minh Plastic. The Company's leaders have always enhanced confidence of employees through sound directions, application of new technologies and management systems as a pioneer, comprehensive infrastructure and working conditions especially human resources for further development in the Vietnamese market and other countries in the region and the world.

REFORMS OF ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT



Employee policy is one of the most important policies for sustainability of the Company. Therefore, in order to ensure a harmonious and balanced relationship between employees and the Company, the management has been putting forth beneficial activities for employees as well as introducing bonus and support policies to create a dynamic environment and encourage creativity. Besides, the Company has also applied the Democracy - Dialogue Regulation to guarantee the right to freedom and equality, create the best interaction between the management and employees, quickly solve problems and contribute ideas for the Company's improvements. This regulation has helped to accommodate further development of the Company and motivate employees in their jobs.

RESPONSIBILITIES TO EMPLOYEES

Employment relation

In order to protect legitimate rights and interests of both employees and employers, the Collective Labour Agreement has been regularly reviewed to identify and revise inappropriate provisions. On 1 October, 2016, the Company amended relevant provisions of the Collective Labour Agreement in compliance with new regulations on salary scale.

Presently, the Company's Collective Labour Agreement has more favourable provisions for employees compared to those mentioned in the Labour Code, for example:

- All labour contracts are signed in writing, including contracts with duration of less than 3 months;
- Female employees having children under 18 months old are not assigned working by shift if their husbands are also working by shift;

- Employees legally adopting new-borns are entitled to benefits similar to those giving birth to natural children;
- Male employees are entitled to maternity leave when their wives give birth within 30 days,...

The Collective Labour Agreement is signed between the General Director - representative of the employer and the Chair of the Labour Union - representative of employees.

Thanks to strict implementation of the Collective Labour Agreement, 100% of employees' contracts are signed in writing.

In addition to the Collective Labour Agreement, the Regulation on Democracy Dialogue issued in 2015 is another important document providing for employment relation. Under this Regulation, the General Director organizes regular dialogues with employees every quarter, of which one is organized

in Quarter 1 at the Employee Conference. In these dialogues, the General Director is responsible for announcing accurate information on quarterly or annual business results; information on implementation of the Collective Labour Agreement; policies on salaries, allowances, emulations; answering inquiries of employees; information on settlement of problems raised in previous dialogues, etc. in order to harmonize relation between employees and the Company.

In addition, the Company undertakes not to use child labour or forced labour in any form.

Professional safety and health

Measures on labour safety are implemented in 2017:

Technical measures

- Protecting covers and warning signs are put at dangerous areas.
- Bearers for noise and vibration reduction are installed at machines.
- Good conditions of equipment and machines are ensured.
- Microclimate factors are timely measured to ensure safety and health of employees.

Medical care for employees

- The Company offers annual health check for employees with standards higher than required by the laws. In 2016, the Company classified employees by age and working environment to diagnose speciality examination, timely detecting diseases and providing treatment to employees.
- The Company also maintains a collective canteen in compliance with provisions on food safety, preventing food poisoning. Food quality is regularly checked to timely improve nutrition of meals for employees. In addition to daily meals, workers are also provided with nutritional food drinks such as fresh milk, yogurt, lemon juice, etc.
- Medical centres and physician are available at the Company's plants to timely take care of employees at work.

REFORMS OF ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT (CONTINUED)

- The Company invites expert from the Industrial Labour Environment - Medical Centre to conduct regular environmental check at its plants. Based on results of environmental check, the Company timely applies measures to improve working environment of employees.
- The Company has always paid attention to labour safety, providing employees with full and standard protective equipment according to their working positions such as insulating shoes, earplugs, activated charcoal face masks, gloves, protective glasses, anti-slipping shoes, safety belts for working at heights, safety helmets, etc. The Company also appoints staffs responsible for monitoring and reminding employees to use proper protective equipment at the right time in the right place for work purposes.

Dissemination and training activities

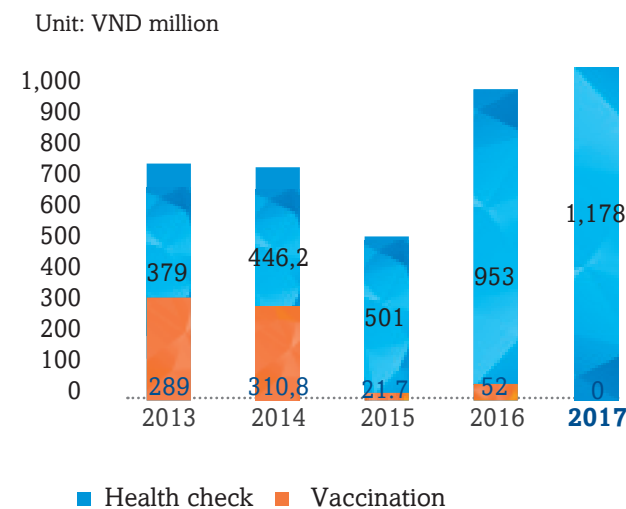
The Company organizes dissemination activities on labour safety and sanitation in various forms as follows:

- Trainers from Hochiminh city Department of Labour, Invalids and Social Affairs are invited to deliver talks on labour safety and sanitation.
- Dissemination on internal labour safety and sanitation, and fire prevention is implemented through meetings of staffs responsible for labour safety, team/plant meetings organized quarterly, every first 6 months and last 6 months.
- Posters, panels, banners on labour safety and sanitation, and fire prevention are printed and posted at the Company.

Fire prevention

- Requirements of the Government on fire prevention are strictly followed.
- Awareness of employees on fire protection is improved.
- Fire protection teams are established in each area, responsible for fire protection activities.
- Fire protection police are invited to deliver training courses on fire protection, fire drills, rescue.

CHART OF HEALTH CARE COSTS



- A network of staffs responsible for labour safety is set up to monitor daily labour safety and sanitation, and fire protection during working shifts.
- An inspection committee is established by the Company responsible for irregular and quarterly inspection of labour safety and sanitation, and fire protection.
- Fire protection equipment is regularly checked and emergency is timely dealt with.
- Fire protection equipment is newly purchased.

Improvements in human resources policy

At the same time, the Company provides spiritual and material support to the employees so that they can fully focus on work. Apart from the policies and schemes stipulated by the Labor Code, the Company also applies its own policies in favor of the employees, as specified in the Collective Labor Agreement, such as maternity pay, sick pay, family business, annual outing trips, etc. in order to create work motivations.



Policies related to employees

With the motto of taking employees as the root, the Company always pays attention to ensure employees' well-being, job security and working environment so that they can focus on work and fully utilize their personal capacity.

All employees of the Company are entitled to sign Labor Contracts in accordance with the Labor Code. The Company develops Labor Regulations and Collective Labor Agreement that are widely applied throughout the whole Company and registered with the Department of Labor, War Invalids and Social Affairs of Ho Chi Minh City. The Collective Labor Agreement is regularly reviewed and adjusted to suit every new situation.

The Company's labor policies have really motivated employees and contributed to the development of the Company.

Salary, bonus and welfare policies

- Despite the adjustment of the regional salary level and the social insurance contributions, the Company still maintains the same welfare schemes for employees, such as:
- Training salary: In order to create favorable conditions for employees, apart from the tuition fee fully paid by the Company, employees also receive 100% of their salary when they participate in training during their working time.
- Sick pay and maternity pay: In order to ensure the well-being of employees during sickness or maternity leave in accordance with regulations, apart from the amount paid by social insurance, the employees shall also be entitled to the pay calculated at the minimum wage level for days off.

REFORMS OF ORGANIZATIONAL STRUCTURE,
POLICIES, MANAGEMENT (CONTINUED)

- Bonus: Apart from performance bonus every six months or every year, bonuses for major holidays, New Year, Lunar New Year, employees are also entitled to bonus on the Company’s anniversary or for individuals and teams for their initiatives and improvement in production and business process.

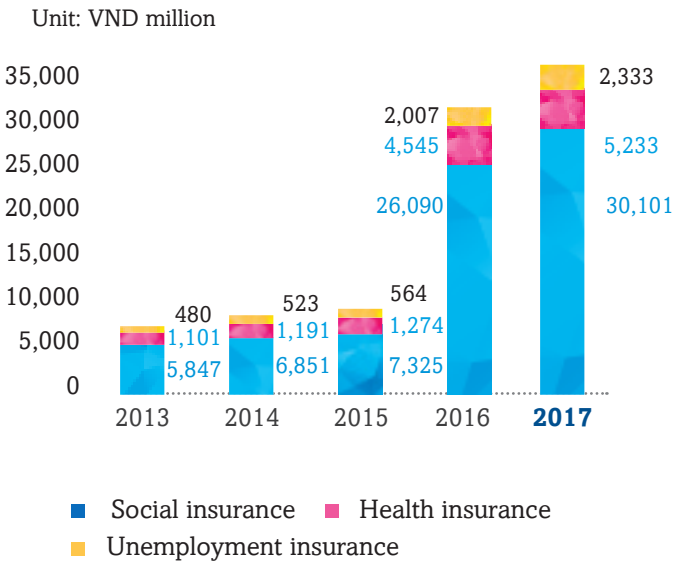


Insurance:

The Company is always aware of legal compliance and ensures the interests of employees. Therefore, the contribution to social insurance, health insurance and unemployment insurance is fully, promptly and timely made in accordance with the laws to ensure the interests of employees on social insurance.

With the increase in the Company’s head count throughout the year, contributions for social insurance, health insurance, and unemployment insurance correspondingly increased. In particular, the proportion of social insurance, health insurance and unemployment insurance contributions have increased by over 15% compared to 2016.

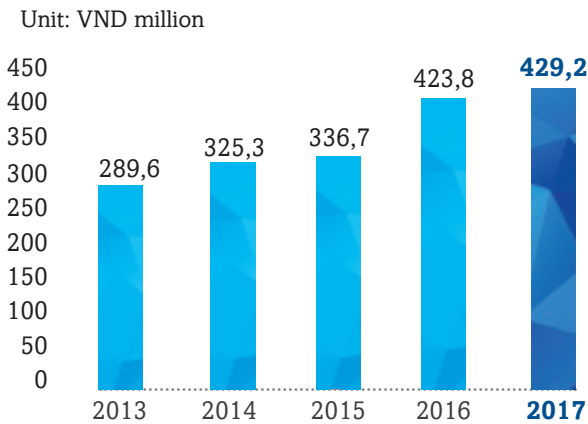
CHART OF SOCIAL INSURANCE,
HEALTH INSURANCE, UNEMPLOYMENT
INSURANCE OVER YEARS



Although the cost of compulsory insurances has increased, the Company still maintains optional insurance policies such as 24/24 risk insurance, comprehensive health insurance, management liability insurance, etc. throughout the years to enhance employees’ welfare and create trusts and motivations.

In 2017, the expenses for these optional insurances increased by approximately 1.26% from the previous year, in which comprehensive health insurance only increased by about 0.57%, while 24/24 insurance increased by 2.21%.

CHART OF OPTIONAL INSURANCE
COSTS OVER YEARS



REFORMS OF ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT (CONTINUED)



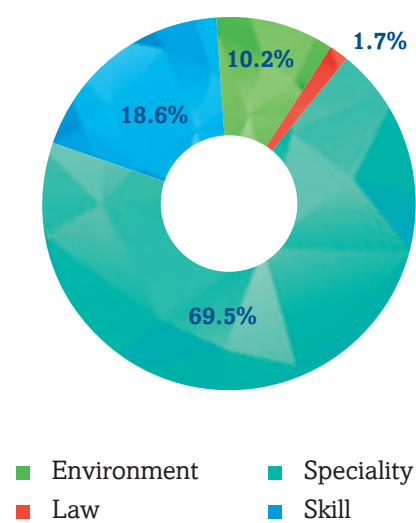
Training policy

The Company always encourages trainings for employees in areas related to their jobs, such as improving professional skills, computer skills, foreign languages, etc.

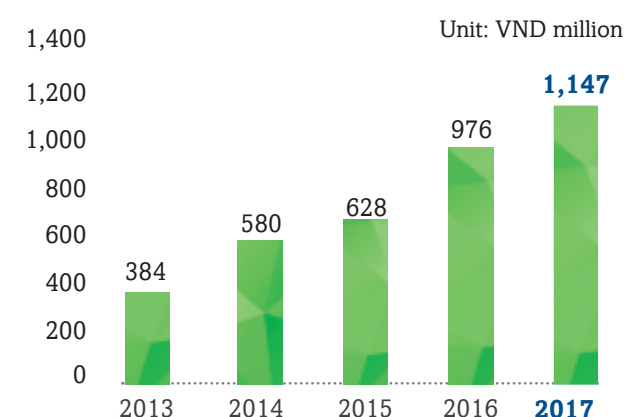
Apart from in-house and domestic training, the Company regularly sends technical staff to participate in training courses on advanced technologies in Germany, Italy, Austria, etc., as well as quality management, production and field improvement classes in Japan through HIDA-AOTS program. On returning from training courses, technical staffs have brought new knowledge into full play by strongly proposing the application of new technologies on production management, which brought practical results and contributed to the Company's development.

In 2017, professional classes were highly promoted, accounting for 69.5% of the total number of courses. In addition, skills classes also made up a large proportion, about 18.6%.

**CHART OF TRAINING
STRUCTURE IN 2017**



**CHART OF TRAINING COSTS
OVER YEARS**



Training costs

With an aim to constantly improving staff capacity as well as equipping necessary skills to meet working requirements and keep up with changes in the environment through programs and courses, the total cost of training increased sharply compared to 2016. In particular, the 2017 training cost was over VND1.1 billion, increased by about VND171 million, approximately 17.5%.

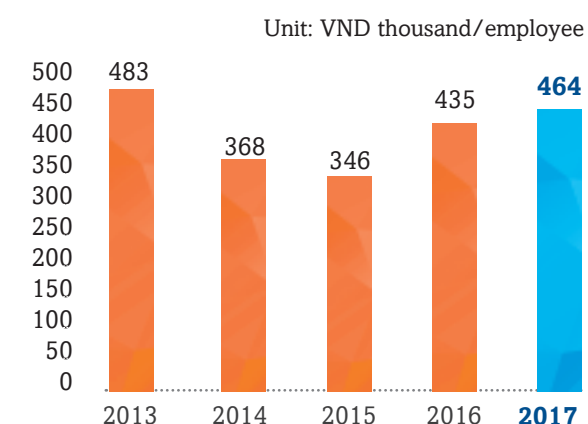
In 2017, the Company continued to promote professional and skills training courses for the management team. As a result, the average training cost increased by 6.7% compared to 2016.

Although the labor force increased by 17% compared to 2016, the average training time in the year insignificantly increased, only about 2% compared to the previous year as most newly recruited employees were trained on the job.

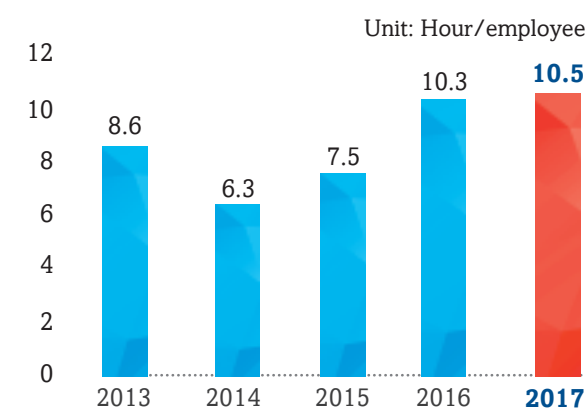
Management trainee program

Besides focusing on the training of professional qualifications and skills for employees, the development of succession personnel has also been among the Company's priorities. In the period from 2013 to 2017, the number of management trainees have increased, especially in 2017 with a rise of 130% compared to the previous year.

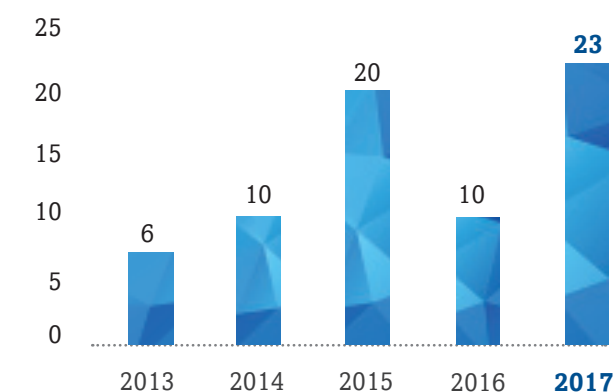
TRAINING COSTS CHART



**CHART OF TRAINING
DURATION OVER YEARS**



**CHART OF APPOINTED
TRAINEE MANAGER**



ENVIRONMENTAL AND SOCIAL IMPACT REPORTS

RAW MATERIAL MANAGEMENT

In 2017, the total amount of raw materials used by the Company was 96,500 tons. In particular, BMP accounted for 89,000 tons and NBM accounted for 7,500 tons.

The main raw materials included PVC, HDPE, PP, etc. from well-known manufacturers such as TPC Vina, AGC VN, Borouge, Sabic, Basell, etc. The quality management of these manufacturers all complies with ISO 9001 and their environmental management is in accordance with ISO 14001.

BMP's products are produced from raw materials instead of waste; a small proportion of unsuitable products are put into reproduction at a certain rate until completely running out. This contributes to the minimum waste arising from the production process at BMP.

In particular, in 2017, BMP pioneered in the use of new heavy metal-free additives, ensuring safety for human health and environmental friendliness, in line with the global trend of the plastic industry.

ENERGY CONSUMPTION

Continuing activities to reduce greenhouse effect, the Company has maintained and implemented solutions to reduce power consumption rate as follows:

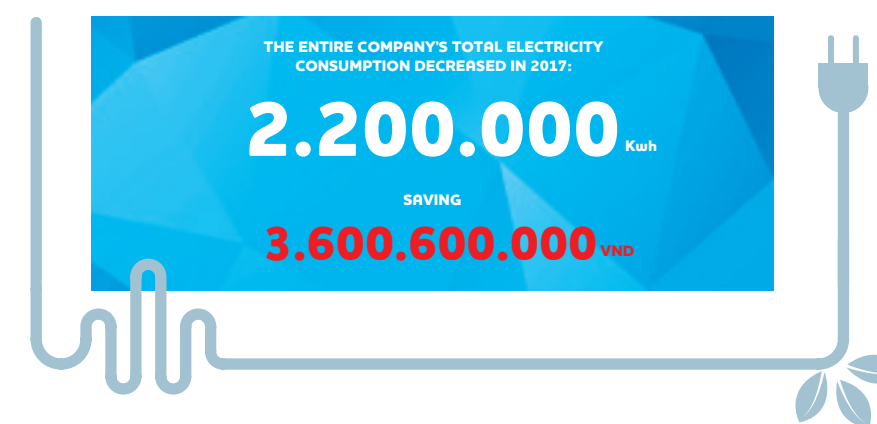
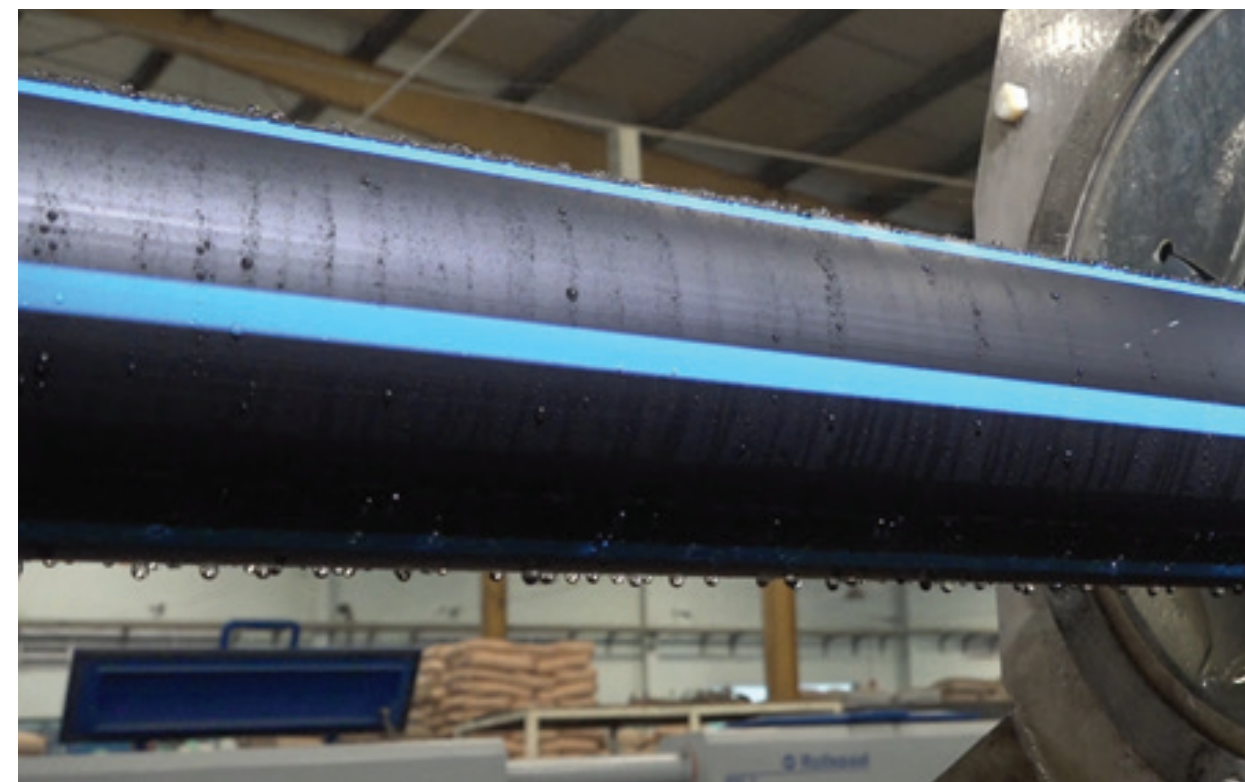
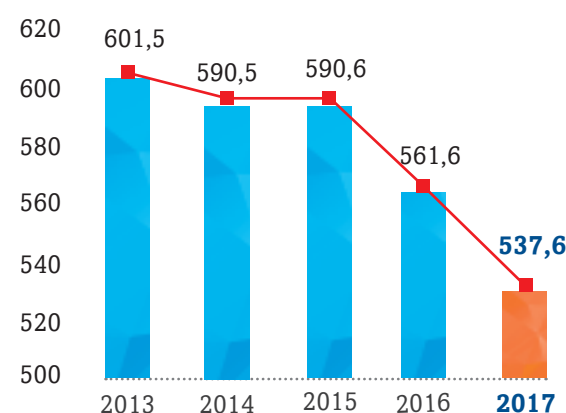
- Energy audits in various areas.
- Training for energy saving awareness throughout the whole Company.

At BMP

YEAR	2013	2014	2015	2016	2017
Production capacity (ton)	54,903	65,944	77,395	84,890	91,884
Electricity consumption (1,000 kwh)	33,026	38,941	45,706	47,673	49,400
Electricity consumption rate (kwh/ton)	601,5	590,5	590,6	561,6	537,6

- Reduction of waste materials.
- Appropriate production plans to control the fluctuation of power consumption rate.
- Installation of meters and recording of data as a basis to separate consumption rate and make corresponding solutions for each product category - fittings, sprayers and glues.
- Installation of inverters and servos for main engines of production equipment.
- Investment in production equipment that uses energy saving technologies.
- Control of water coolers in circulating tanks during production.
- The execution process was recorded for periodic analysis and evaluation, of which the results achieved in 2017 compared to the previous years are as follows:

**ELECTRICITY CONSUMPTION
RATE AT BMP (Kwh/ton)**



In 2017, the Company's total production output increased by 8.2% from 2016, however, total power consumption only increased by 3.6%.

Compared to 2016, power consumption rate in 2017:

- Reduced by 4.3%,
- Equivalent to a power saving of more than 2.2 million kWh.

The monetary saving was more than VND 3.6 billion.

The 2017 energy-saving activities continued to be considered as highly efficient and increasingly close to the optimal consumption. It was due to the Company's continuous investments in many advanced production equipment with high productivity and low power consumption and the employees' awareness in power saving.

ENVIRONMENTAL AND SOCIAL IMPACT REPORTS (CONTINUED)

WATER CONSUMPTION

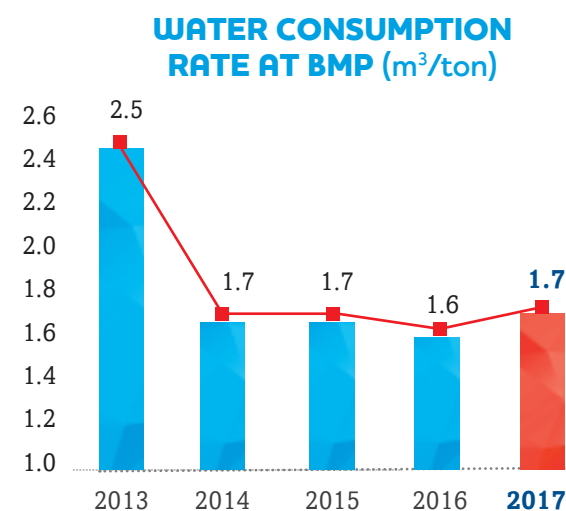
Being aware that clean water is limited, BMP continued to execute water saving solutions in its plants.

Water used for cooling equipment and products was recycled to minimize water consumption.

Some solutions to save water are as follows:

- Development of water supply diagram for each area.
- Installation of meters and valves to control the amount of water consumption by purpose and area.
- Recording and analysis of data on meters to detect water losses and make corrections.

These solutions proved its effectiveness in 2016. However, in 2017, total water consumption of the Company increased about 0.1 m³/ton of products compared to 2016 with the following recorded data:



At BMP

YEAR	2013	2014	2015	2016	2017
Production capacity (ton)	54,903	65,944	77,395	84,890	91,884
Water consumption (m ³)	134,823	110,904	131,455	132,421	158,453
Water consumption rate (m ³ /ton)	2.5	1.7	1.7	1.6	1.7



Through analysis and evaluation, the 2017 water consumption rate slightly increased compared to 2016 due to the following reasons:

- Construction and expansion in Binh Minh Long An Plant.
- Installation of new production equipment and relocation of equipment at plants.
- Trial production during the complete transition to the usage of heavy metal-free additives.
- The acceptance and trial production of new products increased sharply in 2017.
- Production of large pipes at small quantities for some customer orders at NBM.

These operations consumed a considerable amount of water in 2017. However, water saving solutions have proven to be effective, therefore, the Company's total water consumption was slightly higher than 2016, equal to 2014 and 2015 and still lower than 2013.

In 2018, the Company's management will continue to implement water consumption control activities to further reduce water consumption in accordance with the quality targets set in 2018.

ENVIRONMENTAL AND SOCIAL IMPACT REPORTS (CONTINUED)

COMPLIANCE ON ENVIRONMENTAL PROTECTION

In 2017, the Company has improved and successfully converted its Environmental Management System in accordance with ISO 14001:2015 and has been certified by Quacert.

With this Management System, control operations to comply with the laws on environmental protection have brought about many benefits.

In 2017, the Company has welcomed many environmental inspections by the relevant authorities. The results of these inspections were positive with no findings of violation of the laws on environmental protection..

Wastewater control

Wastewater treatment

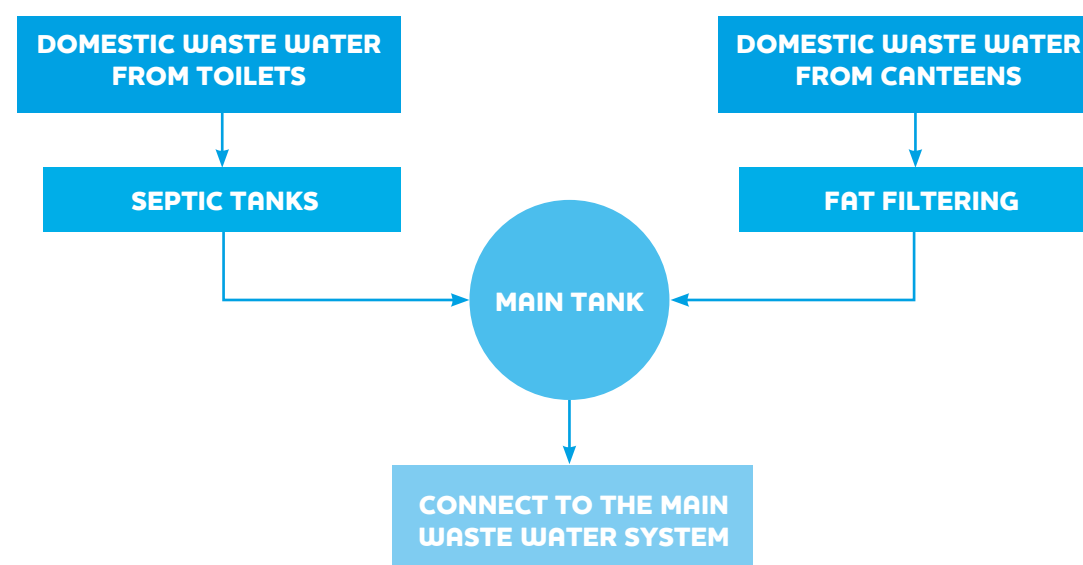
As the water used in the production process in BMP is recycled for reuse, the wastewater generated mainly from domestic wastewater and stormwater runoff. The total volume of wastewater in the areas is measured, controlled and monitored every 6 months.

In 2017, the total cost of these monitoring activities was over VND 100 million.

The amount of wastewater generated by the Company is treated as follows:

- At Binh Minh Sai Gon Office & Plant located at No. 240 Hau Giang Street, Ward 9, District 6, Ho Chi Minh City. Domestic wastewater is treated through a microbiological treatment system to satisfy the requirements of QCVN 14:2008/ BTNMT (the national technical regulation on domestic wastewater) before entering the city's sewage system.
- At Binh Minh Binh Duong Plant (Song Than Industrial Zone, Binh Duong Province), Binh Minh Long An Plant (Vinh Loc 2 Industrial Zone, Long An Province), Northern Binh Minh Plastics (Pho Noi A Industrial Zone, Hung Yen Province): Domestic wastewater is all led to a common centralized treatment center as required by each industrial zone.

DIAGRAM OF WASTEWATER TREATMENT SYSTEM:



REPRESENTATIVE CONSTRUCTION
Vo Van Kiet Avenue

Wastewater from toilets flows through septic tanks for solid waste retention and microbiological treatment. At the same time, wastewater from canteens is led through the grease treatment system to remove fat, oils and grease. The treated wastewater is then collected into the main tank and, through the main sewage system, into external wastewater system.

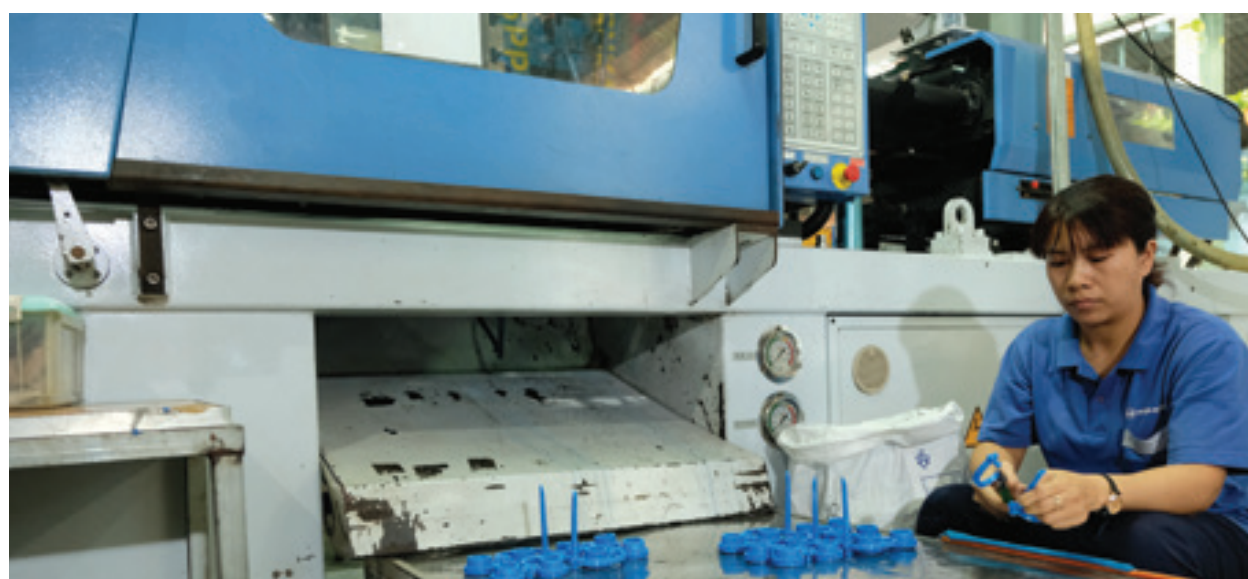
ENVIRONMENTAL AND SOCIAL IMPACT REPORTS (CONTINUED)

Means, methods and results of wastewater monitoring

Every six months at each site, wastewater is randomly sampled for measurement by an independent party.

Information sheet on laboratory equipment

NO.	EQUIPMENT	MODEL	ORIGIN	CALIBRA- TION DATE	CALIBRA- TION FRE- QUENCY
1	Spectrophotometer	UVT60	PGI	08/08/2017	once per year
2	Furnace	NABERTHERM LE6 LH/8150	Germany	01/08/2017	once per year
3	1-time water distiller	LPH4	India	-	once per year
4	TDS, EC meter	ADWA AD332	Hungary	08/08/2017	once per year
5	pH meter	SCHOTT LAB	Germany	08/08/2017	once per year
6	Turbidity meter	MICRO TPW	China	08/08/2017	once per year
7	Gas chromatograph	VARIAN 450 - GC	USA	08/08/2017	once per year
8	BOD incubator	AQUALYTIC	Germany	01/08/2017	once per year
9	Drying oven	MEMMERT 100 – 800 UNB	Germany	02/08/2017	once per year
10	Nitrogen demolition furnace	-	Vietnam	02/08/2017	once per year
11	COD demolition	-	Vietnam	02/08/2017	once per year
12	4-digit analysis scale OHAUS PA214	TBPTN15-CPT ^{4S}	USA	01/08/2017	once per year
13	Incubator	MEMMERT IN55	Germany	01/08/2017	once per year



Control of solid wastes:

Solid wastes are divided into 4 categories as follows:

- Domestic waste.
- Recycled waste.
- Dangerous waste.
- Medical waste.

All plants of BMP have implemented measures as follows:

- Training on waste classification, increase of awareness on environmental protection of all employees, issuance of internal regulations on environmental protection.
- Installation of dustbins at offices, workshops and surrounding areas for employees to classify wastes before putting into dustbins.
- Regular inspection of waste classification.
- Wastes are regularly collected and transferred to waste treatment areas as required by laws.
- Contracts with waste collection units are annually reviewed for re-signing.

Control of dust, emissions and microclimate conditions

Remedies

In order to minimize pollution caused by dust, emissions and microclimate conditions, the Company has applied measures as follows:

Dust arising from production process

- Dust arising from production process is minimized by concentration of stages causing dust into a certain area. Areas causing dust are covered to minimise dust spreading to the surrounding areas.
- Automatic dust collection equipment is installed at powder mixing areas.
- Dust is regularly collected.
- Investment and installation of a closed material supply system for processing stages from raw material input to mixed powder in order to minimize dust spreading to the surrounding areas.

- In addition, in all production stages of the Company, employees working at dusty areas are provided with dust protection masks in order to minimize adverse effects to health.
- Inspection is regularly conducted by staffs responsible for labour safety in order to ensure labour safety and timely apply appropriate remedies.

Emissions from production process

- At areas where emissions are discharged such as during production of pipe glues, the air system is constantly circulated by the exhaust fan ventilation system.
- In addition, BMP also provides workers working in these areas with protection masks.

Emissions from the electric generator system

- The electric generator system is located in close sound-proof and dust-proof rooms. Emissions are discharged through 16m-height chimney without affecting the surrounding areas.
- The generator system only works when the power system is out of power. According to statistics from the Energy Audit, electricity from generators in 2015 only accounted for 0.14% of total electricity consumption. Therefore, emissions from electric generators are insignificant.

Dust and emissions from means of transport

- As means of transport for carrying materials, products and for travelling of people in the Company are mostly forklifts, motorbikes, minivans using petrol, dust and emissions are very low and thus are insignificant.
- In addition, as internal pathways in the Company are concreted and regularly cleaned, dust generation is minimized without affecting the surrounding areas.

Ventilation and temperature

The Company has applied a number of measures to minimize effects of microclimate conditions to health of workers, creating more favourable conditions for them to work.

ENVIRONMENTAL AND SOCIAL IMPACT REPORTS (CONTINUED)

The exact solution are as follows:

- Construction and re-arrangement of workshops, using heatproof materials, ensuring necessary temperature and ventilation.
- Installation of ventilation equipment on roofs as well as industrial fans and ventilation fans in order to improve ventilation, reducing temperature and humidity in the workshops.
- Provision of heatproof equipment for employees in order to minimised adverse effects.
- Application of noise proof measures such as installation of noise proof partition, bears to reduce vibration of machines.
- Equipment and machines are regularly maintained, ensuring good working conditions in order to reduce noise caused by old machines.
- Employees are provided with noise proof equipment (earplug, hat, protective clothing, etc.)
- Use of labour safety equipment is strictly monitored and inspected.
- Production stages causing high-intensity noises are automated as much as possible in order to reduce duration and number of employees exposing to this working environment.

Vibration and noise

- In order to ensure a safe working environment, the Company has applied measures to minimize noise spreading to the surrounding areas as follows:
- Noisy production areas are isolated.

Means and results of environmental sampling

The measurement of dust, air emissions and microclimate conditions is performed annually.

Information sheet on environmental monitoring equipment

NO.	EQUIPMENT	MODEL	ORIGIN	CALIBRATION DATE	CALIBRATION FREQUENCY
1	GPS tracker	GARMIN ETREX 20	Taiwan	-	-
2	Dust meter	HAZDUST EPAM5000	USA	30/12/2017	once per year
3	Exhaust gauge	TESTO350	Germany	28/02/2018	once per year
4	Dust and air sampler	ISO KINETIC C-5000	USA	28/02/2018	once per year
5	Thermometer and humidity gauge	TBQT-NA-14	Germany	09/08/2017	once per year
6	Frequency-Noise Meter	ACO TYOE6236	Japan	07/08/2017	once per year
7	Vacuum battery pumps	F&JECOOAIR	USA	07/08/2017	once per year

Results of sampling of dust, emissions and microclimate conditions comply with requirements of the Regulation 3733/2002/QĐ-BYT issued by the Ministry of Health as follows:

At BMP

Head office and Binh Minh Plastics SaiGon Plant:

Results of sampling of microclimate conditions and noise

PARAMETER	SAMPLING RESULTS AT THE COMPANY					LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QĐ3733/2002/QĐ-BYT
	2013	2014	2015	2016	2017	
Noise intensity (dBA)	76	76	76	76	75	≤ 85
Temperature (°C)	30.5	30	28.8	30.2	30.4	≤ 32
Humidity (%)	68.4	79.4	72.8	70.3	66	≤ 80

Analysis results of the inside and surrounding areas

PARAMETER	SAMPLING RESULTS AT THE COMPANY					LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QĐ3733/2002/QĐ-BYT
	2013	2014	2015	2016	2017	
Dust (mg/m ³)	0.41	0.46	0.48	0.49	0.32	6
CO (mg/m ³)	4.35	6.91	5.22	5.82	3.0	18

(Source: Results of environmental measurement of Centre for Occupational safety and Environmental Technology).

Binh Minh Plastics Binh Duong Plant:

Results of sampling of microclimate conditions and noise

PARAMETER	SAMPLING RESULTS AT THE COMPANY					LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QĐ3733/2002/QĐ-BYT
	2013	2014	2015	2016	2017	
Noise intensity (dBA)	81	76	84	74	72	≤ 85
Temperature (°C)	30.2	30.2	31.8	31.8	28.8	≤ 32
Humidity (%)	-	80	69.9	78.1	66	≤ 80

Analysis results of the inside and surrounding areas

PARAMETER	SAMPLING RESULTS AT THE COMPANY					LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QĐ3733/2002/QĐ-BYT
	2013	2014	2015	2016	2017	
Dust (mg/m ³)	0.42	0.47	0.41	0.52	1.28	6
CO (mg/m ³)	5.16	3.28	4.05	5.98	1.45	18

(Source: Results of environmental measurement of Centre for Occupational safety and Environmental Technology).

ENVIRONMENTAL
AND SOCIAL IMPACT REPORTS (CONTINUED)

Binh Minh Plastics Long An Plant:

Results of sampling of microclimate conditions and noise

PARAMETER	SAMPLING RESULTS AT THE COMPANY					LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QD3733/2002/QĐ-BYT
	2013	2014	2015	2016	2017	
Noise intensity (dBA)	-	-	-	76	73	≤ 85
Temperature (°C)	-	-	-	31.8	30.8	≤ 32
Humidity (%)	-	-	-	63.1	63	≤ 80

Analysis results of the inside and surrounding areas

PARAMETER	SAMPLING RESULTS AT THE COMPANY					LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QD3733/2002/QĐ-BYT
	2013	2014	2015	2016	2017	
Dust (mg/m³)	-	-	-	0.19	0.59	6
CO (mg/m³)	-	-	-	5.42	6.58	18

(Source: Results of environmental measurement of Centre for Occupational safety and Environmental Technology).

At NBM:

Results of sampling of microclimate conditions and noise

PARAMETER	SAMPLING RESULTS AT THE COMPANY					LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QD3733/2002/QĐ-BYT
	2013	2014	2015	2016	2017	
Noise intensity (dBA)	80.4	80.4	79.0	79.2	82.1	≤ 85
Temperature (°C)	20.9	16.6	25.8	25.6	20.6	≤ 32
Humidity (%)	40.3	56.5	82.6	79.7	40.4	≤ 80

Analysis results of the inside and surrounding areas

PARAMETER	SAMPLING RESULTS AT THE COMPANY					LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QD3733/2002/QĐ-BYT
	2013	2014	2015	2016	2017	
Dust (mg/m³)	0.381	0.356	0.347	0.894	1.346	6
CO (mg/m³)	0.440	0.633	0.641	0.486	1.160	20

(Source: Results of environmental measurement of Centre for Occupational safety and Environmental Technology).



PRODUCT RESPONSIBILITY

“Product quality is a leading issue of concern by BMP.
This is the principle for growth of BMP brand over
the past 40 years.”

INTELLECTUAL PROPERTY AND BRAND INVESTMENT, DEVELOPMENT OF NEW EXCLUSIVE PRODUCTS

Intellectual property and brand investment

The Company has executed and maintained the validity of brand registration certificates domestically.

At the same time, the Company has executed trademark and brand protection in accordance with local regulations and the Madrid Agreement (VPQT) in Laos and other countries.

Research for product improvement and development

In 2017, the Company has launched new product lines, including the heavy metal-free, safe-for-health, environmentally-friendly PVC-U pipes and PP-R pipe fittings.

In addition, in 2017 the Company has also registered 28 initiatives, of which 14 were acknowledged for new product developments and 3 for streamlined production process with total royalties of VND53 million.

A number of initiatives for production process improvement have been reviewed and acknowledged by the Company's management. These innovative initiatives have contributed to increasing productivity, creating a comfortable, professional working environment, and streamlining day-to-day operations at the Company.

Total value of benefit in 2017: 27.1 VND billion.

PRODUCT INFORMATION

Labels, packages, and texts printed on products of BMP have strictly complied with the laws and provided full information to customers. Information includes:

- Information on the Company (logo, trademark, production address, etc.)
- Product name
- Material for production
- Technical specifications of products
- Usage and warnings

The information not only aims at providing information to customers but also forms bases for BMP to control quality through product tracking system when dealing with complaints by customers.

COMMITMENT TO PRODUCT QUALITY:

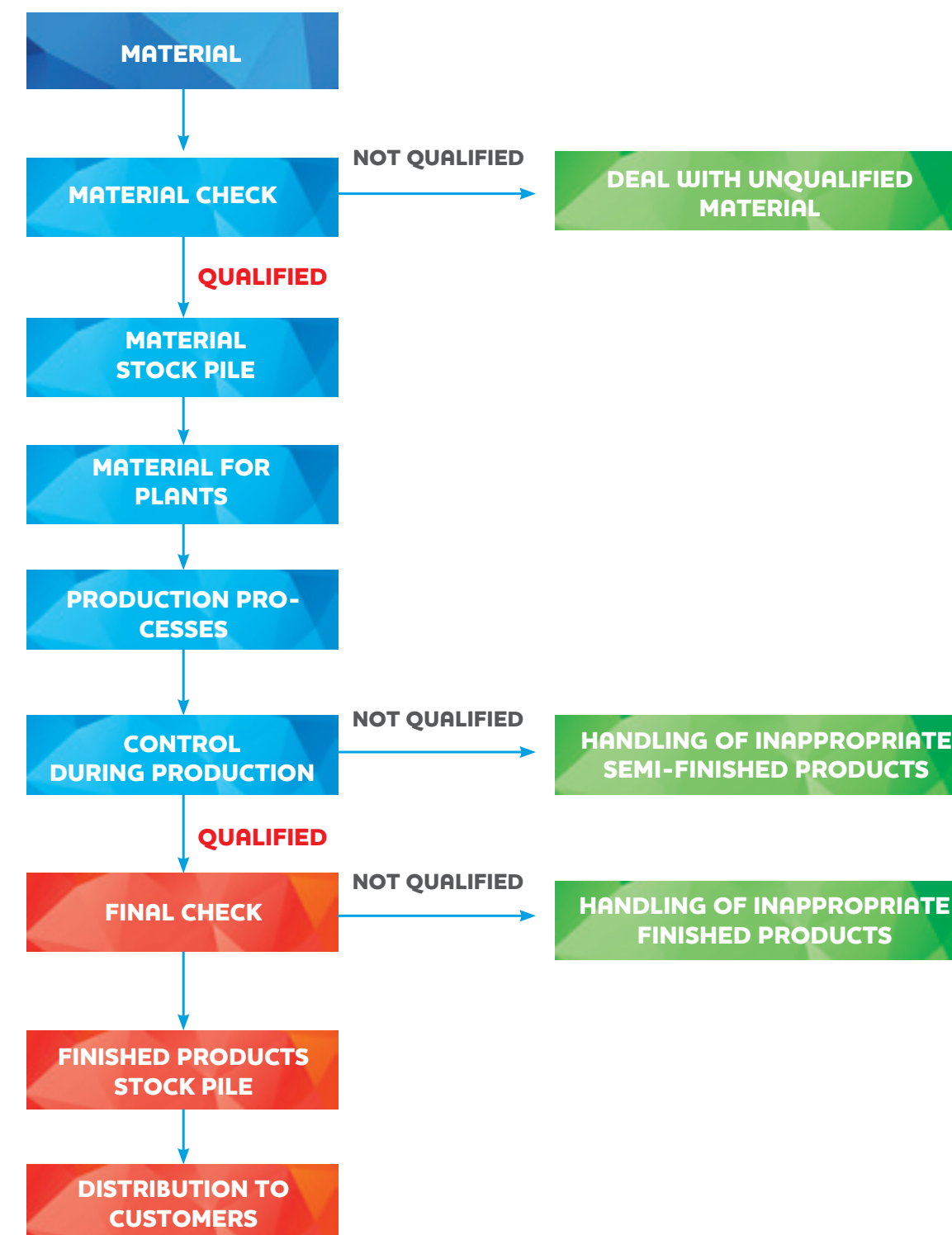
By 2017, the Company's quality and environmental management system has been strengthened and certified to ISO 9001:2015 and ISO 14001:2015.

At the same time, the National Quality Award Council of 2017 assessed and honored Binh Minh Plastics Joint Stock Company with the National Quality Award 2017.

For many consecutive years, BMP products have always been monitored, evaluated and certified by Quality Assurance and Testing Center No.3 in accordance with the following standards:

1. ISO 1452:2009/TCVN 8491:2011 for uPVC pipes and fittings.
2. ISO 4427:2007/TCVN 7305:2008 for HDPE pipes and fittings.
3. ISO 15874:2013/TCVN 10097:2013 for PP-R pipes and fittings.
4. DIN 8077:2007/DIN 8078:2007 for PP-R pipes.
5. ISO 4437:2007 for HDPE gas pipelines.
6. QCVN 16:2017/BXD for uPVC pipes, PE pipes and PP-R pipes

PRODUCT QUALITY CONTROL PROCESS



PRODUCT RESPONSIBILITY (CONTINUED)

PROCESS ILLUSTRATION

Input materials

- Materials for production of pipes and fittings of BMP are provided by reputable domestic and international suppliers such as Borouge, Sabic, TPC Vina, Sun Ace...
- Input materials of BMP are first certified for chemical and physical properties and then tested for one more time at laboratories of BMP before being put into material stock pile.
- Unqualified materials under BMP's quality standards are isolated and returned to suppliers.

Products during production process

- Following production announcement, materials are transferred from warehouses to plants for production.
- At plants, quality of all parts of products is checked at each state of production by workers and technical staffs.
- Only products meeting all requirements are marked products for final check.
- Unqualified products are settled as instructed.

Output products

- Product quality is strictly checked for one more time by quality control staffs of the Quality Control Department. Quality control staffs are independent from plants to ensure objective and accurate check of product quality as required before distribution to customers.
- Mechanical, physical, and chemical properties of materials and products are tested at laboratories using modern equipment made in Europe, USA, Japan, etc. such as Dynisco melt flow indexer (USA), IPT pressure tester (Germany), Shimadzu pulling force and pressing force testing machine (Japan),...
- In addition, products of BMP are also independently tested at national testing centres such as the Quality assurance and Testing Centre No. 3 in terms of mechanical and physical properties, health and safety for users.

With this quality control process, BMP wants to provide customers with our best quality products.



PRODUCT RESPONSIBILITY (CONTINUED)

DEALING WITH FEEDBACKS AND COMPLAINTS OF CUSTOMERS

Feedbacks and complaints of customers are considered signs of interest in products of BMP, providing valuable inputs for further improvement.

Therefore, BMP has set up and maintained direct communication channels at agents or via email or telephone to receive feedbacks from customers, especially issues relating to product quality. Complaints of customers are constructively received and dealt with by BMP, aiming to improve customers' satisfaction and the Company's business.



PROCESS OF DEALING WITH CUSTOMER COMPLAINTS



PRODUCT RESPONSIBILITY CRITERIA

No.	CRITERIA	LEVEL
1	Proportion of products without unhealthy chemicals/ Total of products	100%
2	Our plants have certificates of ISO 9001:2008 and ISO 14001:2004	100%
3	Number of violations of trademark and product information disclosure	0
4	Number of product recalls due to quality violations	0
5	Total of non-compliance cases relating to regulations and standards on health, product safety, life-cycle service	0
6	Total of non-compliance cases relating to voluntary regulations and rules on product and service information and acknowledgment	0
7	Sales of prohibited and disputed products	0
8	Total of non-compliance cases relating to voluntary regulations and rules on marketing and communication	0
9	Total complaints with evidences on violations of rights to privacy of customers and customer data loss.	0
10	Monetary value of considerable fines for non-compliance with the laws and provisions on provision and use of products and services.	0

SOCIAL COMMUNITY ACTIVITIES

SOCIAL ACTIVITIES: RESPONSIBILITY TO COMMUNITIES



The Company has closely cooperated with the Trade Union and Youth Union to organize and participate in many community-oriented social programs. These activities resolved community issues and brought about sympathy for the Company, but more importantly, through these activities, the Company’s employees themselves could form humanitarian values and feel proud to work for BMP.

In 2017, the Company invested more than VND2 billion for community-oriented activities. Compared to 2016, this figure has increased by more than 2.7%. These social activities can be classified into four main categories as follows:

- **Activities of sharing difficulties with the community.**
- **Activities of caring for the young generation.**
- **Activities of gratitude.**
- **Other activities for an equitable and civilized society.**



“ In 2017, the Company invested more than VND 2 billion for community-oriented activities. Compared to 2016, this figure has increased by more than 2.7%. ”

DETAILED VALUES OF COMMUNITY ACTIVITIES IN 2017:

CONTRIBUTION ASPECTS - CONTENTS	Execution value (mil-lion VND)
I. Sharing difficulties with the community:	350
• Assisted people in the Northern mountainous areas affected by natural disasters and floods (via the Labor Newspaper and the Fatherland Front Committee of Ward 9, District 6, Ho Chi Minh City)	160
• Assisted people in the Central region affected by natural disasters and floods (via the Labor Newspaper)	100
• Assisted 6 families of workers affected by natural disasters, accidents, diseases, etc	30
• Assisted in the construction and repair of 2 charity houses for 2 poor families in District 6	80
• Contributed to the Fund for the Poor of the Vietnamese Fatherland Front Committee of Ho Chi Minh City	50
• Contributed to the Social Work Fund of the Industry and Trade’s Trade Union	40
• Gave Tet gifts to the Executive Board of Quarter 1 and poor people in Ward 9, District 6	10
II. Caring for the young generation:	1,355
• Pay alimony for 2017 to a child of a deceased worker who died of sickness.	8
• Sponsored 12 excellent students to join the 2017 Thanh Da Summer Camp	15
• Launched the Nguyen Duc Canh scholarship program for students with good academic achievements.	220
• Awarded 10 scholarships for poor, excellent students at the proposal of the Delegation of the Central Enterprise and Industry Sector of Ho Chi Minh City	10
• Sponsored Vu A Dinh Scholarship Fund	500
• Sponsored Highland Poor Students Fund	500
• Gifted notebooks to Long Son Primary School in Can Duoc, Long An	12
• Sponsored Sports, Exercises, Arts and Entertainment Activities for Young Workers	176
• Held Full Moon Festival for Children	40
• Gave Tet gifts to Young Workers in the City	25
• Supported Employment Day	5
• Supported the Pink Holiday campaign of the Youth Union of Ho Chi Minh City	25
• Supported the Disabled Children Association of Ho Chi Minh City	20
• Supported the Disabled Youth Association of Ho Chi Minh City	20
III. Paying gratitude:	290
• Annually supported 3 Vietnamese Heroic Mother – Mother of Martyrs	29
• Contributed to the Fund for the Homeland Sea Island - for the Country’s front line	185
• Gifted and contributed to the Social Work Fund at Lung Cu Frontier Post, Ha Giang	15
• Gave Tet gifts to the DK1 Floating Houses Soldiers under the Entrepreneur Fund for community	65
• Gave Tet gifts to compatriots and soldiers from Dak Nong border area	40
• Gave Tet gifts to the Police, Fire Prevention, Security, Civil Defense forces, etc. in District 6	30
IV. Other Social Activities:	20
• Sponsored “For a beautiful Vietnam” program	20

SOCIAL COMMUNITY ACTIVITIES (CONTINUED)



Chart of the cost of social activities

No	SOCIAL ACTIVITIES	VALUE (VND MILLION)	PER-CENT-AGE (%)
1	Support to people with special circumstances in the community	350	17.4
2	Support to the youth	1,355	67.2
3	Gratitude activities	290	14.4
4	Other activities	20	1,0
Total		2,015	100

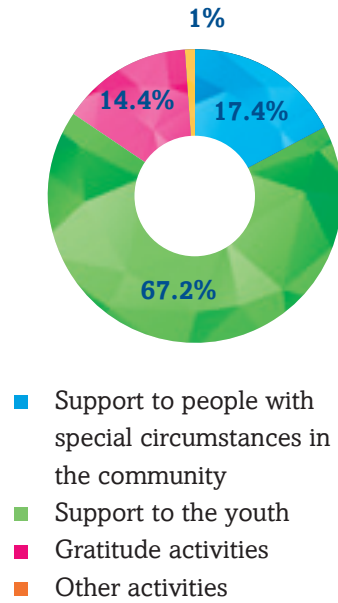
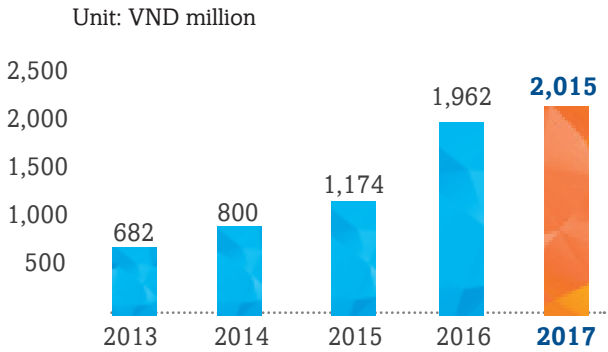


Chart of the cost of social activities in 5 years

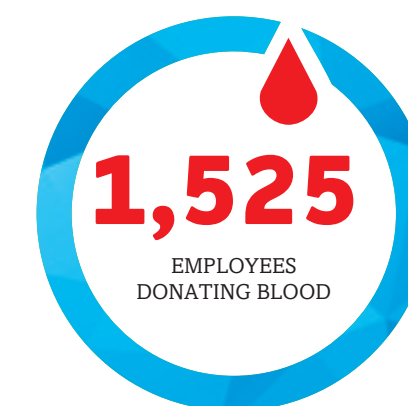
YEAR	VALUE (VND MILLION)
2013	682
2014	800
2015	1,174
2016	1,962
2017	2,015



SOCIAL COMMUNITY ACTIVITIES (CONTINUED)



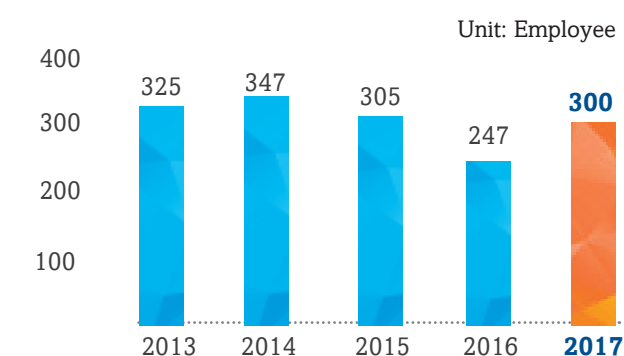
Apart from the community activities that can be valued above, the Company also conducted many activities to contribute to the local area where the Company's member units locate such as sports and arts exchanges; cooperating to maintain security, order, hygiene and safety in the area; participating in commemoration events and visiting people under policies. Specifically, the Blood Donation movement has been maintained as a good tradition of the Company during the past 14 years. In 2017, the Company has encouraged and organized 300 employees' participation in blood donation. In the past 5 years, BMP has encouraged and organized 1,524 employees' participation in blood donation.



“The Company's employees themselves have been forming humanitarian values and feeling proud to be a member of BMP.”

Chart of number of employees donating blood in 5 years

YEAR	NUMBER OF EMPLOYEES DONATING BLOOD
2013	325
2014	347
2015	305
2016	247
2017	300
Total	1,524



GRI4

GRI REFERENCE ITEM	GRI INDEX	REPORTING CONTENTS	PAGE
GENERAL STANDARD			
STRATEGY AND ANALYSIS			
G4-1	Declarations of the highest leader of the organization, the chairman or a senior officer on relevance of sustainable development to the organization and sustainable development strategy of the organization.	Message from Chairman of the Board of Directors.	12-13
		Sustainable development message.	124
G4-2	Risks and risk management.	Orientation on international integration and competition.	56-61
		SWOT analysis.	62-63
		Plastic production and sales market.	66-67
		Production and business activities in 2016.	68-76
		Plans and orientations of the Board of Directors in 2017.	98-99
		Risks and risk management.	118-121
COMPANY PROFILE			
G4-3	Company name.	General information.	16
G4-4	Main brands, products and services.	Business lines.	22
		Product portfolio.	26-29
G4-5	Head office.	General information.	16
G4-6	Number of countries where the Company is doing business, names of countries or areas where key business activities are implemented or areas relating to sustainable development mentioned in the report.	Operation areas.	24
		Product distribution network.	24-25
G4-7	Ownership type and legal status.	General information.	16
		40 years of establishment and development.	18-21
		Management model of the Company.	36
G4-8	Business market (by geographic area, market segment, customer type).	Product distribution network.	24-25
G4-9	Company scale.	Plants.	25
		Subsidiary companies and associated companies.	38-39
G4-10	Human resource reporting.	Overview on human resource.	78-81
G4-11	Percentage of employees included in Collective Labour Agreements.	Employment relation.	78
G4-12	Description of supply chain of the organization.	Distribution network.	24
		Input material.	156
G4-13	Any substantial change in the reporting period relating to the scale, organizational structure, ownership or supply chain.	Expansion of Binh Minh Long An Plant.	31
		Investment and implementation of projects.	82

COMMITMENTS TO EXTERNAL INITIATIVES

G4-14	Reporting on whether the organization applies preventive measures or principles or not.	Environmental and social impact reporting.	156-167
G4-15	List of economic, environmental, social provisions and principles developed externally or other initiatives supported by the organization.	Environmental Management System in compliance with ISO 9001:2008.	131-132
		Environmental Management System in compliance with ISO14001:2004.	133-134
G4-16	List of memberships of national and international associations and organizations held by the organization.	BMP is member of Hochiminh city Business Association, Young Business Association, VietnamWater Supply and Sewerage Association, Vietnam Plastic Association.	142

IDENTIFICATION OF CRITICAL LIMITS

G4-17	List of units included in consolidated financial statements of the organization or equivalent documents.	Subsidiary companies.	38-39
		Reporting on business activities of subsidiary companies.	88
	Reporting on any unit included in consolidated financial statements of the organization or equivalent documents but not mentioned in the reports.	Scope of sustainable development reporting.	128
G4-18	Explanation of process of identifying report contents and limits.	Overview of the sustainable development report.	128
	Explanation of how the organization implements reporting principles in identify report contents.		
G4-19	List of all critical areas mentioned in the process of identifying report contents.	Assessment of critical issues.	134-135
G4-20	For each critical area, reporting on area limits inside the organization.	Assessment of critical issues.	134-135
G4-21	For each critical area, reporting on area limits outside the organization.	Assessment of critical issues.	134-135
G4-23	Reporting on substantial changes on scale and area limits compared to the previous reporting periods.	Assessment of critical issues.	128

CONSULTATION WITH RELEVANT STAKEHOLDERS

G4-24	Provision of list of relevant groups invited by the organization.	Sustainable relations with relevant stakeholders.	136-144
G4-25	Reporting on bases for identification and selection of relevant stakeholders to be invited. Development of sustainable relations with relevant stakeholders.	Sustainable relations with relevant stakeholders.	136-144
G4-26	Reporting on approaches of the organization through consultations with relevant stakeholders.	Mechanism for receiving feedbacks of relevant stakeholders.	142-143
G4-27	Reporting on main topics and concerns identified through consultations with relevant stakeholders.	Assessment of critical issues.	134-135

REPORTING DOSSIER

G4-28	Reporting period.	Reporting period.	128
G4-29	Latest reporting date.	Overview of the sustainable development reporting.	128
G4-30	Reporting cycle.	Reporting period.	128
G4-31	Contact for inquiries/questions relating to the reports or report contents.	Contact for reporting.	128
G4-32	Reporting options of the business.	Overview of the sustainable development reporting.	128

GRI4

MANAGEMENT			
G4-34	Management structure of the organization.	Management model.	36-42
G4-35	Reporting on process of authorization of economic, environmental and social issues from the highest management body to senior managing directors and other staffs.	Chart of environmental management system in compliance with ISO 9001:2008.	131-132
		Chart of environmental management system in compliance with ISO 14001:2004.	133-134
G4-36	Reporting on whether the organization assigns managers or staffs responsible for economic, environmental, social issues or not and people holding those positions report directly to highest management agencies or not.	Chart of environmental management system in compliance with ISO 9001:2008..	131-132
		Chart of environmental management system in compliance with ISO 14001:2004.	133-134
G4-37	Reporting on process of consultation with relevant stakeholders and highest management agencies on economic, social, environmental issues. If consultation is authorized, describe who is authorized and any process of responding to highest management agencies.	Management structure.	36-42
		Mechanism for receiving feedbacks of relevant stakeholders.	142-143
G4-38	Reporting on composition of the highest management agency and committees under this agency.	Introduction of the Board of Directors, the General Director Board, and the Control Board.	44-45
G4-39	Reporting whether the Chairman of the highest management agency is also the Chair of the Management Board or not	Chairman of the Board of Directors does not involve in management	44
G4-43	Reporting on measures for development and improvement of comprehensive knowledge of the highest management agency on economic, environmental and social issues.	Risk management..	119-121
G4-45	Reporting on the role of the highest management agency in identifying and managing economic, environmental and social impacts, risks, and opportunities.	Risk management.	119-121
G4-47	Report the frequency of reviewing the economic, environmental and social impacts and risks by the highest levels of management agencies.	Meetings of the Board of Directors.	109
G4-48	Reporting on frequency of reviewing economic, environmental and social impacts, risks, and opportunities of the highest management agency.	Sustainable development message.	124
G4-51	Reporting on the committee or the highest person in reviewing and approving sustainable development reports of the organization and ensuring that all critical issues are mentioned in the reports.	Salaries, bonuses, remunerations and other benefits of the Board of Directors, the Control Board and the General Director Board.	114
ETHICS AND INTEGRITY			
G4-56	Description of values, principles, standards and behaviour norms of the organization such as the code of conduct and the code of ethics.	Vision, mission, core value.	10-11
		BMP culture.	146-147
G4-57	Reporting on internal and external mechanisms for consultation on ethics and legal compliance, issues relating to integrity such as help desk/ hot line.	Vision, mission, core value.	10-11
		BMP culture.	146-147
		Sustainable relations with relevant stakeholders.	138-144
		Mechanism for receiving feedbacks of relevant stakeholders.	142-143

CATEGORY: ECONOMY			
ECONOMIC EFFICIENCY			
G4-DMA	General management approach.	Mission.	10
		Development orientation.	56
		Development orientation in 2017 – 2018.	87
EC1	Directly created and distributed economic value.	2016 business results.	68-69
		Sustainable development message.	124
		Reporting on community activities and social contributions.	174-179
EC3	Scope of responsibilities of the organization in terms of performing obligations in the identified welfare plan of the organization.	Reporting on community activities and social contributions.	174-179
CATEGORY: ENVIRONMENT			
MATERIAL			
G4-DMA	General management approach.	Material resource management.	156
ENERGY			
G4-DMA	General management approach.	Sustainable development message.	124
EN3	Energy consumption in the organization.	Energy saving solutions.	156-158
EN5	Energy intensity.	Report on energy consumption.	156-158
EN6	Reduction of energy consumption.	Report on energy consumption.	156-158
EN7	Reduction of energy consumption of products and services.	Report on energy consumption.	156-158
		Energy saving solutions.	156-158
WATER			
G4-DMA	General management approach.	Water saving solutions.	158
EN8	Total water exploited by source.	Reporting on water consumption.	158-159
EN10	Percentage and total volume of recycled and re-used water.	Reporting on water consumption.	158-159
EMISSION			
G4-DMA	General management approach.	Control of dust, emissions, and microclimate conditions.	162-167
WASTE WATER AND SOLID WASTE			
G4-DMA	General management approach.	Control of waste water and solid waste.	160-167
EN22	Total of waste water by quality and venue of discharge.	Reporting on waste water treatment.	160-161
EN23	Solid waste treatment method.	Control of solid waste.	163
INFORMATION, PRODUCT LABEL AND SERVICE			
G4-DMA	General management approach.	Provision of product information.	169
COMPLIANCE			
G4-DMA	General management approach.	Implementation of environmental management activities in compliance with ISO 14001:2004.	132-133
TRANSPORTATION			
G4-DMA	General management approach.	Methods of controlling dust and emissions discharged from means of transport.	163

GRI4

ENVIRONMENTAL IMPACT ASSESSMENT OF SUPPLIERS			
G4-DMA	General management approach.	Material suppliers of BMP comply with quality control under ISO 9001:2008 and environmental management under ISO 14001:2004.	170
CATEGORY: SOCIETY			
TREATMENT TO EMPLOYEES AND SUSTAINABLE EMPLOYMENT			
EMPLOYMENT			
G4-DMA	General management approach.	Reforms of organizational structure, policies, management.	148-155
LA1	Total number and percentage of newly recruited employees and labour rotation by age, gender and area.	Overview on human resource.	78
LA2	Benefits provided to full-time employees not applicable to part-time or temporary employees by venue and critical activities.	Reporting on average income of employees.	81
		Reforms of human resource policies.	148-155
MANAGEMENT/LABOUR RELATION			
G4-DMA	General management approach.	Sustainable relation with employees.	141-142
		Employment relation.	148-149
LA4	Whether changes in business activities are specified in collective agreements or not.	Labour Agreement.	148-149
LABOUR SAFETY AND HEALTH			
G4-DMA	General management approach.	Labour safety and health.	149-150
		Labour safety and health.	149-150
LA8	Topics on labour safety and health are mentioned in official agreements with the Labour Union.	Measures to prevent dust, emissions and microclimate conditions to improve health of employees.	163-166
EDUCATION AND TRAINING			
G4-DMA	General management approach.	Training and education policies.	155
LA9	Number of average annual training hours of each employee by gender and employee portfolio.	Training and education policies.	155
LA10	Programmes on skill management and long-term training to improve working capacity of employees.	Training and education policies.	155
DIVERSITY AND EQUALITY			
G4-DMA	General management approach.	Sustainable relation with employees.	141-142
		Employment relation.	148-149
LA12	Composition of management agencies and detailed list of employees in each employee portfolio by gender, age, ethnic minority and other diversity indexes.	Organizational structure.	78-81

HUMAN RIGHTS			
INVESTMENT			
G4-DMA	General management approach.	Reforms of human resource policies.	152-155
NON DISCRIMINATION			
G4-DMA	General management approach.	Sustainable relation with employees.	141-142
		Employment relation.	148-149
FREEDOM OF ASSOCIATION AND LABOUR AGREEMENT			
G4-DMA	General management approach.	Employment relation.	148-149
CHILD LABOUR			
G4-DMA	General management approach.	Undertaking not to use child labour in any form.	148-149
FORCED OR CONSTRAINED LABOUR			
G4-DMA	General management approach.	Undertaking not to use forced labour in any form.	148-149
SOCIETY			
LOCAL COMMUNITY			
G4-DMA	General management approach.	Community and social activities.	174-179
SO1	Percentage of activities implemented with the local community, impact assessment and development programmes.	Community and social activities.	174-179
ANTI-COMPETITIVE PRACTICE			
G4-DMA	General management approach.	Vision.	10
		Orientation on international integration and competition.	56-61
PRODUCT RESPONSIBILITY			
CUSTOMERS' SAFETY AND HEALTH			
PR2	Total of violations of regulations and standards (voluntary) relating to impacts on health and safety of products and services in the life cycle, classification by result type.	Product responsibility indexes.	173
INFORMATION ON PRODUCT LABEL AND SERVICE			
G4-DMA	General management approach.	Provision of product information.	172
PR4	Total of violations of voluntary regulations and standards relating to product information and services, labelling, classification of result type.	Product responsibility indexes.	173
MARKETING COMMUNICATION			
G4-DMA	General management approach.	Sustainable relation with the mass media.	142-143
PR7	Total of violations of voluntary laws and regulations on marketing communication including advertisement, promotion and sponsorship by result type.	Product responsibility indexes.	173
CUSTOMERS' PRIVACY			
PR8	Total complaints with evidences on violations of customers' privacy and loss of customer data.	Product responsibility indexes.	173
COMPLIANCE			
G4-DMA	General management approach.	Product responsibility.	172-173
PR9	Cash value of substantial fines for non-compliance with the laws and regulations on supply and use of products and services.	Product responsibility indexes.	173

QUALITY OF INFORMATION

BMP ensures timely, adequate and transparent information disclosure. The Company regularly organizes public meetings and conferences to present to shareholders and investors a comprehensive view of the Company's current affairs and long-term development strategies.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Binh Minh Plastics Joint Stock Company (the “Company”) represents this report together with the consolidated financial statements of the company for the year ended 31st December 2017.

General

Binh Minh Plastics Joint Stock Company was established under Decision No. 209/2003/QĐ-BCN dated on December 4th, 2003 by the Ministry of Industry, transforming State enterprises into a joint stock company.

The Company’s business license – No. 4103002023 – was issued on January 2nd, 2004. The sixth amendment on the business license – No. 0301464823 – was issued by the Planning and Investment Department of Ho Chi Minh City dated August 22nd, 2017.

The Company’s key business activities are in the manufacturing and trading of civil and industrial, products made of plastic and rubber; designing, manufacturing, trading plastic moulds for the casting industry; producing and trading machinery, materials, sanitation for the construction industry; interior decoration; consultancy and execution of water drainage, yards, and warehouses; appraisal, analysis and testing for the chemical industry; trading in import and export materials, chemicals, machinery for the plastic industry, mechanical industry and construction industry; water supply and drainage; and laboratory equipment; transportation of goods by road; advertising.

The Company’s head office is located at 240 Hau Giang, Ward 9, District 6, Ho Chi Minh City.

Events since the Balance sheet date

On 5 February 2018, the State Capital Investment Corporation issued Decision No 25 / QĐ-DTKDV on the sale of shares of the State Capital Investment Corporation in the joint stock company Binh Minh Plastics.

According to the Notice No. 289 / TB-SGDHCM dated 09/03/2018 of the Ho Chi Minh City Stock Exchange, the total number of shares offered for sale sold 24.159.906 shares of which the number of shares of people foreign share is 24.139.923 shares

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

The member of the Board of Management, the Board of Directors and the Board of Supervisors during the period and as at the date of this report are:

The Board of Management:

Mr. Le Quang Doanh	Chairman	
Mr. Nguyen Hoang Ngan	Vice Chairman	
Ms. Nguyen Thi Kim Yen	Member	
Mr. Suchai Asathavornvanit	Member	To 06/06/2017
Mr. Apichai Chareonsuk	Member	From 06/06/2017
Ms. Dang Thi Thu Ha	Member	

The Board of Directors::

Mr. Nguyen Hoang Ngan	General Director
Mr. Nguyen Thanh Quan	Vice - General Director
Mr. Nguyen Thanh Hai	Vice - General Director

The Board of Supervisors:

Ms. Nguyen Thi Phuong Nga	Chief of the Board
Ms. Nguyen Luu Thuy Minh	Member
Ms. Nguyen Thi Tham	Member

Auditor

Nam Viet Auditing and Accounting Financial Consulting Services Company Limited (AASCN) has audited the consolidated financial statements.

Statement of the Board of Directors’ responsibility in respect of the consolidated financial statements

The Board of Directors is responsible for the consolidated financial statements of each financial year which give a true and fair view of the state of affairs of the Company, consolidated income statement and consolidated cash flows for the year. In preparing those consolidated financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent ;
- Prepare the financial statements on the basis of compliance with accounting standards and system and other related regulations ;
- Prepare the financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business
- Establish and implement an effective internal control system to minimize the risk of material misstatement, whether due to fraud or error, in the preparation or presentation of the consolidated financial statements.

The Board of Director is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the consolidated financial position of Company and to ensure that the accounting records comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors of the Company have approved the consolidated financial statements attached as Pages 06 to 39 and confirm that the consolidated financial statements for the fiscal year ended 31st December 2017 prepared by us, give a true and fair view of the financial position as at 31st December 2017, consolidated income statement and consolidated cash flows in the year 2017 of Company accordance with the Vietnamese Accounting System and comply with relevant statutory

Approval of the consolidated financial statements

We, the Board of Management of Binh Minh Plastics Joint Stock Company approved the consolidated financial statements for the year end 31st December 2017 of the Company set out on page 06 to page 39.

On behalf of the Board of Management



Le Quang Doanh
Chairman

Ho Chi Minh City, 26 March 2018

On behalf of the Board of Directors



Nguyen Hoang Ngan
General Director

INDEPENDENT AUDITOR'S REPORT

**To: Shareholders, The Board of Management and The Board of Directors
Binh Minh Plastics Joint Stock Company**

We have audited the accompanying consolidated financial statements of Binh Minh Plastics Joint Stock Company and its subsidiary prepared on 26 March 2018, as set out on pages from 192 to 226, which comprises the consolidated balance sheet as at 31st December 2017, the consolidated income statement, consolidated cash flow statement and Notes to the consolidated financial statements for the year then ended.

Responsibilities of the Board of Directors

The company's Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese accounting standards and system, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basic for qualified opinion

As noted in item V.5 page 209, the General Tax Department issued decision No. 889/QĐ-TCT dated June 23rd, 2014 and the Tax Department in Ho Chi Minh City issued decision No. 3317/QĐ-CT-XP dated July 3rd, 2014 and Decision No. 6060 / QĐ-CTTTP of the Tax Department of Ho Chi Minh City on retrieving the income tax in 2009 and 2010 in the amount of 49.124.197.087 VND. The company has paid and accounted for in other receivable accounts entry on the consolidated balance sheet at 01/01/2017 and 31/12/2017. If the Company handles the above, other short-term receivables and retained earnings at 01/01/2017 and 31/12/2017 on the consolidated balance sheet of the Company will decrease accordingly the response.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basic for qualified opinion paragraph, the consolidated financial statements give a true and fair view, in all material respects, the consolidated financial position of Binh Minh Plastics Joint Stock Company and its subsidiary as at 31st December 2017, and of their consolidated results of its operations and their consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for the enterprises and the relevant statutory requirements applicable to consolidated financial reporting.

Nam Viet Accounting and Auditing Financial Consulting Service Co., Ltd. (AASCN)

Director



Nguyen Minh Tien

Certificate Number of Registered Auditor:
0547-2018-152-1

Ho Chi Minh City, 26 March 2018

Auditor



Nguyen Hong Nga

Certificate Number of Registered Auditor:
1266-2018-152-1

CONSOLIDATED BALANCE SHEET

As at 31st December 2017

Unit: VND

Assets	Codes	Notes	31/12/2017	01/01/2017
A . CURRENT ASSETS	100		1,815,270,863,053	2,185,930,163,599
I. Cash and cash equivalents	110	V.1	445,325,555,042	404,984,303,020
1. Cash	111		445,325,555,042	374,984,303,020
2. Cash equivalents	112		-	30,000,000,000
II. Short-term investments	120		450,000,000,000	490,000,000,000
1. Trading securities	121		-	-
2. Provision for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2	450,000,000,000	490,000,000,000
III. Short-term accounts receivable	130		509,512,656,705	810,289,964,598
1. Short-term trade receivables	131	V.3	348,405,029,399	462,713,114,907
2. Short-term advances to suppliers	132	V.4	93,480,282,783	170,182,392,794
3. Short-term internal receivables	133		-	-
4. Receivables based on agreed progress of construction contract	134		-	-
5. Receivables short-term lend	135		-	-
6. Other short-term receivables	136	V.5	134,018,851,393	218,899,760,019
7. Provisions for short-term doubtful debts	137	V.6	(66,881,685,952)	(41,686,006,490)
8. Shortage of assets awaiting for resolution	139	V.7	490,179,082	180,703,368
IV. Inventories	140	V.8	384,705,882,686	471,566,033,404
1. Inventories	141		384,705,882,686	471,566,033,404
2. Provision for devaluation of inventories	149		-	-
V. Other current assets	150		25,726,768,620	9,089,862,577
1. Short-term prepaid expenses	151	V.12	3,907,456,874	3,883,235,666
2. Value added tax deductibles	152		19,904,696,261	-
3. Taxes and other receivables from State budget	153	V.15	1,914,615,485	5,206,626,911
4. Government bond sell and buy transaction	154		-	-
5. Other current assets	155		-	-
B. LONG - TERM ASSETS	200		1,056,977,318,066	705,145,134,378
I. Long-term receivables	210		-	-
1. Long-term trade receivables	211		-	-
2. Long-term advances to suppliers	212		-	-
3. Business capital in dependent units	213		-	-
4. Long-term internal receivables	214		-	-
5. Receivables long-term lend	215		-	-
6. Other long-term receivables	216		-	-
7. Provisions for long-term doubtful debts	219		-	-

CONSOLIDATED BALANCE SHEET (continued)

As at 31st December 2017

Unit: VND

Assets	Codes	Notes	31/12/2017	01/01/2017
II. Fixed assets	220		934,706,927,841	593,845,512,224
1. Tangible fixed assets	221	V.09	677,513,071,107	341,426,990,122
- Cost	222		1,474,192,790,354	1,047,248,364,219
- Accumulated depreciation	223		(796,679,719,247)	(705,821,374,097)
2. Financial leasing fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	257,193,856,734	252,418,522,102
- Cost	228		286,549,368,746	276,075,787,746
- Accumulated depreciation	229		(29,355,512,012)	(23,657,265,644)
III. Investment properties	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in progress	240		10,285,864,322	34,015,745,834
1. Long-term work in progress	241		-	-
2. Long-term construction in progress	242	V.11	10,285,864,322	34,015,745,834
V. Long-term financial investments	250	V.2	67,018,922,495	66,565,759,231
1. Investments in joint-ventures, associates	252		64,824,972,095	64,371,808,831
2. Equity investments in other entities	253		4,193,950,400	4,193,950,400
3. Provision for devaluation of long-term investments	254		(2,000,000,000)	(2,000,000,000)
4. Held-to-maturity investments	255		-	-
VI. Other long-term assets	260		44,965,603,408	10,718,117,089
1. Long-term prepaid expenses	261	V.12	-	-
2. Deferred income tax assets	262	V.18	27,350,170,997	683,454,877
3. Equipment and spare parts	263		17,615,432,411	10,034,662,212
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		2,872,248,181,119	2,891,075,297,977

CONSOLIDATED BALANCE SHEET (continued)

As at 31st December 2017

Unit: VND

Resource	Codes	Notes	31/12/2017	01/01/2017
C. LIABILITIES	300		423,168,399,861	593,701,687,314
I. Current liabilities	310		423,168,399,861	593,533,958,214
1. Short-term supplier payables	311	V.14	170,886,882,020	129,476,100,215
2. Short-term advance from customers	312	V.15	63,406,706,003	7,786,023,112
3. Taxes and other payables to the State Budget	313	V.16	19,982,898,964	49,797,789,009
4. Payables to employees	314		57,623,329,068	45,512,115,448
5. Short-term accrued expenses	315	V.17	16,531,617,930	152,716,832,474
6. Short-term internal payables	316		-	-
7. Payables based on agreed progress of construction contract	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.18	3,709,450,534	93,989,310,013
10. Short-term Loans and Finance leases liabilities	320	V.13	61,312,187,000	105,992,187,000
11. Short-term Provision for payables	321		-	-
12. Bonus and welfare fund	322		29,715,328,342	8,263,600,943
13. Price stabilization fund	323		-	-
14. Government bonds sell and buy back transaction	324		-	-
II. Long-term liabilities	330		-	167,729,100
1. Long-term supplier payables	331		-	-
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Internal payables relating to trading capital	334		-	-
5. Long-term internal payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337	V.18	-	167,729,100
8. Long-term loans and finance leases liabilities	338		-	-
9. Exchange-traded bond	339		-	-
10. Preferred stocks	340		-	-
11. Deferred income tax payable	341		-	-
12. Long-term provision for payables	342		-	-
13. Science and technology development fund	343		-	-
D. EQUITY	400		2,449,079,781,258	2,297,373,610,663
I. Owner's Equity	410	V.20	2,449,079,781,258	2,297,373,610,663
1. Owner contributions	411		818,609,380,000	454,784,800,000
- Ordinary stocks	411a		818,609,380,000	454,784,800,000
- Preferred stocks	411b		-	-
2. Other capitals	412		1,592,782,700	1,592,782,700
3. Convertible bonds option	413		-	-
4. Other equity's resources	414		-	-
5. Treasury stocks	415		-	-
6. Differentials from revaluation of assets	416		-	-
7. Differentials from exchange rates	417		-	-
8. Investment and development fund	418		1,238,008,806,063	1,255,583,270,948

CONSOLIDATED BALANCE SHEET (continued)

As at 31st December 2017

Unit: VND

Resource	Codes	Notes	31/12/2017	01/01/2017
9. Reorganization fund	419		-	-
10. Other funds belonging to owners' equity	420		44,983,552,000	44,983,552,000
11. Profit after tax retained	421		345,885,260,495	540,429,205,015
- Retained earnings accumulated by the end of the previous period	421a		3,981,681,900	3,981,681,900
- Retained earnings of current period	421b		341,903,578,595	536,447,523,115
12. Construction capital sources	422		-	-
13. Non controlling interest	429		-	-
II. Other capital and funds	430		-	-
1. Non- productive expenses sources	431		-	-
2. Fixed assets formation expenses sources	432		-	-
TOTAL RESOURCE	440		2,872,248,181,119	2,891,075,297,977

Prepared by



Phung Huu Luan

Chief Accountant



Hong Le Viet

General Director



Nguyen Hoang Ngan

Ho Chi Minh City, 26 March 2018

CONSOLIDATED INCOME STATEMENT

Year 2017

Unit: VND

Items	Codes	Notes	Current year	Previous year
1. Revenue from sale of goods and rendering of services	01	VI.1	4,056,607,554,239	3,678,351,052,989
2. Deductible items	02	VI.2	231,948,886,761	369,607,442,561
3. Net revenue from sale of goods and rendering of services	10	VI.3	3,824,658,667,478	3,308,743,610,428
4. Cost of goods sold	11	VI.4	2,901,883,582,006	2,248,176,459,769
5. Gross profit from sale of goods and rendering of services	20		922,775,085,472	1,060,567,150,659
6. Financial income	21	VI.5	24,481,735,279	48,978,172,732
7. Financial expenses	22	VI.6	97,838,321,698	41,507,236,190
<i>In which: Interest expense</i>	23		1,262,423,915	3,396,589,902
8. Profit from joint venture and associates	24		453,163,264	494,078,484
9. Selling expenses	25	VI.7	135,639,589,779	166,921,964,902
10. Administrative expenses	26	VI.7	124,418,207,374	115,282,371,963
11. Net profit from operating activities	30		589,813,865,164	786,327,828,820
12. Other income	31	VI.8	565,797,993	384,684,264
13. Other expense	32	VI.9	7,422,962,507	2,727,582,521
14. Other profit	40		(6,857,164,514)	(2,342,898,257)
15. Total profit before tax	50		582,956,700,650	783,984,930,563
16. Current corporate income tax expenses	51	VI.10	144,928,431,175	133,538,242,711
17. Deferred corporate income tax expenses	52	VI.11	(26,666,716,120)	23,042,204,737
18. Profit after tax	60		464,694,985,595	627,404,483,115
18.1 Owners of the parent	61		464,694,985,595	627,404,483,115
18.2 Minority interest	62		-	-
19. Basic earnings per Share	70	VI.12	5,677	6,452
20. Diluted earnings per share	71	VI.12	5,677	6,452

Prepared by



Phung Huu Luan

Chief Accountant



Hong Le Viet

General Director



Nguyen Hoang Ngan

Ho Chi Minh City, 26 March 2018

CONSOLIDATED CASH FLOWS STATEMENT

Year 2017

Unit: VND

Items	Codes	Current year	Previous year
I. Cash flows from operating activities			
1. Profit before tax	01	582,956,700,650	783,984,930,563
2. Adjustments for			
- Depreciation	02	98,883,259,060	87,290,025,205
- Provisions	03	25,195,679,462	1,828,607,147
- Gains/losses from unrealised foreign Exchange	04	10,466,558	(92,015,072)
- Gains/losses from investing activities	05	(24,610,482,589)	(48,300,966,554)
- Interest expenses	06	1,262,423,915	3,396,589,902
- Other adjustments	07	-	-
3. Profit from operating activities before changes in working capital	08	683,698,047,056	828,107,171,191
- Increase/Decrease in receivables	09	213,619,237,746	(132,804,411,928)
- Increase/Decrease in inventory	10	79,279,380,519	(142,364,510,546)
- Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)	11	27,506,319,828	32,260,639,603
- Increase/Decrease in prepaid expenses	12	(24,221,208)	(69,150,488)
- Increase/Decrease in trading securities	13		
- Interest paid	14	(4,716,298,317)	(3,625,874,758)
- Enterprise income tax paid	15	(179,979,225,604)	(127,206,014,600)
- Other receipts from operating activities	16	-	-
- Other expenses on operating activities	17	(77,788,720,601)	(47,523,072,259)
Net cash flows from operating activities	20	741,594,519,419	406,774,776,215
II. Cash flow from investing activities			
1. Purchase of fixed assets and other long-term assets	21	(416,011,183,223)	(315,030,878,853)
2. Proceeds from disposals of fixed assets and other long-term assets	22	9,090,909	170,363,104
3. Loans to other entities and purchase of debt instruments of other entities	23	-	-
4. Repayment from borrowers and proceeds from sales of debt instruments of other entities	24	40,000,000,000	180,000,000,000
5. Investments in other entities	25	-	(53,040,000,000)
6. Investment returns from other entities	26	-	-
7. Interest, dividends and profit received	27	24,144,618,474	43,265,879,922
Net cash flows from investing activities	30	(351,857,473,840)	(144,634,635,827)

CONSOLIDATED CASH FLOWS STATEMENT (continued)

Year 2017

Unit: VND

Items	Codes	Current year	Previous year
III. Cash flows from financing activities			
1. Receipts from stocks issuing and captial contribution from equity owners	31	-	-
2. Fund returned to equity owners, issued stock redemption	32	-	-
3. Long-term and short-term borrowings received	33	2,565,000,000	67,562,000,000
4. Loan repayment	34	(47,245,000,000)	(22,670,000,000)
5. Finance lease principle paid	35	-	-
6. Dividends, profit paid to equity owners	36	(304,705,327,000)	(272,870,880,000)
<i>Net cash flows from financing activities</i>	40	<i>(349,385,327,000)</i>	<i>(227,978,880,000)</i>
Net cash flows within the period	50	40,351,718,579	34,161,260,388
Cash and cash equivalents at the beginning of year	60	404,984,303,020	370,744,808,359
Impact of foreign exchange fluctuation	61	(10,466,558)	78,234,272
Cash and cash equivalents at the end of year	70	445,325,555,042	404,984,303,020

Prepared by



Phung Huu Luan

Chief Accountant



Hong Le Viet

General Director



Nguyen Hoang Ngan

Ho Chi Minh City, 26 March 2018

REPRESENTATIVE
CONSTRUCTION
Dung Quat Industrial Zone
lower layer



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2017

I. BACKGROUND

1. Structure of ownership

Binh Minh Plastics Joint Stock Company was established under Decision No. 209/2003/QĐ-BCN dated on December 4th, 2003 by the Ministry of Industry, transforming State enterprises into a joint stock company.

The Company's business license – No. 4103002023 – was issued on January 2nd, 2004. The sixth amendment on the business license – No. 0301464823 – was issued by the Planning and Investment Department of Ho Chi Minh City dated August 22nd, 2017.

The Company's head office is located at 240 Hau Giang, Ward 9, District 6, Ho Chi Minh City.

2. Business sector

The business sector is production and trade.

3. Business activities

The Company's key business activities are in the manufacturing and trading of civil and industrial, products made of plastic and rubber; designing, manufacturing, trading plastic moulds for the casting industry; producing and trading machinery, materials, sanitation for the construction industry; interior decoration; consultancy and execution of water drainage, yards, and warehouses; appraisal, analysis and testing for the chemical industry; trading in import and export materials, chemicals, machinery for the plastic industry, mechanical industry and construction industry; water supply and drainage; and laboratory equipment; transportation of goods by road; advertising.

4. Operating period

The normal operating period: 12 months.

5. Business Structure

As at 31st December 2017, the Company has the following branches:

Name	Address
Binh Minh Plastics Joint Stock Company Branch-Binh Duong Branch	No. 7, Street No. 2, Song Than 1 Industrial Zone, Di An Town, Binh Duong Province
Binh Minh Plastics Joint Stock Company Branch – Long An Branch	Lot C1-6 to C1-30, Vinh Loc 2 Industrial Zone, Vinh Loc 2 Road, Voi La Hamlet, Long Hiep Commune, Ben Luc District, Long An Province

As at 31 December 2017, the Company has the following consolidated subsidiaries:

Company name	Address	Business scope	Rate	Voting power
Binh Minh Plastic Northern One Member Limited Liability Company	Road D1, Zone D, Pho Noi A Industrial Zone, Van Lam District, Hung Yen Province	Civil and industrial products made of plastic and rubber	100%	100%

As at 31st December 2017 the Company had associates incorporated under the equity method as follows:

Company name	Address	Business scope	Rate	Voting power
Da Nang Plastic Joint Stock Company	371 Tran Cao Van, Thanh Khe Dist., Da Nang City	Manufacturing business import and export of products, raw materials and equipment for plastic industry	29,05%	29,05%
Binh Minh Viet Trading Investment Real Estate Joint Stock Company	240 Hau Giang, Ward 9, District 6, Ho Chi Minh City	Real estate business. Trading in materials, equipment and other installations in construction	25,26%	25,26%

6. Declaration on the information comparative ability in the Consolidated Financial statement

In the year there were no changes in accounting policies compared to the previous year, there was no effect on the comparability of the information in the consolidated financial statements.

II. ACCOUNTING PERIOD AND ACCOUNTING MONETARY UNIT

1. Accounting period

Annual accounting period commences from 01st January and ends on 31st December.

2. Accounting monetary unit

The currency unit on the financial statements is Vietnam dong (VND)

III. ACCOUNTING SYSTEM AND ACCOUNTING STANDARD

1. Accounting system

The Company applies the Vietnamese Enterprise Accounting System issued in accordance with the Circular 200/2014/TT-BTC dated 22/12/2014, Circular No. 202/2014 / TT-BTC guiding the preparation and presentation of consolidated financial statements dated 22/12/2014 and Circular 53/2017 / TT-BTC dated 21 March, Circular 200/2014 / TT-BTC issued by the Ministry of Finance.

2. Announcement on compliance with Vietnamese accounting standard and accounting system

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

IV. ACCOUNTING POLICY

1. Basic of consolidation financial statements

Subsidiaries

Subsidiary is entities controlled by the parent company. The control exists when the parent company has power to govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. Financial statements of subsidiary are consolidated in the consolidated financial statement from the date that control commences until the date that control ceases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

Joint ventures and associates

Associate company is a entitle in which the Company has significant influence, but no control over the financial and operating policies. Associated is accounted for using the equity method.

The consolidated financial statements include the expenses and income of the Company in the unit receiving investment accounted by the equity method, after this unit has made adjustments of accounting policies in accordance with the accounting policies of the Company, from the date commencing significant influence or joint control until the end of significant influence or joint control. If the company's share of losses exceeds the Company's investment in the unit receiving investment accounted by the equity method, the record amount of the investment (including all long-term investments) is reduced to nil and cease the recognition of losses, unless the Company has an obligation to perform or has made payments on behalf of the investees.

Transactions eliminated on consolidation

The internal balance and all unrealized income and expenses arising from internal transactions are eliminated when making the consolidated financial statements. Unrealized profit arising from internal transactions with equity accounted investees are eliminated investments against the extent of the company's interest in the investees. Unrealized losses resulting from internal transactions are eliminated unless costs are unrecoverable.

2. The exchange rate applied in the accounting

The foreign currency transactions during the year are converted in to Vietnam dong with the real exchange rate at transactions date. The effective exchange rate when revalued of monetary items denominated in foreign currencies at the time of financial statements: To the items classified as the assets applied purchasing exchange rate; To the cash in banks is foreign currency applied the purchasing exchange rate of commercial banks where the Company open accounts in foreign currencies; To the items classified as the liability applied the selling exchange rate of commercial banks where the Company often transaction.

All of exchange differences arose and the differences of revalued the monetary items denominated in foreign currencies were accounted in the income statement.

3. Principles to determine cash and cash equivalents

These amounts include cash, cash in bank, cash in transit.

Cash equivalents are short term investments (for a period not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value from the date of purchase to the date of financial statements.

4. Recognition of financial investment

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including bank term deposits held to maturity to earn periodic interest.

Held-to-maturity investments are recognized on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognized in the income statement on an accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts. The provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Securities investment at the balance sheet date, if:

- Having maturity not over than 3 months from the date of acquisition are recognized as "cash equivalents"
- Having maturity less than 1 year/1 operating cycle are recognized as short-term assets
- Having maturity over than 1 year/1 operating cycle are recognized as long-term assets.

5. Principles of accounting receivables

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The bad debt provision represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recorded as general and administrative expense in the report.

Receivables are classified as Short-term and Long-term on the balance sheet based on the remaining maturity of receivables as at the balance sheet date.

The receivables of customer, prepaid supplier, and other receivables at the time of report, if:

- If the term of receivables is lower 01 year or 01 operating period classified to be short-term.
- If the term of receivables is upper 01 year or 01 operating period classified to be long-term.

6. Principle of evaluating inventories

Inventories are stated at original cost. The cost of inventories should comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventory at the year-end is calculated by weighted average method.

The Company applies the perpetual method to record inventory.

Provisions for inventory obsolescence made at the end of the year are made in accordance with the current accounting regulations.

7. Recording principle of tangible and intangible fixed assets

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

Depreciation is provided on a straight-line basis. Annual rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

	Curren year	Previous year
- Buildings, structures	05 – 10 years	05 – 10 years
- Machine, equipments	05 – 08 years	05 – 08 years
- Transportation equipments	06 – 08 years	06 – 08 years
- Office equipment and furniture	03 – 05 years	03 – 05 years
- Land use rights	41 – 50 years	41 – 50 years

The cost of a fixed asset and its depreciation period are determined in accordance with Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance guiding the regime of management, use and depreciation. Fixed assets.

Fixed assets are leased land use rights prior to the effective date of the 2003 Land Law granted land use right certificates by competent authorities. The land use right is amortized on a straight-line basis over the term of the land lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

8. Construction in progress

Construction in progress represents the directly costs of construction including the costs of expense in accordance with the Company's accounting policy on assets under construction in progress, equipment installed for production, rental and management purposes as well as expenses related to the repair of fixed assets being performed. The assets is initially recognized at cost and not depreciated.

9. Recognition and allocation of prepaid expenses

Prepaid expenses only related to present fiscal year are recognized as short-term prepaid expenses and are recorded into operating costs.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on nature of those expenses to select a reasonable method and allocated factors. Prepaid expenses are allocated partly into operating on the straight-line basis.

10. Principles of accounting payables, loans and other payables

The supplier payables, internal payables, other payables and loans at the time of report, if:

- If the term of payables is lower 01 year or 01 operating period classified to be short-term.
- If the term of payables is upper 01 year or 01 operating period classified to be long-term

Redundant assets resolution is classified to be short-term

Deferred income tax payable is classified to be long-term

11. Recognition of accrued expenses

Expenses not yet occurred may be charged in advance into production and operating costs in order to ensure when these expenses arise, they do not make material influence on production and operating costs on the basis of suitability between revenue and cost. When these expenses arise, if there is any difference with the amount charged, accountants additionally record or make decrease to cost equivalent to the difference.

12. Principles of recognition of owner's equity

Owner's investment capital is record base on the owner's real contributed capital.

Investment and development funds are set aside for the purpose of expanding the business or investing in the Company.

Premium reserve is recorded by the difference (over/under) between the selling price and the par value of treasury stocks when stocks are firstly or additionally issued or reissued.

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

13. Principles of recording revenue

Revenue from sale of goods

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

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- The Company retains neither continuing managerial involvement as a neither owner nor effective control over the goods sold;

- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction of goods sold have flown or will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably

Financial income

Income from interest, royalties and dividends and other financial income earned by the Company should be recognized when these two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The amount of the income can be measured reliably.

Dividend income is recognized in the period in which the dividends are declared by the investee entities.

14. Principles of recording revenue deductible items

The adjusted amounts deducted in sales, providing services in the period, including: Trade discounts, sales allowances and sales returns, not including taxes have been deducted in revenue as output VAT payable under the direct method

The adjusted revenue is done as follows:

Trade discounts, sales returns and allowances incurred in the same period of consumption of products, goods and services are adjusted a decrease in revenue in the incurring period;

In case products, goods and services are sold from the previous periods, until the next period are incurred trade discounts, sales returns and allowances, enterprises record a decrease in revenue under the principles:

- + If the products, goods or services are sold from the previous period, until the next period must be discounted, discounted to trade, returned but are incurred prior to the issuance of financial statements, accountants consider this as an adjustment event occurring after the date of balance sheet and record a decrease in revenue, on the financial statements of the reporting period (the previous period)
- + In case products, goods and services must be discounted to trade, returned after the release of financial statements, enterprises record a decrease in revenue of incurring period (the next period).

15. Principles of recording cost of goods sold

Cost of goods sold is used to record cost of goods, products, services which are sold during the period.

The provision against devaluation of goods in stock is included in cost price of goods sold on the basis of the inventory and the difference between the net realizable value lower than the cost price of inventories. In determining the amount of discounted inventory that needs setting up provisions, accountants must eliminate the inventory volume that has been signed consumption contracts (net value that may be earned is not less than book value), but not yet delivered to the customer if there is certainty evidence that customers shall not abandon the contract performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

16. Principles of recording financial expenses

The items of financial expense include:

- Expenses or losses related to financial investments.
- Borrow and loan expenses.
- Losses from unrealized foreign exchange
- Provision for securities trading devaluation

Recording the above items is base on the arising total which isn't deducted with financial activities revenues

17. Principles of recording selling expenses, administrative expenses

Principles of recording selling expenses

Selling expenses is used to record expenses actually incurred in process of selling products, goods, providing services, including publicity expenses, demonstration expenses, advertising expenses, sale commission, warranty charges of goods and products (excluding construction activity), maintenance charges, cost of packing, transportation,...

Principles of recording administrative expenses

Administrative expenses is used to record overhead costs of business including salary expenses of business' administrative staffs (salary, wages, subsidies,...); social insurance, medical insurance, labor union expenses, unemployment insurance of administrative staff, expenses of office materials, labor instruments, depreciation of fixed assets used for administration, lease rent, licence tax, provision for bad debts, outsourced services (electricity, water, telephone, fax, assets warranty, fire and explosive accidents,...) other cash expenses (expenses of entertainment...)

18. Principles and method of recording current income tax expense and deferred income tax expense

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

Deferred income tax expense is calculated basing on deductible temporary differences, taxable temporary differences and income tax rate.

19. Earnings per share

asic earnings per share is calculated by dividing the net profit after corporate income tax (after appropriation of bonus and welfare fund) attributable to ordinary equity holders of the company for the average number of shares weighted average number of ordinary shares outstanding during the year.

20. Segment reporting

Segment reporting consist of business segment and geographical segment

A business segment is a distinguishable component that is engaged in providing an individual products or services and that has its own risks and returns which are different from those of other business segments.

A geographical segment is a distinguishable component that is engaged in providing products or services in a particular economic environment and that has its own risks and returns which are different from those of components operating in other economic environments.

21. Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognized at cost plus that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash and cash equivalents, short-term deposits, trade and other receivables, and investments.

Financial liabilities

At the date of initial recognition, financial liabilities are recognized at cost minus transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise payable to suppliers, other payables and borrowings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously

Reassessment after initial recognition

At present, there are no regulations on revaluation of financial instruments after initial recognition.

22. Related party

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

In considering the relationship of related parties, one should also consider the nature, not only the legal form of the relationship.

V. ADDITIONAL INFORMATION TO ITEMS IN CONSOLIDATED BALANCE SHEET

1. Cash and cash equivalents

	31/12/2017 VND	01/01/2017 VND
Cash on hand	1,679,744,081	3,103,655,327
Cash in bank without maturity	443,645,810,961	371,880,647,69
Cash equivalents (time deposits under 3 months)	-	30,000,000,000
Total	445,325,555,042	404,984,303,020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

2. The financial investments

	31/12/2017		01/01/2017	
	Cost	Carrying amount	Cost	Carrying amount
a) Short term				
Held-to-maturity investments				
Short-term	450,000,000,000	450,000,000,000	490,000,000,000	490,000,000,000
Time deposits	450,000,000,000	450,000,000,000	490,000,000,000	490,000,000,000
Total	450,000,000,000	450,000,000,000	490,000,000,000	490,000,000,000
b) Long term				
Carrying amount		% of equity owned		
<i>i) Investment in joint ventures, associates</i>				
Da Nang Plastic Joint Stock Company	11,784,972,095	29,05%	11,331,808,831	29,05%
Binh Minh Viet Trading Investment Real Estate Joint Stock Company	53,040,000,000	25,26%	53,040,000,000	25,26%
Total	64,824,972,095		64,371,808,831	

Note: The voting rights of the company in the associate company correspond to the capital contribution of these companies.

	31/12/2017		01/01/2017	
	Number of shares	Fair value VND	Number of shares	Fair value VND
<i>ii) Equity investments in other entities</i>				
Long Hau Joint Stock Company	17,317	294,389,000	17,317	314,303,550
Company (par value of 100.000 VND)	20,000	2,000,000,000	20,000	2,000,000,000
Total	4,193,950,400	2,294,389,000	4,193,950,400	2,314,303,550

3. Trade receivables

	31/12/2017 VND	01/01/2017 VND
<i>Short-term trade receivables</i>		
Construction Joint Stock Company No. 5	93,680,866,334	87,589,516,807
Thep Moi Co., Ltd	65,907,614,897	55,233,829,427
Phuong Hoang Co.,Ltd	38,494,225,344	23,097,554,133
Others	150,322,322,824	296,792,214,540
Total	348,405,029,399	462,713,114,907

Trade receivables from related party: None

4. Advances to suppliers

	31/12/2017 VND	01/01/2017 VND
<i>Short-term advances to suppliers</i>		
Zamil Steel Vietnam Co., Ltd	-	18,416,521,200
Phan Vu Group	-	20,791,460,140
T.B.A Corp	-	20,447,939,480
Battenfeld-Cincinnati Austria	-	31,095,353,168
R.E.E Electric Appliances Joint Stock Company	8,206,532,400	-
Kraussmaffe Technologies GMBH	20,420,934,200	-
Rollepaal BV	12,801,120,070	-
Promixon S.R.L	15,111,176,032	-
Others	36,940,520,081	79,431,118,806
Total	93,480,282,783	170,182,392,794

Advances to suppliers from related party: None

5. Other receivables

	31/12/2017 VND	01/01/2017 VND
<i>Short-term</i>		
Advances to staff	1,028,812,595	520,338,000
Short-term deposits, mortgages	82,773,060,804	140,841,480,124
Other receivables	50,216,977,994	77,537,941,895
Social insurance and health insurance receivables from staff	936,279,907	584,131,808
Income tax under the records were retrospectively collected tax inspection of the city Department of Taxation (*)	49,124,197,087	71,420,413,472
Others	156,501,000	5,533,396,615
Total	134,018,851,393	218,899,760,019

Other receivables from related party: None

(*)The income tax arrears were paid according to decision No. 889 / QD-TCT dated June 23rd, 2014 of the General Tax Department and decision No. 3317/QD-CT-XP dated July 3rd, 2014 of the Tax Department in Ho Chi Minh City. The company will handle this amount after consulting the annual shareholders' meeting in 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

6. Bad debt

	31/12/2017			01/01/2017		
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision
Total amount of receivables overdue or not yet overdue but appeared to be irrecoverable.	223,940,248,269	157,058,562,317	(66,881,685,952)	59,791,123,414	18,105,116,924	(41,686,006,490)
Total	223,940,248,269	157,058,562,317	(66,881,685,952)	59,791,123,414	18,105,116,924	(41,686,006,490)

Unit: VND

7. Shortage of assets awaiting for resolution

	31/12/2017	01/01/2017
	VND	VND
Inventory	490,179,082	180,703,368
Total	490,179,082	180,703,368

8. Inventory

	31/12/2017		01/01/2017	
	Cost	Provision	Cost	Provision
Purchased goods in transit	5,032,741,820	-	1,965,923,614	-
Raw materials	140,484,955,983	-	113,898,057,585	-
Tools, supplies	14,380,069,882	-	1,058,876,887	-
Work in process	82,123,339,186	-	124,717,548,043	-
Finished goods inventory	97,921,137,041	-	183,482,308,197	-
Merchandise inventory	44,763,638,774	-	46,443,319,078	-
Total	384,705,882,686	-	471,566,033,404	-

Unit: VND

9. Increase, decrease in tangible fixed assets

	Buildings, structures	Machinery, equipments	Transportation	Office equipment	Total
<i>Original cost</i>					
Beginning balance	188,690,450,967	823,413,199,954	27,766,010,661	7,378,702,637	1,047,248,364,219
Increase	311,248,969,079	113,219,406,656	4,754,808,000	44,300,000	429,267,483,735
- Purchase	-	113,219,406,656	4,754,808,000	44,300,000	118,018,514,656
- Transfer from construction in progress	311,248,969,079	-	-	-	311,248,969,079
- Reclassify	-	-	-	356,982,193	-
Decrease	-	1,309,950,933	656,124,474	356,982,193	2,323,057,600
- Liquidating, disposing	-	1,666,933,126	656,124,474	-	2,323,057,600
- Reclassify	-	356,982,193	-	-	-
Ending balance	499,939,420,046	934,608,691,219	31,864,694,187	7,779,984,830	1,474,192,790,354
<i>Accumulated depreciation</i>					
Beginning balance	103,801,324,924	578,425,550,271	18,944,668,670	4,649,830,232	705,821,374,097
Increase	19,733,498,486	69,832,848,563	3,156,594,526	462,071,117	93,185,012,692
- Depreciation within period	19,733,498,486	69,832,848,563	3,156,594,526	462,071,117	93,185,012,692
- Reclassify	-	-	-	-	-
Decrease	-	1,670,543,068	656,124,474	-	2,326,667,542
- Liquidating, disposing	-	1,670,543,068	656,124,474	-	2,326,667,542
- Reclassify	-	-	-	-	-
Ending balance	123,534,823,410	646,587,855,766	21,445,138,722	5,111,901,349	796,679,719,247
<i>Net book value</i>					
Beginning	84,889,126,043	244,987,649,683	8,821,341,991	-	341,426,990,122
Ending	376,404,596,636	288,020,835,525	10,419,555,465	2,668,083,481	677,513,071,107

As at 31st December 2017, the cost of the Company's tangible fixed assets which had been fully depreciated but are still in use 525.090.773.064 VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

10. Increase and decrease in intangible fixed assets

Unit: VND

	Land use rights	Software	Total
<i>Original cost</i>			
Beginning balance	275,650,873,946	424,913,800	276,075,787,746
Increase	-	10,473,581,000	10,473,581,000
- Purchase	-	10,473,581,000	10,473,581,000
Decrease	-	-	-
Ending balance	275,650,873,946	10,898,494,800	286,549,368,746
<i>Accumulated depreciation</i>			
Beginning balance	23,430,279,415	226,986,229	23,657,265,644
Depreciation within period	5,556,608,436	141,637,932	5,698,246,368
Decrease	-	-	-
Ending balance	28,986,887,851	368,624,161	29,355,512,012
<i>Net book value</i>			
Beginning	252,220,594,531	197,927,571	252,418,522,102
Ending	246,663,986,095	10,529,870,639	257,193,856,734

11. Long-term construction in progress

Unit: VND

	Beginning	Increase	Transfer to fixed assets	Ending
Purchase fixed assets	53,339,608	733,911,465	733,911,465	53,339,608
Construction in progress	33,962,406,226	297,992,668,567	321,722,550,079	10,232,524,714
- Oracle Cost of deploying IT consulting and software licensing Oracle	13,581,463,257	6,641,804,800	10,473,581,000	9,749,687,057
- Factory in Vinh Loc- Ben Luc- Long An Industrial Park	20,380,942,969	291,350,863,767	311,248,969,079	482,837,657
Total	34,015,745,834	298,726,580,032	322,456,461,544	10,285,864,322

12. Prepaid expenses

	31/12/2017 VND	01/01/2017 VND
<i>a) Short-term</i>	3,907,456,874	3,883,235,666
Other expenses	3,907,456,874	3,883,235,666
<i>b) Long-term</i>	-	-
Total	3,907,456,874	3,883,235,666

13. Loans and Finance leases liabilities

Unit: VND

	31/12/2017		Incurred within period		01/01/2017	
	Value	Ability to repay	Increase	Decrease	Value	Ability to repay
<i>Short term loans</i>						
Binh Minh Viet Trading Investment Real Estate Joint Stock Company	53,040,000,000	53,040,000,000	-	-	53,040,000,000	53,040,000,000
Others (*)	8,272,187,000	8,272,187,000	2,565,000,000	47,245,000,000	52,952,187,000	52,952,187,000
Total	61,312,187,000	61,312,187,000	2,565,000,000	47,245,000,000	105,992,187,000	105,992,187,000

(*)The money that customers pay in advance to guarantee themselves of a purchase by deferment according to the statute control of customer debts. Company must pay interest for this deposit according to the prevailing interest rate on deposits of Joint Stock Commercial Bank of Vietnam at the same time plus its 10 percentages

Short term loans from related party

Binh Minh Viet Trading Investment Real Estate Joint Stock Company	53,040,000,000	-	-	53,040,000,000	53,040,000,000
---	----------------	---	---	----------------	----------------

14. Supplier payables

Unit: VND

	31/12/2017		01/01/2017	
	Value	Ability to repay	Value	Ability to repay
<i>Short-term supplier payables</i>				
TPC Vina Plastic & Chemical Corp., Ltd	47,733,576,000	47,733,576,000	46,553,496,000	46,553,496,000
AGC Chemicals Vietnam Co., Ltd.	25,009,600,000	25,009,600,000	36,011,360,000	36,011,360,000
Others	98,143,706,020	98,143,706,020	46,911,244,215	46,911,244,215
Total	170,886,882,020	170,886,882,020	129,476,100,215	129,476,100,215
<i>Short-term supplier payables from related party</i>				
Da Nang Plastic Joint Stock Company	4,190,489,619	4,190,489,619	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

15. Advance from customers

<i>Short-term advance from customers</i>	31/12/2017 VND	01/01/2017 VND
Lan Thanh Co., Ltd	16,026,071,958	5,302,183,290
Truong Minh Hai Co., Ltd		1,687,875,080
Minh Liem Co., Ltd		-
Others		795,964,742
Total		7,786,023,112

16. Taxes and other payables to the State Budget/ Taxes and other receivables from State budget

	01/01/2017	Số phải nộp trong năm	Số đã nộp trong năm	31/12/2017
<i>a) Payables</i>				
Output VAT	479,142,803	91,439,192,374	90,428,502,176	1,489,833,000
VAT of import goods	-	12,233,575,505	12,233,575,505	-
Import and export taxes	-	302,900,374	302,900,374	-
Business income tax	49,093,469,653	144,928,431,175	179,979,225,604	14,042,675,225
Personal income tax	225,176,553	2,127,142,306	540,758,529	1,811,560,330
Tax on house and land, lease rent	-	344,388,485	344,388,485	-
Environmental protection tax and other kind of tax	-	3,000,000	3,000,000	-
Other fees and charge	-	2,706,037,829	67,207,420	2,638,830,409
Total	49,797,789,009	254,084,668,048	283,899,558,093	19,982,898,964
<i>b) Receivables</i>				
Output VAT	-	-	1,914,615,485	1,914,615,485
Personal income tax	5,206,626,911	23,179,940,666	17,973,313,755	-
Total	5,206,626,911	23,179,940,666	19,887,929,240	1,914,615,485

Unit: VND

17. Accrued expenses

	31/12/2017 VND	01/01/2017 VND
Short-term		
Sale incentives for distributors	13,440,858,226	146,404,198,368
Interest expense	670,759,704	4,124,634,106
Remuneration of the Board of Management, Board of Supervisors	2,210,000,000	1,978,000,000
Others	210,000,000	210,000,000
Total	16,531,617,930	152,716,832,474

18. Other payables

	31/12/2017 VND	01/01/2017 VND
<i>a) Short-term</i>		
Redundant assets resolution	393,273,928	472,476,678
Trade union fee	1,087,643,886	964,746,875
Deposits and guarantee deposits	1,140,000,000	1,190,000,000
Dividends payable	350,414,300	91,307,374,300
Others	738,118,420	54,712,160
<i>b) Long-term</i>		
Deposits and guarantee deposits	-	167,729,100
Total	3,709,450,534	94,157,039,113

Number is unlikely to pay: None

Other payables from related party: None

19. Deferred income tax assets

	31/12/2017 VND	01/01/2017 VND
Deferred tax assets related to the deductible temporary differences	28,232,506,040	1,863,583,711
The amount of Deferred tax assets recorded from the previous year	(882,335,043)	(1,180,128,834)
Deferred income tax assets	27,350,170,997	683,454,877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

20. Owner's Equity

a) Increase and decrease in owner's equity

	Unit: VND				
	Owner contri- butions	Other capitals	Investment and development fund	Other funds belonging to owners' equity	Profit after tax retained
					Total
Beginning balance in previous year	454,784,800,000	1,592,782,700	1,065,824,112,077	44,983,552,000	2,015,279,084,034
- Profit in the year				627,404,483,115	627,404,483,115
- Distribution of profit in the year 2015				(444,112,155,358)	(444,112,155,358)
+ Dividends paid in cash				(204,653,160,000)	(204,653,160,000)
+ Draw to Investment and Development fund			189,759,158,871	(189,759,158,871)	-
+ Draw to bonus and welfare fund				(44,510,831,487)	(44,510,831,487)
+ Bonus to The Board of management and Inspection committees				(5,189,005,000)	(5,189,005,000)
- Dividends paid year 2016				(90,956,960,000)	(90,956,960,000)
Ending balance in previous year	454,784,800,000	1,592,782,700	1,255,583,270,948	44,983,552,000	2,297,373,610,663
Beginning balance in current year	454,784,800,000	1,592,782,700	1,255,583,270,948	44,983,552,000	2,297,373,610,663
- Profit in the year				464,694,985,595	464,694,985,595
- Distribution of profit in the year 2016				(536,447,523,115)	(536,447,523,115)
+ Dividends paid in cash				(90,956,960,000)	(90,956,960,000)
+ Draw to Investment and Development fund			346,250,115,115	(346,250,115,115)	-
+ Draw to bonus and welfare fund				(56,466,403,000)	(56,466,403,000)
+ Deduction for Special Bonus Fund for Employees, Board of Directors and Supervisory Board				(36,500,000,000)	
+ Bonus to The Board of management and Inspection committees				(6,274,045,000)	(6,274,045,000)
- Issuance of bonus shares(*)	363,824,580,000		(363,824,580,000)		
- First dividend payment in 2017 (**)				(122,791,407,000)	(122,791,407,000)
Ending balance in current year	818,609,380,000	1,592,782,700	1,238,008,806,063	44,983,552,000	2,449,079,781,259

(*) During the year, the Company issued shares to increase its share capital to existing shareholders at a ratio of 10: 8 from the Development Investment Fund in accordance with the resolution of the General Meeting of Shareholders 2017 dated 18/04/2017.

(**) According to Resolution No. 08 / NQ-BM / HDQT / 2017 dated 31/10/2017 of the Board of Directors, the cash advance of the first phase in 2017 is 15% / Chartered Capital (VND1.500 per share).

Details of Owner contributions

	31/12/2017 VND	%	01/01/2017 VND	%
Capital contributed by the State	241,599,060,000	29.51%	134,221,700,000	29.51%
Capital contributed by others	577,010,320,000	70.49%	320,563,100,000	70.49%
Total	818,609,380,000	100.00%	454,784,800,000	100.00%

c) Capital transactions with owners and distribution of dividends, profits

	Current year VND	Previous year VND
Owner contributions		
At the beginning of year	454,784,800,000	454,784,800,000
Increase in the period	363,824,580,000	-
Decrease in the period	-	-
At the ending of the period	818,609,380,000	454,784,800,000
Dividends, division of profits	(213,748,367,000)	(295,610,120,000)
Include:		
+ Dividends paid in cash	(213,748,367,000)	(295,610,120,000)

d) Shares

	31/12/2017 Shares	01/01/2017 Shares
Authorised shares capital	81,860,938	45,478,480
Issued shares capital	81,860,938	45,478,480
- Ordinary shares	81,860,938	45,478,480
Treasury shares	-	-
Outstanding shares in circulation	81,860,938	45,478,480
- Ordinary shares	81,860,938	45,478,480

Par value of 10.000 VND

21. Off Balance sheet

Assorted foreign currency	31/12/2017	01/01/2017
+ USD	289,273,32	227,206,74
+ EUR	17,445,37	20,828,36
+ JPY	42,000,00	150,000,00
+ SGD	2,450,00	2,450,00
+ THB	13,500,00	41,500,00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

VI. ADDITIONAL INFORMATION TO ITEMS IN CONSOLIDATED INCOME STATEMENT

	Current year VND	Previous year VND
1, Revenue from sale of goods and rendering of services	4,056,607,554,239	3,678,351,052,989
Include:		
Sales of finished goods	3,805,089,967,778	3,341,230,622,533
Sales of merchandise and materials	251,369,000,802	337,042,605,090
Sales of services	148,585,659	77,825,366
2, Revenue deductible items	231,948,886,761	369,607,442,561
Include:		
Sales discounts	230,782,768,044	368,149,395,840
Sales returns	1,166,118,717	1,458,046,721
3, Net revenue from sale of goods and rendering of services	3,824,658,667,478	3,308,743,610,428
Include:		
Net sales of finished goods	242,872,042,183	303,460,445,988
Net sales of merchandise and materials	148,585,659	77,825,366

4. Cost of goods sold

	Current year VND	Previous year VND
Cost of finished goods sold	2,653,141,369,744	1,950,197,167,037
Cost of merchandise and materials sold	248,742,212,262	297,979,292,732
Total	2,901,883,582,006	2,248,176,459,769

5. Financial income

	Current year VND	Previous year VND
Interest income	24,144,618,474	48,189,555,338
Dividends, profits earned	-	57,019,028
Realized foreign exchange gains	337,116,805	549,389,918
Unrealized foreign exchange gains	-	92,015,072
Interest from foreign currency	-	90,193,376
Total	24,481,735,279	48,978,172,732

6. Financial expenses

	Current year VND	Previous year VND
Interest expense	1,262,423,915	3,396,589,902
Realized foreign exchange losses	258,055,954	90,125,992
Unrealized foreign exchange losses	10,466,558	-
Payment discount for distributors	96,307,375,271	35,219,170,463
Interest late payment	-	2,801,349,833
Total	97,838,321,698	41,507,236,190

7. Selling expenses and administrative expenses

	Current year VND	Previous year VND
a) Selling expenses		
Labour cost	16,528,815,827	43,135,393,547
Materials cost	25,038,383,659	17,237,799,390
Office supplies cost	-	2,426,974,600
Depreciation expenses	1,840,066,132	1,264,460,969
Expenses from external services	81,723,585,392	67,707,669,947
Other expenses in cash	10,508,738,769	35,149,666,449
Total	135,639,589,779	166,921,964,902
b) Administrative expenses		
Labour cost	24,405,000,709	41,065,546,442
Materials cost	17,520,614,122	31,122,423,630
Office supplies cost	-	-
Depreciation expenses	1,927,174,367	2,660,815,955
Taxes, charges and fees	772,018,336	756,348,007
Provision expenses	27,138,780,213	2,887,089,787
Expenses from external services	28,768,472,813	8,615,142,428
Other expenses in cash	23,886,146,814	28,175,005,714
Total	124,418,207,374	115,282,371,963

8. Other income

	Current year VND	Previous year VND
Proceeds from disposals of fixed assets	12,700,851	80,313,704
Dealing difference after checking inventory	-	-
Income from scrap	-	-
Others	553,097,142	304,370,560
Total	565,797,993	384,684,264

9. Other expenses

	Current year VND	Previous year VND
Fine about violations of administrative tax	7,093,669,763	2,677,391,676
Others	329,292,744	50,190,845
Total	7,422,962,507	2,727,582,521

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

10. Current corporate income tax expense

- The parent company: Income tax payable is 20% of taxable income.
- The subsidiary: Income tax is 15% during the 12 years since the project started manufacturing activities and business in the next year to apply under the current regulations.
 - The company is exempt from income tax for 03 years from the taxable income and 50% of the tax payable in the next 07 years..
 - 2009 was the first financial year the Company has taxable income.

Tax settlement of the Company will be controlled by the tax agency. By applying the laws and regulations on taxes for many different types of transactions which can be explained in several ways, the tax presented on the consolidated financial statements can be changed by decision of the tax agency.

	Current year VND	Previous year VND
Current income tax expenses	144,928,431,175	133,538,242,711

11. Deferred income tax expense

	Current year VND	Previous year VND
Deferred income tax expense arising from return of assets in income tax delayed	590,276,878	23,285,562,402
Deferred income tax expense arising from the differences of temporary deductibles	(27,256,992,998)	(243,357,665)
Total	(26,666,716,120)	23,042,204,737

12. Earnings per share

	Current year VND	Previous year VND
Accounting profit after corporate income tax	464,694,985,595	627,404,483,115
Adjustments to determine net profit attributable to shareholders	-	(99,240,448,000)
- Increase	-	-
- Decrease	-	99,240,448,000
+ Bonus and welfare (*)	-	56,466,403,000
+ Special Bonus Fund for Employees, Board of Directors and Supervisory Board (*)	-	36,500,000,000
+ Bonus to The Board of management and Inspection committees (*)	-	6,274,045,000
Net profit attributable to shareholders	464,694,985,595	528,164,035,115
Weighted average number of ordinary shares in issue	81,860,938	81,860,938
Basic earnings per share (**)	5,677	6,452
Diluted earnings per share	5,677	6,452

(*) The Company has no basis to recognize the estimate Bonus and Welfare fund for the Management, Supervisors from the profit 2017.

The basic earnings per share of the previous year has been adjusted retroactively for 36.382.458 bonus shares issued during the year and the appropriations for bonus and welfare funds in accordance with the Resolution of the General meeting of shareholders 2017 dated 18/04/2017 (see Note VIII.9)

The Corporation has not the common diluted shares during the year 2017 and up to the financial statement date.

13. Productions costs by nature

	Current year VND	Previous year VND
Raw materials	2,184,893,056,209	1,911,491,209,459
Labour	247,704,244,558	219,906,256,429
Depreciation expenses	98,883,259,060	87,290,025,205
Out-sourced services	195,238,264,460	158,033,943,428
Other monetary expenses	72,570,608,304	68,662,027,713
Total	2,799,289,432,591	2,445,383,462,234

VII. ADDITIONAL INFORMATION FOR ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

Non-cash transactions affect the statement of cash flows

During the year, the Company incurred non-cash transactions affecting the statement of cash flows, as follows:

	Current year VND
Increase of share capital during the year from the Investment and Development Fund (Dividend shares to existing shareholders)	363,824,580,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

VIII. OTHER INFORMATION

1. Events since the Balance sheet date

On 5 February 2018, the State Capital Investment Corporation issued Decision No 25/QĐ-ĐTKDV on the sale of shares of the State Capital Investment Corporation in the joint stock company Binh Minh Plastics.

According to the Notice No. 289/TB-SGDHCM dated 09/03/2018 of the Ho Chi Minh City Stock Exchange, the total number of shares offered for sale sold 24.159.906 shares of which the number of shares of people foreign share is 24.139.923 shares

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

2. Related party disclosures

The key management members and related individuals include: Members of the Management, General Directors and the Supervisory Board.

Income of The Board of Management and General Directors is as follows:

	Current year VND	Previous year VND
Salary, Remuneration	16,703,072,175	12,338,424,518

During operation, there are a number of transactions between the Corporation with related parties as follows:

Related parties	Relation	Transactions	Amounts (VND)
Da Nang Plastic Joint Stock Company	Associates company	Get the service	4,900,445,108

3. Segment report

Segment report according to business area

The main business operation of the Company is to produce and trade civil and industrial products of plastic and rubber, thus there is no presentation of segment report according to business area.

Segment report according to geographical area

The Company only operates in geographical area of Vietnam.

4. Giá trị hợp lý của tài sản và nợ phải trả tài chính

	Carrying amount		Fair value	
	31/12/2017 VND	01/01/2017 VND	31/12/2017 VND	01/01/2017 VND
Financial assets				
Cash and cash equivalents	445,325,555,042	404,984,303,020	445,325,555,042	404,984,303,020
Held-to-maturity investments	450,000,000,000	490,000,000,000	450,000,000,000	490,000,000,000
Trade and other receivables	414,605,914,933	639,342,736,628	414,605,914,933	639,342,736,628
Financial assets available for sale	2,193,950,400	2,193,950,400	2,294,389,000	2,314,303,550
Total	1,312,125,420,375	1,536,520,990,048	1,312,225,858,975	1,536,641,343,198
Financial liabilities				
Loans and debts	61,312,187,000	105,992,187,000	61,312,187,000	105,992,187,000
Payable to suppliers and other payable	173,115,414,740	222,028,186,675	173,115,414,740	222,028,186,675
Accrued expenses	16,531,617,930	152,716,832,474	16,531,617,930	152,716,832,474
Total	250,959,219,670	480,737,206,149	250,959,219,670	480,737,206,149

Fair value of financial assets and liabilities of the company are reflected at the values which the financial instruments can be converted in a current transaction among parties having enough knowledge and expecting to involve in the transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

The company has used the following methods and assumptions to determine the fair value of financial assets and financial liabilities:

Fair value of cash and cash equivalents, accounts receivable from customers, accounts payable to suppliers and other short-term accounts payable (ave deducted the provision for an estimate that is unrecoverable) are equal to their book values since these financial instruments have short terms.

The fair value of listed securities are determined on the basis of transaction prices on the stock market. With respect to unlisted securities the fair value is determined on the basis of average transaction price in transaction market of the public companies not listed yet (UpCoM) to the companies that have registered to transact on transaction market of the public companies not listed yet (UpCoM), or average prices on the basis of transaction prices provided by a minimum three securities companies at the time of 31st December, 2016 to the companies that have not registered to transact on the transaction markets of the public companies.

The fair value of the loans is estimated by discounting the cashflow at the interest rate applicable to the outstanding loans and maturities. The fair value of these financial liabilities is equal to the book value as the effect of the discount is negligible.

5. Collateral

The Company does not have any collateral for mortgage to another unit on 31st December 2016 and on 31st December 2017.

The company holds the collateral of other units such as certificates of house ownership and land use rights on 31st December 2016 and on 31st December 2017 with a written valuation respectively 249.126.800.000VND and 152.702.000.000 VND to ensure the purchase of goods not paid immediately prior to import goods.

6. Credit risk

Credit risk is the risk that partners will not perform its obligations under the provisions of a financial instrument or customer contract, leading to financial losses. The Company has credit risk from its business activities (mainly for customer accounts receivable) and from its own financial operations, including bank deposits and other financial instruments.

Account receivable

The management of customer credit risk based on Company policies, procedures and process control of the Company relating to the management of customers credit risk.

Customer receivables which are unpaid are regularly monitored. The analysis of the ability to be made redundant at the reporting date on the basis of each large customer. On this basis, Company does not have risk of credit concentration.

Bank deposits

Most bank deposits of Company shall be deposited at the prestigious banks in Vietnam. The Company found that concentrations of credit risk for bank deposits are low.

7. Liquidity risk

Liquidity risk is the risk that Company has difficulty in complete the financial obligations due to lack of capital. Liquidity risk of the Company arises mainly due to mismatch in the maturities of financial assets and financial liabilities.

Company manage liquidity risk through maintaining the ratio of cash and cash equivalents at the level that Board of Directors thought its sufficient to provide financial support for the business of Company and to minimize impact of changing cash flows.

Information maturities of financial liabilities of the Company based on the value without discounting payments under the contract as follows:

Unit: VND

	Under 01 year	From 01 year to 05 years	Total
Ending balance	250,959,219,670	-	250,959,219,670
Loans and depts	61,312,187,000	-	61,312,187,000
Trade payable	170,886,882,020	-	170,886,882,020
Other payable	2,228,532,720	-	2,228,532,720
Accrued expenses	16,531,617,930	-	16,531,617,930
Begining balance	480,737,206,149	-	480,737,206,149
Loans and depts	105,992,187,000	-	105,992,187,000
Trade payable	129,476,100,215	-	129,476,100,215
Other payable	92,552,086,460	-	92,552,086,460
Accrued expenses	152,716,832,474	-	152,716,832,474

The Directors believe that the risk level for payments to financial liabilities is low. The company can settle their current portion of depts from operating cash flow and the gain from financial liabilities on due dates.

8. Market risk

Market risk is the risk that the fair value or cash flow in the future of a financial instrument will fluctuate due to change in market prices. Market risk includes foreign current risk, interest rate risk and other price risk.

Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of financial instruments will fluctuate with changes in the exchange rate.

The Company does not have foreign currency risk by buying and selling goods and services is done primarily by currency is Vietnam Dong.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes of market interest rates. The risk of changes in market interest rates of the Company primarily related to short-term deposits and loans.

The Company manages interest rate risk by closely monitoring market conditions relevant, by that Company will determine the appropriate interest rate policy for risk limited purpose Company.

The Company does not perform a sensitivity analysis for interest rate risk because interest rate changes at the reporting date is not significant.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate according to changes in external market prices of interest rate changes and exchange rate.

The shares hold by the Company may be affected by the risks of future value of the investment shares. The Company manages stock price risk by setting investment limits and diversifying investment portfolio.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year 2017

9. Comparative figures

The comparative figures are figures on the consolidated financial statements of the fiscal year ended 31st December 2016 were audited by Nam Viet Auditing and Accounting Financial Consulting Services Company Limited (AASCN).

This figure has been restated due to the issuance of 36,382,458 bonus shares in 2017 and the appropriations for bonus and welfare funds in accordance with the Resolution of the General Meeting of Shareholders No. 2017 dated 18 April 2017 as follows:

Unit: VND

Consolidated income statement and basic earnings, diluted earnings per share	Năm 2016 (After adjustment)	Năm 2016 (Before adjusted)	Difference
Net profit attributable to shareholders	528,164,035,115	627,404,483,115	(99,240,448,000)
Weighted average number of ordinary shares in issue	81,860,938	45,478,480	36,382,458
Basic earnings per Share	6,452	13,796	(7,344)
Diluted earnings per share	6,452	13,796	(7,344)

10. Information on continuous operation

During operation for the year 2017, there have been no activities or significant events occurring which have generated significant impact to the ability of continuous operation of the Company. Therefore, the consolidated financial statements of the Company still prepare to continue as going concern.

11. Others information

According to the resolution of the General Assembly of Shareholders on April 18, 2017, the Company has canceled the decision to merge with Da Nang Plastic Joint Stock Company (DPC).

Prepared by



Phung Huu Luan

Chief Accountant



Hong Le Viet

General Director



Nguyen Hoang Ngan

Ho Chi Minh City, 26 March 2018





BINH MINH PLASTICS JOINT - STOCK COMPANY

240 Hau Giang, Ward 9, District 6, Ho Chi Minh City



(84) 28 3969 0973



(84) 28 3960 6814

www.binhminhplastic.com.vn