



NHỰA BÌNH MINH®

ANNUAL REPORT 2014



CONSOLIDATING
confidence
HONORING
brand



VISION

TO CONTINUE TO BE A LEADING ENTERPRISE
OF PLASTIC CONSTRUCTION MATERIALS IN VIETNAM.

MISSION

TO SUPPLY PRODUCTS AND SERVICES TO MEET
THE INCREASING DEMANDS OF THE MARKET.
TO HARMONIZE THE INTERESTS OF CUSTOMERS, EMPLOYEES,
SHAREHOLDERS AND SOCIETY.

CORE VALUES

HIGH CONSENSUS RESPECTING THE PAST, SELF-CONFIDENCE
TO MOVE FORWARD TO THE FUTURE.



MESSAGES FROM THE BOARD OF MANAGEMENT

Looking back at 2014, because of impacts from external factors such as Eastern Sea events, political conflicts, terrorism, and from domestic factors such as low labor productivity, competitiveness of many enterprises was not high, the business environment changed much... that somewhat caused adversely affect to the economic situation in the country. However, as of end of year, the drastic measures of the Government have effectively decreased inflation, stabilized exchange rates, and have restored the confidence of people and businesses.

In that context, Binh Minh Plastics achieved a relatively good and comprehensive results with income of 2,416 billion, increased 15.7% over the previous year; Although pre-tax profit was only 481 billion, down 3.6% but after-tax profit was guaranteed 377 billion, increased 1.9% and basic earning per share was 8,292 VND, increased 1.9% over the year 2013.

According to assessments of many organizations, Binh Minh Plastics have:

- **Affirmed a leading competitive position to the businesses in the same industry in the country.**
- **Had sufficient conditions to meet the requirements of regional and international integration.**

The results above demonstrated the trust of customers and partners, the effort of the employees, the support of shareholders and society for us. In response, based on the restructure of the company continuously and thoroughly to follow strategic orientation and consistent vision, Binh Minh Plastics will devote all its strength to face the difficulties and challenges to confidently move forward.

We hope for the trust and the support from the shareholders to the Board of Management, the Board of Executive and the team of employees, which are great motives to help us excitedly and confidently contribute to the sustainable development of the Company to meet the expectations entrusted by the shareholders.

Respectfully wish all of us to be on a stable boat, **consolidating confidence, honoring the brand** forever towards a bright future of Binh Minh.

BOARD OF MANAGEMENT
CHAIRMAN



Le Quang Doanh



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DEFINITION OF ABBREVIATIONS

GMOS General Meeting of Shareholders
BOM Board of Management
IC Inspection Committee
COM Council of Members
CIT Corporate Income Tax
BMP Binh Minh Plastics Joint-Stock Company
NBM Northern Binh Minh Plastics
One Member Co. Ltd.

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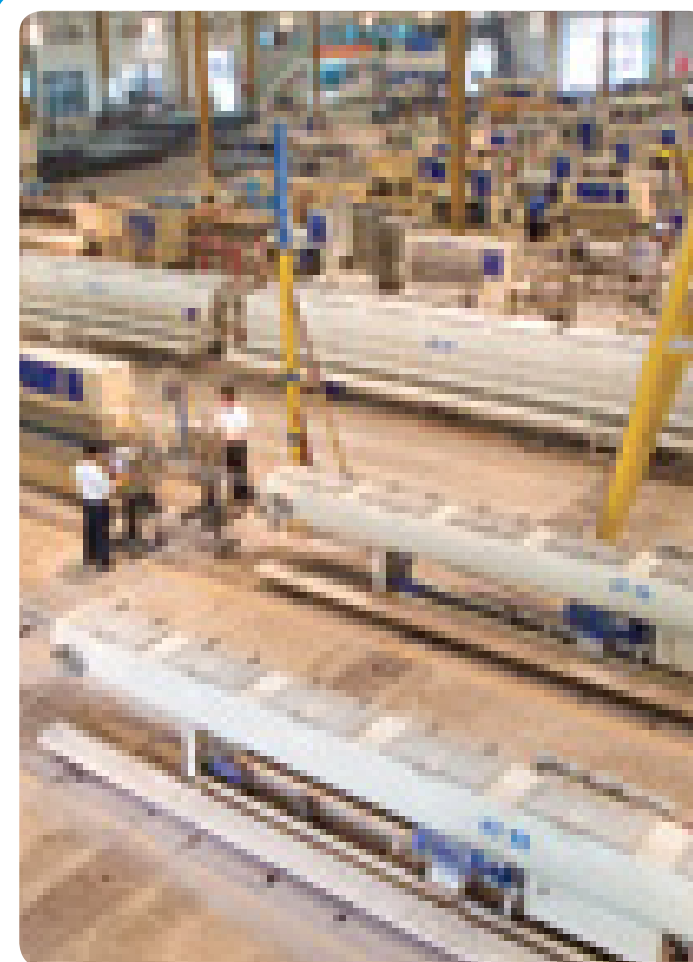
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GENERAL INFORMATION OF THE COMPANY

“ Binh Minh Plastics is evaluated by the consumers to be a leading and reputable enterprise in the Vietnam plastic industry generally and in the plastics industry particularly ”



GENERAL INFORMATION OF THE COMPANY

1. GENERAL INFORMATION:

Company's name :

BINH MINH PLASTICS JOINT STOCK COMPANY

Abbreviated name :

BM PLASCO

Business registration certificate :

0301464823 - First registration date: 02 January 2004 -
5th registration date: 07 October 2013

Charter capital :

VND 454,784,800,000

Invested capital by the owners:

VND 1,718,260,413,418

Head office's address :

240 Hau Giang street, ward 9, district 6, HCMC

Telephone:

(08) 39 690 973

Fax :

(08) 39 606 814

Website :

www.binhminhplastic.com.vn

Stock code :

BMP

Binh Minh Plastics Joint Stock Company Branch :

**No. 7, road No. 2, Song Than 1 industrial park ,
Di An town, Binh Duong province, Viet Nam**

Binh Minh Plastics Joint Stock Company -

Vinh Loc - Ben Luc Branch :

**Block C1-6 to C1-30, Vinh Loc 2 industrial park, Vinh Loc
2 street, Voi La hamlet, Long Hiep commune, Ben Luc
district, Long An province , Viet Nam**

Subsidiary companies :

**Northern Binh Minh Plastics One Member Co., Ltd.
(NBM), road D1, block D, Pho Noi A industrial park,
Van Lam rural district, Hung Yen province , Viet Nam**



GENERAL INFORMATION OF THE COMPANY

2. PROCESS OF FORMATION AND DEVELOPMENT

2.1 Time line and memorabilia

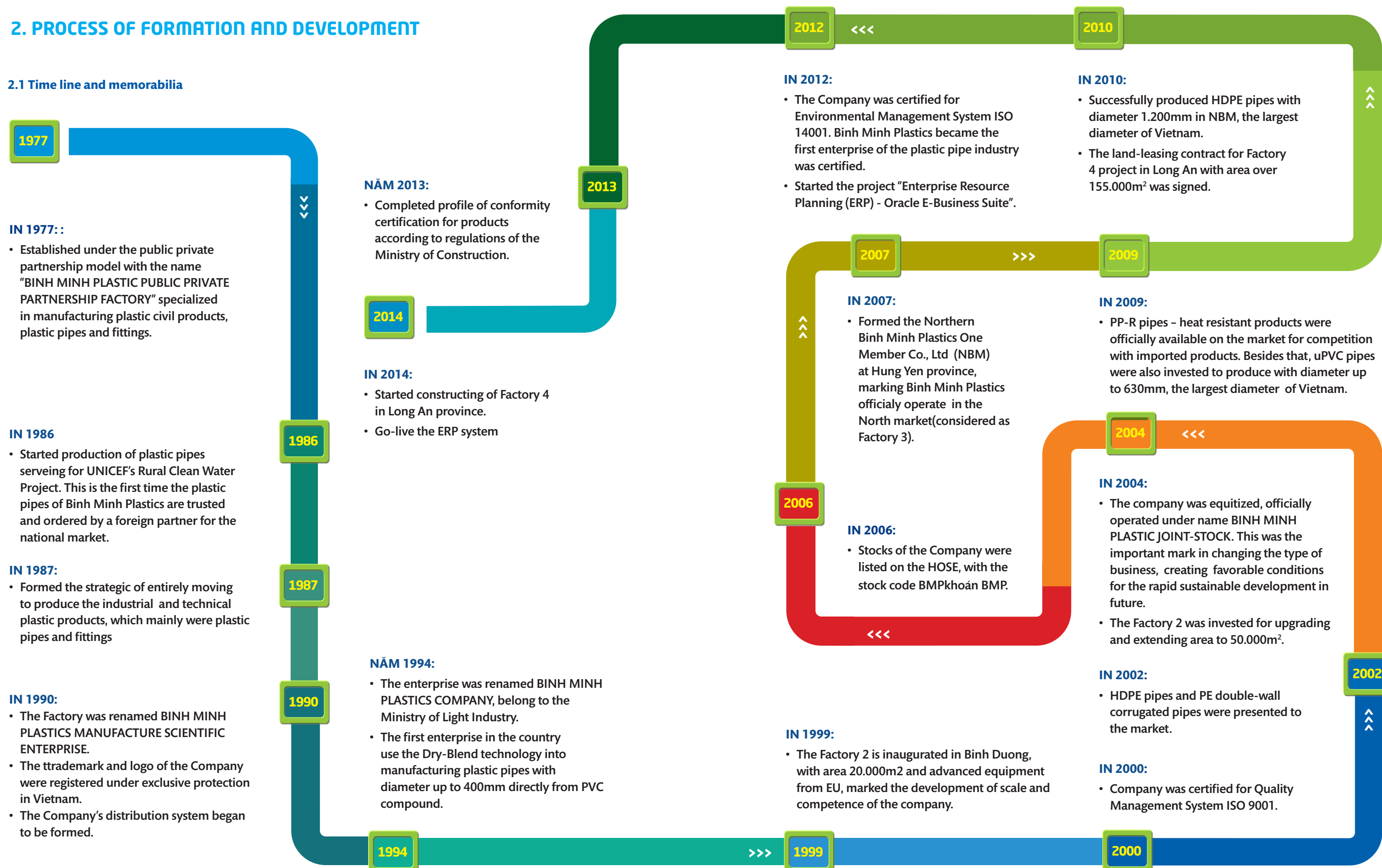


CHART OF CHARTERED CAPITAL AND TOTAL ASSETS FROM YEARS 2004 TO 2014

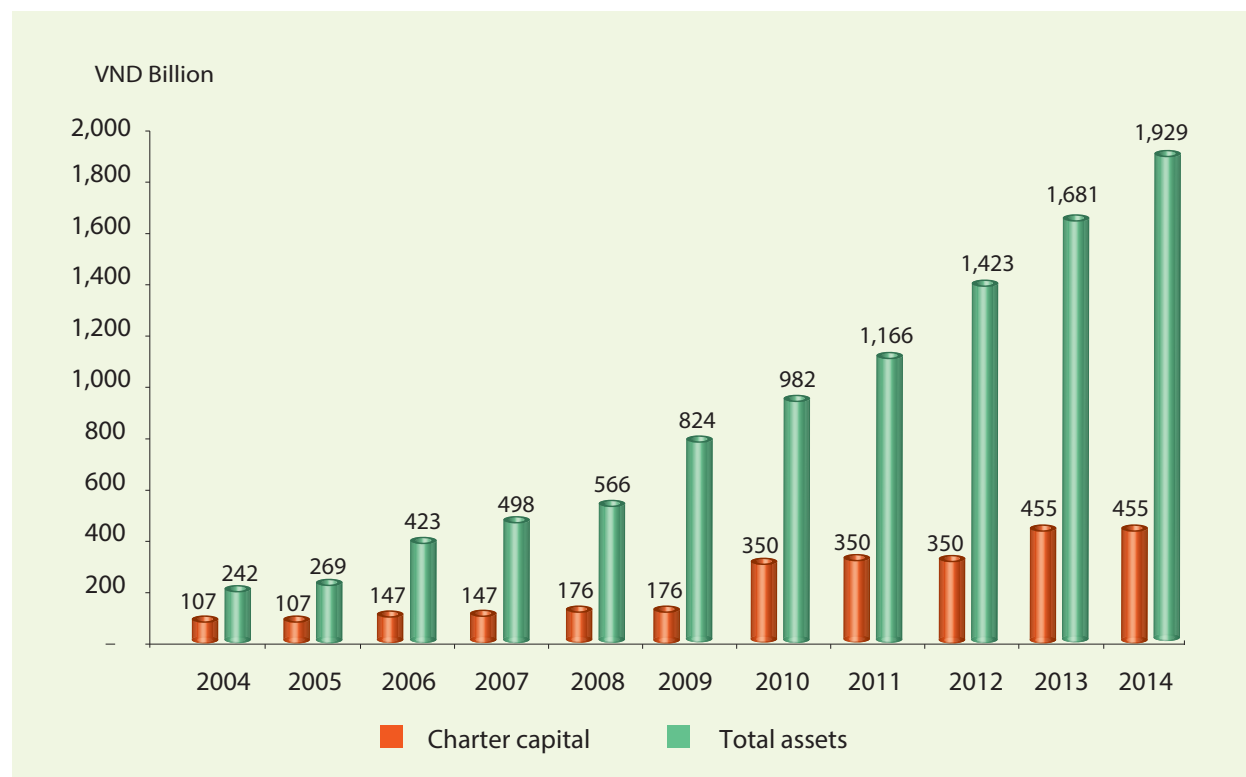
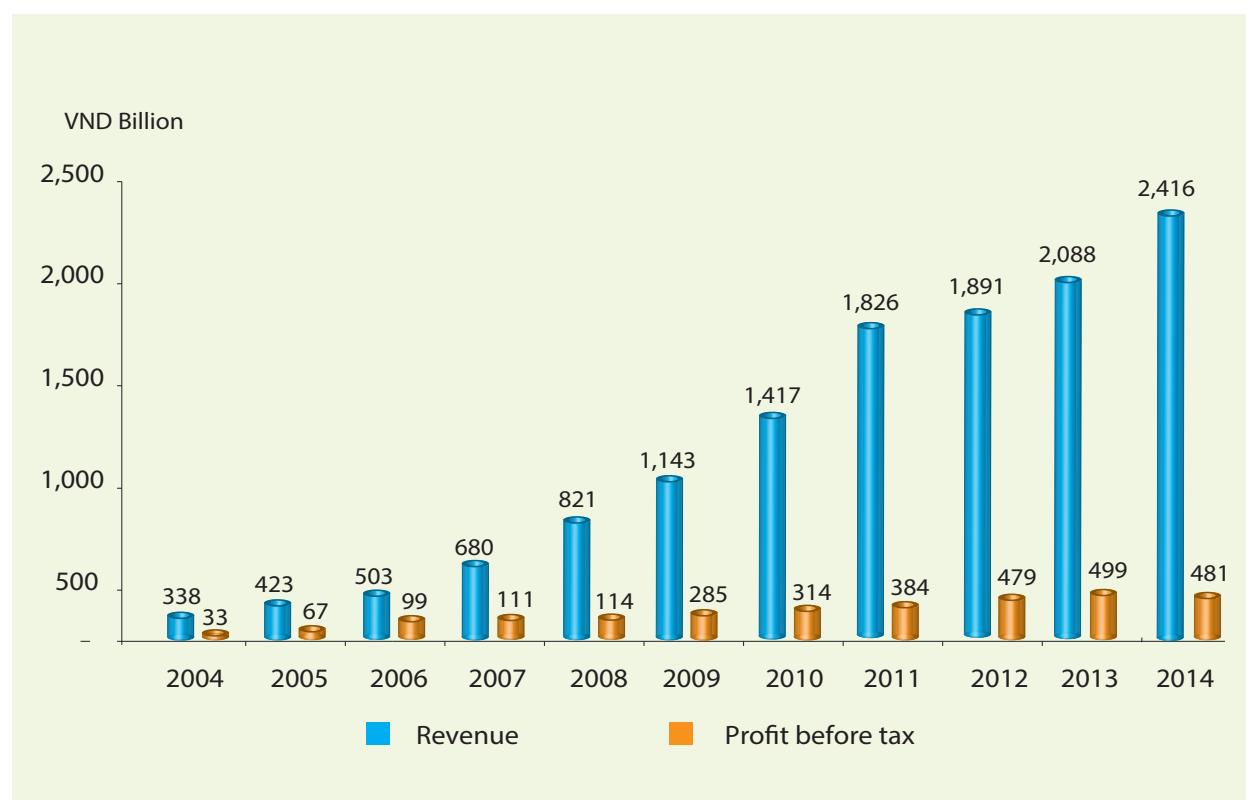


CHART OF REVENUE AND PROFIT FROM YEARS 2004 TO 2014



GENERAL INFORMATION OF THE COMPANY

3. BUSINESS LINES AND FIELDS

Binh Minh Plastics is evaluated by the consumers to be a leading and reputable enterprise in the Vietnam plastic industry generally and in the plastics industry particularly, specialized in providing plastic pipes and fittings, technical high plastic products for water supply and drainage, telecommunications, electricity, construction and civil; sprayers used in agriculture ... five major current product lines of the Company may be listed as follows:

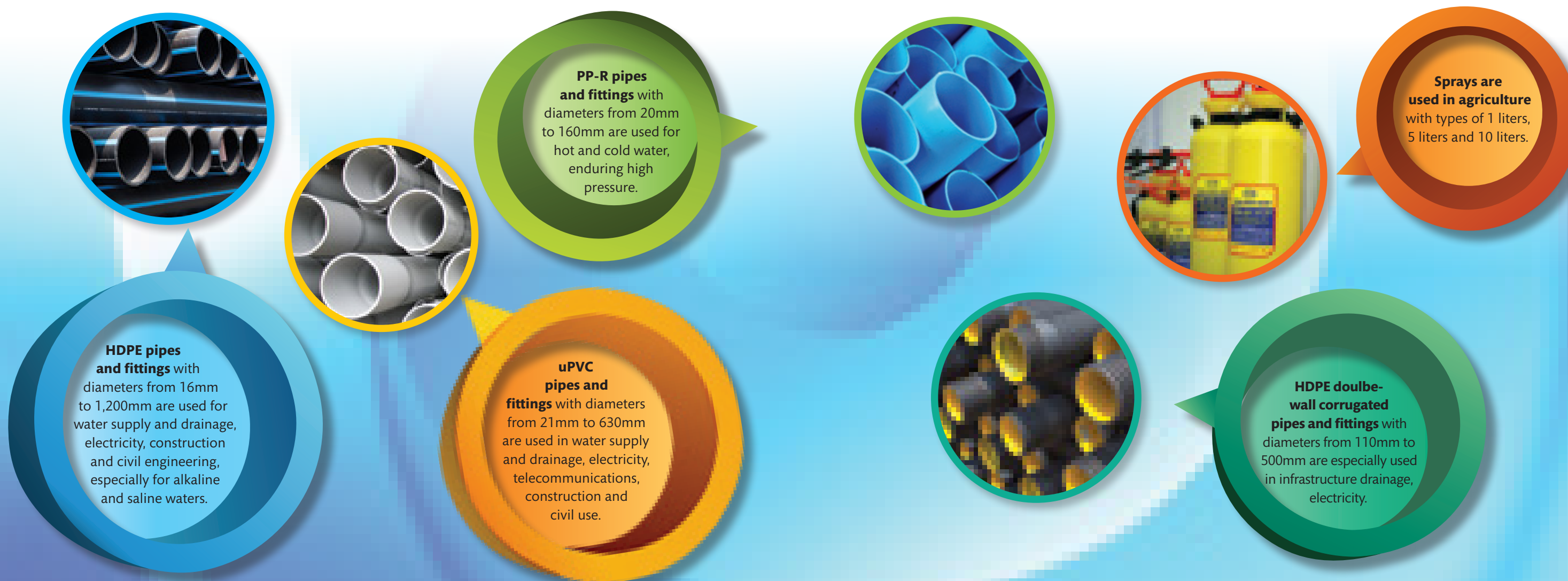
- **uPVC pipes and fittings** with diameters from 21mm to 630mm are used in water supply and drainage, electricity, telecommunications, construction and civil use.
- **HDPE pipes and fittings** with diameters from 16mm to 1,200mm are used for water supply and drainage, electricity, construction and civil engineering, especially for alkaline and saline waters.
- **HDPE double-wall corrugated pipes and fittings** with diameters from 110mm to 500mm are especially used in infrastructure drainage, electricity.
- **PP-R pipes and fittings** with diameters from 20mm to 160mm are used for hot and cold water, enduring high pressure.
- **Sprays are used in agriculture** with types of 1 liters, 5 liters and 10 liters.

The product lines of pipes and fittings with Binh Minh Plastics brand meet national and international standards. In addition, these products are also certified in accordance with National Technical Standards QCVN 16-4: 2011/BXD.

With machinery systems and technologies belong to the most advanced generation from Italy, Germany, Australia, Canada... which were synchronically equipped at three factories in Ho Chi Minh City, Binh Duong, Hung Yen, Binh Minh Plastics is able to provide market 80,000 tons of products annually.

Beside that, with the team of professionally trained staff and the Quality Management System ISO 9001, the Environmental Management System ISO 14001, Binh Minh Plastics is proud to be a unit supplying plastic pipes to many key national projects, industrial construction and civil works, water supply and drainage works, electricity, infrastructure...

Binh Minh Plastics brand is known by over country consumers via the wide distribution networks - nearly 1,200 stores - belong to the company distribution systems and via more than 80% of over country stores trading Binh Minh Plastics products.



4. INFORMATION OF MANAGEMENT MODEL AND APPARATUS

CHART OF MANAGEMENT MODEL IN THE COMPANY :



a. The management model:

The Company complies with management model which applied to equitization enterprise in accordance with the Law on Enterprises, which are General Meeting of Shareholders (GMOS); Board of Management (BOM); Inspection Committee (IC); Boar of Senior Executive consisting of a Director General, two for Deputy Directors General and a Chief Accountant.

In April 2013 Annual GMOS elected the BOM consisting of five members and the IC including three members of the term 2013 - 2018. Year 2014 is the second year that the BOM had participation of foreigner member who represent major shareholder; two titles of Chairman of BOM and Director General are clearly separated and

defined. Thus the members of the BOM and the Board of Executive have specialization with clear responsibilities of each title.

Year 2014 is also the second year in operation of the two assisting sub-committees directly under the BOM that are the Sub-committee for Personnel - Policy - Remuneration and the Sub-committee for Shareholder Relation, thus step by step the supporting roles of these 2 sub-committees have also been demonstrated more clearly. In addition, the Sub-committee for Strategy - Development and the Sub-Committee for Risk Management have been established and put into operation at the request of the BOM.

b. The management apparatus structure:

At the parent Company – BMP- the BOM appoints the senior leaders (the Board of Senior Executive), including the Board of Directors General and a Chief Accountant. The Director General appoints the middle officials including Managers, Deputy Managers of Functional Departments and the Board of Directors of the two Factories.

At the subsidiary - NBM- The BOM appoints the Council of Members (COM). The Chairman of COM appoints the Board of Directors.

Each year, the BOM based on resolutions of the GMOS, assigns targets to the parent Company and subsidiary. The Board of Executive and the COM specified duties by the goals of the Company.

Leader Representative of the Quality Management System ISO 9001 and the Environmental Management System ISO 14001 - on behalf of the Board of Executive - control operation processes of the Company and the departments.



DIAGRAM OF MANAGEMENT APPARATUS STRUCTURE
OF THE PARENT COMPANY, SUBSIDIARY COMPANY:





5. DEVELOPMENT ORIENTATION:

As one of the market leading companies in the field of manufacturing, supplying plastic pipes and plastic pipe fittings in Vietnam, the Company still maintains and day by day firmly asserts its position on plastic industry in particular and on Vietnam business community in general. In the period of economy is sluggish and trying to recover from the recession, although it need to focus on short-term solutions to overcome difficulties ahead, the Company still continued to implement the long-term orientation, which built in the development strategy and deployed in to the functional suitable strategies for each stage of reality.

STRATEGIC ORIENTATION OF PRODUCT:

Affirming the main product structure – the strategic, long-term product lines are plastic pipe lines and fittings with a motto of gradually improvement planning and synchronizing of product systems in each range of applications and standard systems. Developing diverse product lines to meet various applications, target customers, and different market segments. Orientate the priority development of new products basing on right market demand assessment and investment in accordance with the financial capacity or other resources on orientation of development of product lines following the current core technologies basing on progress in technology and products of the world. Affirming that the strategic orientation still focus priority on developing of product groups of plastic building materials, but in long term, it will be extended products into other fields with the development potential as plastic products for supporting industry, for high-tech agriculture, watering, irrigation and other key industries.

STRATEGIC ORIENTATION OF QUALITY:

Affirming manufacture orientation of high quality products, unifying system of product standards, ensuring all main products in conformity with standards, regulations following national and international standards and regulations. Actively participating in critic, contributing to policy and planning to build national standards for products of the same industry.

STRATEGIC ORIENTATION OF BUSINESS:

Maintaining the stable distribution system as a foundation. Expanding project customers through the key distributors or through developing a department responsible for project customers. Actively cooperating in coalition, linking to manufacturers of building materials, consulter, designer and constructor in the water supply, drainage fields; to the real estate and infrastructure investors and construction contractors for creating the linking chains.

STRATEGIC ORIENTATION OF MARKET DEVELOPMENT:

The products of the Company although have no advantage in exporting due to high transport costs, but the ability to participate in neighborhood markets (especially to areas of Indochina countries) is entirely possible. The domestic market is still oriented to be the main market, however it is necessary to strengthen the activities of research, evaluation, and gradually expansion the business into regional neighborhood markets via ways as trade, cooperation or investment.

STRATEGIC ORIENTATION OF BRAND DEVELOPMENT AND COMMUNICATIONS:

Affirming the value of brand reputation in the market and focusing on the protection and promotion of the brand in many ways, particularly through big programs of brand with national and regional scales. Building a unified system to identify brand. Diversifying marketing communication activities, focusing on the role of network communications, community-orientation communications and environmental orientation communications.

STRATEGY ORIENTATION OF INVESTMENT:

Maintaining a leading role in research and application of new technologies, in developing new products. Confirming investment strategy of advanced equipment to stabilize the product quality, to moderniz and control well the production process, to take advantage of high productivity, of good quality and of greater equipment longevity. Improving organization efficiency and promote research and development (R & D) activities, update the industry information, market information both in domestic and international scope to actively develop new products and apply scientific and technological progress.

STRATEGIC ORIENTATION OF THE ORGANIZATION, MANAGEMENT AND HUMAN RESOURCES:

Organization structure and management model will be adapted to the scale of development in each stage. And based on that, proactively structure accordingly, plan and train high-quality human resources to meet the needs of the quantity and also quality of human resources for development. Apply and unceasingly improve the model and tools of advanced management to ensure the transparency and the effectiveness in management and operation.

STRATEGIC ORIENTATION OF FINANCE:

Enhancing the effectiveness of business operation to ensure financial efficiency in the short-term and direction towards sustainable development in the long term of the Company on the basis of "balance" and the harmony of interests with a high consensus among Customers, Shareholders, Employees and Communities. Applying information technology to be proactive in planning, management, exploitation of financial information and in controlling, in preventing risks.

STRATEGIC ORIENTATION OF INTERNATIONAL INTEGRATION AND COMPETITIVENESS:

With the ASEAN Economic Community (AEC) formed in 2015 and Vietnam participated in the other Free Trade Agreements (FTA), competition trends and pressures have come to "door" for businesses in general and Binh Minh Plastics in particular. Compared with the same products produced in the ASEAN region, the Company is fully confident about the competitive capacity of product quality, technology, labor productivity and corporate management activities. However in practice, the Company need to enhance the understanding of international business environment, the opportunities and challenges of integration with other countries in the region and in global through FTA that Vietnam is engaging to build the orientations and the appropriate competitive solutions.

STRATEGIC ORIENTATION OF ENVIRONMENTAL, SOCIETY AND COMMUNITY ACTIVITIES:

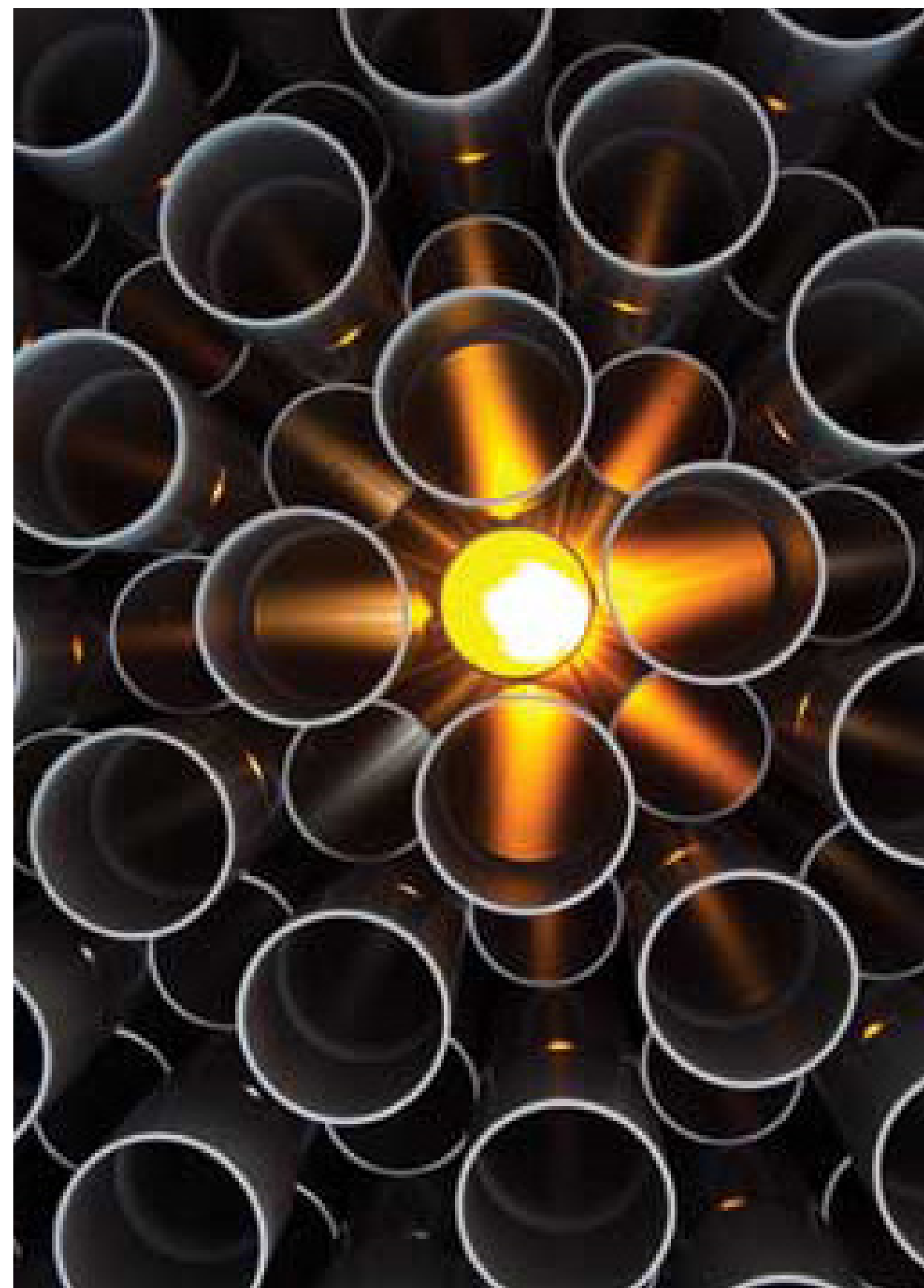
More than ever, the business models of corporate social responsibility (CSR) are intereted and performed on a global scale. The application and strick compliance the Environmental Management System (EMS) standard ISO 14001 has shown a high comprehension of the Company with commitment "to have responsibility to nature, community and aiming to sustainable development". The company has, directly or through political organizations, actively contributed to the above community activities in many areas during the past years and affirmed that it would continue to strengthen the contribution of the Company in this activity in the future.

STRATEGIC ORIENTATION OF SUSTAINABLE DEVELOPMENT:

Trend in sustainable development has become the direction in the strategy of the Company in accordance with the general development trend of the world. The company identified the need for sustainable development is not only related to the large scope of environmental protection, social responsibility, community sharing but also in the strategy for internal development of the Company. The orientation of sustainable development requires a "balance" in the development targets such as market share growth to maintain the long-term survival of the Company, profitable growth to meet the goals of Shareholders and income growth, welfare growth for the benefits and cohesion of the Laborers.

CULTURAL ORIENTATION OF THE COMPANY:

Cultural value is a foundation of the Company, so to implement the strategic orientation above - it requires a formation and a continuous improvement. The Company affirmed to continue promote unity, carefulness, cooperation and cohesion with creativity, willingness to innovate to improve the operational efficiency of internal management and built a friendly environment but professionally. Continuing to build a culture of Binh Minh Plastics, improving systems of policy, rules and internal regulations and having a day by day better care of material life and spiritual life of Laborers in the Company.



GENERAL INFORMATION OF THE COMPANY

6. RISKS AND RESPONSE RESOLUTIONS:

RISK CATEGORIES

MANAGEMENT MEASURES

RISKS DUE TO THE ECONOMIC ENVIRONMENT: The economic crisis, inflation... in the world affecting the domestic economy will cause purchasing power reducing, especially in building material industry.

- Regularly update the domestical, international economic, political information, especially in the field of construction, real estate for rising suitable policy decisions.
- Take advantage of opportunities even in difficulty. Develop distribution systems to faraway areas; Expand the market abroad; promote participation in projects; Invest and develop in depth, focusing on the key business fields.

RISKS OF MACROECONOMIC POLICIES: The changes of laws, tax policies, regulations of accounting, reporting, personnel policies, environment... from the state management authorities will affect to the operation, reputation and business results of the Company.

- Set up a system for updating the changes of laws, implementing in accordance with regulations
- Assign the responsibility to the functional departments to participate in training updating courses for policies, and popularize these policies to employees to perform together.
- Hire professional legal consultants to advise leaders on problems of State policies concerning the activities of the Company.

RISKS FROM COMPANY INTERNAL: Mistakes in business strategy; inefficient investment; lack of internal unity; ineffective management; human resources unsatisfactory to the needs... affect to the business performance, brand and sustainable development of the Company.

- The BOM plan a long-term strategy based on the market, the abilities of the Company. Assign specific annual plans and closely monitor the activities of the Board of Executive.
- The Board of Executive set up progress of implementation, complying and constantly improving the work process in accordance with the provisions of the State and the abilities of the Company.
- Focus on recruitment and training; transparency and fairness in remuneration policies, benefits for employees; having reasonable remuneration policies to attract talents.
- Focus on building corporate culture: ethical standards, conduct, public relation, behavior, sharing ...

RISKS OF FIRE, NATURAL DISASTER, AND THEFT OF PROPERTY ...: affect to production, business operations, assets and equity.

- Risk dispersion: Not locating the warehouse concentavely. Need fully equipped with facilities and human to check and protect assets, regularly practice simulation emergency responding for disaster situations, fires.
- Buying property insurance to minimize damages.

RISK CATEGORIES

MANAGEMENT MEASURES

RISKS DUE TO CAN NOT TIMELY SUPPLY THE NEEDS OF CUSTOMERS, lead to customers failing construction schedule, having to find alternative suppliers. Negatively affect to the reputation, revenues, and market shares of the Company.

- Increase the machinaries, equipments for production and customer service
- Improve the abilities of inventory management, production management through ERP project.
- Increase the storage capacity
- Focus on information research about distribution systems, customers and other channels... to improve the accuracy of forecasts

RISKS FROM THE INEFFICIENCY OF DISTRIBUTION SYSTEMS resulted in customers not sticking to the Company, less competition than rivals, turnover reduction.

- Unceasingly improve to enhance the quality of existing products and develop new products in accordance with market demand.
- Set up the appropriate price policies, and after sales service policies.
- Issuing, controlling and timely adjusting policies and regulations for operation of the distribution systems and customer flexibly, consistently for the market each period.
- Not applying the policy of exclusive distributor.
- Well organize service activities of periodically caring for delivery systems and customers. Funding for some of their activities.

RFINANCIAL RISKS: Not initiative in own capital in cash for operations; bank loans with high interest rates, affect to the work progressions and profits. Liabilities from customers without payment abitly will affect to the Company capital, affect to the spirit of employees and shareholders.

- Prepare annual financial plans to be active in cash resources.
- Have policies to attract resources from partners taking advantage of low interest money
- Closely monitor the relating markets to determine reasonable interest rate policies, which is favorable for the purposes of limit and management of risk in the Company.
- Have appropriate regulations and regularly check customer debts to avoid lossing and occupying capital, to improve business performance.

6. RISKS AND RESPONSE RESOLUTIONS:

RISK CATEGORIES	MANAGEMENT MEASURES
RISKS DUE TO CHANGES IN INPUT ELEMENTS: The unstabilities for exchange rates, prices, transport costs, labor costs and supplied material resources will affect to costs, profits and production plans.	<ul style="list-style-type: none"> Update information relating to the situation, economic polictic forecastes inside and outside of the country to take the appropriate decisions. Issue the norms; encourage the saving use of electricity, water, materials...; increase the labor productivity to reduce costs. Study the possibilities of using new materials that are high efficiency, and friendly with environment. Priority use domestic materials to minimize fluctuations from the exchange rate, transport, and supply schedule. Build the trusted partner relationships with suppliers, maintaining the confidence in business with a motto of "mutually benefit". Avoid the situation of exclusive supplier.
RISKS OF DECISIONS FROM SENIOR AND MIIDLE LEADERS.	<ul style="list-style-type: none"> Purchasing liability insurance for members of the BOM, and the Board of Executive .
RISKS OF SENIOR LEADERS' HEALTH LEADERS, ALSO INCLUDING FROM TRAFFIC ACCIDENTS: resulting in disruption of directing activities to the Company.	<ul style="list-style-type: none"> Increase the quality and frequency of periodic health checks for senior leaders. Have policies to encourage the leaders to use private cars in daily traveling. Disposition of Company cars to shuttle. Prepare standby human contingency plan for senior leaders (each position has a substitute people when necessary).
RISK OF A SHORTAGE OF HUMAN RESOURCE FOR YOUNG MANAGERS IN THE NEXT 5 YEARS.	<ul style="list-style-type: none"> Boldly create opportunities for young force to contact with reality to demonstrarte and enhance skills and spirit to discover promising young officers Increase training opportunities for trainee managing officers (there may be some trainee officers for one management position). Boldly promote to use young force.

RISK CATEGORIES	MANAGEMENT MEASURES
RISK OF COLLECTIVE ACCIDENTS such as poisoning food in shift meals, poisoning gas in the manufacturing areas.	<ul style="list-style-type: none"> Strengthen food safety: Strict management of food supply, food hygiene management. Build plans for handling and increasing periodic drills to handle emergency situations when there are collective accidents.
RISKS OF COLLECTIVE STRIKES, SLOWDOWN.	<ul style="list-style-type: none"> Co-operate closely with the labor union to understand and meet legitimate thoughts and aspirations of the workers, while enhance training of law and labor regulations and compliance awareness for workers. Build plans for dealing with strikes, collective slowdowns.
RISKS OF DATA LOSS, DATA THEFT FROM SENIOR LEADERS' COMPUTER AND FROM ORACLE ERP SYSTEMS.	<ul style="list-style-type: none"> Strengthen security regime; build the processes of backup of important data and storing in a safe separate location Increase backup devices; set up and apply a process of data backup in accordance with standards to Oracle ERP system.
RISKS OF FLUCTUATIONS IN HUMAN RESOURCES - INTERMEDIATE AND ADVANCED OFFICERS - FOR ORACLE ERP SYSTEM .	<ul style="list-style-type: none"> Enhance training of reserve human resources from internal sources at the level of key user Strengthening policies to attract highly qualified human resources for levels of system administrator (admin).

Generally, it is necessary to develop a specific strategy for risk management and internal control in accordance with international standards COSO (Committee of Sponsoring Organizations of The Treadway Commission).

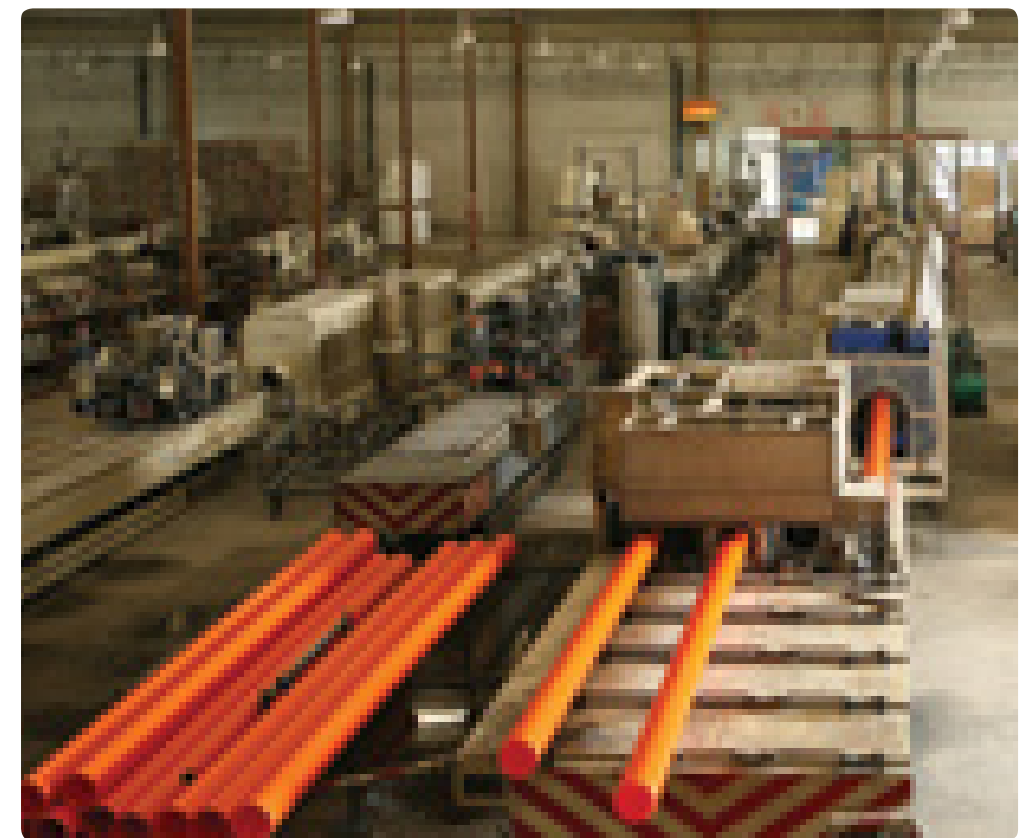


NHỰA BÌNH MINH[®]

“Exploiting maximum production capacity from all available resources. Mobilizing equipment at the highest capacity in factories and subsidiaries. Using reasonable holidays and New Year holidays to produce and store products.”

OPERATION SITUATION

DURING THE YEAR



OPERATION SITUATION DURING THE YEAR

1. RESULTS OF BUSINESS OPERATIONS IN 2014:

In 2014, our country's macroeconomy maintained its stability; inflation was under control, growth was restored in most of the sectors and fields. However, there were still many complicated events in the world such as the outstanding event of Eastern Sea and the political happenings, wars, terrorism, accidents, diseases, abnormal fluctuations in oil prices ... while the global economic has been unstably recovering, proving that many potential risks still have been affected to the economy of Vietnam.

For the Company, it faced to particular obstacles:

- Raw material prices increased during the early 10 months of the year and caused significant influence to the efficiency of business when the price could not be changed.
- The machinery and equipment under the new investment was delinquent arrived due to the supplier's fault and this caused shortage of goods for many days.
- The taxes collected due to previous years, has not finalized and caused influence of time and human resources of the Company.

Against this situation, the Company still maintained the basic business strategy of:

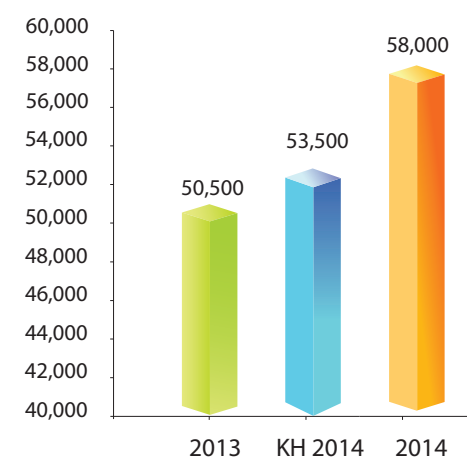
- Brand positioning in the segment of high-quality products, diversity and richness of products, wide distribution system with the consistent and flexibility policies.
- Continuing to conquer the domestic market, participating more in the construction of key projects in the country.
- Gradually developing overseas markets.

With the strategies of the year:

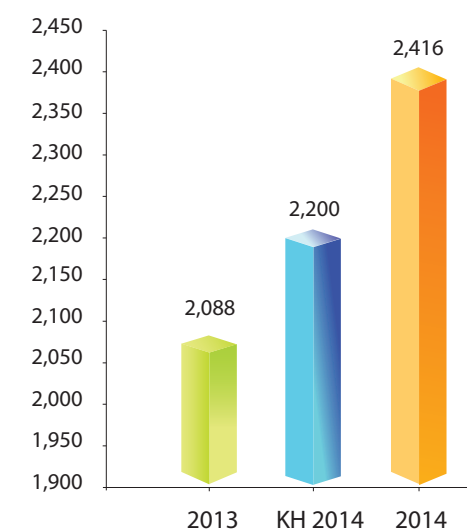
- Exploiting maximum production capacity from all available resources. Mobilizing equipment at the highest capacity in both factories and subsidiaries. Using thorough holidays and New Year holidays to produce and store products.
- Speeding up the business and marketing. Increasing customer care. The distribution system conference with over 1,000 participating units in Singapore has resonated very large resound and good effects for the development of the market share.
- Flexibility in competition policy has brought the company "more friends and fewer enemies", and at the same time, its distribution system and direct customers have become more satisfied.
- Strictly controlling costs while ensuring production capacity, competitive factors, and not decreasing the effectiveness.
- Strengthening human resources for immediate needs and preparing for the future.
- Improving the management system with advanced and synchronous solutions.
- Deploying the construction project in the Factory 4 in Long An.

As the result of this, producing business results has been obtained as follows:

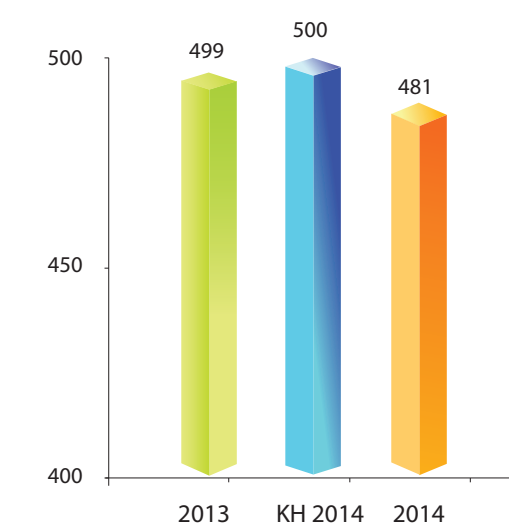
NO.	TARGETS	CALCULATION UNIT	PLAN	IMPLEMENTATION	IMPLEMENTATION/ PLAN	IMPLEMENTATION IN 2013
1	Turnover	VND Billion	2,200	2,416	110%	116%
2	Consumption Output	Metric ton	53,500	58,000	108%	115%
3	Profit before taxes	VND Billion	500	481	96%	96%



Output (Ton)





Revenue (VND billion)



Profit before tax (VND billion)



WITH THESE RESULTS, THE COMPANY ACHIEVED:

 <p>THE UNIQUE PLASTIC ENTERPRISE WAS SELECTED 4 CONSECUTIVE TIMES BY THE GOVERNMENT TO THE PROGRAM OF "NATIONAL BRAND".</p>	 <p>THE UNIQUE PLASTIC ENTERPRISE WAS VOTED 19 CONSECUTIVE TIMES BY THE CONSUMERS FOR "VIETNAM HIGH QUALITY PRODUCTS".</p>
 <p>TOP 50 BEST LISTED COMPANIES IN VIETNAM IN 2014 VOTED BY VIETNAM FORBES MAGAZINE.</p>	 <p>TOP 50 EFFICIENT BUSINESS ENTERPRISES IN VIETNAM IN 2014 VOTED BY INVESTMENT BRIDGE MAGAZINE.</p>
 <p>2014 EMULATION FLAG AWARDED BY THE PRIME MINISTER.</p>	 <p>MERIT CERTIFICATE AWARDED BY THE GENERAL TRADE UNION OF VIETNAM.</p>



2. ORGANIZATION OF HUMAN RESOURCES IN THE COMPANY

A. Members of Board of Executive

1. Mr. NGUYEN HOANG NGAN Vice Chairman - General Director of BOM BMP

Born in 1962

Qualification: Mechanical Engineering,
Master of Business Administration



Working history in BMP:

- 1988: Technician
- 1992: Manager of the Technical Department
- 1997: Deputy Director
- 2004: Vice Chairman of the BOM - Deputy General Director
- 2007-2010: Vice Chairman of the BOM - Deputy General Director; Vice Chairman of the COM - Director of NBM
- 2010-Feb.2012: Vice Chairman of the BOM - Deputy General Director; Chairman of the COM of NBM
- March 2012: Vice Chairman of the BOM - Deputy General Director; Chairman of the COM of NBM; Chairman of the BOM of DPC
- November 2012-2014: Vice Chairman of the BOM - General Director; Chairman of the COM of NBM; Chairman of the BOM of DPC
- 2014- present: Vice Chairman of the BOM - General Director

2. Mrs. NGUYEN THI KIM YEN Member of the BOM - Deputy General Director; Chairman of the COM of NBM

Born in 1960

Qualification: Bachelor of Industrial Economics, Bachelor of Business Administration



Working history in BMP:

- 1981: Statistics staff
- 1988: Deputy Manager of Supply and Consumption Division
- 2006-2014: Member of the BOM - Deputy General Director in charge for business
- 2014 to present: Member of the BOM - Deputy General Director in charge for business; Chairman of COM of NBM

OPERATION SITUATION DURING THE YEAR

A. Members of Board of Executive

3. Mr. NGUYEN THANH QUAN Deputy Director General

Born in 1968

Qualification: Chemical Engineering, Master of Business Administration



Working history in BMP:

- 1994: Technician
- 1997: Deputy Manager of Technical Division
- 2000: Manager of Workshop 1
- 2007: Director of Factory 1
- 2010: Director of Factory 2
- 2013 to present: Deputy Director General in charge for technical

4. Mr. HONG LE VIET Chief Accountant - Manager of Finance -Accounting Department

Born in 1966

Qualification: Bachelor of Economics



Working history in BMP:

- 1993: Staff of Finance Accounting Department
- 2002: Deputy Manager of Finance Accounting Department
- 2006: Deputy Manager of Finance Accounting Department, Chief accountant of NBM; Member of COM of NBM
- 2014 to present: Chief Accountant - Manager of Finance - Accounting Department ; Member of COM of NBM

OPERATION SITUATION DURING THE YEAR

BMP equity with voting right of Board of Executive :

NO.	FULL NAME	TITLE	NUMBER OF SHARES OF BMP	OWNERSHIP RATE (%)	NOTE
1	NGUYEN HOANG NGAN	GENERAL DIRECTOR	343,639	0.76	
2	NGUYEN THI KIM YEN	VICE GENERAL DIRECTOR	253,908	0.56	
3	NGUYEN THANH QUAN	VICE GENERAL DIRECTOR	6,505	0.01	
4	HONG LE VIET	CHIEF ACCOUNTANT	2	0.00	

b. Changes in Senior Board of Executive:

On January 01st 2014, Mr. Hong Le Viet was appointed to the title of Chief Accountant cum Accountant Financial Manager for replacement of Ms. Trang Thi Kieu Hau who retired.

3. SITUATION OF INVESTMENT, THE IMPLEMENTATION OF THE PROJECTS**a. ERP project:**

In 2014, the ERP project was in the process of completing the final step. The Company actively prepared adequate resources for all the possible precautions to implement the final phase of the project that was officially applied to real data (Go-live)

On December 30th 2014, the Company formally issued an **official Application decision (Go-live) ORACLE ERP solution in Binh Minh Plastics Joint Stock Company**. Accordingly, since January 01st 2015, 5 modules have been formally applied:

- Financial Management (Oracle Financials);
- Purchasing Management (Oracle Purchasing);
- Storage Management (Oracle Inventory Management);
- Sales Management (Oracle Order Management);
- Manufacturing Management (Oracle Process Manufacturing).

The formal application has been performed at 3 locations:

- BMP Headquarters: 240 Hau Giang St., Ward 9, District 6, Ho Chi Minh City
- The Factory 1: 240 Hau Giang, Ward 9, District 6, Ho Chi Minh City
- The Factory 2 – Song Than, Binh Duong Branch: No. 7, Road 2, Song Than Industrial Park 1, Di An District, Binh Duong Province

After official application of the said 5 modules in BMP, those will be followed in implementation at the NBM.

b. Project of the Factory 4 in Long An:

Development of the 1st phase (30,000 m²).

The value of construction and basic equipment in the 1st phase was about VND 173.5 billion, including the main items:

1. **Piling:** Completed
2. **Leading bridge:** Completed
3. **Truss frame:** Expected to be completed in the middle of April 2015
4. **Factory:** Expected to be completed in the end of August 2015
5. **Power station:** Expected to be installed in the end of June 2015
6. **Water & Pneumatic Air:** Expected to be installed in June 2015
7. **Crane:** Estimated installation in August 2015
8. **Automatic Feeding:** Estimated installation in July 2015
9. **Consulting Services**
10. **Auxiliary equipment**
11. **Provision** (10%)

It is expected in September 2015, the Factory 4 can be operated with production capacity of 5,000 tons of fittings /year with 20 injection molding machines to be removed from the Factory 1 and the Factory 2.

c. Subsidiaries, associated companies:

TYPE	COMPANY'S NAME	ADDRESS	BUSINESS SCOPE	CAPITAL FROM BMP
Subsidiary	Northern Binh Minh Plastics One Member Co., Ltd. (NBM)	Road D1, block D, Pho Noi A industrial park, Van Lam rural district, Hung Yen province.	Manufacturing, import and export of civil engineering, technical and industria products made from plastic, rubber.	100%
Associated	Binh Minh Viet Real Estate Business Investement Joint stock Company (BMV)	No. 240 Hau Giang street, ward 9, district 6, HCMC	Real estate business	26%
	Da Nang Plastics Joint stock Company (DPC)	371 Tran Cao Van street, Thanh Khe district, Da Nang city	Manufacturing, import and export of products, raw material, equipment for plastics industry.	29%

OPERATION SITUATION DURING THE YEAR

**The Northern Binh Minh Plastics Co., Ltd. (NBM):**

In 2014, NBM achieved encouraging results: Sales and production exceeded 40% of the plan - increase of 60% as compared to 2013. The brand of Binh Minh Plastics has been gradually gaining a position in the Northern market, trusted and used by many investors, domestic and foreign contractors. In responding to the solutions of synchronous direction from the parent Company combining with the flexibility business policy, the earning result in 2014 exceeded 62% of the plan and increased 88% as compared to 2013.

No.	TARGET	CALCULATION UNIT	IMPLEMEN- TATION IN 2013	PLAN IN 2014	IMPLEMEN- TATION IN 2014	IMPLEMENTATION IN COMPARISON WITH PLAN (%)	IMPLEMENTATION IN COMPARISON WITH 2013 (%)
A	B	C	1	2	3	4 = 3/2	5 = 3/1
1.	Turnover	VND Billion	178	200	276	138	155
2.	Sales Output	Metric ton	4,200	5,000	7,200	143	170
3.	Total of profit before taxes	VND Billion	8.6	10	16.2	162	188

The employees of the Company have been increasingly mature. In addition, the material life of the workers has also significantly improved – particularly, the average income of employees was increased by 50% as compared to 2013 - The company has organized many exciting activities to enhance the spiritual life of employees, build the confidence, excitement and connection more between the employees and the Company.

Binh Minh Viet Real Estate Business Investment Joint Stock Company:

The Company was founded for the purpose of converting the use of land located at 240 Hau Giang St. after relocation of the Factory 1 of Binh Minh Plastics in accordance with the policy of the People's Committee of Ho Chi Minh City. In 2014, because the business investment in real estate were not favorable and urgent relocation was not under pressured, the project has been still stopped at the step of continuing improvement of the investment licensing procedures, planning approval and other preparatory works for the appropriate time for implementation. This entire job has been implemented by Vietcomreal, a BMP's partner in the investment sequence.

Danang Plastic Joint-Stock Company (DPC):

Aggregates figure of business operation results in 2014 of DPC 2014 were as follows:

no.	TARGET	CALCULATION UNIT	IMPLEMEN- TATION IN 2013	PLAN IN 2014	IMPLEMEN- TATION IN 2014	IMPLEMENTATION IN 2014 AS COMPARED TO THE PLAN FOR 2014	IMPLEMENTATION IN COMPARISON WITH 2013 (%)
A	B	C	1	2	3	4 = 3/2	5 = 3/1
1	Net sales	VND Billion	78	85	77	90	99
2	Profit before taxes	VND Billion	2.6	2.1	1.1	52	43

Although the plans with low growth but the business operation results of the DPC in 2014 did not still met the required plan and also decreased in comparison to the same period – particularly, in profit target - shown in the above table. The main cause was DPC has been a small-scale enterprise, weak brand, so it encountered many difficulties for “survival” to competition with other brands in the locality. Moreover, DPC has not determined and focused on key product lines, its distribution systems are weak and depend much on project customers.

In 2014, as decided by the BOM of BMP, the representatives of BMP's capital participated in the management structure of the DPC withdrew from the position of the Chairman of the BOM and Head of the IC of DPC. DPC elected to the position on the replacement and additional appointment, replace some new executive position, but no significant improvement in production and business results. After withdrawing from the positions of the BOM and the IC, BMP performed its role as a pure major shareholder, so there were no particular implications for speeding up or any requirements to DPC to operate more efficiently or to apply any necessary renovation for improvements in both direction and strategic planning as well as requiring the Board of Executive of DPC should be more aggressive, actively to seek and implement solutions, flexibly adjust and apply proper business policies to the market situation in order to bring greater effects.

With the result of very low profit, it will be very difficult for DPC to make dividend payment in 2014.

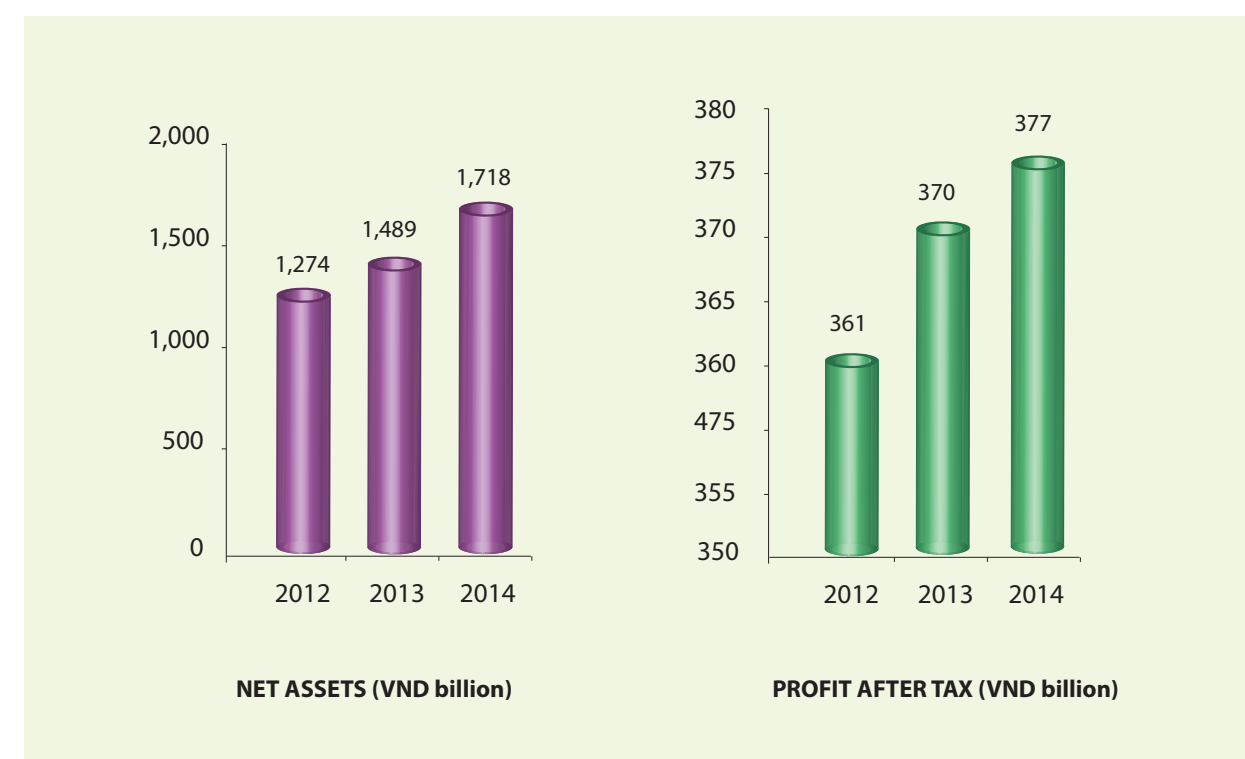
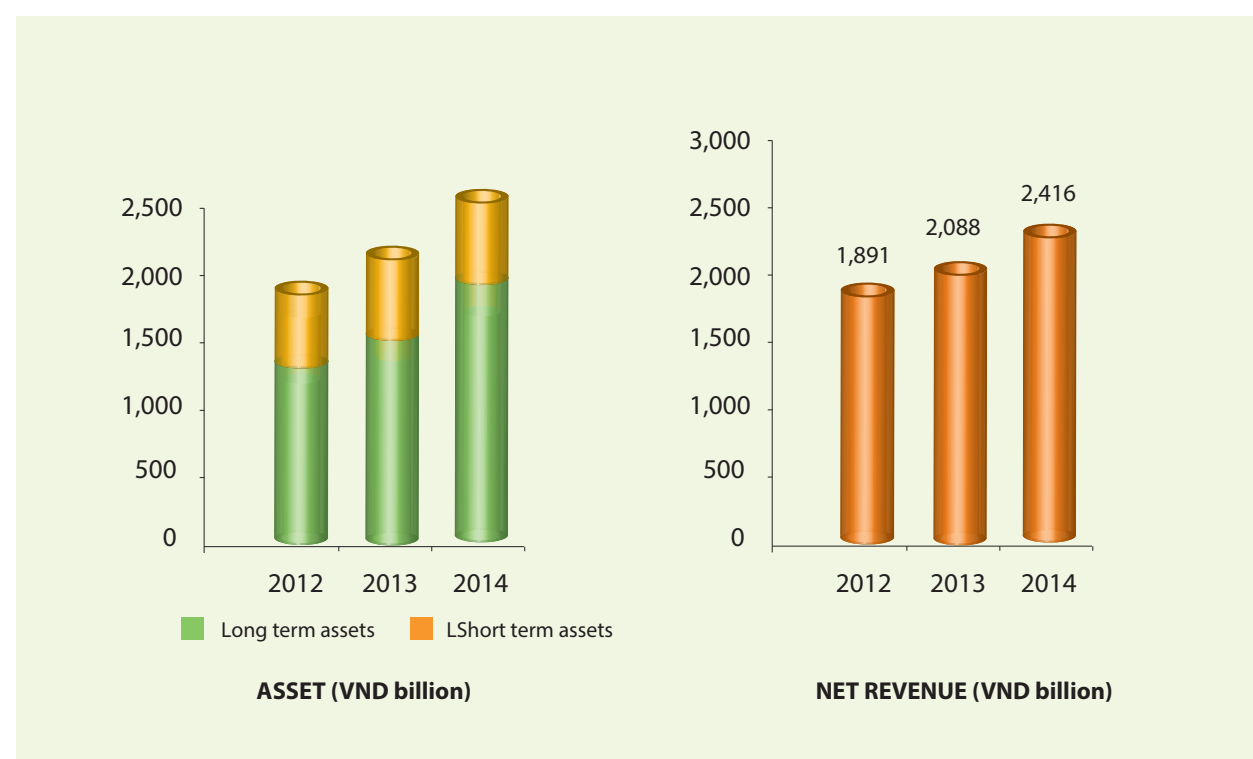
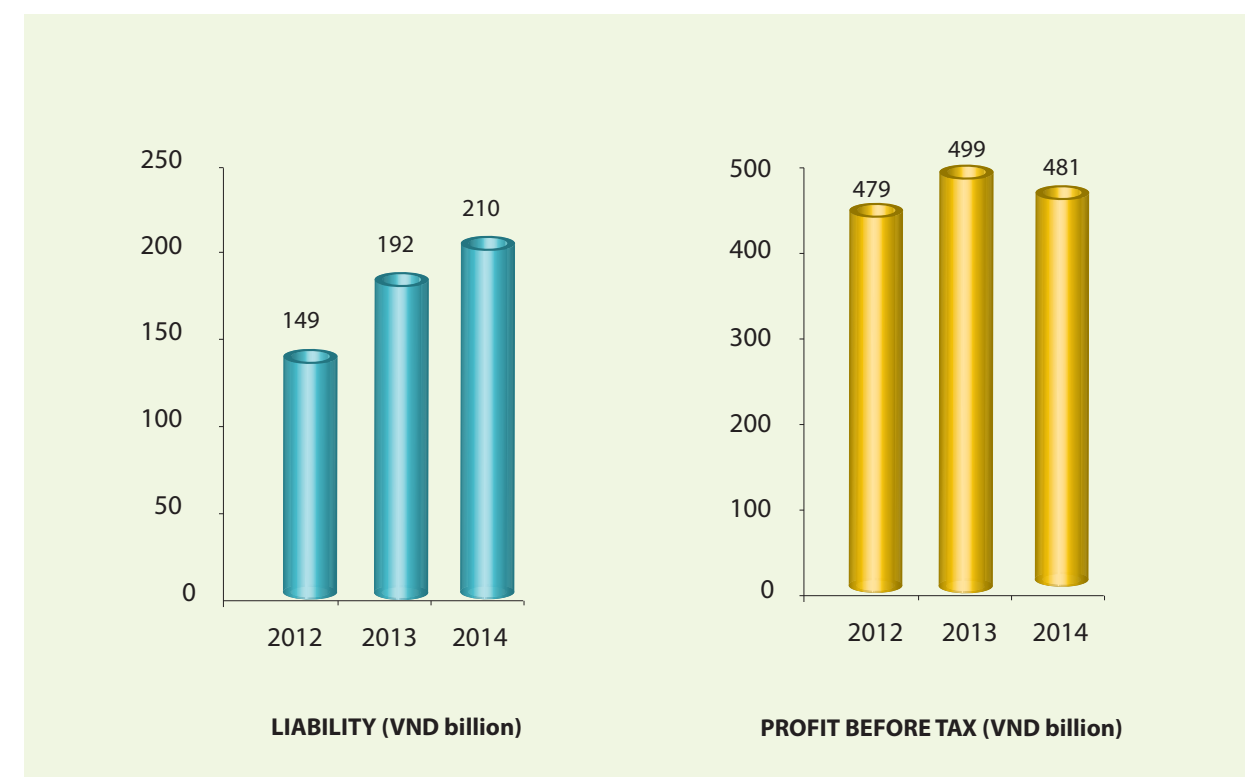
OPERATION SITUATION DURING THE YEAR

4. FINANCIAL SITUATION

a. Financial situation

TARGET	CALCULATION UNIT	2013	2014	POSITIVE/NEGATIVE DIFFERENCE
The total value of assets	VND billion	1,681	1,929	248
Net sales	"	2,088	2,416	328
Profit from business operation	"	486	472	-14
Other profit	"	0.6	1.3	0.7
Profit before taxes	"	499	481	-18
Profit after taxes	"	370	377	6
Percentage of profits for dividend payment (* interim dividend by cash)	%	36.8%	24.1% *	-12.7%

Source: BMP's audited consolidated statements in 2014



OPERATION SITUATION DURING THE YEAR

b. Main financial targets

TARGETS	UNIT	2013	2014
1. Targets of solvency			
+ Short-term liquidity ratio	Times	6.4	7.1
+ Quick liquidity ratio	Times	4.5	5.3
2. Target of capital structure			
+ Liability ratio/Total of Assets	Times	0.1	0.1
+ Liability ratio/Equity	Times	0.1	0.1
3. Target of operational capacity			
+ Inventory turnover	Times	4.2	4.7
+ Net income/Total of average assets	Times	1.3	1.3
4. Target of profitability			
+ Ratio of profit after taxes/Net sales	%	17.8%	15.6%
+ Ratio of profit after taxes/Average equity	%	26.8%	23.5%
+ Ratio of profit after tax/Average total assets	%	23.9%	20.9%
+ Ratio of profit from business operation/Net sales	%	23.3%	19.5%

Source: BMP's audited consolidated statements in 2014

5. SHAREHOLDER STRUCTURE TO DECEMBER 31st 2014

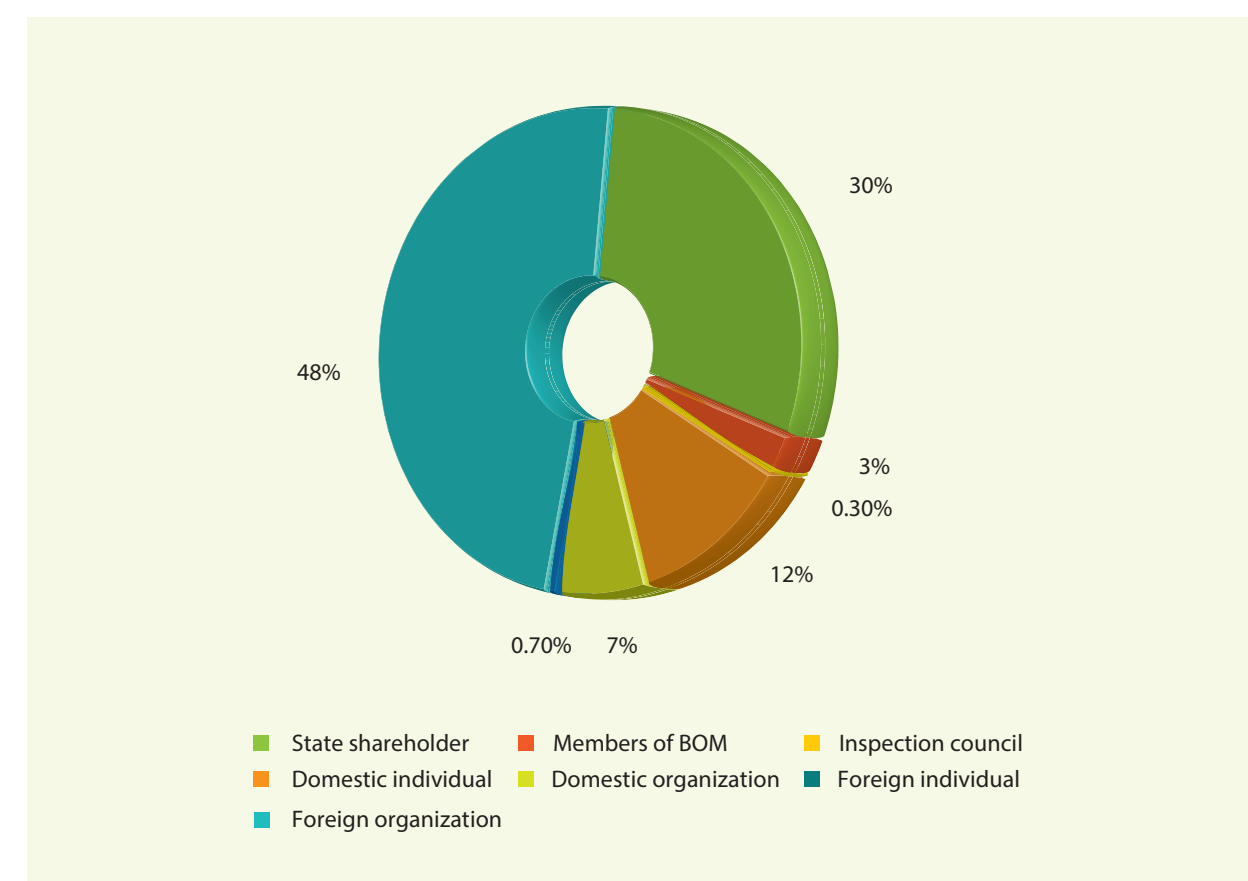
a. Information on shares

TOTAL NUMBER OF SHARES	45,478,480
The type of shares in circulation: common shares	45,478,480
The number of shares of free assignment	45,395,610
The number of shares of restricted assignment	82,870

b. Detailed information on the shareholder structure:

SHAREHOLDER STRUCTURE	NUMBER OF HELD SHARES	RATE %
State shareholder	13,422,170	29.51
Members of BOM	1,187,687	2.61
Inspection council	134,495	0.30
Individual	5,418,091	11.91
Organization	3,041,192	6.69
Foreign individual	316,773	0.70
Foreign organization	21,958,072	48.28
TOTAL	45,478,480	100

NUMBER OF HELD SHARES



Detailed information on major shareholders:

NO.	SHAREHOLDERS	CONTACT INFORMATION	PROFESSIONAL ACTIVITIES	NUMBER OF OWNED SHARES	PERCENTAGE %
1	State Capital Investment and Business Corporation SCIC - Co. Ltd	117 Tran Duy Hung, Trung Hoa ward, Cau Giay district, Ha Noi	State Shareholder	13,422,170	29.51
2	The Nawaplastic Industries (Saraburi) Co. Ltd.	Building 17, 1 Siam Cement Rd. Bangsuf, Bangkok 10800, Thailand	Production of PVC products	9,279,049	20.40
3.	Franklin Templeton Investment Fund – Templeton Frontier Makets Fund	26 Boulevard Royal, L-2449 Luxembourg Grand Duchy of Luxembourg	Investment Fund	4,904,418	9.01
4.	Vietnam Holding Limited	Level 8, Nam A Bank Building, 201-203 Cach Mang Thang 8, ward 4, district 3, HCM City	Investment	2,351,925	5.17

c. Situation of investment capital change by the owners:

The Company did not change the investment capital by the owners in 2014.

d. Treasury stock transactions:

There were no treasury shares in the Company.

e. The other securities:

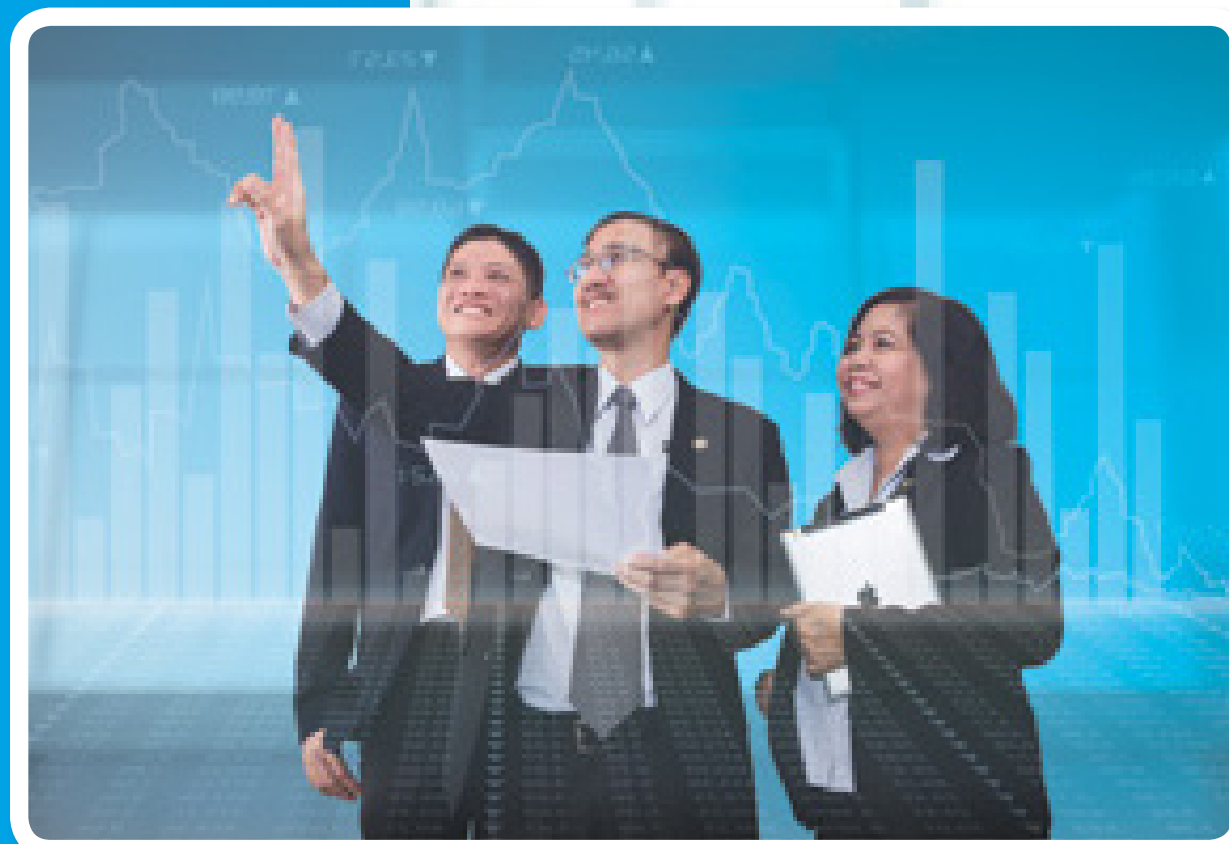
There were no other securities issued by the Company in 2014.



“ Being created favorable conditions by The Board of Management and with high support of shareholders, the Company maintained the position of a leading plastic pipe manufacturer in Vietnam. ”

REPORTS & ASSESSMENTS

BY THE BOARD OF
GENERAL DIRECTORS



REPORTS AND ASSESSMENTS BY THE BOARD OF GENERAL DIRECTORS

1. ASSESSMENT ON BUSINESS OPERATION:**1.1. Features of the situation:****1.1.1. Advantages:**

- The general purchasing power of the market was clearly increased. The distribution system worked well and the Company involved more in infrastructure projects, the real estate showed the signs of recovery.
- The Company confirmed its position as a large-scale manufacturer with reputation brand and good quality products and services.
- Initiative in capital for production and business operation and deploying investment projects. Easily access to capital due to good financial situation.
- Stable human resources with high sense of responsibility, strong attachment to the Company. Enhancing the recruitment and training of personnel.
- With the support of shareholders, the BOM by the performance of high production and business, transparent management system, timely disclosure and the team of employees with wholehearted to the development of Company.

1.1.2. Obstacles:

- Increase in input costs, especially, increase of average price of raw material during the year as compared to the same period and caused significant impact on profitability
- The business policy of the units operated in the same industry with the expression of “reckless and fierce, even crazy competition”, mainly due to the increased discount to worrying rate. Especially, not only small and medium size units, but large-scale units have also run to this trend.
- Market demand forecast has not been exactly, as the result of this, although high growth of output, shortage of products has been occurred to the market demand.
- Human resources must be supplemented and it was required to focus much to the stage of “Go-Live” to the major modules of the ERP project.
- The problem of collection of corporate income taxes due to previous year has lasted one year but it still was unresolved and has caused of spending a lot of time and still paid 70 billion in the treasury.
- Provision for bad debts also affects the profit for the year.
- Growth of consumption in the North market has not achieved the expected target.

1.2. In this situation, the Board of Executive has initiatively made short-term and effective solutions to achieve effective results of production and business operation in 2014, essentially:

- The balance of the resources available from the factory, member Companies to increase production efficiency developing equipment capacity to meet the needs of customers.
- Pushing up the business, marketing activities, and paying special attention to the care and support for customers to maintain good operation of the distribution system. Enhancing outreach and expanding customer groups of infrastructure projects, real estate.
- Flexibly, timely making decision and adjusting the policy to increase competition ability in business.
- Strictly control the costs, balance and efficiently use the Company's capital flows in the business, manufacturing investment operation.
- Strengthen managerial human resources and additionally recruit personnel in order to meet the growth requirement.
- Focusing resources to accelerate information technology application project in administration (ERP).

- Establishing the Board of investment project Management for the Factory 4 in Long An to strengthen the capacity and expand the infrastructure.
- Reasonably investing to supplement the capacity of equipment and molds.

1.3. Moreover, the BOM also focused on long-term planning for the strategic direction and development, improved the management structure and the regulations:

- Establishing and strengthening the advisory sub-committees to the BOM.
- Revising, amending the Charter, the Code of Management, the internal coordination regulations to enhance the quality of corporate management, internal operating.
- Appointing a New COM of NBM, the capital representative in DPC.
- Supervising the management operations for comments and timely resolving any business in the power of the BOM.

With the above solution, the results of the Company's operation in 2014 were under well assessment, in which, the outstanding revenue growth was higher than in 2013 (15.7%) mainly due to the following reasons:

- Management and operation were flexible and consistent with actual happening of the market. Particularly, the application of timely business solutions to each customer and each market area.
- The management and rational and tight use of capital to ensure the most efficient use of capital. Permanently controlling costs and balance in order to ensure consistent profitable goals.
- Tightly keeping the direction and consistency in strategy on product quality, service quality and business policy. No change to search the immediate profit just because of the obstacles in a certain period of time.
- Traditional customer system continued to attach, loyalty trust to the Company. Besides, the customer care and communications also created good effects both with customers, suppliers and partners.
- The good system of internal management, enthusiastic, engaged, work hard management staffs and employees who thoroughly understood the policy of “Productivity - Quality - Efficiency”.
- Taking advantage of the superiority of market-leading business with large and competitive advantages to grow market share in market conditions with the better signals.

However, besides these achievements, profit targets have not met the plan and decreased 3.6% as compared to the same period due to a number of mainly following reasons:

- The price of input material during 2014 averagely increased 5% as compared to 2013 and those caused strong impact to the cost of goods sold and became the biggest cause of profit loss.
- The other input costs also significantly increased due to the impact of the prices of fuel, energy and other services.
- With the orient of more “balance” in the growth in turnover and profits, the balance of financial resources for supporting activities to business policies to make market share growth through sales growth also affect the profit.

REPORTS AND ASSESSMENTS BY THE BOARD OF GENERAL DIRECTORS

Some referred data to the results of business operations of the two companies specializing in manufacture and supply of plastic pipe of equivalent scale and the largest scale in the market as BMP and NTP in 2014.

TARGETS	BMP	NTP	COMPARISON BETWEEN BMP TO NTP (%)
Net turnover (VND billion)	2,416	2,998	80.59
Net profit (VND billion)	377	325	116
Net profit/Net turnover (%)	15.6	10.8	
Total of Assets (VND billion)	1,955	2,580	85.6
Net profit/Total of assets (%)	19.3	12.6	
Equity (VND billion)	1,719	1,466	114
Charter capital (VND billion)	455	563	80.82
Payable (VND billion)	236	1,114	21.18
EPS (VND thousand)	8.30	5.77	
Transaction price on March 27th 2015 (VND/share)	79,500	50,000	

Source: The audited consolidated financial statements prepared by BMP and NTP in 2014 and CafeF.vn

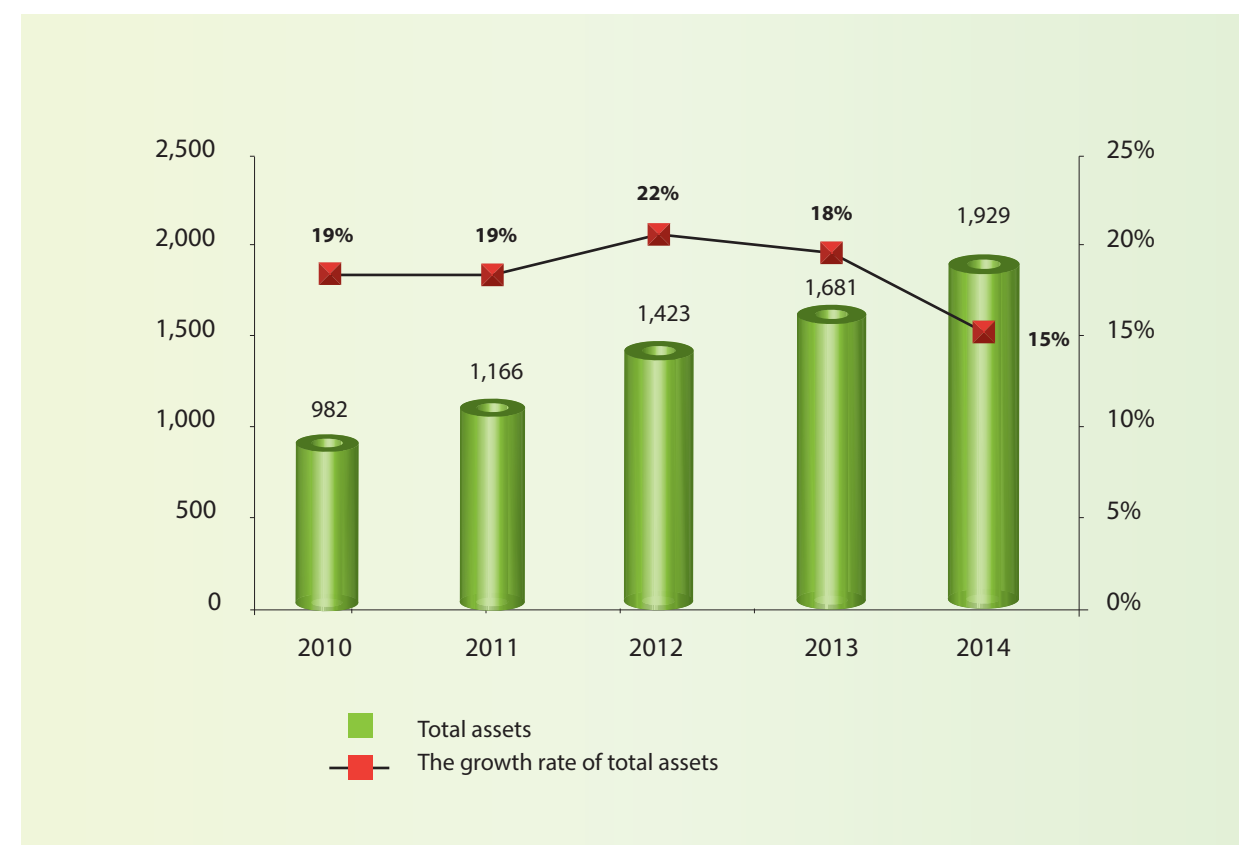


2. ASSESSMENT OF FINANCIAL SITUATION:

TARGET	UNIT	2014	2013	2012	2011	2010
Total Asset	Bil. VND	1,929	1,681	1,423	1,166	982
- Current asset	"	1,486	1,224	1,052	788	708
- Long-term asset	"	443	457	370	378	274
Liability	"	210	192	149	117	130
- Current liability	"	210	192	149	115	128
- Long-term liability	"	0	0	0	2	1
The Equity	"	1,718	1,489	1,274	1,049	852

Source: BMP's consolidated audited statements in 2010 -2014

TOTAL ASSETS AND GROWTH RATE OF TOTAL ASSETS 2010 - 2014



REPORTS AND ASSESSMENTS BY THE BOARD OF GENERAL DIRECTORS

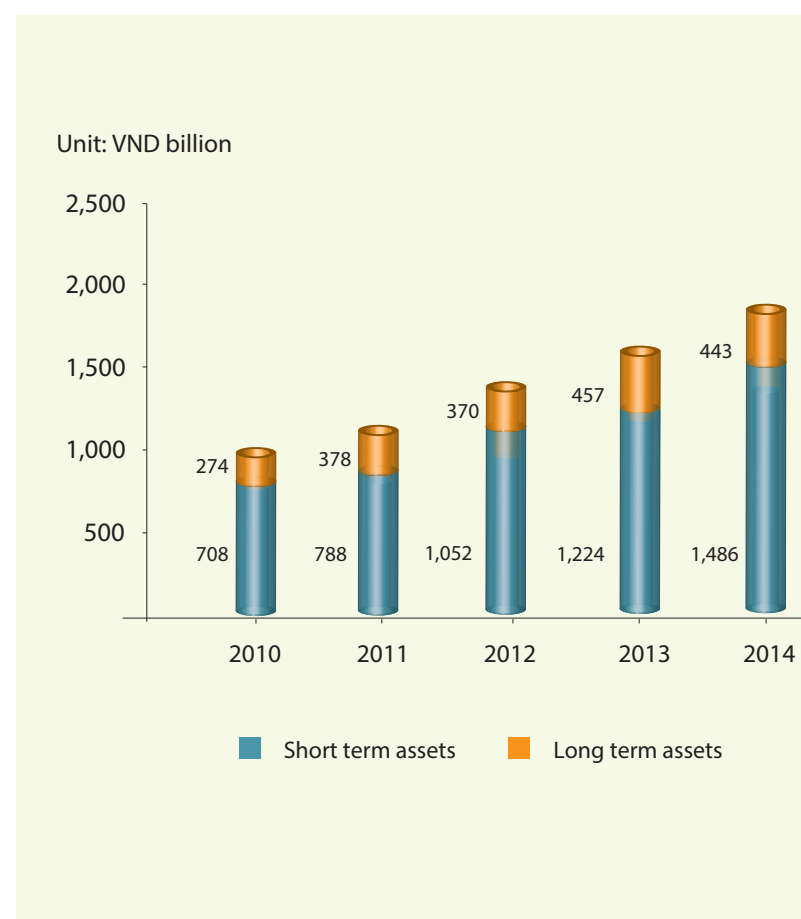
a. Situation of assets

Over the recent 5 years from 2010 to 2014, BMP's total of assets increased 2 times during the Vietnam economy emerging the signs of recovery; productivity and competitiveness of the economy still were not improved. This achievement was due to the determination and the perseverance of implement of strategic business development orientation by the BOM, the Board of Directors during the recent years.

Compared to 2013, the total of assets value of BMP in 2014 increased 15%, primarily increased short-term assets, namely arisen short-term investment due to the short-term deposits transferred by the Company to long term deposits in order to get higher interest rate. 2014 remained a challenging year for the real estate industry in general speaking and for plastic construction industry in particular speaking, the BMP should maintain a high liquidity ratio, not spread investment, maintained to focus and developed the available assets, gradually built new factories, prepared for long-term progress in the future for the safe and effective direction in the current economic situation.

By now, BMP remains pursue secure capital structure with the proportion accounted for 89% of equity in the total of capital. The maintenance of this percentage in the long run due to the BMP capital resources are strong enough, no need for external power, can finance all investments in short-term and long-term business. However, in the future, the more demand of building of factories, machinery and equipment investment

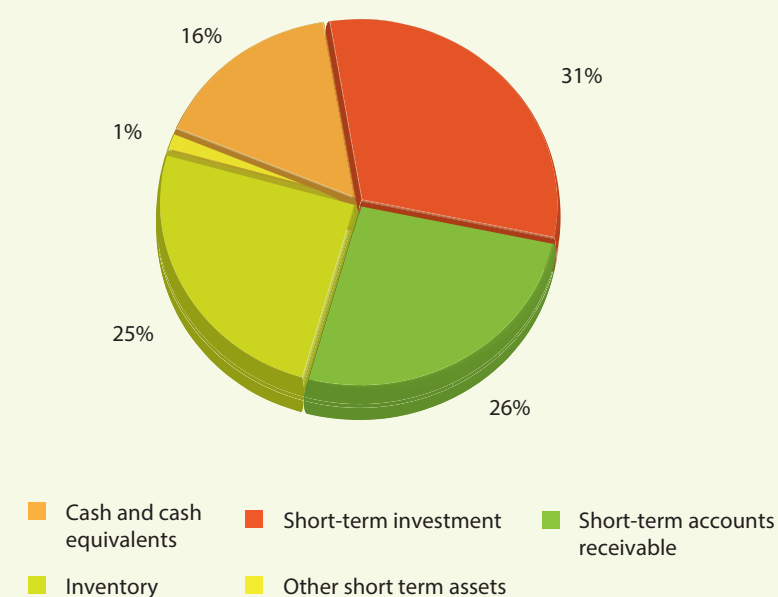
STRUCTURE OF ASSETS



the structure will be changed. Thus, trying to maintain a capital structure at present is to prepare the plans of capital use in a not too distant future, to ensure the sustainable development for the enterprise.

The short-term assets of the BMP at end of 2014 reached VND 1,486 billion, increased 21% as compared to 2013 and 2 times as compared to 2010. In the structure of short-term assets in 2014, the portfolio of short-term financial accounting took the highest proportion of 31%. This amount was the deposit of savings by the Company from short-term to a term of 6 months for obtaining higher interest rate. Two items of cash and cash equivalents, short term investments was accounted for 47% of the current assets, 1.6 times higher than the charter capital. With this capability, it did not only help BMP in advantages in negotiation with the suppliers but also create the confidence to investors, improved the competitiveness of the bidding of sales.

STRUCTURE OF CURRENT ASSETS



Two other items accounted for a large proportion of short-term assets were inventories in 2014 were inventory (25%) and receivables (26%). Compared to 2013, the proportion of these two items tended to decrease, which mean BMP balanced the inventories, receivables under control. This proportion was consistent with the characteristics of a manufacturing and commercial enterprise.

Although the turnover increased, the proportion of customer receivables by the end of 2014 was nearly equivalent to the same period last year because BMP maintained sales policy in the form of prompt payment discount. On the one hand, customers could pay up for more discount, on the other hand, BMP could immediately collect money, avoided the risk of debt collection business. However, during the two recent years, BMP got trouble in debt management from Duc Thanh Plastic Co., Ltd. The total debts of the company occupied 12% of the total of debts. Although the decision by

the Court to force the Duc Thanh Plastic to be responsible for payment of both principal and interest over the 5 years from 2014 to 2018, the business owner died in 2014. Therefore, the ability to recover this debt is very low. As the result of this, the Board of Executive is focusing on debt management, avoidance of damage to the lowest level of risks which may continue to occur in the future.

Other receivables is the amount of corporate income tax due to previous years which more than VND 71 billion that BMP has constantly complained to obtain a refund from the tax authorities since the end of 2013 but it remains unchanged so far. At the same time, due to the dividend payment to the State shareholders (SCIC) in the period of 2009-2010, the company will also be partly deductible by the tax authority. Specifically, based on a recent document issued by the Department of Tax of HCMC, BMP can be refunded approximately VND 29 billion in 2015. Thus, the remaining amount (over VND 42 billion), if it is recognized, will not affect significant results to the BMP's profit after taxes in 2015.

REPORTS AND ASSESSMENTS BY THE BOARD OF GENERAL DIRECTORS

Long- term asset

Long-term asset structure of BMP was primarily unchanged in 2014 as compared to 2013, mostly the fixed assets and the prepaid rent in Long An. Last year, the Company just renovated the factory, the building, the warehouse, equipped with a number of auxiliary machines and equipment in order to reduce the cost of consumable materials, improve productivity.

By the 3rd quarter in 2014, the Factory 4 in Long An started construction and leveled surface. The Company also plans to relocate some of the machines from the Factory 2. However, it is expected that the Factory 4 will be begun to operate from the 3rd quarter in 2015 with the estimated actual capacity of this factory in 2015 is only about 5,000 tons.

With the goal of increasing the efficiency of corporate management, information timely response, serve the needs of management, BMP entered into contract for deployment of software project information technology Oracle ERP in 2012, with total estimated cost of up to VND 20 billion, including upgrading the network management system, ensuring the program in operation without interruption. In 2014, this project was officially applied to some modules and the entire system from January 01st 2015.

b. The situation of liabilities

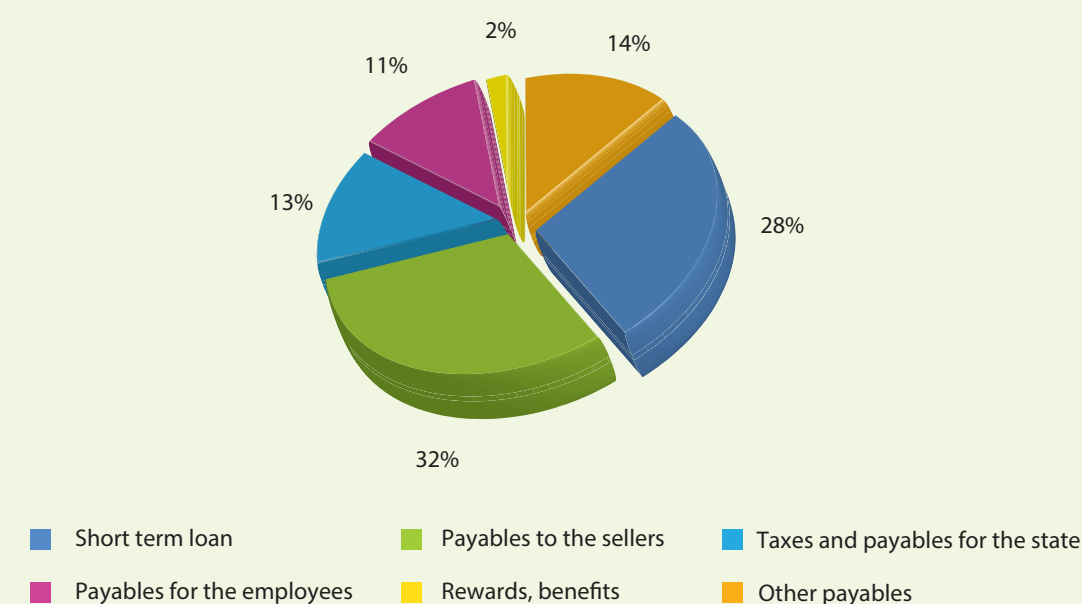
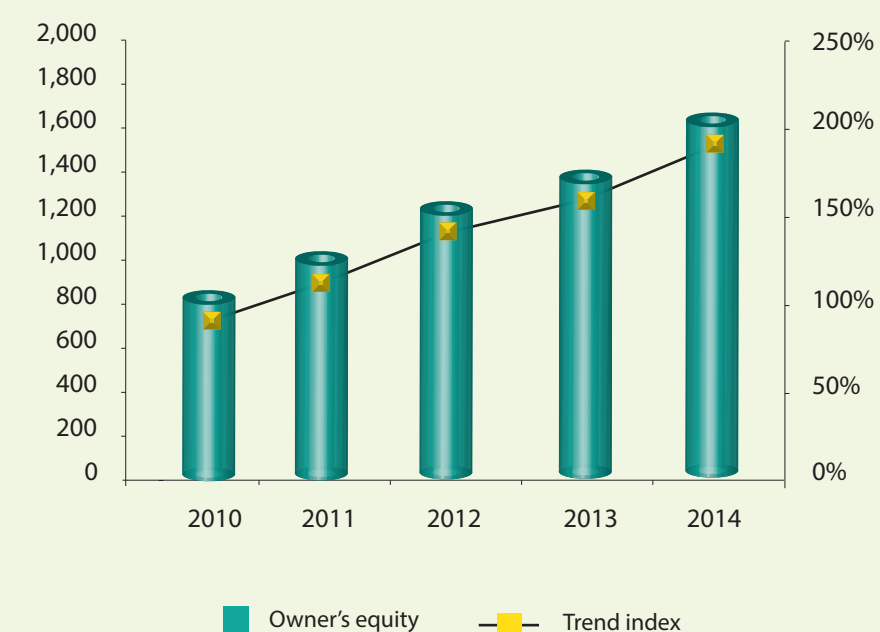
The structure of liabilities in 2014 was purely short term liability. Total of liabilities of BMP increased over the years and reached VND 210 billion by December 31st 2014, in which, short term liability of VND 58 billion accounted for 28%, payables for suppliers of VND 67 billion, accounting for 32%, liabilities to the state budget and VND 56 billion to the employees, accounting for 26%, and 14% for other items. The entire short term liabilities were the amount of BMP's client escrow deposits to be deferred purchase under the Regulation for control of liabilities of the Company's customers.

With available cash and easily and quickly converted into cash, BMP were not under the pressure of payment demands, but made the most of the advantages of buying activities, enjoyed the best price as compared to the market, significantly reduced input costs, contributed to increase the corporate profit and prepare capital for upcoming projects.

Equity

BMP's sources of equity by the end of 2014 reached VND 1.718 billion, increased to VND 229 billion, equivalent to 15,4% as compared to the end of 2013, mainly due to the contribution from the profit after taxes.

Structure of equity continued to take high proportion for 89% of the total of capital, increased due to the retained earnings generated from business efficiency.

STRUCTURE OF SHORTERN LIABILITIES IN 2014**OWNER'S EQUITY**

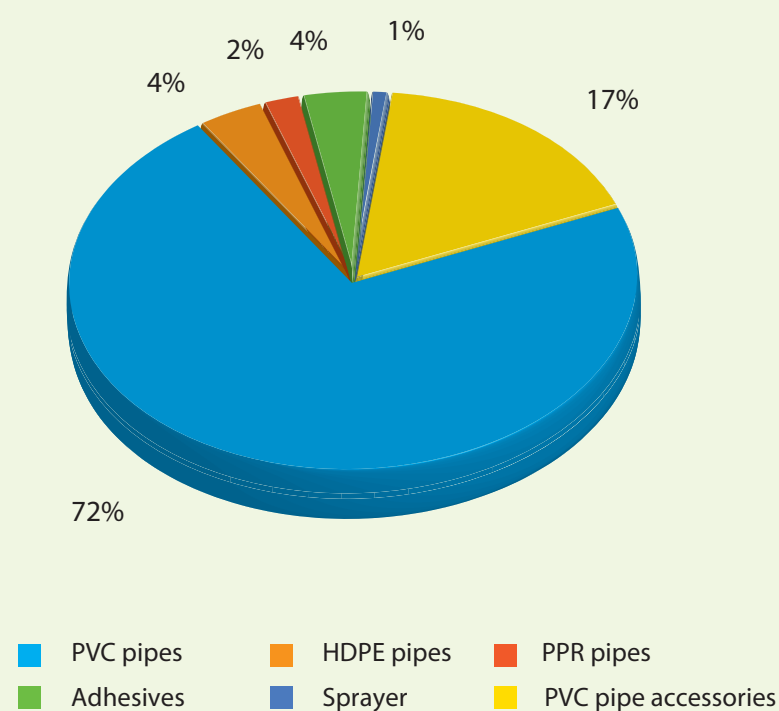
REPORTS AND ASSESSMENTS BY THE BOARD OF GENERAL DIRECTORS

Turnover:

In the context of the global economy slowly recovered and with many problems, there are some positive changes in domestic economy, new signs of exit from the bottom of real estate market. And, along the road of 37 striving years, the year 2014 was a challenging year for the BMP. However, the BMP continued its business success with the sales exceeding targets planned, obtained VND 2,416 billion, and increased 15.7% and the profit before taxes of VND 481 billion, slightly down from the same period in last year.

Production and business activities of the products produced by the Company has always been the strength of BMP's, demonstrating the stability and sustainability of a business. In the structure of product sales in 2014 produced by the BMP, production accounted for mainly PVC pipes (72%), PVC pipe fittings (17%), HDPE pipes (4%), Solvent cement (4%)...

In 2014, structure of outside purchase turnover of the BMP was increased, but gross profit margin of this range was much lower than the self-produced goods. Although no significant contribution to the Company's profit, for the diversified development, richness in variety, size of the product lines, desire to bring satisfaction, maximization of satisfaction to the customer needs, the company continues to maintain. This is also the method, by which, the BMP wants to retain its existing customers system and seek new customers to increase their market share. muốn giữ chân hệ thống khách hàng hiện có và tìm kiếm thêm khách hàng mới để gia tăng thị phần của mình.

STRUCTURE REVENUE BY PRODUCT 2014**Expenditure**

INDICATORS	2014	2013	2012	2011	2010
Cost of sales / Net revenue	72.3%	70.2%	68.8%	74.2%	73.1%
Selling expenses / Net revenue	5.1%	3.3%	3.4%	2.9%	2.8%
Administrative expenses /Net revenue	3.0%	3.2%	3.2%	2.3%	2.3%
Financial expenses /Net revenue	0.8%	0.8%	0.4%	0.5%	0.5%

Sources: Audited consolidated financial statements of BMP 2010 - 2014

The ratio of cost of sales to net revenue of BMP varied in every year. In 2014, the percentage of cost price accounted for 72.3%, with 2.1% higher than 2013. The main cause was due to the raw material input cost increased 5%.

The structure of selling and administrative expenses as compared to net revenue in 2014 was taken 8.1%, increased by 1.6% as compared to 2013. This increase was due to increase of transport costs, marketing costs, advertising costs... in order to boost sales and expand market share. In addition, in 2014, it was the first time when BMP held a meeting of its largest distribution system in Singapore, with over 1,000 guests, with the total expense of VND 25 billion, to recognize the distribution network which attached to the Company for years, and built up the present brand of Binh Minh Plastics.

The financial expenses as compared with the net revenue were taken 0.8%, mainly due to the customers paid in cash so that they received discount for immediate payment. Although BMP still had cash balance, it still encourage the customers to make direct payment, and accepted to return with a discount in order to reduce the risk of non-collection of debts.



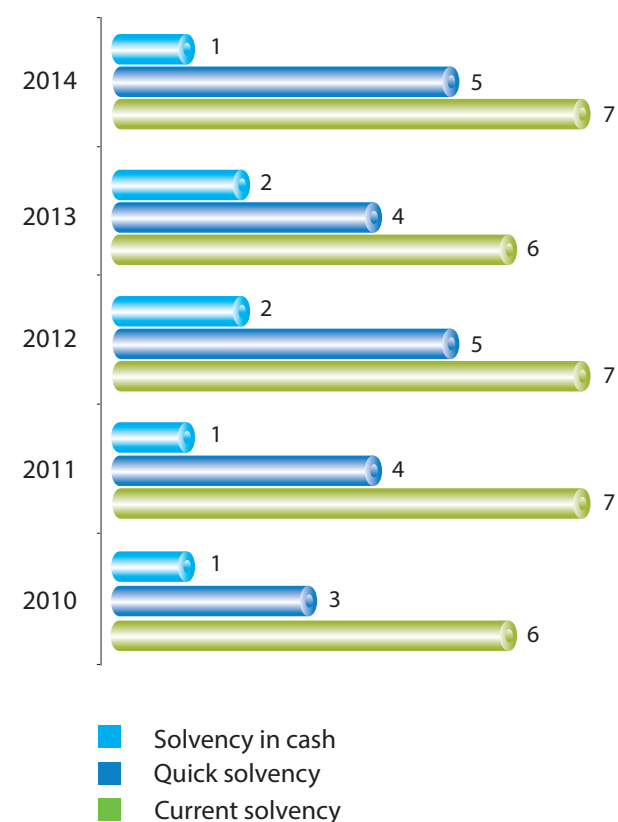


Solvency

During 5 years from 2010 to 2014, the indexes of current payment, quick payment, and payment in cash are always very high, representing the BMP's significant working cash flow. Particularly, the current solvency in the recent years is 6 times, and the quick solvency in the recent years is 4 times. Seeing the figures, although the cash solvency in 2014 is only 1,2 time, in deed if we transfer the fixed time saving deposit to a shorter period, this figure will be more impressive, was 3 times higher than 2013, every 1 VND of short term debt at the end of 2014 shall gain 3 VND in cash of gain in highest solvency, and ensure its fulfillment of payment obligations. Therefore, in BMP, not only short term assets always guaranteed for payment of short-term debts at high level and almost there were no payment risks.

In the upcoming time, since the Factory 4 in Long An province shall be started construction, and the working cash flow shall be gradually transferred to the investment activities, the solvency may be affected. However, because this investment activity shall be conducted for a long-term schedule, the solvency is not so affected.

BMP SOLVENCY 2010 - 2014



Profitability

INDICATORS	2014	2013	2012	2011	2010
Gross profit / Net sales	27.7%	29.8%	31.2%	25.8%	26.9%
Profit before taxes / Net sales	19.9%	23.9%	25.4%	21.0%	22.1%
Profit after taxes / Net sales	15.6%	17.8%	19.1%	16.1%	19.4%
Profit after taxes / Average total assets	20.9%	23.9%	27.8%	27.4%	30.5%
Profit after taxes / Average equity	23.5%	26.8%	31.0%	31.0%	36.1%

Sources: Audited consolidated financial statements of BMP2010 - 2014

Gross profit in 2014 of BMP was VND 669 billion, equivalent to 27.7% of net sales, reduced by 2.1% as compared to the previous year. While the revenue increased nearly 16%, the cost of sales increased 19%. The cost of sales increased due to the raw material input costs increased. Although, the Company had the advantage of its solvency to deal the best prices in the market for purchasing raw materials, but as compared to 2013, the average unit price for importing PVC material was still higher than 5%.

The ratio of profit before taxes to Net revenue in 2014 reached 19.9%, reducing 4% compared to 2013. In 100 VND of revenue generated by BMP in 2014, it gained 19.9 VND of profit before taxes. In 2014, the Company enhanced its image promotion activities, improved its selling policy, and strengthening its status and that made selling expenses increased significantly, and the profit decreased.

Revenue increases and profit reduces, it affects ROA and ROE indicators decreasing accordingly. However, in difficult economic conditions in the recent years, the business effectiveness of the Company is still better than the other enterprises in the same industry. In the prospective forecast of recovery of the real estate market in the coming years, and with the stage-by-stage construction and operation of the new factory shall help to the development of BMP in future.



Operational Capacity

INDICATORS	UNIT	2014	2013	2012	2011	2010
Average collection period	Days	45	52	56	46	40
Inventory turnover	Times	4.7	4.2	4.0	4.4	3.6
Average payment period	Days	12	13	10	11	31
Total asset turnover	Times	1.3	1.3	1.5	1.7	1.6
Fixed asset turnover	Times	11.1	8.3	6.7	6.6	5.3

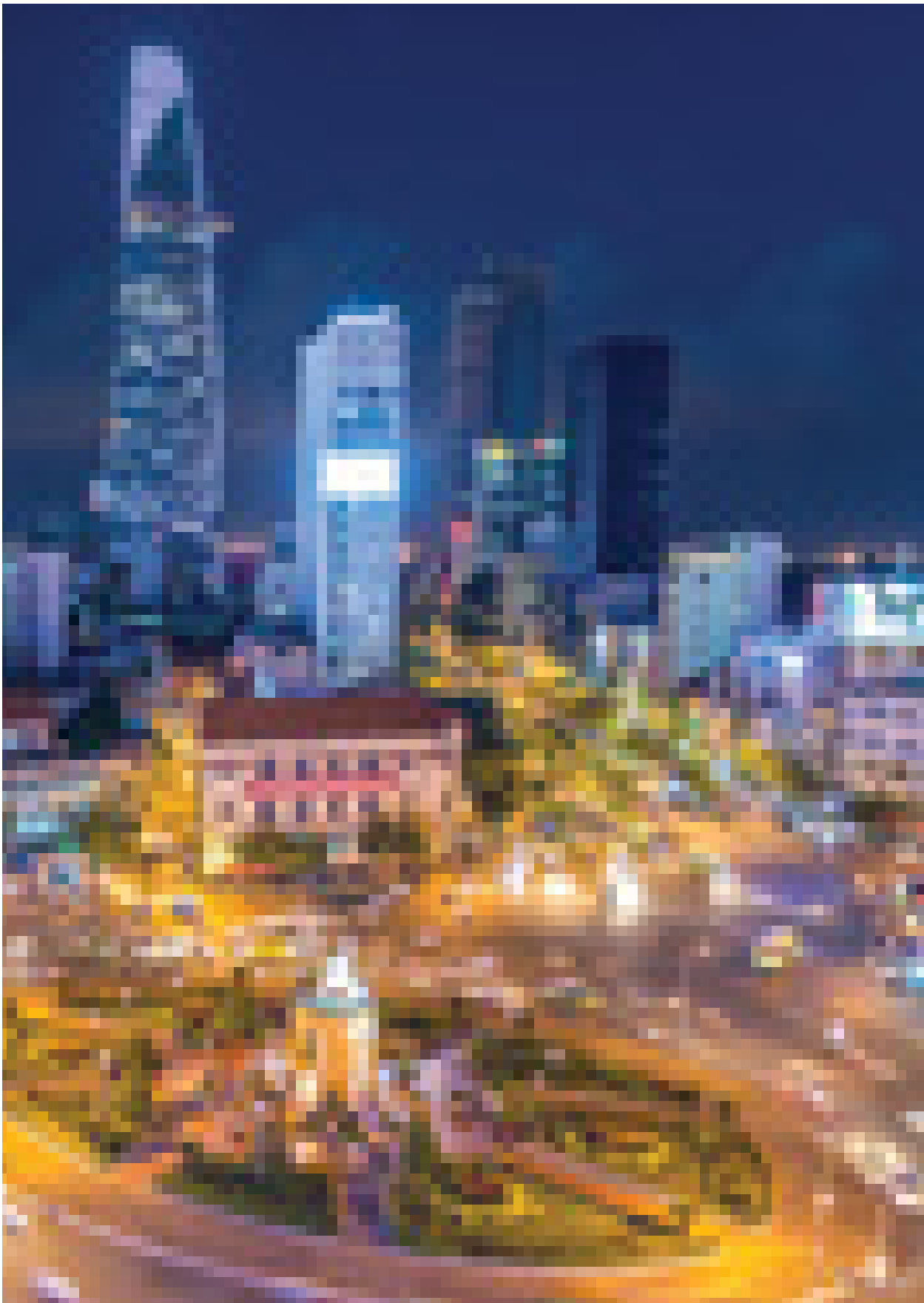
Sources: Audited consolidated financial statements of BMP2010 - 2014

The immediate discount policy increases the financial expenses, but in return decreases the Average collection period, number of days of defer payment reduces to 45 days. The Company also uses the advantage of quick solvency to purchase the goods with a competitive prices, and help to save expenses; therefore, the average payment period was only 12 days.

In the last two years, after the event related to the risks on the receivables from Duc Thanh Plastic, the recovery of the debts on due, and guarantee of the cash flow for the business manufacture operations specially concerned by BMP. For avoiding of loss again, BMP monthly analyzed the guaranty of the receivables, improved the tasks of risk management, supervision of activities of management of customer debts, maintained the stability for the operations of BMP.

In addition to the tasks of supervision of debts and administration of inventories that were always focused, number of storage days in 2014 was only 77 days, curtailed 11 days as compared to 2013. During the last year, although the construction plastic industry still had difficulties, but at times, BMP was in shortage of some commodities though the machinery lines run at full capacity. Therefore, seeing that the market of plastic tube presenting positive aspect, the Company started to build the Factory 4 in Long An Province to meet the needs of the market in the upcoming time.





Bmp’s Position In The Construction Plastic Industry

Over the last years, the number of plastic enterprises increases, among which, only 04 listing construction plastic enterprises, including BMP (HOSE), DNP, DPC and NTP (HNX). BMP and NTP are two largest companies in terms of market share and scope. Therefore, average result of BMP and NTP shall be taken for comparison analysis.

INDICATORS	BMP	AVERAGE RESULT OF TWO COMPANIES
Net revenue (billion VND)	2,416	2,707
Cost of sales	72.3%	70.5%
Financial expenses	0.8%	1.1%
Selling expenses	5.1%	9.9%
Administrative expenses of enterprise	3.0%	3.4%
Net profit	15.6%	13.0%
Total asset (billion VND)	1,929	2,254
Equity (billion VND)	1,718	1,592

Source: website cafef.vn

The ratio of Gross profit of BMP is 27.7% lower than the average rate of 29.5%. With regard to the industrial aspects, the two enterprises still exposed to the import risks of 80% of the volume of materials, therefore the cost of sale shall have not much difference. Therefore, the only difference shall be mainly the sale-off policy of BMP reduces the revenue, while for NTP, it is accounted into selling expenses.

Meanwhile, all other expenses of BMP is lower than the average cost, especially the selling expense of BMP is equal to 1/2 of the average level. Thus, the net profit of BMP reaches 15.6% higher than the average level of 13%.

In overall, the financial indexes of BMP still are remained in high proportion as compared to the other enterprises in the industry. Its revenue still grew up despite of difficult situation of the market and fierce competition context. Obtaining this achievement is due to the business strategy of the BOM, the Board of Executive and all of employees striving to enhance the trust of customers, focusing on the improvement of sale policy, upgrading images, and boosting the brand into a new height. However, in long-term, against tough competition BMP needs to make more effort to be able to survive and continue to shine in the future.

3. ACHIEVEMENTS IN 2014 AND CHALLENGES:

The Company not only focused on business operation activities for achieving good business result in 2014, as shown in the tables in the report, the Company also achieved progress during the preparation steps for development in future:

- Organization: To establish the ISM (Information System Management) Department and the Management Board of Binh Minh Long An Project (Factory 4), to restructure the procedure for management and arrangement of suitable employees for ERP solutions.
- Appointment for management personnel: To appoint new Chief Accountant cum Manager of Finance - Accounting Department, Manager of Business Department, Manager of Information System Management Department, Manager of Investment - Research and Development Department, Manager of Marketing Department. To continue the policy of appointment of trainee management officers, to build a specific human resource plan for 2016 based on the strategic development of long-term human resources.
- To supplement human resources to meet the requirements of the application of information technology solutions into the management activities and to guarantee for the productivity development in factories.
- To start the plan for construction of a unique product standard system in line with the national standard, to apply for certification and declaration of standard conformity, regulation conformity for all major products of the Company across the country.
- Business policy: Gradually adjusting the business policy to meet the practical conditions in the market and used as precedents to orient a unique management in business operations, business policy and general distribution system across the country.
- Media strategy: Strengthening communication activities under various ways but selectively and continuing to maintain the image of a leading brand through continuously being voted the title "High quality Vietnam Goods" and "National brand".
- To put into operation of 05 most important system modules of general information technology solutions for enterprise resources management ERP "Oracle - Business Suite" to improve the management capacity.
- To maintain efficiently the quality management system QMS under standard ISO 9001 and environment management system under standard ISO14001 within the Company.
- To successfully organize in Singapore the largest Distribution System Meeting ever for all distributors of the Company across the country.
- To be awarded of Excellent Emulation Flag by the Government for the whole employees of the Company, the Emulation Flag by Vietnam Labour Trade Confederation to the Trade Union of the Company and Labour Medal Grade 2, Grade 3 for individuals with excellent performance.

Although the BOM and shareholders highly appreciated the efforts and achievements of the Company within the past year, The Company still have no less concerns on the challenges in 2015 and the upcoming time:

- In the conditions of fierce competition on prices, discount, and if it is not involved in "the game", the market share shall be threatened of being narrowed, and revenue will goes down. However, if the Company joins the race of competition at every prices, the Company shall be effected with the profit margin and it shall not only effect to the benefits of shareholders, but also effect to the financial capacity for the long-term development of the Company. This is really a non-less challenge and requires suitable and timely responses.
- Being appraised as one of the companies having advanced productivity from the policy of maximum "saving" of the labour force; However, this policy also exhausts mental and physical labor, and requires appropriate changes to meet the needs of human resources at present and the needs for the long-term development



and production expansion. However, increase of labour means increase labour cost which shall create more pressure to maintain profitability and raise income to employees.

- To maintain its leading position and pioneering role in the industry, the Company is also required to promote the development of new products, diversify product categories, bolder in investment activities both expansive and intensive investments. The stable development of the Company over the years represented its prudent investment strategy is absolutely correct, but it also needs to make "acceptable risk" determinations to not lose market opportunities.
- The challenge of fakes and counterfeits not only affects the economic benefits, but also threatens to erode the confidence of customers and affects the reputation of the Company, this issue also requires a suitable solution to response effectively and timely.
- Although ERP system operated with the most important and basic modules, but it is still incomplete. The requirements for synchronous application of modules were deployed to all sections, factories, subsidiary companies, and, at the same time, extended other modules suitable to the providers which are struggling with their difficulties, creating a pressure with a significant amount of works in 2015.
- The planning of long-term orientations and short-term solutions for the investment operations in the subsidiary (NBM), associate (DPC), joint stock (Binh Minh Viet) companies are still required to be improved and will require concentration of lots of efforts, intellectual property and time for these works.

4. FUTURE DEVELOPMENT PLANS

With orientations of the Company development as abovementioned, The BOM is instructing the Sub-Committee for Strategy Development to build strategies for medium term 2015 - 2018 and long-term 2015 - 2025. During the year from 2015 to 2016, the Company will focus on a number of operational plans, as follows:

- Implementation of the unified product standard plan ensuring conformity requirements, regulations and establishing a converse road map according to the standards of ISO 1452:2009/TCVN8491:2011 for the key product lines that are the pipes and accessories of uPVC pipes.
- Building plans and implementing roadmaps for unified management systems according to the standards ISO9000, ISO14000 and some other standards on safety, labour protection.
- Summarizing, evaluating and planning models and business policies under orientation of unified management of business activities on the market. Developing new customers and new markets.
- Strengthen activities to popularize brand name and marketing media through customer care activities, customer conference series, fairs, workshops to introduce the Company.
- In 2015, completing the construction and put into operation the 4th Factory in Long An Province.
- Promoting investment to develop new products following results of research and development and the expected route appropriately with market conditions and the Company's investment orientation.
- Strengthening and concentrating preparation of human resources for the alternative route and additional personnel to 2016.
- Improving risk management capability through construction of strategy and risk management systems with professionalism in the internal management.
- Improving capacity and strengthening financial management activities to be more initiative in capital management, costs and profit under orientation of more "balance".
- In 2015 many new policies shall come into force, especially new concepts and regulations on businesses, investment, taxes, securities...that requires the Company to timely hold and adjust accordingly and take advantages of these policies
- Promoting the cultural traditions of Binh Minh Plastics, building a friendly, professional, safe working environment caring spiritual and material life of workers in the Company better day by day.

Over the years, Binh Minh Plastics have been developed to maintain the stability and continuity in the very different contexts resulting from the general economic situations. The Company not only achieves high annual production and business results, but also affirms to have built up a solid foundation for sustainable development. In the message at the beginning of the year 2015 to Workers, the General Director of the Company has asserted, ***"The future of Binh Minh Plastics is associated with "PASSION & CREATIVITY" with the motto "PASSION FOR PIONEERING & CREATIVITY FOR LONGEVITY". We can do that or not depending entirely on the will and the capacity of all teams of human forces of the Company and I believe that we have enough mental and physical strength to do that"***.

And for that we do not hesitate to affirm and share our desire and strong believe, that is:





NHỰA BÌNH MINH®

“ Entering into the year 2014, the initial difficulties have been gradually extinguished; macroeconomic aspects are gradually stable and more advantageous. Taking those favorable opportunities, Binh Minh Plastics had good moves, based on its major products which are plastic pipes and fittings. All activities of the Company have revolved around the axis of the development strategy in these major product lines and have achieved good results in the year. ”

ASSESSMENTS FROM THE BOARD OF MANAGEMENT

ON ACTIVITIES OF
THE COMPANY



ASSESSMENTS FROM THE BOARD OF MANAGEMENT ON ACTIVITIES OF THE COMPANY

1. EVALUATION OF THE BOM ON ACTIVITIES OF THE COMPANY

Dear Shareholders,

Entering into the year 2014, the initial difficulties have been gradually extinguished; macroeconomic aspects are gradually stable and more advantageous. Taking those favorable opportunities, Binh Minh Plastics had good moves, based on its major products which are plastic pipes and fittings. All activities of the Company have revolved around the axis of the development strategy in these major product lines and have achieved good results in the year, due to:

- Asserting the position as a large, leading enterprise in production, revenue and profit.
- Being a plastic pipes enterprise having the highest profit margins in the industry by nearly 20%. For three consecutive years, it is rated by national organizations as one of the top 50 most effective enterprises listed on the stock market in Vietnam.
- High domestic competitiveness with over 1,200 stores across the country. The products are diversified, providing for construction, water supply, electricity. . .
- The products are still kept their status of high quality goods and perfect services. Binh Minh Plastics has accomplished and obtained the appropriate Vietnamese quality standard conformity certificate for all water pipes and fittings products as prescribed thereby.
- The corporate culture gradually forms specific advantages which are whole-hearted attitude in work, life-sharing, colleague support, keeping the unity tradition of the Company...
- Active participation in community support with the durable activities of Company's organizations, not only within the Company, but also the activities held towards the Vietnam sea and islands, "remember the nation history" events, charity...

As in the annual report on operations announced by the Board of General Directors, the business operation results 2014 as shown in two targets revenue and sales have shown very good result as compared to the plan, the growth rate of these two figures proved the company's effort in maintenance and development of market share in the fiercely competitive environment today. Although, the profit before tax did not reach the plan as it went down nearly 4%, the BOM has reviewed and evaluated the issue and concluded it was mainly due to price of materials in the first 10 months has continuously increased sharply, seriously affected the targeted profit. However, this was the general situation of the plastic industry, most of companies in the industry had less profit as compared to 2013:

No.	NAME OF UNIT	CALCULATION UNIT	2014	2013	COMPARATIVE PROPORTION %
1	Tien Phong Plastics	billion VND	382	385	99
2	Da Nang Plastics	-	1.1	2.6	42
3	Binh Minh Plastics	-	481	499	96.4

The financial situation as well as the liabilities of the Company was transparent, its cash flow was sufficient for business operations, with no bank loans required; the business policy was sustainable. Therefore, the BOM evaluated the activities of the Company were still in high efficiency.

2. EVALUATION OF THE BOM ON THE OPERATION OF THE BOARD OF EXECUTIVE

After a year of operation, the BOM evaluated the Board of Executive as follows:

- Making a lot of efforts and creativeness in implementing the 2014 business production plan.
- Actively controlling and reducing unnecessary expenses to maintain the business effectiveness.
- Flexibility in processing information, and since then providing investment and business policy suitable to the actual situations.
- Using the human resource reasonably.
- Respecting and ensuring harmonious with the interests of shareholders, Government, customers and employees.
- Maintaining and enhancing Binh Minh Plastics culture, being trusted and getting the approvals of all employees in every aspect.

However the Board of General Directors also needs to overcome its over prudence in providing solutions which can lead to the lateness or missing opportunities in expansion, and hence may affect to the overall works of the Company.

In general, the Board of Executive of the Company has represented as a team which has knowledge, qualification, and ethics, also was well trained and steadily improved; has the ability in solving information quickly, calmly response, and leads all the employees to perform the works in highly effective manner.

3. PLANS AND ORIENTATION OF THE BOM

With the results from the management policy provided by the Government during last year, the BOM predicts that Vietnamese economy in 2015 will be relatively stable, however, the fluctuation in the prices of raw material are still unknown and unpredictable. This will require close forecast and tracking. The long-term orientation of the Company specially focuses on the overall restructure process, improving the working environment for employees and keep the leading position in the plastic pipe industry in Vietnam; and searches for new markets across the country and overseas.

With regard to the short-term plan, the BOM expects the revenue will increase 8% and profit remains unchanged as in 2014.

In order to achieve the above targets, the BOM and the Board of General Directors are required to focus on some large solutions as follows:

1. With respect to the BOM :

- Well – performed in the cooperated Regulations in working of the whole system, including the Charter organization and operation of NBM.
- To review policies on salary, bonus and income distribution for the purpose of transparency and fair treatment, thereby motivate employees to work harder and commit a long-time connection to the Company.
- Controlling the investment orientations and schedules in each specific stage for the targets as meeting the development needs in present, also as suitability to long-term directions with the most effective saving.
- To closely control the financial investment from external entities.

2. With respect to the Board of General Directors:

- To continuously focus on the development of human resource in order to meet current and future needs from the recruitment, training to promotion stage.
- To accelerate the construction of the Factory 4 in Long An Province for quickly increasing the productivity.
- To access into the business, marketing and financial plans in a good and flexible manner for attracting more customers.
- To control costs against misspending, to practice max-saving regulations for achieving the proposed effectiveness.

ASSESSMENTS FROM THE BOARD OF MANAGEMENT ON ACTIVITIES OF THE COMPANY

Dear Shareholders,

Binh Minh Plastics firmly steps on its road of development with the business culture of accepting selective competition. We are grateful for the trust of customers, the cooperation of shareholders and the support from the competent authorities. The BOM hereby commits to act on behalf of shareholders, to fulfill our duties in facilitating, monitoring and assisting the Board of Executive to complete the 2015 plan, and therefore enhance your trust in us and promote Binh Minh Plastics brand.



“ In the conditions of fierce competition on prices, discount, and if it is not involved in “the game”, the market share shall be threatened of being narrowed, and revenue will goes down. However, if the Company joints the race of competition at every prices, the Company shall be effected with the profit margin and it shall not only effect to the benefits of shareholders, but also effect to the financial capacity for the long-term development of the Company. This is really a non-less challenge and requires suitable and timely responses.”

COMPANY MANAGEMENT



1. THE BOM :

Members and structure of the BOM:

The General Meeting of Shareholders held in April 2013 has elected for a new BOM consisting of five members for the term of 2013-2018. The structure of the BOM includes: 3 non-executive members, and 2 executive members. It also includes 1 foreign member representing for a major shareholder. The list of members and their resumes are as follows:



1. Mr. LE QUANG DOANH
Chairman of BOM (Non-executive member)

Born in 1952

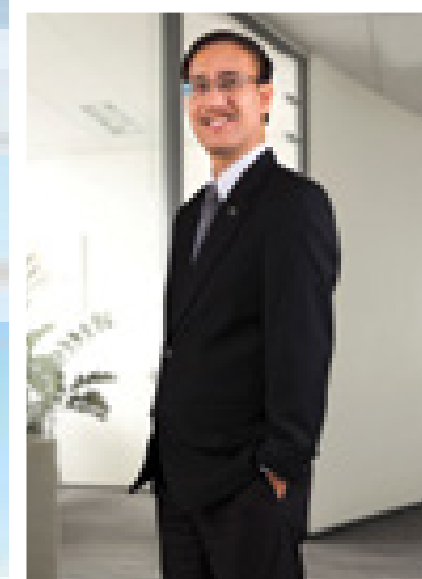
Qualification: Mechanical Engineering

Working history in BMP:

- 1979: Deputy Manager for workshop
- 1987: Deputy Director
- 1996: Director
- 2004 – November 2012: Chairman of BOM – General Director
- 2013 to present: Chairman of BOM

2. Mr. NGUYEN HOANG NGAN
Vice Chairman - General Director of BOM BMP

(See resume in page 40)



3. Mrs. NGUYEN THI KIM YEN
Member of the BOM - Deputy General Director in charge of business; Chairman of the COM NBM

(See resume in page 41)



Members and structure of the BOM :



4. Mrs. NGUYEN HONG MINH
Member of the BOM (Non-executive member)

Born in : 1978

Qualification: Bachelor of Economics, Bachelor of Foreigner Languages, Master of Business Administration, Master of Administration

Working history:

- 2004: Staff of AIA Limited
- 2006: Executive in Department of Investment 3 SCIC
- 2012: Member of BOM BMP; Executive in Department of Investment 3 of SCIC



5. Mr. SUCHAI ASVATHAVORNVANIT
Member of the BOM (Non-executive member)

Born in : 1957

Nationality: Thailand

Qualification: Mechanical Engineering

Working history:

- 1995: Director General of Thai MFC Co., Ltd.
- 1998: Deputy Director General of Siam Mitsui PTA Co., Ltd. And Thai Pet Co., Ltd.
- 2010: Director General of Rayon Olefins Co., Ltd.
- 2012: Director General of Thai Plastic and Chemicals PCL
- 2013- present: Director General of Thai Plastic and Chemicals PCL- Member of the BOM BMP

Percentage of ownership in BMP shares with voting rights of members of the Board of Management

NO.	FULL NAME	POSITION IN THE BOARD OF MANAGEMENT	NUMBER OF OWNED SHARES	PERCENTAGE OF OWNERSHIP (%)	NOTE
1	LE QUANG DOANH	Chairman	590,138	1.30	
2	NGUYEN HOANG NGAN	Deputy Chairman	343,639	0.76	
3	NGUYEN THI KIM YEN	Member	253,908	0.56	Representing for the SCIC
4	NGUYEN HONG MINH	Member	0	0	Representing for the SCIC
5	SUCHAI ASVATHAVORNVANIT	Member	0	0	Representing for Nawaplastic Industries (Saraburi) Co. Ltd. shareholder



b. The sub-committees under the BOM:

SUB-COMMITTEES	MEMBER	TITLE IN COMPANY
1. Human Resources - Policies – Salary and Bonus	1/ Mr. Le Quang Doanh	Chairman of the BOM - Head of the sub-committee
	2/ Mr. Bui Quang Khoi	Director of Factory 1 - Secretary Company - Deputy Head of the sub-committee
	3/ Mr. Nguyen Thanh Hai	Director of NBM
	4/ Mrs. Nguyen Kim Bích	Human Resource Manager
	5/ Mrs. Nguyen Thi Chuc Quynh	Administration Executive
2. Shareholder Relations	1/ Mrs. Nguyen Thi Kim Yen	Member of the BOM – Deputy General Director - Chairman of the COM of NBM - Head of the sub-committee
	2/ Mr. Phung Huu Luan	Financial and Accounting Deputy Manager
	3/ Mr. Bong Hoa Viet	Marketing Deputy Manager
	4/ Mr. Nguyen Viet Anh	Quality Deputy Manager
3. Strategy - Development	1/ Mr. Nguyen Hoang Ngan	Deputy Chairman of the BOM – General Director - Head of the sub-committee
	2/ Mr. Suchai Asvathavornvanit	Member of the BOM
	3/ Mr. Nguyen Thanh Quan	Deputy General Director
	4/ Mrs. Nguyen Thi Phuong Nga	Marketing Manager
	5/ Mr. Hong Le Viet	Financial and Accounting Manager
4. Risk management and Internal Supervision	1/ Mr. Nguyen Kim Thuong	Manager of Information system Management Division- Head of Sub-committee
	2/ Mrs. Nguyen Hong Minh	Member of the IC
	3/ Mrs. Nguyen Luu Thuy Minh	Member of the IC
	4/ Mrs. Nguyen Ngoc Linh	Human Resources Executive
	5/ Mrs. Vy Thi Hong Loan	Sales Executive

c. Activities of the BOM:

Although the members of the BOM have various working positions, culture, languages, etc., they are still a united, knowledgeable team which has a high sense of responsibility, and strict work agenda, and the proposed resolutions.

The working schedule and agenda of the BOM is scientific, systematic, flexible, proper and suitable to the specific working condition for each of every member of the BOM, and at the same time, to create more favorable conditions to the operations of the Board of Executive, but still preserve the strict supervision of the BOM.

The working agenda of the BOM was properly implemented; the resolutions and decisions were given timely and met the actual situations, particularly as follows:

Attendance to the meetings of the BOM :

NO.	MEMBERS OF THE BOM	POSITION	NUMBER OF MEETINGS ATTENDANCE	Percentage %	Reason for non-attendance
1	Mr. Le Quang Doanh	Chairman	05	100	
2	Mr. Nguyen Hoang Ngan	Deputy Chairman	05	100	
3	Mrs. Nguyen Thi Kim Yen	Member	05	100	
4	Mr. Suchai Asathavornvanit	Member	05	100	
5	Mrs. Nguyen Hong Minh	Member	05	100	

Resolutions of the BOM :

NO.	RESOLUTION NO.	DATE	CONTENTS
01	01/NQ-BM/HĐQT/2014	23/01/2014	To pass the agenda in the meeting of the BOM held on 21 st January 2014.
02	02/NQ-BM/HĐQT/2014	26/4/2014	With regard to the 2 nd payment of dividends in 2013.
03	03/NQ-BM/HĐQT/2014	26/4/2014	Selection of audit firms of the Company in 2014.
04	04/NQ-BM/HĐQT/2014	21/10/2014	With regard to the 1st payment of the interim dividend in 2014 in cash, at the rate of 10%.

Decisions of the BOM :

NO.	DECISION NO.	DATE	CONTENTS
01	01/QĐ-BM/HĐQT/2014	01/01/2014	To appoint Mr. Hong Le Viet to hold the position of Chief Accountant of the Company.
02	02/QĐ-BM/HĐQT/2014	01/01/2014	To set up the Sub-Committee for Development Strategy.
03	03/QĐ-BM/HĐQT/2014	24/01/2014	To announce the salary rates to the Company.
04	04/QĐ-BM/HĐQT/2014	26/6/2014	To dismiss Mr. Nguyen Hoang Ngan from the position of Chairman of the COM of NMP.
05	05/QĐ-BM/HĐQT/2014	26/6/2014	To appoint Mrs. Nguyen Kim Yen to hold the position of Chairman of the COM of NBM.
06	06/QĐ-BM/HĐQT/2014	26/6/2014	To mandate Mr. Hong Le Viet to be the authorized representative for the share capital of BMP in Tan Tien Plastic Joint Stock Company.
07	07/QĐ-BM/HĐQT/2014	26/6/2014	To mandate Mr. Hong Le Viet to be the authorized representative for the share capital of BMP in DPC.
08	08/QĐ-BM/HĐQT/2014	26/6/2014	To distribute NBM's profit in 2013.
09	09/QĐ-BM/HĐQT/2014	26/6/2014	To appoint the supervisor of NBM.
10	10/QĐ-BM/HĐQT/2014	26/6/2014	To appoint BMP representatives in NBM.
11	11/QĐ-BM/HĐQT/2014	26/6/2014	To appoint Mr. Nguyen Thanh Hai to hold the position of Vice Chairman of the COM of NBM.
12	12/QĐ-BM/HĐQT/2014	26/6/2014	To appoint Mr. Hong Le Viet to hold the position of Member of the COM of NBM.
13	13/QĐ-BM/HĐQT/2014	01/8/2014	To establish the Sub-Committee for Shareholder Relation
14	14/QĐ-BM/HĐQT/2014	01/8/2014	To establish the Sub-Committee for Risk Management and Internal Supervision
15	15/QĐ-BM/HĐQT/2014	06/10/2014	Decision on delegation of members of the BOM to travel for businesses in Thailand

In general, the BOM has completed its tasks in a substantive and comprehensive manner; and on behalf of the shareholders, to direct, supervise, and create conditions for the Board of Directors General to manage the Company in achieving the relative good results in 2014.

d. Activities of the non-executive members of the BOM:

- **Mr. Le Quang Doanh:**
As the Chairman of BOM, he has organized and fully participated in meetings and other activities of the BOM. Representing the BOM to work weekly with the Board of Executive, which capture and have timely guidance on matters arising. In fact, he has made good decisions, timely and direct the right direction, supporting the Company business plan, keep unity stability, job security and income to employees.
- **Mr. Suchai Asathavornvanit - Representing for the major shareholder NAWAPLASTIC:**
Attending all the meetings of the BOM, being the member of Sub-Committee for Development Strategy. With his own experience in the field of operation as similar as BMP, he has contributed many useful opinions for the other activities of the BOM and the business production activities of BMP.
- **Mrs. Nguyen Hong Minh - Representing for the major shareholder SCIC:**
Attending all the meetings of the BOM, being the member of the Sub-Committee for Risk Management and Internal Supervision. With her knowledge and experience in her position in SCIC, she has contributed many useful opinions for the other activities of the BOM as well as the key contact for dispatching contribution opinions from SCIC to BMP.

e. Activities of the Sub-Committees under the BOM :

In 2014, the BOM completed the personnel structure for the Sub-Committees under its authorization, and facilitated the good conditions for the operation of these Sub-Committees; approved the Regulations for internal coordination in working between the BOM, the Board of Executive, the IC, and the COM of BMP.

- **Sub-Committee for Shareholder Relation:** To disclose information timely on the Company's website. Addition to the regular exchange of information via emails to interested investors, the Sub-Committee also held meetings of investors on a quarter basis to inform the operations of the Company. In 2014, the Sub-Committees as authorized by the BOM held meeting of major shareholders to discuss the important issues before the annual GMOS and then organized successfully the annual GMOS.
- **Sub-Committee for Welfare - Human Resource - Salary and Bonus:** Finalized and amended the Charter of the Company and the Regulations on Internal Cooperation as declared by the BOM at the end of 2014, and at present considers for amendment of the Charter of the subsidiary company BMP for reflecting the changes in actual situation.
- **Sub-Committee for Development Strategy:** To announce the Regulations for organization and operation of the Sub-Committees. To prepare detailed outlines for the development strategy of the Company for the term of 2015 - 2025. To give advice to the BOM and the Board of Executive on projects for development of new products and new investments annually upon request.
- **Sub-Committee for Risk Management and Internal Supervision:** The Sub-Committee was officially established in August 2014 and issued its Operation rules and assigned tasks to its members.

f. List of Members of the BOM having enterprise management certificates:

All of five members of the BOM had enterprise management certificates. In 2014, the BOM did not attend any enterprise management training courses.

2. THE INSPECTION COMMITTEE:

a. Members of the IC:

The Inspection Committee (IC) for the term of 2013 – 2018 as elected by GMOS of the Company shall consist of 03 members:



1. Mrs. NGUYEN THI PHUONG NGA Head

Born in 1963

Qualification: Bachelor of Economics

Working history in BMP:

- 1982: Staff of Supply and Consumption Division
- 1999: Deputy Manager of Sales Department
- 2004: Member of IC - Deputy Manager of Sales Department
- 2008: Head of IC - Deputy Manager of Sales Department
- 2010- June 2014: Head of IC – Marketing Manager
- July 2014- present: Head of IC – Sales Manager

2. Mrs. NGUYEN LUU THUY MINH Member

Born in 1983

Qualification: Bachelor of Accounting, Master of Finance
Working history

Working history in BMP:

- 2006 : Staff of Finance – Accounting Department
- 2013 – present: Member of IC, member of Sub-Committee for Risk Management and Internal Supervision



3. Mrs. NGUYEN THI THAM Member

Born in 1985

Qualification: Bachelor of Economics

Working history:

- 2007: Specialist of Audit of Ernst & Young Vietnam Ltd.
- 2010- present: Specialist for the Risk Management Division SCIC
- 2013 : Specialist for the Risk Management Division SCIC, member of IC BMP

The percentage of voting shares issued by the Company held by the members of the Inspection Committee:

NO.	FULL NAME	POSITIONS	NUMBER OF OWNED SHARES	THE PERCENTAGE OF OWNERSHIP (%)	NOTE
1	NGUYEN THI PHUONG NGA	Head of Committee	126,692	0.28	
2	NGUYEN LUU THUY MINH	Member	19,938	0.04	
3	NGUYEN THI THAM	Member	0	0	

b. Activities of the IC

In 2014, the IC held 3 meetings with the attendance of all of its 03 members, as follows:

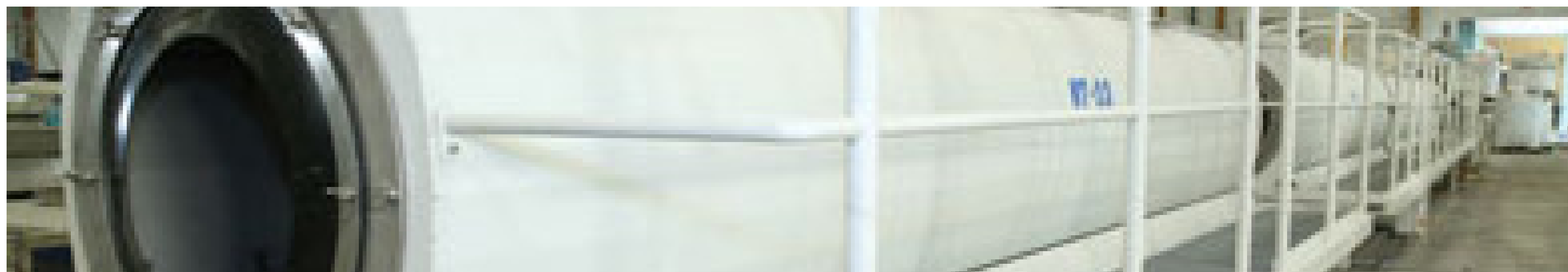
NO.	DATE	CONTENTS AND RESULTS
1	21/01/2014	<ul style="list-style-type: none"> • Passing the operation rules of the IC. • Passing the regular meeting schedule of the IC. • Assigning official tasks to members. • Informing contents of some activities of the BOM, resolutions and decisions in 2013. • Informing the situations of some business manufacture activities of the Company, especially tax recollection issues, trade receivables. • Reviewing the 2013 financial statements.
2	24/4/2014	<ul style="list-style-type: none"> • Appraising the activities of the members and the IC in 2013. • Considering the customer debts. • Reviewing periodical check result of inventories. • Reviewing the annual auditor's report. • The 2014 Operation plan of the IC.
3	21/8/2014	<ul style="list-style-type: none"> • Monitoring the implementation of the BOM and the Board of Executive with respect to resolutions of the GMOS. • Reviewing the 2014 half-year financial statement. • Reviewing the internal regulations. • Other issues.

With the active coordination and support from the Board of Executive and the BOM, the members of the IC has operated in active, fair and prudent manner to complete tasks assigned by the GMOS.



3. TAXABLE REMUNERATIONS OF THE BOM, THE BOARD OF EXECUTIVE, THE IC AT THE COMPANY:

FULL NAME	POSITIONS	SALARY	BONUS	REMUNERATION BOM+IC	BONUS 2013 BOM+IC	OTHER REMUNERATION	PERSONAL INCOME TAX	INCOME AFTER TAX
Le Quang Doanh	Chairman of the BOM			471,506,000	1,049,000,000		152,050,600	1,368,455,400
Nguyen Hoang Ngan	Deputy Chairman of the BOM General Director	1,240,718,835	354,002,842	330,043,000	734,000,000	39,007,498	738,175,764	1,959,596,411
Nguyen Thi Kim Yen	Member of the BOM Deputy General Director	1,081,576,367	337,148,865	282,894,000	630,000,000	42,799,203	670,689,600	1,703,728,835
Suchai Asvathavornvanit	Member of the BOM			282,894,000	315,000,000		119,578,600	478,315,400
Nguyen Hong Minh	Member of the BOM			282,894,000	315,000,000		59,789,800	538,104,200
Nguyen Thi Phuong Nga	Head of the IC Marketing Manager	586,604,166	184,347,809	117,332,000	364,000,000		260,417,292	1,071,866,683
Nguyen Luu Thuy Minh	Member of the IC	243,052,012	54,096,974	130,499,000	218,000,000		87,317,496	558,330,490
Nguyen Thi Tham	Member of the IC			130,499,000	218,000,000		34,849,900	313,649,100
Nguyen Thanh Quan	Deputy General Director	957,832,426	268,077,269	0		22,456,099	230,582,856	1,017,782,938
Hong Le Viet	Chief Accountant	788,738,515	194,813,486	0			163,288,332	820,263,669



4. TRANSACTIONS:

a. Stock transfer by internal shareholders:

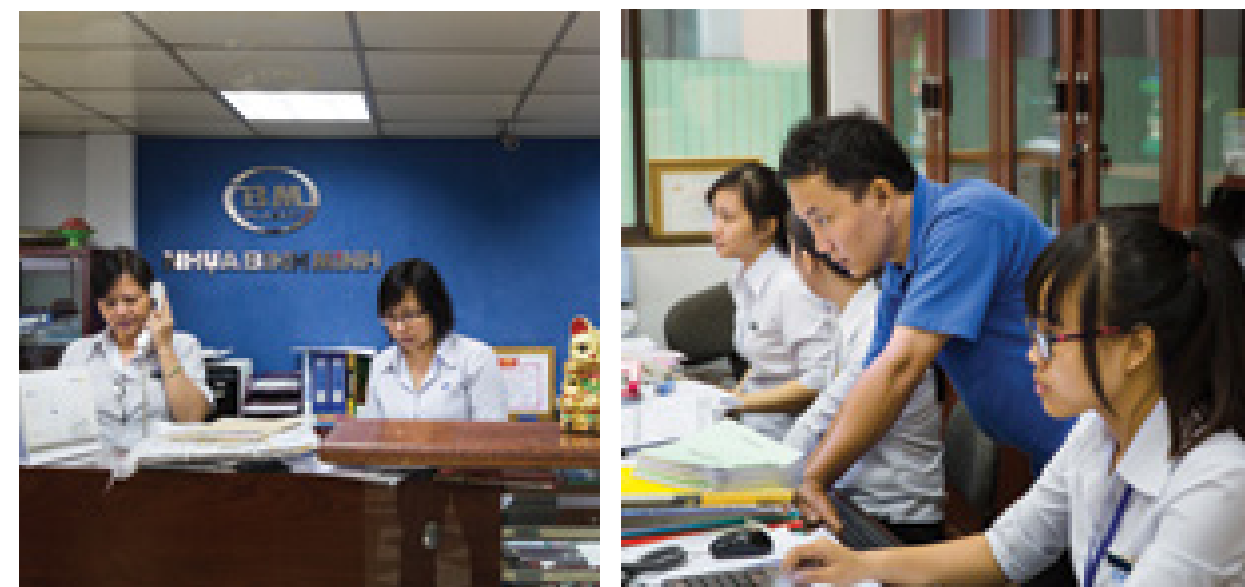
In 2014, there was no transfer of BMP stock within the internal shareholders.

b. Stock transfer by major shareholders:

TT	SHAREHOLDERS	SHAREHOLDING AND PROPORTION BEFORE TRANSFER	TYPE OF TRANSACTION	SHAREHOLDING AND PROPORTION AFTER TRANSFER	DATE OF TRANSFER
1	Vietnam Holding Limited	2,271,345 (4.99%)	BUY	2,351,925	25 February 2014
2	State Capital Investment Corporation (SCIC)	13,423,490 (29.52%)	SALE	13,422,170	30 April 2014

5. IMPLEMENTATION OF THE REGULATIONS RELATED TO COMPANY MANAGEMENT :

- Built the operation cooperation process and procedure between the BOM and the IC and the Director General.
- Developed the action coordination regulations between BMP and NBM.
- Established all 04 sub-committees to support the activities of the BOM, to build the operation regulations of sub-committees in accordance with Circular No. 121/2012/TT-BTC.
- Activities of the BOM and the IC complied with the stipulations of laws on joint stock companies and public companies.
- The Company disclosed information on a regular and special basis on the management status of the Company in accordance with the stipulations of law on securities and stock exchange. In 2014, there was no reminder from HOSE with respect to this issue.



FINANCIAL STATEMENTS AND AUDITED REPORT

1. INFORMATION ABOUT THE AUDIT

- **Independent audit**

Company's name: Nam Viet Accounting and Audit Financial Consultancy Services Co., Ltd. (AASCN)

Address: 29 Hoang Sa St., District 1, Ho Chi Minh City

Telephone : (84-8) 3910 3908

Fax : (84-8) 3910 4880

- **Main auditor conducted auditing for the Company**

Mr. Nguyen Anh Tuan - Number of registration certificate of audit practice: 1559-2013-152-1 performed audit for the Company in 2014.

- **Assessment of audit**

The unit performing our Company data audit in 2014 was Nam Viet Accounting and Audit Financial Consultancy Services Co., Ltd. (AASCN), one of the sixth audit units approved by the General Shareholder Meeting in 2014. After reviewing the audited report, we agreed with the data and conclusions of the audit unit.

2. INTERNAL AUDIT

The Company did not perform internal audit. Any accounting figures, consolidated financial activities were quarterly reported by the functional department to the Executive Board, the Board of Management quarterly and periodically audited every 6 months. The Internal Control and Risk Management Committee in collaboration with the application process managed by ISO 9001 system control helped to control well any activities and timely reported to the Executive Board and the Board of Management any issues related to the management of the Company.

THE CONSOLIDATED FINANCIAL STATEMENTS



STATEMENTS OF THE BOARD OF DIRECTORS

The Board of Directors of Binh Minh Plastics Joint Stock Company (hereafter called “the Company”) would like to present its statements and the consolidated financial statements of the Company and Subsidiary for the year ended 31st December 2014.

Overview

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

The Company's business license – No. 4103002023 – was issued on 2nd January 2004. The fifth amendment on the business license – No. 0301464823 – was issued by the Planning and Investment Department of Ho Chi Minh City dated 7th October 2013.

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, HCM City.

The Company has the following branches:

NAME	ADDRESS
Binh Minh Plastics Joint Stock Company Branch	No. 7, Street No. 2, Song Than 1 Industrial Zone, Di An Town, Binh Duong Province
Vinh Loc – Ben Luc 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

The subsidiary is included in this consolidated financial report include:

COMPANY NAME	ESTABLISHED UNDER	BUSINESS SCOPE	STAKE
Binh Minh Plastic Northern One Member Limited Liability Company	The Company's business license – No. 0504000211 – was issued by the Planning and Investment Department of Hung Yen Province dated 18th September 2006	Civil and industrial products made of plastic and rubber	100%

Events after book closure

No other important events taking place after the book closure are required to be adjusted or announced in this consolidated financial statements.

The following is the list of members of the BOM, Board of Directors and IC in the year to the date of this report:

Board of Management:

• Mr. Le Quang Doanh	Chairman
• Mr. Nguyen Hoang Ngan	Vice-Chairman
• Ms. Nguyen Thi Kim Yen	Member
• Mr. Suchai Asathavornvanit	Member
• Ms. Nguyen Hong Minh	Member

Board of Directors:

• Mr. Nguyen Hoang Ngan	General Director
• Ms. Nguyen Thi Kim Yen	Deputy General Director
• Mr. Nguyen Thanh Quang	Deputy General Director

Inspection Committess:

• Ms. Nguyen Thi Phuong Nga	Head
• Ms. Nguyen Luu Thuy Minh	Member
• Ms. Nguyen Thi Tham	Member

Auditor

Nam Viet Accounting Consultancy and Auditing Service Ltd. audited the consolidated financial statements for the Company.

Statements of the responsibilities of the Board of Directors in respect of the consolidated financial statements

The Board of Directors is responsible for the consolidated financial statements reflecting the consolidated business results as well as the cash flow of the Company in the year. In the process composing of the consolidated financial statements, the Board of Directors committed to complying with the following requirements:

- Selecting a suitable accounting policies and then apply them consistently;
- Make judgement and estimates that are resonable and prudent;
- Preparing and presenting the consolidated financial statements based on the compliance of accounting standards and related regulations;
- Prepare the consolidated financial statement on a going concern basis unless it is inappropriate to presume that the company will continue to business

The Board of Directors is responsible for ensuring that proper accounting records are maintained which disclose, with resonable accuracy at any time and the consolidated financial statements complies with the current law. The board of directors is also responsible for safeguarding the assets of the company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

The Board of Directors commits to ensure that the consolidated financial statements give a true and fair view of the position of the company as at 31st December 2014, results of operations and cash flows the year ended is accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and the relevant statutory requirements.

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 financial year ended 31st December 2014 of the Company set out on pages 104 to pages 139 attached

On behalf of the Board of Management



Le Quang Doanh
Chairman
Hochiminh City – 17th March 2015

On behalf of the Board of Directors



Nguyen Hoang Ngan
General Director

INDEPENDENT AUDITORS' REPORT

No: 119/BCKT/TC

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, which were prepared on 17th March 2015, from pages 104 to pages 139, which comprise consolidated balance sheet as at 31st December 2014, the consolidated income statement and cash flows for the financial year then ended on the same date and the notes to the consolidated financial statements.

Responsibilities of the Board of Directors

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

Auditors' Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessment, the auditors considered internal control relevant to the Company'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 Company'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 consolidated financial statements.

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

Basis of exceptive audit opinion

As noted in item V.5, the General Tax Department issued decision No. 889/QĐ-TCT dated 23rd June 2014 and the Tax Department in Ho Chi Minh City issued decision No. 3317/QĐ-CT-XP dated 3rd July 2014 on retrieving the income tax in 2009 and 2010 in the amount of VND 71,420,413,472. The company has paid and accounted for in other receivable accounts entry on balance sheet at 31st December 2014. Currently the company is in the process of discussing with the Tax Department in Ho Chi Minh City, the General Tax Department, the Ministry of Finance and the State management agencies to unify the amount refunded under the guidance of dispatch No. 14041/BTC-TCT dated 3rd October 2014 of the Ministry of Finance.

Exceptive audit opinion

According to our opinion, except for the effects of the matter referred to in paragraph "Basis of exceptive audit opinion", the consolidated financial statements reflected a true and fair view, in all material respects of financial position of Binh Minh Plastics joint Stock company and its subsidiary on 31st December 2014 and the results of operations and cash flows for the year then ended at the same date, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting Regulations and the relevant statutory requirements applicable to financial reporting.

Ho Chi Minh City, 23th March 2015

Nam Viet Accounting Consultancy and Auditing Service Ltd.

Director



Nguyen Thi Lan

Practicing Auditor Registration Certificate
No: 0167-2013-152-1

Auditors

Nguyen Anh Tuan

Practicing Auditor Registration Certificate
No: 1559-2013-152-1

EXPLANATION OF THE BOARD OF GENERAL DIRECTORS WITH RESPECT TO THE OPINIONS OF THE INDEPENDENT AUDITOR

BMP would like to explain the excluding issues mentioned in the Auditor's reports No.118/BCKT/TC and 119/BCKT/TC with regard to the fiscal year ended on 31st December 2014 submitted by Nam Viet Accounting Consultancy and Auditing Service Ltd. on 18th March 2015 and 23rd March 2015 respectively, as follows:

- BMP was equitized from the State-owned enterprise to a joint stock company based on business certificate of a joint stock company, issued for the first time on 2nd January 2004, the average number of employees was over 100 employees, therefore the Company was exempted from Corporate Income Tax (CIT) for two years 2004 and 2005 and reduced 50% of taxes in the three following years 2006, 2007, 2008.
- On 11 July 2006, BMP stocks were officially listed in the Saigon Stock Exchange with the stock code BMP.
- According to Official Letter No.11924/TC-CST of the Ministry of Finance dated 20th October 2004 guiding the CIT reliefs for organizations listing in the stock exchanges. "Where the listed organizations are still exempted from tax relief as prescribed by Law on Corporate Income Tax, such incentive period due to the stock are listed shall be calculated as from the expired period of the CIT tax exemption in accordance with Law on Corporate Income Tax".
- Pursuant to the above laws, BMP filed Official Letter No.298/CV-BM/TCKT/2006 dated 12th June 2006 to the General Department of Taxation. And the General Department of Taxation replied with Letter No.2924/TCT-PCCS dated 16th August 2006 responding BMP is entitled to incentives from CIT relief for total 02 years 2007 and 2008, due to tax exemption of 50% from its CIT in accordance with the Law on Corporate Income Tax, as well as exemption of 50% from its CIT due to its IPO.
- When the Company registered with Ho Chi Minh City Department of Taxation to exempt from CIT in years 2007 and 2008 subject to the above guidance's issued by the General Department of Taxation, Ho Chi Minh City Department of Taxation replied with Official Letter No. 1257/TC-TKN requesting not summing up to 2 years for tax relief, but it must be exempted 50% from its CIT for 4 years (2007, 2008, 2009, 2010).

In 2013, Ho Chi Minh City Department of Taxation inspected the tax returns from 2009 to 2012 at the Company, and issued Decision No. 3979 / QD-CT-TTr1 date 11th October 2013, whereby the City Tax Department did not accept the Company to be exempted 50% from its CIT for years 2009 and 2010 as guidance in the above Official Letter No. 1257 / TC-TKN dated 01st February 2007 and recollected arrears of the non-reduced 50% of CIT for years 2009 and 2010 for the amount of VND 71,420,413,472 and also sanctioned an additional fine of VND 41,455,678,186. The Company temporarily paid VND 71,420,413,472 into the State Budget and entered such entry into the account of other receivables. At the same time, the Company sent response to Ho Chi Minh City Department of Taxation and General Department of Taxation and Ministry of Finance complaining against the above issue.

On 23rd June 2014, the General Department of Taxation issued Decision on handling complaints No. 889/QD-TCT and on 03rd July 2014, Ho Chi Minh City Department of Taxation City also issued Decision No. 3317 / QD-CT-XP on collection arrears of corporate income tax in years 2009 and 2010 due to non-exemption of corporate income tax for 2 years with reason of having listed stocks with the amount of VND 71,420,413,472.

Pursuant to the directive of the Office of the Government in Official Letter No. 4835/VPCP-KTTH of the Government dated 30th June 2014 on handling of tax incentives for IPO enterprises in the term from 2004 to 2006, providing:

"2 ... Agree upon in-principle the recollection arrears of corporate income tax payable after deducting to the interest or dividends appropriated to the shareholder representing for the State's capital in the enterprise; meanwhile the Ministry of Finance is appointed to work with the entity, organization representing for the State's capital in the enterprise to receive such appropriated dividends for statutory handling in accordance with laws".

On 3rd October 2014, the Ministry of Finance issued Official Letter No. 14041/BTC-TCT on CIT incentives for the IPO enterprises in the term from 2004 to 2006, together with guidance on the deduction of the dividends which the enterprise appropriated for the State's capital shareholding.

On 5th December 2014, the Ministry of Finance issued Official Letter No. 17767/BTC-TCT providing guidance to BMP on the handling of CIT incentives in the light of Official Letter No.14041/BTC-TCT of the Ministry of Finance dated 3rd October 2014.

On 9th February 2015, the General Department of Taxation issued Official Letter No.495/TCT-PC providing guidance to BMP on the handling of CIT incentives in the light of Official Letters No. 14041/BTC-TCT and 17767/BTC-TCT of the Ministry of Finance.

Although there were guidances from the Ministry of Finance and the General Department of Taxation on the handling of CIT incentives, at present Ho Chi Minh City Department of Taxation still did not mutually agree with Binh Minh Plastics Joint Stock Company upon the amount to be recollected arrears. Therefore, the Company is still in the process of working with Ho Chi Minh City Department of Taxation.

Pending for obtaining official letters from the competent authorities on the amount to be recollected arrears and decision of the GMOS, the Company presently temporarily recorded into the account of other receivables in the balance sheet as of 31st December 2014.





THE CONSOLIDATED FINANCIAL STATEMENTS AUDITED

As at 31st December 2014

Unit: VND

ASSETS	Code	Note	31/12/2014	01/01/2014
A. CURRENT ASSETS	100		1.485.967.982.151	1.224.403.192.258
I. Cash and cash equivalents	110	V.1	243.691.456.593	438.728.212.089
1. Cash	111		213.691.456.593	137.228.212.089
2. Cash equivalents	112		30.000.000.000	301.500.000.000
II. Short-term investments	120		460.000.000.000	-
1. Short-term investments		V.2	460.000.000.000	-
2. Allowance for Short-term investments			-	-
III. Accounts receivable	130		393.973.342.137	366.476.115.793
1. Accounts receivable	131	V.3	297.345.422.200	291.885.303.026
2. Prepayment to suppliers	132	V.4	47.210.403.034	16.251.204.833
3. Other receivables	135	V.5	77.496.519.200	71.683.459.719
4. Allowance for doubtful debts	139	V.6	(28.079.002.297)	(13.343.851.785)
IV. Inventories	140	V.7	373.501.801.097	367.792.833.881
1. Inventories	141		373.501.801.097	367.792.833.881
2. Allowance for inventories	149		-	-
V. Other current assets	150		14.801.382.324	51.406.030.495
1. Short-term prepayments	151		155.303.031	2.333.598.638
2. VAT deducted			341.772.051	-
3. Other receivables from the State Treasury	154	V.8	1.280.166.704	-
4. Other current assets	158	V.9	13.024.140.538	49.072.431.857
B. LONG-TERM ASSETS	200		442.550.251.069	456.878.651.241
I. Long-term accounts receivable	210		-	-
II. Fixed assets	220		211.166.764.954	225.088.158.449
1. Tangible fixed assets	221	V.10	173.431.453.636	188.084.100.440
- Cost	222		737.879.057.442	682.778.451.151
- Accumulated depreciation	223		(564.447.603.806)	(494.694.350.711)
2. Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.11	28.317.798.312	29.081.102.322
- Cost	228		35.996.185.657	35.996.185.657
- Accumulated amortization	229		(7.678.387.345)	(6.915.083.335)
4. Construction-in-progress	230	V.12	9.417.513.006	7.922.955.687

Unit: VND

ASSETS	Code	Note	31/12/2014	01/01/2014
III. Investment property	240		-	-
IV. Long-term investments	250	V.13	13.055.678.362	13.362.723.232
1. Investment in associates and joint ventures	252		10.861.727.962	11.168.772.832
2. Other long-term investments	258		4.193.950.400	4.193.950.400
3. Allowance for diminution in the value of long-term investment	259		(2.000.000.000)	(2.000.000.000)
V. Other long-term assets	260		218.327.807.753	218.427.769.560
1. Long-term prepayment	261	V.14	217.366.699.750	217.366.699.750
2. Deferred income tax assets	262	V.20	961.108.003	1.061.069.810
3. Other long-term assets	268		-	-
VI. Goodwill	269		-	-
TOTAL ASSETS	270		1.928.518.233.220	1.681.281.843.499

CONSOLIDATED BALANCE SHEET (continued)

As at 31st December 2014

Unit: VND

RESOURCES	CODE	Note	31/12/2014	01/01/2014
A. LIABILITIES	300		210.257.819.802	192.208.752.624
I. Current liabilities	310		210.257.819.802	192.208.752.624
1. Short-term borrowings and liabilities	311	V.15	58.420.187.000	35.950.187.000
2. Accounts payable	312	V.16	67.063.726.753	52.239.417.100
3. Advances from customers	313		952.599.860	438.697.908
4. Taxes and amounts payable to State Treasury	314	V.17	28.329.481.974	37.649.484.616
5. Payables to employees	315		24.025.677.002	21.740.715.110
6. Accrued expenses	316	V.18	25.607.934.051	13.257.736.397
7. Other payables	319	V.19	2.614.047.765	1.477.131.866
8. Bonus and welfare fund	323		3.244.165.397	29.455.382.627
II. Long-term liabilities	330		-	-
B. EQUITY	400		1.718.260.413.418	1.489.073.090.875
I. Owner's equity	410	V.21	1.718.260.413.418	1.489.073.090.875
1. Share capital	411		454.784.800.000	454.784.800.000
2. Share premium capital	412		1.592.782.700	1.592.782.700
3. Investment and development fund	417		845.659.490.321	695.092.584.571
4. Finance reserve fund	418		47.759.904.171	39.404.062.173
5. Other funds belong to equity	419		44.983.552.000	34.983.552.000
6. Retained earnings	420		323.479.884.226	263.215.309.431
II. Other sources	430		-	-
C. MINORITY INTEREST	439		-	-
RESOURCES	440		1.928.518.233.220	1.681.281.843.499

OFF - BALANCE SHEET ITEMS

Unit: VND

ITEMS	Note	31/12/2014	01/01/2014
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Goods deposited by others		-	-
4. Bad debts already treated		-	-
5. Foreign currencies			-
+ USD		200.462,25	165.509,24
+ EUR		7.815,47	13.654,60
+ JPY		75.000,00	-
6. Estimates for non-business and project expenditure		-	-

Prepared by



Phung Huu Luan

Chief Accountant



Hong Le Viet

General Director



Nguyen Hoang Ngan

Hochiminh City – 17th March 2015

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 2014

Unit: VND

ITEMS	CODE	Note	CURRENT YEAR	PREVIOUS YEAR
1. Sales and service revenue	01	VI.1	2.500.608.876.409	2.131.858.459.998
2. Deductions	02	VI.2	85.056.252.776	43.713.641.153
3. Net revenues	10	VI.3	2.415.552.623.633	2.088.144.818.845
4. Cost of goods sold	11	VI.4	1.746.457.773.865	1.466.114.810.947
5. Gross profit	20		669.094.849.768	622.030.007.898
6. Revenue from financial activities	21	VI.5	27.159.803.118	30.521.562.828
7. Financial expense	22	VI.6	20.316.634.466	17.504.446.599
<i>In which: interest expenses</i>	23		3.860.540.507	905.745.100
8. Selling expenses	24		123.639.695.429	68.631.181.008
9. General administrative expenses	25		73.249.521.841	67.049.442.056
10. Net operating profit	30		479.048.801.150	499.366.501.062
11. Other incomes	31		1.284.248.867	1.569.810.395
12. Other expenses	32		34.020.459	985.870.861
13. Result of other activities	40		1.250.228.408	583.939.534
14. Share of Profit/losses in associates and jointly controlled entities	50		797.583.330	(475.821.310)
15. Total accounting profit before tax	60		481.096.612.888	499.474.619.287
16. Current income tax expense	61	VI.7	104.185.046.541	129.692.307.275
17. Deferred income tax expense	62	VI.8	99.961.807	(148.349.742)
18. Net profit	70		376.811.604.540	369.930.661.754
18.1 Minority interest	71		-	-
18.2 Equity holders of the company	72		376.811.604.540	369.930.661.754
19. Basic Earnings per share	80	VI.9	8.285	8.134

Prepared by



Phung Huu Luan

Chief Accountant



Hong Le Viet

General Director



Nguyen Hoang Ngan

Hochiminh City – 17th March 2015

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 2014

Unit: VND

ITEMS	CODE	CURRENT YEAR	PREVIOUS YEAR
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before Tax	01	481.096.612.888	499.474.619.287
2. Adjustments for			
- Depreciation and amortisation	02	70.611.472.928	68.126.726.247
- Allowances and Provisions	03	14.735.150.512	6.157.301.079
- Unrealized foreign exchange differences		28.286.814	(155.183.342)
- Gain, lost from other investing activities	05	(26.749.162.549)	(27.166.861.527)
- Interest expenses	06	3.860.540.507	905.745.100
3. Operating profit before changes in working capital	08	543.582.901.100	547.342.346.844
- Changes in accounts receivable	09	(38.388.624.541)	(26.552.365.015)
- Changes in inventories	10	(5.708.967.216)	(31.290.378.253)
- Changes in accounts payable	11	63.286.271.952	(23.481.351.945)
- Changes in of prepayment	12	2.178.295.607	(155.653.202.831)
- Interest paid	13	(944.720.144)	(128.043.686)
- Income tax paid	14	(110.808.426.680)	(128.386.117.727)
- Other receipts from operating activities	15	1.608.910.451	250.226.026
- Other payments for operating activities	16	(40.435.297.198)	(37.156.903.792)
<i>Net cash flows from operating activities</i>	20	414.370.343.331	144.944.209.621
II. CASH FLOWS FROM INVESTMENT ACTIVITIES			
1. Payments for addition to fixed assets	21	(56.690.079.433)	(12.738.944.399)
2. Proceeds from disposal of fixed assets and other long-term assets	22	-	70.000.000
3. Loan granted and purchases of debt instruments of other entities	23	(460.000.000.000)	-
4. Collection of loans granted and to associated and proceeds from sales of debt instruments of other entities	24	-	-
5. Payments for investment in other entities	25	-	-
6. Collection on investments in other entities	26	-	14.540.449.757
7. Receipts of interests, dividends and profit shared	27	21.276.707.420	30.362.461.370
<i>Net cash flows from investing activities</i>	30	(495.413.372.013)	32.233.966.728

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 2014 (continued)

Unit: VND

ITEMS	CODE	CURRENT YEAR	PREVIOUS YEAR
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Collection of stock issuance and capital contributions from owners	31	-	-
2. Payment for capital contributions and re-purchases of stocks issued	32	-	-
3. Short-term and long-term loans received	33	25.020.000.000	45.270.187.000
4. Payment for loan principal amounts	34	(2.550.000.000)	(13.625.670.000)
5. Payment for financial leasehold assets	35	-	-
6. Payment of dividends	36	(136.435.440.000)	(115.444.611.700)
<i>Net cash flows during the year</i>	50	(195.008.468.682)	93.378.081.649
Beginning cash and cash equivalents	60	438.728.212.089	345.293.101.809
Effect of fluctuation in foreign exchange rates	61	(28.286.814)	57.028.631
Ending cash and cash equivalents	70	243.691.456.593	438.728.212.089

Prepared by



Phung Huu Luan

Chief Accountant



Hong Le Viet

General Director



Nguyen Hoang Ngan

Hochiminh City – 17th March 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014

I. OPERATION FEATURES

1. Investment form

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

The Company's business license – No. 4103002023 – was issued on 2nd January 2004. The fifth amendment on the business license – No. 0301464823 – was issued by the Planning and Investment Department of Ho Chi Minh City dated 7th October 2013.

Company's Headquarter is located 240 Hau Giang, Ward 9, District 6, Ho Chi Minh City.

The Company has the following branches:

NAME	ADDRESS
Binh Minh Plastics Joint Stock Company Branch	No. 7, Street No. 2, Song Than 1 Industrial Zone, Di An Town, Binh Duong Province
Vinh Loc – Ben Luc 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

The subsidiaries in this consolidated financial report include:

COMPANY NAME	ESTABLISHED UNDER	BUSINESS SCOPE	STAKE
Binh Minh Plastic Northern One Member Limited Liability Company	The Company's business license – No. 0504000211 – was issued by the Planning and Investment Department of Hung Yen Province dated 18th September 2006	Civil and industrial products made of plastic and rubber	100%

List of associated companies consolidated by the equity method:

COMPANY NAME	ADDRESS	BUSINESS SCOPE	STAKE
Da Nang Plastics Joint Stock Company	371 Tran Cao Van, District Thanh Khe, Da Nang City	Manufacturing import and export business of products, raw materials and equipment for plastic industry	29%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

2. Business scope

Production and trade.

3. Business Activities

The Company's main activities are in the manufacturing and trading of civil and industrial products made of plastic and rubber; designing, manufacturing and trading moulds for the plastic and casting industries; manufacturing and trading machinery and equipment, materials, as well as sanitary components for construction and interior decoration; consultancy and construction works of water supply, yard and warehouse; inspection, analysis, and testing of chemicals; and trading, importing and exporting of raw materials, chemicals, materials, plastics machinery, as well as engineering, construction, water supply and laboratory equipment; transportation of goods by road; advertising.

II. FISCAL YEAR AND CURRENCY FOR ACCOUNTING

1. Fiscal year

The fiscal year of the Company is from 1st January to 31st December.

2. Standard currency unit

The currency unit used for accounting is Vietnam dong (VND).

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting system

The Company applies the Vietnamese Accounting System in accordance to Decision No. 15/2006/QĐ-BTC of 20th March 2006 issued by the Ministry of Finance and the guidelines accompanying amendments.

2. Statement on compliance with the Vietnamese accounting Standard and System

The Company applies the Vietnamese Accounting system and guidelines issued by the State. The consolidated financial statements have been prepared and presented according to these standards and guidelines, as well as the accounting system that currently applies.

3. Accounting form

The Company uses the voucher recording form in its accounting

IV. ACCOUNTING POLICIES

1. Basis of consolidated

Subsidiary:

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

Associate Company:

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. Cash and cash equivalents

Economic transactions made in foreign currencies shall be converted into Vietnam dong based on the exchange rate at the time of the transactions. At the end of the year, foreign currency items shall be converted based on the buying rate by the Bank which company has account.

Differences in real exchange rates arising during the business cycle and differences in exchange rates after re-evaluation of the balance of monetary items at the end of year will be recorded in sales or financial costs for the fiscal year.

Short-term investments of less than 3 months can be converted into cash with minimal risk, since such investments were made during the time of preparation of the financial statements.

3. Inventories

Inventories are stated at their costs. Net value is stated where it is lower than the cost. Costs of inventories include the cost of buying, processing costs, and other directly related costs arising from adjustments made to bring the inventories to the current positions and conditions.

The values of inventories are determined by the average method.

Inventories applied the perpetual method of accounting.

Allowances for inventories is the difference between the original cost of inventory is greater than net realisable value.

4. Recording depreciation of fixed assets

Tangible and intangible fixed assets are initially recognized at their cost. Subsequently, tangible and intangible fixed assets comprise their historical costs and accumulated depreciation and residual value.

Depreciation of fixed assets is computed on a straight-line basics. The estimated lifespan of these assets is as follows:

- Building and structures	5 to 10 years
- Machinery and equipment	3 to 8 years
- Means of transportation	6 to 8 years
- Office equipment	3 to 5 years
- Right of using hand	41 to 50 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

5. Recording financial investments

Investments in securities at the time of statement are recorded if :

- Withdrawal or maturity period does not exceed three months from the date of purchase, and are considered cash equivalent;
- Withdrawal period under one year or within one business cycle, and are classified as short-term assets;
- Withdrawal period over one year or more than one business cycle, and are classified as long-term assets;

Allowances for diminution in the value of investment is made through calculating the difference between the costs of investments on the accounting ledger and its market value at the time of provision.

6. Recognition and distribution of prepayment

Prepaid expenses related to the production and operation costs of the business in the current fiscal year are recorded as short-term prepaid expenses and included in the business cost of the fiscal year.

7. Recognition of accrued expenses

Based on the principle of ensuring consistency between revenue and costs, actual expenses not incurred yet are deducted in the business costs for the period to ensure that the actual costs do not distort the actual representation of the business costs. When these expenses arise, if there are any discrepancies to the recognized items, the accountant will record the additional expenses or write-off the cost corresponding to the difference.

8. Recognition of share capital

Share capital will be recorded according to the amount actually invested by the owner.

The difference between the issuance price and nominal value of shares when stock was first released, additionally released or re-released will be recorded as share premium.

Retained earnings is the profits from the operation of the company less adjustments caused by the application of retroactive adjustments in changing accounting policy and the retroactive adjustments of key error of previous year.

9. Recognition of Sales

Sales

Sales are recognized when the following conditions are satisfied simultaneously:

- Most of the risks and benefits associated with the goods ownership are transferred to customers;
- Company no longer holds ownership of the goods as the owner of goods or controller of goods;
- Revenue is determined rather reliably;
- Company has gained or will gain economic benefits from sales;
- Costs related to sales transactions are determined.

Financial income

Revenue arising from interest, dividends, profit sharing and cash revenue from other financing activities are recognized when the following two conditions are satisfied simultaneously:

- Ability to gain economic benefits from such transactions;
- Revenue is determined rather reliably.

Dividends and profit shared are recognized when the company has the right to receive dividends or profit from the contribution of capital.

10. Recognition of Financial expenses

Expenses recorded as financial costs are:

- Costs or losses related to financial investment activities;
- Cost of loans and borrowings;
- Losses due to changes in exchange rates of business transactions conducted in foreign currency;
- Provision for diminution in value of securities investments.

The above items are recognized as a whole in the period incurred, and are not compensated with income from financial activities.

11. Recognition of corporate current income tax and deferred income tax

Corporate current income tax is calculated on the basis of taxable income and the tax rate of corporate income tax in the current year.

Corporate deferred income tax is calculated on the basis of deductible temporary differences, taxable temporary differences and tax rate of corporate income tax.

12. Segment Report

Segment reports include segments according to business area or a segment according to geographical area.

Segments according to business area: is a differential segment of a enterprise engaging in production process or supply of product, separate services, a group of products or relevant services that the segment is responsible for risks and other economic interests to other business segments.

Segment according to geographical area: is a differential segment of an enterprise engaging in production process or supply of products, services in a sphere of a concrete economic environment that this segment is responsible for risks and other economic interests to other business segments in other economic environments.

13. Financial Instruments

Initial Record

Financial assets

On the date of initial record, financial assets are recorded at costs plus transaction expenses directly relating to the purchase of those financial assets.

The financial assets of the Company include cash, short term deposits, short term receivables, other receivables and investment amounts.

Financial liabilities

On the date of initial record, financial liabilities are recorded at costs minus transaction expenses directly relating to the issuance of those financial liabilities.

Financial liabilities of the Company include accounts payable, other payables and loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

Compensation of financial instruments

The financial assets and financial liabilities are offset to each other and present the net value on the balance sheet when and only when the Company:

- There is a legal right to offset the recorded value; and
- There is a payment plan on a net basis or recognized assets and payment of liabilities at the same time.

14. Parties concerned

Parties are considered to be concerned if one party has the ability to control or significantly influence the other party in making decision financial and operating policies.



V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash and cash equivalents

	31/12/2014 VND	01/01/2014 VND
Cash	695.569.776	298.548.653
Cash in bank	212.995.886.817	136.929.663.436
Cash equivalents (time deposits of less than 3 months)	30.000.000.000	301.500.000.000
TOTAL	243.691.456.593	438.728.212.089

2. Short-term investment

	31/12/2014 VND	01/01/2014 VND
Time deposits of 3 months or more	460.000.000.000	-
TOTAL	460.000.000.000	-

3. Accounts receivable

	31/12/2014 VND	01/01/2014 VND
Receivables from customers selling goods and finished goods	297.345.422.200	291.885.303.026
TOTAL	297.345.422.200	291.885.303.026

4. Prepayments to suppliers

	31/12/2014 VND	01/01/2014 VND
Prepayments to buy materials, goods	12.084.425.928	1.190.645.870
Prepayments to buy moulds	8.866.151.992	1.050.902.275
Prepayments to buy tools, accessories	497.768.297	2.492.856.932
Prepayments to buy fixed assets	19.630.682.000	10.232.332.873
Prepayments to other services	6.131.374.817	1.284.466.883
TOTAL	47.210.403.034	16.251.204.833

5. Other Receivables

	31/12/2014 VND	01/01/2014 VND
Social security receivable from staff	247.833.980	182.015.357
Temporary income tax under the records were retrospectively collected tax inspection of the city Department of Taxation (*)	71.420.413.472	71.379.327.053
Interest receivable	5.779.499.999	-
Other receivables	48.771.749	122.117.309
TOTAL	77.496.519.200	71.683.459.719

(*) The income tax arrears were paid according to decision No. 889 / QĐ-TCT dated 23rd June, 2014 of the General Tax Department and decision No. 3317/QĐ-CT-XP dated 3rd July, 2014 of the Tax Department in Ho Chi Minh City. Currently the company is in the process of discussing with the Tax Department in Ho Chi Minh City, the General Tax Department, the Ministry of Finance and the State management agencies to unify the amount refunded under the guidance of dispatch 14041/BTC-TCT dated 3rd October 2014 of the Ministry of Finance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

6. Allowance for uncollectible accounts

	31/12/2014 VND	01/01/2014 VND
Duc Thanh Plastics Co., Ltd. (*)	(17.422.064.286)	(10.649.438.530)
Other customers	(10.656.938.011)	(2.694.413.255)
TOTAL	(28.079.002.297)	(13.343.851.785)

(*) On 8th January 2014, the People's Court of Tan Binh district issued decision No. 09/2014/QDST-KDTM recognizing the agreement on overdue debts of VND 34.844.128.351 that Duc Thanh Commercial Plastic Co., Ltd. owes Binh Minh Plastics Joint Stock Company through repayment schedule from now until 2018. Binh Minh Plastics Joint Stock Company made provision based on overdue time of the debts.

7. Inventories

	31/12/2014 VND	01/01/2014 VND
Goods in transit	6.536.382.550	1.830.172.880
Raw materials	109.065.317.869	104.190.460.275
Tools and supplies	990.966.986	1.135.013.995
Work in process	138.506.379.397	165.691.997.011
Finished goods	70.414.524.274	57.475.182.480
Merchandise inventories	47.988.230.021	37.470.007.240
TOTAL COST OF INVENTORIES	373.501.801.097	367.792.833.881
Allowance for inventories	-	-
Unrealized net value of inventories	373.501.801.097	367.792.833.881

8. Other receivables from the State Treasury

	31/12/2014 VND	01/01/2014 VND
Personal income tax overpaid in the parent company	1.280.166.704	-
TOTAL	1.280.166.704	-

9. Other short-term assets

	31/12/2014 VND	01/01/2014 VND
Pending shortage assets	162.891.795	178.182.866
Advanced	410.330.000	81.230.000
Depositing (*)	12.450.918.743	48.813.018.991
TOTAL	13.024.140.538	49.072.431.857

(*) Deposits to open L/C to pay to suppliers of machinery equipment and mould accessories.

10. Increases / (decreases) of tangible fixed assets

	Unit: VND			
	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment
Initial cost				
Opening balance	100.639.783.182	559.059.316.308	16.705.799.724	6.373.551.937
Increase	-	55.160.522.114	745.795.000	-
- New purchase	-	55.160.522.114	35.000.000	-
- Reclassification	-	-	710.795.000	-
Decrease	-	805.710.823	-	-
- Liquidation, sold	-	94.915.823	-	-
- Reclassification	-	710.795.000	-	-
Ending balance	100.639.783.182	613.414.127.599	17.451.594.724	6.373.551.937
Accumulated depreciation				
Opening balance	65.792.415.958	415.986.032.039	9.903.372.006	3.012.530.708
Increase	7.785.970.988	58.773.485.172	2.907.612.831	1.062.061.376
- Amortisation	7.785.970.988	58.773.485.172	2.226.651.382	1.062.061.376
- Reclassification	-	-	680.961.449	-
Decrease	-	418.895.079	-	356.982.193
- Liquidation, sold	-	94.915.823	-	-
- Reclassification	-	323.979.256	-	356.982.193
Ending balance	73.578.386.946	474.340.622.132	12.810.984.837	3.717.609.891
Net book values				
At the beginning of the year	34.847.367.224	143.073.284.269	6.802.427.718	3.361.021.229
At the ending of the year	27.061.396.236	139.073.505.467	4.640.609.887	2.655.942.046

The cost of the fixed assets were fully depreciated as of 31th December 2014 which are still in active use: VND 336.855.121.979.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

11. Increases / (decreases) of intangible fixed assets

Unit: VND

	Land use right
Cost	
Opening balance	35.996.185.657
Ending balance	35.996.185.657
Accumulated Amortisation	
Opening balance	6.915.083.335
Amortisation	763.304.010
Ending balance	7.678.387.345
Net book value	
At the beginning of the year	29.081.102.322
At the ending of the year	28.317.798.312

12. Construction in progress

	31/12/2014 VND	01/01/2014 VND
Construction in progress	9.417.513.006	7.922.955.687
- Oracle Cost of deploying IT consulting and software licensing Oracle	8.840.450.057	7.922.955.687
- Factory in Vinh Loc- Ben Luc- Long An Industrial Park	577.062.949	-
TOTAL	9.417.513.006	7.922.955.687

13. Long-term investments

	Number of shares	31/12/2014 VND	Number of shares	01/01/2014 VND
Investment in Associates (*)		10.861.727.962		11.168.772.832
Other long-term investments		4.193.950.400		4.193.950.400
- Shares		4.193.950.400		4.193.950.400
+ Long Hau Joint Stock Company	17.317	193.950.400	17.317	193.950.400
+ Tan Tien Plastic Joint Stock Company (nominal value 100.000 VND)	20.000	4.000.000.000	20.000	4.000.000.000
Allowance for diminution in value of long-term Investments		(2.000.000.000)		(2.000.000.000)
TOTAL		13.055.678.362		13.362.723.232

(*) As investment in Danang Plastic Joint Stock Company with ownership rate is 29%.

14. Long-term prepayments

	31/12/2014 VND	01/01/2014 VND
Prepaid land rental (*)	217.366.699.750	217.366.699.750
TOTAL	217.366.699.750	217.366.699.750

(*) is the prepayment for land rental at Vinh Loc- Ben Luc- Long An Industrial Park under contract No: 26/HĐNT-VL2-2010 dated 13th September 2010. The lease term is until 2060. Currently, the company is in the process of building the factory deployment here.

15. Short-term debts and loans

	31/12/2014 VND	01/01/2014 VND
Short-term loans	58.420.187.000	35.950.187.000
TOTAL	58.420.187.000	35.950.187.000

(*) 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 industry and Trade of Vietnam at the same time plus its 10 percentages.

16. Accounts Payable

	31/12/2014 VND	01/01/2014 VND
Payable to suppliers to purchase raw materials, goods	60.562.934.300	47.686.173.137
Payable to suppliers to purchase moulds	548.301.449	531.051.449
Payable to suppliers to purchase tools, accessories	3.753.716.033	1.499.860.935
Payable to suppliers to purchase fixed assets	83.590.907	1.638.969.700
Payable to suppliers perform other services	2.115.184.064	883.361.879
TOTAL	67.063.726.753	52.239.417.100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

17. Tax payable and payables to government

	31/12/2014 VND	01/01/2014 VND
Value-added tax	3.478.055.755	6.163.955.879
Business Income Tax	24.775.088.194	31.398.468.333
Personal Income Tax	76.338.025	87.060.404
TOTAL	28.329.481.974	37.649.484.616

18. Accrued expenses

	31/12/2014 VND	01/01/2014 VND
Sale incentives for distributors	20.405.596.708	11.221.219.417
Interest expense	3.792.337.343	876.516.980
Remuneration of the Board of Management, Board of Supervisors	1.250.000.000	1.000.000.000
Other payable costs	160.000.000	160.000.000
TOTAL	25.607.934.051	13.257.736.397

19. Other payables

	31/12/2014 VND	01/01/2014 VND
Pending surplus assets	602.542.168	312.233.259
Trade union fee payable	686.841.297	461.484.307
Short term deposits and collateral	120.000.000	-
Dividends payable	350.414.300	350.414.300
Other payables	854.250.000	353.000.000
TOTAL	2.614.047.765	1.477.131.866

20. Deferred tax assets

	31/12/2014 VND	01/01/2014 VND
Deferred tax assets related to the deductible temporary differences	1.878.385.368	2.017.534.934
The amount of Deferred tax assets recorded from the previous year	(917.277.366)	(956.465.124)
Deferred tax assets	961.108.003	1.061.069.810

21. Owner's capital

a) The comparison of movements of owners' capital

	Owner capital	Surplus share capital	Investment and Development fund	Financial reserve fund	Other funds belong to equity	Retained earnings	Total
	Unit: VND						
Balance at the beginning of previous year	349.835.520.000	1.592.782.700	618.161.462.652	39.016.101.557	34.983.552.000	230.509.991.405	1.274.099.410.314
- Interest for previous year					369.930.661.754	369.930.661.754	
- Distribution of profit in the year 2012					(226.988.021.263)	(226.988.021.263)	
+ Dividends paid in cash in 2012					(69.967.104.000)	(69.967.104.000)	
+ Dividends paid in shares in 2012	104.949.280.000				(104.949.280.000)		
+ Draw to Investment and Development fund		40.155.200.686			(40.155.200.686)		
+ Draw to bonus and welfare fund					(8.406.436.577)	(8.406.436.577)	
+ Bonus to The Board of management and Board of Supervisors					(3.510.000.000)	(3.510.000.000)	
- Temporary distribuion of profits in 2013					(110.237.322.465)	(110.237.322.465)	
+ Temporary extract of development investment fund		36.775.921.233			(36.775.921.233)		
+ Temporary extract of financial reserve fund				387.960.616	(387.960.616)		
+ Temporary extract of bonus and welfare fund					(27.594.960.616)	(27.594.960.616)	
+ Dividends paid in cash in 2013					(45.478.480.000)	(45.478.480.000)	
Balance at the end of previous year.	454.784.800.000	1.592.782.700	695.092.584.571	39.404.062.173	34.983.552.000	263.215.309.431	1.489.073.090.875
Balance at the beginning of year							

a) The comparison of movements of owners' capital (continued)

Unit: VND

	Owner capital	Surplus share capital	Investment and Development fund	Financial reserve fund	Other funds belong to equity	Retained earnings	Total
- Interest for current year						376.811.604.540	376.811.604.540
- Distribution of profit 2013						(259.693.339.288)	(259.693.339.288)
+ Dividends paid in cash in 2013						(90.956.960.000)	(90.956.960.000)
+ Draw to Investment and Development fund			140.679.300.521			(140.679.300.521)	-
+ Draw to financial reserve fund				7.612.039.384		(7.612.039.384)	-
+ Draw to bonus and welfare fund						(6.445.039.384)	(6.445.039.384)
+ Draw to other funds belong to equity					10.000.000.000	(10.000.000.000)	-
+ Bonus to The Board of management and Inspection committees						(3.999.999.999)	(3.999.999.999)
- Temporary distribuion of profits in 2014						(56.853.690.457)	(56.853.690.457)
+ Temporary extract of development investment fund			9.887.605.229			(9.887.605.229)	-
+ Temporary extract of financial reserve fund				743.802.614		(743.802.614)	-
+ Temporary extract of bonus and welfare fund						(743.802.614)	(743.802.614)
+ Dividends paid in cash in 2014						(45.478.480.000)	(45.478.480.000)
Balance at the ended of year	454.784.800.000	1.592.782.700	845.659.490.321	47.759.904.171	44.983.552.000	323.479.884.226	1.718.260.413.418

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2014 (continued)

b) Details of capital contribution by the owners

	31/12/2014 VND	%	01/01/2014 VND	%
Capital contributed by the State	134.221.700.000	29,51%	134.234.900.000	29,52%
Capital contributed by others	320.563.100.000	70,49%	320.549.900.000	70,48%
TOTAL	454.784.800.000	100,00%	454.784.800.000	100,00%

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

	Current year VND	Previous year VND
Capital contributed by the owner		
Capital contributed at beginning of the year	454.784.800.000	349.835.520.000
Capital contributed increasing during the year	-	104.949.280.000
Capital contributed decreasing during the year	-	-
Capital contributed at the end of the year	454.784.800.000	454.784.800.000
Dividends, division of profits	136.435.440.000	220.394.864.000
Including:		
+ Cash	136.435.440.000	115.445.584.000
+ Shares	-	104.949.280.000

d) Shares

	31/12/2014	01/01/2014
Number of shares registered to be issued	45.478.480	45.478.480
Number of shares already sold to the public	45.478.480	45.478.480
- Common shares	45.478.480	45.478.480
Number of shares repurchased	-	-
Number of shares in circulation	45.478.480	45.478.480
- Common shares	45.478.480	45.478.480

- Nominal value of shares in circulation: 10.000 VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

	Current year VND	Previous year VND
1. Sales and service revenue	2.500.608.876.409	2.131.858.459.998
Including:		
- Sales of finished goods	2.314.995.588.380	2.036.569.600.694
- Sales of merchandise and materials	185.521.905.302	95.288.859.304
- Sales of services	91.382.727	-
2. Sales deductions	85.056.252.776	43.713.641.153
Including:		
- Sale discounts	83.765.997.380	42.411.502.222
- Sale returns	1.290.255.396	1.302.138.931
3. Net sales	2.415.552.623.633	2.088.144.818.845
Including:		
- Net sales of goods	2.236.303.340.421	1.994.667.265.656
- Net sales of merchandise and materials	179.157.900.485	93.477.553.189
- Net sales of services	91.382.727	-
4. Cost of goods sold		
	Current year VND	Previous year VND
Cost of finished goods sold	1.575.007.476.335	1.376.439.015.700
Cost of merchandise and materials sold	171.450.297.530	89.675.795.247
TOTAL	1.746.457.773.865	1.466.114.810.947
5. Financial income		
	Current year VND	Previous year VND
Interest income from deposits and loans	26.956.207.419	30.362.461.370
Dividends, division of profits	100.000.000	-
Realized foreign exchange gains	100.907.487	3.918.116
Unrealized foreign exchange gains	805.430	155.183.342
Interest from foreign currency	1.882.782	-
TOTAL	27.159.803.118	30.521.562.828

6. Financial expenses

	Current year VND	Previous year VND
Interest expenses	3.860.540.507	905.745.100
Realized foreign exchange losses	770.728.648	183.464.935
Unrealized foreign exchange losses	29.092.244	-
Payment discount for distributors	15.655.978.342	11.184.242.315
Loss on disposal of long term investments	-	3.265.599.843
Write back allowance for long-term investments	-	(4.931.818.182)
Interest late payment	-	6.897.212.588
Loss on foreign currency	294.725	-
TOTAL	20.316.634.466	17.504.446.599

7. Current corporate income tax expense

- **The parent company:**
Income tax payable is 22% of taxable income. Income tax last year was 25%.
- **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.
 - 2010 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	104.185.046.541	129.692.307.275
8. Deferred income tax expense		
	Current year VND	Previous year VND
Deferred income tax expense arising from return of assets in income tax delayed	917.277.366	956.465.124
Deferred income tax expense arising from the differences of temporary deductibles	(817.315.558)	(1.104.814.866)
TOTAL	99.961.807	(148.349.742)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

9. Earnings per share

	Current year VND	Previous year VND
Accounting profit after income tax	376.811.604.540	369.930.661.754
Increased and decreased adjustment items of accounting profit to determine profit or loss allocated to shareholders' common shares	-	-
Profit or loss allocated to shareholders' common shares	376.811.604.540	369.930.661.754
Average common shares in circulation for the period	45.478.480	45.478.480
Earnings per share	8.285	8.134

10. Production and business costs by element

	Current year VND	Previous year VND
Raw material cost	1.373.595.922.931	1.201.418.360.345
Labour cost	136.239.358.899	119.732.570.214
Depreciation cost	70.611.472.928	68.126.726.247
Outside service cost	100.599.931.673	84.454.899.161
Other costs in cash	76.626.375.675	45.845.303.719
TOTAL	1.757.673.062.106	1.519.577.859.685

VII. OTHER INFORMATION

1. Information regarding to relevant parties

Incomes of members of Board of Management, Board of Directors in the year as follows :

	Current year VND	Previous year VND
Salaries, bonus, and other benefits	9.878.489.404	7.990.599.648

2. 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.

3. Fair value of assets and payable financial liabilities

	Recorded value		Recorded value	
	31/12/2014 VND	01/01/2014 VND	31/12/2014 VND	01/01/2014 VND
Financial assets				
Cash and cash equivalent amounts	243.691.456.593	438.728.212.089	243.691.456.593	438.728.212.089
Investments held to maturity	460.000.000.000	-	460.000.000.000	-
Accounts Receivables and other receivables	346.762.939.103	350.224.910.960	346.762.939.103	350.224.910.960
Financial assets available for sale	2.193.950.400	2.193.950.400	2.193.950.400	2.193.950.400
TOTAL	1.052.648.346.096	791.147.073.449	1.052.648.346.096	791.147.073.449
Financial liabilities				
Loans	58.420.187.000	35.950.187.000	58.420.187.000	35.950.187.000
Accounts payable and other payables	68.388.391.053	52.942.831.400	68.388.391.053	52.942.831.400
Payable expenses	25.607.934.051	13.257.736.397	25.607.934.051	13.257.736.397
TOTAL	152.416.512.104	102.150.754.797	152.416.512.104	102.150.754.797

Fair value of financial assets and payable financial liabilities are reflected at the values that financial instruments could be conversed in a current transaction between the parties with full of awareness and wish for transactions.

The method and following assumptions are used to estimate the fair value :

Cash, bank deposits, and accounts receivable, accounts payable and other short term liabilities are mostly approximate to recorded values due to short- term maturity of these tools.

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 31 December 2014 to the companies that have not registered to transact on the transaction markets of the public companies. The stocks without reference prices from reliable sources the fair values are taken from the book value.

The fair value of loans with fixed interest rates or floating interests can not determined due to there was no sufficient information to apply appropriate pricing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2014 (continued)

4. Collateral

The Company does not have any collateral for mortgage to another unit on 31st December 2013 and on 31th December 2014.

The company holds the collateral of other units such as certificates of house ownership and land use rights on 31st December 2013 and 31st December 2014 with a written valuation respectively 273,077,300,000 VND and 239,988,400,000 VND to ensure the purchase of goods not paid immediately prior to import goods.

5. 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.

Receivables from customers

The management of customer credit risk of the Company is based on company policies, procedures and control process of the Company relating to the management of customer credit risk.

Accounts receivable not paid yet are regularly monitored. The analysis of the ability to establish a reserve fund was made at the reporting date on the basis of each customer to large customers. On this basis, the company does not have credit risk concentration.

Bank deposit

Most bank deposits of the Company are deposited at the prestigious banks in Vietnam. The company has found that the credit risk concentration level for bank deposits is low.

6. Liquidity risk

Liquidity risk is the risk in which the Company has difficulty in meeting 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.

The Company monitors liquidity risk by maintaining the ratio of cash and cash equivalents at a level that the Board of Directors think is sufficient to provide financial support to the business operation of the Company and to minimize impact of the cash flow changes.

Maturity information of financial liabilities of the Company is based on the value without payment discounts under the contract as follows:

	From 01 year or less	From 01 year to 05 years	Total
Balance at the ending of year	152.416.512.104	-	152.416.512.104
Loans	58.420.187.000	-	58.420.187.000
Payables to sellers	67.063.726.753	-	67.063.726.753
Other payables	1.324.664.300	-	1.324.664.300
Payable expenses	25.607.934.051	-	25.607.934.051
Balance at the beginning of year	102.150.754.797	-	102.150.754.797
Loans	35.950.187.000	-	35.950.187.000
Payables to sellers	52.239.417.100	-	52.239.417.100
Other payables	703.414.300	-	703.414.300
Payable expenses	13.257.736.397	-	13.257.736.397

The Company assumes that the risk level of concentration for the debt payment is low. The company has the ability to pay maturity debts from the cash flow from business operations and proceeds from the maturity of financial assets.

7. Market Risk

Market risk is the risk that fair value or future cash flows of financial instruments will fluctuate with changes in market prices. Market risk obtains foreign exchange rates, interest rate and equity prices.

Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of financial instruments will fluctuate with changes in exchange rates.

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 in market interest rates. Risk of changes in market interest rates of the Company primarily relates to short-term deposits, loans.

The Company manages interest rate risk by closely monitoring relevant market situations to determine the appropriate interest rate policy favorable to the purpose of risk limit management of the company.

The Company does not perform a sensitivity analysis for interest rate because the risk of 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 changes of interest rates and exchange rates.

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.

8. Comparative data

The comparative data are the data on the consolidated financial statements for the fiscal year ended on 31th December 2013 audited.

Prepared by



Phung Huu Luan

Chief Accountant



Hong Le Viet

General Director



Nguyen Hoang Ngan

Hochiminh City – 17th March 2015

SUSTAINABLE DEVELOPMENT REPORT

“ Affirming the contents of this sustainable development report is for the interests of the enterprise, environment protection, and the harmony of the interests of shareholders, Government, customers and employees. ”



Together with providing financial data to investors, in this section, Binh Minh Plastics wants to provide to the investors some information about other activities of the Company related to its orientation for sustainable development.

The figures shown in the sustainable development report have been summarized from the activities of BMP and NBM in the year.

Affirming the contents of this sustainable development report is for the interests of the enterprise, environment protection, and the harmony of the interests of shareholders, Government, customers and employees.

Every year, Binh Minh Plastics always processes the evaluation of the energy-consumption activities, working environment assessment, and its impact against the surrounding environment, so that the Company can apply appropriate approaches to save energy and reclaim the environment.

1. REPORT ON SOCIAL ACTIVITIES FOR THE COMMUNITY

The company has cooperated closely with organizations and unions such as trade unions, youth unions to organize many practical social activities for the community inside and outside the Company. Through these activities, the Company gained much goodwill from the community to the Company, but more importantly, through these activities, the Company's employees themselves will gain value of the humanities and pride in working for the Company. Some of the typical activities in 2014 are as follows:

a. Activities inside the Company:

- Visited and presented gifts and subsidies for overcoming difficulties for 03 employees meeting accident, 14 poor employees with the amount of nearly VND 40 million.
- On the occasion of Vietnam's woman day (October 20), we have organized for nearly 100 female employees and their relatives for an outing trip in Ba Ria – Vung Tau Province.
- On the occasion of International Woman Day (March 8), we have organized the Cooking Competition for male employees for preparing a party for female employees and invited experts consulting on happy family issues.
- For children of the employees, to fund for Nguyen Duc Canh scholarship for 158 students having the achievement of "good son/daughter cum excellent student"; awarded scholarships to 12 students passing the entrance examination of universities, colleges; to enroll 15 students with outstanding learning achievements to attend the Thanh Da Summer Camp for Children; donated 655 gifts in the occasion of International Children's Day (June 1st) and Mid-Autumn Holiday... The total amount funded for the activities for children of the employees in 2014 was VND 187 million.

b. Activities outside the Company:

- The Company takes care of three Vietnam Heroic Mothers, 3 Mothers of Martyrs, and support custody for 1 orphan having especially difficult circumstance.
- In 2014, the Company built 1 house of gratitude, 2 houses of love for welfare beneficiary families and poor families.
- Supporting the marine police soldiers with the amount of VND 58,5 million, and additionally mobilizes employees sending thousands of messages for funding the event.
- Support plastic pipes for ducting water and cash to Spratly soldiers with the amount of almost VND 100 million.



- Donating VND 40 million in sort of uPVC pipes for sewer reclamation project for poor residential area in Can Gio district through Ho Chi Minh City Youth League.
- Presenting to poor students in Dien Bien Province with 300 raincoats; to support blind children, handicapped children with the amount of VND 20 million; to present 2000 books for writing to children of poor officials and employees in Ho Chi Minh City.
- Encouraging and organizing for 347 turns of officials and employees in the Company participating in blood donation. Total blood donor turns of the Company in the past 11 years were up to 2174 turns.

In 2014, the total amount funded for social activities outside the company was VND 800 million.

2. REPORT ON ENVIRONMENTAL ACTIVITIES

a. Compliance with environmental policies

The manufacture business development is always associated with environmental factors. Therefore, for many years, Binh Minh Plastics always exerts to look for measures to save energy, environment reclamation, and minimize factors that negatively impact to the environment.

From 2011, the Company has successfully expanded environmental management system in line with ISO 14001:2004 as recognized and certified by Quality Certification Centre (QUACERT) under General Department of Standards, Quality Measurement of Vietnam and its conformity is annually monitored and maintained. The application of environmental management system was practically effective, the working environment was improved better, the environmental aspects were significantly controlled and improved.

With the product development orientation and environment friendly services, BMP builds up and affirms with the image of an enterprise committing its responsibilities to the nature and the community and to aim to develop sustainably, the Company is committed to:

- Observing all legal requirements and regulations related to environment.
- Efficiently using natural resources and focus on environmental protection activities.
- Minimizing the adverse impacts on the environment in accordance with National Strategy of 3R "Reduce - Reuse - Recycle"

This policy is determined as being suitable to the nature, scale and environmental impacts of the activities, products and services of the Company, and proving the commitments on continuous improvement and prevention of pollution and compliance with applicable laws and other regulations. As the Company's commitment on expansion of its orientation on the environment and encourage employees to actively participate in its orientation, the Company has issued environmental policies in written, and printed in large scale and hung on visible positions within the Company. Environmental policy is also read to clients visiting and working in the Company.

b. Environmental responsibilities

With the target of identifying the image of an enterprise committing its responsibilities to the nature and the community and to aim to sustainable development, the Company maintained and implemented the activities in accordance with the provisions of ISO 14001: 2004 and has been evaluated, monitored annually, thereby concluded the proper solutions for:

Energy saving:

Being a plastic enterprise, reducing electricity consumed in manufacture activities also means the per-rate reduction of heat generated in the production process, and contributing to the reduction of greenhouse effect. The company has audited the energy consumption on a regular basis in order to assess the current status of energy consumption:

In 2014, the Company reduced 491,758 kWh of electricity consumed in the production, equivalent to the amount of savings of: $(491,758 \text{ kWh} \times \text{VND } 1,500 / \text{kWh}) = \text{VND } 737,637,000$.

Input water supply saving:

Additionally, being aware that clean water source is limited, the Company also issues solutions for saving the volume of water consumed.

In 2014, with the installation of water meters and the network partition activities, the Company controlled the amount of water loss in the Area 1 and reduced 8,360 m³ of water consumed as compared to 2013, equivalent to the amount of savings of: $(8,360 \text{ m}^3 \times \text{VND } 10,900) = \text{VND } 91.124 \text{ million}$.

Garbage and waste sorting activities at source:

For sorting waste with high efficiency, the Company applied the signs with different colors for each type of waste bins. Besides, the activities of dissemination, guidance for waste sorting were implemented in the entire Company indifferent times and so far, this activity was understood, and seriously implemented by all employees and officials of the Company.

The process of implementation of waste sorting at source was checked and evaluated periodically. Results: 92% of waste was put at the right place, exceeding the planned target in 2013.

The hazardous waste was also monitored, sorted at the Company and liquidated in accordance with the provisions of the laws, contributed to improve the environmental quality at the Company in particular speaking and the public interest in general.

Waste water treatment:

Waste water of the Company is controlled and measured periodically under the supervision of the Environmental Protection Departments of Ho Chi Minh City and Binh Duong Province.

In two years 2013-2014, the Company carried out waste water treatment in accordance with regulations, all the waste water shall be released in main pool of area 1 which water therein was tested with results passed the standard QCVN 40: 2011/BTNMT. The Company completed all required procedure for certificate of discharge of waste water in Factory 1 and pending for approval from the licensing authority on the measurement indexes.

Environment activities at the working places:

The Company has regularly monitored on the environmental quality of air, water, solid waste and other environmental activities in order to assess the impacts of production activities on the environment which may affect to the human health and the surrounding environment. The monitoring results in two areas are always meet the current standards including Labor Hygiene standards (Decision 3733/2002/QĐ-BYT), QCVN 14: 2008/BTNMT, QCVN 19: 2009/BTNMT, QCVN 40: 2011/BTNMT.

These monitor activities are made in periodical report of 6 months and filed to the competent authorities such as Environmental Protection Department of Ho Chi Minh City, Environmental Protection Department of Binh Duong Province.

In 2014, the Company commissioned the waste water treatment system with capacity of 7m³ / full day, with the total cost of about VND 280,000,000. With this treatment system, waste water quality in area 1 has been raised before discharging into the city's general sewer system.

Also in 2014, the Company carried out the activities of Environmental Impact Assessment (EIA) for Factory 2 (with the expanded capacity of 75,000 tons of product / year) and Factory 4 in Long An - Phase 1 (with capacity of 10,000 tons of product / year). Both 2 EIA were approved by the Department of Natural Resources and Environment of Binh Duong Province and the Department of Natural Resources and Environment of Long An Province.

For waste: Over the years of sorting of waste at source (recycled waste, non-recycled waste and hazardous waste), the employees of the Company have formed and maintained good habit. Like so many past years, in 2014, the Company's hazardous wastes were handled strictly in accordance with the regulations of the State with a total cost of up to VND 180,000,000.

c. Commitment on liability of product

The plastics pipe products of Binh Minh Plastics are absolutely suitable for the purposes of water supply and drainage, with the ability of operation under high pressure. These products have been certified in accordance with standards such as ISO 8491: 2011 / ISO 1452: 2009, BS 3505: 1968, TCVN 7305: 2008 / ISO 4427: 2007, DIN 8077: 2008 and DIN 8078: 2008 ... And entirely complying with national technical standards: QCVN 16: 2014 / BXD of the Ministry of Construction; QCVN 12: 2011 / BYT of the Ministry of Health on the safety levels for users in ducting drinkable water.

3. REPORT ON HUMAN RESOURCE POLICY

Table of labor distribution

Unit: person

MEASURE TARGET	DESCRIPTION	2011	2012	2013	2014
Gender	Female	93	94	108	107
	Male	467	471	592	632
Age	Over 50 years old	51	66	66	68
	From 41-50 years old	108	124	124	117
	From 31-40 years old	223	238	239	262
	From the age of 30 or younger	294	252	271	292
Qualification	Postgraduate	5	7	9	9
	University	105	112	123	135
	Intermediate, colleges	146	147	123	190
	High school	420	141	445	405
Distribution of labor	Senior management officials	4	4	4	4
	Intermediate level management officials	30	34	34	33
	Basic level management officials	67	74	68	67
	Staffs	575	568	594	635

Salary policy

The Company always maintains a steady income in order to guarantee for employee's life, the average income is among the top as compared to other units in the industry. The salary shall be based on the working performance and effectiveness of each employee. Job stability, wages, bonuses are guaranteed as one of the significant factors motivate and reward employees for their contribution, devotion and patience for their long-term commitment to the Company.

Welfare policy

In addition to the policies in accordance with the law, the Company still issues other policies to enable benefits to employees such as sick leave entitled to salary regime, maternity leave entitled to salary regime... At the same time, to facilitate the working conditions, the Company has built a dormitory near the Factory 2 making it convenient for employees that come from remote provinces to live and assure their works.

Policy of taking care of health and working environment

Health care regime and working environment were concerned by the Company leaders. In every factory, there will be physicians providing first aid and on-site health care for employees...

In addition to health insurance under the provisions of the State, the Company also purchases accident insurance 24/24 for the officials and employees and comprehensive health insurance for senior and mid-level officers.

Every year, the Company equips with new uniforms and labor safety protective equipment for employees in accordance with the duties, to ensure safety in production.

Shift meals, and allowances for toxic and harmful working conditions are always reviewed on their indicators of food safety and nutrition so that the proper adjustments will be applied in accordance with the actual conditions, for example in the hot days, machinery operators will be served with iced lemon juice...

The testing of environment at the factories has been conducted by Centre of Health care and Industrial Working Environment periodically twice a year. In addition, through the test results, the Company has carried out annual improvements for the working environment for employees.

Training policy

The training policy is focused on the quality and quantity. Searching and selection of courses suitable to the job requirements of each case helps the senior managing officers of the Company improve their capabilities and qualifications, and it also extensively helps officials planning in the future.

Focusing on internal training is the right method for improvement of qualification/skills and awareness for employees, this is also a good environment for training internal trainers for the Company.

Table of data on training

MEASURE TARGET	UNIT	2011	2012	2013	2014
Number of courses in year	Course	34	32	50	54
Total hours of training	Hour	606	410	1.700	1.800
Total number of times of participants	Time	819	472	697	1.600
Total costs	Million VND	293.7	383.2	524.8	536

In 2014, the Company increased training courses for its management officers in many forms, such as on-site training, external training (domestic and abroad courses). Almost mid-level managing officers have been trained in directorship and management capacity. However, the quantity and quality of officers are not guaranteed for the development of the Company, especially the preparation of human resources for the project of the Factory 4 in Long An Province.

In 2014, the Company focused on cognitive training on the 2013 Labor Code for employees of the Company and announced Labor Internal Rules and new collective labor agreements and organized training courses which attracted over 700 participants learning and contributing opinions to finalize the work rules of the Company.

The Company also appointed its qualified officers being assigned for safety and work protection tasks to attend the training courses for trainers in order to actively open training courses in the Company on the labor safety, fire and explosion prevention, industrial hygiene in accordance with the new regulations of the State.

Recruitment policy

In 2014, with the suitable recruitment policy, the Company has attracted and recruited many employees with good qualification suitable for ERP project during its special important Go-live stage in the early 2015.

d. Other activities

In addition to these activities, in 2014, the Company cooperated with the Police of Fire Fighting and Fire Distinguishing of District 6 – Ho Chi Minh City to organize successful emergency drills at area1 and highly appreciated the competent authorities.

The activities on food safety and hygiene were full implemented by the Company with good results. There was no case of food poisoning in 2014.

Any environmental activities according to ISO14001:2010/ISO14001:2004 was internally evaluated by the Company and periodically and annually monitored by the independent competent authority. This system is still being maintained in accordance with ISO14001:2010/ISO14001:2004 and continued with the improvement activities to enhance the effectiveness of environmental management systems in the Company.

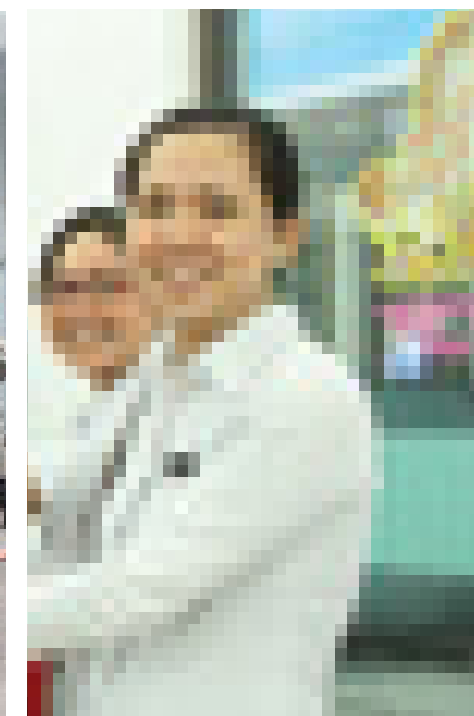
e. Orientation for sustainable development in future

Maintaining and improving the management system of ISO 14001:2014 in order to enhance the efficiency on environment management in the Company.

Continuing to implement the commitments and targets related to environment.

Continuing to implement the measures to efficient use of electricity, water and reduce refuses during the manufacture process.

Minimizing scraps releasing from the manufacture process in order to improve the effective use of materials, contribute to the protection of the natural resources of the earth.





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