



NHỰA BÌNH MINH

BÁO CÁO **2011** Thường Niên

ANNUAL REPORT 2011



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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

Dear Shareholders, our domestic and foreign partners

The economic situation of the world and in the country in 2011 and recently was really a big challenge to Vietnamese enterprises. The operating policies of macroeconomic by the Government as tightening finance, reducing public investment has a significant effect to the fight against inflation, but the impact on capital for loans made near the area of real estate such as freezing, the construction market should be limited for products such as plastic pipe industry faced many difficulties.

However, these trials have been foreseen so the Board of Management of Binh Minh Plastic Company have prepared to deal with appropriate solutions which reflect both consistence and flexibility from time to time. This direction has proved the correctness over year results are as follows:

- ★ Turnover: VND 1,826 billion, increase 29% as compared to 2010.
- ★ Pre-tax profit: VND 384 billion, increase 22% as compared to 2010.

Entering to 2012, despite feeling that the immediate difficulties still extend due to the world in a state of instability and domestic economic recovery is not strong, we remain very confident with our resources. **Binh Minh Plastics will continue to firmly assert the position of a leading enterprise in the plastic industry in Vietnam.**

Year 2012 is the year that Binh Minh Plastic celebrates the 35th anniversary of its incorporation, the traditional corporate culture has become an extremely powerful, the Board of Management and all officers and employees of Binh Minh Plastics commits to the high agreement, developing internal resources, winning best results to meet the requirements, expectations of shareholders and partners. We want to continue to receive your contribution and help to continue to **move forward confidently to the future path of sustainable development.**

May you be healthy, happy and successful.

THE PRESIDENT OF THE BOARD OF MANAGEMENT



The image shows a handwritten signature in black ink over a red circular stamp. The stamp contains the text 'CÔNG TY CỔ PHẦN BÍNH MINH' and 'QUAN 6 Đ. HỒ CHÍ MINH'. The signature is written in a cursive style.

LE QUANG DOANH

“

*Binh Minh will continue to
assert the firm position*

”







HISTORY OF ESTABLISHMENT AND DEVELOPMENT OF THE COMPANY

HISTORY OF ESTABLISHMENT

In 1977, Vietnam Chemical Pipe Company (Kepivi) and Kieu Tinh Plastic Company merged and took the name **Binh Minh Plastics Private and Public Factory** under the Industrial Product General Company - the Ministry of Light Industry. The major products in this period were household products inherited from the former unit.

DEVELOPMENT STAGES

1980 - 1989: Development Orientation

- ★ In the early of 80s, in the context of the country's economic embargo, the Factory produced moderately from raw material in the inventory before the liberation day, the Board of Leaders determined to focus to production of technical plastic products meeting the essential needs of the society with the lowest costs of material. Products such as infusion pipe sets, Karman medical menstruation sets, plastic parts for textile industry, sprayers for agriculture, safety working helmets for mine workers was manufactured in this period.
- ★ The year of 1986 marked a historic transformation of **Binh Minh Scientific Production Enterprise**. By a contract of plastic pipes processing for Unicef to serve rural clean water program, it was the first time plastic pipes manufactured in Vietnam replaced the imported pipes; processing costs were paid by materials by customers that created premise for the development of Vietnam plastic pipe industry

1990 -1999: Technological Scientific Investment - Production Orientation

- ★ **Binh Minh Plastic Company** completely transformed from a factory specialized in producing plastic household to industrial production, mainly plastic pipes in accordance with international standards. The Company concentrates to investment in modern machinery and equipment to become the first unit applying Dry-Blend technology to produce plastic pipes at the diameter to 400 mm - the largest one in Vietnam.
- ★ Invest to expand Factory premises in Ho Chi Minh city, invest in the new Factory 2 with total area of 20,000 m² in Song Than Industrial Park 1, Binh Duong Province, fully equipped with modern machinery from the European countries
- ★ Binh Minh brand was registered for patent protection, starting brand building and development.

2000 to the present: Innovation for comprehensive development

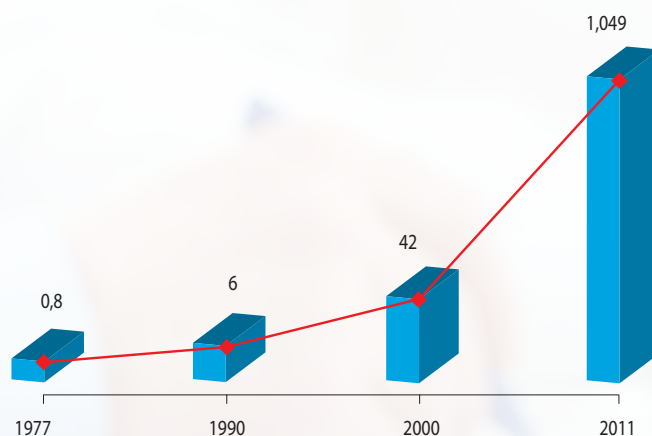
- ★ As determining the importance of quality management, the company applied quality management system ISO 9002-1994 in 2000, until now it has been converted to the version of ISO 9001-2008 .
- ★ On 02 January 2004, the Binh Minh Plastic Joint Stock Company officially operates under the trade name of Binh Minh Plastic Joint-Stock Company, abbreviated name: BMPLASCO.
- ★ 07 November 2006 became a significant date as the Company's shares were officially entered in transactions in the stock market in Vietnam with BMP stock code.
- ★ With the policy of "Innovation for Development", the Company has continually invested in modern equipment and machinery with their own capital to improve quality and to diversify products. The products with the largest diameter in Vietnam nowadays as uPVC pipes of 630 mm, HDPE pipes of 1200 mm have been continuously launched by the Company to market along with the double veined corrugated wall PE pipes, PP-R pipes, creating more options for customers and bringing the products with international quality to consumers in Vietnam, contributing to the nation's economic development.
- ★ The Company expanded production scale to meet the growing needs of the market: expansion of Factory 2 to 50,000 m², in 2007 The Northern Binh Minh Plastic One Member Co., Ltd. with the area of 40,000 m² was officially put into operation, bringing the Binh Minh Plastics products to consumers in the North, the of Factory 4 with the area of over 150,000 m² in the stage of approval of complete design, when being put into operation will increase the total capacity of the whole Company up 3 times as compared to today.
- ★ 2008 marked the company's development over the threshold of sales of VND 1,000 billion Vietnam Dongs.
- ★ For the sustainable development, the implementation of commitments on responsibility to the community and society, the Company was conferred a certificate of Environmental Management System ISO 14001: 2010 in 2011.
- ★ The construction and development of the distribution system once again confirmed the correct direction of the Company in the development of market share. From the first three stores in the 90s years, so far there are over 600 stores in the distribution system of the company, bringing products under the brand of Binh Minh Plastics throughout the country and exporting to the neighboring countries.
- ★ Marketing activities were intensified. At present, the brand of Binh Minh Plastics is considered the leading brand of Vietnam plastic industry.



Developmental trend chart

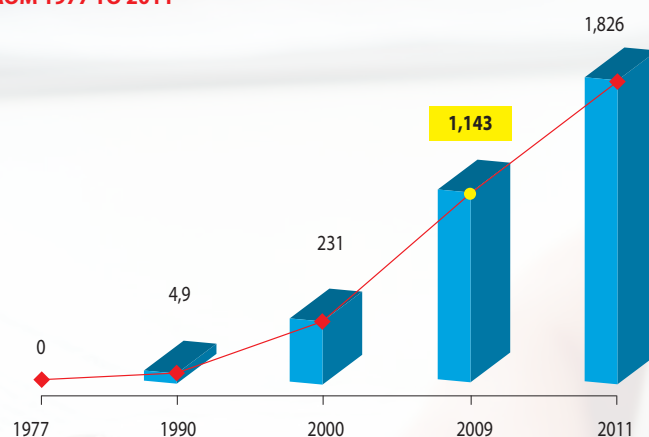
**OWNER'EQUITY
FROM 1977 TO 2011**

Unit: VND billion



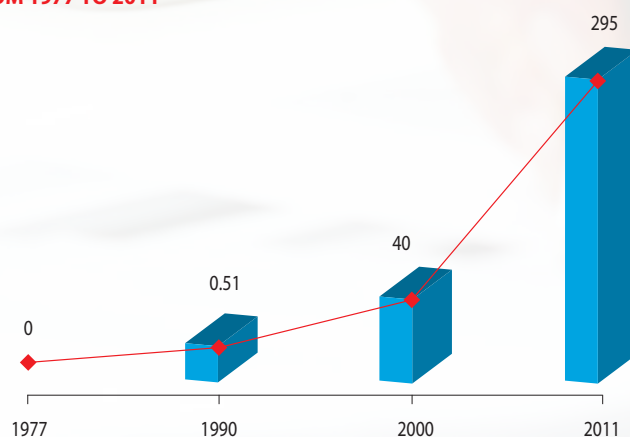
**REVENUE
FROM 1977 TO 2011**

Unit: VND billi



**PROFIT
FROM 1977 TO 2011**

Unit: VND billion



A background image showing several hands of different skin tones reaching in from the edges of the frame, with their fingers pointing towards the center, forming a circular shape. The background is a solid blue color.

OUTSTANDING ACHIEVEMENTS OF THE COMPANY IN 2011

✦ The 7th time awarded **"GOLDEN STAR IN VIET LAND 2011"**
by the Vietnam Young Entrepreneur Association.

✦ Being the only plastic enterprise that has been continuously voted
"VIETNAM HIGH QUALITY GOODS"
from 1997 to now (16 times) by consumers.

✦ To continue at the top leader in the list of
**"THE MOST EFFECTIVE OPERATION VIETNAMESE COMPANIES
– THE BEST OF THE BEST"**
in 2011 by Profiles International Vietnam.

✦ To continue to be one of
500 LARGEST PRIVATE ENTERPRISES IN VIETNAM.

THE OUTSTANDING EVENTS OF THE YEAR 2011

**MARCH
2011**

Winning contracts to supply 1200mm diameter HDPE pipes for the largest wastewater treatment plant project in Southeast Asia - Southern Pacific Wastewater Treatment Plant. Binh Minh Plastic became the first enterprise to supply the largest diameter plastic pipes in Vietnam.

**MAY
2011**

Quacert Certification Center issued a certificate to certify that uPVC pipe products meet standards of ISO 1452-2:2009.

**JUNE
2011**

To establish ISO14000 Project Management Board.

**AUGUST
2011**

To contribute capital to establish Binh Minh Viet Real Estate Business Investment Joint Stock Company to implement the project to convert the use of the area of 240 Hau Giang, District 6, HCMC.

**DECEMBER
2011**

After 4 months of construction, the third storage for finished products of the Company located in Song Than Industrial Park was inaugurated and put into use with a total construction value of 13.28 billion Vietnam dong, contributing to increase reserve capacity of the Company, minimizing at maximum the shortage of storages in the peak stages.

Northern Binh Minh Plastic One Member Limited Liability Company NBMPLASCO completed and exceeded the assigned sales plan. Increasing more than 50% compared to the year 2010.

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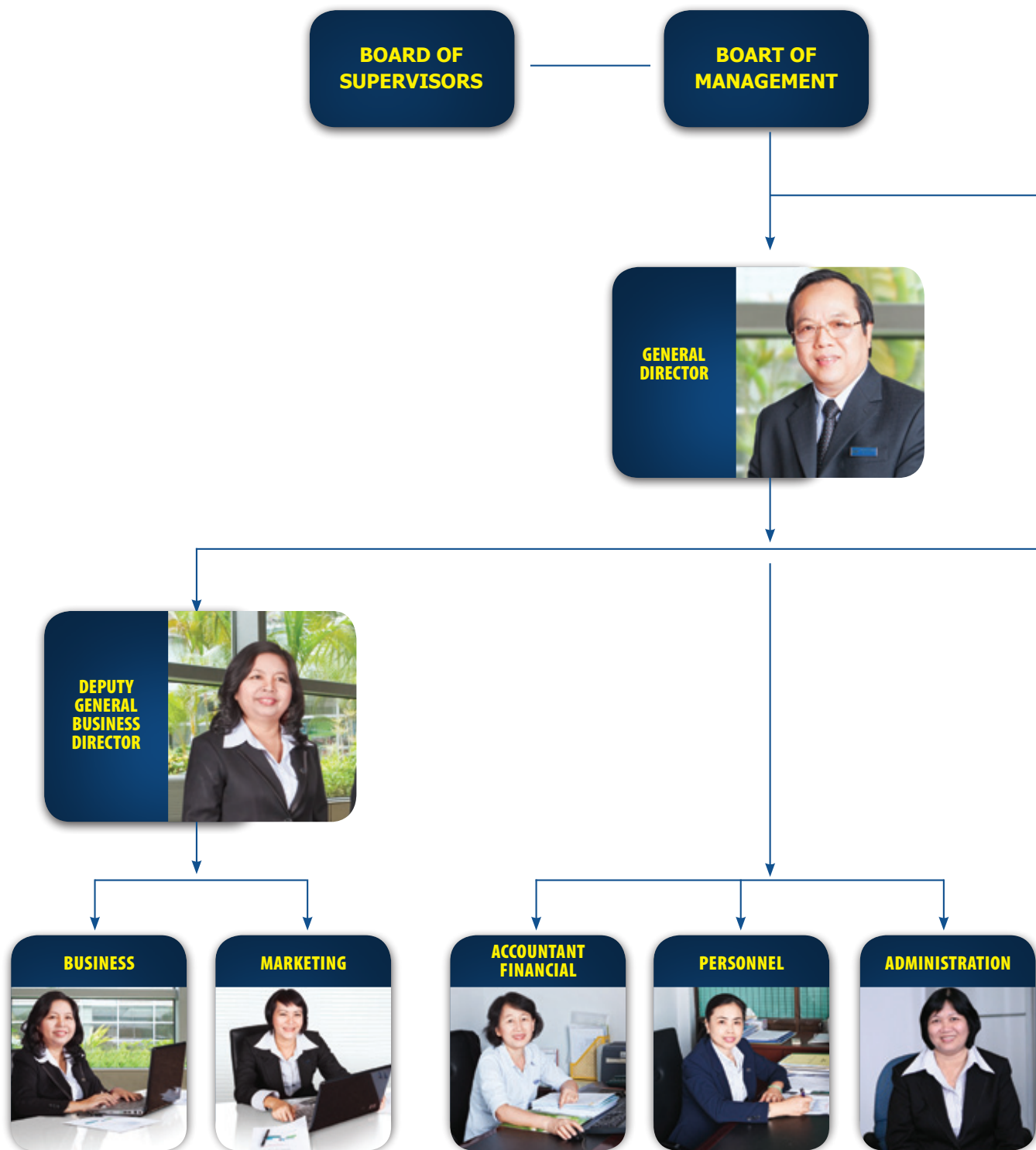
*Human resources are
invaluable assets of
the enterprise* ”

”

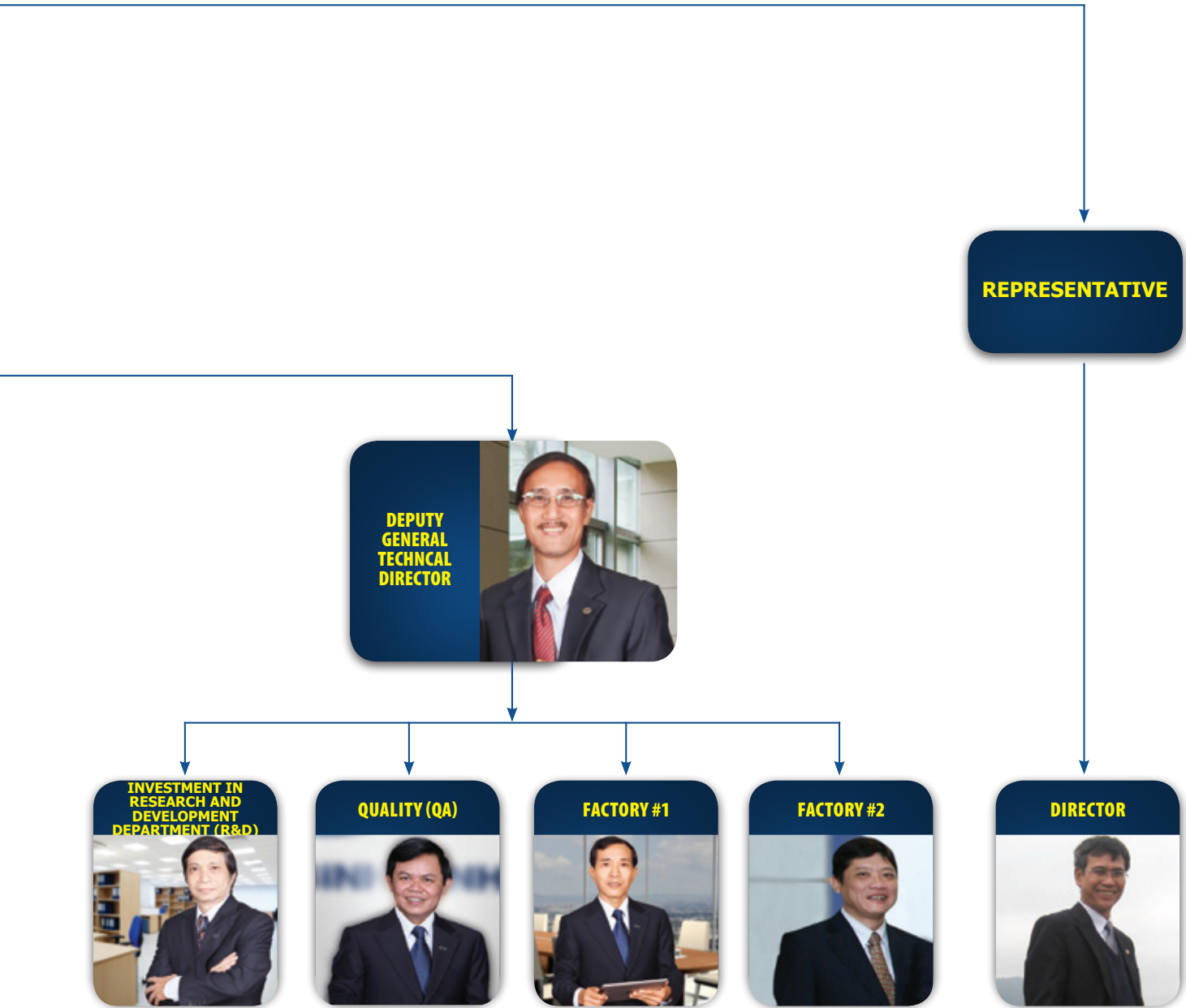




ORGANIZATION AND PERSONNEL



I. ORGANIZATIONAL STRUCTURE OF THE COMPANY

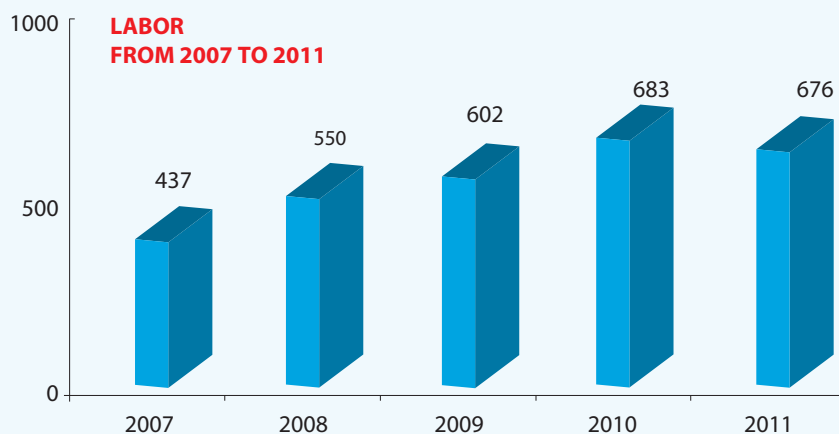


II. NUMBER OF STAFF AND POLICIES APPLICABLE TO THE EMPLOYEES

1. HUMAN RESOURCES

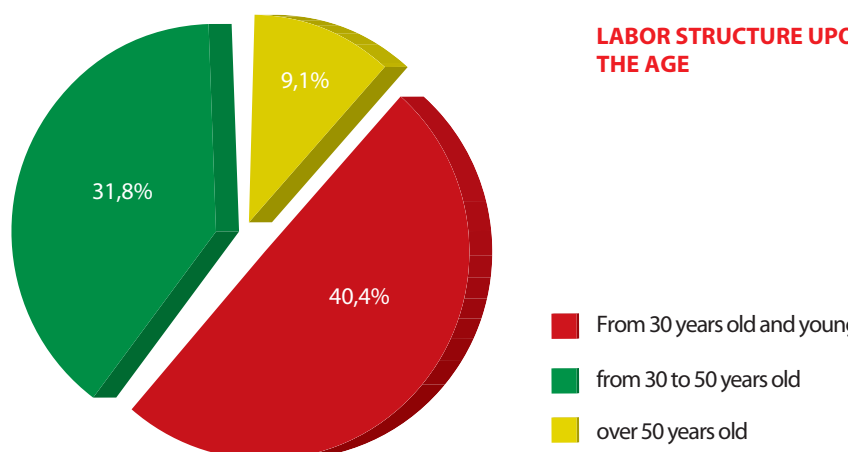
a Quantity:

In the past year, despite of the domestic economy faced to many difficulties, more than 50,000 businesses have closed down, unemployment rate increased; the Company retains jobs and stable incomes for its employees. As compared to 2010, in 2011, the number of employees decreased by 2% due to retirement and expiry of short-term contracts of crop employees.



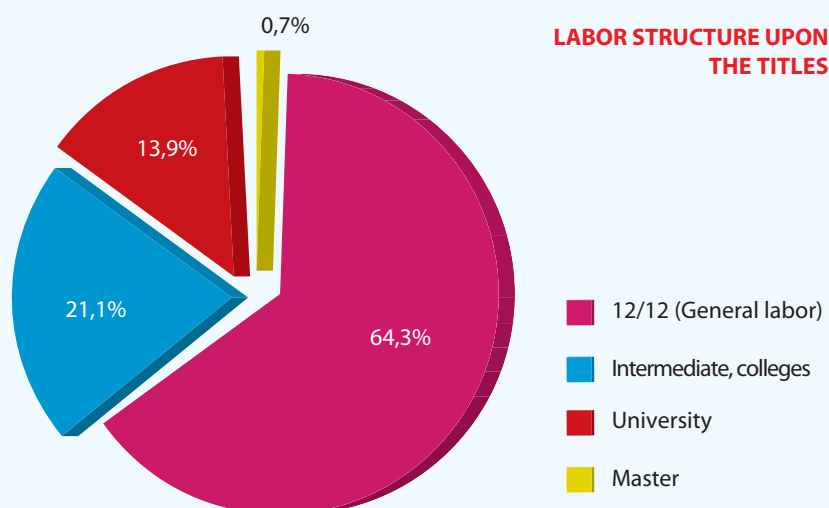
b Age:

Binh Minh Plastic has the history of formation and operation for 34 years but working age of the Company is rejuvenated. In 2011, employee at the age from 51 to 60 decrease to 0.6%, employees in the age of 30 or younger increased by 0.4% as compared to 2010.



c The employee educational background:

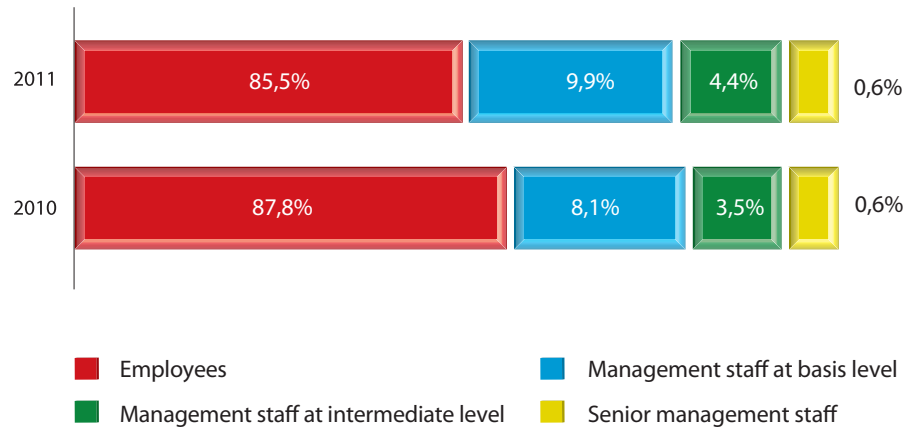
Common labor of the company reaches a minimum educational background from high school or above. The Company pays great attention to recruitment, training tasks to ensure human resource suitable quality and meeting the increasing demands on the high technical level, production and business besides the policy of encouraging the employees to train themselves to improve their level to meet the development needs of the company.



THE COMPARATIVE CHART OF LABOR STRUCTURE

d Labor structure:

The company always pays attention to the training the young staff who has the capacity to become inheriting staff. As compared to 2010, the percentage of management staff at intermediate level increased 0.9% and the management staff at basis level increased 1.9%.

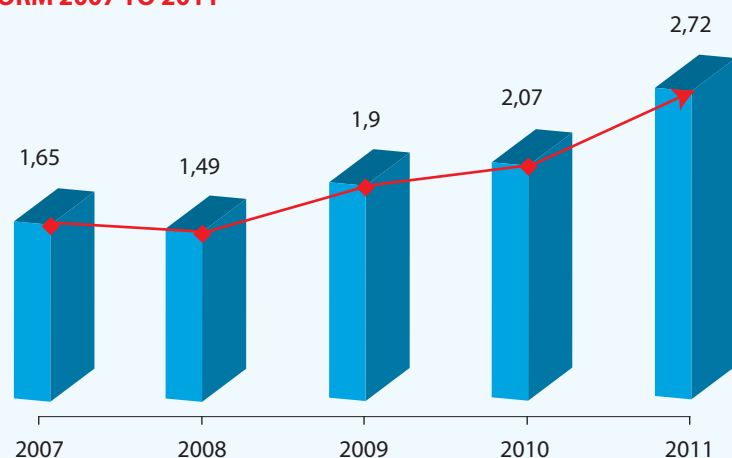


d Labour Productivity:

Ratio of revenue/employees of the Company in 2011 increased 31.2% as compared to 2010. During the two consecutive years, the Company was evaluated by Profiles International Vietnam to be the top leading enterprise in the list of "The most effective Operation Vietnamese Companies – The Best of The Best" in the plastic - rubber industry and paper products.

PROPORTION OF THE REVENUE / STAFF FORM 2007 TO 2011

Unit: VND billion



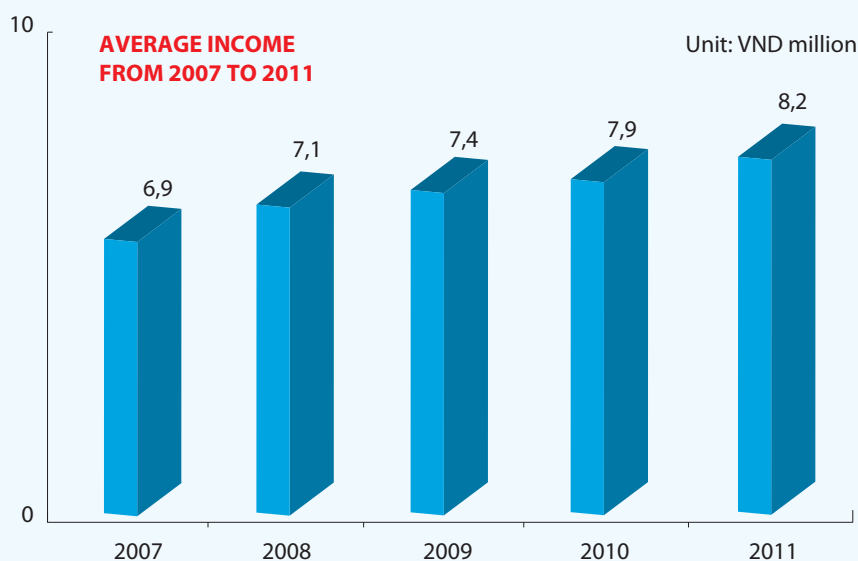
2. POLICIES APPLICABLE TO EMPLOYEES

Human resources are the invaluable assets of each enterprise. Aware of this, the Company always pays attention to the regimes and policies to take care of its employees. In addition to the policies, regimes under the provisions of the State, the Company also applies its own policies which may bring benefit for employees, which is specified in collective agreements, such as wage policy for maternity, illness, mourning wedding leave and policies applicable to annual resort tourism.... In the last recent 5 years (2007-2011), the Company has applied for reward consideration by ESOP shares. It also the form of motivation to help the employees to be more closely and devote more to the company.



a Wage – bonus policy:

The company has maintained a stable level of income guaranteeing the life of employees, average incomes are in the high group compared to other units in the industry, and motivating employees to dedicate and feel secure for long-term commitment to the Company.



b Healthcare and working environment policy:

Healthcare and working environment applicable to the employees is a top concern of the Leaders of the Company. At each Factory, there are doctors and physicians who are provided medical examination facilities, medical supplies for first aid duty and local health care for employees

In 2011, the Company held periodic health and occupational diseases examinations for employees, applied information technology in controlling of health records for each person, provided counseling for individuals who showed abnormal symptoms on health, created conditions for laborers contracting disease to cure their disease promptly.

In addition to health insurance policy under the regulations of the Company also purchased accident insurance 24/24 for employees and comprehensive health insurance for junior and senior managers.

The Company provides new uniforms and labor safety protection facilities every year to any divisions suitable for the jobs, ensuring the safety in production.



Collective mess at the Company and the Factories ensure to supply ration of food for sufficient nutrition and energy, which is regularly inspected on food hygiene and safety as prescribed by the authorities, not letting any case of food poisoning.

Health Centre - Industrial Working Environment conduct environment periodical tests at the Factories and through the test results, the Company will improve better working environment for the employees.

c Training policy:

The training tasks at Binh Minh Plastic are always top concerned. The training content is mainly specializing in the management, the expertise of each department, factory. Total training hours were 606 hours in 2011. Total attendants for training were 885 turns. Funding for the training was about 300 million Vietnam Dongs. In addition to training courses, focused internally training, the Company also sent employees to participate in courses in the country and overseas, and there were the tuition assistance program, encouraging and facilitating for self-training workers to improve their technical skills, qualifications and skills.

d Management policies for probationer staff and apprentice:

In order to create the next managing staff resources with quality to meet the development demands and expansion of Company scale in the future, the Company appointed 3 trainee managers to departments, appointed new 5 foremen, 9 team heads and 13 the deputy team heads of production in 2011.

In addition, the company also issued regulations on the apprentice in order to create the links, knowledge complementation and practice between the Company and the training facilities for the prerequisite for the recruitment of young, dynamic and highly educated staff in accordance with Company requirements.

e Other policies:

To award Nguyen Duc Canh scholarships and organize the annual summer camp program for children of officers and employees who obtaining high achievements in school.

To donate gifts in occasions of Children's Day, Middle -Autum Festival to children of all officials and employees of the Company.

To donate gifts on 08 March, on 20 October for female staffs.

To donate gifts on 22 December for employees who were soldiers for the armed forces.

To give priority in recruitment of relatives of Company employees meeting the work requirements.

III. ENTERPRISE'S CULTURE - INTERNAL RESOURCES

ENTERPRISE'S CULTURE

Since newly formation of the called name Binh Minh, the officials and the employees have bonded together into a unified block. The emotion between the workers who are mostly Chinese for the Board of Leaders are simple but profound when they saw the Leaders who shared each of dried fish, sugar packets for each collective meal; when they were communities suffering the same commitments, digging, plowing under hire to improve their lives. In turn, the leaders felt a responsibility to do, so that workers had more fresh meals, more wages, more jobs. So Binh Minh Plastic stood firmly overcoming difficulties, together austerity to go up, to build the Company from none to something.

The past passed, malnutrition, lack of clothes already receded. What remained growing brighter is the culture of Binh Minh Plastic that is forever in the minds of the generations of the Company' staff.





Solidarity – consensus:

Is the thing that everyone shall remind of when referring to Binh Minh Plastic. Here there is no situation where the drum beat down and the trumpet blown in reverse direction, but also there is no situation of one direction speaking. We remain convinced, fight for the right for working together in consensus.

Historical gratitude:

"Reviewing the past to know new things" is what that is always referred to at Binh Minh Plastic. Experience lessons of the previous generations were used as luggage for the next generation. Every effort, every achievement of the previous generations are honored and appreciated by the next generation. Thus a bridge between the past and the present becomes sustainable, full of moral principles "drinking water remembering source" in each person in Binh Minh Plastic.

Sustainable present:

Skill and spirit in solving the problems conflict with each other such as market and efficiency, competition and co-workers, Binh Minh Plastic incessantly improves its competitive advantages to take profits; not stop to help its partners for development. Thereby, the customers have found in Binh Minh - a provider of respect, equality, and especially always sharing happiness and sorrowness to become more engaged day by day. All Binh Minh's people are ready to perform the sentence: "a piece when hungry is equal to a package when full stomach" with the open heart to integrate with the community

Confident forward to the future:

In any circumstance, confidence always shows very clearly in the Board of Leaders of Binh Minh Plastic. The leaders always reinforce the confidence of officers and employees in proper orientation, with plans to prepare infrastructure, physical conditions, consider resources to the next step on the path of development of Binh Minh Plastic into a strong group in Vietnam and to gradually conquer other countries.



IV. MOVEMENT ACTIVITIES IN 2011

Through the annual activities, Binh Minh's culture is always maintained to show off the traditional cultural value, thereby enhancing the spiritual life for officers and employees, giving them the excitement, attachment with the Company. The Company organized the following cultural activities in 2011:

- 1 Officials and employees with their family participated in the campaign "**Walk for children suffering orange poisoning agent**" in "Golden Star in Vietnam Land" program at Dam Sen Cultural Park.
- 2 The sport games for the whole company with 6 sport games that were held with the participation of more than 300 employees and many relatives created a bustling, vibrant and cohesive atmosphere.
- 3 Fire prevention and fire fighting drills with Fire Prevention and Fire Fighting Police of District 6 was held in October in order to raise skills and awareness of fire prevention and fire fighting for employees
- 4 Celebrating 34 years and launching the competition, organizing emulation activities to complete the year plan, rising labor productivity, advance to the 35th anniversary of Company.
- 5 Responding to the competition "**Learn to save energy**" launched by the Union of Trade and Industry.
- 6 Organization of the 8th blood donation festival day in the Company to build a sense of responsibility to the community and to contribute to the blood bank to help the sick.
- 7 Besides the general cultural activities of the Company, the clubs of hobbies are also focused to development such as clubs of badminton, table tennis, volleyball, dance ...
- 8 Promoting initiatives, rationalizing production are also seen as annual movement activities in the Company. In 2011, there were 44 initiatives registered, 80% of the manufacturing sector, 20% left of the professional management. There have been 30 recognized initiatives, estimated to benefit the Company over 200 million. Although the benefits of the initiatives are not high and the rewards for initiatives are not much, it is the respect of leaders and co-workers for individuals who invested effort, intelligence, making contribution to development of Binh Minh Plastic.

V. INFORMATION ON THE BOARD OF MANAGEMENT – BOARD OF EXECUTIVE

The Board of Management of the Company for term 2008 - 2013 includes of 5 members; all of them are working at the Company.

The Board of Executive of the Company consists of 4 members; all of them are the members of the Board of Management of the Company.



MR. LE QUANG DOANH

President of the Board of Management
- General Director of the Company

Born in 1952

Qualification:

Mechanical Engineering

Working history:

Before 1979 : Chief of Production Team of Hai Phong Iron Enameled with Aluminum Factory
1979 : Deputy Manager for the Workshop of Binh Minh Public Private Joint Venture Factory
1987 : Deputy Director of Binh Minh Plastic Manufacturing Scientific Enterprise
1996 : Director of Binh Minh Plastic Company
2004 to present : President of the Board of Management - General Director of Binh Minh Plastic Joint Stock Company

MR. NGUYEN HOANG NGAN

Vice president of Board of Management
- Deputy Director General of the Company
- President of the Board of Members of Northern Binh Minh Plastics One Member Co., Ltd.

Born in 1962

Qualification:

Mechanical Engineering, Master of Business Administration

Working history:

Before 1988 : The militaryman of Ammunition Department of Technical General Department of the Ministry of Defence
1988 : Technician of Binh Minh Plastic Manufacturing Scientific Enterprise
1989 : Chief of Technical Division of Binh Minh Plastic Manufacturing Scientific Enterprise
1997 : Deputy Director of Binh Minh Plastic Company
2004 : Vice President of the Board of Management - Deputy Director General of Binh Minh Plastic Joint Stock Company
2007 : Vice President of Board of Management - Deputy General Director of Binh Minh Plastic Joint Stock Company, Vice President of the Board of Members - Director of Northern Binh Minh Plastic One Member Co., Ltd.
At present : Vice President of Board of Management - Deputy Director General of Binh Minh Plastic Joint Stock Company, President of the Board of Members of Northern Binh Minh Plastic One Member Co., Ltd.

MS. NGUYEN THI KIM YEN

Member of the Board of Management - Deputy Director General of the Company

Born in 1960

Qualification:

Bachelor of Industrial Economics, Bachelor of Business Administration

Working history:

1981 : Statistics staff for Binh Minh Public Private Joint Venture Factory
1988 : Deputy Chief of Supply and Consumption Planning Division of Binh Minh Plastic Manufacturing Scientific Enterprise
1998 : Chief of Sales Division for Binh Minh Plastics Company
2006 to present : Member of the Board of Management - Deputy Director General of Binh Minh Plastic Joint Stock Company

MS. TRANG THI KIEU HAU

Member of the Board of Management
- Chief Accountant of the Company

Born in 1958

Qualification:

Bachelor of Accounting and Finance

Working history:

Before 1985 : Accountant for Textile Processing Enterprise No. 3 under Hong Gam Textile Union
1985 : Staff of Financial Division for Binh Minh Public Private Joint Venture Factory
1988 : Deputy Chief of Financial Division for Binh Minh Plastic Manufacturing Scientific Enterprise
1994 : Chief Accountant for Binh Minh Plastic Company
2004 to present : Member of the Board of Management - Chief Accountant for Binh Minh Plastic Company

MR. BUI QUANG KHOI

Member of the Board of Management

Born in 1960

Qualification:

Mechanical Engineering, Bachelor of Economics

Working history:

Before 1993 : Deputy Chief of Administrative Organizational Division for Licono Agricultural Engineering Enterprise under the Department of Industry of Ho Chi Minh City
1993 : Technician for Binh Minh Plastic Manufacturing Scientific Enterprise
1997 : Deputy Manager of Binh Minh Plastic+ Company
1999 : Director of Factory 2 - Binh Minh Plastic Company
2004 : Member of the Board of Management - Director of Factory 2 - Binh Minh Plastic Company.
2009 to present : Member of the Board of Management - Director of Factory 1 - Binh Minh Plastic Company.

VI. INFORMATION ON THE BOARD OF SUPERVISION

Including 3 members, all of them are working for Binh Minh Plastic Joint Stock Company



MS. NGUYEN THI PHUONG NGA

**Head of the Board
of Supervision**

Born in 1963

Qualification:

Bachelor of Economics

Working history:

1982 : Staff of Supply and Consumption Division of Binh Minh Public Private Joint Venture Factory
1999 : Deputy Chief of Sales Division of Binh Minh Plastic Company
2004 : Member of the Board of Supervision - Deputy Chief of Sales Division of Binh Minh Plastic Joint Stock Company
2008 : Head of Board of Supervision - Deputy Chief of Sales Division of Binh Minh Plastic Joint Stock Company
2010 to present : Head of the Board of Supervision - Chief of Marketing Division of Binh Minh Plastics Joint Stock Company

MS. DINH THI NGUYET HA

**Member of the Board of
Supervision**

Born in 1959

Qualification:

Bachelor of Economics

Working history:

11979 : Staff of Financial Division of Binh Minh Public Private Joint Venture Factory
2004 to present : Member of the Board of Supervision - Staff of Financial and Accounting Division of Binh Minh Plastic Joint Stock Company

MR. NGUYEN KIM THUONG

**Member of the Board of
Supervision**

Born in 1959

Qualification:

Electronics Engineering, Bachelor of English

Working history:

1983 : Worker for Binh Minh Public Private Joint Venture Factory
1997 : Deputy chief of Technical Division for Binh Minh Plastic manufacturing Scientific Enterprise
November 1997 : Chief of Technical Division for Binh Minh Plastic Company
2004 : Head of the Board of Supervision - Chief of Technical Division for Binh Minh Plastic Company
2008 to present : Member of the Board of Supervision – Chief of Investment Research and Development Division for Binh Minh Plastic Company



“ Consensus to move
forward to the future ”



REPORT OF THE BOARD OF MANAGEMENT

1. GENERAL SITUATION:

In the period from 2006 to 2010, economy – society of Vietnam were affected by the special events and processes such as:

- ★ Our country joined in the World Trade Organization (WTO) and implementing extensively commitments in the area of free trade of ASEAN and ASEAN + creating great opportunities for attracting investment and developing export but also facing to severe challenges for the competitiveness of the economy in transformation process and the ability to react before the complicated changes of the market.
- ★ The financial crisis and global economic recession with the political upheavals in many countries around the world brought a negative impact on the economy and society of our country.
- ★ The policy adjustments in response to fluctuations of world economy, from fiscal tightening and monetary policy to contain inflation (in 2008) to stimulate investment to promote growth (2009), and implementing fiscal policy both tight and flexible currency to reduce inflation, stabilize macro-economy and ensure growth (2010).
- ★ In particular, the policy adjustments from 2008 to 2010 by the Government brought not a little impact to the operation of the enterprises; most

enterprises were in a status of "hold" to try to "survive" in this difficult period to expect safety to overcome the crisis to start a new cycle of development. However, entering the year 2011, the difficulties and challenges were much greater than initial optimistic forecast:

In the world:

- ★ Prices of food, crude oil and raw materials on international markets increased.
- ★ The stock market severely decreased.
- ★ Public debt crisis in many countries; world economic growth slowed, high inflation in almost countries... that made negative impacts on the economy of our country

In the country:

- ★ Macroeconomics was not stable, international balance of payments was deficit, a large trade deficit, foreign reserves declined.
- ★ Inflation and interest rates rose; bad debt of the banking system increased, the liquidity of commercial banks was difficult; stock market, real estate market declined.
- ★ Production and business were impeded. The renovation of the growth pattern, restructure of the economy was slow.

- ★ The life of the people, especially the low-income workers were more difficult. Culture, society still had many urgent aspects. Corruption and waste were not been pushed back.

Assessing the economic social situation in 2011, the Government identified that although there were objective reasons due to heavy impact, complexity of the financial crisis, global economic recession, but subjective reasons were the main fact:

- ★ The internal weakness of the economy with model of growth and economic structure, investment structure of inefficient accumulation of many years were slowly overcome.
- ★ The limitations and weaknesses in leadership and management, especially in macroeconomic management and administration of fiscal policies, monetary, public investment management, management of State enterprises, resource management and in direct addressing pressing social problems.

2. THE SITUATION OF PLASTIC INDUSTRY:

Although it was evaluated, for many years, as a growth industry with an high average annual growth - about 20% / year - but the plastic industry is still a small-scale sector, the industrial production value of plastics was only less than 5% of national industrial production.

According to statistics, currently there are about more than 1,000 plastic enterprises, mainly small and medium enterprises of which about 80% concentrated in Ho Chi Minh City and southern provinces.

In the plastics industry with the different economic elements but non-state-owned enterprises accounted for about 80%, enterprises with foreign investment capital for 20%, virtually no state-owned enterprises in the industry.

Although the annual growth rate is quite high and day by day confirming the important role of a new industry but plastics industry is mainly an industry with small scale enterprises, outsourcing activities are primarily, not initiative in raw material input, the technological industry level is at the average level, equipment is mainly imported and manpower quality is weak.

Based on the classification of the products, one important group of plastics industry is a group of plastic building materials. Number of enterprises in this group accounted for about 15% of plastics enterprises, but production reached approximately 20% of the whole industry.

In recent years, the growth rate of the group of plastic building materials remained relatively high level, around 20% - 25% every year. The main motivation for this group to continue to develop is the domestic market with expanding opportunities, including plastic pipes and accessories that are groups of products are widely used, most commonly with identification that the rate annual growth of industry and construction should reach 15% and is expected to continue to grow in the near future, the demand for this product group continues to maintain good growth.

However, in the general difficulty situation in the year 2011, a plastic was also deeply affected by the economic crisis in the world and in the country. Most enterprises have to make key adjustments in development plans as well as efforts to maintain business operations. Some large enterprises had to adjust business plans accordingly, or to narrow their production or accept reduced profits to maintain operations and jobs for workers. Some medium-sized and small enterprises had to suspend or even terminate its operation.

3. OPERATION OF BINH MINH PLASTICS JOINT STOCK COMPANY:

In the difficult context of the whole country and plastics industry, Binh Minh Plastics also faced to the challenge with direct impacts to the business operations of the Company, namely:

- ★ Market demand decreased significantly due to several reasons:
 - ♦ The public investment in infrastructure is suspended or extension of progress rate.
 - ♦ Real estate market has been "frozen".
 - ♦ The construction work was delayed.
- ★ Ability to mobilize capital from the stock market and bank loans are very difficult, loan interest rates are high.
- ★ The cost of production and business activities are as high as raw materials, energy, transport...

★ The level of market competition is increasingly fierce, even vital, and increasingly unhealthy expression. In addition, the potential risks from the environment inside and outside are also identified by the Board of Management in order to find out preventive measures for prevention from them in time.

No.	TYPES OF RISKS	MANAGEMENT MEASURES
	<p>Risks from within the company:</p> <p>The possible loss of unity, unhappy with the lack of uniform policies, were not improved in accordance with the new period, employees quitted, reduced resources.</p> <p>Sense of discipline was poor in productive labor, poor labor productivity. Fire explosion and the environment were affected.</p>	<ul style="list-style-type: none"> ♦ The Board of Management built long-term strategy and annual plans. Quarterly reviewed and evaluated the solution for timely adjustments. ♦ The Executive Board based on a common strategy to set out the objectives and annual action plans of the Company and its parts. Monthly reviewed the progress and adjusted it if necessary. ♦ To assign specific and clear duties, through the job description of each title from leaders to staff, documented authorization and notify the system. ♦ Focus to building enterprise culture: unity, consensus based democracy, respect for ethics, behavior, communication, behavior at work. ♦ Appointment policy for probation officers facilitates the laborers to promote labor capacity, to prepare the replacement and additional resources for the next stage of development. ♦ Build up the system of rules, guidelines, rules, regulations and management practices. Maintaining effectively and constantly improving quality management system. ♦ Care of employees through the development and implementation of the collective labor agreement, the regulations on recruitment, rewards, benefits, compensation, training and equipment for labor protection, health care, the collective cuisine organization to ensure food safety ... for the workers to work safely. ♦ Focus to measures to ensure safety in production, fire explosion prevention: fire team of the Company exercised regularly, well coordinating with the locality, buying material insurance... ♦ Care to the working environment and taking measures to minimize harm to the environment: periodically check through working environmental test to overcome the damages affecting the health of workers and environmental surroundings.
	<p>Risks of business environment: economic crisis, inflation</p>	<ul style="list-style-type: none"> ♦ The Board of Management, the Board of Executive, and the managerial staffs of the departments were facilitated to update information through multiple channels: newspapers, internet, suppliers, and customers. Closely monitoring the political situation, global and domestic economy having proposals and appropriate policy decisions. On that basis, seizing opportunities, seeking the advantages in the difficulties, concentrating resources on key business sectors, investment was not widespread.

	Legal risks: economic contract disputes, trademark disputes, disputes on counterfeit products ...	<ul style="list-style-type: none"> ♦ There is the legal department for always updating policies, legal documents, to have timely adjustment of internal regulations in accordance with law. ♦ The legal department always strictly controls the content of all kinds of economic contracts, rules and regulations before signing.... ♦ Always coordinating with relevant agencies to perform inspection, control and handling of violations, anti-counterfeiting. ♦ Emphasizing on investment in brand protection
	Risks in supply activities: Lack of input sources	<ul style="list-style-type: none"> ♦ Suppliers were selected and evaluated according to appropriate criteria, avoiding monopoly supply, ensuring timely complete supply of materials with reasonable prices. The Company always keeps credibility with suppliers to ensure the stable, long-term, mutually beneficial cooperation. ♦ Gathering information to predict prices in the market to have appropriate policies in the reserve of materials, stabilizing production, limiting to the lowest level of bank debt at high interest rates ♦ Seeking quality domestic suppliers as substitutes for imports for avoidance from risks of exchange rate and to be more active in a matter of time.
	Business Risks: Declining market, unfair competition, long-term debts.	<ul style="list-style-type: none"> ♦ Promoting the brand, stabilizing and improving product quality to create market traction. ♦ Participating in bidding projects, while expanding the distribution network to expand market share. Making clear and transparent policies and regulations to promote and control distribution system development. Well organizing customer care activities. ♦ Controlling debts, applying flexible measures to minimize bad debts. ♦ Improving the quality of service before, during and after the sale. ♦ Learning industry information and the same industry units. ♦ Training to improve customer care skills for staffs.
	Risks from investors and shareholders: Loss of trust in the Company, unconsenting with the investment development policies of the Company, sell-off stocks caused loss of Company's image on the stock market.	<ul style="list-style-type: none"> ♦ Through the Company's website to convey the guidelines, policies and operations of the Company to shareholders and investors. ♦ Organizing quarterly meetings with shareholders and investors to report business results of the previous quarter, future plans and listening to ideas to improve operations of the Company. ♦ Performing in accordance with the charter and resolutions of the general meetings of shareholders. Transparency, respecting and ensuring the rights of shareholders and investors for avoidance of conflicts.

★ However, with the position of a large-scale enterprises and being one of the most effective operation in the industry for several consecutive years, Binh Minh Plastic still finds out in the tough challenge of marketing development opportunities based on competitive advantages from its internal capabilities:

- ♦ "Binh Minh" Brand has its prestige and always is a priority in the customer's choice.
- ♦ The Company creates credibility on good quality products and attentive service.
- ♦ Distribution systems throughout the country and sticking closely to benefits of the Company.
- ♦ The Company has a good internal management platform, there is always high consensus, and everyone is responsible for the job and creates a spirit of cooperation.

- ♦ Workforce that is capable supported by a system of good policies, taken care of their material and spiritual life so workers' incomes and mentality are stable, maintaining close ties with the Company.
- ♦ The management and operation of the Company follow the situation, promptly taking appropriate measures to respond to the realities of the market changes.

With the principles of the Board of Management is "Adhering to the long-term direction to ensure sustainable development but flexible with short-term solutions to ensure to accomplish business targets". In the year 2011, the Board of Management focused on the following key activities:

- ♦ Building an "Overall development strategy of Binh Minh Plastic to year 2015, vision in 2020".
- ♦ Improving internal management platform through review of the Charter, Company management regulations and other provisions based on best Company management practices. Making perfect the structures of the factories and to prepare human resources for the transfer of operational activities and expansion of the Company in 2012.
- ♦ To closely monitor the operating activities and to promptly direct the Board of Directors to plan and implement business solutions that suit the market changes to ensure the highest efficiency of production and business activities in the year.

4. IMPLEMENTATION IN 2011 AND PLANNED TARGETS IN 2012

★ Economic and Industry appreciate in 2012:

Macroeconomics

The year 2011 passed by with challenges, changes not only to the economy of Vietnam but also to the world economy. The public debt crisis originated in Greece threatening the stability and solidarity of the European Union, the unresolved turmoil in North Africa and the Middle East as well as the heavy hits from the severe earthquake in Japan and the historical flood in Thailand brought direct impacts to the economy of Vietnam at different levels.

In the country, the macroeconomic instability continued with inflation in 2011 increased 18% as compared to 2010 while economic growth

was only 5.9%. In addition, increases in market interest rates especially for non-production areas such as securities, real estate and consumption had significant impacts to business operations in these sectors and relevant industries such as construction and building materials production, finance - banking.

Overview on the plastic industry

Consumption demand: According to figures published by the Plastic Association, during the 5 past years, the plastics demand of Vietnamese has increased double from 16 kgs / person in 2006 to the level above 32 kg / person in 2010. However, as compared to the average plastic consumption of the world of 40kg/person and over 100kg/person and for the countries in North America and Western Europe (according to BASF AG), plastic consumption demand of Vietnam is still quite low. According Plastic Europe Market Research Group, the growth rate of annual average consumption of the world was 9% since 1950 and Asia (especially China and India) have become the leading plastic consumption market in the recent years. In the domestic market, according to calculations by the Ministry of Industry and Trade, the growth rate of plastic production for the period 2005-2010 was relatively high, about 20% / year, particularly the plastic pipes for construction materials increased by 25% / year. Which indicates the potential market for the plastics industry in Vietnam in general and plastic pipes for construction demand is extremely great.

Competitive environment: According to the statistics of Vietnam Plastics Association, Vietnam now has more than 1,000 enterprises operating in the plastics industry, in which, there are 1,064 enterprises having invested capital of 500 million Vietnam Dongs. However, most businesses operate under the model of plastic household, lack of capital in production and business activities as well as intensive investment products focused on consumer goods plastic or packaging plastic which does not require high techniques and technologies. Thus, although the number of enterprises operating in the plastics industry is quite larger than other economic industries; competitive environment is not too high to the group of products requiring high techniques and investment capital such as: plastic for construction materials industry, supporting industries, advanced packaging industry.

Particulars of plastics industry: Although the average growth rate on plastics industry is quite

high in the few recent years but it has not still solved two basic problems related to raw materials and labor quality. According to the information from the Ministry of Industry and Trade, now the enterprises in the plastics industry still import 70-80% of raw materials for industry, leading to a deficit of plastic industry around 2 billion Vietnam Dong each year. In addition, there are very few existing schools specialized in plastics to ensure human resources for the industry. Therefore, besides the issues of training and retraining of employees, the policies retaining skilled workers also faced to difficulties because of very limited sources of supply particularly for industries requiring high technology.

★ PERFORMANCE RESULT IN 2011

Although there are many difficulties in 2011, the Company also overcame the planning targets in 2011 adopted by the General Meeting of Shareholders, detailed as follows:

No.	TARGETS	CALCULATION UNITS	PLAN 2011	IMLEMENTED		COMPARED RATE OF GROWTH (%)	
				IN 2011	IN 2010	PLANED	PREVIOUS YEAR
1	Revenue	Billion	1.652	1.826	1.417	9,5%	28,9
2	Profit before tax	-	300	384	314	21,9%	22,3
3	Dividends	%	20	20	20	0,0	0,0

★ ECONOMIC AND INDUSTRY FORECAST IN 2012

Macroeconomics

The world economy in 2012 is forecasted still facing to many difficulties and challenges. The solution to the problem of public debts in the European Euro area has not found a common voice yet. The unsecured in North Africa, Middle East and the Mediterranean have not shown yet when it will end. Besides, the arms race that secretly takes place when a series of countries such as China, India, Iran, Israel have been strenthened their military capacity.

In such context, Vietnam's economy is forecasted still to face to many difficulties in its efforts to restructure the economy by the Government. With the priority to control the inflation, stabilize the social and economics, renovate widely and deeply the national economy, economic growth in 2012 is forecasted hardly to achieve high growth rate (it is forecasted to about 6%). Besides, the interest rate issue has not shown any signs of hypothermia which would be a huge barrier to overcome difficulties for businesses, especially the real estate and construction business.

Prospect of the industry

Not bright prospect of the real estate and construction industries as well as monetary tightening policy, reduction of public investment by the Government would be significant barriers affect the business activities of plastics industry enterprises, specially in plastic industry for construction material. Production and consumption of the enterprises in the industry will suffer significantly from tightening monetary policy, reduction of public investment as well as the gloomy situation of the construction and real estate industries. According to the plastic industry development planning in Vietnam by 2020 and the line of vision by 2025 as approved by the Ministry of Industry and Trade on 17 June 2011, the growth rate of industrial production value in the stage of 2011-2015 will be approximately 17.56%/year, and gradually reduce the proportion of group of packaging plastic products and household use plastic products and gradually increasing the proportion of construction material plastic and engineering plastic. However, in the difficulties of the economy, the growth of plastic industry in 2012 will be at only 8% -12%, lower than the average of previous years and lower than the growth targets as in the planning of plastic industry. In addition, the demands for plastic products from the regional countries will be an important driving force in the country to look for plastic export markets and reduce the deficit of the sector.



Opportunities of the Company

Summary of SWOT analysis of Binh Minh Plastics:

STRENGTHS S1: Huge financial capacity, modern machines and equipment, fast capital recovery. S2: Ability to enter and access to the market. S3: Having leading position in customers. Product diversity, richness, high quality international standards. S4: Higher labor productivity. S5: Wide distribution network with tight organization. S6: Having good relationships with suppliers.	OPPORTUNITIES O1: Expand the market to neighboring countries. O2: Restrictive import policy of the Government. O3: High market demand. O4: Higher standard of living and people's background.
WEAKNESSES W1: Present narrow space effects to meet orders. W2: No active role in making mold, lack of innovations with a high concentration of intelligence. W3: No penetration on large projects. W4: No development of foreign market share. W5: Price is high. Lower dealer discount. W6: Human resources for management are always at overload.	THREATS T1: Transport rates, petrol prices, raw material price volatility. T2: Risk of payment. T3: Market saturation T4: Competing in the country, the invasion of Thailand, China.

On that basis, the Company plans in 2012 with the same criteria as in 2011:

No.	TARGETS	CALCULATION UNITS	PLANS IN 2012
1	Revenue	Billion Vietnam Dongs	1,830
2	Profits	-	350
3	Dividends	%	20

To achieve this plan, the strategy is:

- ♦ Scale enlargement. Tapping into the domestic market, looking for export opportunities.
- ♦ Brand positioning. Developing distribution systems. Improving competitiveness and reputation of the products
- ♦ Diversification of products. Search for stable supply sources.
- ♦ Link the businesses with the related industries in order to enhance domestic use. Cut the bad debts.

Platform strategy:

- ★ Binh Minh is the famous leading professional manufacturer of plastic pipe in Vietnam, accounting for approximately 50% market share in the South and 25% all over the country. Now the enterprise has three factories in Ho Chi Minh City, Binh Duong and Hung Yen with a capacity of 50,000 tons / year, when completion of construction of the 4th factory in Long An, total capacity will be raised to 150,000 tons / year, fully meets the domestic needs and approaches to exports its products abroad.
- ★ The strong competition in the industry is both the dynamic as well as the challenge in the selection of segments of products and markets that meet the development requirements, satisfy consumer demands, but to ensure production efficiency of the business enterprises.
- ★ The main competitors in the market targeted product segments moderate quality, cheap, and flexible terms of trade, especially the strategic application of "followers" to survive next to Binh Minh Plastic.

Capacity to deploy strategies

- ★ Resources for the implementation of the strategy:
 - ♦ Sufficient financial resources for the strategy including retained earnings, bank capital credit on offer by the inherent prestige of Binh Minh Plastics, capital by issuing shares and bonds when necessary.
 - ♦ Quite high quality of human resources with nearly 100% of laborers graduated from high school, in which, over 20% of intermediate, college and nearly 20% of university and post university.
- ★ Arrangement and use of resources and assets:
 - ♦ Based on the development situation of the market that adjusts the allocation of appropriate resources at the factories in the South and the North.
 - ♦ Improve the quality of human resources in the South, apply secondment policy in the first time in the North, recruit and train for replacement in the future.

- ★ Binh Minh Plastics is consistent in strategic direction, in the use of resources to create unified solidarity for development goals and long-term stability of the business, which are the core competitiveness and profit competitiveness of the business leading to the deployment of business strategy.

In order to achieve the objectives of the plan in 2012, the Board of Management further directs the Board of Directors to adhere to long-term strategic to brand positioning in the segment of high-quality products, variety of species, abundance, large distribution systems with consistent and flexible policies. Continue to conquer the domestic market, is to accompany with water, electricity, telecommunications and construction business. Gradually develop its market share to the overseas market. Affirm the top position through revenue growth, consumption and efficiency every year.



REPORT OF THE BOARD OF GENERAL DIRECTOR

A. FINANCIAL SITUATION

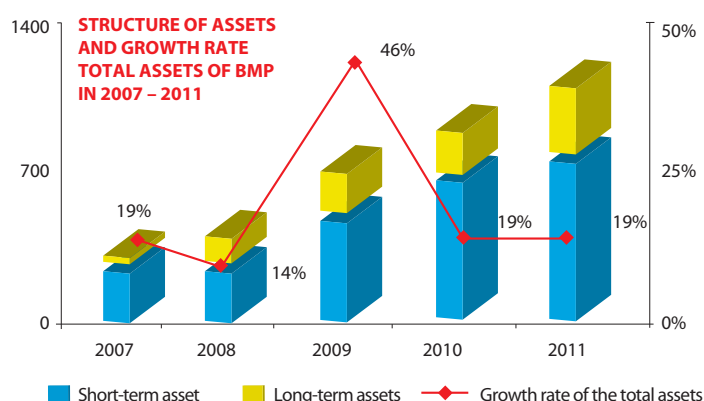
1. ASSETS AND EQUITY

Assets

TARGETS	UNIT	2011	2010	2009	2008	2007
Total equity	Billion VND	1.166	982	824	566	498
- Short-term assets	"	788	708	550	342	349
- Long-term assets	"	378	274	274	224	149
Liabilities	"	117	130	152	86	84
- Short-term liabilities	"	115	128	151	85	83
- Long-term liabilities	"	2	1	1	1	1
Sources of equity	"	1.049	852	672	480	414

Source: BMP's Consolidated Financial Reports 2007 – 2011

With the principle of sustainable development, it is deserving of the national brand, also the leader in manufacturing plastic pipes and fittings Vietnam, the total equity of BMP has increased continuously over the recent years. In 2011, total equity of BMP has reached to 1,166 billion, growing 19% as compared with 2010 and more than double as compared to 2007. Growth rate of total equity in 2010 and 2011 is stable at 19%, so the company is focused in investment in depth, equipped with more modern equipment and machines to meet business demands and prepare potential for further development in the future.

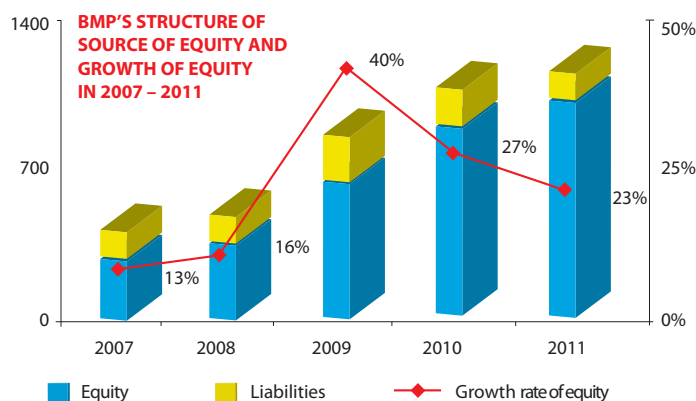


The target program in the coming years is expansion, and investment a new factory in Long An, deploy information technology in business administration. Therefore, total equity will continue to grow consistently in accordance with the need of expansion and development of the company.

Source of capital

Along with the trend of the assets, the capital of BMP has increased over the years from 2007 to 2011. In 2011, the equity is up to 1,049 billion, growing 23% than the previous year, which mostly increase profits undistributed funds, fund development, financial reserve fund.

In 2011, the proportion of equity as compared to liabilities of BMP is increased 9 times, this indicates a strong financial

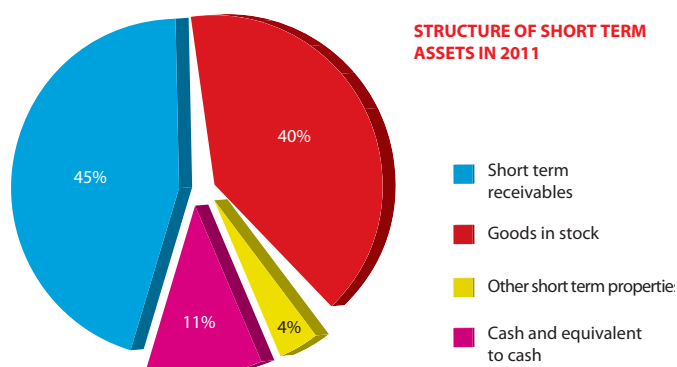




structure and stability. This is the result of the spirit of collective responsibility of the leadership in the company in operations and strategic decision-making, especially in the period of high inflation and high interest rate as at present.

Short term assets

BMP's short-term assets by the end of 2011 reaches to 788 billion, growing 11.3% as compared to the same period in 2010. In the structure of short-term assets in 2011, two major items are short-term receivable at 45% and inventory at 40%, consistent with the nature of business and commercial production. Account Receivables increased 52% as compared to year 2010, mainly due to BMP's signed delivery contract for major projects, easing debt recovery time. In addition, with the supporting policy applicable to customer agents, BMP has created conditions for customers to buy a maximum debt to value their assets according to the regulation of mortgage debt control. With this offer, total assets pledged to BMP has become more and more, therefore, balance of receivable is growing more and more.



The BMP implements loose credit policies in order to increasing sales but always enhances the recovery of debts, ensuring timely debt recovery, the likelihood of bad debts is at very low level. Therefore, although the proportion of debts increased, but the proportion of bad debts as compared to the revenue decreased from 0.19% to 0.07%.

Over the years, the company has hold proportion of stock roughly the same, paying special attention to the work of well-managed inventory in the stage of raw material and finished product storage, at the same time, always trying to boost consumption products, avoid stagnation of goods in stock for too long time.

Long-term assets

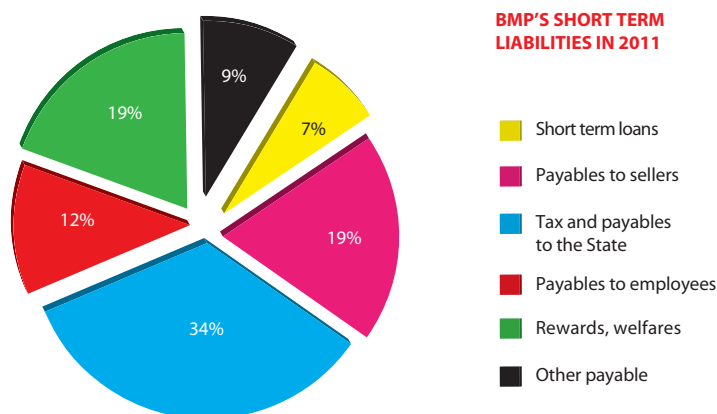
The main long-term assets of BMP in 2011 was primarily fixed assets, in which, tangible fixed assets is mainly, making up 67% of the long-term assets. Last year, BMP bravely invested machinery and equipment of 1200 mm diameter HDPE pipes, with a total value of over 40 billion Vietnam Dongs in order to diversify the portfolio of these products. In addition, BMP has also been installing and taking over two other HDPE pipe lines, completed more factories in Song Than Industrial Park and a number of works in progress. It is expected that as soon as completion of this project in quarter 1/2012, it will contribute to increase significantly BMP's total of assets.

Contributing to the growth in long-term assets in 2011 is the cost of leasing land for 50 years in Vinh Loc Industrial Park, Ben Luc, Long An. The scale of factories, warehouse serving to the business here is nearly 16 hectares, the total value of the lease up to 260 billion Vietnam Dongs. BMP plans to invest to this factory within the next few years with the worth of hundreds of billions Vietnam Dongs. This development plan aims to expand the production scale and growth to meet the increasing demands of consumers, confirm the BMP's position in manufacturing plastic construction.

Payables

In the structure of liabilities in 2007 - 2011, short-term liabilities is the majority, however, the proportion of short-term liabilities in total of assets is very low (about 10%), demand for payment of short-term liabilities is not the pressure in the financial policy of the company.

Major proportion of the structure of short-term liabilities of BMP in 2011 was taxes and payable to the State of 34%, account payables of 19%, short-term loans of 7%. The essence of BMP's short-term loans is the prepayment by customers for deferred purchase under the regulations on customer debt control.



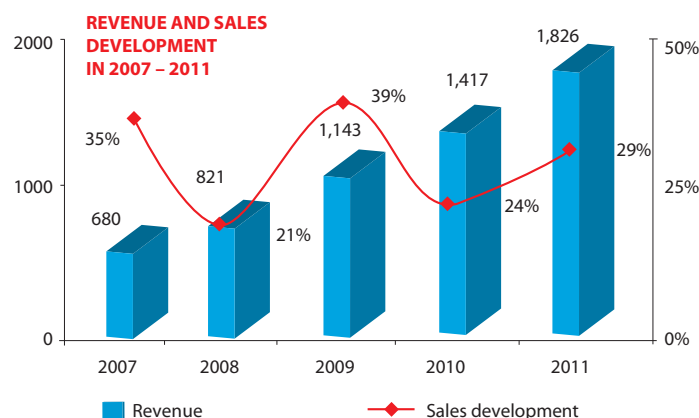
In recent years, as recognized the negative impact of interest rate fluctuation in the market, the Company leaders have actively applied a restricting policy on the use of loans and utilized their own capital to procure fixed assets. This structure has been stable for many conservative years. And this policy has proved quite successful, promoted the advantages and increased the competitiveness of BMP as compared with other competitors in the industry.

2. REVENUES, EXPENSES

Revenues

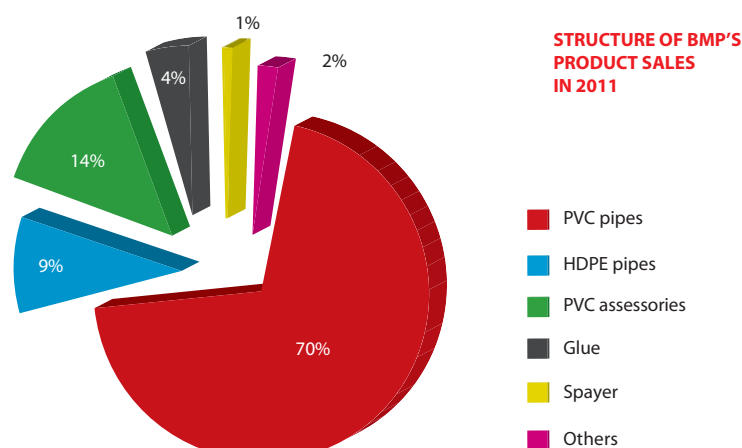
In 2011, BMP's sales reached 1,826 billion Vietnam Dongs, got the growth of 29% as compared to year 2010, production and consumption has been in the favorable progress against the planed target.

To meet the increasing needs of customers, BMP has great attention to research and product development towards diversification based on core competencies of the company, strengthening the domestic market expansion through by expanding the distribution system, applying flexible sales policy for both the agent customers and the project customers as one of the main reasons to increase the sales of the BMP.



Business activities of products manufactured by the company have always been BMP's strength, demonstrating the stability and sustainability of the enterprise. In the structure of product sales manufactured by BMP in 2011, mostly proportion was PVC pipes (70%), PVC pipe fittings (14%), HDPE pipes (9%).

Outstandings in the structure of BMP's product lines is the diversification development of types and sizes of HDPE pipes. With the advantage nature of this pipe such as stable quality, long life, reduce loss and water pollution, friendly with the environment ... and can be widely used in drainage systems, underground cable protection for electricity industry, gas system, gas recovery at gabbage dump. Therefore, last year, BMP bravely invested to develop this product line through operation of the HDPE pipe product line machine with the diameter of 710 – 1200 mm and this product line has played not an integral small part to BMP's turnover.



BMP' cost structure of BMP in 2007 - 2011

TARGETS	2011	2010	2009	2008	2007
Cost of goods sold / Net sales	74,2%	73,1%	70,6%	77,2%	79,1%
Selling expenses / Net sales	2,9%	2,8%	2,2%	3,1%	2,9%
Management expenses / Net sales	2,3%	2,3%	2,5%	3,4%	2,9%
Financial expenses / Net sales	0,5%	0,5%	0,3%	2,9%	0,1%

Source: BMP's Consolidated Financial Reports 2007 – 2011

The percentage of cost of goods sold as compared to the BMP's net sales has gradually decreased from 2007 to 2010, particularly, in 2011, it was increased 1% as compared to 2010. The reason was the price of main raw material in the middle of 2011 was increased 30% as compared with the starting time of the year. In addition, power consumption cost was one of the factors in BMP's high proportion of production costs, the average price of electricity was increased up to VND 1,242/ kWh, increased 165 Vietnam Dongs per kwh as compared to the last year, petroleum price was also very fluctuant, but BMP could partially offset the additional costs due to price increases of 15%. Moreover, because of better inventory management, BMP was reserve an amount of material at low price in the beginning of the year, in addition, the price of raw material price at the end of the year was decreased about 25% as compared to in the middle of the year, the result was the cost price was only slightly increased as compared to the whole year earnings.

In general view, the structure of the selling expenses, administrative costs as compared to BMP's net sales, has not much changed over the years. The percentage of increase in selling expenses and administrative costs in 2011 was approximately equal to the increasing rate of net sales. The component costs mostly came from costs of marketing,



advertising, promotion, sales support transport in order to boost sales, attract new customers, potential customers. The percentage of BMP's cost of sales, management were lower than the major competitors in the plastic industry but still brought the highest revenue and profit.

The proportion of financial cost was significantly decreased as compared to net sales in the year of economic crisis in 2008, and has been very stable from 2010 to 2011. During the two years, BMP did not use financial leverage, therefore, financial expenses was mainly from the policy of immediate discount payment to customers.

BMP always pursues the target of cost savings, in order to lower production costs, reduce management costs, and bring the best effect to production and business activities. In addition, the BMP's commitment to the customer's benefit, continuous renovation, improvement of product quality, service quality and application of flexible sales policy have brought the results beyond its plan.

3. FINANCIAL SITUATION

In the context of the world economy last year continued in instability, low economic growth, high inflation, tight monetary policy, psychology of pessimism and standing outside the market ... are the factors negatively affecting the real estate market. Plastic construction industry also faces huge challenges while the major construction works heavily influenced by real estate funds are not disbursed. The plastics businesses are always trying to find the ways to overcome difficulties, maintain their operation.

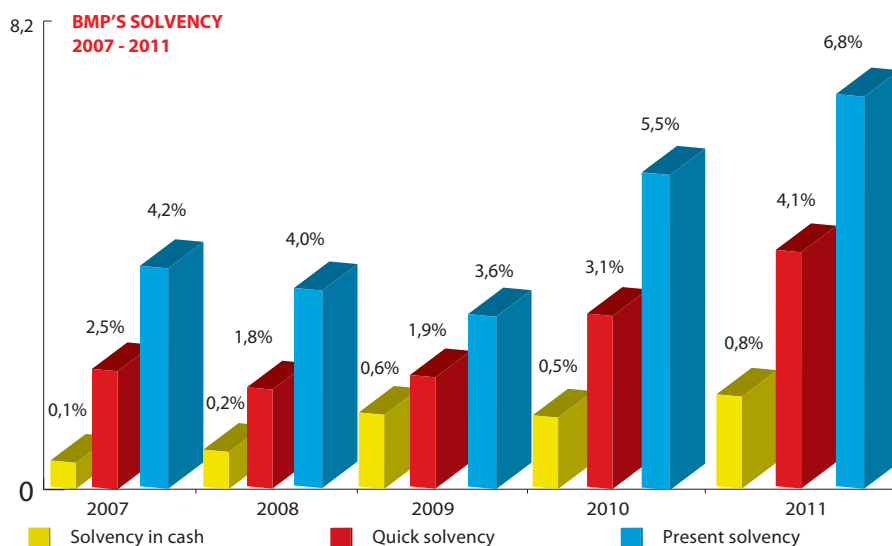
However, in 2011, BMP's revenue increased 29% as compared to the same period in last year, exceeds by 10.7% against the plan. The profit before tax increased 22.5% as compared to 2010, exceeds 28% higher than plan. Most of BMP's targets were increased. It is demonstrating the stability and sustainability of the financial situation of the enterprise, worthy of the leading enterprise in the plastic industry in Vietnam.

Solvency

From 2007 - 2011, the current solvency ratio is always maintained at high levels, from 4.2 in 2007 to 6.8 in 2011, showed that short-term asset value always secures for payment of short-term liabilities; payment risk has not almost existed.

Quick solvency ratio at the end of 2011 was 4.1, being the highest in period

2007-2011. Thus, if except the value of inventory, when determining the guaranteed level of payment for short-term liabilities, just a Dong of short-term liabilities at the end of 2011 will be 4.1 of assets having high liquidity to secure the payment obligations.



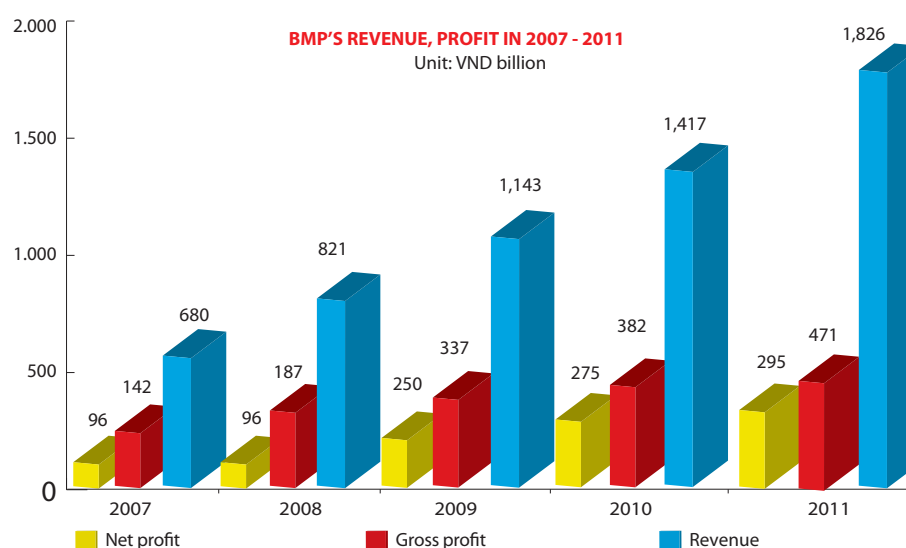
In general, due to not using loan funds, BMP's solvency has more positive development signals, at the same time, it improves the ability to property flow at better positive trend than other enterprises in the same industry. With the advantage of solvency, BMP has been utilized to purchase materials and goods from suppliers at preferential price, reduced input costs, increased business efficiency.

Profitability

TARGETS	2011	2010	2009	2008	2007
Gross profit / Net sales	25,8%	26,9%	29,4%	22,8%	20,9%
Profit before tax / Net sales	21,0%	22,1%	24,9%	13,9%	16,4%
Profit after tax / Net sales	16,1%	19,4%	21,9%	11,7%	14,1%
Profit after tax / Total of average assets	27,4%	30,5%	36,0%	18,0%	21,0%
Profit after tax / Average equity	31,0%	36,1%	43,4%	21,4%	24,6%

Source: BMP's Consolidated Financial Reports 2007 - 2011

BMP's gross profit in 2011 was 471 billion, equivalent to 25.8% of net revenue. Compared to the years 2006 - 2007, the percentage of gross profit / net sales increased, but during the recent years, this rate tends to decrease. The reason is that, in 2011, the revenue growth rate of 29% lower than the growth of 31% of cost of goods sold. The importance of adequate control of cost



of goods sold targets is very important task of BMP in particularly speaking and manufacturing enterprises in generally speaking. However, the BMP has attempted to control well the costs, application of modern machinery to reduce the consumption costs of raw material, reduce scrap rates, so that the gross profit is still maintained at high level.

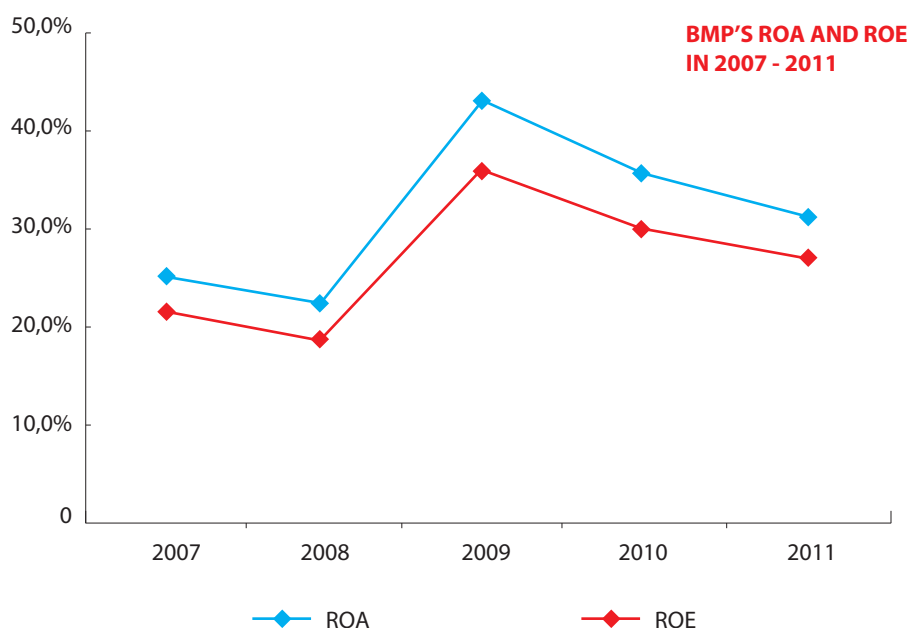
With the goal to control well the costs, in 100 Vietnam Dongs of sales that BMP earned in 2011, there is 21 Vietnam Dongs of pre-tax profit. The trend of the proportion of profit before tax as compared to revenue also decreases slightly, about 1%. The decrease in 2011 as compared to 2010 are recognized from the change of gross profit, because the growth rate of selling expenses, administrative costs in enterprise are equal to the growth of revenue, so is does not affect this percentage, which simply comes from the slight increase of cost of goods sold.

Profit before tax is deceased 1.1% as compared with net sales while profit after tax is decreased 3.3% as compared to net sales. The reason is that in the total of 52 billion Vietnam Dongs of tax cost increased in 2011 as compared to 2010, partly due to the fact of increase of profits of 15 billion Vietnam Dongs from the parent company, partly due to the increase of tax rate changing from 12.5 % to 25%, totally 37 billion Vietnam Dongs. In the beginning of 2011, the parent company no longer enjoyed preferential tax policies by equitization and annoucemnt on stock exchanges in the period from 2004 to 2010. Meanwhile, Binh Minh Plastics in the North continued to enjoy incentives under the investment policies applicable to the new industrial zones in Hung Yen, free from corporate income tax, therefor, the full pre-tax profit of Binh Minh in the Northern fully contributed to BMP's consolidated profits.

Return on assets (ROA) in 2011 reached 27.4%, higher than the rate of the enterprises in the same industry but lower than in 2009-2010. Although net profit was up 7% but in the year that BMP implemented its investment projects to the new projects such as procurement of fixed assets of 88 billion Vietnam Dongs,

pre-payment of 72 billion Vietnam Dongs for land lease at Ben Luc Industrial Park, Long An... That caused 19% increase in assets. Because of putting into use recently, these assets have not brought economic effect immediately. This is why this year's ROA fell against the previous period.

Return on ROE equity reached 31% in 2011, decreased 5.1% as compared to 2010. Although this indicator decreased in the past year but in the common ground, BMP has been operating very efficiently, contributing to increased accumulation capability for the company and increasing assets value for the owners.

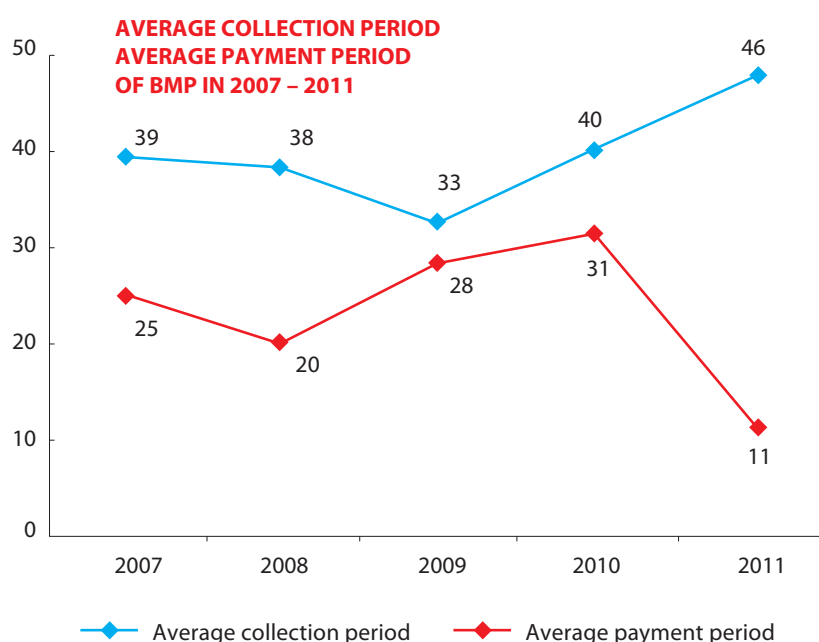


Operational capacity

TARGETS	UNIT	2011	2010	2009	2008	2007
Average payment period	Date	46	40	33	38	39
Days of storage	Date	11	31	28	20	25
Turnover of fixed assets	Times	84	101	104	94	89
Turnover of total of assets	Times	6,6	5,3	4,7	4,5	6,5
Vòng quay tổng tài sản	Lần	1,7	1,6	1,6	1,5	1,5

Source: BMP's Consolidated Financial Reports 2007 - 2011

With the loosening policy on credit sales, average collection period in 2011 of BMP is 46 days, increasing 6 days as compared to 2010. Although extension of time for taking back debts, this policy has contributed to the increase in sales this year. The quality of the receivables is almost guaranteed by mortgaged assets of the customers such as houses, land ... under the regulations of control of debts and these assets are valued by the independent functional and competent authorities, therefore, the risks of incurred irrecoverable bad debts are very low.

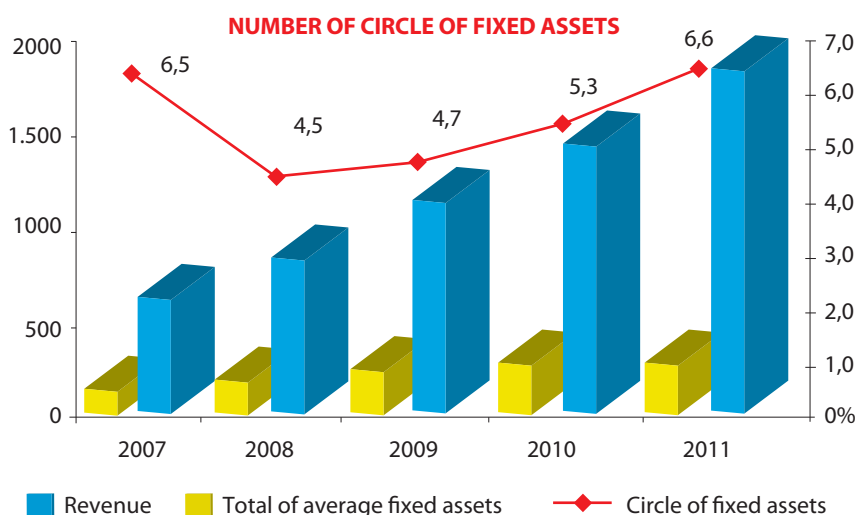


Average payment period of BMP significantly reduced from 31 days in 2010 to 11 days in 2011. The reason is that BMP are taking advantage of

the redundant resources of their capital, buying goods and making payment immediately with more favorable price, saving input cost.

With the efforts to control costs, maximize leverage of materials, spare parts, equipment, machinery, BMP's performance of use of assets from 2007 - 2011 has steadily increased over the years. The number of days in inventory decreased from 101 days in 2010 down to 84 days in 2011. Good management of goods in inventory partly due to management of inventory is very seriously attached very important by BMP, utilizing methods of inventory management optimization, always reserves the minimum amount of goods in stock to meet customer needs and the quality material is large enough to not shut down the production line.

The number of fixed asset has increased continuously from 2008 to 2011, indicating that BMP is striving to exploit more effectively than its machinery. The ability to generate revenue per a Vietnam Dong of fixed assets in 2011 as compared to 2010, increased 1.3 Vietnam Dongs, equivalent to 24%. Achieve this by the efforts of the maintenance, repair and equipping of new equipment in order to improve production capacity along with increasing sales in order to the effective exploitation of the machine.

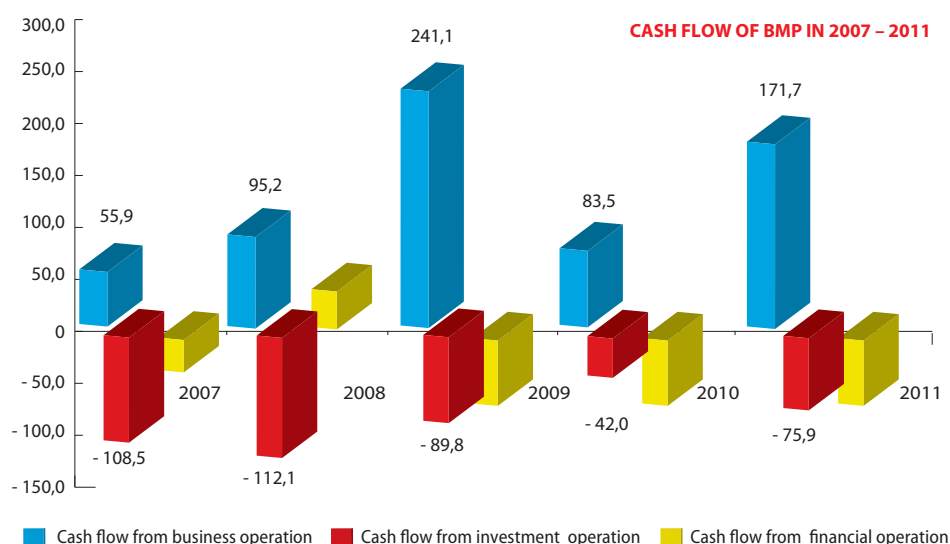


Cash flow

TARGETS	UNIT	2011	2010	2009	2008	2007
Cash flow from business operation	Billion VND	171,7	83,5	241,1	95,2	55,9
Cash flow from investment activities	"	-75,9	-42,0	-89,8	-112,1	-108,5
Cash flow from financial activities	"	-74,2	-68,7	-75,0	27,0	-41,7
Net cash flow in the year	"	21,5	-27,3	76,2	10,1	-94,2

Source: BMP's Consolidated Financial Reports 2007 – 2011

Cash flow from business operations of BMP in 2011 was 171.7 billion, greatly improved as compared to 2010. In addition, during the period from 2007 to 2011, cash flow from operations has been always positive; indicating the ability to generate cash from operations of BMP is very good. After performing the needs for business operations, the proceeds from this activity in 2011 was still 171.7 billion Vietnam Dongs so that it was possible to divide profits to the owners or pay for investment demands.



In the term, by expanding investment, BMP spent 88.4 billion Vietnam Dongs to procure fixed assets. At the same time, BMP also got income from asset liquidation, deposit interest, dividend of 12.5 billion Vietnam Dongs, so the demand before investment expanding was only 75.9 billion Vietnam Dongs.

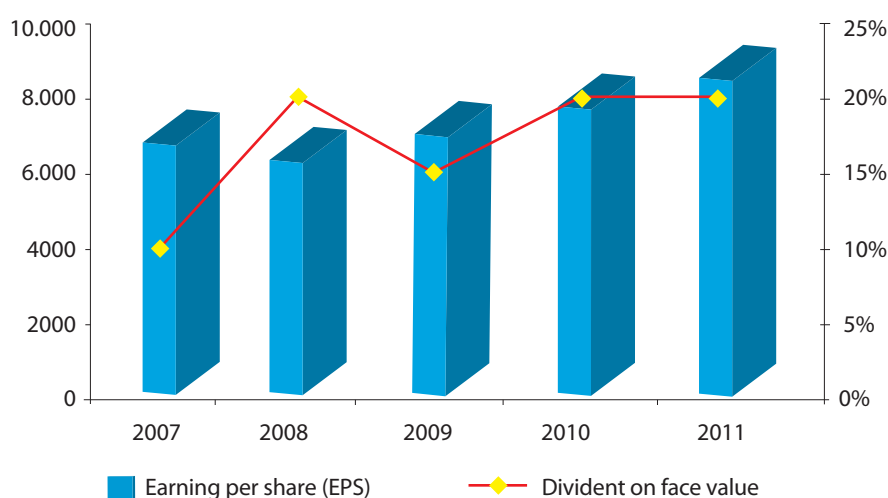
Because the enterprise divided after-tax profit of 70 billion to the owners, payment for extra debt from loans of 4.2 billion Vietnam Dongs, in which, increased debts of loans is 28.2 billion Vietnam Dongs, decreased of debts from loan of 24 billion Vietnam Dongs, therefore, the demand for money for financial operation of 74.2 billion Vietnam Dongs.

With funds generated from business operations, BMP did not only perform its regular needs in spending, but also could divide interest, invest to fixed assets, settle loans. The ability to pay by cash generated from good business operations in 2011 and much improved as compared to 2010, and this was the inevitable trend for the company to avoid falling into the state to increase funding sources continually from the outside, reducing the efficiency of capital use and increase the risks of payment.

Earning per share (EPS), dividends

Trends in earnings per share of BMP from 2007 - 2011 has increased, and in 2011, the EPS reached 8,419 Vietnam Dongs, proved to be effective business operations and profitability to improve in the years for BMP.

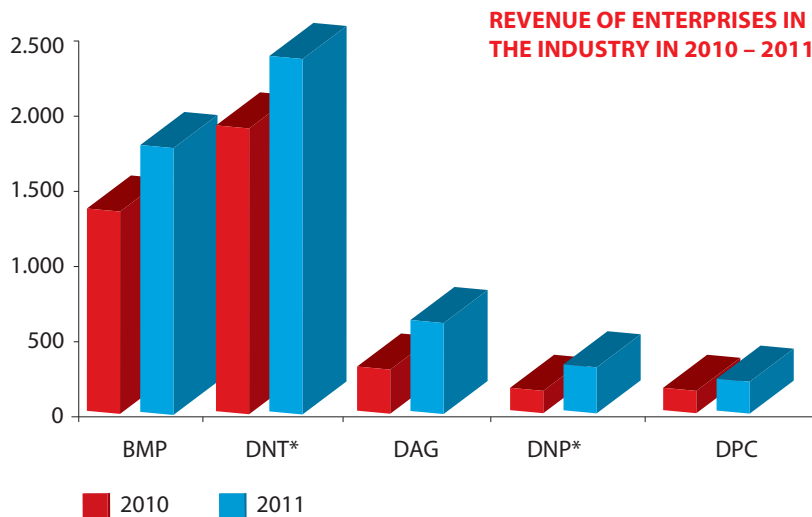
In recent years, the BMP has always made efforts to maximize enterprise value for the highest benefits for shareholders. A reasonable dividend policy is always considered by the Board of Management and adopted by a General Meeting of shareholders through to satisfy the needs for stable and inconsistent income for the investors and ensure a percentage of retained profit is good enough for the needs of production and business activities, maintaining sustained growth of the company.



BMP's position in the construction plastics industry

TARGETS	BMP	NTP*	DAG	DNP	DPC
Net Revenue (billion Vietnam Dongs)	1.826	2.343	643	348	98
Net profit (billion Vietnam Dongs)	295	259	12	11	5
Gross profit / Net sales	25,8%	27,9%	13,4%	11,4%	18,8%
Financial expenses / Net sales	0,5%	3,3%	5,7%	5,0%	2,9%
Cost of sales, management / net sales	5,1%	14,4%	5,6%	4,8%	9,8%
Net profit / Net sales	16,1%	11,1%	1,9%	3,0%	5,4%
Total assets (billion Vietnam Dongs)	1.166	1.504	506	229	60
Equity (billion Vietnam Dongs)	1.049	953	159	80	40

Source: Financial statements of enterprises in 2011, website of fpts.com.vn; (*) data reported by the parent company.



At present, Binh Minh Plastic (BMP) and Tien Phong Plastic (NTP) are the two greatest enterprises in construction plastic pipes on scale of assets and operation performance. As reported by Kim Eng Securities Company, released in November 2010, NTP took 30% and BMP took 20% of construction plastic pipe market share, in which, BMP took 50% of market share in the South. For scale, consolidated revenues of BMP reached 1,826 billion Vietnam Dongs, equivalent to 35%, and at the 2nd stand in the total revenue of the industry.

However, net profit of BMP is on the top due to the financial costs, selling expenses, administrative costs are lower than other enterprises. Selling expenses and management costs of BMP made up only 5.1% of the net revenue, particularly, the financial costs are negligible, only 0.5%. As a result, the net profit as compared to sales of BMP offers the highest efficiency in the industry, equivalent to 16.1%.

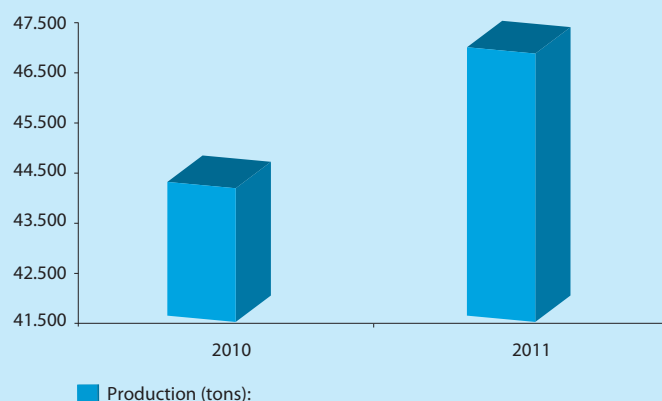
Although the results was very encouraging in the past year, but BMP will not stop improving, equipping with machinery, building more factory to enhance production capacity, and application of modern management processes in corporate governance in order to make environmentally friendly products, better meet customer needs. And above all, is to maximize the business value, bring the highest benefits for BMP' shareholders, worthy of the title of the top leading enterprise in the plastic industry in Vietnam.



B. RESULTS OF PRODUCTION AND BUSINESS

1. RESULTS OF PRODUCTION AND BUSINESS ACTIVITIES IN 2011

In very difficult conditions in 2011, frozen real estate market, significantly reduced purchasing power, raw materials unpredictable fluctuations, the company still has the basic advantage of the brand, increase access large projects, flexible sales policy changes to adapt quickly to market conditions, the Board of Management got right orientation and the Board of Directors has made the appropriate measures to "take advantage, carving limitation ", the company has achieved business results very impressive in 2011 shown by the chart below (consolidated figures):



2. ASSESSMENT OF THE EFFECTS OF PRODUCTION AND BUSINESS OPERATION IN 2011:

To achieve these above results and business operations, the Board of Directors of the Company adhered to the direction of the Board, timely captured information and focused intelligence and collective capacity of the management staff in the company to plan the immediate solutions to an important contribution to fulfill the criteria proposed by the Shareholders General Meeting 2011. The main reasons for ensuring the above result were:

- ★ The capital cost was low due to reasonable use of funds, limiting the amount of loans with high interest rate.
- ★ Actively source of material for a special favourable price to great customers and reputable suppliers of raw materials.
- ★ Save up costs through technical measures, technology and innovation management activities to reduce costs and improve business performance.
- ★ Strengthen and support distribution system all over the country to boost sales and expand customers and improve market share.
- ★ Create consensus within the company in an effort to practice thrift, to improve productivity and share common problems.

3. ACHIEVED ADVANCES:

Apprenticeship program officers were deployed throughout the whole company to plan, train human resources for the current reserves and future.

Review of policies related to labor, wages, remuneration, the scope of delegation and authorization to increase the effectiveness of staff and departments in the company.

Identify and establish product strategy consistent with the overall strategic direction of the company.

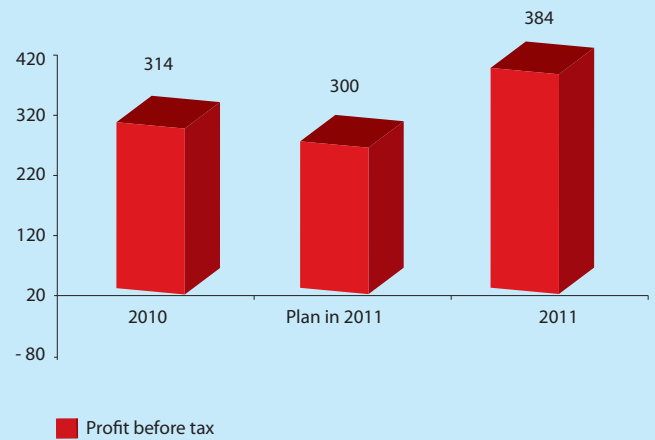
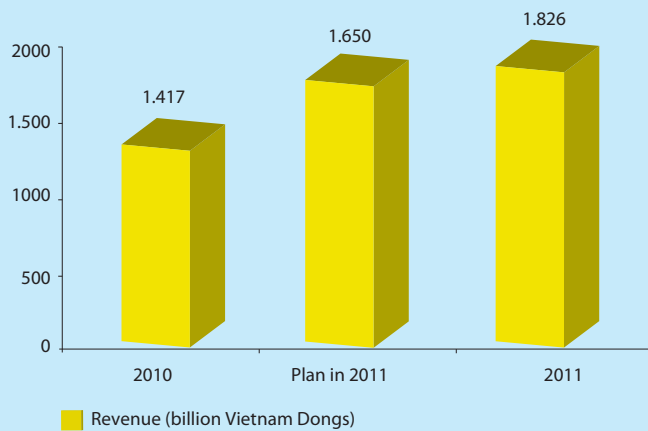
Change brand image recognition Binh Minh throughout the distribution system of the nationwide company. Develop strong catalog system.

Coordinate better with the authorities to control the anti-counterfeiting Binh Minh trademark.

Establish Internal Supervision - Risk Management to enhance operational efficiency.

4. OUTSTANDING ACHIEVEMENTS:

In 2011, the Board appreciated some outstanding achievements of the Company with the following major objectives:



- ★ Maintain the revenue growth and profitability as compared to 2010.
- ★ Develop and put in application of environmental management systems (EMS) under ISO14001 standards.
- ★ Implement the chosen solution, and partners for performance of management system for enterprise resource (ERP) as the basis for administrative activities of the company in the long term.
- ★ Implement the design and technology planning steps to implement the project of Binh Minh Long An Factory
- ★ Plan and prepare for "In integrated operations made on the 35th anniversary of incorporation 16 November 1977 – 16 November 2012"..
- ★ The Prime Minister presented the Government emulation flag to the leading unit in the competition movement in 2011 and the President awarded the Independence Medal at the 2nd Honour for "Exceptionally Outstanding Achievements in Business, Contribute to Build Socialism & National Defense ".

5. GOALS 2012:

To achieve the plan that the Board expected to keep the revenue in 2011 and keep the equivalent pre-tax profit at 350 billion Vietnam Dongs in the context of many objective difficulties and subjective challenges of investment and re-expansion. The Directors continues to pose long-term and situation solutions:

Long-term solution:

- ★ Continue to build a Binh Minh's Culture, create the pride for employees with the spirit of respects the past, consensus at present and confidence toward the future. Harmonize the interests of employees, shareholders, customers and society.
- ★ Continue to build the trademark, maintain the leading position of plastic construction material in Vietnam.
- ★ Thrift, innovation promotion, environmental protection.

Situation solution:

- ★ Select the investment at the right schedule; aim to exploit the best investment efficiency.
- ★ Development of distribution networks in both the quantity and quality.
- ★ The target is to develop human resources to meet the important demands of officials in the year
- ★ Plan suitable business policy for both the South and the North.

C. MARKETING OPERATION IN 2011

To promote the image of a strong trademark in the plastic industry, in 2011, Binh Minh Plastics continued to implement activities to promote the trademark extensively and professionally.

1. BRAND PROMOTION ACTIVITIES THROUGH FAIRS:

Determining that fairs is a widely trademark promotion channel to consumers effectively in a saving cost, in 2011 the company selected to participate in a number of fairs in the country and abroad, such as fairs of Vietnam High Quality product, Vietbuild international exhibition, Vietnam – Laos Trade Fair, Vietnam – Cambodia Trade and Service Exhibition. These were large-scale fairs, directed to perform by the Government authorities

or social organizations, reputable associations. Through fair channel, Binh Minh Plastic trademark and products have become familia and close to consumers in the country and regional countries.

Taking sprayers to introduce the trademark through participate to fairs "Vietnamese products to the countryside" is a new feature in the trademark promotion, contributing to expand the market share of sprayers and create more choices for consumers in the urban regions and remote areas.





2. INTRODUCTION OF NEW TECHNOLOGIES, NEW PRODUCTS THROUGH WORKSHOP ACTIVITIES:

Especially, in 2011, seminar activities within the framework of the fair were also actively involved by the Company to introduce new products, new technology applied in Vietnam to consumers.

In addition, Binh Minh Plastic also actively participated in workshops of the Water Supply organized by Water Supply Branches, the Western Construction College in order to make better missions in consulting the use of products and more important was to bring practical knowledge to the students, contribute to the school to improve the training quality.

3. COMPANY WEBSITE – A POPULAR INFORMATION AND PROMOTION CHANNEL:

Besides the introduction of Company information, products, technology, distribution system ... in 2011, there were many activities, information of the Company were promptly announced on the company website. To do such activities, the leaders of the company has restructured the organization, assigned specific tasks to get the news, writing, checking before announcement on the website, ensuring accurate information to help partners, shareholders, customers and consumers to broaden their knowledge on the Company's activities.

Especially, in 2011, for more completion of disclosure information timely to shareholders in accordance with the regulations of the superior management authorities, the company signed a contract with a professional securities Company in charge of this business. This has been the assisted and welcomed by company's investors.





4. OTHER PROMOTIONAL ACTIVITIES:

The Company has always considered the effectiveness of promotional activities. In 2011, the Company made 10 outdoor billboards (outdoor) throughout the country at beautiful locations, good traffic back. The advertisement on the mass media was selectively performed, not pervasive. So, with low cost, the Company has achieved high efficiency promotion.

In order to make the consumers to identify easily stores under the distribution system and increase the company advertising, in 2011, the company changed their maquette signboards consistently for the whole system; material for making the signboard was also invested in accordance with the location and position of the shops in the market.



5. EXPAND MARKET SHARE THROUGH DISTRIBUTION SYSTEMS:

In 2011, it is recognized the other outstanding performance of Binh Minh Plastic. It was to develop deeply distribution system to communes and rural districts in many cities. The number of new stores developed was 178, bringing the total number of stores all over the country to 662. The quality of the service of the delivery system became higher and better, more advanced and professional, timely delivered goods, was really a bridge between the consumer in the country and the Company, contributed largely to sales growth of Binh Minh Plastic.



6. PROTECT THE TRADEMARK - PROTECT CONSUMER RIGHTS:

The awareness of protection to consumer rights is the obligation and responsibility of the true manufacturer and at the same time, it is the way to protect the legitimate interests of the Company, contribute to the country's economic development, besides the construction activities and trademark development, Binh Minh Plastic always puts the duty to protect the its trademark on the top. In 2011, the company has cooperated with the Police, Market Management of Districts 7, Binh Chanh District stopped in time for the introduction of counterfeit Binh Minh brand products in a large-scale to a construction project, and coordinated with the organizations operated in the field of intellectual property to find out and fight with the infringement of property rights under protected trademarks ... The individuals and organizations who found and cooperated in the case were recognized and rewarded by the Company.

With the impressive performance in business and trademark promotion in 2011, Binh Minh Plastic continued to be trusted and selected by the consumers to the title of Vietnam High Quality products, Vietnam Golden Star award by the Vietnam Young Entrepreneurs Association. In preparation for 2012, a year that is forecasted to remain difficulties for the world economy in general and Vietnam in particular, with the traditional solidarity and high determination of all staff, in addition to the professional promotion activities, surely the Company will complete the proposed plans, Binh Minh Plastic Trademark will confidently continue to maintain its position of a strong brand in the plastic industry in Vietnam.

FINANCIAL REPORT





EXPLANATIONS OF FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORTS

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

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

Telephone: (84-8) 39103908 • Fax: (84-8) 39104880

Major Auditor conducting audit for the company;

Ms. Nguyen Hong Nga – Auditor certificate No. 1266/KTV

Conducted the audit for the Company in 2010 and 2011

**ISSUES THAT NOTED AND ACCEPTED BY
THE AUDITOR IN THE AUDIT REPORT: NONE**

REPORT FROM THE BOARD OF DIRECTORS

The Board of Directors of Binh Minh Plastics Joint Stock Company (hereafter called “the Company”) would like to present its report and the consolidated financial report of the Company for the year ending 31st December 2011.

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 Binh Minh Plastics into a joint stock company.

The Company's business license – No. 4103002023 – was issued on 2nd January 2004. The third amendment on the business license was issued by the Planning and Investment Department of Ho Chi Minh City dated 6th February 2010.

The Company's key business activities are: making civil and industrial products from plastic and rubber; designing, manufacturing, and 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.

The Company's head office is 240 Hau Giang, Ward 9, District 6, HCM City.

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%

Events after book closure

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

Board of Management, Board of Directors and Board of Supervisors

The following is the list of members of the Board of Management, Board of Directors and Board of Supervisors 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
- Ms. Trang Thi Kieu Hau Member
- Mr. Bui Quang Khoi Member

Board of Directors:

- | | |
|--------------------------|-------------------------|
| • Mr. Le Quang Doanh | General Director |
| • Mr. Nguyen Hoang Ngan | Deputy General Director |
| • Ms. Nguyen Thi Kim Yen | Deputy General Director |

Board of Supervisors:

- | | |
|-----------------------------|------------------|
| • Ms. Nguyen Thi Phuong Nga | Chief Supervisor |
| • Mr. Nguyen Kim Thuong | Member |
| • Ms. Dinh Thi Nguyet Ha | Member |

Auditor

Nam Viet Accounting Consultancy and Auditing Service Ltd. audited the unified financial report for the Company.

Responsibilities of the Board of Directors to the unified financial report

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

- Selecting a reasonable accounting policy and applying it consistently;
- Giving careful evaluation and forecast;
- Producing and presenting the consolidated financial reports in accordance with accounting standards and related regulations;
- Producing the consolidated financial reports based on the Company's continuous business activities, except in the event where it is impossible to confirm the continuation of the Company's business.

The Board of Directors ensured that all the accounting books accurately reflect the Company's financial situation, and that the consolidated financial report complies with the current law. The Board of Directors is also responsible for the safeguard of the Company's assets from fraud and other violations.

The Board of Directors are committed to ensuring that the consolidated financial report accurately reflects the Company's financial situation, business results and cash flow as of 31st December 2011 in accordance with Vietnam accounting standards and related regulations.

On behalf of the Board of Directors

 
Le Quang Doanh
General Director

Hochiminh City, 29 February 2012

AUDIT REPORT

With reference to the consolidated financial report of Binh Minh Plastics Joint Stock Company in 2011

To : *Shareholders*
Board of Management and
Board of Directors of Binh Minh Plastics joint stock company

The audit work for the consolidated financial report of Binh Minh Plastics joint stock Company includes: Balance Sheet as of 31st December 2011, Income statement, Cash Flow statement and notes to the consolidated financial statements as of 29th February 2012, are included on page 05 to page 31 as attached.

The Board of Directors is responsible for producing the financial report. Our duty is to provide evaluation on the reports based on our auditing work.

Basis of evaluation

The audit work was completed in accordance with Vietnam's auditing standards. These standards require planning and execution to ensure that the financial reports are free from mistakes. We checked this by selecting samples and applying the necessary tests and evidence to verify the information in the report; evaluating the compliance to current accounting standards and regulations; including important forecast and evaluation of the Director as well as checking on the arrangement of the report. We ensure that our audit work is done on a legal basis for our evaluation.

Auditor of evaluation

According to our evaluation, the consolidated financial report accurately and reasonably reflects the main aspects of the Company's situation as well as its business results and cash flow as of 31st December 2011, in accordance with Vietnam accounting standards and related regulations.

**Nam Viet Accounting Consultancy and
Auditing Service Ltd. (AASCN)**

General Director



Nguyen Thi Lan
CPA No.: 0167/KTV

Auditor

A blue signature of the Auditor, Nguyen Hong Nga.

Nguyen Hong Nga
CPA No.: 1266/KTV

Hochiminh City, 02 March 2012

BALANCE SHEET

As of 31 December 2011

Unit: VND

ASSETS	CODE	NOTE	31/12/2011	01/01/2011
A . CURRENT ASSETS	100		788.219.594.081	708.383.063.586
I. Cash and cash equivalents	110	V.1	88.672.102.251	66.990.563.221
1. Cash	111		77.672.102.251	32.990.563.221
2. Cash equivalents	112		11.000.000.000	34.000.000.000
II. Short-term investments	120	V.2	-	15.840.909.091
1. Short-term investments	121		-	22.000.000.000
2. Allowance for shortterm investments	129		-	(6.159.090.909)
III. Shortterm receivables	130		352.313.877.324	300.720.716.687
1. Accounts receivable	131		279.317.365.874	183.186.503.128
2. Advances to suppliers	132		73.345.034.846	118.221.938.742
3. Other receivables	135	V.3	548.559.292	294.733.700
4. Allowance for uncollectible accounts	139		(897.082.688)	(982.458.883)
IV. Inventories	140	V.4	317.384.904.501	305.165.925.783
1. Inventories	141		317.384.904.501	305.165.925.783
2. Allowance for inventories	149		-	-
V. Other shortterm assets	150		29.848.710.005	19.664.948.804
1. Short-term prepaid expenses	151		1.377.041.400	1.311.468.000
2. Deductible VAT			2.172.965.319	570.902.177
3. Taxes and other accounts receivable from the State	154		-	892.884.337
4. Other shortterm assets	158	V.5	26.298.703.286	16.889.694.290
B. LONG-TERM ASSETS	200		378.267.123.336	273.770.378.931
I. Long-term accounts receivables	210		-	-
II. Fixed assets	220	V.6	284.510.901.985	265.448.923.016
1. Tangible fixed assets	221		253.583.282.849	228.260.385.382
- Historical cost	222		611.620.200.482	519.078.067.257
- Accumulated depreciation	223		(358.036.917.633)	(290.817.681.875)
2. Finance lease assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-

BALANCE SHEET

As of 31 December 2011

(Continued)

ASSETS	CODE	NOTE	31/12/2011	01/01/2011
3. Intangible fixed assets	227	V.7	30.605.603.682	31.367.854.362
- Initial cost	228		35.996.185.657	35.996.185.657
- Accumulated amortization	229		(5.390.581.975)	(4.628.331.295)
4. Construction-in-progress	230	V.8	322.015.454	5.820.683.272
III. Investment property	240		-	-
- Historical costs	241		-	-
- Accumulated depreciation	242		-	-
IV. Long-term finance investments	250	V.9	21.373.181.818	8.125.000.000
1. Investments in subsidiaries	251		-	-
2. Investment in associates	252		-	-
3. Other long-term investments	258		30.125.000.000	8.125.000.000
4. Allowance long-term investments	259		(8.751.818.182)	-
V. Other long-term assets	260		72.383.039.533	196.455.915
1. Long-term prepaid expenses	261	V.10	71.659.351.566	-
2. Deferred income tax assets	262	V.15	723.687.967	196.455.915
3. Other long-term assets	268		-	-
VI. Goodwill	269		-	-
TOTAL ASSETS	270		1.166.486.717.417	982.153.442.517

Unit: VND

EQUITY	CODE	NOTE	31/12/2011	01/01/2011
A. LIABILITIES	300		117.156.277.159	129.662.570.843
I. Current liabilities	310		115.351.448.457	128.257.535.392
1. Short-term borrowings and liabilities	311	V.11	7.969.880.000	12.268.000.000
2. Accounts payable	312		22.288.222.147	62.204.807.611
3. Advances from customers	313		525.928.321	2.939.249.482
4. Taxes and amounts payable to the State Budget	314	V.12	39.349.861.307	13.193.530.314
5. Payable to employees	315		13.936.407.364	10.570.736.570
6. Accrued expenses	316	V.13	7.092.494.842	8.656.717.052
7. Other short-term payable	319	V.14	2.342.493.238	3.469.146.082
8. Bonus & welfare fundsi	323		21.846.161.239	14.955.348.281
II. Long-term liabilities	330		1.804.828.702	1.405.035.451
1. Provision for unemployment allowances	336		1.804.828.702	1.405.035.451
B. OWNER'S EQUITY	400		1.049.330.440.258	852.490.871.674
I. Owner's equity	410	V.16	1.049.330.440.258	852.490.871.674
1. Capital	411		349.835.520.000	348.763.720.000
2. Additional paid in capital	412		1.592.782.700	1.592.782.700
3. Investment and development fund	417		454.759.736.139	290.952.267.247
4. Finance reserve fund	418		38.578.538.134	37.367.097.752
5. Other funds belong to equity	419		34.983.552.000	27.096.149.211
6. Retained earnings	420		169.580.311.285	146.718.854.764
II. Other sources	430		-	-
C. INTEREST OF MINORITY SHAREHOLDERS	439		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		1.166.486.717.417	982.153.442.517

BALANCE SHEET

As of 31 December 2011

(Continued)

OFF - BALANCE SHEET ITEMS

Unit: VND

TARGETS	NOTE	31/12/2011	01/01/2011
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		380.542,97	58.821,23
+ EUR		9.545,60	11.535,00
6. Estimates for non-business and project expenditure			

Prepared by



Phung Huu Luan

Chief Accountant



Trang Thi Kieu Hau

General Director



Le Quang Doanh

Hochiminh City - February 29th, 2012

BALANCE SHEET

Year ended 2011

Unit: VND

ITEMS	CODE	NOTE	CURRENT YEAR	PREVIOUS YEAR
1. Sales and service revenue	01	VI.1	1.852.671.588.329	1.441.655.094.939
2. Deductions	02	VI.2	26.248.303.945	24.794.752.221
3. Net sales	10	VI.3	1.826.423.284.384	1.416.860.342.718
4. Cost of goods sold	11	VI.4	1.355.892.001.307	1.035.350.522.823
5. Gross profit	20		470.531.283.077	381.509.819.895
6. Revenue from financial activities	21	VI.5	14.594.625.371	10.401.583.569
7. Finance expense	22	VI.6	8.786.511.141	7.239.080.616
<i>In which: Loan interest expenses</i>	23		847.975.744	1.130.064.900
8. Selling expenses	24		52.308.931.572	39.347.852.704
9. General administrative expenses	25		41.308.119.814	33.045.935.102
10. Net operating profit	30		382.722.345.921	312.278.535.042
11. Other incomes	31		1.564.016.358	1.503.218.514
12. Other expenses	32		3.552.155	50.404.124
13. Other profit/ (lost)	40		1.560.464.203	1.452.814.390
14. Profit from associates	50		-	-
15. Total accounting profit before tax	60		384.282.810.124	313.731.349.432
16. Current income tax expense	61	VI.7	90.280.462.576	38.372.731.116
17. Deferred income tax expense	62	VI.8	(527.232.052)	60.886.093
18. Profit after tax	70		294.529.579.600	275.297.732.223
18.1 Interest of minority shareholders	71		-	-
18.2 Profit after tax of parent company's shareholders	72		294.529.579.600	275.297.732.223
19. Earning per share	80	VI.9	8.419	7.869

Prepared by

Chief Accountant

General Director



Phung Huu Luan



Trang Thi Kieu Hau




Le Quang Doanh

Hochiminh City - February 29th, 2012

CASH FLOW STATEMENT

Year ended 2011

Unit: VND

ITEMS	CODE	CURRENT YEAR	PREVIOUS YEAR
I. Cash flows from operating activities			
1. Profit before Tax	01	384.282.810.124	313.731.349.432
2. Adjustments			
- Depreciation of fixed assets	02	69.367.942.428	53.707.370.042
- Provisions	03	2.507.351.078	442.142.754
- Gain / (lost) from foreign exchange differences	04	(2.143.584.005)	269.442.356
- Gain / (lost) from investing activities	05	(12.517.982.697)	(10.560.994.240)
- Loan interest expenses	06	847.975.744	1.130.064.900
3. Operating profit before changes of working capital	08	442.344.512.672	358.719.375.244
- Increase / (decrease) of accounts receivable	09	(51.893.342.564)	(163.304.150.278)
- Increase / (decrease) of inventories	10	(12.218.978.718)	(35.614.996.918)
- Increase / (decrease) of account payables	11	(28.455.889.466)	(38.548.336.961)
- Increase / (decrease) of prepaid expenses	12	(71.724.924.966)	(301.452.200)
- Loan interest already paid	13	(1.317.392.107)	(768.651.594)
- Corporate income tax already paid	14	(73.857.257.629)	(33.312.778.925)
- Other gains	15	177.486.497.464	155.609.165.340
- Other disbursements	16	(208.676.234.456)	(159.011.581.449)
<i>Net cash flows from operating activities</i>	20	171.686.990.230	83.466.592.259
II. Cash flows from investment activities			
1. Purchases and construction of fixed assets	21	(88.429.921.397)	(53.625.223.933)
2. Gains from disposal, liquidation of fixed assets and other long-term assets	22	245.000.000	327.984.091
3. Loan given and purchases of debt instruments of other entities	23	-	-
4. Recovery of loans given and disposals of debt instruments of other entities	24	-	1.000.000.000
5. Investment into other entities	25	-	-
6. Withdrawals of investments in other entities	26	-	30.000.000
7. Receipts of loan interests, dividends and profit shared	27	12.272.982.697	10.282.753.773
<i>Net cash flows investing activities</i>	30	(75.911.938.700)	(41.984.486.069)

Unit: VND

ITEMS	CODE	CURRENT YEAR	PREVIOUS YEAR
III. Cash flows from financial activities			
1. Gains from stock issuance and capital contributions from owners	31	-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32	-	-
3. Short-term and long-term loans receives	33	24.062.686.826	12.175.600.832
4. Loan principal amounts repaid	34	(28.360.806.826)	(11.167.822.224)
5. Payments for financial leasehold assets	35	-	-
6. Dividends and profit already paid to owners	36	(69.945.264.000)	(69.752.744.000)
<i>Net cash flows from financing activities</i>	40	(74.243.384.000)	(68.744.965.392)
Net cash flows during the year	50	21.531.667.530	(27.262.859.202)
Beginning cash and cash equivalents	60	66.990.563.221	94.337.022.992
Effect of fluctuation in foreign exchange rates	61	149.871.500	(83.600.569)
Ending cash and cash equivalents	70	88.672.102.251	66.990.563.221

Prepared by



Phung Huu Luan

Chief Accountant



Trang Thi Kieu Hau

General Director



Le Quang Doanh

Hochiminh City - February 29th, 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

I. OPERATION FEATURES

1. Investment form

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

The Certificate of Business, Registration No 4103002023, was first issued on 2nd January 2004. The third registration of change was made on 1st August 2008 by the Ho Chi Minh City Planning and Investment Department

Company's Headquarters: 240 Hau Giang, Ward 9, District 6, Ho Chi Minh City.

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%

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 molds 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.

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 March 20, 2006 and Circular No. 244/2009/TT-BTC of December 31, 2009, issued by the Ministry of Finance.

2. Statement on compliance with the Vietnamese accounting system and standard

The Company applies the Vietnamese Accounting system and guidelines issued by the State. The consolidated financial statements are made 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.

4. Application of new accounting guidance

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC ("Circular 210") to guide the application of international accounting standards on financial statements and information explanations for financial instruments. The application of Circular 210 will require to present information as well as the impact of this presentation for a number of certain financial instruments in financial statements of the enterprise. This Circular should be effective for the fiscal years ending on or after 31 December 2011. The company has applied Circular 210 and presented additional explanations on the application of this in the consolidated financial statements for the fiscal year ending on 31 December 2011.

IV. ACCOUNTING POLICY

1. Consolidation bases

Subsidiary is an enterprise that is 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 subsidiaries are set in the same fiscal year as the parent company, applying accounting policies that are consistent with the accounting policies of the parent company. Where necessary, adjustments will be done to ensure this consistency.

Transactions excluded when consolidating the financial statements include: balance within the corporation, and gains and expenses which have not been implemented by internal transactions. Deferred profits and losses which arise from transactions from other investments will be accounted for by the owner method and deducted from the benefits within the Company's investee.

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 average inter-bank exchange rate released by the State Bank of Vietnam.

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 recorded at their original costs. Net value is recorded where it is lower than the original cost. Original 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 are accounted for under the perpetual inventory method.

Provision for devaluation of stocks is the difference between the original cost of inventory is greater than the net value of their possible.

4. Recording depreciation of fixed assets

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

Depreciation of fixed assets is calculated linearly. The estimated lifespan of these assets is as follows:

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

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;

Provision for devaluation of investment is made through calculating the difference between the original costs of investments on the accounting ledger and its market value at the time of provision.

6. Recognition and distribution of prepaid expenses

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

8. Recognition of owner's capital

The owner's 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 surplus equity.

Retained earnings is the profits from the operation of the company less adjustment items 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 as determined.

Financial income

Revenue arising from interest, royalties, 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 Finance 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

12. Department Report

Department reports include departments according to business area or a department according to geographical area.

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

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

13. Financial Instruments

Initial Record

Finance 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 payables to sellers, other payables and loans

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. 1. Cash and cash equivalents

	31/12/2011 VND	01/01/2011 VND
Cash	428.630.681	582.639.424
Cash in bank	77.243.471.570	32.407.923.797
Cash equivalents (time deposits of less than 3 months)	11.000.000.000	34.000.000.000
TOTAL	88.672.102.251	66.990.563.221

(Continued)

2. Short-term investments

	Number of shares	31/12/2011 VND	Number of shares	01/01/2011 VND
Short-term securities investment	-			22.000.000.000
+ Ban Viet Securities Investment Fund	-		180	18.000.000.000
+ Tan Tien Plastic Joint Stock Company (nominal value 100.000 VND)	-		20.000	4.000.000.000
Provisions for devaluation of short-term investments	-			(6.159.090.909)
TOTAL	-			15.840.909.091

3. Other Receivables

	31/12/2011 VND	01/01/2011 VND
Receivable from personal income tax	355.481.991	-
Social security receivable from staff	124.283.850	74.396.700
Other receivables	68.793.451	220.337.000
TOTAL	548.559.292	294.733.700

4. Inventories

	31/12/2011 VND	01/01/2011 VND
Goods in transit	1.218.614.477	2.477.416.080
Materials	42.015.811.642	109.892.665.529
Tools, supplies	895.465.053	852.201.047
Work in process	163.293.488.724	77.231.709.873
Finished goods	74.604.439.702	90.157.719.151
Merchandise inventory	35.357.084.903	24.554.214.103
Total initial cost of inventories	317.384.904.501	305.165.925.783
Provisions for devaluation of inventories	-	-
Net value of inventories may be practicability	317.384.904.501	305.165.925.783

5. Other short-term assets

	31/12/2011 VND	01/01/2011 VND
Pending shortage assets	86.210.657	76.923.107
Advanced	139.400.000	472.308.233
Depositing ^(*)	26.073.092.629	16.340.462.950
TOTAL	26.298.703.286	16.889.694.290

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

(Continued)

6. Increases / (decreases) of tangible fixed assets

Unit: VND

	Plant buildings	Machinery and equipment	Means of transportation	Office appliances	Total
Initial cost					
Opening balance	70.310.840.067	434.710.248.594	10.382.703.540	3.674.275.056	519.078.067.257
Increase	17.535.046.888	74.220.306.165	1.978.251.617	194.984.545	93.928.589.215
- <i>New purchase</i>	18.755.070	72.469.795.620	1.978.251.617	194.984.545	74.661.786.852
- <i>Investment in capital construction completed</i>	17.516.291.818	1.750.510.545	-	-	19.266.802.363
Decrease	-	626.093.900	705.157.720	55.204.370	1.386.455.990
- <i>Liquidation, sold</i>	-	626.093.900	705.157.720	55.204.370	1.386.455.990
Ending balance	87.845.886.955	508.304.460.859	11.655.797.437	3.814.055.231	611.620.200.482
Depreciation					
Opening balance	44.067.007.684	239.823.685.432	5.408.302.927	1.518.685.832	290.817.681.875
Depreciation in the year	6.088.967.536	60.583.991.792	1.587.618.820	345.113.600	68.605.691.748
Decrease	-	626.093.900	705.157.720	55.204.370	1.386.455.990
- <i>Liquidation, sold</i>	-	626.093.900	705.157.720	55.204.370	1.386.455.990
Ending balance	50.155.975.220	299.781.583.324	6.290.764.027	1.808.595.062	358.036.917.633
Net book values					
At the beginning of the year	26.243.832.383	194.886.563.162	4.974.400.613	2.155.589.224	228.260.385.382
At the ending of the year	37.689.911.735	208.522.877.535	5.365.033.410	2.005.460.169	253.583.282.849

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

7. Increases / (decreases) of intangible fixed assets

Unit: VND

	Land use right
Initial cost	
Opening balance	35.996.185.657
Increases	-
Decreases	-
Ending balance	35.996.185.657
Amortization	
Opening balance	4.628.331.295
Amortization	762.250.680
Decreases	-
Ending balance	5.390.581.975
Net book value	
At the beginning of the year	31.367.854.362
At the ending of the year	30.605.603.682

8. Construction - in - progress

	31/12/2011 VND	01/01/2011 VND
- Construction in progress	322.015.454	5.820.683.272
Including:		
+ Expenses to survey Press-Spray Plant at Song Than	322.015.454	322.015.454
+ PE Workshop	-	4.961.481.818
+ 500 KVA transformer station	-	537.186.000
TOTAL	322.015.454	5.820.683.272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

9. Long-term investments

	Number of shares	31/12/2011 VND	Number of shares	01/01/2011 VND
Other long-term investments				8.125.000.000
Other long-term investment		30.125.000.000		8.125.000.000
- Purchased Shares				
+ Danang Plastic Joint Stock Company	650.000	8.125.000.000	650.000	8.125.000.000
+ Ban Viet Securities Investment Fund	180	18.000.000.000		-
+ Tan Tien Plastic Joint Stock Company (nominal value 100.000 VND)	20.000	4.000.000.000		-
Provision for devaluation of long-term investments		(8.751.818.182)		-
TOTAL		21.373.181.818		8.125.000.000

10. Longterm prepaid expenses

	31/12/2011 VND	01/01/2011 VND
Land rental expenses ^(*)	71.659.351.566	-
TOTAL	71.659.351.566	-

^(*) is the pre-paid amount at two stages for land rental expenses at Vinh Loc- Ben Luc- Long An Industrial Park under contract No.: 26/HĐNT-VL2-2010 dated 13 September 2010. The lease term is until 2060.

11. Short-term debts and loans

	31/12/2011 VND	01/01/2011 VND
Short-term loans	7.969.880.000	12.268.000.000
+ Personal loans ^(*)	7.969.880.000	12.268.000.000
TOTAL	7.969.880.000	12.268.000.000

^(*) The money that suppliers 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 money according to the prevailing interest rate on deposits of Joint Stock Commercial Bank of industry and Trade of Vietnam at the same time.

(Continued)

12. Tax payable and payables to government

	31/12/2011 VND	01/01/2011 VND
Value-added tax	10.780.699.421	1.973.609.754
Corporate Income Tax	27.635.378.636	11.212.173.690
Personal Income Tax	933.783.250	7.746.870
TOTAL	39.349.861.307	13.193.530.314

13. Accrued expenses

	31/12/2011 VND	01/01/2011 VND
Support costs to customer	6.570.702.816	7.665.508.663
Interest costs	396.792.026	866.208.389
Other payable costs	125.000.000	125.000.000
TOTAL	7.092.494.842	8.656.717.052

14. Other payables

	31/12/2011 VND	01/01/2011 VND
Pending surplus assets	625.659.777	102.309.104
Trade union fee payable	975.401.800	815.309.364
Dividends payable	356.962.000	335.122.000
Personal income tax revenue surplus staff members payable	17.369.661	1.219.872.614
Other payables	367.100.000	996.533.000
TOTAL	2.342.493.238	3.469.146.082

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

15. Deferred tax assets

	31/12/2011 VND	01/01/2011 VND
Deferred tax assets related to the deductible temporary differences	908.145.618	427.758.409
The amount of Deferred tax assets recorded from the previous year	(184.457.650)	(231.302.493)
DEFERRED TAX ASSETS	723.687.967	196.455.915

(Continued)

16. Owner's capital**a) The comparison of movements of owners' capital**

	Owner capital	Surplus share capital	Investment and Development fund	Finance reserve fund	Other funds belong to equity	Retained earnings
Balance at beginning of previous year	347.691.920.000	1.592.782.700	130.864.228.602	18.485.564.387	16.796.149.211	156.474.371.916
- Interest for previous year						275.297.732.223
- Distribution of profit in the year 2009	1.071.800.000	-	133.324.971.916	12.500.000.000	500.000.000	(156.474.371.916)
+ Draw to Investment and Development fund			133.324.971.916			(133.324.971.916)
+ Draw to finance reserve fund				12.500.000.000		(12.500.000.000)
+ Draw other funds belong to equity					500.000.000	(500.000.000)
+ Draw to bonus and welfare fund						(4.400.000.000)
+ Bonus to ESOP	1.071.800.000					(1.071.800.000)
+ Bonus to The Board of Director and Control Committee						(2.390.000.000)
+ Awards to customers in the year 2009						(2.287.600.000)
- Temporary distribuion of profits in 2010			26.763.066.729	6.381.533.365	9.800.000.000	(58.826.133.459)
+ Temporary extract of development investment fund			26.763.066.729			(26.763.066.729)
+ Temporary extract of finance reserve fund				6.381.533.365		(6.381.533.365)
+ Temporary extract of other funds belong to equity					9.800.000.000	(9.800.000.000)
+ Temporary extract of rewards and welfare fund						(15.881.533.365)
- Dividends paid in cash in 2010						(69.752.744.000)
Balance at end of previous year	348.763.720.000	1.592.782.700	290.952.267.247	37.367.097.752	27.096.149.211	146.718.854.764

(Continued)

The comparison of movements of owners' capital (Continued)

	Owner capital	Surplus share capital	Investment and Development fund	Finance reserve fund	Other funds belong to equity	Retained earnings
Balance at beginning of year	348.763.720.000	1.592.782.700	290.952.267.247	37.367.097.752	27.096.149.211	146.718.854.764
- Interest for current year						294.529.579.600
- Distribution of profit 2010	1.071.800.000	-	134.284.588.129	-	4.000.000.000	(146.717.854.764)
+ Draw to Investment and Development fund			134.284.588.129			(134.284.588.129)
+ Draw other funds belong to equity					4.000.000.000	(4.000.000.000)
+ Draw to bonus and welfare fund						(5.118.466.635)
+ Bonus to ESOP	1.071.800.000					(1.071.800.000)
+ Bonus to The Board of Director and Control Committee						(2.243.000.000)
- Temporay distribuion of profits in 2011			29.522.880.763	1.211.440.382	3.887.402.789	(54.983.164.316)
+ Temporary extract of development investment fund			29.522.880.763			(29.522.880.763)
+ Temporary extract of finance reserve fund				1.211.440.382		(1.211.440.382)
+ Temporary extract of other funds belong to equity					3.887.402.789	(3.887.402.789)
+ Temporary extract of rewards and welfare fund						(20.361.440.382)
- Dividends paid in cash in 2011						(69.967.104.000)
BALANCE AT END OF YEAR	349.835.520.000	1.592.782.700	454.759.736.139	38.578.538.134	34.983.552.000	169.580.311.285

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

b) Details of capital contribution by the owners

	31/12/2011 VND	%	01/01/2011 VND	%
Capital contributed by the State	103.565.160.000	30%	103.565.160.000	30%
Capital contributed by others	246.270.360.000	70%	245.198.560.000	70%
TOTAL	349.835.520.000	100%	348.763.720.000	100%

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	348.763.720.000	347.691.920.000
Capital contributed increasing during the year	1.071.800.000	1.071.800.000
Capital contributed decreasing during the year	-	-
Capital contributed at the end of the year	349.835.520.000	348.763.720.000
Dividends, division of profits	69.967.104.000	69.752.744.000

d) Shares

	31/12/2011	01/01/2011
Number of shares registered to be issued	34.983.552	34.983.552
Number of shares already sold to the public	34.983.552	34.876.372
- Common shares	34.983.552	34.876.372
Number of shares repurchased	-	-
Number of shares in circulation	34.983.552	34.769.192
- Common shares	34.983.552	34.769.192

Nominal value of shares in circulation: 10,000 VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

	Current year VND	Previous year VND
1. Sales and service revenue	1.852.671.588.329	1.441.655.094.939
Including:		
- Sales of finished goods	1.742.284.140.987	1.367.460.470.645
- Sales of merchandise and materials	110.387.447.342	74.194.624.294
2. Sales deductions	26.248.303.945	24.794.752.221
Including:		
- Trade discount	24.713.186.295	22.583.456.297
- Sales returns	1.535.117.650	2.211.295.924
- Sales allowances	-	-
3. Net goods sold	1.826.423.284.384	1.416.860.342.718
Including:		
- Net sales of goods	1.717.561.864.107	1.343.934.541.680
- Net sales of merchandise and materials	108.861.420.277	72.925.801.038
4. Cost of sales		
	Current year VND	Previous year VND
Cost of finished goods, materials and merchandise sold	1.355.892.001.307	1.035.350.522.823
TOTAL	1.355.892.001.307	1.035.350.522.823

5. Revenue from financing activities

	Current year VND	Previous year VND
Deposit and loan interest	11.103.110.737	9.240.656.733
Dividends, division of profits	1.169.871.960	1.019.897.040
Earnings from difference in foreign currency exchange rate(completed transactions)	178.058.669	118.829.796
Earnings from difference in foreign currency exchange rate (Incomplete transactions)	2.143.584.005	
Interest to sell bonds	-	22.200.000
TOTAL	14.594.625.371	10.401.583.569

(Continued)

6. Finance expenses

	Current year VND	Previous year VND
Interest expenses	847.975.744	1.130.064.900
Loss from difference in foreign currency exchange rate (Completed transactions)	95.815.402	697.945.448
Loss from difference in foreign currency exchange rate (Incomplete transactions)	-	269.442.356
Discount payment	5.249.992.722	4.582.537.003
Provision for devaluation of financial investments	2.592.727.273	559.090.909
TOTAL	8.786.511.141	7.239.080.616

7. Current corporate income tax expense

Corporate income tax payable is 25% of 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 corporate income tax expense	90.280.462.576	38.372.731.116

8. Deferred income tax expense

	Current year VND	Previous year VND
Deferred income tax expense arising from return of assets in income tax delayed	184.457.650	231.302.493
Deferred income tax expense arising from the differences of temporary deductibles	(711.689.703)	(170.416.401)
TOTAL	(527.232.052)	60.886.093

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

9. Earning per share

	Current year VND	Previous year VND
Accounting profit after corporate income tax	294.529.579.600	275.297.732.223
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	294.529.579.600	275.297.732.223
Average common shares in circulation for the period	34.983.552	34.983.552
Earning per shares (*)	8.419	7.869

(*) Note: Earnings per share for 2010 have been adjusted retroactively for issuance of 107,180 bonus shares in 2011

10. Production and business costs by element

	Current year VND	Previous year VND
Raw material cost	1.167.298.747.699	891.771.449.310
Labour cost	84.970.090.184	68.886.317.024
Depreciation cost	69.367.942.428	53.707.370.042
Outside service cost	67.624.019.241	51.849.484.821
Other costs in cash	27.045.385.924	16.842.435.010
TOTAL	1.416.306.185.476	1.083.057.056.208

VII. OTHER INFORMATION

1. Information regarding to relevant parties

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

	Current year VND	Previous year VND
Salaries, bonus, and other benefits	9.011.709.454	7.336.862.833

2. Department Report

Department 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 department report according to business area.

Department report according to geographical area.

The Company only operates in geographical area of Vietnam.

(Continued)

3. Fair value of assets and payable financial liabilities

	Recorded value		Fair value	
	31/12/2011 VND	01/01/2011 VND	31/12/2011 VND	01/01/2011 VND
Financial assets				
Cash and cash equivalents	88.672.102.251	66.990.563.221	88.672.102.251	66.990.563.221
Customer Receivables and other receivables	278.968.842.478	182.498.777.945	278.968.842.478	182.498.777.945
Financial assets available for sale	21.373.181.818	23.965.909.091	21.373.181.818	23.965.909.091
TOTAL	389.014.126.547	273.455.250.257	389.014.126.547	273.455.250.257
Financial liabilities				
Loans	7.969.880.000	12.268.000.000	7.969.880.000	12.268.000.000
Payables to sellers and other payables	24.630.715.385	65.673.953.693	24.630.715.385	65.673.953.693
Payable expenses	7.092.494.842	8.656.717.052	7.092.494.842	8.656.717.052
TOTAL	39.693.090.227	86.598.670.745	39.693.090.227	86.598.670.745

Fair value of financial assets and payable financial liabilities are reflected at the values that financial instruments could be converted 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 customer receivables, payables to sellers 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 basic of transaction prices provided by a minimum three securities companies at the time of 31 December 2011 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 models.

(Continued)

4. Collateral

The Company does not have any collateral for mortgage to another unit and hold the collateral of other units on 31 December 2010 and on 31 December 2011

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.

Customer receivables 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	39.693.090.227	-	39.693.090.227
Loans	7.969.880.000	-	7.969.880.000
Payables to sellers	22.288.222.147	-	22.288.222.147
Other payables	2.342.493.238	-	2.342.493.238
Payable expenses	7.092.494.842	-	7.092.494.842
Balance at the begining of year	86.598.670.745	-	86.598.670.745
Loans	12.268.000.000	-	12.268.000.000
Payables to sellers	62.204.807.611	-	62.204.807.611
Other payables	3.469.146.082	-	3.469.146.082
Payable expenses	8.656.717.052	-	8.656.717.052

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR 2011

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 includes three types: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk

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

The Company manages foreign currency risk by considering the current and expected markets when the Company plans future transactions in foreign currencies. The Company monitors the risk to assets and financial liabilities in foreign currency.

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 portfolios.

8. Comparative data

The comparative data are the data on the consolidated financial statements for the fiscal year ending on 31 December 2010 that has been audited by Nam Viet Accounting and Auditing Service Consulting Co., Ltd (AASCN)

Prepared by

Chief Accountant


General Director



Phung Huu Luan



Trang Thi Kieu Hau

Le Quang Doanh

Hochiminh City - February 29th, 2012

INFORMATION ABOUT THE RELATED COMPANIES

THE COMPANY HAS OVER 50% OF COMPANY CAPITAL:

There is no company holds over 50% of the capital stock company in Binh Minh Plastic Joint Stock Company.

THE COMPANY HAS OVER 50 CAPITAL CONTRIBUTIONS HOLD BY THE COMPANY:



Mr Nguyen Thanh Hai
Director of Northern
Binh Minh Plastic
One Member Co., LTD



Northern Binh Minh Plastic
One Member Co., LTD
at Hung Yen

NORTHERN BINH MINH PLASTIC ONE MEMBER LIMITED LIABILITY COMPANY NBMPLASCO

Established in 2007 with 100% joint stock company owned by Binh Minh Plastic Joint Stock Company, independent audit under the called name of Northern Binh Minh Plastic One Member Co., Ltd. (NBM). The mission of the Company is to participate in development of the northern market, bringing the brand of Binh Minh Plastic to consumers in all over the country.

In 2011, the Company was supplemented with mid-level officials from the Parent

company holding positions as the director, deputy director of NBM to continue to consolidate resources to meet the needs here.

With the principle that quality product is the most important factor, satisfying service is competitive factors, NBM has gradually asserted its position in the northern market. In 2011, sales reached 205 billion Vietnam Dongs, growth more than 50% over 2010, reaching 24 billion Vietnam Dongs of profits

The factory is equipped with modern machinery originated from the Europe



increased 66% as compared to 2010, successfully completed the assigned targets.

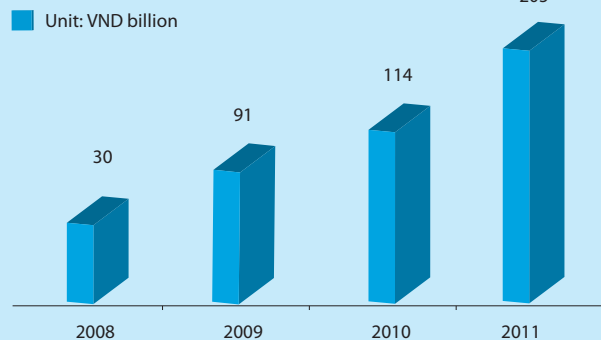
Product sales network expanding to 25 new shops selling products in 2011. NBM regularly attends the exhibitions as Vietnam High Quality products, Vietnam Golden Star award, VietBuild in the Northern areas in 2011.

Material and spirit life of the employee are enhanced, creating a peaceful mind psychology in working and more sticking with the company.

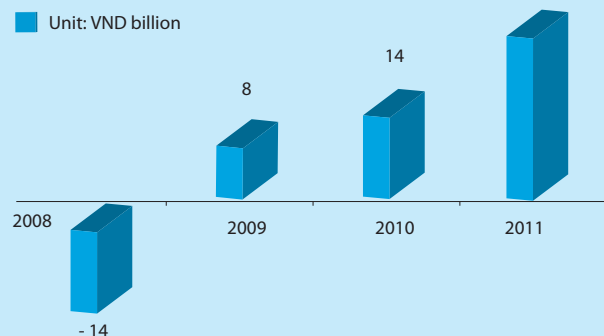
Based on these achievements, NBM was honored to receive a merit certificate from the Ministry of Industry and Commerce and the Trade Union of NBM received a merit certificate from Vietnam Industrial and Trade Union in 2011.

Although in 2012, there are the immediate difficulties, but with modern equipment and technology, besides the young and capable labor force, NBM still firmly believes in its own development path.

REVENUE
NORTHERN BINH MINH PLASTIC 2008 - 2011



NET PROFIT
NORTHERN BINH MINH PLASTIC 2008 - 2011



BINH MINH PLASTIC JOINT STOCK COMPANY

240 Hau Giang, Ward 9, District 6, HCM City
Tel.: (84) 08 3969 0973 • Fax.: (84) 08 3960 6814
www.binhminhplastic.com

Head Quarter



Factory # 1

57 Nguyen Dinh Chi, Ward 9, District 6, HCM City

Tel: (84) 08 3969 0973



1 - 2. Factory # 1



FACTORY #2

No. 7, Street 2, Song Than Industrial Zone

Di An District, Binh Duong Province

Tel: (84) 08 3896 8465



This is Binh Minh Plastics' main factory in the South, which is well equipped with modern machinery imported from the European countries like Germany, Italy, and Austria. Total this area accounts for 50.000 square meters.

3 - 4. Factory # 2

SHAREHOLDER INFORMATION

COMPENSATION, OTHER BENEFITS AND EXPENSES FOR EACH MEMBERS OF THE BOARD, BOARD OF SUPERVISION:

Total remuneration to the Board of Management and the Board of Supervision was VND 1,267,000,000 equivalent to 1.5% of total payroll in the year 2011 of the Company.

Rewards for excess of the target set out under the Resolution of Shareholders Meeting did not over 2 times of remuneration payable in 2011, for the Board of Management, the Board of Supervision 2.534.000.000 is VND 1,267,000,000

RATIO OF OWNERSHIP OF STOCK AND CHANGES IN PERCENTAGE OF STOCK HOLD BY MEMBERS OF THE BOARD OF MANAGEMENT, BOARD OF SUPERVISION, BOARD OF DIRECTORS, CHIEF ACCOUNTANT:

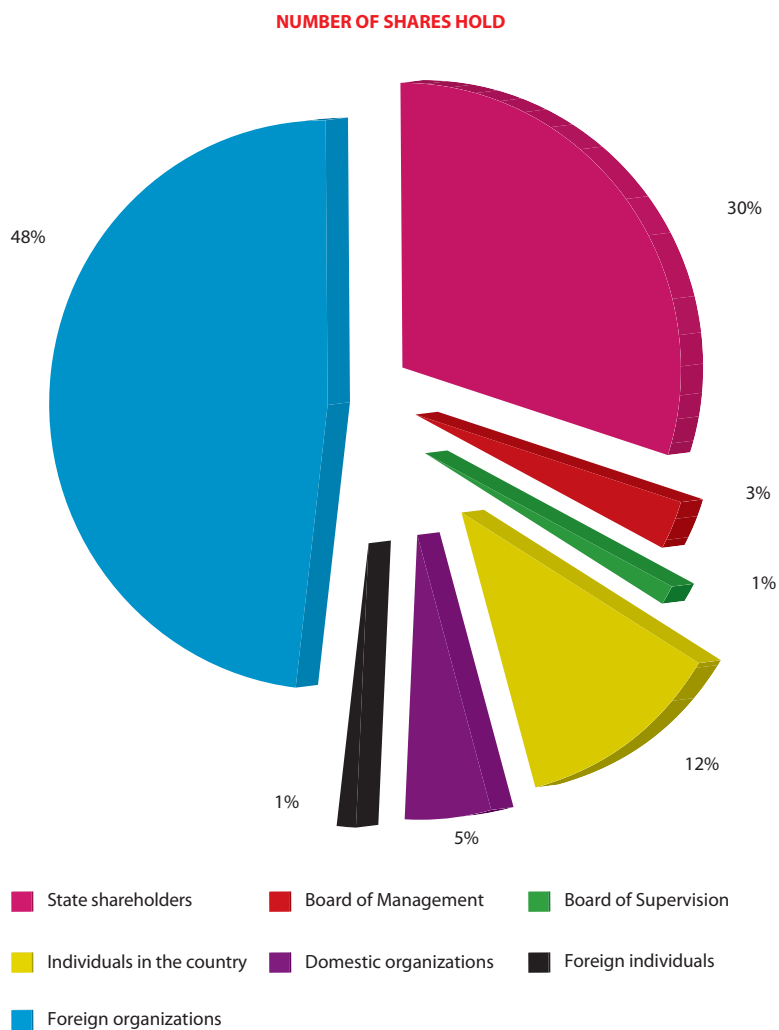
No.	FULL NAME	POSITION	TRANSACTIONS DURING YEAR 2011	QUANTITY OF SHARES UNDER OWNERSHIP	PERCENTAGE OF OWNERSHIP
1	Le Quang Doanh	President of the Board Management, General Director	0	453.954	1,30%
2	Nguyen Hoang Ngan	Vice President of the Board Management, Deputy General Director	0	257.338	0,74%
3	Nguyen Thi Kim Yen	Member of the Board of Management, Deputy General Director	0	195.314	0,56%
4	Trang Thi Kieu Hau	Member of the Board of Management, Chief Accountant	0	232.474	0,66%
5	Bui Quang Khoi	Member of the Board management	0	71.776	0,21%
6	Nguyen Thi Phuong Nga	Chief of the Board of Supervision	0	97.458	0,28%
7	Nguyen Kim Thuong	Member of the Board of Supervision	0	117.422	0,34%
8	Dinh Thi Nguyet Ha	Member of the Board of Supervision	0	24.530	0,07%
	TOTAL		0	1.450.266	4,16%

INFORMATION ON STOCKS OF THOSE RELATING TO MEMBERS OF THE BOARD, BOARD OF SUPERVISION, BOARD OF DIRECTORS, CHIEF ACCOUNTANT:

No.	Full name	Relationship	Related person	Position	Transactions during year 2011	Quantity of share under ownership	Percentage of ownership
1	Van Thi Ngoc Nhan	Spouse	Le Quang Doanh	President of the Board Management, General Director	0	204.060	0,583%
2	Nguyen Thi Bich	Spouse	Nguyen Hoang Ngan	Vice President of the Board management, Deputy General Director	0	112.000	0,320%
3	Trang Nhu Ha	Sibling	Trang Thi Kieu Hau	Member of the Board of Management, Chief Accountant	0	414	0,001%
4	Trang Thi Kieu Thien	Sibling	Trang Thi Kieu Hau	Member of the Board of Management, Chief Accountant	0	1.200	0,003%
5	Nguyen Thi Phuong Mai	Sibling	Nguyen Thi Phuong Nga	Chief of the Board of Supervision	0	880	0,003%
6	Nguyen Thanh Dat	Sibling	Nguyen Kim Thuong	Member of the Board of Supervision	0	1.740	0,005%
7	Nguyen Thanh Giang	Sibling	Nguyen Kim Thuong	Member of the Board of Supervision	0	27.740	0,079%
8	Dinh Hoang Dung	Sibling	Dinh Thi Nguyet Ha	Member of the Board of Supervision	0	460	0,001%
9	Dinh Hoang Quan	Sibling	Dinh Thi Nguyet Ha	Member of the Board of Supervision	0	2.000	0,006%
10	Dinh Hoang Trung	Sibling	Dinh Thi Nguyet Ha	Member of the Board of Supervision	0	800	0,002%
	TỔNG CỘNG				0	351.294	1,003%

STRUCTURE OF SHAREHOLDERS UP TO 30 NOVEMBER 2011:

No.	STRUCTURE OF SHAREHOLDERS	NUMBER OF SHARES HOLD	PERCENTAGE %
1	State shareholders	10.356.516	29,60%
2	Board of Management	1.210.856	3,46%
3	Board of Supervision	239.410	0,68%
4	Individuals in the country	4.126.286	11,80%
5	Domestic organizations	1.910.430	5,46%
6	Foreign individuals	300.040	0,86%
7	Foreign organizations	16.840.014	48,14%
	TOTAL	34.983.552	100,00%



DETAILED INFORMATION ON MAJOR SHAREHOLDERS HOLDING > 5% OF SHARES

No.	SHAREHOLDERS	TYPE OF SHAREHOLDERS	NUMBER OF SHARES HOLD	Percentage %
1	STATE-OWNED CAPITAL BUSINESS INVESTMENT CORPORATION	State shareholder	10.356.516	29,60%
2	FRANKLIN TEMPLETON INVESTMENT FUNDS-TEMPLETON FRONTIER MARKETS FUND	Foreign organization	3.045.850	8,71%
3	VIETNAM HOLDING LIMITED	Foreign organization	2.190.538	6,26%
	TOTAL		15.592.904	44,57%

STATUS OF TRANSACTION OF SHAREHOLDERS UP TO 30 NOVEMBER 2011:

No.	SHAREHOLDERS	NUMBER OF SHARES BEFORE TRANSACTION	PERCENTAGE OF OWNERSHIP BEFORE TRANSACTION	TRANSACTION TYPE	NUMBER SHAREHOLD AFTER TRANSACTION	PERCENTAGE OF OWNERSHIP	PERFORMANCE TIME
1	FRANKLIN TEMPLETON INVESTMENT FUNDS-TEMPLETON FRONTIER MARKETS FUND	2,104,800	6,02%	Buy	3.045.850	8,71%	From January 2011 to November 2011

DETAILED INFORMATION ON SHAREHOLDERS HOLDING > 1% - 5% SHARE

STT	SHAREHOLDERS	TYPE OF SHAREHOLDERS	NUMBER OF SHARES HOLD	Percentage %
1	VIET CAPITAL ASSET MANAGEMENT JOINT STOCK COMPANY	Domestic organization	694.290	1,98%
2	FRONTAURA GLOBAL FRONTIER FUND LLC	Foreign organization	810.426	2,32%
3	KITMC WORLDWIDE VIETNAM RSP BALANCE FUND	Foreign organization	1.036.814	2,96%
4	KWE BETEILIGUNGEN AG	Foreign organization	1.584.058	4,53%
5	PXP VIETNAM FUND LIMITED	Foreign organization	1.015.780	2,90%
	TOTAL		5.141.368	14,69%

INFORMATION ON THE ACTIVITIES OF THE BOARD OF MANAGEMENT AND THE BOARD OF SUPERVISION:

1. ACTIVITY OF THE BOARD OF MANAGEMENT IN 2011:

With the advantage of all the members are the persons from the same Company, there were 14 ordinary and extraordinary meetings of the Board of Management in the year

Các phiên họp:

DATE OF MEETING	NUMBER OF PARTICIPANT MEMBERS	CONTENTS	RESOLUTION
21 Jan	05	Summary of missions in 2010. Plan in 2011	
16 Mar	04	Preliminary review the operation in Quarter 1. Review the contents for preparation for the General Meeting of Shareholders	
06 April	05	Preparation for the contents of working calendar with shareholders	
28 April	04	Determination of the company strategic direction.	
09 June	04	Company Management Regulations	
13 June	04	Collaboration plan for change of functions of the space located at 240 Hau Giang St.	
22 June	04	Collaboration plan for change of functions of the space located at 240 Hau Giang St.	Resolution on collaboration for establishment of new entity in order to change of functions of the space located at 240 Hau Giang St.
25 July	05	Long-term objectives for NBM	
01 Aug	04	Strategic investment issue at DPC	
17 Aug	05	Strategic investment issue at DPC	
17 Oct	05	Expected to be implemented in 2011. Plan of payment for dividends in 2011	Resolution on the dividend payment of 20% in 2011.
02 Nov	05	Company development strategies	
16 Nov	05	Company development strategies. Establishment of the Board of Internal Control and Risk Management.	
30 Dec	05	Preliminary review of the situation in 2011.	

Besides the joint work of corporate governance, the Council has made improvements, additional organizational structure and individual requirements for each member:

- ★ To review the progress of implementation of Vinh Loc huge project
- ★ To entrust the responsibility for all members in the Board of Management to prepare:
 - ♦ Business strategy
 - ♦ Product strategy



- ♦ The investment strategy
- ♦ Financial strategy
- ♦ Human resource strategy
- ♦ Review regulations, rules and administrative policies.

The Board of Members continued to participate in training sessions and seminars hold by the functional units and the huge investment funds such as SCIC, Vietnam Holding, Dragon Capital ...

2. SITUATION OF IMPLEMENTATION OF RESOLUTION IN 2011:

TARGETS	PLAN	IMPLEMENTATION	INCREASE / DECREASE (%)
Revenue (billion Vietnam Dongs)	1.650	1.826	+11
Profit before tax (billion Vietnam Dongs)	300	381,5	+27
Minimum of dividends in cash (%)	20	20	0

3. EFFECTIVE MEASURES TO STRENGTHEN GOVERNANCE IN 2012:

To enhance the effectiveness of corporate governance in 2012 and the following years, the Board of Management has had several meetings to consider and evaluate seriously the work performed and not performed yet in the past year in order to create conditions for all members and event the Council to work effectively on their administrative mission.

- ★ Each member was assigned detailed additional administrative tasks, might control in each session and reviewed periodically every six months.
- ★ To facilitate members to attend training courses and seminars by the authorities and the investment fund outside the organization to improve management capacity.
- ★ Decide to establish the Board of Internal Supervision - Risk Management to provide information to the Board of Management in time, accurately, helpfully for prevention.
- ★ Create resources for the Board of shareholder Relations in order to satisfy the demands of information of shareholders.
- ★ During the year, progress of the mission will be reported to the Director General in order to separate the missions of management and administration of the Company.

REPORT OF THE ACTIVITIES OF THE BOARD OF MANAGEMENT, THE BOARD OF SUPERVISION IN 2011



The Board of Supervision of the Company consists of 3 members selected by the General Meeting of Shareholders with 5-year-term include of:

1/ Ms. Nguyen Thi Phuong Nga
Chief of Marketing Division - Chief of the Board

2 / Mr. Nguyen Kim Thuong
Chief of R & D Division - Member

3 / Ms. Dinh Thi Nguyet Ha
Specialist of Financial and Accounting Division – Member

In 2011, the Board of Supervision has conducted monitoring activities of the Board of Management and the Board of Executive of the Company with the following results:

1. ACTIVITIES OF THE BOARD OF THE BOARD MANAGEMENT:

- ★ Year 2011 was a difficult year for the world economy in general and Vietnam in particular, The Board of Management of the Company in 2011 was actively conducted its missions, offered many innovative solutions in accordance with the reality. Through the resolutions, the Board of Management promptly implemented the decision to take Binh Minh Plastic to overcome the challenges, accomplish the business plan in 2011 as adopted by the General Meeting of Shareholders, and maintain the stable development of the Company.
- ★ The Board of Internal Supervision under the Board of Management has been established and put into operation to strengthen the missions of supervision and risk management in all activities of the Company.
- ★ To orient long term operations in the future, the Board of Management has set out the Company comprehensive development strategy by 2015 and the vision to 2020.

2. ACTIVITIES OF THE BOARD OF EXECUTIVE:

All members of the Board of Executive of the Company are the members of the Board of Management, therefore, understanding and implementation of any resolutions of the General Meeting of the shareholders and resolutions of the Board of Management were very convenient, quick and reach high efficiency. In the context of economic difficulties in 2011, to maintain stable production and development, cost, highly efficient business, continue to invest in the right direction, personnel stability, income payable to employees commensurate with the business result ... proved the dedication and great efforts of the Board of Executive.

The following operating results assess the completion of the missions of the Board of Management and the Board of Executive of the Company in 2011.

3. RESULTS OF IMPLEMENTATION OF THE CHARTER AND THE RESOLUTIONS OF THE GENERAL MEETING OF SHAREHOLDERS IN 2011:

a. Production and business operations, payment of dividends, compensation:

Compared with the resolutions of the General Meeting of Shareholders in 2011, specific figures on implementation as follows:

NO.	TARGETS	IN ACCORDANCE WITH THE RESOLUTIONS	IMPLEMENTATION	PERCENTAGE%
1	Revenue	1,650 billion Vietnam Dongs	1,826 billion Vietnam Dongs	111
2	Profit before tax	300 billion Vietnam Dongs	384 billion Vietnam Dongs	128
3	Dividends in cash	Minimum of 20%	20%	100
4	Remuneration of the Board of Management and the Board of Supervision	1.5% / total wage	1,267 billion Vietnam Dongs	100
5	Bonuses payable to the Board of Management and the Board of Supervision	Not over 2 times of the total compensation	2,534 billion Vietnam Dongs	100

b. Financial Activities:

The Company properly complied with the stipulations Accounting Law, Tax Law, any other stipulations of Vietnam and the Company Charter. The audited items were transparent, clearly, specifically as follows:

★ As regard to the sources of capital:

- ♦ The equity as to 31 December 2011 was 349,835,520,000 Vietnam Dongs (equivalent to 34,983,552 common shares sold to the public) increased 0.3% as compared to the beginning of 2011 due to additional ESOP shares in 2010 in accordance with the resolution of the General Meeting of Shareholders in 2006.
- ♦ Assignment for funds was made in accordance with the Resolution of the General meeting of Shareholders in 2011 (details in accordance with the Report General Meeting of Shareholders in 2012 by the Board of Management).
- ♦ The company controlled well and effectively used the loans; the current total debt is 117 billion Vietnam Dongs / total value of assets of 1,166 billion (10%), in which, short-term loans of 8 billion, none of existing long-term loans.

★ As regard to monetary management, revenue and expenses:

- ♦ Supervision of the receivables was properly conducted in accordance with the regulations of the Company, assigned for reserve for bad short-term receivables of 897 million Vietnam Dong was in accordance with the regulations of the State, decreased 9% as compared to 2010 due to collectible debts, so returned to the reserve, bad debts was not significant.
- ♦ The business procedure of the Company was conducted according to ISO 9001:2008 quality management system, therefore, the Company controlled well any costs.

★ As regard to investment activities

- ♦ *Financial Investments:* Except the investments in the previous years, there was no arisen financial investment by the Company in 2011. Assignment of allowance for short-term investment discount reserve was performed in accordance with the regulations of the State with the amount of 6,932 billion

Vietnam Dongs, increased 13% as compared to 2010, allowance for long-term financial investments (securities) was 1,82 billion Vietnam Dongs, increased 100% as compared to 2010.

- ♦ *Investment in assets:* In 2011, the Company has invested in machinery, equipment, factory, means of transportation, management instrument in order to enhance production abilities by its own capital resources. The total investment value was 93.93 billion Vietnam Dongs. All investment projects were properly complied with the provisions of the Charter, discussed and agreed by the Board of Management and the Board of the Executive.
- ♦ Investment for building Factory 4 in Vinh Loc Industrial Park is pending for approval of the overall space at at schedule as planned.
- ♦ The issue of change of the functions of the area located at 240 Hau Giang St. has found a partner and it is in the stage of presentation for approval of project by the competent authorities.

c. Distribution of ESOP bonus shares:

ESOP share bonus program of the parent company and preferred shares to employees of Northern Binh Minh Plastic Co., Ltd. was finished. The total shares of the two programs (875,440 shares) were publicly listed in accordance to the Resolution of the General Meeting of Shareholders.

4. AUDIT REPORTING IN 2011:

Audit unit for the Company in 2011 was Nam Viet Auditing and Accounting Financial Consultancy Service Co., Ltd. (AASCN), one of four audit units adopted by the General Meeting of the Shareholders. After review the audited report, we agree with the figures and conclusion of the audit unit.

5. RESULTS OF SETTLEMENT ON PROPOSAL OF THE BOARD OF SUPERVISIONS:

In the report 2010 of the Board of Supervision on recommend to register for circulation of 107,180 ESOP shares distributed to Company employees in 2009 and implemented in 2011 by the Board of Management.

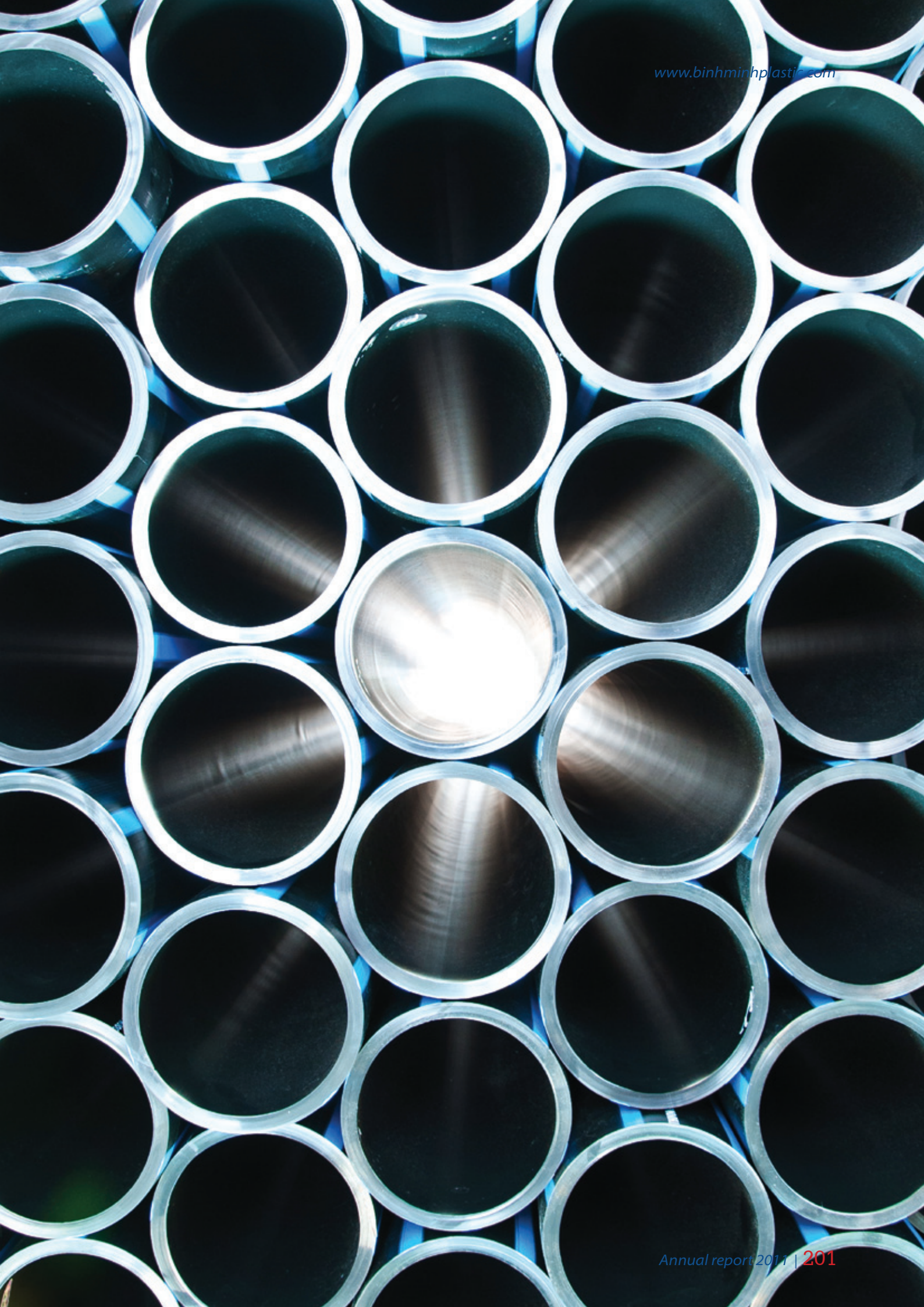
6. REQUEST:

- ★ The Board of Management should promulgate the regulations on the activities of the Board of Internal Supervision soon and make plan for its operation in 2012.
- ★ Appointment of a secretary for the Board of Management to replace the former Secretary who is assigned other duties.

7. WORKING PLAN OF THE BOARD OF SUPERVISION IN 2012:

- ★ Check the compliment with laws, policies, financial and accouting policy, management of revenue and expenses through checking the quarter and annual financial statements, and participating in the mission of periodic inventory of the Company.
- ★ Check the compliment with the Charter and Resolutions of the General Meeting of Shareholders in 2012.
- ★ Check the compliment with the Resolution of the Board of Management on mobilization and use of sources of capital, implementation of investment projects.
- ★ The participants in the related training courses and seminars in order to improve qualifications and skills for the work of the Board.

The above are the results of the implementation of the supervision tasks of the Board of Supervision in 2011 for the activities of the Board of Management and the Board of Executive of the Company. We committed to perform faithfully, diligently and carefully the entrusted job work; these above comments and figures are honest and objective. We will assume full responsibility before the shareholders for the above result.



OTHER INFORMATION

THE EXTERNAL ACTIVITIES TO THE INVESTORS



The Board of Shareholder Relations and the person who discloses the Company information had 07 ordinary and extraordinary meetings in the year with interested investors on 24 February, 18 March, 17 May, 25 May, 30 May, 05 August, and 11 November 2011.

During these meetings, the company clarified any questions of the shareholders, announced new information about market conditions, expected business and investment plans of the Company to the interested shareholders.

However, these activities did not satisfy all almost every day expectations of the shareholders, therefore, the Company associated with FPT in linking to the path to the website of each other in order to satisfy any requirements of disclosure of information at the soonest time instead of answering the telephone which is nearly impossible.

To enhance the effectiveness of IR in 2012:

- ★ The Board of Shareholder Relations will further improve the cooperation with FPT in IR field.



- ★ Publication of the list of persons in charge of specialized fields so that the shareholders may directly send their questionnaire.
- ★ Maintain periodically meet at each quarter with the investors.
- ★ Prepare a good annual report and send to the investors before the General Meeting of Shareholders.
- ★ Update the news in the Investor Relations section on the Company website effectively and timely.
- ★ Translate any documents into English to serve the foreign investment shareholders.



REPORT ON SOCIAL ACTIVITIES

Besides enhancing the business and production and care about employee life, the Company has always been paid attention particularly to social – charity activities. Implementation of the campaign "Give a hand for the Community" launched by the Communist Party and the Government", in many conservative years, the Company has been actively participated in the movements, supported the Fund for the Poor, supported the victims of natural disasters of floods, and supported the Red Cross, donated Nguyen Duc Canh scholarships to good pupils, regularly given gifts to the blind children at the Blind Association and disabled schools on the occasion of the annual year-end summation, presented 1,000 notebooks for poor pupils overcoming poverty launched by the Ho Chi Minh City Labor Union and sent gifts to the soldiers at the island as called by the Ho Chi Minh City Police's Magazine, called for construction of 03 gratitude and love houses, taken care of 05 Vietnamese hero' mothers, 03 martyr's mothers, 01 worker's child suffering from a particularly difficult circumstances. In 2012, the company has deducted funds of 50 million Vietnam Dongs to support the program "Contribution of stone for construction of Truong Sa", total of the amount up to over 600 million Vietnam Dongs.

Besides participating in social movements, each year, the company also organized "Blood Donation Day" which attracted a great number of employees attending in the last 8 consecutive years, there was nearly 1,000 participants.



REPORT ON ENVIRONMENTAL ACTIVITIES

The mission of labor safety protection is always focused by the Company. The activities of labor safety protection are methodically and routinely performed for the sustainable development and high responsible commitments to the community and the society. In 2011, the leaders of the Company determined to build up, implement and evaluate successfully under ISO 14001:2010 certification system for Environmental Management.

The leaders of the Company issued Environmental Policy, Environmental Objectives, documentation system in accordance with the requirements of ISO 14001 standards and organized for learning and training to all employees of the Company, and at the same time, sent this message to all customers, suppliers through letters of intent, Company website and customer cards when they visit for contact, business with the Company.



Although application recently, ISO 14001 environment management system was initially created a high awareness of responsibility to the employees in assurance of safety working conditions, maintenance of the landscape, saving resources, initial sorting of waste at sources, ... in the company as well as in their families and in the society.



NHỰA BÌNH MINH

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