



ABBREVIATIONS

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

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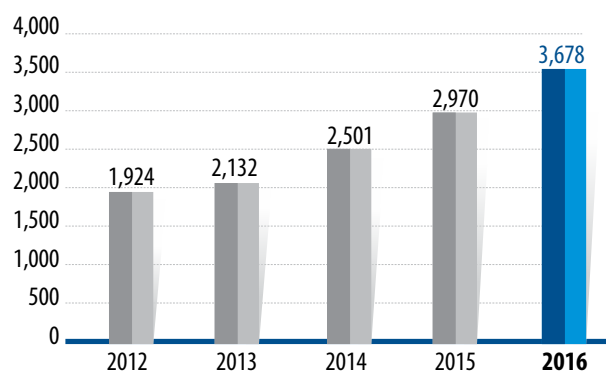
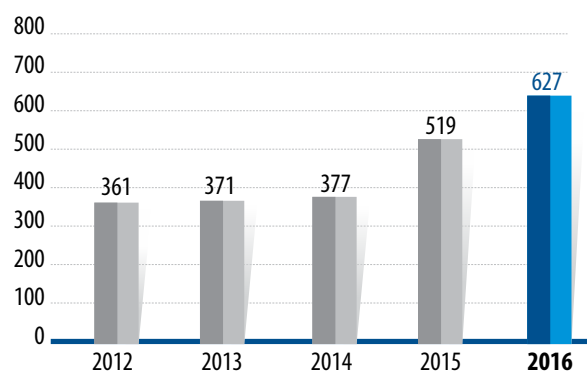
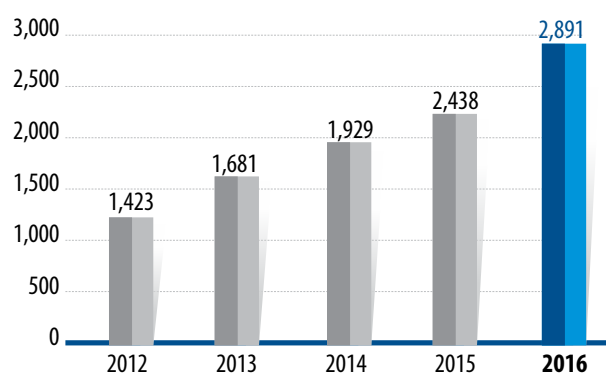
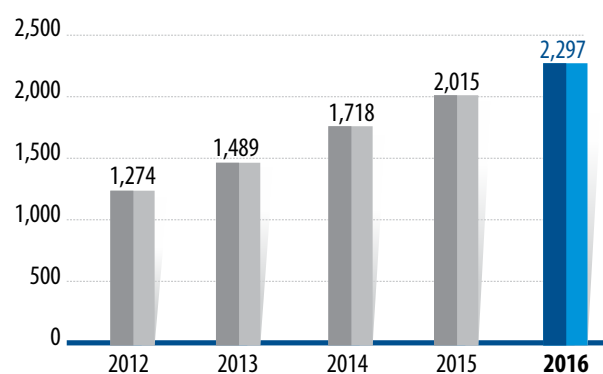
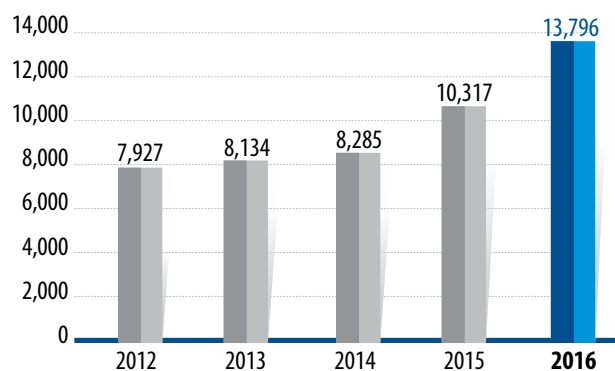
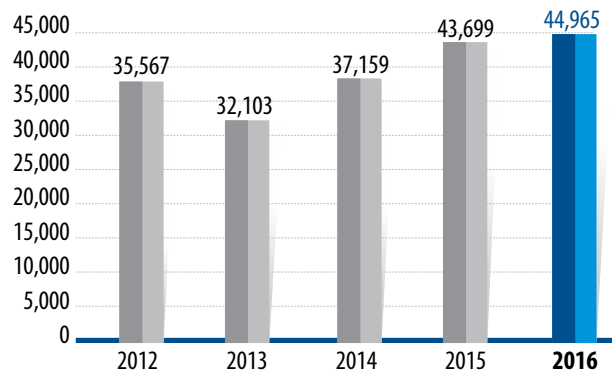


FINANCIAL HIGHLIGHTS

CRITERIA	UNIT	2012	2013	2014	2015	2016
Business results						
Revenue	VND billion	1,924	2,132	2,501	2,970	3,678
Net revenue	VND billion	1,891	2,088	2,416	2,792	3,309
Gross profit	VND billion	589	622	669	890	1,061
Operation costs	VND billion	124	136	197	222	282
Net profit from business activities	VND billion	465	486	472	668	779
Net profit from financing activities	VND billion	7.9	13.0	6.8	(1.2)	7.5
Net profit from other activities	VND billion	2.0	0.6	1.3	(2.0)	(2.3)
Profits are distributed from associated companies	VND billion	-	(0.5)	0.8	0.5	0.5
Profit before tax	VND billion	479	499	481	665	784
Profit after tax	VND billion	361	371	377	519	627
Accounting balance sheet						
Total assets	VND billion	1,423	1,681	1,929	2,438	2,891
Charter capital	VND billion	350	455	455	455	455
Equity	VND billion	1,274	1,489	1,718	2,015	2,297
Key financial indicators						
Return on total assets (ROA)	%	27.8	23.9	20.9	23.8	23.5
Return on equity (ROE)	%	31.0	26.8	23.5	27.8	29.1
Target for a unit of stock						
Number of outstanding shares	Share	34,983,552	45,478,480	45,478,480	45,478,480	45,478,480
Basic earnings per share	VND	7,927	8,134	8,285	10,317	13,796
Book value per share	VND	35,567	32,103	37,159	43,699	44,965
Dividend	VND	4,000	3,000	3,500	6,000	2,000 ^(*)
Market price at the end of the year	VND	44,500	70,000	73,000	131,000	191,000

Source: Audited consolidated financial statements of BMP during 2012 - 2016

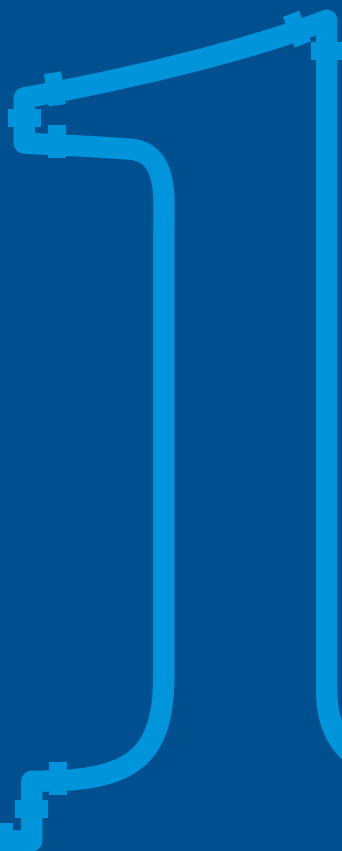
(*) Dividend payment calculated according to the resolution of the General Shareholders' Meeting of 2016

REVENUE (VND BILLION)**PROFIT AFTER TAX (VND BILLION)****TOTAL ASSETS (VND BILLION)****EQUITY (VND BILLION)****BASIC EARNINGS PER SHARE (VND)****BOOK VALUE PER SHARE (VND)**



VISION

Maintaining the status as a leading enterprise in plastic building materials industry in Vietnam. Actively improving capacity for competition in the region and in the world.





MISSION

Providing products and services to meet increasing demands of the market. Ensuring harmonization of interests of customers, employees, shareholders and the society.



CORE VALUE

- **HIGH CONSENSUS**
- **RESPECT OF THE PAST**
- **STRONG DEVELOPMENT AT THE PRESENT**
- **CONFIDENCE FOR THE FUTURE**





MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



in 2016, BMP has received various titles and awards such as the Vietnamese High quality goods title for the 20th time; the National Branding title for the 5th time and one of 50 best Vietnamese listed companies.



Dear shareholders, customers, investors and all employees!

Due to the consistent and appropriate policies from the Board of Directors, the flexible and decisive management from the General Director Board, the high unity and efforts from employees, year 2016 has ended with the most outstanding achievements in the development history of BMP:

- Total revenue is VND3,678 billion, an increase of 23.8% compared to 2015.
- Profit before tax is VND784 billion, an increase of 17.9% compared to 2015.

Also in 2016, BMP has received various titles and awards such as the Vietnamese High quality goods title for the 20th time; the National Branding title for the 5th time and one of 50 best Vietnamese listed companies.

Over the last few years, BMP has undergone a vigorous change with lots of achievements, marking a turning point for a new journey to come. So far, BMP has been very proud of all

3,678

VND BILLION
TOTAL REVENUE



the achievements in the past and confidently head towards the future with a deep sense of challenges and severe competition in the context of deeper international economic integration of Vietnam. Never being subjective or satisfied with obtained achievements, BMP has developed long-term plans for sustainable development, investment in technologies, enhancement of research and development works to diversify products, expand production, improve business efficiency and active participation in social activities and environmental protection, etc. All these are sustainable values which have helped BMP becomes more and more shining in confidence of million of customers.

Entering 2017 with new opportunities and prospects, BMP continues to speed up construction

of production workshops, equipment, improvement of internal institutions, especially paying more attention to working environment and conditions of employees in order to obtain a breakthrough in performing annual economic targets. At the same time, the Company will continue to try our best to meet the market demand, increasing sustainable confidence of customers, improving and taking BMP brand to a new height, marking a great milestone in 40 years of establishment and development of a national brand (16 November 1977 - 16 November 2017).

On behalf of the whole Company, I would like to send sincere thanks to shareholders, customers, partners, competent authorities and all employees for your endless support over the past years. We undertake to continue to strive for sustainable

development of BMP and for common prosperity of shareholders, employees, customers and the society. We wish you good health, happiness, and success.

Sincerely.

Chairman of the Board of Director



LE QUANG DOANH



HIGHER

BMP has been always a pioneer in application of newest and most advanced technologies in the world. Efforts of the Company aim to bring about high-quality products to customers in compliance with international standards.

GENERAL INFORMATION OF THE COMPANY

- General information • 40 years of establishment and development • Business lines and operation areas • Product portfolio • Outstanding events in 2016 • Awards and titles received in 2016 • Information on management model and management structure • Introduction of the Board of Directors • Introduction of the Control Board • Introduction of the General Director Board • Development orientation • SWOT analysis





GENERAL INFORMATION

Company name: **CÔNG TY CỔ PHẦN NHỰA BÌNH MINH**

English name: **BINH MINH PLASTICS JOINT - STOCK COMPANY**

Abbreviation: **BMPLASCO**

Business registration
certificate and tax code: 0301464823

Charter capital: VND 454,784,800,000

Head office: 240 Hau Giang, Ward 9, District 6, HCMC

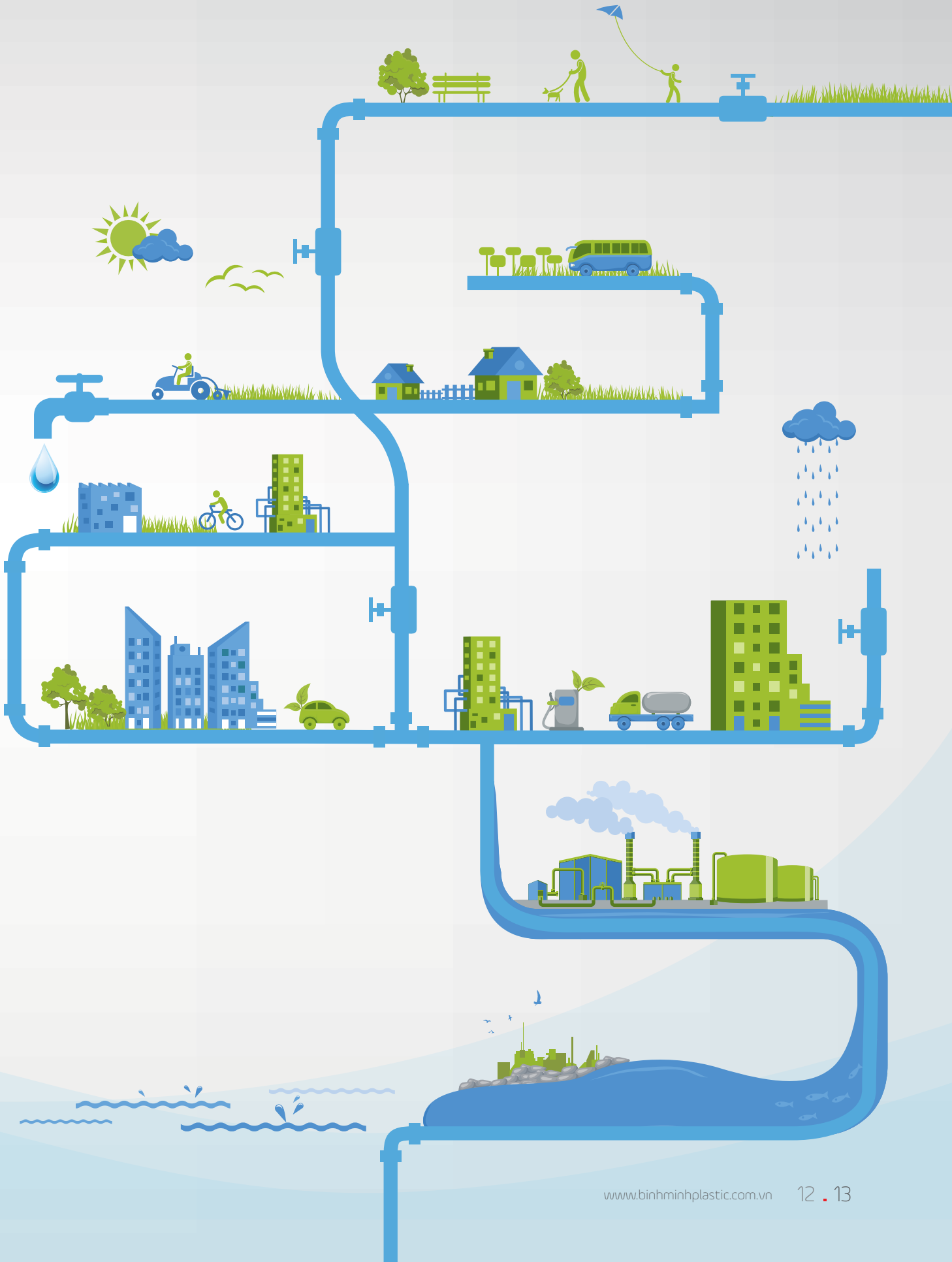
Telephone: (84-28) 39 690 973

Fax: (84-28) 39 606 814

Website: **www.binhminhplastic.com.vn**

Security code: **BMP**







40 YEARS OF ESTABLISHMENT AND DEVELOPMENT

1977 - 1986

1987 - 1996

1977 - 1986: STABILIZATION OF PRODUCTION

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

- On November 16th, 1977, Binh Minh Plastics State Private Partnership Factory under the Industrial Goods Corporation - Ministry of Light Industry was established by merging Vietnam Chemical Plastic Pipe Company (Kepivi) and Kieu Tinh Technology and Industry Company, focusing on production of domestic plastic products, pipes and spare parts of pipes.
- The year saw a historical turning point of BMP as it was selected by UNICEF to be the first and main supplier of uPVC pipes for the project "Rural Water Program", marking an entire change of product structure of BMP to industrial and technical plastic products, paving the way for development of plastic pipe industry in Vietnam.

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

During this period, BMP entirely changed from a plant specialized in production of domestic plastic products to industrial plastic products, mainly plastic pipes in compliance with international standards.

- Renamed as Binh Minh Plastics Production Science Factory, a state-owned enterprise under the Ministry of Light Industry.
- Officially registered for protection of merchandise mark, trademark and logo of BMP in Vietnam, a start for establishment and development of the brand.
- Product distribution network of Binh Minh Plastic was established.
- Renamed as Binh Minh Plastics Company, a state-owned enterprise under the Ministry of Light Industry.
- The first enterprise to apply Dry-Blend advanced technology to directly produce 400 mm uPVC plastic pipe from compound raw materials in Vietnam.

1977 1986

1990 1994



**2007
present**

1997 - 2006

1997 - 2006: REFORM FOR DEVELOPMENT

Under the policy of "Reform for development", the Company invested in modern machines and equipment by its own capital to improve product quality and diversify products. At the same time, the Company expanded premises in Hochiminh City, building the Plant No. 2 with a total area of 20,000 m² in Song Than Industrial Zone 1, Binh Duong province fully equipped with modern machines from European countries. The Company's shares were officially listed on the Vietnamese stock market as BMP.

- Inauguration of the Plant No. 2 - with total area of 20,000 m² in Binh Duong province and modern equipment from European countries - marked a development stage in terms of production scale and capacity of the Company.
- Received ISO 9001 Certificate for quality management system.
- HDPE pipes and double-wall corrugated PE pipes were introduced for the first time.
- Completed expansion of warehouses and the Plant No. 2 with total area of 30,000 m².
- On January 2nd, 2014, after equitization, Binh Minh Plastics Joint Stock Company officially went into operation under the name of Binh Minh Plastics Joint-Stock Company, abbreviated as BMPLASCO.
- The Company invested in equipment and expanded the area of the Plant No. 2 to 50,000 m².
- On July 11th, 2006, the Company's shares were officially listed on the Vietnamese stock market as BMP.

2007 - PRESENT: SUSTAINABLE DEVELOPMENT

Under the strategic direction of sustainable development and harmonization of interests between the Company and its shareholders, customers, employees and the community, the Company focused on automatic solutions, improvement of labour capacity, development of human resources, saving of material and fuel, and environmental protection. This forms the backdrop for production of international-quality pipes with largest diameter in Vietnam today such as 630 mm uPVC pipes and 1,200 mm HDPE pipes in addition to double-wall corrugated PE pipes and PP-R pipes, offering customers more options, making contributions to economic development of the country.

- On December 21st, 2007, the Northern Binh Minh Plastics One Member Limited Company was inaugurated in Hung Yen, officially introducing BMP brand into the northern market.
- The Company purchased 29% shares of Da Nang Plastics Joint Stock Company with the aim of developing the BMP brand in the central and highland areas.
- Heat-resistant PP-R pipes were officially introduced into the market.
- Production of uPVC pipes with diameter up to 630 mm.
- The company was the first company in Vietnam successfully producing the largest HDPE pipes with diameter up to 1,200mm at BMP.
- Signed a rental contract for 155,000 m² of land at Vinh Loc No. 2 Industrial Park, Ben Luc, Long An for construction of Binh Minh Long An Plant.
- Contributed 26% of capital to Binh Minh Viet Real Estate Investment - Trading Joint Stock Company to transfer functions of the land at the Company's Head Office after the Government issued guidance on land clearance.
- Applied the ISO 14001 Environmental Management System.
- Implemented the information technology project "Enterprise Resource Planning (ERP) - Oracle E-Business Suite".
- Received Certificate of Conformity for products in compliance with standards and codes of the Ministry of Construction.
- Increased the chartered capital to VND 454,784,800,000.
- On November 18th, 2015, Binh Minh Long An Plant was inaugurated.
- Successfully deployed 05 ERP sub-systems at the Company, its branches and subsidiaries.
- Began Phase II of construction of Binh Minh Long An Plant.
- Increased 50% of production capacity of spare parts for pipes.
- Received the National Brand Award for 5 consecutive years from 2008 to 2018.
- Received the Vietnamese High Quality Goods Award for 20 consecutive years from 1997 to 2016.

1999 2000 2002 2004 2006

2007 2008 2009 2010 2011 2012 2013 2015 2016



BUSINESS LINES AND OPERATION AREAS

BUSINESS LINES

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





BINH MINH PLASCO®



BUSINESS LINES AND OPERATION AREAS

BUSINESS AREAS

BMP has domestic business areas nationwide.

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

PRODUCTION PLANTS

The Company has 4 plants in HCMC, Binh Duong, Long An and Hung Yen, meeting goods demand of the national market.

DISTRIBUTION NETWORK

After nearly 40 years of establishment and development, the distribution network of BMP is extensively increasing. As up 2017, the Company has nearly 1,500 distributors nationwide, timely providing goods to customers. In addition, the Company has also involved in national important projects, providing plastic pipes for water supply and construction businesses, etc.



NORTH PLANT



BINH MINH LONG AN PLANT



After nearly 40 years of establishment and development, the distribution network of BMP is extensively increasing. As up 2017, the Company has nearly 1,500 distributors nationwide, timely providing goods to customers.





BINH MINH BINH DUONG PLANT



HEAD OFFICE IN HO CHI MINH CITY



PRODUCT PORTFOLIO

uPVC PIPES AND FITTINGS

1. uPVC pipes with diameters from 20mm to 630mm and fittings for water sector and underground cable in compliance with ISO 1452-2:2009 standard and the National Technical Regulation: QCVN 16-4:2011/BXD, specifically:

- uPVC pipes and fittings Inch and Metric series systems made from un-plasticized uPVC.
- uPVC pipes with CIOD series and exterior diameter compatible to pressure cast iron pipes and fittings.

These types are suitable for water systems as follows:

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

2. uPVC pipes and fittings for protection of underground cable systems, specifically:

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



HDPE PIPES AND FITTINGS

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

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

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

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



PP-R PIPES AND FITTINGS

PP-R pipes and fittings with diameters from 20mm to 160mm made from Polypropylene Random Copolymer, PP-R80, suitable for the following systems:

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



OTHER PRODUCTS

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





OUTSTANDING EVENTS IN 2016

March 2016

BMP successfully organized the workshop on **"Use of BMP pipes in industrial and civil construction"** in Long Xuyen city of An Giang province with 180 participants from 80 distributors and 05 partners in An Giang, Dong Thap and Can Tho city.



MARCH 2016



July 2016

BMP organized the workshop on **"Use of Binh Minh Plastic pipes in industrial and civil construction"** in Ca Mau city of Ca Mau province in order to introduce products, developing distribution network, bringing products to local consumers, actively involving in the campaign **"Vietnamese use Vietnamese goods"**. The workshop was attended by more than 200 participants from design consultation, investment, construction companies, water supply and drainage companies, Water and Environmental Sanitation Centre, project management units, water material distributors, and customers.



JULY 2016



APRIL 2016



April 2016

Automatic assembly line technologies were reformed in order to streamline assembly process, improving fittings capacity of plants, increasing more than 50% of output compared to the same period of the previous year.

September 2016

The Company completed the equipment investment project to increase 50% of capacity for production of fittings at Binh Minh Long An Plant in. At the same time, by December 2016, construction of 13,000 m² warehouse was completed, increasing storage area, meeting requirements of product development and consumption of the Company.



AUGUST 2016

SEPTEMBER 2016

NOVEMBER 2016



August 2016

Implementing the campaign **"Vietnamese use Vietnamese goods"**, BMP participated in Vietnamese High quality Goods Fairs in Quy Nhon city of Binh Dinh province. In these fairs, the Company organized the workshop on **"Use of BMP pipes in industrial and civil construction"** with 250 participants from contractors, construction units, potential customers and distributors selling BMP products in the central area.



November 2016

The Company successfully organized the Customer Conference in Malaysia exclusively for the distribution network with more than 1,300 participants from distributors nationwide. The event marked a new stage of development, bringing BMP to a new height, strengthening the relationship with the distribution network for a brighter future.



AWARDS AND TITLES RECEIVED IN 2016

Vietnamese High quality goods

Award for the 20th time

Consumers voted



Top 50

"Best Vietnamese listed companies" in 2016

Forbes Vietnam Magazine collected



National Brand

Award for the 5th consecutive time, permanently retaining the campaign medal of the **"Vietnam Value"** programme.

*The National Brand Council
and the Ministry of Industry and Trade collected*



Top 100

"Sustainable developing businesses" in 2016

Vietnam Chamber of Commerce and Industry collected



Re-presentative HCMC Business

"Re-presentative HCMC business" Title in 2016

HCMC Business Association collected





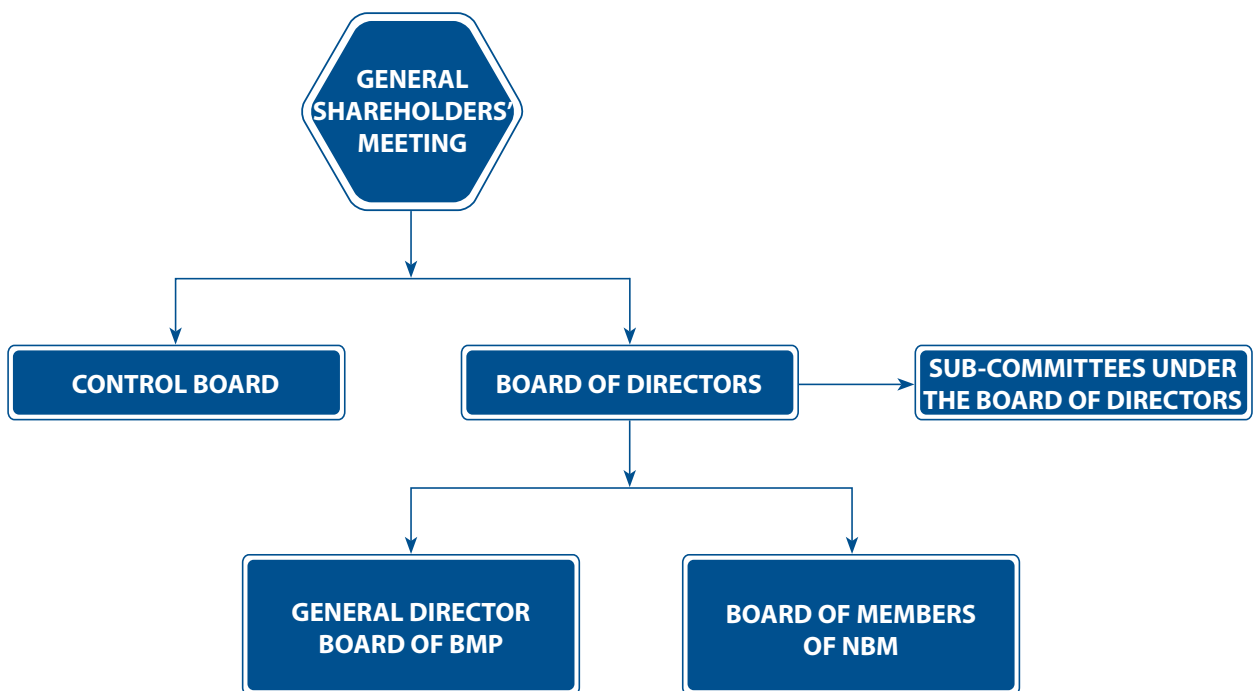
INFORMATION ON MANAGEMENT MODEL AND MANAGEMENT STRUCTURE

MANAGEMENT MODEL

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

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

Management model chart

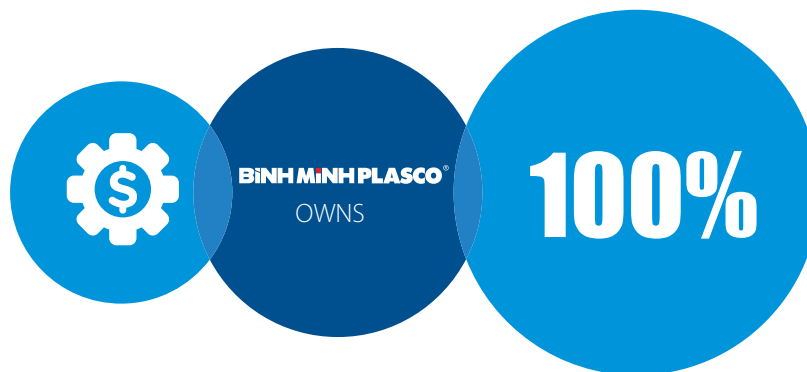


SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES

► Subsidiary company

1. Northern Binh Minh Plastics One Member Limited Company (NBM)

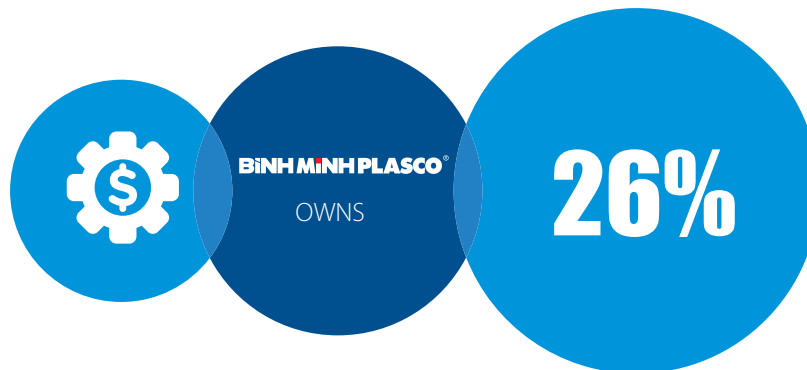
D1 road, D complex, Pho Noi A Industrial Zone, Van Lam district, Hung Yen province.



► Associated company

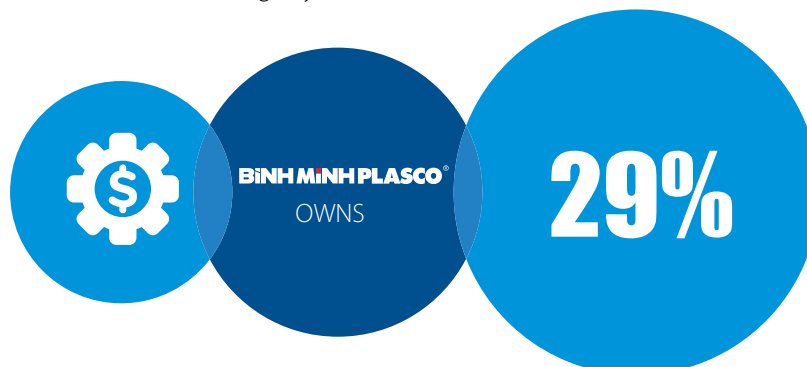
1. Binh Minh Viet Real Estate Investment and Trading Joint Stock Company

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



2. Da Nang Plastics Joint Stock Company (DPC)

371 Tran Cao Van, Thanh Khe district, Da Nang city.





INFORMATION ON MANAGEMENT MODEL AND MANAGEMENT STRUCTURE

SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES



Binh Minh Plastics One Member Limited Company (NBM)

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

NBM officially went into operation on 21 December, 2007. Total current charter capital is VND155 billion. The Company has modern equipment and newly-built workshops with total area of 40,000 m² and capacity of 40,000 ton/year.



CHARTER CAPITAL TO VND **155** BILLION



BiNH MINH PLASCO®

OWNS **100%**



Binh Minh Viet Real Estate Investment and Trading Joint Stock Company

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



CHARTER CAPITAL TO VND **210** BILLION



BINH MINH PLASCO®

OWNS **26%**



Da Nang Plastics Joint Stock Company (DPC)

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

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

Presently, DPC is the trade partner of BMP responsible for product distribution in the central and highland area.



CHARTER CAPITAL VND **22.4** BILLION



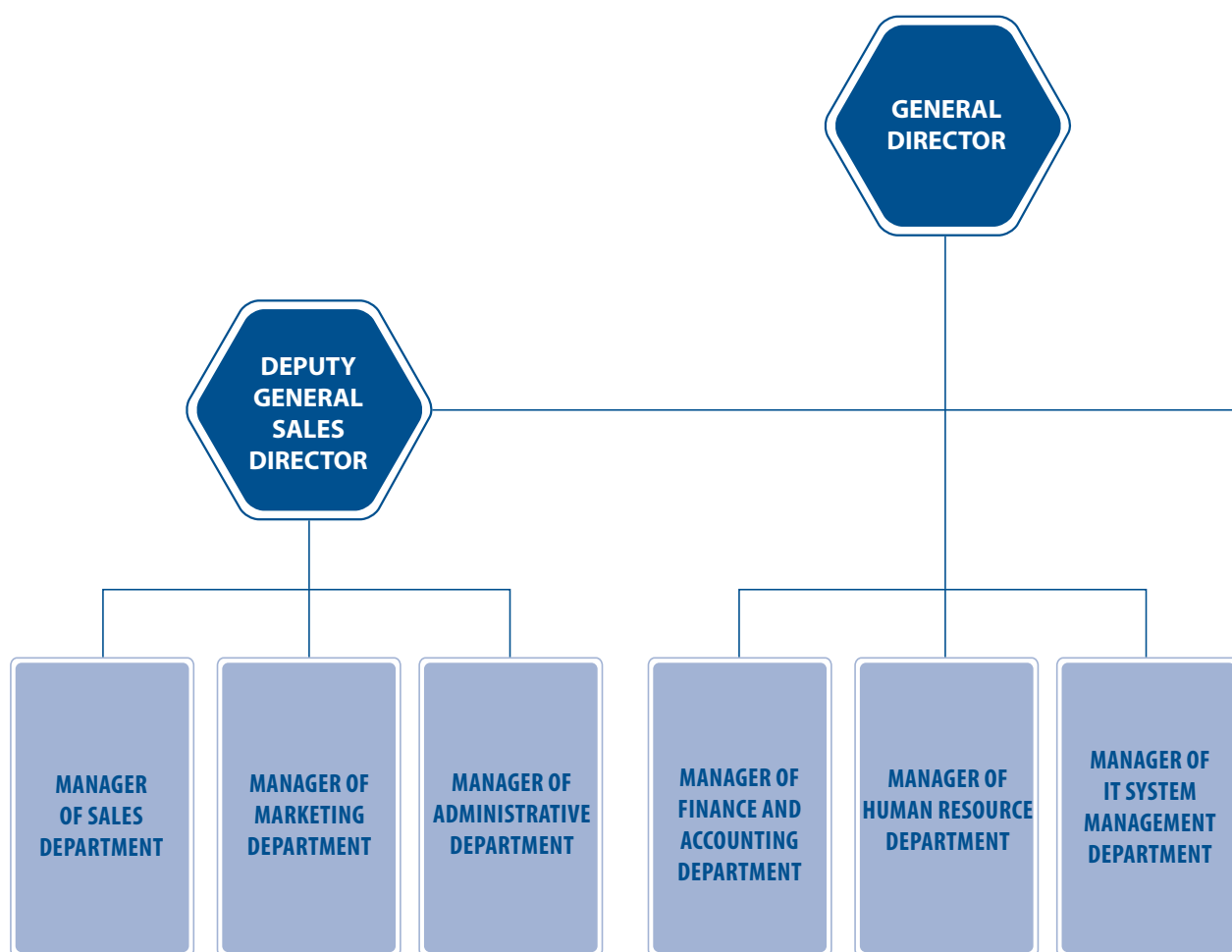
BINH MINH PLASCO®

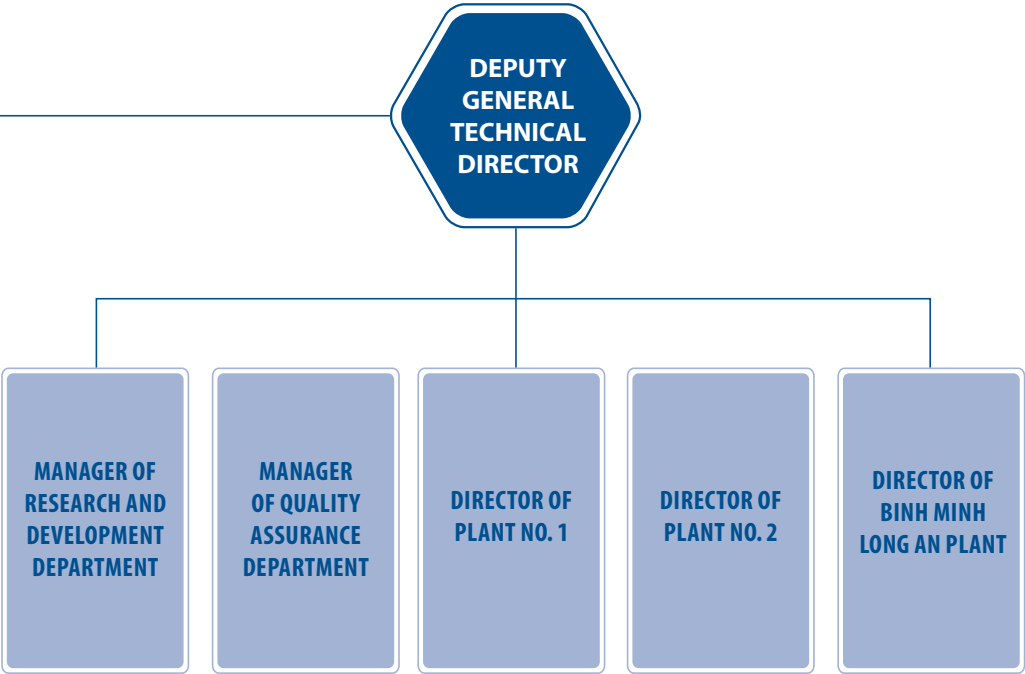
OWNS **29%**



INFORMATION ON MANAGEMENT MODEL AND MANAGEMENT STRUCTURE

MANAGEMENT STRUCTURE







INTRODUCTION OF THE BOARD OF DIRECTORS



Mr. LE QUANG DOANH

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

Year of birth: 1952

Qualification: Mechanical Engineer

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

EMPLOYMENT HISTORY

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

Holding of voting shares and other securities issued by the Company: **590,140**.

Mr. NGUYEN HOANG NGAN

Vice Chairman of the Board of Directors

General Director

Year of birth: 1962

Qualification: Mechanical Engineer,
Master of Business Administration

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

EMPLOYMENT HISTORY

- 1988: Technical staff of Binh Minh Plastics Production Science Factory.
- 1992: Head of Technical Department of Binh Minh Plastics Production Science Factory.
- 1997: BMP Vice Director.
- 2004: Vice Chairman of the Board of Directors - BMP Deputy General Director.
- 2007 - 2010: Vice Chairman of the Board of Directors - BMP Deputy General Director; Vice Chairman of the Board of Members - NBM Director.
- 2010 - February 2012: Vice Chairman of the Board of Directors - BMP; Deputy General Director; Chairman of the Board of Members of NBM.
- March 2012: Vice Chairman of the Board of Directors of BMP - BMP Deputy General Director; Chairman of the Board of Members of NBM; Chairman of the Board of Directors of DPC.
- November 2012 - 2014: Vice Chairman of the Board of Directors of BMP - General Director; Chairman of the Board of Members of NBM; Chairman of the Board of Directors of DPC.
- 2014 - present: Vice Chairman of the Board of Directors - General Director of BMP; Head of the Subcommittee on Strategy - Development.

Holding of voting shares and other securities issued by the Company: **343,639**.



INTRODUCTION OF THE BOARD OF DIRECTORS



Ms. NGUYEN THI KIM YEN

Member of the Board of Directors
Deputy General Sales Director

Chairwoman of the Board of Members of NBM

Year of birth: 1960

Qualification: Bachelor of Industrial Economics,
Bachelor of Business Administration

She has been one of key and most senior female staffs of BMP. She began working at BMP in early 1980s, holding various positions from Deputy Manager of Sales Department, Manager of Sales Department, Deputy General Sales Director. She has made important contributions to establishment and development of product distribution system and BMP brand.

EMPLOYMENT HISTORY

- 1981: Statistics staff of Binh Minh Plastics State Private Partnership Factory.
- 1988: Deputy Manager of Planning, Supply and Consumption Department of Binh Minh Plastics Production Science Factory.
- 1998: Manager of BMP Sales Department.
- 2006 - 2014: Member of the Board of Directors - Deputy General Director.
- 2014 - present: Member of the Board of Directors BMP - Deputy General Director; Chairwoman of the Board of Members of NBM; Head of the Subcommittee on Investor Relations.

Holding of voting shares and other securities issued by the Company: **253,908**.



Ms. NGUYEN HONG MINH

Member of the Board of Director (non-executive member)

Year of birth: 1978

Qualification: Bachelor of Economics,
Bachelor of Foreigner Languages, MBA,
Master of Management

EMPLOYMENT HISTORY

- 2004: Staff of AIA Ltd.
- 2006: Executive in Department of Interment 3 of SCIC.
- 2012: Member of BOD of BMP; Executive in Department of Investment 3 of SCIC; Member of Risk Management and Internal Control Subcommittee.
- Resigned on February 4th, 2016.

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



INTRODUCTION OF THE BOARD OF DIRECTORS



Mr. SUCHAI ASVATHAVORNVANIT

Member of the Board of Directors

(non-executive member)

Year of birth: 1957

Nationality: Thailand

Qualification: Mechanical Engineer

EMPLOYMENT HISTORY

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

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



Ms. DANG THI THU HA

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

Year of birth: 1973

Qualification: Bachelor of Economics
Bachelor of Foreign Languages
Master of Business Administration

EMPLOYMENT HISTORY

- 1995 - 2000: Hanoi Knitting Company.
- 2000 - 2007: Mizuho Hanoi Bank.
- 2007 - 2008: Trang An Securities Joint Stock Company.
- 2008 - present: Deputy Head of Investment 3 of SCIC.
- 7 March, 2016 - present: Member of the Board of Directors of BMP (non-executive member).

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



INTRODUCTION OF THE CONTROL BOARD



Ms. NGUYEN THI PHUONG NGA

Head

Year of birth: 1963

Qualification: Bachelor of Economics

EMPLOYMENT HISTORY

- 1982: Staff of the Supply and Consumption Department of Binh Minh Plastics Production Science Factory.
- 1999: Deputy Manager of the Sales Department of BMP.
- 2004: Member of the Control Board - Deputy Manager of BMP Sales Department.
- 2008: Head of the Control Board - Deputy Manager of BMP Sales Department.
- 2010 - 2013: Head of the Control Board - Manager of BMP Marketing Department.
- 2013 - present: Head of the Control Board - Manager of BMP Sales Department.



Ms. NGUYEN LUU THUY MINH

Member

Year of birth: 1983

Qualification: Bachelor of Accounting, Master of Finance

EMPLOYMENT HISTORY

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

Ms. NGUYEN THI THAM

Member

Year of birth: 1985

Qualification: Bachelor of Economics

EMPLOYMENT HISTORY

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



INTRODUCTION OF GENERAL DIRECTOR BOARD



Mr. NGUYEN HOANG NGAN

Vice Chairman of the Board of Directors

General Director

(See details in the Introduction
of the Board of Directors page 33)

“

**Thanks to endless efforts, unity, culture and
reputable brand, BMP will continue to confirm its
position and strength.**

”



Ms. NGUYEN THI KIM YEN

Member of the Board of Directors
Deputy General Sales Director
Chairwoman of the Board of Members of NBM
(See details in the Introduction
of the Board of Directors page 34)

454,8

VND BILLION
CHARTER CAPITAL



INTRODUCTION OF THE BOARD OF DIRECTOR



Mr. NGUYEN THANH QUAN

Deputy General Technical Director

Year of birth: 1968

Qualification: Chemical Engineer,
Master of Business Administration

EMPLOYMENT HISTORY

- 1994: BMP Technical staff.
- 1997: Deputy Head of BMP Technical Division.
- 2000: Supervisor of BMP Workshop 1.
- 2007: Director of BMP Plant No. 1.
- 2010: Director of BMP Plant No. 2.
- 2013 - present: BMP Deputy General Technical Director.

Holding of voting shares and other securities issued by the Company: **6,505**.



Mr. HONG LE VIET

Chief Accountant

Member of the Board of Members of NBM

Year of birth: 1966

Qualification: Bachelor of Economics

EMPLOYMENT HISTORY

- 1993: Staff of Finance and Accounting Division of Binh Minh Plastics Production Science Factory.
- 2002: Deputy Manager of BMP Finance and Accounting Division.
- 2006: Deputy Manager of BMP Finance and Accounting Division; Chief Accountant of NBM - Member of the Board of Members of NBM.
- 2014 - present: Chief Accountant cum Manager of BMP Finance and Accounting Division - Member of the Board of Members of NBM.

Holding of voting shares and other securities issued by the Company: **02.**



DEVELOPMENT ORIENTATION

Establishing itself as one of the market leaders in the field of manufacturing and supplying plastic pipe and pipe fittings in Vietnam has been a great achievement of BMP for many years, but maintaining that position is always a challenge. However, the results of business activities in 2016 clearly prove that the Company is still maintaining and firmly affirming the leading position in the plastics industry and in the business community in Vietnam. BMP insists that it will continue to implement the long-term orientations that have been developed in the development strategy, with special focus on major orientations and implemented into appropriate functional strategies to develop and maintain its position in the domestic market and willing to participate more deeply into the international market.

Strategic product orientation: SYNCHRONIZED PRODUCTS - DIVERSIFIED APPLICATIONS

Plastic pipes and fittings are considered main products - strategic products - with the motto of gradual finalization and synchronization of products in compliance with various scope of application and standards. Products are diversified for different usage purposes, types of customers, and market segments. Priority is given to development of new products based on market demand analysis and the Company's financial situation and other resources in order to develop core products using advanced technologies in the world. Strategic orientations still focus on development of plastic building materials with an aim to expand to other potential areas in the long term such as plastic products for supporting industries, advanced agriculture, irrigation, and other key industries.

Strategic quality orientation: PERFECT QUALITY - INTERNATIONAL STANDARD

Priority is given to high-quality products, unifying product standard system, ensuring that all main products are standardized in compliance with national and international standards.

Strategic business orientation: UNITED MARKET - FLEXIBLE POLICIES

A stable distribution network is maintained as basis for expansion of project customers. Active cooperation is also maintained with building material manufactures, water supply and drainage consulting, designing, and construction units, real estate and infrastructure investors,



construction contractors to create a supply chain in the form of alliances and associations.

Strategic market development orientation: DOMESTIC MARKET FOCUSING - EXPORT ORIENTATION

Although the Company's products do not have export advantages due to high transportation costs, it is possible to enter the surrounding market (especially Indochina countries). Domestic market is still considered the main market. However, the Company should actively explore and gradually expand business activities to the neighbouring market in the form of business cooperation or investment.

Strategic brand development and communication orientation: NATIONAL BRAND - EXPANDING TO THE REGION

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

Strategic investment orientation: MODERN EQUIPMENT - PIONEERING TECHNOLOGIES

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



improved, keeping up with national and international markets in order to actively develop new products and apply advanced technologies.

Strategic management and human resource orientation: APPROPRIATE SCALE - ADVANCED MANAGEMENT

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

Strategic finance orientation: INFORMATION TRANSPARENCY - RISK MANAGEMENT

Effectiveness of business activities is improved in order to ensure short-term financial efficiency with an aim to achieve long-term sustainable development based on harmonization of interests and high unity among customers, shareholders, employees, and the community. Information technology is applied in planning, management, collection of financial information and risk management.

Strategic orientation relating to international integration and competition: FAIR COMPETITION - DEVELOPMENT COOPERATION

Given the establishment of the ASEAN Economic Community (AEC) in 2015 and joining other free trade agreements of Vietnam, competition pressure has knocked at “the door” of all businesses in general and BMP in particular. Compared to similar manufacturers in ASEAN, the Company is confident of its competitiveness due to high quality products, advanced technologies,

high labour capacity and effective business management. However, it is required that the Company should improve knowledge on international business environment, understanding opportunities and challenges during integration with other countries in the region and in the world through free trade agreements joined by Vietnam in order to develop an appropriate competition strategy.

Strategic orientation relating to environmental, social, and community activities: ENVIRONMENTAL PROTECTION - COMMUNITY SUPPORT

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

Strategic orientation relating to the Company's Culture: UNITY - CAUTION - CREATION - PIONEERING

As culture is considered a core value to implement strategic orientations mentioned above, it should be formed and improved over time. The Company will continue to promote the tradition of solidarity, caution, cooperation, and unity based on creation and willingness to reform for a more effective internal management and a professional and friendly working environment. BMP's culture will continue to be improved while internal policies, regulations and procedures will also be reformed in order to improve physical and spiritual standards of employees in the Company.



DEVELOPMENT ORIENTATION

Strategic orientation relating to the sustainable development: HARMONIZATION OF INTERESTS - SUSTAINABLE DEVELOPMENT

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

BASES FOR STRATEGY DEVELOPMENT

BMP is a leading company in production of plastic pipes in Vietnam, accounting for 50% market share in the South and 25% of the national market share. The Company has four factories in Hochiminh city, Binh Duong, Long An and Hung Yen with capacity of 150,000 tons/year, entirely meeting domestic demands and preparing for international exports in the future.

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

CAPACITY FOR STRATEGY IMPLEMENTATION

Resources for strategy implementation

Financial resources are sufficient for strategy implementation including retained earnings, bank credit loans thanks to reputation of BMP, and capital from issuance of shares and bonds if necessary.

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

Allocation and use of resources and assets

Resources are properly allocated at the plants in the North and the South based on market development.

Human resource capacity is improved in the South. Staffs from the South are seconded to work at the factory in the North at the beginning. These staffs are then replaced by colleagues in the North after the later are recruited and trained.

BMP has a consistent strategic orientation in using resources to create unity for long-term and sustainable development. This is considered a core competition capacity and an advantage in implementation of business strategies.







SWOT ANALYSIS

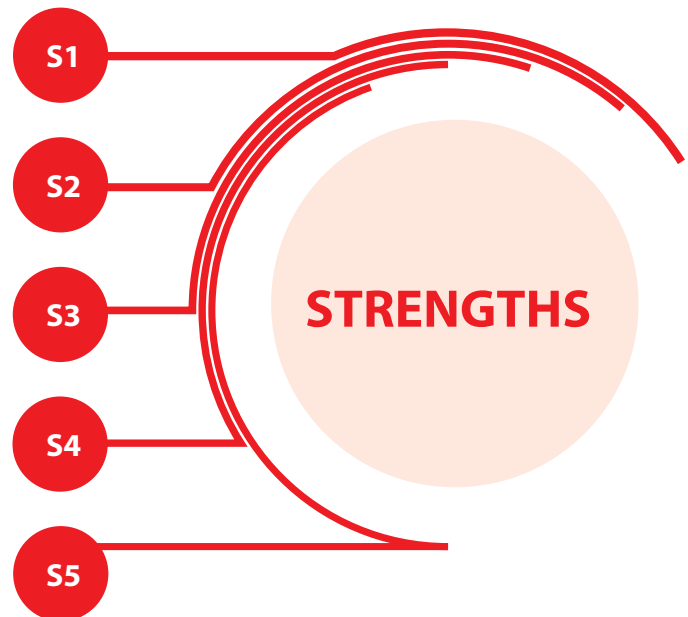
Leading brand. High quality segment products in compliance with international standards.

Large production scale. High labour productivity. High production efficiency.

Strong financial capacity, modern equipment and machines, quick payback.

Wide and well-established distribution network.

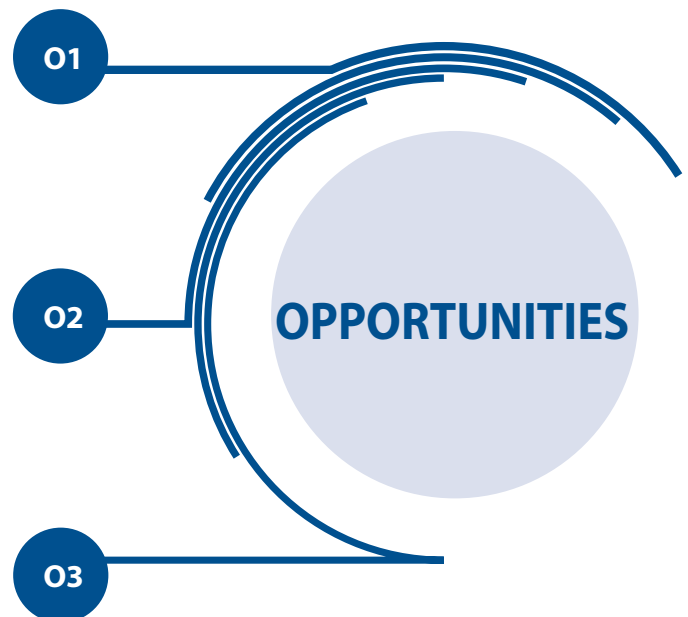
Good relationship with suppliers, customers.

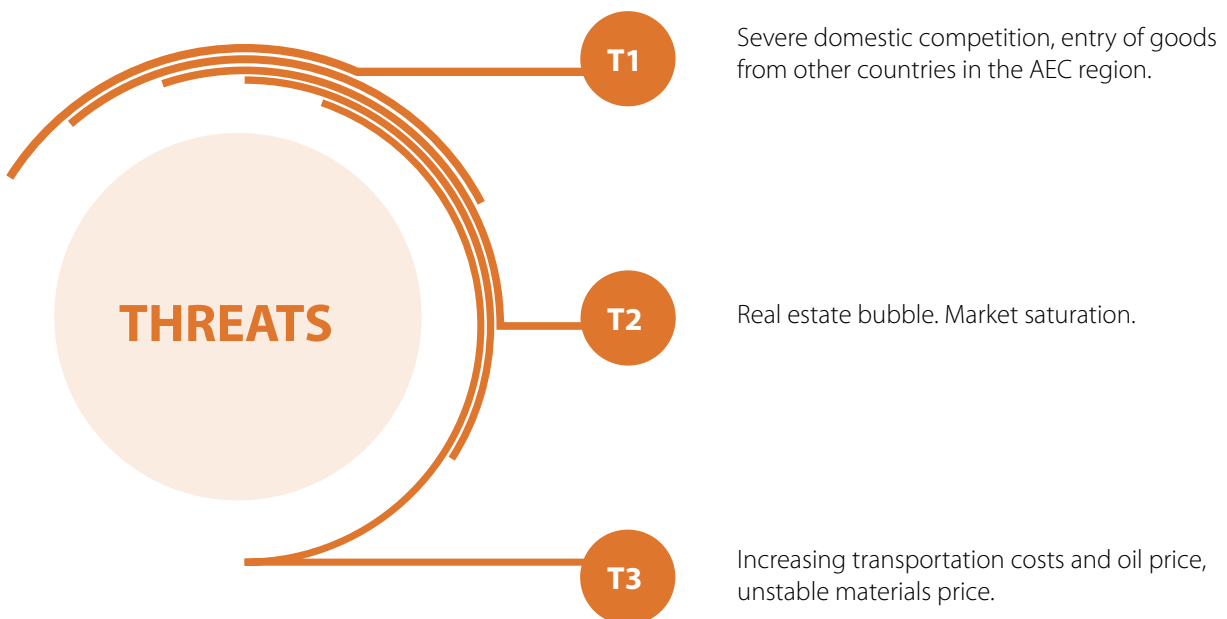
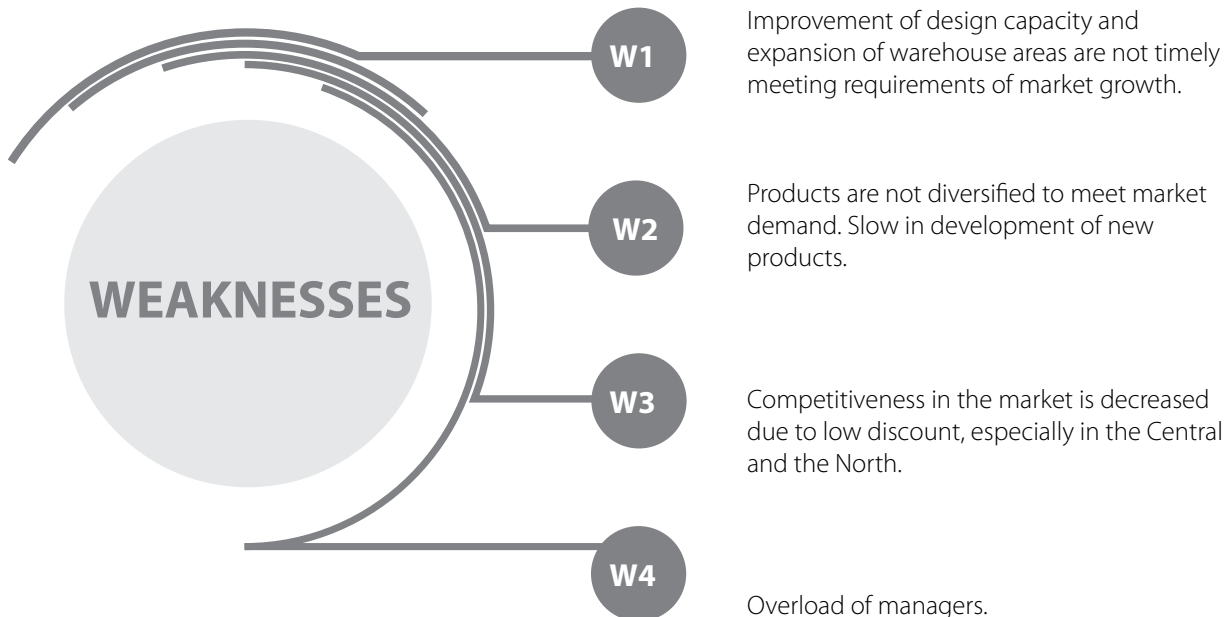


High market demand: continuous growth of the real estate market, increasing of infrastructure projects.

Expansion of the market at the Central, the North and other neighbouring countries.

Increasing demand for high quality products due to higher living standards and education.





REPORT ON BUSINESS ACTIVITIES

- Organizational structure and human resource
- Project investment and implementation
- Shareholder structure, changes in owners' equity
- Reports and assessment of the General Director Board
- Assessment of the Board of Directors
- On business activities of the Company
- Reports of the Control Board

DEEPER

In order to maintain its position as number 1 business in the plastic sector, BMP has always focused on capacity improvement including investment in equipment and technologies, management system, human resource qualification, research and development of appropriate and durable products with reasonable prices.







INFORMATION ON PRODUCTION AND SALES OF THE PLASTIC SECTOR IN 2016



Due to shortage of domestic raw material supply caused by low development of the domestic petrochemical industry, most of plastic businesses have to import materials from abroad. Among these, PE, PP are goods imported with highest volume and increasing value over years.



Due to shortage of domestic raw material supply caused by low development of the domestic petrochemical industry, most of plastic businesses have to

import materials from abroad. Among these, PE, PP are goods imported with highest volume and increasing value over years. Instability of input materials has resulted in reducing competitiveness of domestic and export businesses as it is difficult to apply for tax incentives due to regulations relating to origin of goods.

Moreover, production technologies used by Vietnam plastic sector are not very modern, only meeting demands of low segmentation. Meanwhile, the plastic sector in some ASEAN countries such as Thailand has caught up with international consumption trend by switching to production of biological and environmental friendly plastic products.

Domestic plastic businesses are not only facing difficulties in the international market but also entering a serve competitive fight for domestic market share with foreign businesses from Thailand, Korea, China, etc.

Background of the domestic plastic sector has significantly affected business activities of BMP in 2016.

BUSINESS BACKGROUND

In general, although the plastic sector is a young industry in Vietnam compared to other industrial sectors, it has drastically developed over the past years with average growth rate of 15 - 18%/year. Noticeably, plastic building materials have remarkably recovered thanks to warming of the real estate market and the construction industry.

In addition, in 2016, due to various factors especially decrease of oil price resulting in low price of plastic grains, businesses timely stockpiled cheap supplies. At the same time, businesses were also beneficial from price difference thanks to stable exchange rates in Vietnam.

Moreover, signing of free trade agreements has brought about more opportunities for businesses thanks to market expansion, technological reform and upgrading, increase of production scale following foreign investment and joint venture establishment wave.

However, in addition to potentials and opportunities, Vietnamese plastic businesses have also faced a number of challenges.



BUSINESS RESULTS IN 2016

NO.	TARGET	UNIT	PLANNED	PERFORMED		PERCENTAGE %	
				2016	2015	2016/PLAN	2016/2015
1	Revenue	VND billion	3,330	3,678	2,970	110.45	123.84
2	Profit before tax	VND billion	600	784	665	130.70	117.90
3	Profit after tax	VND billion	480	627	519	130.60	120.80

Consumption and business performance in 2016 are very good:

- Revenue increased more 10% compared to the plan and approximately 24% compared to 2015.
- Profit before tax increased 30.7% compared to the plan and 17.9 compared to the same period of 2015.
- Profit after tax increased 30.6% compared to the plan and 20.8% compared to the same period of 2015.

These achievements are thanks to the following reasons:

- Sound directions and trust of the Board of Directors for the General Directors Board.
- Timely and appropriate decisions of the General Directors Board in line with the practical situation as follows:
 - The Company applied flexible policies, supporting and sharing profits in order to increase sales of the distribution network to 18% higher than that of 2015.
 - The Company were awarded contracts for big projects relating to water supply and drainage, civil construction and infrastructure. Sales through this consumption channel increased 66% compared to that of 2015.
 - The Company took advantage of low price of materials in the first 9 months compared to the same period of 2015 to increase stocks. Therefore, despite increasing price from October, the average purchase price in 2016 was still 1.9% lower than that of 2015.
 - The Company applied policies to encourage speedy payment of customers, closely monitoring debts in order to reduce costs of bank loans and increase financial profits.





ORGANIZATIONAL STRUCTURE AND HUMAN RESOURCE

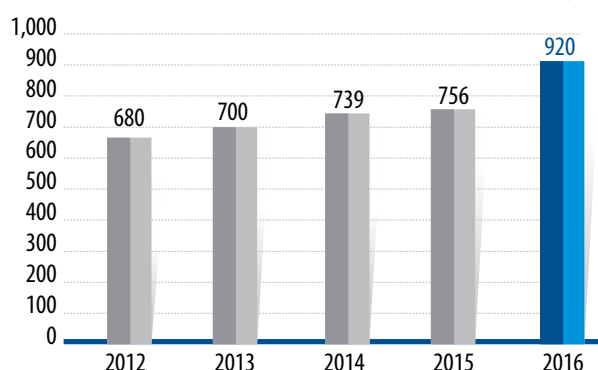
OVERVIEW ON HUMAN RESOURCE

Number of employees

Number of employees of BMP has increased with its scale and growth over years. In 2016, following expansion of Binh Minh Long An Plant, 164 additional employees were recruited, mostly young local workers with skills and education background from high school or higher. Consequently, as of 31 December 2016, total number of employees of the Company is 920, an increased of 21.7% compared to 2015.

CHART OF HUMAN RESOURCE OVER YEARS

Unit: Employee



Human resource structure

Statistics on labour distribution in the Company over years

MEASUREMENT CRITERIA	EXPLANATION	2012	2013	2014	2015	2016
	Total of employees	680	700	739	756	920
Gender	Female	112	108	107	113	147
	Male	568	592	632	643	773
Age	Over 50 years old	66	66	68	70	63
	From 41 to 50 years old	124	124	117	120	119
	From 31 to 40 years old	238	239	262	276	357
	Less than 30 years old	252	271	292	382	381
Education	Postgraduate	7	9	9	9	9
	Graduate	112	123	135	139	179
	Intermediate, college	147	123	190	214	202
	High school	414	445	405	396	530
Labour distribution	Employee	568	594	635	634	799
	Grassroots-level manager	74	68	67	81	79
	Intermediate manager	34	34	33	39	38
	Senior manager	4	4	4	4	4

Human resource structure by gender

In 2016, the Company has an increase of 130 male and 34 female employees respectively compared to 2015. In general, there was no major change in human resource structure by gender in the Company in 2016.

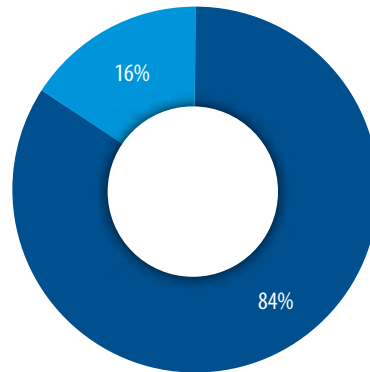


CHART OF HUMAN RESOURCE STRUCTURE BY GENDER

- Male
- Female

Human resource structure by age

Although BMP has been established and operated for 39 years, ages of employees in the Company are younger and younger as most of newly recruited employees are young people. In 2016, number of employees over 50 years old decreased 10% compared to 2015. Employees at 40 years old or younger account for a large proportion of human resource. This is an advantage for long-term and stable development of BMP.

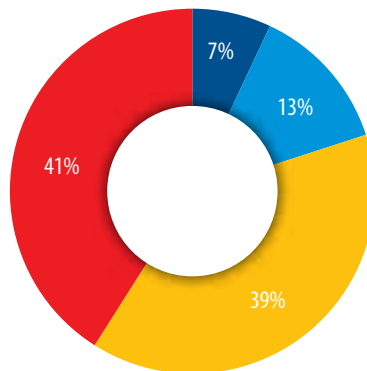


CHART OF HUMAN RESOURCE STRUCTURE BY AGE

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

Human resource structure by education

To ensure sufficient human resource to meet increasing demands of technical skills for production and sales, the Company has improved its recruitment procedures, training and application of policies to encourage self-training by employees to improve their qualification. Compared to 2015, a number of employees having college and graduate degrees decreased 2% because of newly recruited young employees in plants.

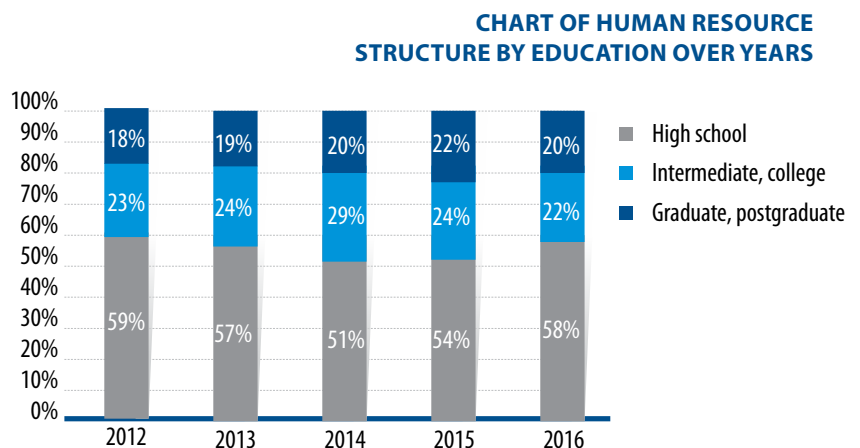


CHART OF HUMAN RESOURCE STRUCTURE BY EDUCATION OVER YEARS

- High school
- Intermediate, college
- Graduate, postgraduate



ORGANIZATIONAL STRUCTURE AND HUMAN RESOURCE



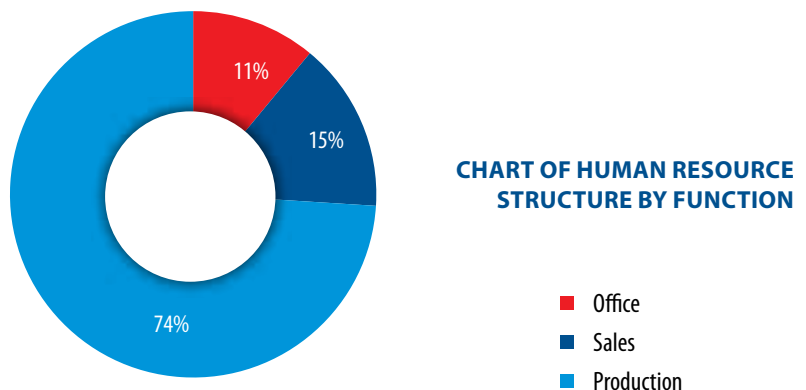
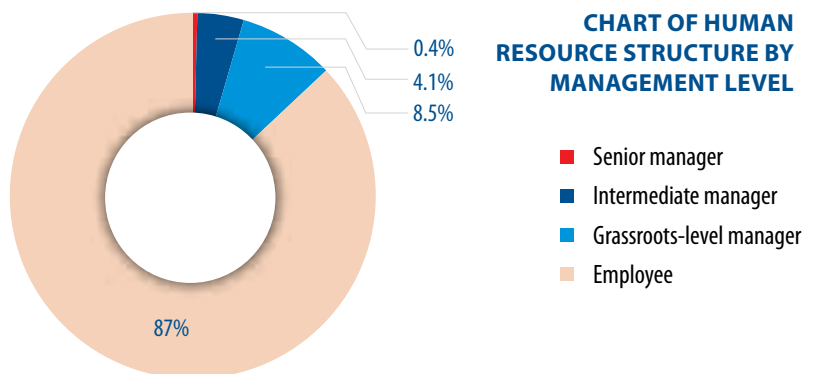
Human resource structure by management level

The Company has always paid attention to training of young and talent employees to become future leaders. In 2016, the number of intermediate managers or higher was 38 persons, accounting for 4.1% of the total employees. Meanwhile, number of grassroots-level managers was 79 persons, accounting for 8.5% of the total employees. The rest were workers.

Management level	Percentage (%)
Senior manager	0.4
Intermediate manager	4.1
Grassroots-level manager	8.5
Employee	87

Human resource structure by function

BMP employees are distributed by function as follows:



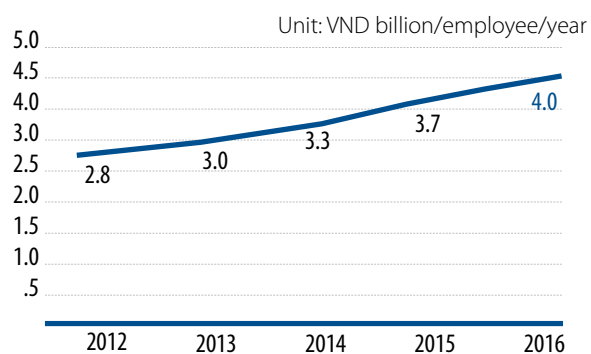


LABOUR CAPACITY

Although newly recruited employees accounted for 21.7% of total employees in 2016, proportion of revenue per employee in 2016 still increased 9% compared to that of 2015.

YEAR	LABOUR CAPACITY (VND BILLION/EMPLOYEE/YEAR)
2012	2.8
2013	3.0
2014	3.3
2015	3.7
2016	4.0

**CHART OF LABOUR CAPACITY
OVER YEARS**

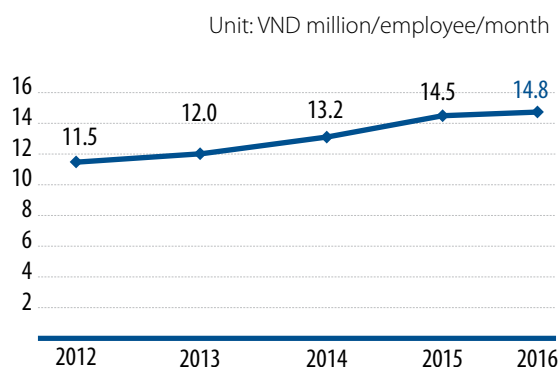


EMPLOYEE SALARIES

The Company has always paid attention to consideration and adjustment of salaries based on employees' capacity, ensuring competitive incomes in the plastic sector.

YEAR	AVERAGE INCOME VND MILLION/EMPLOYEE/MONTH
2012	11.5
2013	12.0
2014	13.2
2015	14.5
2016	14.8

**CHART OF AVERAGE INCOME
OVER YEARS**





PROJECT INVESTMENT AND IMPLEMENTATION

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

In early 2016, the Company implemented a project on expansion of Binh Minh Long An Plant (phase 1) and improvement of production capacity with a total investment of VND320 billion for construction of new warehouses and additional machines, equipment and molds.

Production output of the Company has significantly increased due to timely project approval and implementation, effective performance of different departments, and efficient exploitation of equipment, specifically, an increase of 20% of uPVC, 30% of HDPE and 38% of fittings compared to the previous year.

In addition, construction of Binh Minh Long An warehouse has also increased storage area to more than 13,000 m², meeting requirements on product exploitation and consumption of the Company in the last months of the year.

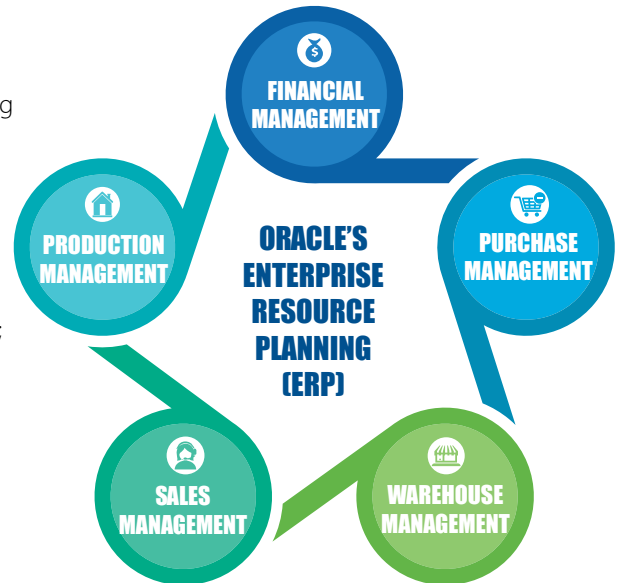
In 2017, the Company continues phase 2 of the project on expansion of Binh Minh Long An Plant with additional machines and equipment for production with a total investment of VND680 billion. This is the largest investment of the Company to improve production capacity in order to meet the market demand and make achievements to celebrate the 40th anniversary of establishment (16 November, 1977 - 16 November, 2017).



UPGRADING THE ERP BUSINESS ADMINISTRATION SYSTEM

BMP started using the Oracle's Enterprise Resource Planning (ERP) System in 2014 with five core modules:

- Financial management (Oracle Financials);
- Purchase management (Oracle Purchasing);
- Warehouse management (Oracle Inventory Management);
- Sales management (Oracle Order Management);
- Production management (Oracle Process Manufacturing).



“After the launch of Binh Minh Long An Plant in November 2015, it is essential that the ERP system is upgraded to meet requirements of the new situation and provisions of the laws.”

After nearly 3 years of installation, the ERP system has met basic requirements of business management. However, given the rapid development of BMP, especially. After the launch of Binh Minh Long An Plant in November 2015, it is essential that the ERP system is upgraded to meet requirements of the new situation and provisions of the laws..

Therefore, in July 2016, BMP signed economic contracts with FPT to upgrade the Oracle E-Business Suite Release 12 for business management and install the Oracle Business Intelligence Application (BI) for reporting. The project has a service value of more than VND11 billion with tentative implementation duration of 8.5 months.

After 6 months of upgrading, 5 main modules were officially launched on 3 January, 2017. The business intelligence module will be completed in 2017.



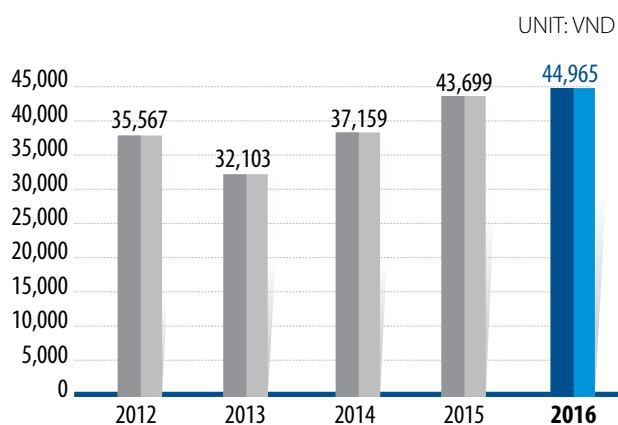


SHAREHOLDER STRUCTURE, CHANGES IN OWNERS' EQUITY

BOOK VALUE PER SHARE

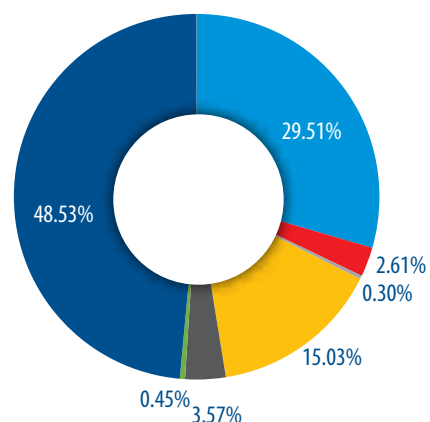
TARGET	2012	2013	2014	2015	2016
Book value per share	35,567	32,103	37,159	43,699	44,965

CHART OF BOOK VALUE PER SHARE



SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2016

SHAREHOLDER STRUCTURE	HOLDING OF SHARES	PERCENTAGE %
State shareholder	13,422,170	29.51%
Board of Directors	1,187,687	2.61%
Control Board	134,495	0.30%
Domestic individuals	6,834,039	15.03%
Domestic organizations	1,622,642	3.57%
Foreign individuals	207,864	0.45%
Foreign organizations	22,069,583	48.53%
TOTAL	45,478,480	100.00%

CHART OF SHAREHOLDER STRUCTURE

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

TOTAL OF SHARES	45,478,480
Outstanding shares: Common shares	45,478,480
Freely transferrable shares:	45,466,510
Preferred shares:	11,970

INFORMATION ON MAJOR SHAREHOLDERS HOLDING 5% OF SHARES OR MORE

NO.	NAME	TYPE OF SHAREHOLDER		HOLDING OF SHARES	PERCENTAGE
1	State Capital And Investment Corporation (SCIC)	Organization	Domestic	13,422,170	29.51%
2	Franklin Templeton Investment Funds - Templeton Frontier Markets Fund	Organization	Foreign	4,097,418	9.01%
3	The Nawaplastic Industries (Saraburi) Co., Ltd.	Organization	Foreign	9,279,049	20.40%
Total				26,798,637	58.92%

FROM 1 JANUARY, 2016 TO 31 DECEMBER, 2016 TRANSACTION OF MAJOR SHAREHOLDERS: No



REPORTS AND ASSESSMENT OF THE GENERAL DIRECTOR BOARD



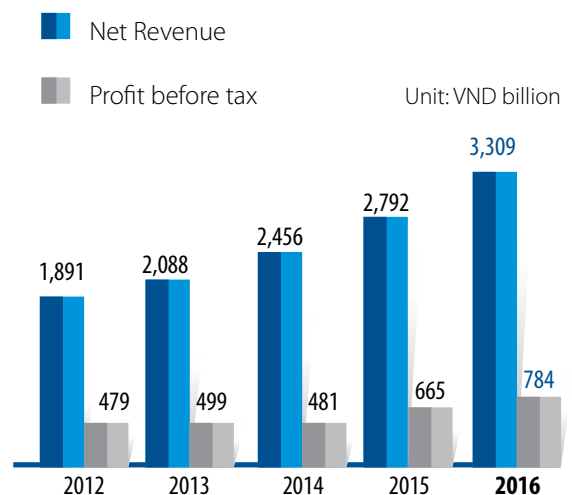
“ The year of 2016 continued to be a year of big success of BMP both in revenue and profit. For the first time in history, it was like celebration of BMP for its 40th anniversary, the revenue exceeded VND3,000 billion, a net revenue of VND3,309 billion, a growth rate of 19% of the previous year, exceeding 11% as planned. ”

BUSINESS RESULT ANALYSIS

Business performance analysis

Revenue - Profit

The year of 2016 continued to be a year of big success of BMP both in revenue and profit. For the first time in history, it was like celebration of BMP for its 40th anniversary, the revenue exceeded VND3,000 billion, a net revenue of VND3,309 billion, a growth rate of 19% of the previous year, exceeding 11% as planned. Profit before tax achieved VND784 billion, increasing 18% year-on-year, exceeding 31% as planned. Specially, under the increasingly harsh competition among construction plastic businesses, not only did the Company persistently hold its leading position, the business results were absolutely impressive. It is the pride of the Board of Directors, the Leaders and all the employees of the Company.



Costs

Under the context of the current tough competition, raise in costs to get better sales is inevitable. Nevertheless, BMP always has a very strict plan for cost control, to avoid

waste and loss and reach maximum profits. Therefore, with respect to the ratio of the total costs over net revenue during the period of 2015-2016, it ranged at 78%.

RATIOS	2012	2013	2014	2015	2016
Cost of goods sold/ Net revenue	68.8%	70.2%	72.3%	68.1%	67.9%
Sale expenses/ Net revenue	3.4%	3.3%	5.1%	4.5%	5.0%
Management costs/ Net revenue	3.2%	3.2%	3.0%	3.4%	3.5%
Financial costs/ Net revenue	0.4%	0.8%	0.8%	1.1%	1.3%

Source: Audited financial statements of BMP during 2012-2016

The ratio of the costs of goods sold over net revenue of 2016 indicated minor fluctuation year-on-year. By year end, the material prices surged, which caused the upturn of costs of goods sold. However, due to the low prices of the stock materials at the beginning of the period, the average price during the year indicated inconsiderable change over the previous year. Thus, when the oil prices are hiked up, entailing the material price surge, which shall cause major and direct impacts on the costs of goods sold. This is a considerable pressure imposed on the General Director Board during 2017 concerning cost control to be able to attain the planned profits.

The structure of sale expenses, management costs compared to the net revenue of BMP, in general, made inconsiderable changes over the years. The growth rate of sale expenses and management costs of 2016 was approximately equal to that of revenue. These costs mainly originated from marketing, advertisement, promotion, sale transport costs to boost the sales, attract new and potential customers.

The ratio of financial costs over the net revenue accounted for an insignificant percentage of the cost structure. So far, BMP has not utilized the financial leverage, but this cost incurred from cash discounts and payable interest for the deposit to ensure the debt levels of customers.





REPORTS AND ASSESSMENT OF THE GENERAL DIRECTOR BOARD

BUSINESS RESULT ANALYSIS

Profitability analysis

RATIOS	DESCRIPTION	2012	2013	2014	2015	2016
Net profit/Net revenue (1)	Net profit margin	19.1%	17.8%	15.6%	18.6%	19.0%
Net revenue/Total average assets (2)	Asset turnover	1.5	1.3	1.3	1.28	1.24
Total average assets/Equity average (3)	Financial leverage ratios	1.1	1.1	1.1	1.17	1.24
ROA = (1)*(2)	Return on assets	27.8%	23.9%	20.9%	23.8%	23.5%
ROE = ROA* (3)	Return on equity	31.0%	26.8%	23.5%	27.8%	29.1%

Source: Audited financial statements of BMP during 2012-2016

In 2016, the ratio of net profit margins increased slightly from last year. Although revenue increased significantly but due to the expense of advertising activities, conferences, customer support, etc. so that profit margin did not increase so much. At the same time, asset utilization was reduced to 1.24 laps due to the year, Binh Minh Long An Plant continues to expand, some items have completed construction works to increase fixed assets but do not create immediate economic value. As a result, the return on total assets is equal to 2015, reaching 23.5%.

Return on equity (ROE) in 2016 reached 29.1%, up 1.3% from 2015. Financial leverage increased more than last year. However, the use of this leverage was not due to

the Company's borrowing from the bank for investment and operating expenses but because the Binh Minh Viet project has not yet been implemented. This amount is retained at the business as a loan, without interest. On 30/12/2016 is the ex-dividend date of 20% cash dividend, so the amount of VND90 billion from undistributed profit is recognized as payable to shareholders.

In general, profitability of BMP did not grow remarkably compared to previous years, but compared with others, BMP's leading businesses. Moreover, in the context of economic difficulties and competition, BMP is still able to maintain a net revenue of VND100 to VND29.1. This is a very proud result of BMP, because not all businesses can produce such high profit margins ratio.



Liquidity

Observations showed that during 2012-2016, the liquidity of BMP tended to downturn in all three targets. The reason was partly that there was some change in the liability structure of the total capital sources, i.e. it remained at 11% during the first 3 years, yet it rose to 17% and 21% during the subsequent 2 years, the percentage of the current assets and non-current assets indicated minor changes, resulting in the decrease in all ratios. Nevertheless, as of December 31, 2016, in consideration of the significance of this ratio, the solvency of BMP was able to be identified, of VND1 of current liability, BMP has up to VND2.9 of high liquidity assets; especially, there is VND1.5 in cash to make immediate payments to suppliers. It is this advantage that BMP has been always willingly accepted by its suppliers to sell its goods at the most competitive prices, which enhances the input costs and business performance accordingly.

Cash generating ability

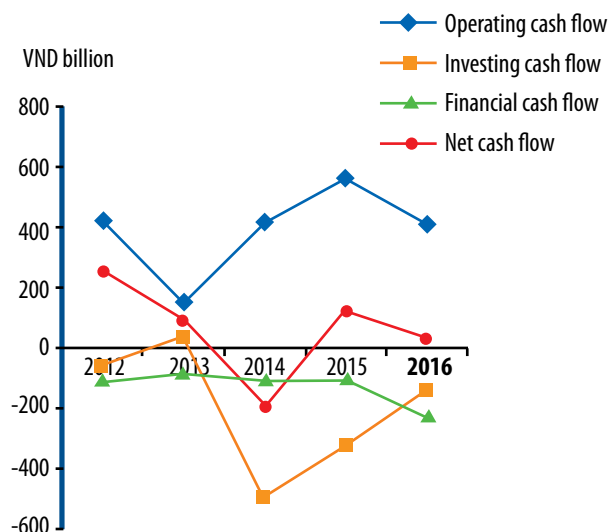
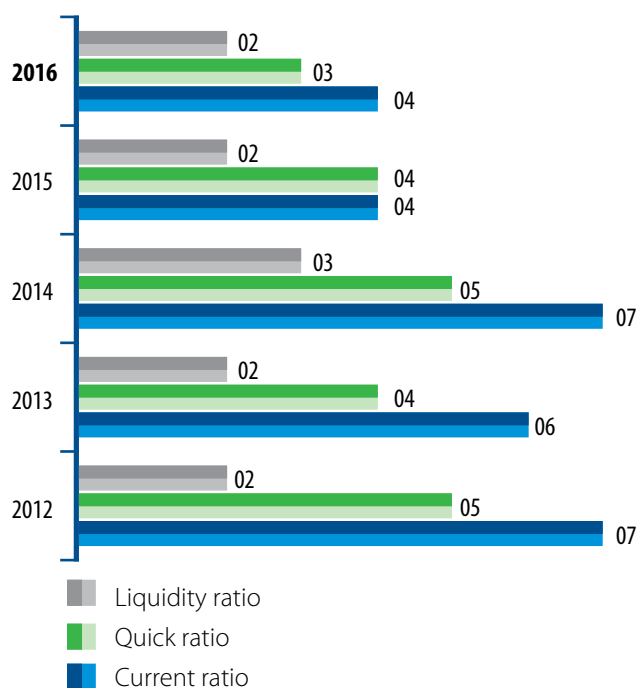
RATIOS	UNIT	2012	2013	2014	2015	2016
Operating cash flow	VND billion	420.4	144.9	414.4	565.1	406.8
Investing cash flow	VND billion	-55.1	32.2	-495.4	-327.2	-144.6
Financial cash flow	VND billion	-108.6	-83.8	-114.0	-111.0	-228.0
Net cash flow	VND billion	256.6	93.4	-195.0	126.9	34.2

Source: Audited financial statements of BMP during 2012-2016

By end of 2016, the operating cash flow was only at VND407 billion, a downturn of VND158 billion of 2015. However, the operating cash flow for the last 5 years was always a positive number, which showcased the good profitability of BMP. After meeting the operating expenditure requirements, earnings from this operation during 2016 still reached VND407 billion for distribution of profits to owners or investors.

With such operating income, not only did BMP meet the annual expenditure demand, it was able to carry out profit distribution, investment in fixed assets, and loan payments. Since the ability to pay off all expenses, BMP was not required to boost funding from external sources, which indicated that it faced no current liquidity risks.

Liquidity of BMP during 2012 - 2016





REPORTS AND ASSESSMENT OF THE GENERAL DIRECTOR BOARD

BUSINESS RESULT ANALYSIS

Operating capacity analysis

RATIOS	UNIT	2012	2013	2014	2015	2016
Average collection period	Day	56	52	45	42	45
Average payment period	Day	10	13	12	15	18
Inventory days	Day	92	88	77	68	65
Fixed asset turnover	Time	6.7	8.3	11.1	11.1	7.2
Total asset turnover	Time	1.5	1.3	1.3	1.3	1.2

Source: Audited financial statements of BMP during 2012-2016

Keeping the strategy for sale channel development and gradual penetration into the project market, the Company was required to apply the sale credit policy loosening; the average collection number of days of 2016 was 3 days longer than that of 2015. The quality of the receivables of the shop channel was secured with mortgage assets such as houses, and land, etc. in accordance with the mechanism of customer debt management, which resulted in minimization of the risk of inability of debt collection. However, for project customers, BMP was only able to evaluate the solvency of contractors and investors based on their credit and competence, procurement processes, progress payments, etc. to make financing decisions. This is a trade-off between risks and business profits that any companies have to face to achieve the aim of market share increase.

Whereas, as of December 31, 2016, the average payment period was a mere 18 days. In spite of the constant investment and expansion of plants which use up a large amount of capital, not only did BMP not utilize loans for investment, it has an abundant financial capacity, available for quick payments to suppliers to take advantage of the best offers and reduce costs for the Company.

By end of 2016, the number of inventory day decreased 3 days down to 65 days compared to 2015. The asset turnover was not as high as the previous year, resulting from the new assets which have not created immediate economic values.

Generally, most of the business result ratios of BMP achieved good growth in 2016. During 2017, with the plan of the Company's 40th anniversary celebration, the sales amount excess of VND4,000 billion, it could be predicted the upturn of the total assets due to investment. Accordingly, BMP should be required to make substantial efforts in its business operations provided that the business policies are truly flexible, product quality is high, prices are reasonable and post-sale services are thorough, etc. to be able to achieved the plan and maximize shareholders' values.



ASSESSMENT OF BUSINESS RESULTS IN 2016

Background

Advantages:

- Increasing goods demands due to warming of the real estate market.
- Stable product quality, good services, good brand.
- Stable distribution network and business activities.
- Consistent but flexible business policies, taking into consideration of legitimate demands of customers.
- Timely investment in space and equipment to improve production capacity.
- Timely recruitment of additional human resource.
- Unity of managers in creating good working environment and improving benefits for employees.
- Lower material prices compared to 2015.

Disadvantages:

- Competitors have made large-scale investments and applied competition policies with discount prices to gain the market share.

- Business policy is not competitive. The distribution system has manifestations of unhealthy internal competition.
- Ineffective and problematic state management on goods quality. Slow settlement of counterfeits and fake goods by state authorities.
- As the Company has implemented several big projects at the same time, human resources are insufficient. Resources for ERP are too big and the system has not comprehensively functioned.
- Lack of storage space has resulted in difficulties in balancing inventories to prevent shortage of goods.
- Counterfeits and fake goods not only affects economic interests but also destroys confidence of customers and reputation of the Company.
- Improvement of competitiveness through creation and development of new products and diversification of products and investments (both in terms of increasing scale and scope of investment) is slower than expected.
- The ASEAN Economic Community (AEC) has been established, resulting in more challenges due to competition of businesses from AEC countries.

Business results in 2016

Business results of the Company in 2016

NO.	TARGET	UNIT	2016 PLAN	PERFORMED		COMPARISON PERCENTAGE	
				2016	2015	%	
A	B	C	1	2	3	4=2/1	5=2/3
1	Revenue	VND billion	3,330	3,678	2,970	110.5	123.8
2	Consumption capacity	tons	76,000	82,052	67,860	108	121
3	Profit before tax	VND billion	600	784	665	130.7	118
4	Profit after tax	VND billion	480	627	519	130.6	120.8

Comparison of business results in 2016 of BMP and Tien Phong Plastic (NTP).

TARGET	BMP	NTP	COMPARISON BMP/NTP (%)
Revenue (VND billion)	3,678	4,365	84.3
Profit before tax (VND billion)	784	447	175.4
Profit after tax (VND billion)	627	398	157.5
Transaction price on 15 March, 2016 (VND/share)	190,500	72,300	263.5

(Source: 2016 Consolidated financial statements of BMP and NTP and CafeF.vn).



REPORTS AND ASSESSMENT OF THE GENERAL DIRECTOR BOARD

BUSINESS ACTIVITIES OF SUBSIDIARY AND ASSOCIATED COMPANIES

Northern Binh Minh Plastics One Member Limited Company (NBM)

Inheriting the tradition and success in the pipe sector of the Parent Company, NBM brings about new options of high-quality uPVC, HDPE and PP-R pipes and fittings of "Binh Minh Plasco" brand developed over the past 40 years to users and works in the North.

Thanks to well-educated and professional employees with high responsibility following a strict quality control system in compliance with ISO 9001: 2008, NBM has always timely provided best products to customers. Presently, NBM has gradually become one of leading and prestigious plastic companies in the North.

NO.	TARGET	UNIT	PERFORMED IN 2015	PLANED IN 2016	PERFORMED IN 2016	COMPARED TO 2015 PERFORMANCE	COMPARED TO 2016 PLAN
A	B	C	1	2	3	4 = 3/1	5 = 3/2
1	Revenue	VND billion	307	330	444	145%	135%
2	Total profit before tax	VND billion	47	28	82	174%	293%

- Total current employees of NBM: 162 people including 53 people having college degree or higher, accounting for 32.7%.
- Average income of employees has increased 25.1% compared to that of 2015.

Binh Minh Viet Real Estate Trading and Investment Joint Stock Company

Presently, planning and design of the Project on transforming functions of the land at 240 Hau Giang, District 6, Hochiminh city with VND53,040,000,000 of capital contribution from the Company are being submitted to competent authorities for approval.

Da Nang Plastics Joint Stock Company (DPC)

Revenue and profit over years:

TARGET	Unit	2012	2013	2014	2015	2016
Total assets	VND billion	52	44	40	41	44
Equity	VND billion	40	38	37	38	39
Net revenue	VND billion	95	78	77	82	67
Profit after tax	VND billion	4	2	1	2	3

Source: Audited financial statements of DPC during 2012 - 2016

In 2016, net revenue was VND67 billion, accounting for 68% of the plan. Profit after tax was VND2.9 billion, accounting for 91.2% of the plan. Business activities of DPC in 2016 saw no outstanding achievement. However, thanks to rental contract signing, profit after tax increased 56.3% compared to that of 2015. With its future development goal, DPC will continue to look for business opportunities in order to maximize profits and ensure benefits of shareholders.



FINANCIAL SITUATION

Key financial indicators

CRITERIA	UNIT	2015	2016
1. Solvency ratios			
+ Short-term payment ratio	Time	4.5	3.7
+ Quick ratio	Time	3.7	2.9
2. Capital structure ratios			
+ Debt ratio/total assets	Time	0.2	0.2
+ Debt ratio/equity	Time	0.2	0.3
3. Operating performance ratios			
+ Inventory rotation	Time	5.4	5.6
+ Net sales/average total assets	Time	1.3	1.2
4. Profitability ratios			
+ Profit after tax/net revenue	%	18.6%	19.0%
+ Profit after tax/average equity	%	27.8%	29.1%
+ Profit after tax/average total assets	%	23.8%	23.5%
+ Profit from operating activities/net revenue	%	23.9%	23.5%

Source: Audited consolidated financial statements of BMP in 2016

FINANCIAL SITUATION

CRITERIA	UNIT	2015	2016	INCREASED/DECREASED
Total asset	VND billion	2,438	2,891	453
Net revenue	VND billion	2,792	3,309	517
Profit from operating activities	VND billion	668	778	110
Other profit	VND billion	-3	5	8
Profit before tax	VND billion	665	784	119
Profit after tax	VND billion	519	627	108
Dividend payout ratio (*)	%	52.6%	14.5%(*)	-38.1%

(*) Minimum dividend rate in accordance with the Resolution of the General Shareholders' Meeting 2016

Analysis of assets and capital structure

CRITERIA	UNIT	2012	2013	2014	2015	2016
Total assets	VND billion	1,423	1,681	1,929	2,438	2,891
- Short-term assets	VND billion	1,052	1,224	1,486	1,886	2,186
- Long-term assets	VND billion	370	457	443	552	705
Account payable	VND billion	149	192	210	423	594
- Short-term liabilities	VND billion	149	192	210	423	594
- Long-term liabilities	VND billion	0	0	0	0	0
Owner's equity	VND billion	1,274	1,489	1,718	2,015	2,297

Source: Audited consolidated financial statements of BMP during 2012 - 2016



REPORTS AND ASSESSMENT OF THE GENERAL DIRECTOR BOARD

ACHIEVEMENTS IN 2016

- Business results are very high compared to 2015 and plan 2016.
- Exploit the investment project of producing spare parts and complete the project of building warehouse at Binh Minh Long An Plant.
- Investment in machinery and equipment to increase production capacity and solve the shortage of goods.
- Supplement labor resources according to the size of the growth and the appointment of managers at all levels. Adjust the policy of labor contract with employees to create conditions to stabilize labor resources.
- Expansion distribution system and implement flexibly business policy to maintain the stability of the existing distribution system.

DEVELOPMENT ORIENTATION OF THE COMPANY IN THE PERIOD OF 2017 - 2018

Development orientation of the Company in the period of 2017 - 2018 focuses on specific activities as follows:

- Unifying product standards in compliance with requirements of national and international standards.
- Finalizing and effectively using the ERP system to improve management capacity of the Company.
- Upgrading 2015 version of the Quality Management System (QMS) in compliance with ISO 9000 and the Environmental Management System (EMS) in compliance with ISO 14000. Integrating with the ERP system to form a consistent and effective corporate management system (CMS).
- Enhancing research and development of new products and improving production capacity.
- Finalizing and putting into operation Binh Minh Long An Plant in Phase 2.
- Developing consistent distribution models and business policies.
- Developing risk management strategy and system.
- Finalizing the project on restructuring of the Company in order to ensure effectiveness and rationality.
- Organizing events to celebrate 40 years of establishment of the Company (16 November, 2017).



Over the past 40 years, the Leaders, employees and relevant stakeholders have made contributions to development of a successful and powerful BMP today with firm and careful steps. The new context has created new challenges for the Company as it has to continue to firmly and carefully move forward with new force and speed, otherwise it will lag behind.

“SUCCESS HAS BECOME A CHALLENGE” as BMP enters 2017 - a remarkable year when the Company will celebrate its 40th anniversary of establishment. More than ever, such success must be maintained and promoted by BMP not only in 2017 but also for many years to come. Identifying challenges does not mean being scared or fearful. It is an important step to understand the current context and prepare for challenges based on scientific grounds without being too subjective and optimistic when making decisions.

We are not planning to create a **“MONUMENTAL GIANT”** for form sake based on short-term success but a BMP with strong culture, will, capacity and aspiration for long-term sustainability given thousands of tremendous challenges and difficulties in business world.

WITH ITS POWERFUL INNER FORCE AND BELIEF, BMP STRONGLY BELIEVE THAT WE ARE ALL READY FOR

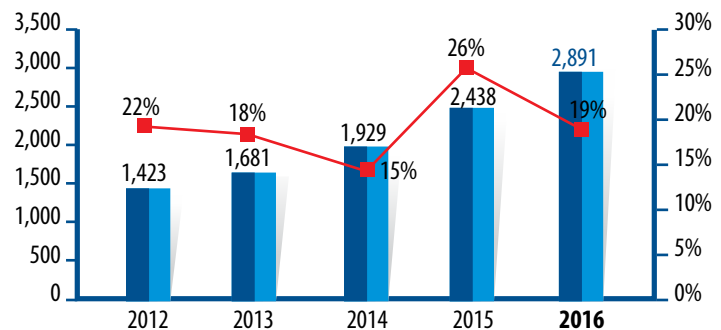




REPORTS AND ASSESSMENT OF THE GENERAL DIRECTOR BOARD

TOTAL ASSETS AND GROWTH RATE OF TOTAL ASSETS DURING 2012 - 2016

VND billion



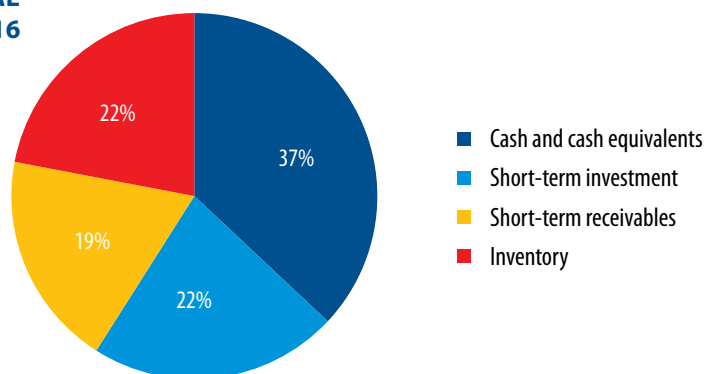
Continuing to maintain its leading position in the field of construction plastics, total assets of BMP has continuously increased over the years. As of 31 December, 2016, the total assets reached VND2,891 billion, up 19% over the same period last year and doubled compared to 2012. As the Company expanded its scale, invested in Construction of a new plant in Long An, deployed of information technology into corporate governance. Therefore, the total assets will continue to grow in accordance with the expansion and development needs of the Company.

Along with the trend of assets, the capital of the BMP increased through the years from 2012 to 2016. In 2016, equity reached VND2,297 billion, up 14% over the previous year, of which, the increase was mainly in undistributed fund, development fund, generated from profit generated in the year.

Assets structure

Short-term assets

SHORT-TERM ASSET STRUCTURE 2016



Short-term assets of BMP at the end of 2016 reached VND2,186 billion, up 15.9% over the same period in 2015. In the short-term asset structure in 2016, cash and cash equivalents accounted for 18.5%, short-term investment (which is more than 3 months term deposits) accounted for 22.4%. Unclassified as demand deposits and term deposits, BMP's current liquid assets accounted for 41% of total short-term assets. Although in the past year, BMP continued to build a new factory, paying dividends in cash are higher than previous years but still accumulate idle money for interest. Thanks to the strategic direction of the Board of Director, the consensus of the Board of Management during the operation has helped BMP achieve this result.

Short-term receivables accounted for 37.1% mainly due to customer acquisition and prepayment to suppliers. In order to increase revenue and diversify its distribution channels, BMP started to focus on developing the project segmentation. Also, the receivables from this customer increased by 33% compared to 2015. Besides, BMP also incessantly facilitates its traditional distribution system, customers are buying the debt with dark the value of the assets they pledge under debt control. With strong financial capacity, BMP can fully take advantage of its competitors to develop an ever-widening customer base. Although BMP implemented a policy of loosening credit aimed at increasing sales, it has always strengthened debt collection, ensuring timely repayment, minimizing the possibility of bad debts.

Capital structure

The proportion of debt structure in total capital of BMP fluctuated not much over the years. By the end of 2016, account payable accounted for 21% due to an increase in deductions in advance of sales support expenses, an increase in short-term loans of Binh Minh Viet and recognition of dividends payable to owners. Owner's equity continues to be added from retained earnings in 2016.

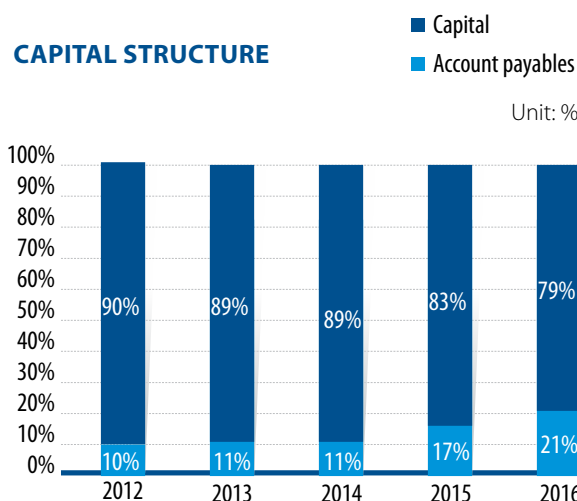
In general, the financial structure of BMP continues to be strong, with 79% of assets financed by equity and liabilities accounting for only 21%. The payroll management is well maintained, reducing the pressure on cash flow and supporting performance indicators.

By the end of 2016, inventories increased by 42% over the previous year, shortage of goods was solved, which was a problem persistent in previous years. BMP pays special attention to the good management of stockpiles at the storage of raw materials and finished products. At the same time, BMP always strives to promote the consumption of goods, avoiding storing goods in storage for too long.

Long-term Assets

The major long-term assets of BMP in 2016 are mainly fixed assets, accounting for 84% of the long-term assets structure. During the year, BMP spent more than VND315 billion on purchasing, constructing fixed assets, land rent cost of VND227 billion in Vinh Loc Industrial Park, and some costs of construction for Binh Minh Long An Plant - Phase 1 implemented. Expected completion of these project implemented in the first quarter of 2017 will make the total assets of BMP increased significantly.

Contributing to the growth in long-term assets in 2016 is the VND53 billion investment in Binh Minh Viet. This is a joint investment project of commercial - service - apartment area at 240 Hau Giang, Ward 9, District 6, Ho Chi Minh City. The project is in the pending phase of planning approval.





ASSESSMENT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES OF THE COMPANY



GENERAL ASSESSMENT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES OF THE COMPANY

2006 saw a relatively good recovery of the real estate market. Increasing demands for plastic building materials and stable material prices are bases for drastic development of the plastic pipe industry. Thousands of billion dongs for plant construction and equipment from experienced producer units

and new players in the plastic pipe market have resulted in a severely competitive environment than ever.

Overall, BMP has once again marked an important milestone with the highest business results in 39 years of operation:

3,678

VND BILLION
TOTAL REVENUE 2016

BMP has once again marked an important milestone with the highest business results in 39 years of operation.



TARGET	UNIT	2016 PLAN	PERFORMANCE		GROWTH %	
			2016	2015	COMPARED TO 2016 PLAN	COMPARED TO 2015
Revenue	VND billion	3,330	3,678	2,970	10.4	23.8
Profit before tax	VND billion	600	784	665	30.7	17.9
Basic earning per share	VND thousand		13.7	11.4		20.2

BMP has been always loyal and consistent with a development strategy focusing on high quality products, good services, and expanded infrastructure in order to meet demands of customers and living environment of the society:

- Mass investment on advanced machines and equipment is made to meet demands of the market, filling the “gap” of lack of goods. A total of VND315 billion is the largest figure of annual investment made by the Company so far.

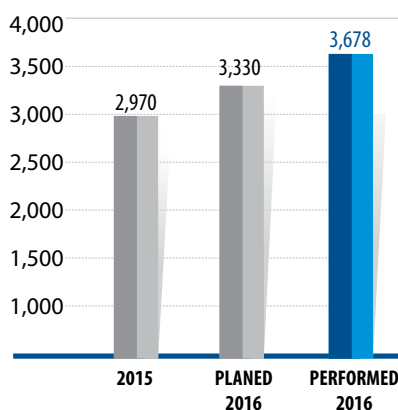
- Environmental protection is enhanced with new and modern production equipment and careful selection of raw materials for blending formulation to ensure safety of users.

- The distribution system is maintained and developed despite competition from others in the same industry in order to protect and expand the market share by sharing benefits and business incentives; Relationship with

project customers is strengthened by flexible cooperation strategy, meeting specific needs of this system. Consequently, BMP goods are widely used in civil construction and big projects of the water supply, construction, etc.

“Mass investment on advanced machines and equipment is made to meet demands of the market, filling the “gap” of lack of goods. A total of VND315 billion is the largest figure of annual investment made by the Company so far.”

**TOTAL REVENUE
(VND BILLION)**



ASSESSMENT OF THE BOARD OF DIRECTORS ON ACTIVITIES OF THE GENERAL DIRECTOR BOARD

The General Director Board of the Company has retained high unity, promoting qualification of each member, developing an action plan in compliance with directions of the Board of Directors:

- Investment is based on market analysis. Construction of plants and installation of new machines are completed for going into operation in the shortest period of time ever. Exploitation efficiency is also high.

- Product strategy remains consistent while input quality is strictly controlled. Renovation and application of new technologies and materials have resulted in green formula, ensuring safety of users and the surrounding environment.

- New administration systems are creatively applied. Young people are promoted to hold important positions in the Company.

- Human resources and administration systems are improved in order to maximize existing capacity and provide staffs with training to prepare for major changes in the future.

- Flexible business strategy help maintain relations with current customers while still attracting new customers. High economic efficiency is obtained despite severe competition in the market.

Support of all employees in the Company, trust of the Board of Directors, and confidence of customers are reasons for success of the General Director Board in 2016.

However, at some times, production and distribution of goods are not synchronized, not fully meeting needs of customers in the market. In addition, some departments of the Company have been under pressure because of overload. The General Director Board should pay more attention to improvement of working conditions and environment for employees in order to ensure health and work-life balance of employees, facilitating development of employees in compliance with the law.



ASSESSMENT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES OF THE COMPANY

PLANS AND DIRECTIONS OF THE BOARD OF DIRECTORS IN 2017

Factors such as change of leadership in Western countries affecting international trade agreements, environmental pollution in many places, implicit social instability caused by low food safety and poor transportation systems in urban areas, lack of control over production in rural areas, risks of higher supply over demand due to imbalance in the real estate market, etc., have adversely affected psychology and

habits of consumers. Meanwhile, unpredictable prices of oil as the main raw material for production, pressure from shareholders who get “used to seeing” BMP with high-speed growth and efficiency, the fact that BMP is the main competitor of many other companies in the market, etc. are challenges that BMP will have to face in 2017.



Nevertheless, based on high reputation and advantages of the Company's well-known brand, the Board of Directors and the General Director Board still have to work hard to meet targets as follows:

- Growth in 2 digit about revenue and profitability by strengthening competitiveness in all aspects.
- Speedy implementation of policies beneficial to shareholders, employees and customers in line with the general development of the society.

- Protection of the natural environment, creating a friendly, safe and comfortable working environment for employees.

The Board of Directors undertake to continue to direct, supervise and create the best conditions for the General Director Board to achieve the goal of bringing the Company to a new height.

“ In 2017, BMP will celebrate the 40th anniversary of establishment. It is definitely hoped that shareholders, customers, employees, and partners will be shining with Binh Minh in the new journey. ”





REPORTS OF THE CONTROL BOARD



“As the representative of shareholders supported by the General Director Board and the Board of Directors, the Control Board continues to monitor and inspect activities of the Company in compliance with resolutions of the General Shareholders’ Meeting and make recommendations on necessary changes in risk management at BMP.”

In 2016, activities of the Control Board were as follows:

- Monitoring production and business activities, financial situation of the Company in 2016;
- Monitoring performance of resolutions of the General Shareholders’ Meeting in 2016;
- Monitoring activities of the Board of Directors and the General Director Board;
- Monitoring internal audit and financial statements;
- Review the implementation of the processes and regulations being applied at the Company.

MONITORING FINANCIAL SITUATION, PRODUCTION AND BUSINESS ACTIVITIES

The Company strictly complied with provisions of accounting laws, tax laws, other provisions of Vietnamese laws, and the Company's Charter. Accounting was transparent, clear and specific as follows:

Capital resources and assets

Equity as of 31 December, 2016 was VND454,784,800,000 equivalent to 45,478,480 outstanding common shares. There was no change compared to 2015.

Total assets as of 31 December, 2016 were VND2,891 billion, an increase of 18.6% compared to 2015, of which equity increased 14%.

The Company effectively controlled and used debts. Total payable debts were VND594 billion (accounting for 20.5% of total assets), of which short-term debts were VND593.5 billion, accounting for 99.972% of the total debts.

Management of money, revenue, costs

Debts: Most of customers' receivables were from the Company's distribution network. The debts were guaranteed by mortgaged assets for recovery. In addition to debts arising in previous years, a small amount of non-performing debts aroused in 2016. The Company reserved provisions as required by the Government.

In 2016, the General Department of Taxation implemented inspection of tax payments of the Company in 2015. Consequently, the Company had to pay additional tax amount and fine of VND7,591,277,300 since accounting of revenue deductions and provisions for non-performing debts was not properly implemented.

With regards to collection of business income tax of more than VND71.4 billion that BMP has filed complaints to tax agencies since late 2013: The Company has made payment and accounted the amount as other receivables in the Balance Sheet. Presently, the Company is working with Hochiminh city Tax Department, the General Department of Taxation, the Ministry of Finance and relevant state agencies on refundable tax amount in compliance with guidance in the official document No. 14041/BTC-TCT dated 3 October, 2014 of the Ministry of Finance.

Investments

Financial investments, asset procurement and projects complied with resolutions of the General Shareholders' Meeting and provisions of the Company's Charter. Specifically, big investments in 2016 were as follows:

- Financial investments:

In addition to capital contributions to other units (share purchase) without any change compared to the previous year, in 2016, the Company had short-term financial investments including VND490 billion for time deposits and VND53.04 billion as capital contribution to Binh Minh Viet Real Estate Trading and Investment Joint Stock Company to implement the Project on construction of the Commercial Centre - Service - Apartment Complex at 240 Hau Giang, Ward 9, District 6, Hochiminh city.

- Asset investments:

In 2016, in order to increase production capacity, the Company spent VND315 billion for procurement and construction of fixed assets.

Compliance with current procedures and regulations

The Control Board closely monitored compliance and rationality of business activities of the Company. No substantial risk in management was identified by the Control Board.

Implementation of Binh Minh Long An project and ERP project

Binh Minh Long An Project continues with Phase 1. The Plant is expected to go into operation by end of Quarter 1 of 2017.

ERP Project is being implemented by FPT Information System Limited Company.



REPORTS OF THE CONTROL BOARD

MONITORING PERFORMANCE OF RESOLUTIONS OF THE GENERAL SHAREHOLDERS' MEETING

NO.	TARGET	ACCORDING TO THE RESOLUTION	PERFORMED	PERCENTAGE %
1	Profit distribution and dividend payment in 2015		In compliance with the Resolution	100
2	Revenue	VND3,330 billion	VND3,678 billion	110.5
3	Profit before tax	VND600 billion	VND784 billion	130,7
4	Investment plan in 2 years of 2016 - 2017	VND620 billion	In 2016: VND320 billion	51,6
5	Cash dividend	At least 20%	1 st payment: 20% cash	
6	Remunerations of the Board of Directors and the Control Board	0.1%/ revenue	VND3,678 billion	100
7	Bonuses for the Board of Directors and the Control Board	To be decided by the General Shareholders' Meeting 2017	Not yet	
8	Merging of DPC	The Board of Directors are authorized to implement	The General Director Board has hired consultants and is submitting the plan to the Board of Directors for approval (to be included in the submission to the General Shareholders' Meeting 2017)	
9	Increase of equity by foreign investors	The Board of Directors are authorized to implement	The Board of Directors has considered legal procedures and conditions of the Company for further steps (to be included in the submission to the General Shareholders' Meeting 2017)	
10	Project on construction of the Commercial Centre - Service - Apartment Complex at 240 Hau Giang, Ward 9, District 6, Hochiminh city	The Board of Directors are authorized to implement	The Company has contributed VND53,040,000,000. Planning and design dossiers are being submitted to competent agencies for approval.	

MONITORING ACTIVITIES OF THE BOARD OF DIRECTORS AND THE GENERAL DIRECTOR BOARD

Monitoring activities of the Board of Directors

- The Control Board did not acknowledge any abnormal activity of members of the Board of Directors. The Board of Directors complied with provisions of the laws and the Company's Charter in giving directions and monitoring business activities of the General Director Board following resolutions of the General Shareholders' Meeting 2016.
- In the year, the Board of Directors organized 6 meetings, issuing 5 resolutions and 14 decisions in compliance with the Charter and in line with the practical situation, timely dealing with arising issues at the Company.
- 04 sub-committees under the Board of Directors effectively operated as supporting and advisory units of the Board of Directors.

Monitoring activities of the General Director Board

As 2/3 of members of the General Director Board were also members of the Board of Directors, dissemination of information and implementation of resolutions of the General Shareholders' Meeting and resolutions of the Board of Directors were very effective and quickly.

In 2016, in addition to production stabilization and development, the General Director Board proposed flexible policies for business and investment to maintain and expand the market. Outstanding achievements in production, business and profits confirmed effectiveness of the General Director Board.

ASSESSMENT OF INTERNAL AUDIT AND AUDIT STATEMENTS

The Company did not conduct internal audit. Consolidated accounting and financial data were reported by the professional department to the General Director Board on the monthly basis, and to the Board of Directors on the quarterly basis and were audited every 6 months. The Company complied with accounting standards and regimes during accounting. The Sub-committee on Internal Control and Risk Management applied the management process of ISO 9000, effectively controlling activities, timely reporting issues relating to the Company's management to the General Director Board and the Board of Directors.

Financial data of the Company in 2016 were audited by NamViet Auditing and Accounting Financial Consulting Services Co., Ltd. (AASCN), 1 of 8 audit companies approved by the General Shareholders' Meeting 2016. After considering audit reports, the Control Board agreed with data and conclusions of the audit company.

ASSESSMENT OF COOPERATION BETWEEN THE CONTROL BOARD, THE BOARD OF DIRECTORS AND THE GENERAL DIRECTOR BOARD

Following the work plan of the Control Board in 2016, each member effectively and timely implemented tasks as assigned by the Board. In addition, the Control Board also participated in preparing annual reports, cooperating with the Board of Directors to successfully organize the annual General Shareholders' Meeting,...

The Board of Directors and the General Director Board effectively supported the Control Board, creating favourable conditions for the Control Board to successfully tasks assigned by the General Shareholders' Meeting.

RECOMMENDATIONS OF THE CONTROL BOARD

In general, recommendations of the Control Board on activities of the Company in 2016 were all considered and applied in line with the practical situation by the Board of Directors and the General Director Board. For 2017, the Control Board would like to have recommendations as follows:

The Board of Directors and the General Director Board:

- Maintaining control and collection of debts, especially big and non-performing debts;
- Establishing an internal audit unit under the General Director Board;
- Issuing the Financial Regulation.

Shareholders: In the context of increasingly severe competition in the pipe sector, in order to gain outstanding achievements as mentioned above, the Board of Directors and the General Director Board have timely and effectively applied appropriate measures. It is proposed that shareholders approve incentives and awards.

ACTION PLAN OF THE CONTROL BOARD IN 2017

1. Monitoring compliance with the laws, policies, accounting and finance regimes, revenue management, costs through inspection of data in quarterly and annual financial statements and regular asset inventories of the Company.
2. Monitoring performance of the Charter and resolutions of the General Shareholders' Meeting 2017, the Board of Directors and the General Director Board.
3. Monitoring implementation of resolutions of the Board of Directors on mobilization and use of funds as well as implementation of investment projects.
4. Members participated in relevant training courses to improve their qualification and skills for successful performance of tasks assigned by the Board.



FURTHER

Over the last 40 years, BMP has constantly reformed and diversified product models to meet demands of key industrial and agricultural sectors, bringing about practical benefits to the community in daily life in both rural and urban areas.

CORPORATE GOVERNANCE

- The Board of Directors
- The Control Board
- Salary, bonus, remuneration and benefit of members of the Board of Directors, the General Director Board, and the Control Board
- Share transactions of internal shareholders and related persons
- Risk management





BOARD OF DIRECTORS

MEMBERS AND ORGANIZATIONAL STRUCTURE OF THE BOARD OF DIRECTORS

In 2016, the Board of Directors approved the resignation letter of Ms. Nguyen Hong Minh, a member of the Board of Directors (sent on 4 February, 2016). At the same time, Ms. Dang Thi Thu Ha was elected as her replacement on 7 March, 2016 and approved by the General Shareholders' Meeting on 28 April, 2016.

As of 31 December, 2016, the organizational structure of the Board of Directors of BMP consists of 05 members including 02 members of the General Director Board and 03 non-executive members:

“ The organizational structure of the Board of Directors of BMP consists of 05 members including 02 members of the General Director Board and 03 non-executive members. ”

NO.	NAME	POSITION	HOLDING OF SHARES	NOTE
1	Mr. Le Quang Doanh	Chairman	590,140	Non-executive
2	Mr. Nguyen Hoang Ngan	Vice Chairman	343,639	Cum General Director
3	Ms. Nguyen Thi Kim Yen	Member	253,908	Cum Deputy General Director
4	Mr. Suchai Asvathavornvanit	Member	0	Non-executive
5	Ms. Dang Thi Thu Ha	Member	0	Non-executive



ACTIVITIES OF THE BOARD OF DIRECTORS

In 2016, the Board of Directors strictly followed the Resolution of the Annual General Shareholders' Meeting, closely monitoring activities of the General Director Board. Chairman of the Board of Directors directly attended weekly meetings at the Company to timely, closely and flexibly direct investment and business activities.

The Board of Directors also organized meetings to review business activities and issue consistent directions on sustainable development of the Company, meeting current demands, preparing for future opportunities, harmonizing interests of concerning parties. Other members were also convened to unexpected meetings to deal with arising issues if necessary.

In 2016, the Board of Directors organized official meetings with detailed contents as follows:

NO.	TIME - VENUE	MAIN CONTENTS
QUARTER I/2016		
1	20 January, 2016 at NBM	<ul style="list-style-type: none"> Review of production and business results in 2015 and plans for 2016. Preparation for 2015 Annual Report and General Shareholders' Meeting.
2	7 March, 2016 at BMP	<ul style="list-style-type: none"> Authorization of the General Director in signing mortgage contracts relating to customers' assets.
QUARTER II/2016		
3	7 April, 2016 at BMP	<ul style="list-style-type: none"> Review of production and business results in Quarter 1 of 2016 and plans for Quarter 2 of 2016. Review of performance of members of the Board of Directors in 2015. Review of preparations for 2016 Annual General Shareholders' Meeting.
4	28 April, 2016	<ul style="list-style-type: none"> Meeting after the General Shareholders' Meeting on implementation of works and issuance of resolutions of the Board of Directors following the Resolution of 2016 annual General Shareholders' Meeting.
QUARTER III/2016		
5	9 July, 2016 in Con Dao	<ul style="list-style-type: none"> Review of production and business results in the first 6 months of 2016 and plans for the last 6 months of 2016 and making decisions on other administration issues.
QUARTER IV/2016		
6	8 November, 2016 in HCMC	<ul style="list-style-type: none"> Review of production and business results in the first 9 months of 2016 and plans for the last 3 months of 2016 and other administration issues.



BOARD OF DIRECTORS

ACTIVITIES OF THE BOARD OF DIRECTORS (CONTINUED)

Number and percentage of members of the Board of Directors participating in its meetings are as follows:

NO.	NAME	POSITION	DATE OF BEING MEMBER OF THE BOARD OF DIRECTORS	NUMBER OF PARTICIPATED MEETINGS	PERCENTAGE OF MEETING PARTICIPATION	REASON FOR ABSENCE
1	Mr. Le Quang Doanh	Chairman	From 2004	6	100	
2	Mr. Nguyen Hoang Ngan	Vice chairman	From 2004	6	100	
3	Ms. Nguyen Thi Kim Yen	Member	From 2004	6	100	
4	Mr. Suchai Asvathavornvanit	Member	25/4/2013	5	83	Busy with other business activities
5	Ms. Dang Thi Thu Ha	Member	07/3/2016	4	67	New member

In general, the Board of Directors has closely directed the implementation of business plans and 2016 Resolution of the General Shareholders' Meeting, making decisions under its authority, facilitating effective operation of the General Director Board. Sub-committees under the Board of Directors are also duly established and have effectively performed their tasks of studying, making recommendations, and advising the Board of Directors in specific areas under their authorities. In addition, the Board of Directors has also shown consensus in giving strategic directions to the General Director Board, carefully considering during decision making in order to effectively perform tasks assigned by the General Shareholders' Meeting, acknowledging achievements of the Company, acting as a focal point between shareholders and employees, and harmonizing interests with customers.

- **Holding of shares and changes in holding of shares of members of the Board of Directors, General Director Board, the Control Board, the Chief Accountant, managers, secretaries, and related persons:** no.
- **Contracts or transactions with internal shareholders:** no.
- **Implementation of regulations on administration**

In 2016, the Board of Directors strictly complied with regulations on regular and unexpected information disclosure without any warning from HOSE as follows:

- Procedures and preparations for organization of 2016 General Shareholders' Meeting were properly implemented.
- The Board of Directors and the Control Board organized regular meetings to review business activities in the current period and making plans for the next period in compliance with the working regulation.
- Sub-committees under the Board of Directors effectively operated, making sound recommendations to the Board of Directors.
- Chairman of the Board of Directors is an independent member.



SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

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

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

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

List of members of the Board of Directors having certificates of business administration

All 5 members of the Board of Directors have certificates on business administration. In 2016, the Board of Directors did not attend additional training courses on business administration.



THE CONTROL BOARD

MEMBERS AND ORGANIZATIONAL STRUCTURE OF THE CONTROL BOARD IN 2016

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

NO.	NAME	POSITION	HOLDING OF SHARES	INDEPENDENCE LEVEL
1	Ms. Nguyen Thi Phuong Nga	Head of Control Board	126,692	Working at the Company
2	Ms. Nguyen Luu Thuy Minh	Member of Control Board	7,800	Working at the Company
3	Ms. Nguyen Thi Tham	Member of Control Board	0	Not working at the Company

SUMMARY OF MEETINGS OF THE CONTROL BOARD

MEETING	MAIN CONTENTS
Meeting No. 1 on 2 March, 2016	<ul style="list-style-type: none">Review of 2015 financial statementsReview of tax registration of Binh Duong Branch as an affiliated unitAssessment of implementation of ERP Project and Binh Minh - Long An Project
Meeting No. 2 on 28 April, 2016	<ul style="list-style-type: none">Assessment of business activities of the Control Board in 2015Review of business activities in the first 6 months of 2016
Meeting No. 3 on 31 August, 2016	<ul style="list-style-type: none">Review of biannual financial statements of 2016Work plan for the last 6 months of 2016

In addition to 03 official meetings, Head of the Control Board also participated in meetings with the Board of Directors and exchanged information with members of the Control Board via email and telephone to timely and effectively perform tasks of the Control Board.



BINH MINH PLASCO®





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

INCOME OF MEMBERS OF BOARD OF DIRECTORS, GENERAL DIRECTOR BOARD AND CONTROL BOARD

Unit: VND

NO.	NAME	POSITION	TOTAL INCOME BEFORE TAX	PIT	TOTAL INCOME AFTER TAX	NOTE
1	Le Quang Doanh	Chairman of the Board of Directors	2,028,495,000	553,973,250	1,474,521,750	
2	Nguyen Hoang Ngan	Vice Chairman of the Board of Directors - General Director	3,583,449,204	1,073,186,196	2,510,263,008	
3	Nguyen Thi Kim Yen	Member of the Board of Directors - Deputy General Director	2,938,978,766	864,494,652	2,074,484,114	
4	Suchai Asvathavornvanit	Member of the Board of Directors	818,782,000	163,756,200	655,025,800	Representative of Nawaplastic Industries
5	Dang Thi Thu Ha	Member of the Board of Directors	215,000,000		215,000,000	Representative of SCIC
Total incomes of the Board of Directors			9,584,704,970	2,655,410,298	6,929,294,672	
6	Nguyen Thi Phuong Nga	Head of the Control Board - Head of Sales Department	1,877,010,517	430,323,252	1,446,687,265	
7	Nguyen Luu Thuy Minh	Member of the Control Board	775,670,791	91,441,860	684,228,931	
8	Nguyen Thi Tham	Member of the Control Board	389,209,000		389,209,000	Representative of SCIC
Total incomes of the Control Board			3,041,890,308	521,765,112	2,520,125,196	
9	Nguyen Thanh Quan	Deputy General Director	1,575,024,859	324,919,524	1,250,105,335	
10	Hong Le Viet	Chief Accountant - Manager of Finance and Accounting Department	1,290,818,583	255,701,268	1,035,117,315	
Total incomes of others			2,865,843,442	580,620,792	2,285,222,650	
Total			15.492.438.720	3.757.796.202	11.734.642.518	





SHARE TRANSACTIONS OF INTERNAL SHAREHOLDERS AND RELATED PERSONS

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

CHANGES IN HOLDING OF SHARES OF THE BOARD OF DIRECTORS, THE CONTROL BOARD UNTIL 31 DECEMBER, 2016

NO.	NAME	POSITION	HOLDING OF SHARES BEFORE TRANSACTION	TRANSACTIONS IN THE YEAR		
				DATE	BUY	SELL
1	2	3	4			
1	LE QUANG DOANH	Chairman of the Board of Directors	590,140			
2	NGUYEN HOANG NGAN	Vice Chairman of the Board of Directors	343,639			
3	NGUYEN THI KIM YEN	Member of the Board of Directors	253,908			
4	BUI QUANG KHOI	Secretary	87,308			
5	NGUYEN THI PHUONG NGA	Head of the Control Board	126,695			
6	NGUYEN LUU THUY MINH	Member of the Control Board	7,800			
TOTAL			1,409,490		0	0

CHANGES IN HOLDING OF SHARES OF THE GENERAL DIRECTOR BOARD AND THE CHIEF ACCOUNTANT UNTIL 31 DECEMBER 2016

NO.	NAME	POSITION	HOLDING OF SHARES BEFORE TRANSACTION	TRANSACTIONS IN THE YEAR		
				DATE	BUY	SELL
1	2	3	4			
1	NGUYEN HOANG NGAN	General Director	343,639			
2	NGUYEN THI KIM YEN	Deputy General Director	253,908			
3	NGUYEN THANH QUAN	Deputy General Director	6,505			
4	HONG LE VIET	Chief Accountant	2			
TOTAL			604,054		0	0

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

HOLDING OF SHARES AFTER TRANSACTION	OWNERSHIP RATIO	NOTE
8	9	10
590,140	1.30%	
343,639	0.76%	General Director
253,908	0.56%	Deputy General Director
87,308	0.19%	
126,695	0.28%	
7,800	0.02%	
1,409,490	3.11%	

HOLDING OF SHARES AFTER TRANSACTION	OWNERSHIP RATIO	NOTE
8	9	10
343,639	0.76%	Vice Chairman of the BOD
253,908	0.56%	Member of the BOD
6,505	0.01%	
2	0.00%	
604,054	1.33%	





RISK MANAGEMENT

ORGANIZATIONAL STRUCTURE

In order to assist the Board of Directors in risk management and internal control, BMP established a Sub-committee on Risk Management - Internal Control (hereinafter referred to as the Sub-committee) under Decision No.14/QD-BM/HDQT/2014 on 1 August, 2014 by the Board of Directors with key objectives as follows:

- Protect the Company's assets;
- Ensure accurate and reliable financial statements;
- Ensure compliance with the laws, the Charter, regulations and procedures of the Company;
- Improve business effectiveness and efficiency of the Company;
- Protect rights and interests, enhance confidence of investors and shareholders.

The Sub-committee consists of 5 members. Each member is responsible for risk management and internal control of specific professional activities:



No.	Responsibility	Title
1	General activities of the Sub-committee	Head of the Sub-committee
2	Laws and policies of the Government; development directions and strategies of the Company; subsidiary and associated companies	Member
3	Production and sales activities	Member
4	Accounting; financial and investment-construction activities	Member
5	Human resource	Member



The Sub-committee has functions and tasks as follows:

Functions

- Assist the Board of Directors in identifying and detecting, preventing and mitigating possible risks in all business areas and organizational structures of the Company. The Sub-committee's motto is to consider "forecast and prevention" as primary purpose; "recovery" as secondary purpose;
- Implement preventive, detecting and recovery measures in order to effectively achieve objectives of the Company.



Tasks

- Advise the Board of Directors on issuance of internal control procedures;
- Inspect and assess performance of internal control procedures;
- Regularly inspect and control compliance with the laws, regulations, rules, professional procedures of the Company, inspect and control professional activities of all departments in the Company;
- Advise the Board of Directors on revision, supplementation or development of new regulations, rules, professional procedures in order to improve the risk management - internal control system, issuance of written guidance on operation of the Sub-committee;
- Advise the Board of Directors on development of internal control regulations and procedures of the Company. Develop inspection and internal control plans of the Company. Directly inspect and control if necessary or cooperate with relevant functional departments to conduct regular or irregular inspection and control of compliance with the laws, policies, rules, internal regulations, professional procedures of the Company;
- Be responsible for inspection and control of compliance with the laws, rules, internal regulations, professional procedures of the Company.

In order to effectively perform its functions and tasks, the Sub-committee is empowered by the Chairman of the Board of Directors as follows:

- Members of the Sub-committee are entitled to get access to all information, materials and documents relating to activities of the Company for performing works assigned.
- The General Director Board and managers must provide information upon reasonable request of members of the Sub-committee.

The Head of the Sub-committee is responsible for convening a meeting of the Sub-committee to check and assess its activities quarterly (or unexpectedly). The Head of Sub-committee then compiles reports to submit to the Board of Directors on results of inspection, review, assessment of effectiveness and efficiency of the risk management - internal control system, compliance of rules, internal regulations and professional procedures of the Company, recommendations on dealing with shortcomings, supplementation and improvement of the risk management - internal control system of the Company.



RISK MANAGEMENT

RISKS AND RISK MITIGATION MEASURES

Importance of development of a risk management and internal control strategy of the Company.

Implement the risk management and internal control in line with COSO international standard (The Committee of Sponsoring Organizations of the Treadway Commission).

PHASE 1

Development of bases for risk management and internal control

1. Review and standardize the internal control system.
2. Organize training on awareness and basic skills on internal control, risk management, internal audit for middle-ranking and senior managers.
3. Develop the operational regime of the internal control system.

PHASE 2

Enhancing capacity on risk management and internal control

PHASE 3

Improvement of risk management and internal control functions

Risks of economic conditions



Economic crisis, inflation, etc. in the world have adverse effects on the domestic economy, reducing purchasing power especially building materials.

Mitigation measure

Regularly update international and national economic and political information,

especially in construction and real estate to timely apply appropriate measures.

Timely take opportunities even in difficult situations. Expand the distribution network to remote areas and abroad. Speed up implementation of projects. Make substantial investments, focusing on key business lines.

Risks of macro economic policies



Changes in provisions of the laws, tax policies, accounting rules, reporting, human resource and environment policies, etc., of state authorities adversely affecting business, reputation and business results of the Company.

Mitigation measure

Update changes of provisions of the laws and comply with provisions of the laws.

Assign professional departments to participate in training courses on updated policies to disseminate information to employees.

Hire legal consultants to advise leaders on problems of governmental policies relating to activities of the Company.

Risks of fluctuation of input factors

Unstable exchange rate, selling price, transportation costs, labour, material supply source, etc., adversely affecting costs, profits and production plans.

Mitigation measure

Update information on the current situation, forecast of international and national economy and politics in order to timely apply appropriate measures.

Issue cost norms, encourage saving of

electricity, water, materials, etc., increase labour capacity to reduce costs.

Research on possible use of new materials with high efficiency and friendly to the environment. Prioritize use of domestic materials to minimize fluctuation of exchange rate, transportation, supply progress.

Develop reliable partnership with suppliers, maintaining reputation in business on the win-win principle. Avoid exclusive suppliers.

Risks of collective strike and labour slowdown**Mitigation measure**

Closely cooperate with the Labour Union to understand and meet legitimate desires of employees. At the same time, improve training on labour laws, internal

regulations, and compliance awareness of employees.

Develop plans to settle collective strike and labour slowdown.

Risks of unfair competition by other competitors

Risks of unfair competition by other competitors "Market is the battlefield" which is more and more competitive. Other competitors are not hesitant in competing and fighting for customers and the market share from BMP with various tricks ranging from attractive discount policies to spreading rumour, etc.

Mitigation measure

Besides constantly improving quality and diversifying products, BMP needs to issue appropriate discount policies for different regions, distributors and agents. It is important to avoid unfair competition among distributors and agents. In addition, it is also essential to monitor and obtain information from competitors to timely apply appropriate measures.

Debt risk

As a factor relating to financial capacity of customers, debt risk is a highly potential risk to the Company.

Mitigation measure

Issuance of policies on mortgaged assets and determination of debt limits based on

value of mortgaged assets is an effective risk management measure. However, given severe competition, debt policies must be flexible to facilitate sales of goods and compete with competitors. Therefore, priority should be given to management of prolonged and non-performance debts as high risks in the Company.

- Sustainable development message
- Overview of the sustainable development reports
- Organizational structure chart of the quality management system - ISO 9001:2008
- Organizational structure chart of the environmental management system - ISO 14001:2004
- Sustainable relations with relevant parties
- Mechanism for receiving opinions of ISO relevant parties
- Assessment of critical issues
- BMP culture
- Reforms of organizational structure, policies, management
- Environmental impact reports
- Product responsibility
- Social community activities
- GRI4

WIDER

Long-standing experiences in production of plastic pipes, wide distribution network, flexible business policies, etc., have paved the way for bringing BMP brand to a new height as the leading plastic pipe brand in Vietnam recognized by consumers.



BINH MINH PLASCO®



Nurturing Green Sprouts For The Future



SUSTAINABLE DEVELOPMENT MESSAGE



As a leading plastic business in Vietnam, we are aware that together with business and production, environmental protection and sustainable development are important factors affecting business reputation, brand and survival.

At BMP, we are committed to sustainable development and harmonized interests of our customers, shareholders, employees and the community. These commitments are reflected through annual plans, objectives and targets.

In 2016, apart from impressive achievements in production and business such as total revenue of VND3,678 billion - an increase of 23.8% compared to 2015, profit before tax of VND784 million - an increase of 17.9% compared to 2015, we also paid attention to sustainable development solutions. In the whole year, 3,282,415 Kw electricity and 15,037 m³ of water were reduced, equivalent to VND5.4 billion.

In 2017, we continue to develop and implement programs and solutions for energy consumption reduction and environmental friendliness. Internal institutions are actively improved, focusing more on environmental protection and working conditions of employees. We will continue to apply periodical audits and evaluations of sustainable development through third parties in line with international standards.

On behalf of the whole company, I would like to send sincere thanks to our partners, competent authorities and all employees for your confidence and endless support over the past years. We are committed to a sustainable and shining BMP for common prosperity of shareholders, employees, customers and the society. We wish you good health, happiness, and success.

Sincerely.

CHAIRMAN OF THE BOARD OF DIRECTORS



LE QUANG DOANH



OVERVIEW OF THE SUSTAINABLE DEVELOPMENT REPORTS

“

In 2016, data was strictly and accurately recorded by the Company as bases for analysis and making recommendations on further reforms as well as for developing of a timely and precise sustainable development report. Consequently, 2016 sustainable development report is considered the most comprehensive report ever made by the Company. ”



OVERVIEW OF THE SUSTAINABLE DEVELOPMENT REPORTS

Throughout its operation and development strategy, BMP has always paid attention to sustainable development. Starting from a campaign on production saving, the saving spirit has been kept at all places and all times, increasingly focusing on environmental protection and sustainable development. In its long-term strategy, sustainable development was reflected in the Company's vision and mission in 2009. In 2012, the Company implemented specific activities and officially applied the environmental management system ISO 14000. In the following years, the sustainable development reports were included in its annual consolidated reports.

2015 was the first year the consolidated report was made by BMP in accordance with the Guidance on preparing sustainable development reports issued by the State Securities Commission and IFC in reference to GRI-G4 information disclosure standards. At the same time, data was precisely and carefully collected as bases for future reforms and development of a timely and accurate sustainable development report in 2016. Consequently, the 2016 sustainable development report has been the most comprehensive report ever made by the Company.

REPORTING PERIOD

The report was made for 2016 fiscal year, starting on 1 January, 2016 and ending on 31 December, 2016. Since 2015, BMP has developed its regular sustainable development reports for disclosure at the same time with annual reports.

SCOPE OF REPORTING

The report is made in Vietnam on plastic production and business for BMP and the Northern Binh Minh Plastics One Member Company Limited (NBM), a subsidiary company wholly 100% owned by BMP.

METHODS OF DEVELOPING CONTENTS OF THE REPORT

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

CONTACT FOR FURTHER INFORMATION

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

Mr. Nguyen Thanh Hai - Deputy General Director

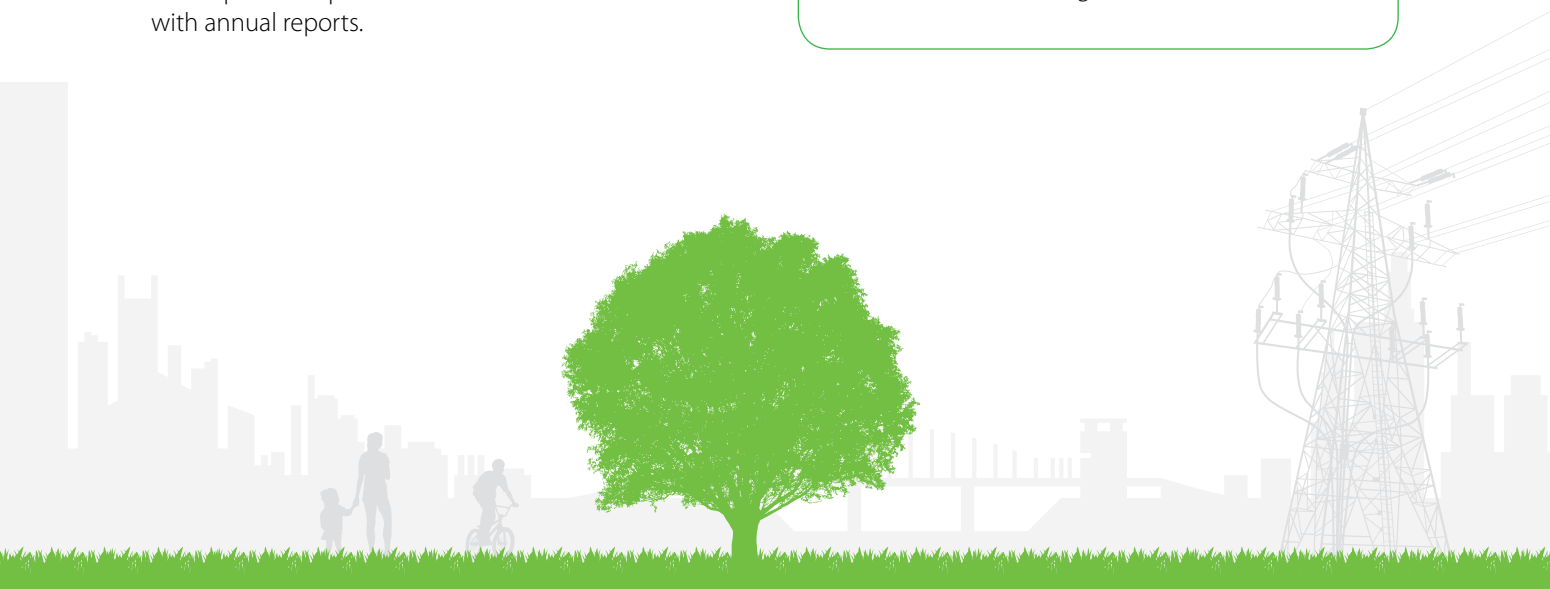
Telephone: 84 28 39690973 (Ext. 104)

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

Mr. Le Anh Huy - Management representative

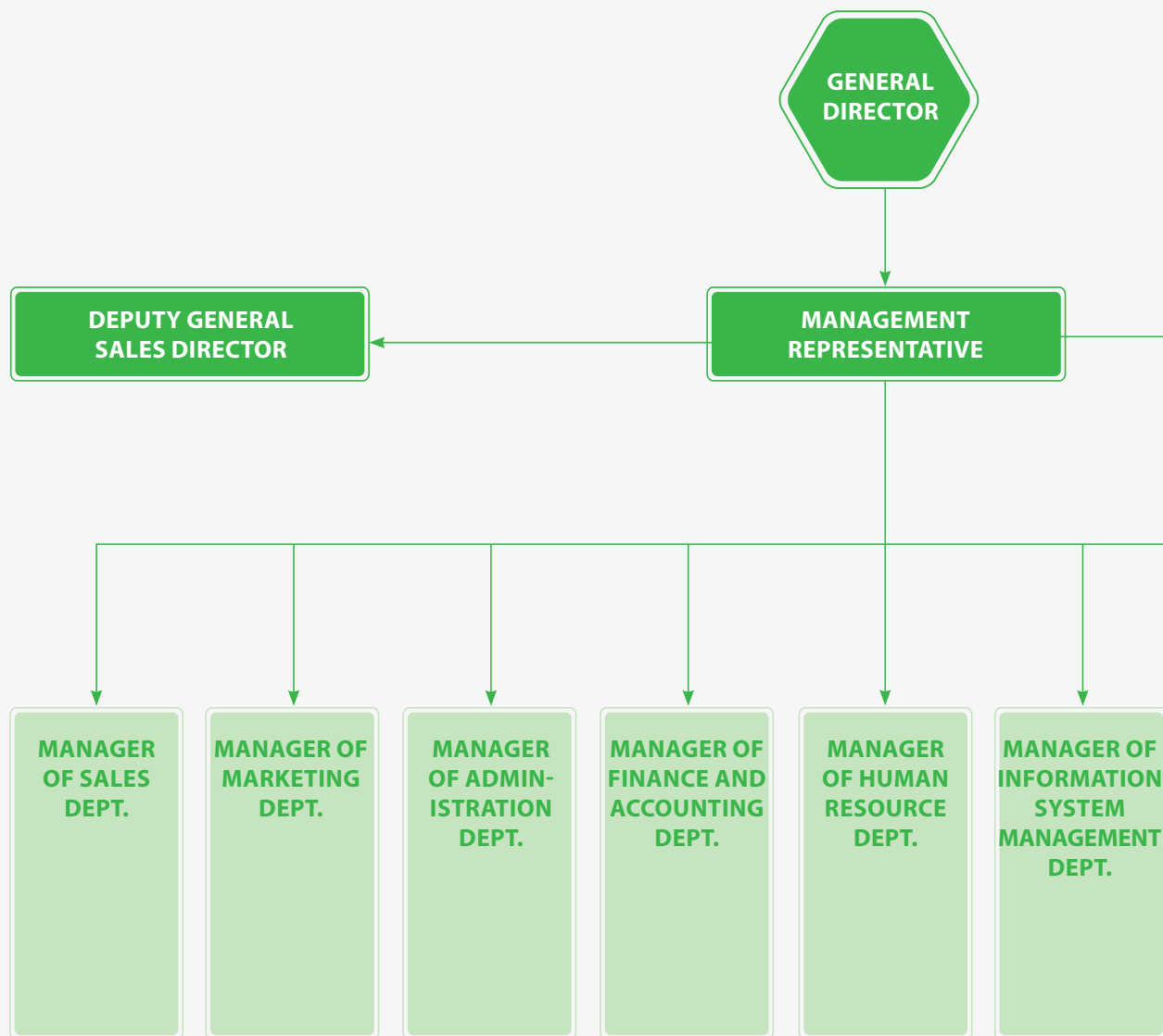
Telephone: 84 28 9690973 (Ext. 147)

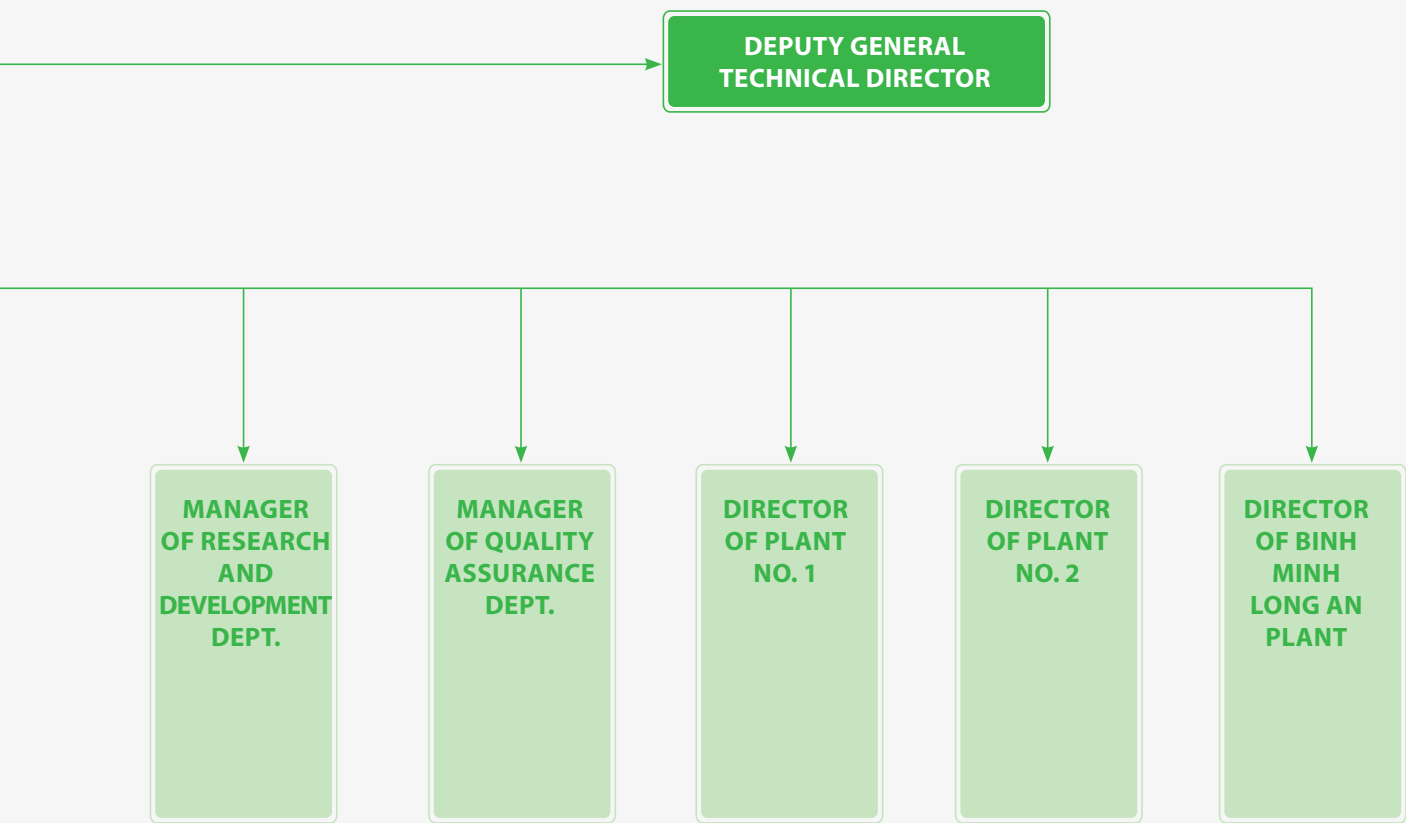
Address: 240 Hau Giang, Ward 9, District 6, HCMC





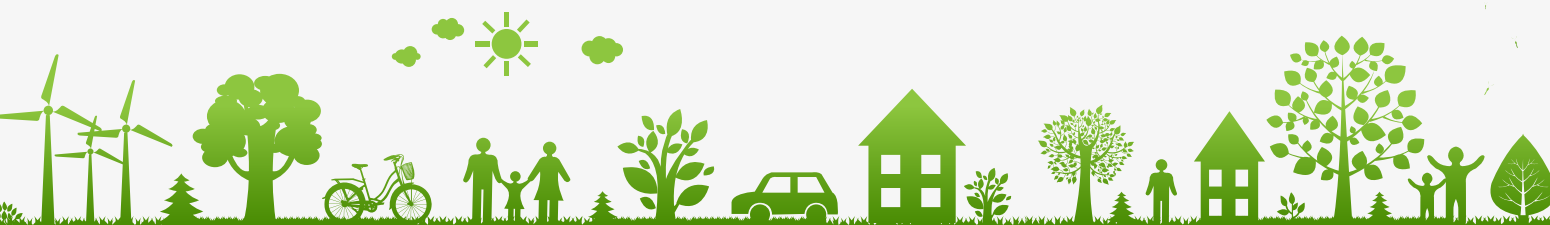
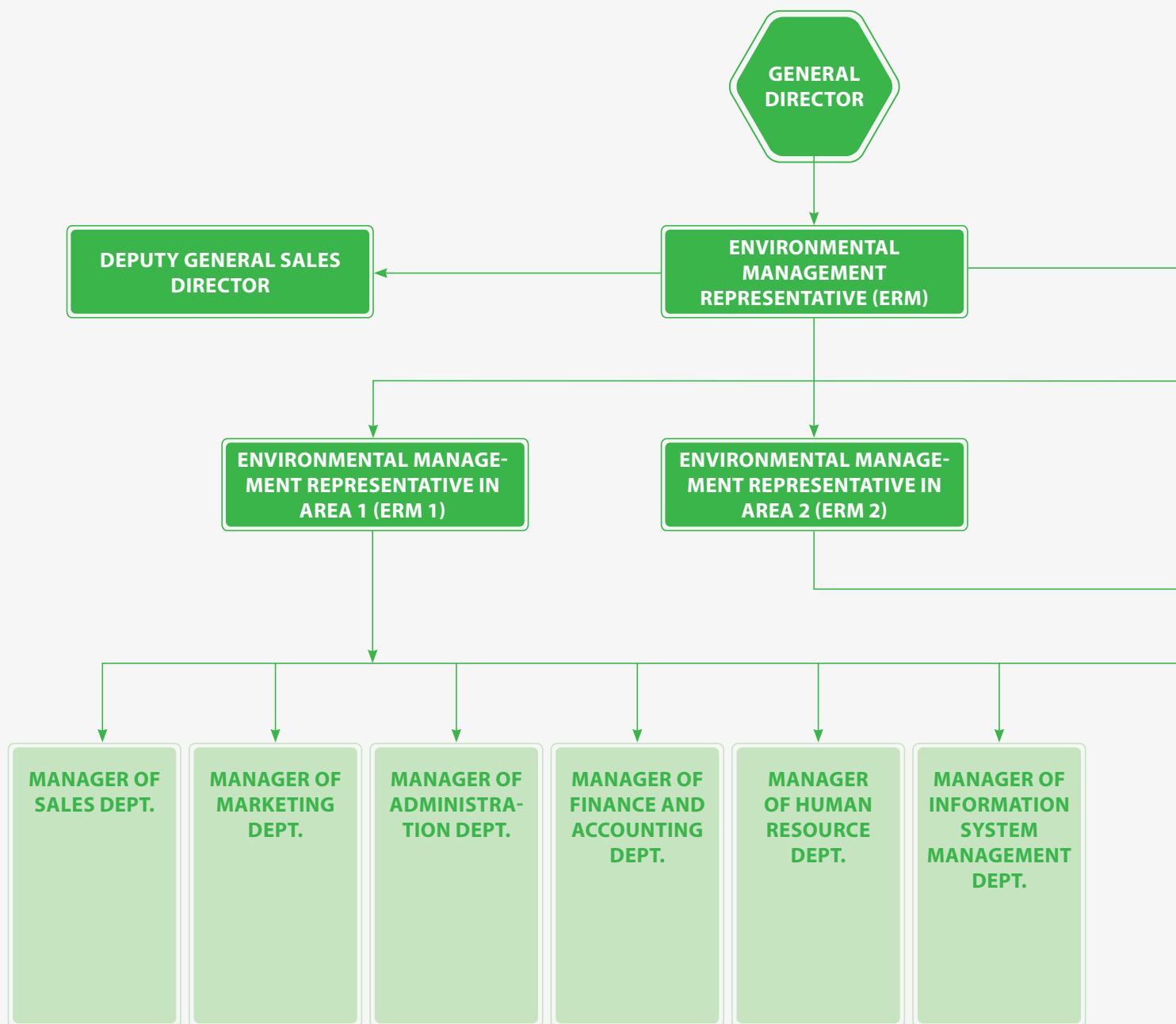
ORGANIZATIONAL STRUCTURE CHART OF THE QUALITY MANAGEMENT SYSTEM - ISO 9001:2008

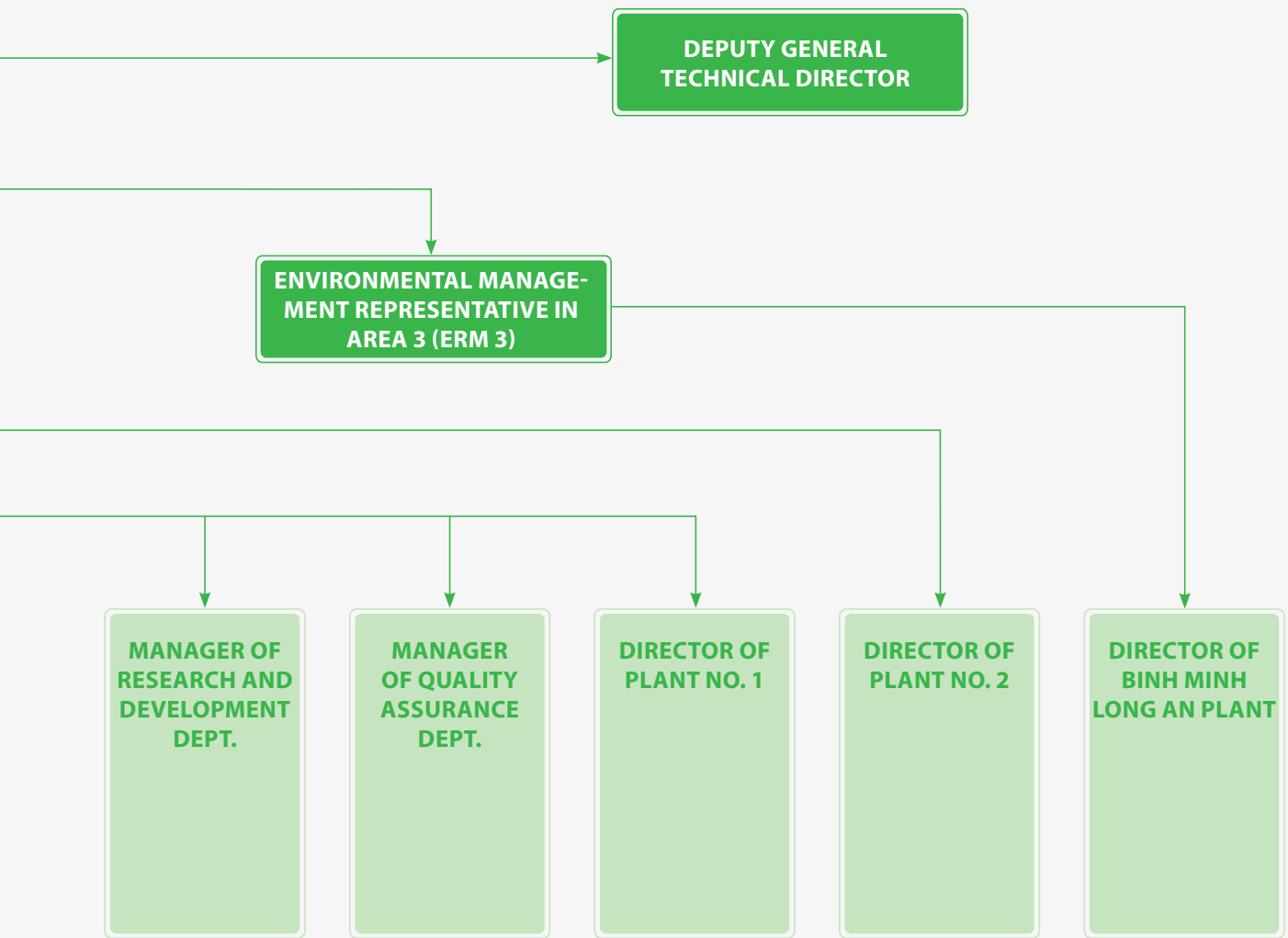






ORGANIZATIONAL STRUCTURE CHART OF THE ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2004







SUSTAINABLE RELATIONS WITH RELEVANT PARTIES

WITH CUSTOMERS



- Always pay attention and listen to customers.
- Continue to expand the distribution network, improving product and service quality to meet demands of customers.
- Express gratefulness to customers through customer conferences, promotion campaigns, attractive incentives, guarantee regimes, after-sales services, etc.
- Reasonable and competitive price policies, harmonizing interests of customers and the Company.

WITH EMPLOYEES



- Develop clear and fair regulations on salaries, bonuses, and allowances.
- Apply more favourable benefits and remunerations compared to provisions of the laws.
- Ensure friendly, clean and green working environment.
- Undertake not to use forced labour in any form.
- Respect decisions, desires, freedoms and other legitimate rights of employees.

WITH PARTNERS



- Fully fulfil commitments with partners.
- Fairly select partners based on their capacity.
- Do not make use of the Company's advantages to put pressure and unreasonable requests on partners.
- Do not cooperate with partners having un-transparent business activities.
- Do not disclose confidential information of partners to their competitors.

**WITH SHAREHOLDERS
AND INVESTORS**

- Provide information timely, fully and transparently.
- Regularly organize open meetings and conferences to inform shareholders and investors of business activities and long-term development strategies of the Company.
- Ensure profitability of investments of shareholders and investors.
- Undertake to keep confidential information of shareholders and investors.

**WITH
THE COMMUNITY**

- Cooperate with mass organizations to share difficulties with the Community through activities such as blood donation, support to victims of natural disasters and flooding, construction of houses of gratitude, etc.
- Undertake to minimize adverse effects to the community and surrounding environment.

**WITH AUTHORITIES
AND STATE AGENCIES**

- Strictly comply with provisions of the laws on taxation, environmental protection, labour safety, etc.
- Improve relations with competent agencies but do not make use of such relations to offer bribes for illegal benefits.
- Improve collection and processing of information, cooperating with competent agencies to deal with counterfeit and fake goods.

WITH THE PRESS

- Improve relations with the mass media on the principle of equality, transparency and legality.
- Provide accurate, clear, sufficient and objective information and messages.
- Provide analysis and assessment of development tendency of the plastic sector to inform the press of overview on the sector.
- Closely cooperate with the mass media to disseminate information on counterfeit goods.



MECHANISM FOR RECEIVING OPINIONS OF RELEVANT PARTIES

With the motto of honesty, openness and transparency in all activities, since its establishment, BMP has actively developed an appropriate mechanism for receiving opinions of relevant parties. Consequently, practical

measures and strategic development orientations are identified relating to improvement of management and operation of the Company, aiming to obtain long-term value chain for all parties.

TARGETED GROUP		APPROACH
CUSTOMERS		<ul style="list-style-type: none">• Advise and answer inquiries through information received on social networks, Question-Answer section on the Company's website; face-to-face meeting or exchanges via telephone, email with relevant departments.• Advise and answer inquiries through customer surveys at commercial fairs, opinions of distributors.• Update information on social networks, the Company's website.• Organize and participate in exhibitions, conferences, workshops, seminars, etc. conference on guided to use products of the Company.
EMPLOYEES		<ul style="list-style-type: none">• Face-to-face meeting with the Company's managers, Labour Union;• Employee survey on labour safety, working environment, policies, social benefits, etc. via email, telephone, social networks;• Organize internal training courses;• Organize conferences, review seminars, annual review workshops, traditional ceremonies, sightseeing, outdoor activities, etc.
PARTNERS		<ul style="list-style-type: none">• Face-to-face meeting;• Receive and answer inquiries via email, telephone, fax,...• Financial disclosure.• Participate in commercial fairs, exhibitions, economic forums (Congress of Southern Water Supply Branch, VietBuild Exhibition, Vietnamese High Quality Goods Fair, etc.).• Through procurement procedures, cooperation contracts, purchase regulations, etc.• Participate in seminars, forums of plastic sector to share investment information and opportunities.

SHAREHOLDERS, INVESTORS

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

COMMUNITY

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

AUTHORITIES, STATE AGENCIES

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

PRESS

- Make public information and participate in interviews with the press on mass media.
- Prepare event press releases and send to mass media for publication.
- Regularly update important information on the Company's website, social networks.



ASSESSMENT OF CRITICAL ISSUES

PRINCIPLE OF IDENTIFYING CRITICAL ISSUES

Proper assessment and identification of critical issues relating to economic, social and environmental situations and business activities of the Company are important to ensure best interests of relevant parties. Therefore, based on the current situation of domestic and international plastic sector as well as feedbacks of relevant stakeholders, we have identified critical issues as priorities for implementation in 2016.

BASES FOR IDENTIFYING CRITICAL ISSUES

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

PROCESS OF ASSESSMENT AND IDENTIFICATION OF CRITICAL ISSUES

Step 1: Assess the plastic sector market, consider the sustainable development strategy of the Company.

Step 2: Analyse issues affecting the sustainable development strategy of the Company.

Step 3: Identify important issues affecting the business strategy of the Company, the economy, environment, and the society.

Step 4: Assess control level of activities.

Step 5: Select critical issues for reporting.

CRITICAL ISSUES ARE IDENTIFIED BY THE COMPANY AS FOLLOWS

Economy

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

Environment

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

Society

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

Sector standards

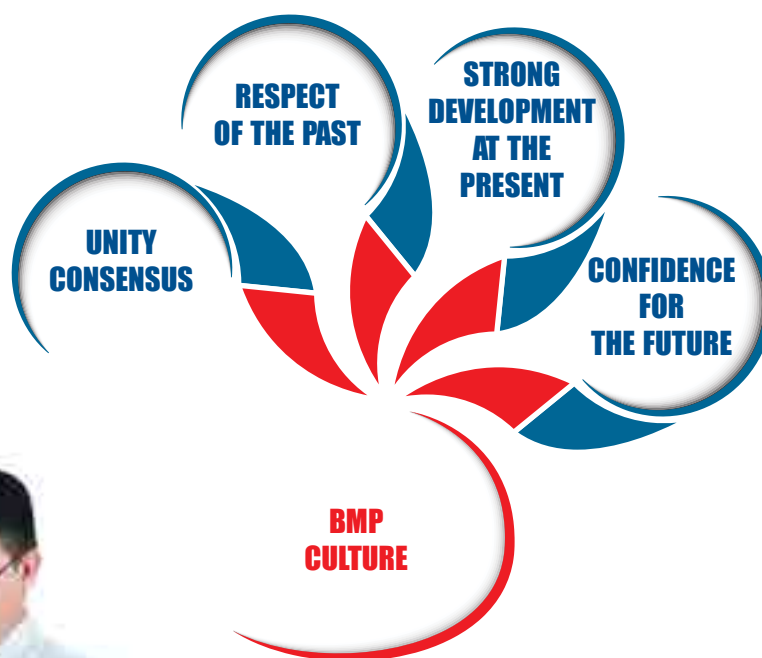
- Compliance

MATRIX OF HIGH-LAW ASSESSMENT OF “IMPORTANCE TO RELEVANT PARTIES” AND “IMPORTANCE TO BMP”

NO.	AREA	CRITICAL ISSUES	IMPORTANCE TO BMP	IMPORTANCE TO RELEVANT PARTIES
1	Economy	Economic efficiency	8.5	8
2		Compliance with tax policies of the Government	8	7.5
3		Interests of shareholders	8	8
4	Environment	Material	7.5	7.5
5		Energy	7	7
6		Water	6.5	6.5
7		Emission	6.5	6.5
8		Waste water and waste	6.5	6.5
9		Information on product label and service	8	8
10		Improvement of working environment	7	7
11		Dealing with emergency	7	7
12	Society	Employment	7	7
13		Safety and professional health	6.5	7
14		Education and training	7	7
15		Human rights	7	7
16		Collective Labour Agreement	7.5	8
17		Product responsibility	7.5	8
18		Community activities	6.5	7
19		Assessment of suppliers	7	6
20	Sector standards	Compliance	8.5	9



BMP CULTURE



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



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

UNITY - CONSENSUS

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

RESPECT OF THE PAST

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

STRONG DEVELOPMENT AT THE PRESENT

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

CONFIDENCE FOR THE FUTURE

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



REFORMS OF ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT



In order to ensure a harmonious relationship between employees and the Company, BMP always attaches importance to reviewing and adjusting the Collective Labor Agreement with the ever increasing benefits to the employees. In addition, the Company also issued the Democracy Dialogue to solve problems, ensure freedom and equality, help workers feel comfortable working.

RESPONSIBILITIES TO EMPLOYEES

Employment relation

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

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

- All labour contracts are signed in writing, including contracts with duration of less than 3 months;
- Female employees having children under 18 months old are not assigned working by shift if their husbands are also working by shift;
- Employees legally adopting new-borns are entitled to benefits similar to those giving birth to natural children;
- Male employees are entitled to maternity leave when their wives give birth within 30 days,...

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

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



In addition to the Collective Labour Agreement, the Regulation on Democracy Dialogue issued in 2015 is another important document providing for employment relation. Under this Regulation, the General Director organizes regular dialogues with employees every quarter, of which one is organized in Quarter 1 at the Employee Conference. In these dialogues, the General Director is responsible for announcing accurate information on quarterly or annual business results; information on implementation of the Collective Labour Agreement; policies on salaries, allowances, emulations; answering inquiries of employees; information on settlement of problems raised in previous dialogues, etc. in order to harmonize relation between employees and the Company.

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

Professional safety and health

Measures on labour safety are implemented in 2016

Medical care for employees

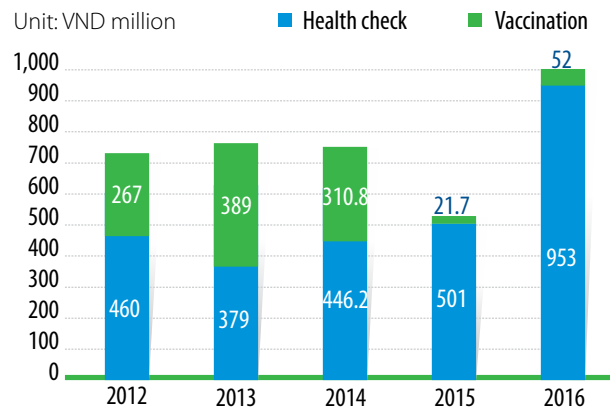
- The Company offers annual health check for employees with standards higher than required by the laws. In 2016, the Company classified employees by age and working environment to diagnose speciality examination, timely detecting diseases and providing treatment to employees.
- The Company also maintains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

Technical measures

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



CHART OF HEALTH CARE COSTS OVER YEARS



Individual protective equipment

The Company has always paid attention to labour safety, providing employees with full and standard protective equipment according to their working positions such as insulating shoes, earplugs, activated charcoal face masks, gloves, protective glasses, anti-slipping shoes, safety belts for working at heights, safety helmets, etc. The Company also appoints staffs responsible for monitoring and reminding employees to use proper protective equipment at the right time in the right place for work purposes.



REFORMS OF ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT



Dissemination and training activities

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

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

Fire prevention

- Requirements of the Government on fire prevention are strictly followed.
- Awareness of employees on fire protection is improved.
- Fire protection teams are established in each area, responsible for fire protection activities.
- Fire protection police are invited to deliver training courses on fire protection, fire drills, rescue.
- A network of staffs responsible for labour safety is set up to monitor daily labour safety and sanitation, and fire protection during working shifts.
- An inspection committee is established by the Company responsible for irregular and quarterly inspection of labour safety and sanitation, and fire protection.
- Fire protection equipment is regularly checked and emergency is timely dealt with.
- Fire protection equipment is newly purchased.

REFORM OF HUMAN RESOURCE POLICIES

Acknowledging that human resource is an invaluable asset of each business, the Company has always paid attention to regimes and policies on social benefits for employees. In addition to requirements of the Government, the Company also applies separate policies beneficial to employees as mentioned in the Collective Labour Agreement such as salaries of employees taking maternity leave, illness leave, compassionate leave, annual retreat, etc., in order to create incentives for effective working of employees.

Policies on salaries and bonuses

The Company has always maintained stable incomes for employees with average salaries ranking at the top level in the sector, creating incentives for employees to make contributions and stay working for the Company. In 2016, the Company adjusted its salary scale in compliance with new provisions of the Labour Code. Although social insurance contributions of the Company have substantially increased due to application of the new salary scale, incomes of employees remain unchanged while allowances, compensations, bonuses are still ensured. Specifically,

- Allowances and bonuses are adjusted 40% higher by the Company's Management Board while beneficiaries are also expanded.
- Salaries for employees taking maternity leave: In order to create favourable conditions for female employees taking maternity leave, the Company has paid an additional of 100% regional wage in addition to monthly salaries paid by the social insurance agencies.
- Salaries for employees taking illness leave: In order to create favourable conditions for employees during illness treatment, the Company has paid an additional of 100% regional wage in addition to salaries paid by the social insurance agencies

Insurance regimes

- Insurance regimes are fully complied such as social insurance, health insurance, unemployment insurance of all employees.
- Optional insurances are maintained to increase benefits for employees such as 24/24 accident insurance, comprehensive health insurance for managers of the Company.

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

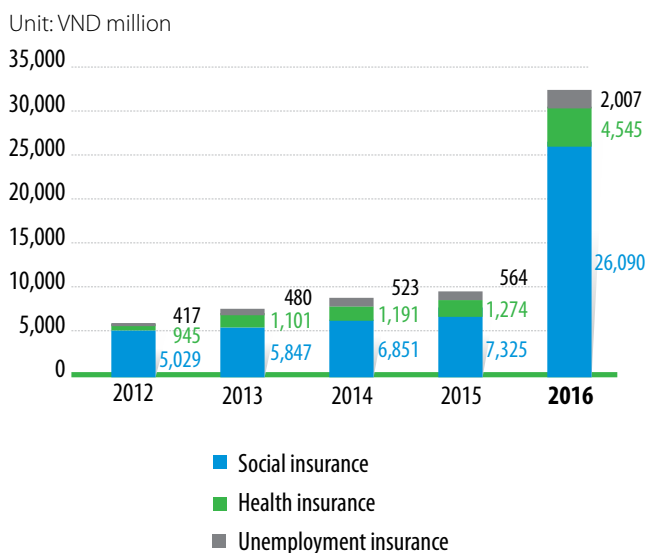
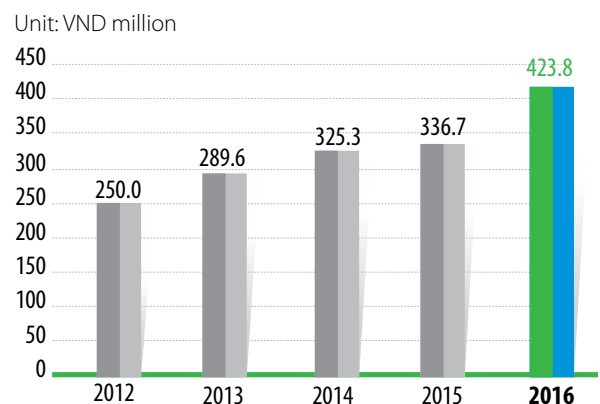


CHART OF OPTIONAL INSURANCE COSTS OVER YEARS





REFORMS OF ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT

Policies on training and education

BMP has always paid attention to training and education. Training courses mostly focus on professional and management skills of all departments and plants.

For workers, the Company pays attention to training to improve their professional skills. Engineers act as trainers for workers in the Company. This type of training helps employees to understand and handle works easily.

For professional staffs, training courses focus on thematic topics according to their positions in order to ensure that employees are provided with updated knowledge.

For managers, the Company creates conditions for them to attend domestic and international training courses to improve their professional skills and other skills.

Discussions and seminars on the Company's culture, communication skills, etc., are organized for employees to improve their awareness and stay with the Company.

CHART OF TRAINING STRUCTURE IN 2016

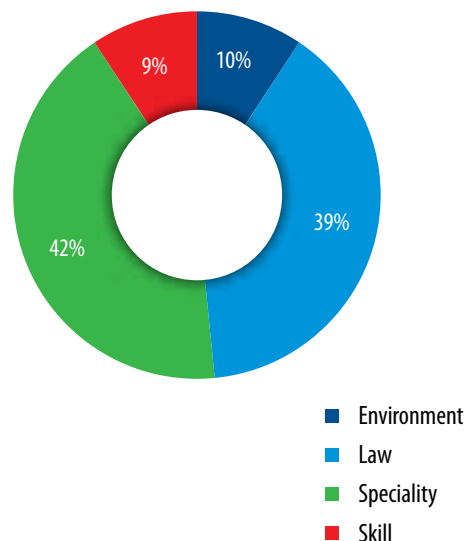


CHART OF TRAINING COSTS OVER YEARS

Unit: VND thousand/employee

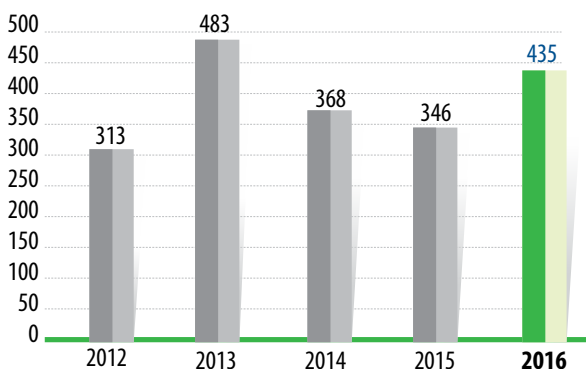
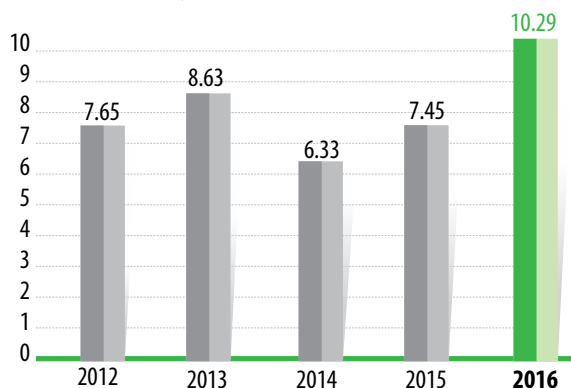


CHART OF TRAINING DURATION OVER YEARS

Unit: Hour/employee



Policies on trainee managers

In order to create source of qualified managers to meet increasing development of the Company in the future, the Company has issued a regulation on trainee managers. Over the past few years, this trainee regulation has effectively supported the planning and appointment of managers at all levels.

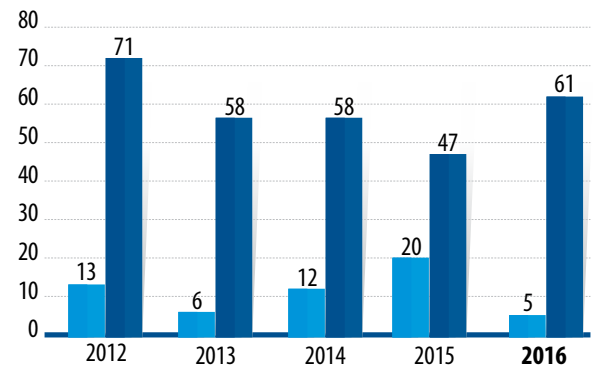
Other policies

- Nguyen Duc Canh scholarships are granted and annual summer camps are organized for children of employees having excellent academic achievements.
- Children of employees are given gifts during the International Children's Day and the Mid-autumn Festival.
- Female employees receive gifts on the 8th of March and on the 20th of October.
- Employees used to serve in armed forces receive gifts on the 22th of December.
- Priority in employment is given to relatives of employees meeting work requirements.
- Employees receive gifts and financial support for weddings, funerals, birthdays, illness, childbirth, public holidays as announced by the Government.

CHART OF MANAGER STRUCTURE OVER YEARS

■ Trainee managers ■ Appointed managers

Unit: Employee





ENVIRONMENTAL AND SOCIAL IMPACT REPORTS



The Company has applied ISO 14001:2004 standard in environmental management. Such management thus complies with provisions of environmental laws. Therefore, in 2016, BMP was not fined for any violation of the laws and regulations on environmental protection.



MATERIAL SOURCE MANAGEMENT

In 2016, total materials used in the whole Company were 90,024 tons. Of which BMP consumed 79,823 tons and NBM consumed 10,201 tons.

Main materials include PVC, HDPE, PP, etc., from reputable international manufacturers such as TPC Vina, Borouge, Sabic, Basell, etc. These manufacturers comply with ISO 9001:2008 standard on quality control and ISO 14001:2004 on environmental management.

At the Company, products are only made from high-quality materials but not waste materials. A certain small proportion of faulty products is used for production. This minimizes waste materials during production at BMP.

TOTAL MATERIALS USED

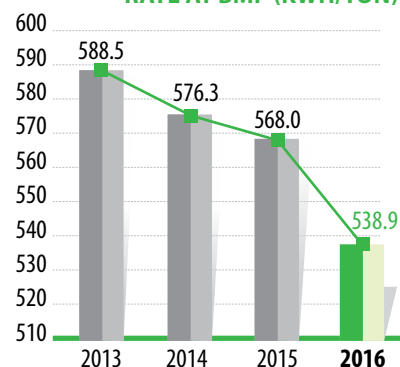
90,024
TONS

POWER CONSUMPTION

In order to reduce electricity consumption and make contributions to greenhouse effect reduction, the Company has applied measures as follows:

- Energy audit at areas.
- Training to improve awareness on energy saving in the whole Company.
- Reduction of waste materials.
- Assessment of electricity consumption of small, medium and big machines and different types of pipes in order to adjust production plans and control electricity consumption.
- Installation of measuring machines and collection of data as bases for separation of power consumption data for application of technical measures on each type of products: fittings, sprayers, glues.
- Installation of inverters and servo for main engines of production equipment.
- Investment on production equipment using servo technology for electricity saving.
- Control of water chillers at circulating tanks during production.

ELECTRICITY CONSUMPTION RATE AT BMP (KWH/TON)



Power consumption was recorded, analysed and compared with previous years as follows:

At BMP

YEAR	2013	2014	2015	2016
Production capacity (ton)	50,514	59,137	69,711	75,829
Electricity consumption (1,000 kwh)	29,730	34,078	39,593	40,863
Electricity consumption rate (kwh/ton)	588.5	576.3	568.0	538.9



Production capacity of BMP in 2016 increased 8.8% while electricity consumption only increased about 3.2% compared to the same period of 2015.

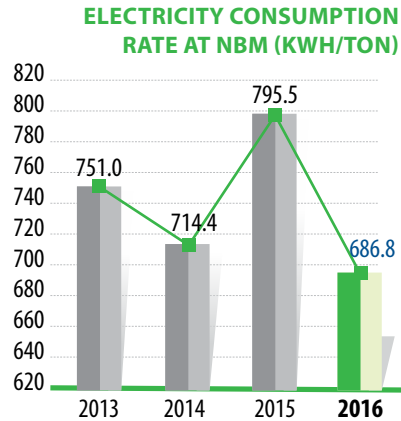
Compared to 2015, electricity consumption in 2016 saw:

- A reduction of about 5.12%;
- Equivalent to 2,204,523 Kwh.

Consequently, based on the average electricity price of VND1,636 per Kwh, BMP saved more than VND3,527,200,000 in 2016.

At NBM

YEAR	2013	2014	2015	2016
Production capacity (ton)	4,389	6,807	7,684	9,916
Electricity consumption (1,000 kwh)	3,296,180	4,863,264	6,112,842	6,810,451
Electricity consumption rate (kwh/ton)	751.0	714.4	795.5	686.8



 **3,282,415** Kwh

Production capacity of NBM in 2016 increased 29.0% while electricity consumption only increased about 11.4% compared to the same period of 2015.

Compared to 2015, electricity consumption in 2016 saw:

- A reduction of about 13.66%;
- Equivalent to 1,077,892 Kwh.

Consequently, based on the average electricity price of VND1,636/Kwh, NBM saved more than VND1,763,400,000 in 2016.

The entire Company's total electricity consumption decreased

In 2016, the entire Company saved 3,282,415 kwh compared to 2015, equivalent saving amount of VND5,290,600,000.

In general, reduction in electricity consumption was thanks to increasing awareness of staffs and efficiency of advanced production equipment with high capacity and low electricity consumption rate.

The entire Company's total electricity consumption decreased

saving

5,290,600,000 VND





ENVIRONMENTAL AND SOCIAL IMPACT REPORTS

WATER CONSUMPTION

Acknowledging that fresh water is limited, BMP has applied a number of water saving measures in 2016 as follows:

- Development of water supply system charts for all areas.
- Installation of meters and valves to control water consumption by usage purpose and by area.
- Recording and analysis of data from measuring machines to timely detect water waste and apply remedies.
- Water used for cooling of equipment and products is recycled to minimise water consumption.

The measures were successfully applied in 2016, resulting in high efficiency. Water consumption rate in the entire Company was as follows:

At BMP

YEAR	2013	2014	2015	2016
Production capacity (ton)	50,514	59,137	69,711	75,829
Water consumption (m ³)	116,082	92,320	109,324	105,548
Water consumption rate (m ³ /ton)	2,298	1,561	1,568	1,392

Production capacity in 2016 increased 8.8% while water consumption in 2016 decreased 3.45% compared to the same period of 2015.

Compared to 2015, water consumption rate in 2016 saw:

- A reduction of 11.22%.
- Equivalent to a reduction of 13,351 m³.

Consequently, based on the average water price of VND11,355/m³, BMP saved VND151,600,000 in 2016 compared to 2015.

At NBM

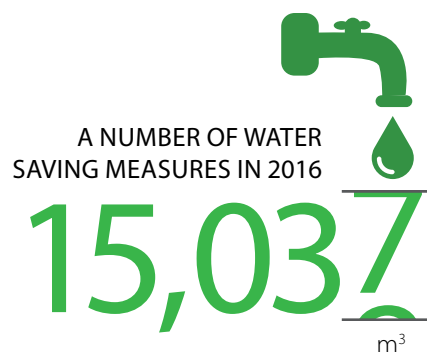
YEAR	2013	2014	2015	2016
Production capacity (ton)	4,389	6,807	7,684	9,916
Water consumption (m ³)	18,741	18,584	22,131	26,873
Water consumption rate (m ³ /ton)	4,270	2,730	2,880	2,710

Production capacity in 2016 increased 29% while water consumption in 2016 only increased 21.4% compared to the same period of 2015.

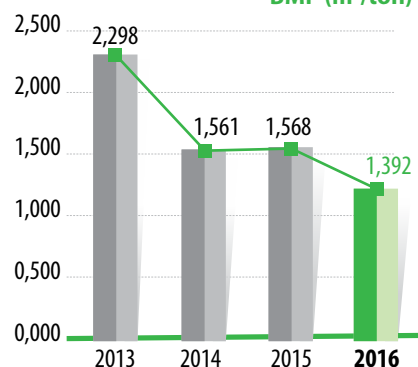
Compared to 2015, water consumption rate in 2016 saw:

- A reduction of 5.90%.
- Equivalent to a reduction of 1,686 m³.

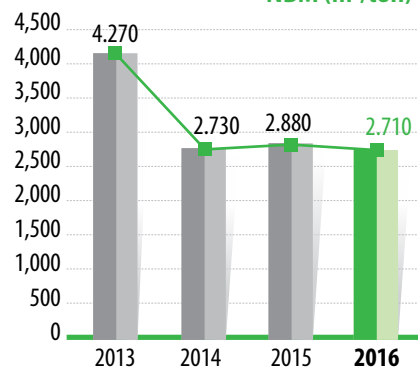
Consequently, based on the average water price of VND11,355 per m³, NBM saved more than VND19,100,000 in 2016.



WATER CONSUMPTION RATE AT BMP (m³/ton)



WATER CONSUMPTION RATE AT NBM (m³/ton)



In the entire Company

In 2016, the entire Company saved 15,037 m³ compared to 2015, equivalent saving amount of VND170,700,000.

ENVIRONMENTAL PROTECTION, CONTROL OF EMISSIONS AND WASTES

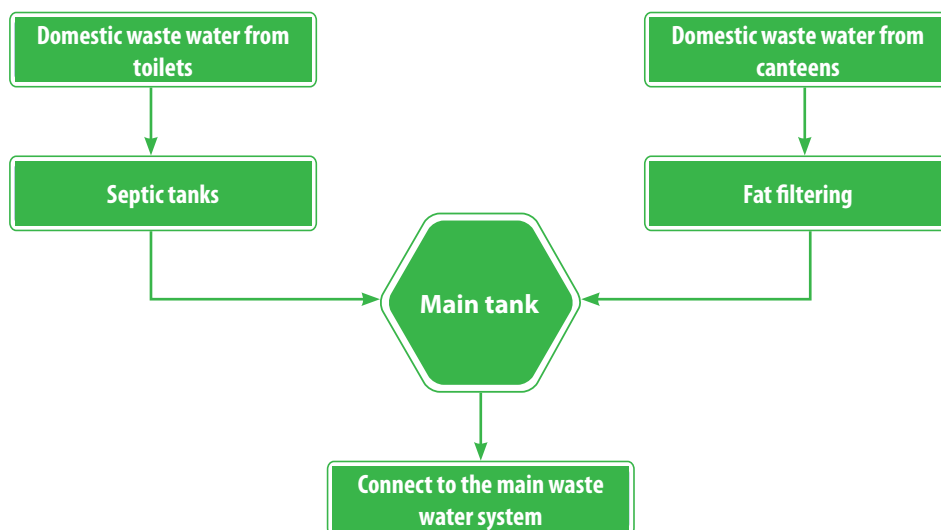
Control of waste water

Waste water treatment

As water used for production at BMP is recycled, waste water mainly comes from domestic waste water and rainwater. Waste water at all areas is measured, controlled and monitored every 6 months. Total annual costs for measurement, control and monitoring are about VND50,000,000.

Waste water of the Company is treated as follows:

- Area No. 1 - No. 240 Hau Giang street, Ward 9, District 6, Hochiminh city: domestic waste water is treated by the microbiological treatment system to meet requirements of QCVN 14:2008/BTNMT (the national technical regulation on domestic waste water) before being discharged into the domestic waste water system of the city.
- Plant No. 2 (Song Than Industrial Zone - Binh Duong), Binh Minh Long An Plant (Vinh Loc No. 2 Industrial Zone - Long An), Northern Binh Minh Plastics (Pho Noi A Industrial Zone - Hung Yen): All domestic waste water flows to the waste water treatment for concentrated treatment as required in each industrial zone.



Waste water from toilets flows through septic tanks for solid waste filtering and microbiological treatment. At the same time, waste water from canteens flows through the fat treatment system for fat filtering. Subsequently, treated waste water flows to the main tank and then to external waste water systems through the main drainage system.



ENVIRONMENTAL AND SOCIAL IMPACT REPORTS

Means, methodologies and results of waste water monitoring

Samples of waste water are randomly taken by an independent unit for measurement checking every 6 months at each area.

Information on testing equipment

NO.	EQUIPMENT NAME	EQUIPMENT MODEL	COUNTRY OF ORIGIN	CALIBRATION DATE	CALIBRATION FREQUENCY
1	Spectrophotometer	UVT60	UK	21 July, 2016	Once/year
2	Furnace	NABERTHERM LE6 LH/8150	Germany	21 July, 2016	Once/year
3	1-time water still	LP4	India		Once/year
4	BOD testing chamber	AQUALYTIC	Germany	21 July, 2016	Once/year
5	TDS, EC measurer	ADWA AD332	Hungary	4 August, 2016	Once/year
6	pH measurer	SCHOTT Lab 850	Germany	4 August, 2016	Once/year
7	Turbidity	MICRO TPW	China	4 August, 2016	Once/year
8	Gas chromatograph	VARIAN 450 - GC	USA	8 August, 2016	Once/year
9	Drying cabinet	MEMMERT 100 - 800 UNB	Germany	21 July, 2016	Once/year
10	Nitrogen demolition furnace	-	Vietnam	21 July, 2016	Once/year
11	COD demolition	-	Vietnam	21 July, 2016	Once/year
12	4-digit analysis scale OHAUS PA214	TBPTN15 - CPT4S	USA	4 August, 2016	Once/year
13	Incubator	MEMMERT IN55	Germany	21 July, 2016	Once/year

One of results of sampling at BMP with highest values recorded.

NO.	PARAMETER	UNIT	RESULT	STANDARD	MEASUREMENT METHOD
1	pH	-	7.25	5-9	TCVN 6492:2011
2	TSS	Mg/l	62	500	SMEWW 2540d:2012
3	COD	Mg/l	112	600	SMEWW 5220C:2012
4	BOD5	Mg/l	40	400	TCVN 6001-1:2008
5	Total N	Mg/l	8.58	60	TCVN 6638:2000
6	Total P	Mg/l	3.96	4	TCVN 6202:2008
7	Amoni	Mg/l	7.52	15	TCVN 6179-1:1996
8	Mineral oil	Mg/l	1.1	10	TCVN 5070:1995
9	Total Coliform	MPN/100ml	4,000	10,000	TCVN 6187-2:2009

Control of solid wastes

Solid wastes are divided into 4 categories as follows:

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

All plants of BMP have implemented measures as follows:

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

Control of dust, emissions and microclimate conditions

Remedies

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

Dust arising from production process

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

- In addition, in all production stages of the Company, employees working at dusty areas are provided with dust protection masks in order to minimize adverse effects to health.

- Inspection is regularly conducted by staffs responsible for labour safety in order to ensure labour safety and timely apply appropriate remedies.

Emissions from production process

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

Emissions from the electric generator system

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

Dust and emissions from means of transport

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

Ventilation and temperature

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



ENVIRONMENTAL AND SOCIAL IMPACT REPORTS

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

Vibration and noise

In order to ensure a safe working environment, the Company has applied measures to minimize noise spreading to the surrounding areas as follows:

Means and results of environmental sampling

Sampling of dust, emissions, and microclimate conditions is conducted annually.

Information on environmental monitoring equipment

NO.	EQUIPMENT NAME	EQUIPMENT MODEL	COUNTRY OF ORIGIN	CALIBRATION DATE	CALIBRATION FREQUENCY
1	Handle GPS	GARMIN ETREX 20	Taiwan	-	-
2	Dust Meter	HAZDUST EPAM-5000	USA	30/12/2016	Once/year
3	Noise meter	EXTECH 407730-06	USA	20/07/2016	Once/year
4	Frequency Noise Meter	ACO TYPE 6236	Japan	20/07/2016	Once/year
5	Vacuum battery pumps	F&JECOOAIR	USA	20/07/2016	Once/year
6	Vacuum pumps	TW 1.5A	Japan	20/07/2016	Once/year
7	Exhaust gauge	TESTO350	Germany	28/02/2016	Once/year
8	Equipment for sampling dust and gas	ISO KINETIC C-5000	USA	-	-
9	Thermometer, humidity, light, wind EBRO TFH 610-2	TBQT-NA-14	Germany	20/07/2016	Once/year

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

At BMP

Plant No. 1 - 240 Hau Giang, Ward 9, District 6, Hochiminh city.

Results of sampling of microclimate conditions and noise

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

Analysis results of the inside and surrounding areas

PARAMETER	SAMPLING RESULTS AT THE COMPANY				LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QĐ3733/2002/QĐ-BYT
	2013	2014	2015	2016	
Dust (mg/m ³)	0.41	0.46	0.48	0.49	6
CO (mg/m ³)	4.35	6.91	5.22	5.82	20
SO ₂ (mg/m ³)	0.112	0.067	0.060	0.075	5
NO ₂ (mg/m ³)	0.097	0.03	0.035	0.046	5
VOC (mg/m ³)	9.3			26.6	300

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

Plant No. 2 - No. 7 Road 2, Song Than 1 Industrial Zone, Di An, Binh Duong province.

Results of sampling of microclimate conditions and noise

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

Analysis results of the inside and surrounding areas

PARAMETER	SAMPLING RESULTS AT THE COMPANY				LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QĐ3733/2002/QĐ-BYT
	2013	2014	2015	2016	
Dust (mg/m ³)	0.42	0.47	0.41	0.52	6
CO (mg/m ³)	5.16	3.28	4.05	5.98	20
SO ₂ (mg/m ³)	0.050	0.070	0.100	0.082	5
NO ₂ (mg/m ³)	0.03	0.05	0.08	0.06	5

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



ENVIRONMENTAL AND SOCIAL IMPACT REPORTS

At Binh Minh Long An Plant

Results of sampling of microclimate conditions and noise

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

Analysis results of the inside and surrounding areas

PARAMETER	SAMPLING RESULTS AT THE COMPANY				LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QD3733/2002/QĐ-BYT
	2013	2014	2015	2016	
Dust (mg/m ³)	-	-	-	0.19	6
CO (mg/m ³)	-	-	-	5.42	20
SO ₂ (mg/m ³)	-	-	-	0.063	5
NO ₂ (mg/m ³)	-	-	-	0.20	5

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

At NBM

Results of sampling of microclimate conditions and noise

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

Analysis results of the inside and surrounding areas

PARAMETER	SAMPLING RESULTS AT THE COMPANY				LABOUR SAFETY AND SANITATION CRITERIA FOLLOWING QD3733/2002/QĐ-BYT
	2013	2014	2015	2016	
Dust (mg/m ³)	0.381	0.356	0.347	0.894	6
CO (mg/m ³)	0.440	0.633	0.641	0.486	20
SO ₂ (mg/m ³)	0.125	0.117	0.149	0.127	5
NO ₂ (mg/m ³)	0.038	0.034	0.037	0.038	5

(Source: results of environmental monitoring of the National Institute of Labour Protection).



BINH MINH PLASCO®





PRODUCT RESPONSIBILITY



Product quality is a leading issue of concern by BMP. This is the principle for growth of BMP brand over the past 39 years.



NEW INITIATIVES WERE REGISTERED



NEW INITIATIVES

INTELLECTUAL PROPERTY AND BRAND INVESTMENT, DEVELOPMENT OF NEW EXCLUSIVE PRODUCTS

Intellectual property and brand investment

In 2016, the Company extended the trademark protection certificate in Laos and Cambodia as well as international trademark registration including trademark protection registration under Madrid Agreement in China, Russia, Australia, Singapore, Philippines, USA, Malaysia, Thailand, Indonesia, Kuwait, Saudi Arabia, United Arab Emirates, Myanmar.

Development of new products

In 2016, 31 new initiatives were registered in the whole company including initiatives on new products and streamlined production process, of which 16 initiatives were for streamlined production process and 5 initiatives were for new products with total royalties of VND74,000,000.

Some initiatives, especially those on streamlined production process, have been considered and applied by the Company's Management Board, resulted in certain efficiency with total saving value of VND5,856,890,000 in practice. This total saving value excludes other values such as capacity increase, professional and friendly working environment, streamlined daily working procedures, labour saving.

PRODUCT INFORMATION

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

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

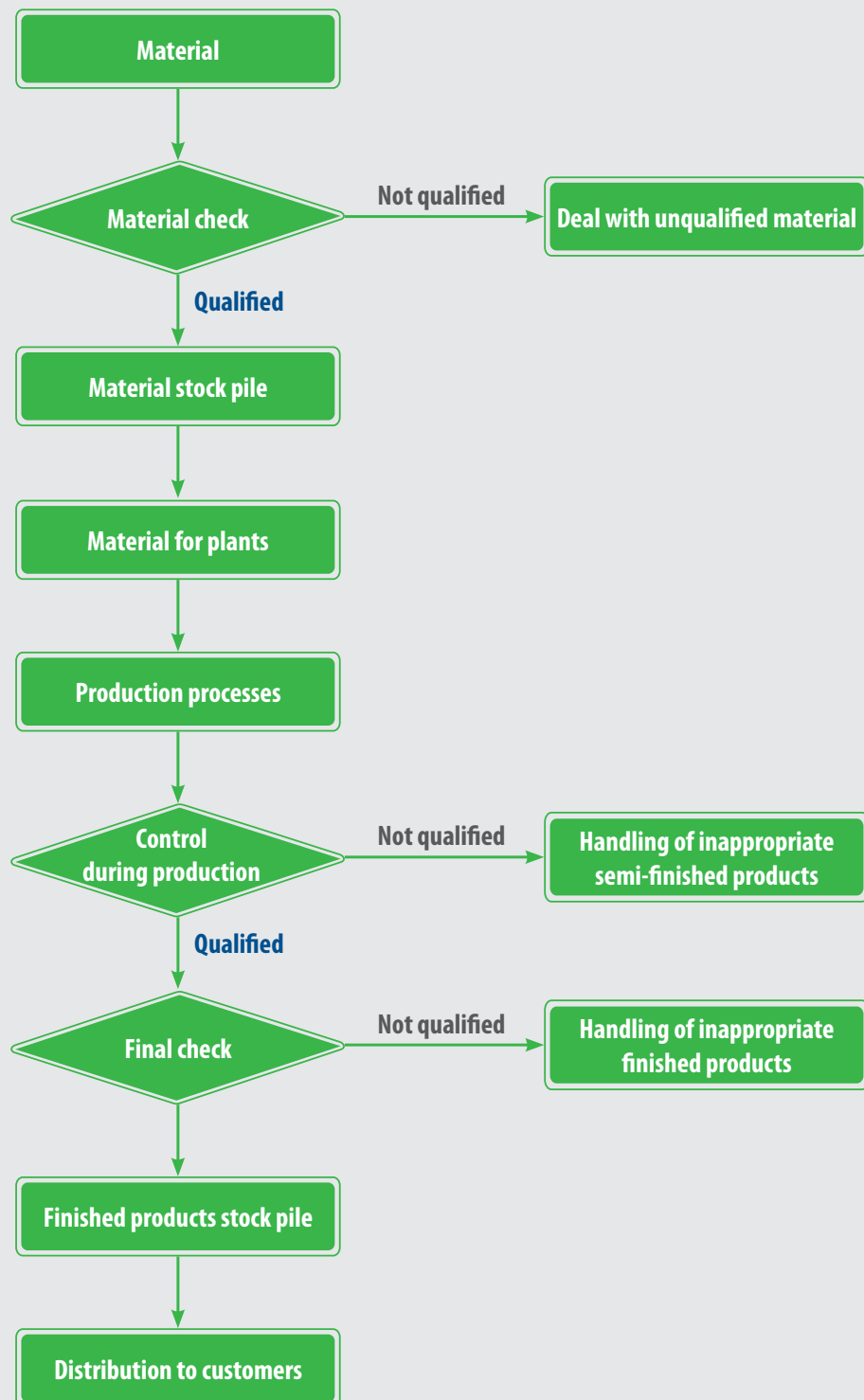
The information not only aims at providing information to customers but also forms bases for BMP to control quality through product tracking system when dealing with complaints by customers.

PRODUCT QUALITY COMMITMENT

Over the past years, products of BMP have been monitored, assessed, and certified by the Quality assurance and Testing Centre No. 3 in compliance with standards as follows:

1. ISO 1452:2009 / TCVN 8491:2011 for uPVC pipes and fittings.
2. ISO 4427:2007 / TCVN 7305:2008 for HDPE pipes and fittings.
3. ISO 15874-2:2003 for PP-R pipes.
4. DIN 8077:2007/DIN 8078:2007 for PP-R pipes.
5. ISO 4437:2007 for HDPE gas pipelines.
6. QCVN 16:2014/BXD for uPVC pipes.



Product quality control process



PRODUCT RESPONSIBILITY

Process illustration

Input materials

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

Products during production process

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

Output products

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

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

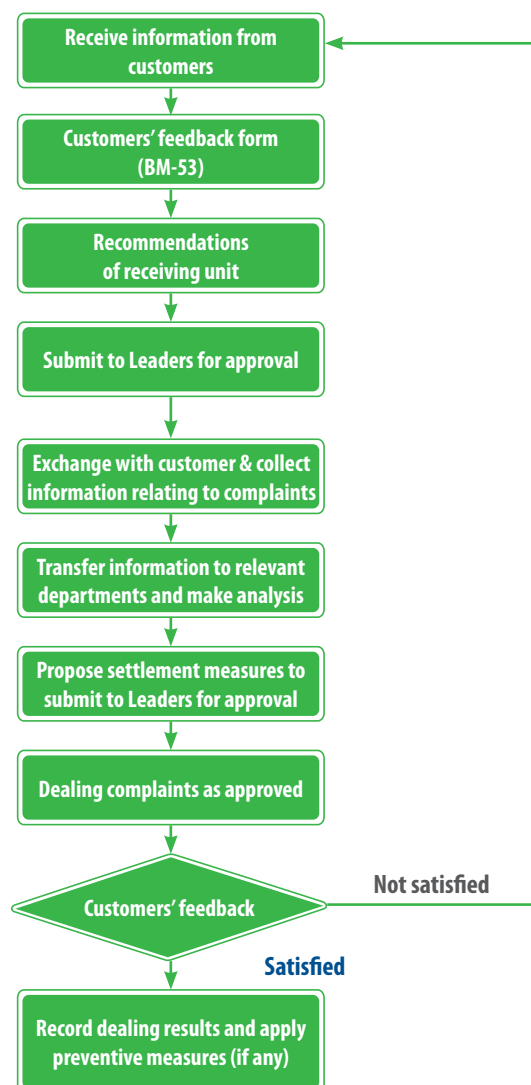


DEALING WITH FEEDBACKS AND COMPLAINTS OF CUSTOMERS

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

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

PROCESS OF DEALING WITH CUSTOMER COMPLAINTS



PRODUCT RESPONSIBILITY CRITERIA

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



SOCIAL COMMUNITY ACTIVITIES



Giving Tet gifts DK1

Acknowledging that success often goes with social liabilities, the Company has actively cooperated with the Labor Union and the Youth

Union to organize practical social activities for the community in addition to development of business and production activities.

1.962

VND BILLION
FOR COMMUNITY ACTIVITIES

“ In 2016, the Company spent VND1.962 billion for community activities. Compared to 2015, this figure has increased 67%. ”



IT IS POSSIBLE TO CLASSIFY SOCIAL ACTIVITIES INTO 4 MAIN AREAS

Support to people with special circumstances in the community

Support to the youth

Support to gratitude activities

Other activities for an equitable and civilized society

DETAILED VALUES OF COMMUNITY ACTIVITIES IN 2016:

AREAS - DETAILS OF CONTRIBUTION	EQUIVALENT VALUE VND MILLION
I. Support to people with special circumstances in the community	1,014
• Support to 175 worker families affected by natural disasters, accidents, illness, etc.	369
• Support to construction and repairing of 4 houses of charity for 4 poor family.	140
• Contribution to the Fund for the Poor of Vietnam National Front Committee of Ho Chi Minh City.	50
• Contribution to the relief campaign for the people in 4 provinces in the Northern Central Area affected by the flooding as called by Vietnam National Front Committee of Ho Chi Minh City.	320
• Contribution to the Fund for the people in provinces affected by natural disasters as called by Vietnam Labor Union of Industry and Trade.	30
• Contribution to the Fund for social activities of National Union of Workers Labor Union of Industry and Trade.	30
• Gifts on occasion of the lunar new year for the local people as called by District 6 Vietnam National Front Committee of Ho Chi Minh City.	25
• Support to the Programme "Fresh water for salty communes in Ben Tre province" of the Southern Water Supply Branch.	50
II. Support to the youth	494
• Annual alimentation to 1 child of a worker died of illness.	8
• Support to 6 talent students to participate in "Thanh Da Summer Camp".	12
• Support to "Nguyen Duc Canh Scholarship" to students and pupils with excellent academic achievements.	220
• Scholarship for poor pupils with excellent academic achievements in Thoi Long Secondary School, O Mon, Can Tho.	10
• Support to the "2016 Pink Holiday" campaign of Ho Chi Minh City Communist Youth Union.	50
• Support to the "Green Summer" 2016 at Vietnam National Front in Tan Tru, Long An.	10
• Gifts for young people going for military services at Ward 9, District 6, Ho Chi Minh City.	5
• Contribution to the "Hand to hand" campaign of the Labour and Society Newspaper to support children with special circumstances.	10
• Support to Huynh Tan Khang for going to school - An Khanh Primary School, District 2.	2
• Support to Ho Chi Minh City Labour Culture Palace to organize "the 20 th Festival for Children with disabilities".	3
• Financial contribution for repairing of Tra Quan Primary School, Tay Tra District, Quang Ngai Province.	10
• Gifts for students celebrating the lunar new year away from home as organized by Business Association of Vietnamese High Quality Goods.	33
• Support to families with special circumstances celebrating 2016 lunar new year under the campaign of Ho Chi Minh City Business Association.	50
• Support to the "Employment festival for students" organized by the Ho Chi Minh City Industry and Trade College.	5
• Scholarship to poor children with excellent academic achievements in Binh Dinh Province.	20
• Mid-autum gifts for children in Dat Mui District, Ca Mau Province.	6
• Support to Ho Chi Minh city Disabled People Association	10
• Scholarships to students of the Mien Tay Construction University.	30



SOCIAL COMMUNITY ACTIVITIES

III. Gratitude activities	184
• Annual support to 3 Vietnamese Mothers of Heroes - Mothers of Martyrs.	29
• Support to construction of the Martyrs Monument of Commando Battalion 582.	10
• Support to the "Comrade Gratefulness" in Quang Tri.	100
• Gifts for Binh Phuoc Border Guard in 2016 lunar new year.	40
• Contribution to the "Gratitude Fund" as called by District 6 Military Command.	5
IV. Other social activities	270
• Support to the "2016 walk for victims of agent orange" as called by the Red Cross.	22
• Contribution to the Charity Fund of the Vietnam Plastic Association.	30
• Support to the Anti-counterfeit Goods Day Ceremony organized by Vietnam Anti-counterfeit Goods Association.	3
• Support to local security activities organized by the People's Committee of Long Hiep Commune, Ben Luc, Long An.	10
• Support to the "2016 youth journey for the country's islands" campaign by Vietnam Young Business Association	200
• Contribution to the Fund for "For the Country's islands - for the frontline" as called by the Vietnam National Front in Ward 9, District 6.	5



Retirement Club

Chart of the cost of social activities

NO.	SOCIAL ACTIVITIES	VALUE (VND MILLION)	PERCENTAGE (%)
1	Support to people with special circumstances in the community	1,014	51.7
2	Support to the youth	494	25.2
3	Gratitude activities	184	9.4
4	Other activities	270	13.7
Total		1,962	100.0

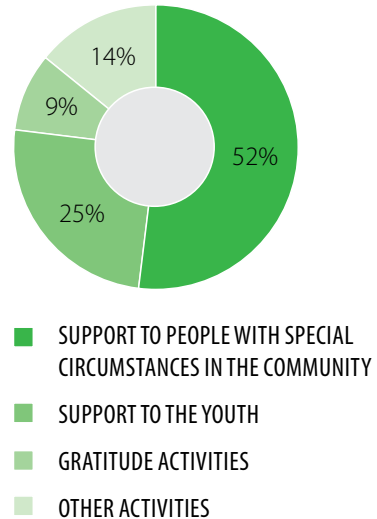
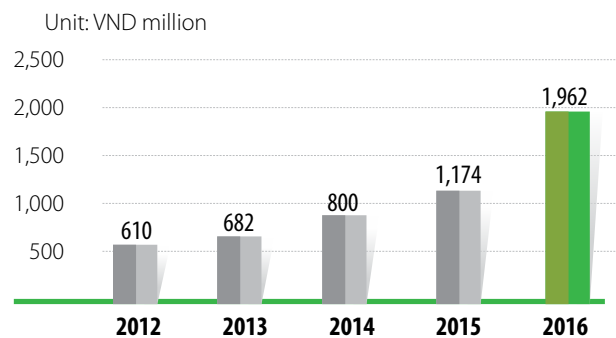


Chart of the cost of social activities in 5 years

YEAR	VALUE (VND MILLION)
2012	610
2013	682
2014	800
2015	1,174
2016	1,962

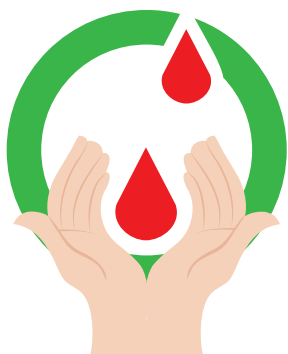


“ In addition to social activities with financial support as mentioned above, the Company has also organized a number of other activities with local authorities where the Company's units are located such as art performances and sporting events; participation in protection of security, order, sanitation, safety at the localities; participation in meetings and ceremonies, dissemination activities, support to beneficiaries of social welfare, etc. ”





SOCIAL COMMUNITY ACTIVITIES



1,455
EMPLOYEES
DONATING BLOOD

Noticeably, the Blood Donation Campaign has been maintained as a good tradition of the Company over the past 13 years. In 2016, the Company focused on selection and improvement of blood quality by encouraging and organizing a blood donation event with participation of 247 employees. Over the last 5 years, BMP has encouraged and organized blood donation events for 1,455 employees of the Company.

Chart of number of employees donating blood in 5 years

YEAR	NUMBER OF EMPLOYEES DONATING BLOOD
2012	231
2013	325
2014	347
2015	305
2016	247
Total	1,455



Through these activities, the Company has contributed to solving of social security problems, creating sympathy of the society. Most importantly, employees improve human values by themselves and are proud of being members of BMP.



Donating blood



Giving sweaters for children



Donating for Central area



*Supporting for victims
of agent orange*

GRI REFERENCE ITEM	GRI INDEX	REPORTING CONTENTS	PAGE
GENERAL STANDARD			
STRATEGY AND ANALYSIS			
G4-1	Declarations of the highest leader of the organization, the chairman or a senior officer on relevance of sustainable development to the organization and sustainable development strategy of the organization.	Message from Chairman of the Board of Directors.	8-9
		Sustainable development message.	100-101
G4-2	Description of impacts, risks and key opportunities.	Orientation on international integration and competition.	45
		SWOT analysis.	48-49
		Plastic production and sales market.	52-53
		Production and business activities in 2016.	67
		Plans and orientations of the Board of Directors in 2017.	76-77
		Risks and risk management.	96-97
COMPANY PROFILE			
G4-3	Company name.	General information.	12
G4-4	Main brands, products and services.	Business lines.	16
		Product portfolio.	20-21
G4-5	Head office.	General information.	12
G4-6	Number of countries where the Company is doing business, names of countries or areas where key business activities are implemented or areas relating to sustainable development mentioned in the report.	Operation areas.	18
		Product distribution network.	18-19
G4-7	Ownership type and legal status.	General information.	12
		40 years of establishment and development.	14-15
		Management model of the Company.	26
G4-8	Business market (by geographic area, market segment, customer type).	Product distribution network.	18-19
G4-9	Company scale.	Plants.	18
		Subsidiary companies and associated companies.	27
G4-10	Human resource reporting.	Overview on human resource.	54-57
G4-11	Percentage of employees included in Collective Labour Agreements.	Employment relation.	116
G4-12	Description of supply chain of the organization.	Distribution network.	18-19
		Input material.	134
G4-13	Any substantial change in the reporting period relating to the scale, organizational structure, ownership or supply chain.	Expansion of Binh Minh Long An Plant.	23
		Investment and implementation of projects.	58

COMMITMENTS TO EXTERNAL INITIATIVES

G4-14	Reporting on whether the organization applies preventive measures or principles or not.	Environmental and social impact reporting.	122-130
G4-15	List of economic, environmental, social provisions and principles developed externally or other initiatives supported by the organization.	Environmental Management System in compliance with ISO 9001:2008.	104-105
		Environmental Management System in compliance with ISO14001:2004.	106-107
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IDENTIFICATION OF CRITICAL LIMITS

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GRI4

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MORE DURABLE

BMP is one of leading companies in the plastic sector with rapid and stable growth rate. Today's success is not only thanks to great efforts of the Company but also support and accompany of shareholders and strategic investors, bringing about long-term benefits to all parties, making contributions to overall development of the country.

FINANCIAL STATEMENT REPORT

• Financial statement report • Audit consolidated financial statement report for the year end 31 December 2016





REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Binh Minh Plastics Joint Stock Company (the "Company") represents this report together with the consolidated financial statements of the company for the year ended 31 December 2016.

General

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

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

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

Events since the Balance sheet date

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

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

The Board of Management:

Mr. Le Quang Doanh	Chairman	
Mr. Nguyen Hoang Ngan	Vice Chairman	
Ms. Nguyen Thi Kim Yen	Member	
Mr. Suchai Asathavornvanit	Member	
Ms. Nguyen Hong Minh	Member	Resigned 28/04/2016
Ms. Dang Thi Thu Ha	Member	Appointed 28/04/2016

The Board of Directors:

Mr. Nguyen Hoang Ngan	General Director	
Ms. Nguyen Thi Kim Yen	Vice - General Director	Resigned 01/01/2017
Mr. Nguyen Thanh Quan	Vice - General Director	
Mr. Nguyen Thanh Hai	Vice - General Director	Appointed 01/01/2017

The Board of Supervisors:

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





REPORT OF THE BOARD OF DIRECTORS (Cont.)

Auditors

Nam Viet Auditing and Accounting Financial Consulting Services Company Limited (AASCN) have performed the audit on the company's consolidated financial statements for the current fiscal year.

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the basis of compliance with accounting standards and system and other related regulations;
- Prepare the financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business

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

We, the Board of Directors, confirm that the consolidated financial statements for the fiscal year ended 31 December 2016 prepared by us, give a true and fair view of the financial position as at 31 December 2016, consolidated income statement and consolidated cash flows in the year 2016 of Company accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

Approval of the consolidated financial statements

We, the Board of Management of Binh Minh Plastics Joint Stock Company approved the consolidated financial statements for the year end 31 December 2016 of the Company set out on page 152 to page 186

On behalf of the Board of Management

Le Quang Doanh
Chairman

Ho Chi Minh City, 10 March 2017

On behalf of the Board of Directors



Nguyen Hoang Ngan
General Director



INDEPENDENT AUDITOR'S REPORT

No.: 107/BCKT/TC

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

We have audited the accompanying consolidated financial statements of Binh Minh Plastics Joint Stock Company and its subsidiary prepared on 10 March 2017, as set out on pages from 152 to 186, which comprises the consolidated balance sheet as at 31 December 2016, the consolidated income statement, consolidated cash flow statement and Notes to the consolidated financial statements for the year then ended.

Responsibilities of the Board of Directors

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

Auditor's Responsibility

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

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

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

Basic for qualified opinion

As noted in item V.5 page 23, the General Tax Department issued decision No. 889/QĐ-TCT dated June 23rd, 2014 and the Tax Department in Ho Chi Minh City issued decision No. 3317/QĐ-CT-XP dated July 3rd, 2014 on retrieving the income tax in 2009 and 2010 in the amount of 71.420.413.472 VND. The company has paid and accounted for in other receivable accounts entry on balance sheet at 01/01/2016 and 31/12/2016. Currently the company is in the process of discussing with the Tax Department in Ho Chi Minh City, the General Tax Department, the Ministry of Finance and the State management agencies to unify the amount refunded under the guidance of dispatch No. 14041/BTC-TCT dated October 3rd, 2014 of the Ministry of Finance. If the above income tax shall be not returned or returned incompletely, so the short-term receivables and development investment fund at as 01/01/2016 and 31/12/2016 in the Consolidated Balance sheet shall be reduced appropriately.





INDEPENDENT AUDITOR'S REPORT (Continued)

No.: 107/BCKT/TC

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basic for qualified opinion paragraph, the consolidated financial statements give a true and fair view, in all material respects, the consolidated financial position of Binh Minh Plastics Joint Stock Company and its subsidiary as at 31 December 2016, and of their consolidated results of its operations and their consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for the enterprises and the relevant statutory requirements applicable to consolidated financial reporting.

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

Director



Nguyen Minh Tien

Certificate Number of Registered Auditor: 0547-2013-152-1

Ho Chi Minh City, 10 March 2017

Auditor

Nguyen Hong Nga

Certificate Number of Registered Auditor: 1266-2013-152-1



CONSOLIDATED BALANCE SHEET

As at 31 December 2016

Unit: VND

ASSETS	Codes	Notes	31/12/2016	01/01/2016
A. CURRENT ASSETS	100		2,185,930,163,599	1,886,339,698,958
I. Cash and cash equivalents	110	V.1	404,984,303,020	370,744,808,359
1. Cash	111		374,984,303,020	370,744,808,359
2. Cash equivalents	112		30,000,000,000	-
II. Short-term investments	120		490,000,000,000	670,000,000,000
1. Trading securities	121		-	-
2. Provision for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2	490,000,000,000	670,000,000,000
III. Short-term accounts receivable	130		810,289,964,598	504,946,400,210
1. Short-term trade receivables	131	V.3	462,713,114,907	347,481,136,022
2. Short-term advances to suppliers	132	V.4	170,182,392,794	61,063,630,929
3. Short-term internal receivables	133		-	-
4. Receivables based on agreed progress of construction contract	134		-	-
5. Receivables short-term lend	135		-	-
6. Other short-term receivables	136	V.5	218,899,760,019	136,095,922,964
7. Provisions for short-term doubtful debts	137	V.6	(41,686,006,490)	(39,857,399,343)
8. Shortage of assets awaiting for resolution	139	V.7	180,703,368	163,109,638
IV. Inventories	140	V.8	471,566,033,404	332,550,008,993
1. Inventories	141		471,566,033,404	332,550,008,993
2. Provision for devaluation of inventories	149		-	-
V. Other current assets	150		9,089,862,577	8,098,481,396
1. Short-term prepaid expenses	151	V.12	3,883,235,666	3,814,085,178
2. Value added tax deductibles	152		-	-
3. Taxes and other receivables from State budget	153	V.15	5,206,626,911	4,284,396,218
4. Government bond sell and buy transaction	154		-	-
5. Other current assets	155		-	-
B. LONG - TERM ASSETS	200		705,145,134,378	551,995,032,118
I. Long-term receivables	210		-	-
1. Long-term trade receivables	211		-	-
2. Long-term advances to suppliers	212		-	-
3. Business capital in dependent units	213		-	-
4. Long-term internal receivables	214		-	-
5. Receivables long-term lend	215		-	-
6. Other long-term receivables	216		-	-
7. Provisions for long-term doubtful debts	219		-	-





CONSOLIDATED BALANCE SHEET(continued)

As at 31 December 2016

Unit: VND

ASSETS	Codes	Notes	31/12/2016	01/01/2016
II. Fixed assets	220		593,845,512,224	281,173,114,173
1. Tangible fixed assets	221	V.09	341,426,990,122	253,279,265,034
- Cost	222		1,047,248,364,219	878,476,258,771
- Accumulated depreciation	223		(705,821,374,097)	(625,196,993,737)
2. Financial leasing fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	252,418,522,102	27,893,849,139
- Cost	228		276,075,787,746	36,421,099,457
- Accumulated depreciation	229		(23,657,265,644)	(8,527,250,318)
III. Investment properties	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in progress	240		34,015,745,834	9,491,701,757
1. Long-term work in progress	241		-	-
2. Long-term construction in progress	242	V.11	34,015,745,834	9,491,701,757
V. Long-term financial investments	250	V.2	66,565,759,231	13,551,680,747
1. Investments in joint-ventures, associates	252		64,371,808,831	11,357,730,347
2. Equity investments in other entities	253		4,193,950,400	4,193,950,400
3. Provision for devaluation of long-term investments	254		(2,000,000,000)	(2,000,000,000)
4. Held-to-maturity investments	255		-	-
VI. Other long-term assets	260		10,718,117,089	247,778,535,441
1. Long-term prepaid expenses	261	V.12	-	217,366,699,750
2. Deferred income tax assets	262	V.18	683,454,877	23,725,659,614
3. Equipment and spare parts	263		10,034,662,212	6,686,176,077
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		2,891,075,297,977	2,438,334,731,076



CONSOLIDATED BALANCE SHEET(continued)

As at 31 December 2016

Unit: VND

RESOURCE	Codes	Notes	31/12/2016	01/01/2016
C. LIABILITIES	300		593,701,687,314	423,055,647,042
I. Current liabilities	310		593,533,958,214	422,719,284,642
1. Short-term supplier payables	311	V.14	129,476,100,215	94,450,621,817
2. Short-term advance from customers	312		7,786,023,112	1,507,686,511
3. Taxes and other payables to the State Budget	313	V.15	49,797,789,009	44,809,037,451
4. Payables to employees	314		45,512,115,448	33,973,971,941
5. Short-term accrued expenses	315	V.16	152,716,832,474	110,709,980,112
6. Short-term internal payables	316		-	-
7. Payables based on agreed progress of construction contract	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.17	93,989,310,013	70,080,963,095
10. Short-term Loans and Finance leases liabilities	320	V.13	105,992,187,000	61,100,187,000
11. Short-term Provision for payables	321		-	-
12. Bonus and welfare fund	322		8,263,600,943	6,086,836,715
13. Price stabilization fund	323		-	-
14. Government bonds sell and buy back transaction	324		-	-
II. Long-term liabilities	330		167,729,100	336,362,400
1. Long-term supplier payables	331		-	-
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Internal payables relating to trading capital	334		-	-
5. Long-term internal payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		167,729,100	336,362,400
8. Long-term loans and finance leases liabilities	338		-	-
9. Exchange-traded bond	339		-	-
10. Preferred stocks	340		-	-
11. Deferred income tax payable	341		-	-
12. Long-term provision for payables	342		-	-
13. Science and technology development fund	343		-	-
D. EQUITY	400		2,297,373,610,663	2,015,279,084,034
I. Owner's Equity	410	V.19	2,297,373,610,663	2,015,279,084,034
1. Owner contributions	411		454,784,800,000	454,784,800,000
- Ordinary stocks	411a		454,784,800,000	454,784,800,000
- Preferred stocks	411b		-	-
2. Other capitals	412		1,592,782,700	1,592,782,700
3. Convertible bonds option	413		-	-
4. Other equity's resources	414		-	-
5. Treasury stocks	415		-	-
6. Differentials from revaluation of assets	416		-	-
7. Differentials from exchange rates	417		-	-
8. Investment and development fund	418		1,255,583,270,948	1,065,824,112,077





CONSOLIDATED BALANCE SHEET(continued)

As at 31 December 2016

Unit: VND

RESOURCE	Codes	Notes	31/12/2016	01/01/2016
9. Reorganization fund	419		-	-
10. Other funds belonging to owners' equity	420		44,983,552,000	44,983,552,000
11. Profit after tax retained	421		540,429,205,015	448,093,837,257
- Retained earnings accumulated by the end of the previous period	421a		3,981,681,900	1,146,151,062
- Retained earnings of current period	421b		536,447,523,115	446,947,686,196
12. Construction capital sources	422		-	-
13. Non controlling interest	429		-	-
II. Other capital and funds	430		-	-
1. Non- productive expenses sources	431		-	-
2. Fixed assets formation expenses sources	432		-	-
TOTAL RESOURCE	440		2,891,075,297,977	2,438,334,731,076

Prepared by

Phung Huu Luan

Chief Accountant

Hong Le Viet

General Director



Nguyen Hoang Ngan

Ho Chi Minh City, 10 March 2017



CONSOLIDATED INCOME STATEMENT

Year 2016

Unit: VND

Item	Code	Note	Current year	Previous year
1. Revenue from sale of goods and rendering of services	01	VI.1	3,678,351,052,989	2,970,287,044,650
2. Deductible items	02	VI.2	369,607,442,561	178,672,959,542
3. Net revenue from sale of goods and rendering of services	10	VI.3	3,308,743,610,428	2,791,614,085,108
4. Cost of goods sold	11	VI.4	2,248,176,459,769	1,901,883,604,157
5. Gross profit from sale of goods and rendering of services	20		1,060,567,150,659	889,730,480,951
6. Financial income	21	VI.5	48,978,172,732	28,435,306,503
7. Financial expenses	22	VI.6	41,507,236,190	29,603,449,284
<i>In which: Interest expense</i>	23		3,396,589,902	4,097,860,403
8. Profit from joint venture and associates	24		494,078,484	496,002,385
9. Selling expenses	25	VI.7	166,921,964,902	125,938,131,868
10. Administrative expenses	26	VI.7	115,282,371,963	95,995,478,314
11. Net profit from operating activities	30		786,327,828,820	667,124,730,373
12. Other income	31	VI.8	384,684,264	2,428,042,076
13. Other expense	32	VI.9	2,727,582,521	4,430,515,011
14. Other profit	40		(2,342,898,257)	(2,002,472,935)
15. Total profit before tax	50		783,984,930,563	665,122,257,437
16. Current corporate income tax expenses	51	VI.10	133,538,242,711	168,986,287,149
17. Deferred corporate income tax expenses	52	VI.11	23,042,204,737	(22,764,551,611)
18. Profit after tax	60		627,404,483,115	518,900,521,899
18.1 Owners of the parent	61		627,404,483,115	518,900,521,899
18.2 Minority interest	62		-	-
19. Basic earnings per Share	70	VI.12	13,796	10,317
20. Diluted earnings per share	71	VI.12	13,796	10,317

Prepared by

Chief Accountant

General Director



Phung Huu Luan

Hong Le Viet

Nguyen Hoang Ngan

Ho Chi Minh City, 10 March 2017





CONSOLIDATED CASH FLOWS STATEMENT

Year 2016

Unit: VND

Item	Codes	Current year	Previous year
I. Cash flows from operating activities			
1. Profit before tax	01	783,984,930,563	665,122,257,437
2. Adjustments for			
- Depreciation	02	87,290,025,205	66,049,489,608
- Provisions	03	1,828,607,147	11,778,397,046
- Gains/losses from unrealised foreign Exchange	04	(92,015,072)	(191,878,655)
- Gains/losses from investing activities	05	(48,300,966,554)	(28,831,033,379)
- Interest expenses	06	3,396,589,902	4,097,860,403
- Other adjustments	07	-	-
3. Profit from operating activities before changes in working capital	08	828,107,171,191	718,025,092,461
- Increase/Decrease in receivables	09	(132,804,411,928)	(66,099,026,170)
- Increase/Decrease in inventory	10	(142,364,510,546)	34,265,616,027
- Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)	11	32,260,639,603	74,218,955,080
- Increase/Decrease in prepaid expenses	12	(69,150,488)	(3,658,782,147)
- Interest paid	14	(3,625,874,758)	(3,536,278,784)
- Enterprise income tax paid	15	(127,206,014,600)	(151,295,652,185)
- Other receipts from operating activities	16	-	-
- Other expenses on operating activities	17	(47,523,072,259)	(36,829,741,580)
Net cash flows from operating activities	20	406,774,776,215	565,090,182,702
II. Cash flow from investing activities			
1. Purchase of fixed assets and other long-term assets	21	(315,030,878,853)	(145,595,304,255)
2. Proceeds from disposals of fixed assets and other long-term assets	22	170,363,104	314,617,000
3. Loans to other entities and purchase of debt instruments of other entities	23	-	(210,000,000,000)
4. Repayment from borrowers and proceeds from sales of debt instruments of other entities	24	180,000,000,000	-
5. Investments in other entities	25	(53,040,000,000)	-
6. Investment returns from other entities	26	-	-
7. Interest, dividends and profit received	27	43,265,879,922	28,068,177,665
Net cash flows from investing activities	30	(144,634,635,827)	(327,212,509,590)



CONSOLIDATED CASH FLOWS STATEMENT (continued)

Year 2016

Unit: VND

Item	Codes	Current year	Previous year
III. Cash flows from financing activities			
1. Receipts from stocks issuing and capital contribution from equity owners	31	-	-
2. Fund returned to equity owners, issued stock redemption	32	-	-
3. Long-term and short-term borrowings received	33	67,562,000,000	30,550,000,000
4. Loan repayment	34	(22,670,000,000)	(27,870,000,000)
5. Finance lease principle paid	35	-	-
6. Dividends, profit paid to equity owners	36	(272,870,880,000)	(113,696,200,000)
<i>Net cash flows from financing activities</i>	<i>40</i>	<i>(227,978,880,000)</i>	<i>(111,016,200,000)</i>
Net cash flows within the period	50	34,161,260,388	126,861,473,112
Cash and cash equivalents at the beginning of year	60	370,744,808,359	243,691,456,593
Impact of foreign exchange fluctuation	61	78,234,272	191,878,655
Cash and cash equivalents at the end of year	70	404,984,303,020	370,744,808,359

Prepared by

Phung Huu Luan

Chief Accountant

Hong Le Viet

General Director



Nguyen Hoang Ngan

Ho Chi Minh City, 10 March 2017



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2016

I. BACKGROUND

1. Structure of ownership

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

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

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

2. Business sector

The business sector is production and trade.

3. Business activities

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

4. Operating period

The normal operating period: 12 months.

5. Business Structure

The Company has the following branches:

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

The subsidiary is included in this consolidated financial report include:

Company name	Established under	Business scope	Rate
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 18 th September 2006	Civil and industrial products made of plastic and rubber	100%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

The associated companies:

Company name	Address	Business scope	Rate
Da Nang Plastic Joint Stock Company	371 Tran Cao Van, Thanh Khe Dist., Da Nang City	Manufacturing business import and export of products, raw materials and equipment for plastic industry.	29.05%
Binh Minh Viet Trading Investment Real Estate Joint Stock Company	240 Hau Giang, Ward 9, District 6, Ho Chi Minh City	Real estate business. Trading in materials, equipment and other installations in construction	25.26%

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

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

II. ACCOUNTING PERIOD AND ACCOUNTING MONETARY UNIT

1. Accounting period

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

2. Accounting monetary unit

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

III. ACCOUNTING SYSTEM AND ACCOUNTING STANDARD

1. Accounting system

The Company applies the Vietnamese Enterprise Accounting System issued in accordance with the Circular 200/2014/TT-BTC dated 22/12/2014 of the Ministry of Finance and Vietnam accounting standards issued by the Ministry of Finance.

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

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

IV. ACCOUNTING POLICY

1. Basic of consolidation financial statements

Subsidiaries

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



Joint ventures and associates

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

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

Transactions eliminated on consolidation

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

2. The exchange rate applied in the accounting

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

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

3. Principles to determine cash and cash equivalents

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

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

4. Recognition of financial investment

Held-to-maturity investments

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

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

Securities investment at the balance sheet date, if:

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

5. Principles of accounting receivables

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

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

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

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

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

6. Principle of evaluating inventories

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

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

The Company applies the perpetual method to record inventory.

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

7. Recording principle of tangible and intangible fixed assets

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

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

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

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

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

8. Recognition and allocation of prepaid expenses

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

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

9. Principles of accounting payables, loans and other payables

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

- If the term of payables is lower 01 year or 01 operating period classified to be short-term
 - If the term of payables is upper 01 year or 01 operating period classified to be long-term
- Redundant assets resolution is classified to be short-term
Deferred income tax payable is classified to be long-term

10. Recognition of accrued expenses

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

11. Principles of recognition of owner's equity

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

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

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

12. Principles of recording revenue

Revenue from sale of goods

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

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- The Company retains neither continuing managerial involvement as a neither owner nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction of goods sold have flown or will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

Financial income

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

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

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

13. Principles of recording revenue deductible items

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

The adjusted revenue is done as follows:

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

14. Principles of recording cost of goods sold

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

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

15. Principles of recording financial expenses

The items of financial expense include:

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

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

16. Principles of recording selling expenses, administrative expenses

Principles of recording selling expenses

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

Principles of recording administrative expenses

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

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

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

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

18. Segment reporting

Segment reporting consist of business segment and geographical segment

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

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

19. Financial instruments

Initial recognition

Financial assets

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

Financial liabilities

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

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

Offsetting of financial instruments

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

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

20. Related party

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

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

V. ADDITIONAL INFORMATION TO ITEMS IN CONSOLIDATED BALANCE SHEET

1. Cash and cash equivalents

	31/12/2016 VND	01/01/2016 VND
Cash on hand	3,103,655,327	1,583,456,548
Cash in bank without maturity	371,880,647,693	369,161,351,811
Cash equivalents (time deposits under 3 months)	30,000,000,000	-
Total	404,984,303,020	370,744,808,359

2. The financial investments

Unit: VND

Short term	31/12/2016	
	Cost	Carrying amount
Held-to-maturity investments		
Short-term		
- Time deposits	490,000,000,000	490,000,000,000
Total	490,000,000,000	490,000,000,000
Long term	31/12/2016	
	Carrying amount	% of equity owned
<i>i) Investment in joint ventures, associates</i>		
Da Nang Plastic Joint Stock Company	11,331,808,831	29.05%
Binh Minh Viet Trading Investment Real Estate Joint Stock Company	53,040,000,000	25.26%
Total	64,371,808,831	

	01/01/2016		
	Number of shares	Cost VND	Fair value VND
<i>ii) Equity investments in other entities</i>			
Long Hau Joint Stock Company	17,317	193,950,400	297,852,400
Tan Tien Plastic Joint Stock Company (par value of 100.000 VND)	20,000	4,000,000,000	2,000,000,000
Total	4,193,950,400	(2,000,000,000)	2,297,852,400



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

3. Trade receivables

	31/12/2016 VND	01/01/2016 VND
<i>Short-term trade receivables</i>		
Tuong Van Joint Stock Company	58,595,349,208	62,588,811,467
Minh Liem Company Limited	47,851,496,881	54,585,652,091
Construction Joint Stock Company No. 5	87,589,516,807	4,577,619,769
Thep Moi Co., Ltd	55,233,829,427	-
Others	213,442,922,584	225,729,052,695
Total	462,713,114,907	347,481,136,022

Trade receivables from related party: None

4. Advances to suppliers

	31/12/2016 VND	01/01/2016 VND
<i>Short-term advances to suppliers</i>		
ZAMIL STEEL VIETNAM CO., LTD	18,416,521,200	-
Phan Vu group	20,791,460,140	-
T.B.A CORP	20,447,939,480	-
Battenfeld-Cincinnati Austria	31,095,353,168	-
Others	79,431,118,806	61,063,630,929
Total	170,182,392,794	61,063,630,929

Advances to suppliers from related party: None

5. Other receivables

	31/12/2016 VND	01/01/2016 VND
<i>Short-term</i>		
Advances to staff	520,338,000	1,100,880,000
Short-term deposits, mortgages	140,841,480,124	63,197,926,348
Other receivables	77,537,941,895	71,797,116,616
<i>Social insurance and health insurance receivables from staff</i>	<i>584,131,808</i>	<i>218,913,395</i>
<i>Temporary income tax under the records were retrospectively collected tax inspection of the city Department of Taxation (*)</i>	<i>71,420,413,472</i>	<i>71,420,413,472</i>
Others	5,533,396,615	157,789,749
Total	218,899,760,019	136,095,922,964

Other receivables from related party: None

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

6. Bad debt

Unit: VND

	31/12/2016			01/01/2016		
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision
- Total amount of receivables overdue or not yet overdue but appeared to be irrecoverable	59,791,123,414	18,105,116,924	(41,686,006,490)	60,367,558,757	20,510,159,414	(39,857,399,343)
Total	59,791,123,414	18,105,116,924	(41,686,006,490)	60,367,558,757	20,510,159,414	(39,857,399,343)

7. Shortage of assets awaiting for resolution

	31/12/2016	01/01/2016
	VND	VND
Inventory	180,703,368	163,598,911
Total	180,703,368	163,598,911

8. Inventory

Unit: VND

	31/12/2016		01/01/2016	
	Cost	Provision	Cost	Provision
Purchased goods in transit	1,965,923,614	-	15,154,299,656	-
Raw materials	113,898,057,585	-	73,127,502,793	-
Tools, supplies	1,058,876,887	-	1,055,153,171	-
Work in process	124,717,548,043	-	123,259,017,284	-
Finished goods inventory	183,482,308,197	-	71,617,468,926	-
Merchandise inventory	46,443,319,078	-	48,336,567,163	-
Total	471,566,033,404	-	332,550,008,993	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

9. Increase, decrease in tangible fixed assets

Unit: VND

	Buildings, structures	Machinery, equipments	Transportation facilities	Office equipment	Total
<i>Original cost</i>					
Beginning balance	187,370,450,967	662,128,405,509	21,286,095,358	7,741,306,937	878,476,258,771
Increase	1,370,000,000	162,102,449,273	6,479,915,303	-	169,952,364,576
- Purchase	-	164,369,160,215	4,213,204,361	-	168,582,364,576
- Transfer from construction in progress	1,370,000,000	-	-	-	1,370,000,000
- Reclassify	-	(2,266,710,942)	2,266,710,942	-	-
Decrease	-	817,654,828	-	362,604,300	1,180,259,128
- Liquidating, disposing	-	817,654,828	-	-	817,654,828
- Other	-	-	-	362,604,300	362,604,300
Ending balance	188,690,450,967	823,413,199,954	27,766,010,661	7,378,702,637	1,047,248,364,219
<i>Accumulated depreciation</i>					
Beginning balance	81,365,556,176	524,615,555,924	14,659,365,437	4,556,516,200	625,196,993,737
Increase	22,435,768,748	54,537,599,775	4,285,303,233	455,918,332	81,714,590,088
- Depreciation within period	22,435,768,748	56,220,539,818	2,602,363,190	455,918,332	81,714,590,088
- Reclassify	-	(1,682,940,043)	1,682,940,043	-	-
Decrease	-	727,605,428	-	362,604,300	1,090,209,728
- Liquidating, disposing	-	727,605,428	-	-	727,605,428
- Other	-	-	-	362,604,300	362,604,300
Ending balance	103,801,324,924	578,425,550,271	18,944,668,670	4,649,830,232	705,821,374,097
<i>Net book value</i>					
Beginning	105,954,894,791	137,512,849,585	6,626,729,921	3,184,790,737	253,279,265,034
Ending	84,889,126,043	244,987,649,683	8,821,341,991	2,728,872,405	341,426,990,122

As at 31 December 2016, the cost of the Company's tangible fixed assets which had been fully depreciated but are still in use: 466,647,272,642 VND.

10. Increase and decrease in intangible fixed assets

Unit: VND

	Land use rights	Software	Total
<i>Original cost</i>			
Beginning balance	35,996,185,657	424,913,800	36,421,099,457
Increase	239,654,688,289	-	239,654,688,289
- Purchase	12,733,408,330	-	12,733,408,330
- Moving from long-term prepaid expenses	226,921,279,959	-	226,921,279,959
Ending balance	275,650,873,946	424,913,800	276,075,787,746
<i>Accumulated depreciation</i>			
Beginning balance	8,441,902,022	85,348,296	8,527,250,318
Depreciation within period	5,433,797,184	141,637,933	5,575,435,117
- Moving from long-term prepaid expenses	9,554,580,209	-	9,554,580,209
Ending balance	23,430,279,415	226,986,229	23,657,265,644
<i>Net book value</i>			
Beginning	27,554,283,635	339,565,504	27,893,849,139
Ending	252,220,594,531	197,927,571	252,418,522,102

11. Long-term construction in progress

Unit: VND

	Beginning	Increase	Transfer to fixed assets	Ending
Purchase fixed assets	203,351,700	53,339,608	203,351,700	53,339,608
Construction in progress	9,288,350,057	26,044,056,169	1,370,000,000	33,962,406,226
- Oracle Cost of deploying IT consulting and software licensing Oracle	9,288,350,057	4,293,113,200	-	13,581,463,257
- Factory in Vinh Loc- Ben Luc- Long An Industrial Park	-	21,750,942,969	1,370,000,000	20,380,942,969
Total	9,491,701,757	26,097,395,777	1,573,351,700	34,015,745,834

12. Prepaid expenses

	31/12/2016 VND	01/01/2016 VND
<i>a) Short-term</i>	3,883,235,666	3,814,085,178
Other expenses	3,883,235,666	3,814,085,178
<i>b) Long-term</i>	-	217,366,699,750
Prepaid land rental	-	217,366,699,750
Total	3,883,235,666	221,180,784,928



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

13. Loans and Finance leases liabilities

Unit: VND

	31/12/2016		Incurred within period		01/01/2016	
	Value	Ability to repay	Increase	Decrease	Value	Ability to repay
<i>Short term loans</i>						
Short term loans (*)	105,992,187,000	105,992,187,000	67,562,000,000	22,670,000,000	61,100,187,000	61,100,187,000
Total	105,992,187,000	105,992,187,000	67,562,000,000	22,670,000,000	61,100,187,000	61,100,187,000

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

14. Supplier payables

Unit: VND

	31/12/2016		01/01/2016	
	Value	Ability to repay	Value	Ability to repay
<i>Short-term supplier payables</i>				
TPC Vina Plastic & Chemical Corp., Ltd	46,553,496,000	46,553,496,000	63,332,896,000	63,332,896,000
AGC Chemicals Vietnam Co., Ltd.	36,011,360,000	36,011,360,000	-	-
Others	46,911,244,215	46,911,244,215	31,117,725,817	31,117,725,817
Total	129,476,100,215	129,476,100,215	94,450,621,817	94,450,621,817

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

Unit: VND

	01/01/2016	Payable in the period	Paid during the period	31/12/2016
a) Payables				
Output VAT	1,878,014,640	106,156,746,909	107,555,618,745	479,142,803
VAT of import goods	-	39,854,108,070	39,854,108,070	-
Import and export taxes	-	856,487,159	856,487,159	-
Business income tax	42,761,241,542	133,538,242,711	127,206,014,600	49,093,469,653
Personal income tax	169,781,268	15,835,542,761	15,780,147,476	225,176,553
Tax on house and land, lease rent	-	83,632,568	83,632,568	-
Environmental protection tax and other kind of tax	-	3,616,964,620	3,616,964,620	-
Other fees and charges	-	1,796,109,257	1,796,109,257	-
Total	44,809,037,451	301,737,834,055	296,749,082,495	49,797,789,009
b) Receivables				
Personal income tax	4,284,396,218		922,230,693	5,206,626,911
Total	4,284,396,218	-	922,230,693	5,206,626,911



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

16. Accrued expenses

	31/12/2016 VND	01/01/2016 VND
Short-term		
Sale incentives for distributors	146,404,198,368	104,731,061,150
Interest expense	4,124,634,106	4,353,918,962
Remuneration of the Board of Management, Board of Supervisors	1,978,000,000	1,625,000,000
Others	210,000,000	-
Total	152,716,832,474	110,709,980,112

17. Other payables

	31/12/2016 VND	01/01/2016 VND
a) Short-term		
Redundant assets resolution	472,476,678	286,483,125
Trade union fee	964,746,875	313,345,670
Deposits and guarantee deposits	1,190,000,000	-
Dividends payable	91,307,374,300	68,568,134,300
Others	54,712,160	913,000,000
Total	93,989,310,013	70,080,963,095
b) Long-term		
Deposits and guarantee deposits	167,729,100	336,362,400
Total	167,729,100	336,362,400

Other payables from related party: None

18. Deferred income tax assets

	31/12/2016 VND	01/01/2016 VND
Deferred tax assets related to the deductible temporary differences	1,863,583,711	24,588,614,173
The amount of Deferred tax assets recorded from the previous year	(1,180,128,834)	(862,954,559)
Deferred income tax assets	683,454,877	23,725,659,614

19. Owner's Equity

a) Increase and decrease in owner's equity

Unit: VND

	Owner contributions	Other capitals	Investment and development fund	Other funds belonging to owners' equity	Profit after tax retained	Total
Beginning balance in previous year	454,784,800,000	1,592,782,700	893,419,394,492	44,983,552,000	323,479,884,226	1,718,260,413,418
- Other (Increase) decrease			(941,230,140)		941,230,140	-
- Profit in previous year					518,900,521,899	518,900,521,899
- Distribution of profit in the year 2014					(320,143,914,082)	(320,143,914,082)
+ Dividends paid in cash					(113,696,200,000)	(113,696,200,000)
+ Draw to Investment and Development fund			168,965,516,697		(168,965,516,697)	-
+ Draw to bonus and welfare fund					(33,296,197,386)	(33,296,197,386)
+ Bonus to The Board of management and Inspection committees					(3,999,999,999)	(3,999,999,999)
+ Bonus to The Board of management and Inspection committees its subsidiary					(186,000,000)	(186,000,000)
- Temporary distribution of profits in 2015					(74,788,366,541)	(74,788,366,541)
+ Temporary extract of development investment fund			4,380,431,028		(4,380,431,028)	-
+ Temporary extract of bonus and welfare fund					(2,190,215,513)	(2,190,215,513)
- Dividends paid in cash					(68,217,720,000)	(68,217,720,000)
- Other decrease					(295,518,384)	(295,518,384)
Ending balance in previous year	454,784,800,000	1,592,782,700	1,065,824,112,077	44,983,552,000	448,093,837,257	2,015,279,084,034
Beginning balance in current year	454,784,800,000	1,592,782,700	1,065,824,112,077	44,983,552,000	448,093,837,257	2,015,279,084,034
- Profit in the year					627,404,483,115	627,404,483,115
- Distribution of profit in the year 2015					(444,112,155,358)	(444,112,155,358)
+ Dividends paid in cash					(204,653,160,000)	(204,653,160,000)
+ Draw to Investment and Development fund			189,759,158,871		(189,759,158,871)	-
+ Draw to bonus and welfare fund					(44,510,831,487)	(44,510,831,487)
+ Bonus to The Board of management and Inspection committees					(5,189,005,000)	(5,189,005,000)
- Dividends paid year 2016					(90,956,960,000)	(90,956,960,000)
Ending balance in current year	454,784,800,000	1,592,782,700	1,255,583,270,948	44,983,552,000	540,429,205,015	2,297,373,610,663



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

b) Details of Owner contributions

	31/12/2016 VND	%	01/01/2016 VND	%
Capital contributed by the State	134,221,700,000	29.51%	134,221,700,000	29.51%
Capital contributed by others	320,563,100,000	70.49%	320,563,100,000	70.49%
Total	454,784,800,000	100.00%	454,784,800,000	100.00%

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

	Current year VND	Previous year VND
Owner contributions		
At the beginning of year	454,784,800,000	454,784,800,000
Increase in the period	-	-
Decrease in the period	-	-
At the ending of the period	454,784,800,000	454,784,800,000
Dividends, division of profits	(295,610,120,000)	(181,913,920,000)
<i>Include:</i>		
+ Cash	(295,610,120,000)	(181,913,920,000)

d) Shares

	31/12/2016 Shares	01/01/2016 Shares
Authorised shares capital	45,478,480	45,478,480
Issued shares capital	45,478,480	45,478,480
- Ordinary shares	45,478,480	45,478,480
Treasury shares	-	-
Outstanding shares in circulation	45,478,480	45,478,480
- Ordinary shares	45,478,480	45,478,480

- Par value of 10.000 VND

20. Off Balance sheet

Assorted foreign currency	31/12/2016	01/01/2016
+ USD	227,206.74	230,211.04
+ EUR	20,828.36	13,886.29
+ JPY	150,000.00	326,000.00
+ SGD	2,450.00	2,450.00
+ THB	41,500.00	-

VI. ADDITIONAL INFORMATION TO ITEMS IN CONSOLIDATED INCOME STATEMENT

	Current year VND	Previous year VND
1. Revenue from sale of goods and rendering of services	3,678,351,052,989	2,970,287,044,650
Include:		
Sales of finished goods	3,341,230,622,533	2,747,660,293,210
Sales of merchandise and materials	337,042,605,090	222,572,468,713
Sales of services	77,825,366	54,282,727
2. Revenue deductible items	369,607,442,561	178,672,959,542
Include:		
Sales discounts	368,149,395,840	177,590,203,406
Sales returns	1,458,046,721	1,082,756,136
3. Net revenue from sale of goods and rendering of services	3,308,743,610,428	2,791,614,085,108
Include:		
Net sales of finished goods	3,005,205,339,074	2,584,957,121,687
Net sales of merchandise and materials	303,460,445,988	206,602,680,694
Net sales of services	77,825,366	54,282,727

4. Cost of goods sold

	Current year VND	Previous year VND
Cost of finished goods sold	1,950,197,167,037	1,701,993,323,062
Cost of merchandise and materials sold	297,979,292,732	199,890,281,095
Total	2,248,176,459,769	1,901,883,604,157

5. Financial income

	Current year VND	Previous year VND
Interest income	48,189,555,338	27,988,177,665
Dividends, profits earned	57,019,028	80,000,000
Realized foreign exchange gains	549,389,918	113,400,817
Unrealized foreign exchange gains	92,015,072	191,878,655
Interest from foreign currency	90,193,376	61,849,366
Total	48,978,172,732	28,435,306,503

6. Financial expenses

	Current year VND	Previous year VND
Interest expense	3,396,589,902	4,097,860,403
Realized foreign exchange losses	90,125,992	571,844,691
Payment discount for distributors	35,219,170,463	24,933,321,768
Loss on foreign currency	2,801,349,833	422,422
Total	41,507,236,190	29,603,449,284



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

7. Selling expenses and administrative expenses

	Current year VND	Previous year VND
a) Selling expenses		
Labour cost	43,135,393,547	28,821,882,021
Materials cost	17,237,799,390	2,397,730,416
Office supplies cost	2,426,974,600	-
Depreciation expenses	1,264,460,969	577,975,850
Expenses from external services	67,707,669,947	58,679,849,795
Other expenses in cash	35,149,666,449	35,460,693,786
Total	166,921,964,902	125,938,131,868
b) Administrative expenses		
Labour cost	41,065,546,442	31,226,434,012
Materials cost	31,122,423,630	21,009,642,292
Office supplies cost	-	3,713,914
Depreciation expenses	2,660,815,955	3,880,996,275
Taxes, charges and fees	756,348,007	347,341,461
Provision expenses	2,887,089,787	12,032,546,077
Expenses from external services	8,615,142,428	9,013,768,536
Other expenses in cash	28,175,005,714	18,481,035,747
Total	115,282,371,963	95,995,478,314

8. Other income

	Current year VND	Previous year VND
Proceeds from disposals of fixed assets	80,313,704	266,853,329
Dealing difference after checking inventory	-	403,377,984
Income from scrap	-	1,296,151,650
Others	304,370,560	461,659,113
Total	384,684,264	2,428,042,076

9. Other expenses

	Current year VND	Previous year VND
Dealing difference after checking inventory	-	71,791,042
Fine about violations of administrative tax	2,677,391,676	3,976,359,703
Others	50,190,845	382,364,266
Total	2,727,582,521	4,430,515,011

10. Current corporate income tax expense

- The parent company: Income tax payable is 20% of taxable income.
- The subsidiary:

Income tax is 15% during the 12 years since the project started manufacturing activities and business in the next year to apply under the current regulations.

- The company is exempt from income tax for 03 years from the taxable income and 50% of the tax payable in the next 07 years.
- 2009 was the first financial year the Company has taxable income.

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

	Current year VND	Previous year VND
Current income tax expenses	133,538,242,711	168,986,287,149

11. Deferred income tax expense

	Current year VND	Previous year VND
Deferred income tax expense arising from return of assets in income tax delayed	23,285,562,402	598,315,859
Deferred income tax expense arising from the differences of temporary deductibles	(243,357,665)	(23,362,867,470)
Total	23,042,204,737	(22,764,551,611)

12. Earnings per share

	Current year VND	Previous year VND
Accounting profit after corporate income tax	627,404,483,115	518,900,521,899
Adjustments to determine net profit attributable to shareholders	-	(49,699,836,487)
- Increase	-	-
- Decrease	-	49,699,836,487
+ Bonus and welfare (*)	-	44,510,831,487
+ Bonus to The Board of management and Inspection committees (*)	-	5,189,005,000
Net profit attributable to shareholders	627,404,483,115	469,200,685,412
Weighted average number of ordinary shares in issue	45,478,480	45,478,480
Basic earnings per share (*)	13,796	10,317
Diluted earnings per share (**)	13,796	10,317



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

(*) The Company has no basis to recognize the estimate Bonus and Welfare fund for the Management, Supervisors from the profit 2016.

The basic earning per share for the previous year is retrieved because the profit for the ordinary shareholders was amended to recognize the Bonus and welfare fund for the Management and the Supervisors 2015 as the Resolution of General meeting of shareholders 2016 dated 28/04/2016.

(**) The Corporation has not the common diluted shares during the year 2016 and up to the financial statement date.

13. Productions costs by nature

	Current year VND	Previous year VND
Raw materials	1,911,491,209,459	1,473,102,914,972
Labour	219,906,256,429	167,247,349,892
Depreciation expenses	87,290,025,205	66,049,489,608
Out-sourced services	158,033,943,428	137,428,702,071
Other monetary expenses	68,662,027,713	67,145,866,925
Total	2,445,383,462,234	1,910,974,323,468

VII. OTHER INFORMATION

1. Events since the Balance sheet date

There have been no significant financial events occurring after the Consolidated Balance sheet date which would required adjustments or disclosures to be made in the Consolidated Financial Statements.

2. Related party disclosures

The key management members and related individuals include: Members of the Management, General Directors and the Supervisory Board.

Income of The Board of Management and General Directors is as follows:

	Current year VND	Previous year VND
Salary, Remuneration	12,338,424,518	9,834,903,821

During operation, there are a number of transactions between the Corporation with related parties as follows:

Related parties	Relation	Transactions	Amounts
Da Nang Plastic Joint Stock Company	Associates company	Dividends	520,000,000
Binh Minh Viet Trading Investment Real Estate Joint Stock Company	Associates company	Investments	53,040,000,000

3. Segment report

Segment report according to business area

The main business operation of the Company is to produce and trade civil and industrial products of plastic and rubber, thus there is no presentation of segment report according to business area.

Segment report according to geographical area

The Company only operates in geographical area of Vietnam.

4. Fair value of assets and payable financial liabilities

	Carrying amount		Fair value	
	31/12/2016 VND	01/01/2016 VND	31/12/2016 VND	01/01/2016 VND
Financial assets				
Cash and cash equivalents	404,984,303,020	370,744,808,359	404,984,303,020	370,744,808,359
Held-to-maturity investments	490,000,000,000	670,000,000,000	490,000,000,000	670,000,000,000
Trade and other receivables	639,342,736,628	443,500,746,248	639,342,736,628	443,500,746,248
Financial assets available for sale	2,193,950,400	2,193,950,400	2,314,303,550	2,297,852,400
Total	1,536,520,990,048	1,486,439,505,007	1,536,641,343,198	1,486,543,407,007
Financial liabilities				
Loans and debts	105,992,187,000	61,100,187,000	105,992,187,000	61,100,187,000
Payable to suppliers and other payable	222,028,186,675	163,931,756,117	222,028,186,675	163,931,756,117
Accrued expenses	152,716,832,474	110,709,980,112	152,716,832,474	110,709,980,112
Total	480,737,206,149	335,741,923,229	480,737,206,149	335,741,923,229

Fair value of financial assets and liabilities of the company are reflected at the values which the financial instruments can be converted in a current transaction among parties having enough knowledge and expecting to involve in the transaction.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

The company has used the following methods and assumptions to determine the fair value of financial assets and financial liabilities:

Fair value of cash and cash equivalents, accounts receivable from customers, accounts payable to suppliers and other short-term accounts payable (ave deducted the provision for an estimate that is unrecoverable) are equal to their book values since these financial instruments have short terms.

The fair value of listed securities are determined on the basis of transaction prices on the stock market. With respect to unlisted securities the fair value is determined on the basis of average transaction price in transaction market of the public companies not listed yet (UpCoM) to the companies that have registered to transact on transaction market of the public companies not listed yet (UpCoM), or average prices on the basis of transaction prices provided by a minimum three securities companies at the time of 31 December, 2016 to the companies that have not registered to transact on the transaction markets of the public companies.

The fair value of the loans is estimated by discounting the cashflow at the interest rate applicable to the outstanding loans and maturities. The fair value of these financial liabilities is equal to the book value as the effect of the discount is negligible.

5. Collateral

The Company does not have any collateral for mortgage to another unit on 31 December 2015 and on 31 December 2016.

The company holds the collateral of other units such as certificates of house ownership and land use rights on 31 December 2015 and on 31 December 2016 with a written valuation respectively 251.467.300.000 VND and 249.126.800.000 VND to ensure the purchase of goods not paid immediately prior to import goods.

6. Credit risk

Credit risk is the risk that partners will not perform its obligations under the provisions of a financial instrument or customer contract, leading to financial losses. The Company has credit risk from its business activities (mainly for customer accounts receivable) and from its own financial operations, including bank deposits and other financial instruments.

Account receivable

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

Customer receivables which are unpaid are regularly monitored. The analysis of the ability to be made redundant at the reporting date on the basis of each large customer. On this basis, Company does not have risk of credit concentration.

Bank deposits

Most bank deposits of Company shall be deposited at the prestigious banks in Vietnam. The Company found that concentrations of credit risk for bank deposits are low.

7. Liquidity risk

Liquidity risk is the risk that Company has difficulty in complete the financial obligations due to lack of capital. Liquidity risk of the Company arises mainly due to mismatch in the maturities of financial assets and financial liabilities.

Company manage liquidity risk through maintaining the ratio of cash and cash equivalents at the level that Board of Directors thought its sufficient to provide financial support for the business of Company and to minimize impact of changing cash flows.



Information maturities of financial liabilities of the Company based on the value without discounting payments under the contract as follows:

Unit: VND

	Under 01 year	From 01 year to 05 years	Total
Ending balance	480,737,206,149	-	480,737,206,149
Loans and debts	105,992,187,000	-	105,992,187,000
Trade payable	129,476,100,215	-	129,476,100,215
Other payable	92,552,086,460	-	92,552,086,460
Accrued expenses	152,716,832,474	-	152,716,832,474
Beginning balance	335,741,923,229	-	335,741,923,229
Loans and debts	61,100,187,000	-	61,100,187,000
Trade payable	94,450,621,817	-	94,450,621,817
Other payable	69,481,134,300	-	69,481,134,300
Accrued expenses	110,709,980,112	-	110,709,980,112

The Directors believe that the risk level for payments to financial liabilities is low. The company can settle their current portion of debts from operating cash flow and the gain from financial liabilities on due dates.

8. Market risk

Market risk is the risk that the fair value or cash flow in the future of a financial instrument will fluctuate due to change in market prices. Market risk includes foreign 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 the exchange rate.

The Company does not have foreign currency risk by buying and selling goods and services is done primarily by currency is Vietnam Dong.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes of market interest rates. The risk of changes in market interest rates of the Company primarily related to short-term deposits and loans.

The Company manages interest rate risk by closely monitoring market conditions relevant, by that Company will determine the appropriate interest rate policy for risk limited purpose Company.

The Company does not perform a sensitivity analysis for interest rate risk because interest rate changes at the reporting date is not significant.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate according to changes in external market prices of interest rate changes and exchange rate.

The shares hold by the Company may be affected by the risks of future value of the investment shares. The Company manages stock price risk by setting investment limits and diversifying investment portfolio.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

Year 2016

9. Comparative figures

The comparative figures are figures on the consolidated financial statements of the fiscal year ended 31 December 2015 were audited by Nam Viet Auditing and Accounting Financial Consulting Services Company Limited (AASCN).

10. Information on continuous operation

During operation for the year 2016, there have been no activities or significant events occurring which have generated significant impact to the ability of continuous operation of the Company. Therefore, the consolidated financial statements of the Company still prepare to continue as going concern.

11. Others information

As the Resolution of General meeting of shareholders 2016 dated 28/04/2016 the Company and Da Nang Plastic Joint Stock Company (DPC) shall be merged. But the plan for the merging has not approved yet.

Prepared by

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Chief Accountant

Hong Le Viet

General Director

Nguyen Hoang Ngan

Ho Chi Minh City, 10 March 2017



BINH MINH PLASCO®





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