

TAN TIEN PLASTIC PACKAGING JOINT STOCK COMPANY
Lot II, Street No. 13, Tan Binh Industry Zone, Tan Phu District

FINANCIAL STATEMENTS
THIRD QUARTER, 2017

Ho Chi Minh City, dated Oct 13th, 2017

BALANCE SHEET

As at 30 Sep 2017

Unit: VND

Item	Code	Note	30/09/2017	1/1/2017
A . CURRENT ASSETS	100		876.411.916.017	780.626.076.877
I. Cash and cash equivalents	110	V.1	14.809.297.825	40.830.786.342
1. Cash	111		14.809.297.825	20.830.786.342
2. Cash equivalents	112			20.000.000.000
II. Short-term investments	120	V.1	295.000.000.000	260.000.000.000
1. Held-to-maturity investments	123		295.000.000.000	260.000.000.000
III. Short-term accounts receivable	130		364.267.391.208	301.646.304.485
1. Short-term trade receivables	131	V.2	300.070.966.812	269.167.702.697
2. Short-term advances to suppliers	132		29.372.597.097	1.986.810.544
3. Other short-term receivables	136	V.3a	38.062.146.114	33.679.078.239
4. Provision for doubtful debts	137	V.4	(3.238.318.815)	(3.187.286.995)
IV. Inventory	140		196.085.608.475	173.355.081.417
1. Inventory	141	V.5	196.175.610.032	173.852.032.606
2. Provision for devaluation of inventory	149	V.5	(90.001.557)	(496.951.189)
V. Other current assets	150		6.249.618.509	4.793.904.633
1. Short-term prepaid expenses	151	V.6a	5.057.894.231	3.603.513.455
2. VAT deductibles	152			
3. Taxes and other receivables from State	153	V.11b	1.191.724.278	1.190.391.178
4. Other current assets	155			-
B. NON- CURRENT ASSETS	200		121.984.103.956	145.096.895.749
I. Long-term receivables	210		10.000.000	10.000.000
1. Other long-term receivables	216	V.3b	10.000.000	10.000.000
II. Fixed assets	220		106.958.352.879	132.278.552.912
1. Tangible fixed assets	221	V.7	83.428.480.647	108.159.870.937
- Cost	222		682.587.052.986	680.258.922.027
- Accumulated depreciation	223		(599.158.572.339)	(572.099.051.090)
2. Intangible fixed assets	227	V.8	23.529.872.232	24.118.681.975
- Cost	228		34.663.547.212	34.267.498.262
- Accumulated depreciation	229		(11.133.674.980)	(10.148.816.287)
III. Investment properties	230		-	-
IV. Unfinished long-term assets	240		27.837.500	27.837.500
1. Construction in progress	242		27.837.500	27.837.500
V. Long-term investments	250		5.000.000.000	-
5. Held-to-maturity investments	255	V.1	5.000.000.000	
VI. Other long-term assets	260		9.987.913.577	12.780.505.337
1. Long-term prepaid expenses	261	V.6b	4.696.145.662	7.960.693.732
2. Deferred tax asset	262	VI.13	5.291.767.915	4.819.811.605
TOTAL ASSETS	270		998.396.019.973	925.722.972.626

BALANCE SHEET (continued)

As at 30 Sep 2017

Item	Cod e	Note	30/09/2017	1/1/2017
C. LIABILITIES	300		292.715.526.219	265.898.781.760
I. Current liabilities	310		285.192.339.094	257.988.458.260
1. Short-term trade payables	311	V.9	125.213.683.421	111.341.007.255
2. Short-term advances from customers	312		949.289.715	1.049.016.943
3. Tax payables and statutory obligations	313	V.11a	6.386.755.250	13.922.005.340
4. Payables to employees	314		19.775.393.690	28.546.869.593
5. Short-term accrued expenses	315	V.12	2.421.900.863	651.674.724
6. Other short-term payables	319	V.10	112.134.093.443	101.365.713.191
7. Short-term loans and finance lease liabilities	320		18.311.222.712	-
8. Bonus and welfare fund	322		-	1.112.171.214
II. Long-term liabilities	330		7.523.187.125	7.910.323.500
1. Long-term provision	342	V.13	7.523.187.125	7.910.323.500
D. OWNER'S EQUITY	400		705.680.493.754	659.824.190.866
I. Equity	410	V.14	705.680.493.754	659.824.190.866
1. Contributed legal capital	411		149.999.980.000	149.999.980.000
- Common shares with voting rights	411a		149.999.980.000	149.999.980.000
- Preference shares	411b			
2. Share capital surplus	412		154.777.960.000	154.777.960.000
3. Treasury stocks	415		(45.918.033.800)	(45.918.033.800)
4. Investment and development fund	418		177.152.251.138	177.152.251.138
5. Profit after tax retained	421		269.668.336.416	223.812.033.528
- Profit after tax retained accumulated by the end of the previous period	421a		217.053.148.528	118.280.197.202
- Profit after tax retained of current period	421b		52.615.187.888	105.531.836.326
TOTAL RESOURCE	440		998.396.019.973	925.722.972.626

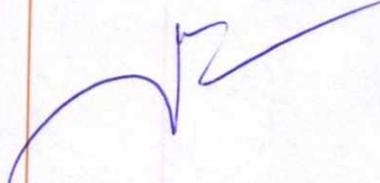
Prepared by

Chief Accountant

General Director



Trần Thị Mộng Thu



Trần Thị Thủy Tiên



Jo Jeong Kook

Ho Chi Minh City, dated Oct 13th, 2017

INCOME STATEMENT

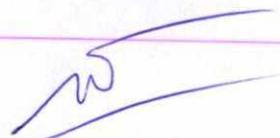
Quarter III, 2017

Item	Code	Note	Q III 2017	Q III 2016	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
1. Revenue from sale of goods and rendering of	01	VI.1	388.397.397.727	357.318.636.952	1.033.832.721.872	1.042.428.284.763
2. Deductible items	02	VI.2	3.478.298.768	1.378.687.051	5.629.178.321	3.685.931.667
3. Net revenue from sale of goods and rendering of	10	VI.3	384.919.098.959	355.939.949.901	1.028.203.543.551	1.038.742.353.096
4. Cost of goods sold	11	VI.4	341.253.726.987	295.211.276.770	914.019.725.462	864.501.151.167
5. Gross profit from sale of goods and rendering of	20		43.665.371.972	60.728.673.131	114.183.818.089	174.241.201.929
6. Revenue from financial activities	21	VI.5	5.174.165.193	2.998.613.474	14.663.506.513	7.480.865.486
7. Financial expenses	22	VI.6	118.234.137	3.310.477	200.031.581	726.527.413
<i>In which: Interest expense</i>	23		<i>106.085.275</i>	-	<i>106.085.275</i>	<i>681.864.761</i>
8. Selling expenses	24	VI.7	12.642.746.233	10.921.522.083	29.433.326.150	31.518.859.286
9. Administrative expenses	25	VI.8	11.014.712.273	12.772.240.759	30.068.924.715	38.209.003.803
10. Net profit from operating activities	30		25.063.844.522	40.030.213.286	69.145.042.156	111.267.676.913
11. Other income	31	VI.9	232.360.880	27.218.454	301.451.790	138.109.926
12. Other expense	32	VI.10	32.287.500	47.612.250	2.930.996.110	15.269.923.035
13. Other profit	40		200.073.380	(20.393.796)	(2.629.544.320)	(15.131.813.109)
14. Total profit before tax	50		25.263.917.902	40.009.819.490	66.515.497.836	96.135.863.804
15. Current business income tax expenses	51	VI.12	5.375.007.378	8.764.707.206	14.372.266.258	21.211.085.345
16. Deferred business income tax expenses	52	VI.13	17.296.075	(404.455.650)	(471.956.310)	(1.213.366.951)
17. Profit after tax	60		19.871.614.449	31.649.567.934	52.615.187.888	76.138.145.410

Prepared by

Chief Accountant

General Director





Trần Thị Mộng Thu

Trần Thị Thủy Tiên

Jo Jeong Kook

Ho Chi Minh City, dated Oct 13th, 2017

CASH FLOWS STATEMENT

From 01/01/2017 to 30/09/2017

Unit: VND

Item	Code	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
I. Cash flows from operating activities			
1. Proceeds from sale of goods and rendering of services	01	1.098.378.311.127	1.130.521.116.796
2. Payments to suppliers of goods and services	02	(897.511.957.143)	(799.074.160.334)
3. Payments to employees	03	(96.872.231.172)	(94.632.071.179)
4. Interest payments	04	(93.245.022)	(681.864.761)
5. Payments to Business income tax	05	(20.732.341.521)	(21.677.756.360)
6. Other proceeds from operating activities	06	13.750.368.650	18.218.915.026
7. other payments for operating activities	07	(82.534.041.707)	(100.491.133.593)
Net cash flows from operating activities	20	14.384.863.212	132.183.045.595
II. Cash flow from investing activities			
1. Purchase of fixed assets and other long-term assets	21	(22.512.494.037)	(1.479.795.457)
2. Proceeds from disposals of fixed assets	22	63.636.364	18.181.818
3. Bank deposits	23	(235.000.000.000)	(220.000.000.000)
4. Collections from bank deposits	24	195.000.000.000	-
5. Investments in other entities	25	-	-
6. Investment returns from other entities	26	-	-
7. Interest, dividends and profit received	27	10.487.868.232	4.022.059.942
Net cash flows from investing activities	30	(51.960.989.441)	(217.439.553.697)
III. Cash flows from financing activities			
1. Receipts from stocks issuing and captial contribution from e	31	-	-
2. Fund returned to equity owners, issued stock redemption	32	-	-
3. Long-term and short-term borrowings received	33	18.311.222.712	4.941.273.233
4. Loan repayment	34	-	(78.271.227.314)
5. Finance lease principle paid	35	-	-
6. Dividends, profit paid to equity owners	36	(6.756.585.000)	(2.698.987.740)
Net cash flows from financing activities	40	11.554.637.712	(76.028.941.821)
Net cash flows within the period	50	(26.021.488.517)	(161.285.449.923)
Cash and cash equivalents at the beginning of year	60	40.830.786.342	182.746.432.093
Impact of foreign exchange fluctuation	61		-
Cash and cash equivalents at the end of year	70	14.809.297.825	21.460.982.170

Prepared by



Trần Thị Mộng Thu

Chief Accountant



Trần Thị Thủy Tiên

General Director ✓



Jo Jeong Kook

Ho Chi Minh City, dated Oct 13th, 2017

NOTES TO THE FINANCIAL STATEMENTS

Third quarter, 2017

I. BACKGROUND

1. Type of ownership

Tan Tien Plastic Packaging Joint Stock Company was the state-owned company, the company was transformed into joint stock company under Decision No. 90/2004/QĐ-BCN dated 13 September 2004 by Minister of Ministry of Industry.

Business Registration Certificate No. 4103002999 issued by Ho Chi Minh Department of Planning and Investment dated 28 December 2004, amended 9th Business Registration Certificate dated 11 January 2016.

The company's head office is located at Lot II, Group 4, Street 13, Tan Binh Industry Zone, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City.

2. Business sector

The Company's business sectors are production and trade.

3. Principal activities

Principal activities of the Company are: Produce and trade of the packaging products; trade materials, accessories, equipments, printed shape, cooper pipe in production, real estate business.

4. Operating period

The normal operating period: 12 months.

5. The operating characteristics

The operating characteristics have not changed in the period

6. Business Structure

The Company's member entity is as follows:

Name	Address
Bac Ninh Branch	Tan Hong Industrial Zone – Expanded Hoang Son area – Bat Lu Village – Hoan Son Commune – Tien Du District – Bac Ninh Province.

7. Declaration on the information comparative ability in the Financial statement

From 01 January 2015, The Corporation applied the Circular No.200/2014/TT-BTC issued by Ministry of Finance dated 22 December 2014 (“Circular 200”) on guidelines for accounting policies for enterprises replaced the Decision No.15/2006/QĐ-BTC dated 20 March 2006 and came into effect from 01 January 2015 and from financial year 2015.

NOTES TO THE FINANCIAL STATEMENTS (continued)

II. ACCOUNTING PERIOD AND ACCOUNTING MONETARY UNIT

1. Accounting period

Annual accounting period commences from January 1st and ends on December 31st.

2. Accounting monetary unit

The Company maintains its accounting record in Vietnamese Dong (VND)

III. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

1. Accounting system

The Company is applying Vietnamese Accounting System promulgated together with Circular No. 200/2014/TT/BTC dated 22/12/2014 issued by the Ministry of Finance.

2. Announcement on compliance with Vietnamese accounting standards 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 POLICIES

1. The exchange rate applied in the accounting

The effective exchanges rate in the transactions used foreign currencies:

- The effective exchange rate in purchasing foreign currency transactions was stated in the purchasing, selling contract between the Corporation and commercial banks;
- The effective exchange rate in capital contribution or receive capital is the purchasing exchange rate of commercial banks where the Corporation open account to receive the capital of the investors in the contribution date;
- The effective exchange rate of the receivables is purchasing exchange rate of commercial banks where the Corporation claim customer pay at the time of transaction;
- The effective exchange rate of the payables is the selling exchange rate of commercial banks where transaction perform in the future;
- The effective exchange rate when purchasing assets or payment immediately in foreign currencies is the exchange rate of commercial banks where the Corporation make a payment

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 Corporation open accounts in foreign currencies;
- To the items classified as the liability applied the selling exchange rate of commercial banks where the Corporation 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.

2. Recognition of cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investment with an original maturity of three months or less since the date of financial statements which are readily convertible into known amounts of cash without notice.

3. Recognition of trade receivables and other receivables

Trade receivables, advances to suppliers and other receivables at the balance sheet date, if:

- Having maturity or payment less than 1 year/1 operating cycle are recognised as short-term assets.
- Having maturity or payment over than 1 year/1 operating cycle are recognised as long-term assets.

4. Recognition of inventory

Inventories are stated at original cost. Where the net realizable value is lower than cost, inventories should be measured at the net realizable value. 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 the excess of original cost of inventory over their net realizable value.

5. Recognition and depreciation of 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 - 25 years
- Machine, equipment	05 years
- Transportation facilities	06 - 07 years
- Office equipment	03 - 05 years
- Other fixed assets	04 years
- Computer software	03 years
- Land use right is depreciated according to rent period to June 2049	

6. Recognition of financial investment

Securities investment at the balance sheet date, if:

- Having maturity not over than 3 months from the date of acquisition are recognised as “cash equivalents”
- Having maturity less than 1 year/1 operating cycle are recognised as short-term assets
- Having maturity over than 1 year/1 operating cycle are recognised as long-term assets;

Provisions for devaluation of investments are made based on the excess of original cost in accounting books over their market value at year-end.

7. Accounting for BCC

A BCC means a cooperation contract between two or more venturers in order to carry out specific business activities, but it does not require establishment of a new legal entity. When receiving money or assets from other entities in the BCC, they should be recorded to liabilities; assets which are contributed to BCC, they should be recorded to receivables.

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 profit and loss account in the period should be based on nature of those expenses to choose reasonable method and allocated factor. Prepaid expenses are allocated to the operating expenses based on the straight-line method.

9. Recognition of trade payables

Trade payables and other payables at the balance sheet date, if:

- Having maturity or payment less than 1 year/1 operating cycle are recognised as short-term liabilities.
- Having maturity or payment over than 1 year/1 operating cycle are recognised as long-term liabilities.

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. Recognition of owner's equity

Owner's equity is recognized by the 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Recognition of 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 Corporation 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 Corporation;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably.

Revenue from rendering of services

Revenue from rendering of services is recognized when the outcome of that transaction can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, each period's revenue should be recognized by reference to the stage of completion at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The stage of completion of the transaction at the balance sheet date can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of completion of a transaction may be determined by surveys of work completed method.

Financial income

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

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

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

13. Recognition of financial expenses

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Expenses of capital lending and borrowing;
- Loss due to foreign exchange differences arising from transactions relating to foreign currencies;
- Provision for devaluation of securities investment.

The above items are recorded by the total amount arising within the period without compensation to financial revenue.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Recognition of current income tax expense, 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.

15. Segment reporting

Segment reporting include a business segment or a geographical segment.

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

16. Financial instruments

Initial recognition

Financial assets

At the first date of recognition, a financial asset is measured at its fair value, plus transaction costs that are directly attributable to the acquisition of that financial asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan receivables and investments.

Financial liabilities

At the first date of recognition, a financial liability is measured at its fair value, minus transaction costs that are directly attributable to the issue of financial liability.

The Company's financial liabilities include trade and other payables and loans.

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.

17. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

V. ADDITIONAL INFORMATION TO ITEMS IN BALANCE SHEET

Unit: VND

	30/09/2017	1/1/2017
1. Cash and cash equivalents		
Cash on hand	520.598.065	565.486.531
Cash at bank	14.288.699.760	20.265.299.811
Cash equivalents	-	20.000.000.000
Total	14.809.297.825	40.830.786.342
Held-to-maturity investments _ short term	295.000.000.000	260.000.000.000
Held-to-maturity investments _ long term	5.000.000.000	
Total	300.000.000.000	260.000.000.000
<p>Short-term held-to-maturity investments represent short-term deposits at commercial banks with original maturities of 12 months and earn interest at the rates ranging from 5.8% to 6.5% per annum.</p> <p>Long-term held-to-maturity investment represent long-term deposit at a commercial bank with original maturity of 18 months and earn interest at the rates 7% per annum.</p>		
2. Short-term trade receivables	30/09/2017	1/1/2017
Unilever Vietnam Co., Ltd	125.688.101.453	131.940.292.881
TRUNG NGUYÊN Coffee Company	18.553.651.050	33.745.118.440
Pepsico Foods Viet Nam Company	16.452.831.506	8.407.083.315
Other	139.376.382.803	95.075.208.061
Total	300.070.966.812	269.167.702.697
3. Other receivables	30/09/2017	1/1/2017
a. Short-term	38.062.146.114	33.679.078.239
Project deposit	25.224.902.225	25.224.902.225
Bank interest receivable	11.556.986.110	7.493.999.999
Social insurance	462.105.716	536.857.970
House Rentals	352.630.000	352.630.000
Others	465.522.063	70.688.045
b. Long-term	10.000.000	10.000.000
Deposit at Mai Linh company (taxi)	10.000.000	10.000.000
Total	38.072.146.114	33.689.078.239

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Provision for doubtful debts

	30/09/2017		1/1/2017	
	Original debt	Provision	Original debt	Provision
Nhiet Phat Loc Materials Co., Ltd	449.993.640	(449.993.640)	449.993.640	(449.993.640)
Co Viet Hung Co., Ltd	546.885.913	(546.885.913)	546.885.913	(546.885.913)
Phuong Nam Foodstuff Joint Stock Company	459.097.130	(459.097.130)	459.097.130	(459.097.130)
Others	1.828.600.812	(1.782.342.132)	1.828.600.812	(1.731.310.312)
Total	3.284.577.495	(3.238.318.815)	3.284.577.495	(3.187.286.995)

5. Inventories

	30/09/2017		1/1/2017	
	Original	Provision	Original	Provision
Goods in transit	450.972.369		23.156.469.312	-
Raw material	136.306.440.215		97.015.700.727	-
Tools, supplies	26.736.000		3.570.000	-
Work in process	30.434.367.861		17.575.408.319	-
Finished goods	28.957.093.587	(90.001.557)	36.100.884.248	(496.951.189)
Merchandise	-		-	-
Total	196.175.610.032	(90.001.557)	173.852.032.606	(496.951.189)

6. Prepaid expenses

	30/09/2017	1/1/2017
a. Short-term	5.057.894.231	3.603.513.455
Cylinder	3.851.416.428	2.671.133.930
Fire insurance	-	932.379.525
2017 maintenance infrastructure	219.441.252	-
Repairing service on engraver	566.590.351	
Warehouse and office rental fees (BN)	420.446.200	
b. Long-term	4.696.145.662	7.960.693.732
Tool and equipment	4.696.145.662	7.960.693.732
Total	9.754.039.893	11.564.207.187

TAN TIEN PLASTIC PACKAGING JOINT STOCK COMPANY

Lot II, Street No. 13, Tan Binh Industry Zone, Tan Phu District

FINANCIAL STATEMENTS

Third quarter, 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Increase and decrease in tangible fixed assets

	Buildings, structures	Machinery, equipments	Transportation facilities	Office equipment	Other fixed assets	Total
Original cost						
Beginning balance	134.371.355.392	473.431.789.244	60.337.207.087	10.285.192.114	1.833.378.190	680.258.922.027
Increase	-	2.509.766.739	-	1.173.984.406	-	3.683.751.145
- Purchase in the year	-	2.509.766.739	-	1.173.984.406	-	3.683.751.145
Decrease	-	1.355.620.186	-	-	-	1.355.620.186
- Liquidating, disposing	-	1.355.620.186	-	-	-	1.355.620.186
Ending balance	134.371.355.392	474.585.935.797	60.337.207.087	11.459.176.520	1.833.378.190	682.587.052.986
Accumulated depreciation						
Beginning balance	73.997.587.732	433.931.070.535	52.943.482.070	9.417.437.055	1.809.473.698	572.099.051.090
Increase	6.564.630.436	18.799.899.454	2.254.921.683	771.785.370	23.904.492	28.415.141.435
- Depreciation within year	6.564.630.436	18.799.899.454	2.254.921.683	771.785.370	23.904.492	28.415.141.435
Decrease	-	1.355.620.186	-	-	-	1.355.620.186
- Liquidating, disposing	-	1.355.620.186	-	-	-	1.355.620.186
Ending balance	80.562.218.168	451.375.349.803	55.198.403.753	10.189.222.425	1.833.378.190	599.158.572.339
Net book value						
Beginning balance	60.373.767.660	39.500.718.709	7.393.725.017	867.755.059	23.904.492	108.159.870.937
Ending balance	53.809.137.224	23.210.585.994	5.138.803.334	1.269.954.095	-	83.428.480.647

- Cost of fully depreciated tangible fixed assets but still in use (Tangible and intangible):

	30/09/2017	1/1/2017
- Cost of fully depreciated tangible fixed assets but still in use (Tangible and intangible):	436.751.688.101	405.109.458.130

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Increase and decrease in intangible fixed assets

	Land use rights	Computer Software	Total
Original cost			
Beginning balance	31.394.484.385	2.873.013.877	34.267.498.262
Increase		396.048.950	396.048.950
Decrease			-
Ending balance	31.394.484.385	3.269.062.827	34.663.547.212
Accumulated depreciation			
Beginning balance	7.838.159.312	2.310.656.975	10.148.816.287
Increase	461.332.080	523.526.613	984.858.693
Decrease			-
Ending balance	8.299.491.392	2.834.183.588	11.133.674.980
Net book value			
Beginning balance	23.556.325.073	562.356.902	24.118.681.975
Ending balance	23.094.992.993	434.879.239	23.529.872.232

9. Short-term trade payable

	30/09/2017		1/1/2017	
	Liabilities	Ability to pay	Liabilities	Ability to pay
Hung Nghiep Formosa Co., Ltd	20.616.098.596	20.616.098.596	14.434.486.290	14.434.486.290
Kien Duc Plastic Packaging Trading Service JSC	20.296.692.255	20.296.692.255	11.782.549.923	11.782.549.923
Reliable Plastics (VN) Joint Stock Company	15.089.924.396	15.089.924.396	10.748.700.667	10.748.700.667
Others	69.210.968.174	69.210.968.174	74.375.270.375	74.375.270.375
Total	125.213.683.421	125.213.683.421	111.341.007.255	111.341.007.255

10. Other short-term payables

	30/09/2017	1/1/2017
Trade union fun	94.147.640	141.364.058
Dividend payables	901.988.200	899.688.200
Advence from Luy Ban Bich project	87.557.689.238	85.435.214.462
Advence from Phan Anh project	22.473.612.619	13.704.522.460
Others	1.106.655.746	1.184.924.011
Total	112.134.093.443	101.365.713.191

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Tax and statutory obligations

	1/1/2017	Payable	Paid	30/09/2017
a. Payable	13.922.005.340	64.720.530.181	72.255.780.271	6.386.755.250
VAT payable	3.034.986.696	50.097.284.959	51.272.459.786	1.859.811.869
Business income tax	10.887.018.644	14.372.266.258	20.732.341.521	4.526.943.381
Environmental Protection tax	-	9.137.037	9.137.037	-
Foreign contractors tax	-	237.841.927	237.841.927	-
Licence tax	-	4.000.000	4.000.000	-
	1/1/2017	Payable	Paid	30/09/2017
b. Receivables	1.190.391.178	5.023.689.376	5.025.022.476	1.191.724.278
Personal income tax	1.120.925.386	4.616.098.788	4.686.897.680	1.191.724.278
Export, Import tax	69.465.792	407.590.588	338.124.796	-

12. Short-term accrued expenses

	30/09/2017	1/1/2017
Penalty for late tax payment	263.123.360	263.123.360
2016 audit expenses	-	323.200.000
2017 audit expenses	186.400.000	-
Rebate 2017	1.947.000.000	
Others	25.377.503	65.351.364
Total	2.421.900.863	651.674.724

13. Other long-term provisions

Long-term provisions represents the accrual for severance allowance to employees.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Owner's Equity

a. Increase and decrease in owner's equity

	Contributed legal capital	Share capital surplus	Treasury stocks	Investment and development fund	Profit after tax retained	Total
Beginning balance of	149.999.980.000	154.777.960.000	(45.918.033.800)	177.152.251.138	120.983.751.202	556.995.908.540
Profit of the previous year	-	-	-	-	105.531.836.326	105.531.836.326
Increase	-	-	-	-	-	-
Decrease	-	-	-	-	-	-
Distributed profit of the year	-	-	-	-	-	-
- Dividends in 2015	-	-	-	-	(2.703.554.000)	(2.703.554.000)
Ending balance of previous	149.999.980.000	154.777.960.000	(45.918.033.800)	177.152.251.138	223.812.033.528	659.824.190.866
Beginning balance of	149.999.980.000	154.777.960.000	(45.918.033.800)	177.152.251.138	223.812.033.528	659.824.190.866
Profit of the current period	-	-	-	-	52.615.187.888	52.615.187.888
Increase	-	-	-	-	-	-
Decrease	-	-	-	-	-	-
Distributed profit of the year	-	-	-	-	-	-
- Dividends in 2016	-	-	-	-	(6.758.885.000)	(6.758.885.000)
Ending balance of current	149.999.980.000	154.777.960.000	(45.918.033.800)	177.152.251.138	269.668.336.416	705.680.493.754

NOTES TO THE FINANCIAL STATEMENTS (continued)

b. Detail of owner's invested capital (According to the list date 20/06/2017)	30/09/2017		1/1/2017	
	Tỷ lệ	VND		VND
Dongwon Systems Corporation	88,16%	132.245.180.000		125.815.800.000
Others	11,84%	17.754.800.000		24.184.180.000
	100%	149.999.980.000		149.999.980.000

c. Capital transactions with owners and distribution of dividends and profits	30/09/2017		1/1/2017	
Owner's invested capital				
At the beginning of year		149.999.980.000		149.999.980.000
Increase in the year		-		-
Decrease in the year		-		-
At year end		149.999.980.000		149.999.980.000
Distributed dividends and profit		6.758.885.000		2.703.554.000

d. Stock	30/09/2017		1/1/2017	
Quantity of Authorized issuing stocks		15.000.000		15.000.000
Quantity of issued stocks		14.999.998		14.999.998
- Common stocks		14.999.998		14.999.998
Quantity of repurchased stocks		1.482.228		1.482.228
- Common stocks		1.482.228		1.482.228
Quantity of circulation stocks		13.517.770		13.517.770
- Common stocks		13.517.770		13.517.770
- Cổ phiếu ưu đãi		-		-
- Par value per stock: 10.000 VND				

15. Off-balance sheet accounts	30/09/2017		1/1/2017	
Foreign currencies				
- USD		4.416,14		143.668,33
Mortgage of deposit account to secure payment:		80.000.000.000		
	Contract	Account	Amount	
	- HĐ 246/TBN-KDN/17CC	0445000961940	30.000.000.000	
	- HĐ 285/TBN-KDN/17CC	0445000956225	20.000.000.000	
	- HĐ 286/TBN-KDN/17CC	0445000957366	30.000.000.000	

NOTES TO THE FINANCIAL STATEMENTS (continued)

VI. ADDITIONAL INFORMATION TO ITEMS IN INCOME STATEMENT

	<i>Unit: VND</i>	
	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
1. Revenue from sale of goods and rendering of services	1.033.832.721.872	1.042.428.284.763
In which:		
Revenue from sale of merchandise	10.758.895.268	5.425.258.820
Revenue from sale of finished goods	1.017.059.168.007	1.033.310.488.745
Revenue from others	6.014.658.597	3.692.537.198
2. Deductible items	5.629.178.321	3.685.931.667
Trade discounts	2.806.913.749	92.239.584
Sales allowances		2.003.300
Sales return	2.822.264.572	3.591.688.783
3. Net revenue from sale of goods and rendering of	1.028.203.543.551	1.038.742.353.096
Net revenue from sale of merchandise	10.758.895.268	5.425.258.820
Net revenue from sale of finished goods	1.011.429.989.686	1.029.624.557.078
Net revenue from rendering of services	-	-
Net revenue from others	6.014.658.597	3.692.537.198
4. Cost of goods sold	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Costs of merchandise	10.689.044.968	5.293.237.269
Costs of finished goods	903.330.680.494	859.207.913.898
Total	914.019.725.462	864.501.151.167
5. Financial income	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Interest income	14.550.854.343	7.431.809.944
Gain from foreign exchange difference	112.652.170	49.055.542
Others	-	-
Total	14.663.506.513	7.480.865.486
6. Financial expenses	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Interest expenses	106.085.275	681.864.761
Loss from foreign exchange difference	93.946.306	44.662.652
Total	200.031.581	726.527.413

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Selling expenses	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Labor costs	11.418.748.071	11.929.977.407
Expenses of selling materials, tools	1.637.771.927	1.103.524.475
Depreciation expenses	128.825.757	207.005.596
Expenses for external services	10.838.312.277	9.666.255.239
Commission	1.733.074.000	1.966.557.000
Others	3.676.594.118	6.645.539.569
Total	29.433.326.150	31.518.859.286
8. Administrative expenses	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Labor costs	20.952.768.692	19.218.080.430
Expenses of administrative materials, tools	471.611.547	2.469.964.772
Depreciation expenses	2.689.591.839	3.234.643.773
Expenses for external services	3.083.158.474	3.180.722.569
Others	2.871.794.163	10.105.592.259
Total	30.068.924.715	38.209.003.803
9. Other income	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Profit from disposal of fixed assets	63.636.364	18.181.818
Profit from disposal of scrap	237.815.426	119.928.108
Others		
Total	301.451.790	138.109.926
10. Other expenses	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Additional lan rental expense, land tax	2.855.081.110	
Tax late payment charged		3.339.573
Other	75.915.000	15.266.583.462
Total	2.930.996.110	15.269.923.035
11. Productions and operation costs by items	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Raw materials	767.137.398.965	696.100.339.356
Labour cost	117.166.587.321	120.138.762.102
Depreciation expenses	29.400.000.128	37.298.340.903
Expenses from external services	53.850.912.207	50.936.407.618
Other expenses	7.584.065.857	17.876.486.794
Total	975.138.964.478	922.350.336.773

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Current business income tax expenses

Business income tax payable is determined at the rate of 20% of taxable profit.

Tax settlements of the Company and its subsidiaries are subject to examination by the tax authorities. Because the application of tax laws and regulations with many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final

Current business income tax expenses are calculated as follows:

	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Total profit before tax	66.515.497.836	96.135.863.804
Adjustments for	5.345.833.454	9.919.562.924
- Increases	5.345.833.454	9.919.562.924
+ <i>Accrued expense</i>	(202.151.364)	
+ <i>Non-deductible expenses</i>	2.930.051.903	2.920.914.446
+ <i>BOD 's remuneration</i>	56.000.000	49.000.000
+ <i>Provision for slow moving</i>	18.073.180	
+ <i>Provision for severance allowance</i>	(387.136.375)	6.066.834.758
+ <i>LBB and PA project costs</i>	2.930.996.110	
+ <i>Tax late payment charged</i>		882.813.720
Total taxable profits	71.861.331.290	106.055.426.728
Income tax rate	20%	20%
Current business income tax expenses	14.372.266.258	21.211.085.345
Business income tax expenses of previous years has been	-	-
Current business income tax expenses	14.372.266.258	21.211.085.345

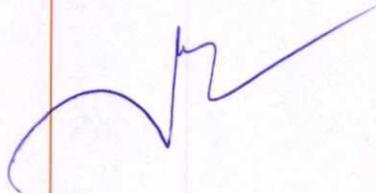
13. Deferred business income tax expenses

	From 01/01/2017 to 30/09/2017	From 01/01/2016 to 30/09/2016
Provision for severance allowance	77.427.275	(1.213.366.951)
Accrued expense	40.430.273	-
Provision for slow moving	(3.614.636)	-
LBB and PA project costs	(586.199.222)	
Total	(471.956.310)	(1.213.366.951)
Deferred tax asset (beginning)	4.819.811.605	-
Deferred tax asset (ending)	5.291.767.915	1.213.366.951

Prepared by

Chief Accountant

General Director ✓


Trần Thị Mộng Thu

Trần Thị Thủy Tiên

Jo Jeong Kook

Ho Chi Minh City, dated Oct 13th, 2017

