

DONG NAI PLASTIC JOINT STOCK COMPANY

ANNUAL REPORT

2015



Address : No. 9, Bien Hoa Industrial Zone 1, Dong Nai, Vietnam
Website : www.donaplast.com.vn

CONTENTS

DNP 2013-2015

Letter to Shareholders	3
2015 in Figures	4
Key Activities 2013-2015	6
Key Financial Performance 2013-2015	7

COMPANY OVERVIEW

Company History	9
Information of Share Capital	9
Infrastructure	10
Core Businesses	10
Development Strategy	12
Core Values	12

BUSINESS ANALYSIS

Revenue, Profit	13
Cash Flows Analysis	15
Liquidity & Profitability Analysis	16
Investment Activities	16
Operational Structures	17
2016 Business Plan	17
Investment Plan	18

CORPORATE GOVERNANCE

Management Model	19
Business and Production Management	20
Risks Management	21
Key personnel - Board of Management, Board of Directors, Supervisory Board	22
Activities of Board of Management	26
Activities of Supervisory Board	28
Shareholders Information	30

FINANCIAL STATEMENTS

LETTER TO SHAREHOLDERS



To: **Shareholders,**

2015 was a special year for Dong Nai Plastic Joint Stock Company (“Company” or “DNP”). The Company’s revenue and profits continued to impressively increase by 51% and 97% respectively compared to last year. Favorable macroeconomic context, high working commitments from the employees and the successful acquisition of controlling interest of a water supply factory were some highlights in the overall picture.

Key macroeconomic factors in 2015 such as high GDP growth, low inflation, stable interest rates, high FDI attractiveness, boosting public investment, and the recovery of the real estate market, except for the fluctuation of exchange rate when VND fell by more than 5% in value against USD, have generally imposed positive impact to the business operation of the

Company. Exchange rate was and would continue to be a long-term concern of the Company because we have to import most of the raw materials.

In July 2015, we expanded our investment into water supply sector for the first time by successfully acquiring nearly 53.7% shares of Binh Hiep JSC (“BHJ”) which had two water factories with total designed capacity of 31,250m³/day to supply clean water for Phan Thiet city, Binh Thuan province. BHJ’s operation efficiency ranked the first in water supply sector in Vietnam. BHJ itself has many growth opportunities through expanding and increasing supply capacity to dynamic areas as Phan Thiet, Mui Ne in the coming years. The acquisition was a particularly important milestone in the Company’s sustainable business restructuring plan, linking the Company’s development with the people’s urgent needs of clean water and environment protection. This in turn showed our strong commitment with the community.

Continuing investment expansion activities, we have recently completed negotiation and reached an agreement with the Board of Management of Tan Phu Plastic JSC (“TPP”) in which the Company shall acquire from 51% to 75% shares of TPP in the coming periods. The acquisition plan subjects to be ratified in the Annual Shareholders Meeting of TPP. TPP, a company with nearly 40 years of history, is a famous brand in industrial plastic sector, injection molding products and packaging bags. Although there are numerous steps to be completed in the coming time, this strategic M&A is expected to enable the Company to double our revenue, total assets, and to enhance our position in the plastic industry of Vietnam. The intensive and close cooperation with TPP enables us to complete technology needs and products portfolio in civil construction plastic pipe sector. It is expected that the Company and TPP complete a joint project of producing uPVC fittings in the third quarter of 2016. For the first time in the Company’s operation history, we will participate in supplying construction plastic pipe products and fittings to household market where some big names such as Binh Minh Plastic, Tien Phong Plastic are dominating.

We have ended 2015 and entered into 2016 with bright points and ambitious plans. However, the Company’s structure and management is still inadvanced and incomplete. We have been operating as simple as a startup model. There are series of weaknesses to be improved and challenges to overcome.

“Human resources” is the decisive factor for growth and sustainable development. The most important task as my own goal as well as of the Board of Management’s strategic objective, is to invest and put our best resources to attract “right and talented” persons, to promote and maintain a competitive, modern and integrating working environment with highest commitment and responsibility of all people. We need shortcut, specific and proactive steps. Therefore, the 2016 message is that we continue to “Grow Fast and Aim Towards to Sustainability Factors”. The most radical solution shall be related to the human factors as mentioned above.

VU DINH DO

Chairman
17th March 2016

904 billion
+51%
Revenue



45 billion
+97%
Profits



294 billion
Market capitalizations



716 billion
Total assets



420
Employees



01 Water Supply plant
02 Plastic Pipe plants
01 Packaging bags plant
Infrastructure





43/63 provinces

Plastic Pipe market: Major markets - Hue, Da Nang, Khanh Hoa, Dong Nai, Ho Chi Minh City, Tien Giang, Kien Giang.



10 European countries

Packaging bags export market



31,250 m³/day

Investment in Binh Hiep Water Plant



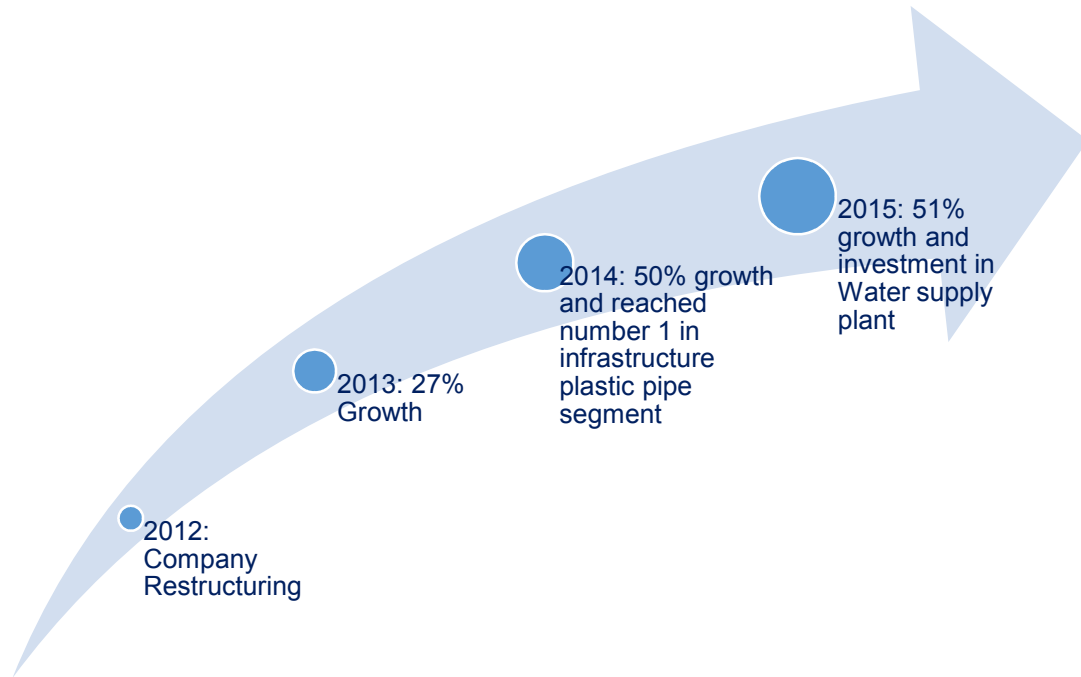
60,000 m³/day

Investment License obtained for Nhi Thanh Water Plant, Long An.



National key projects

Thai Binh 2 Thermal Power, Duyen Hai Thermal Power, Go Cong Tien Giang Bac Ninh Surface Water Plant

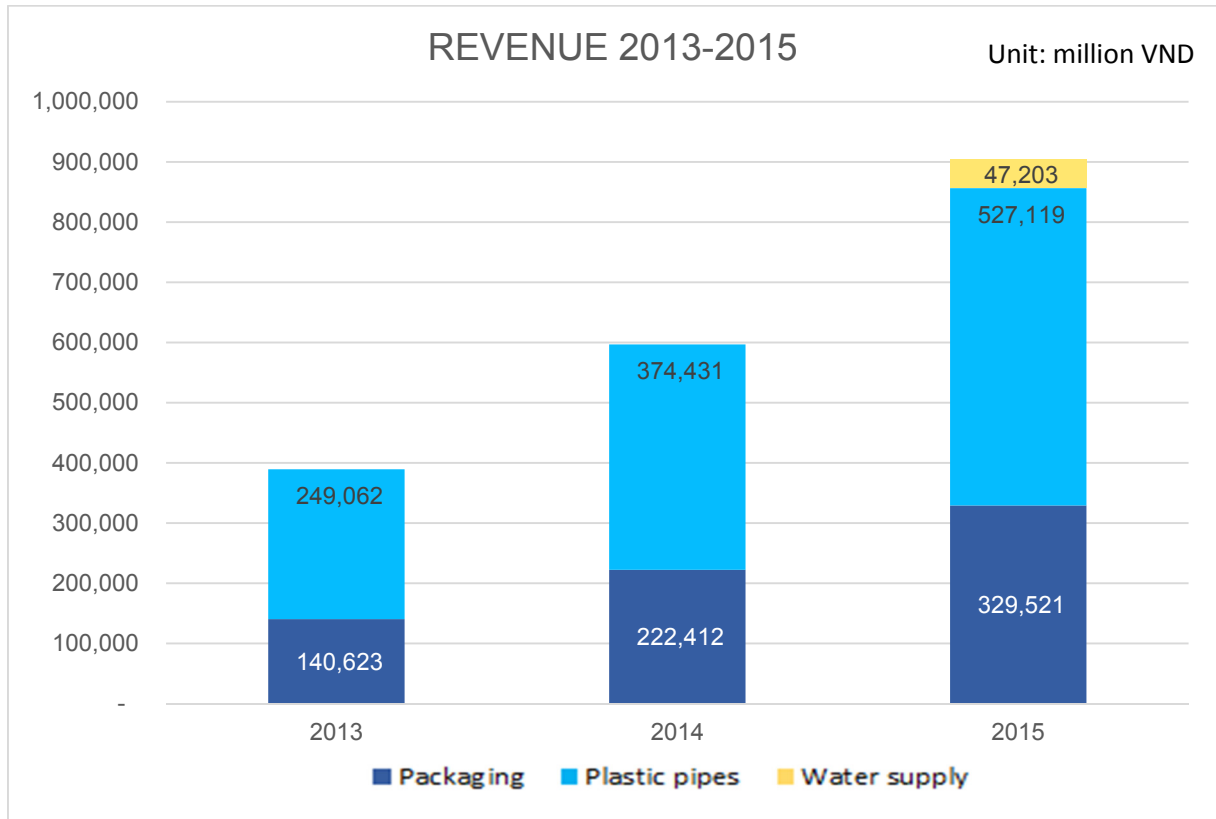


Year 2012: Based on the background of a plastic manufacturing company with 15 years of experience, well invested infrastructure and machines/equipment line (from Germany and Italia), and skilled production team, the Company made a breakthrough in personnel in 2012. The new key personnel in the Board of Management and Executive Board with aspiration, dedicating passion and advanced management knowledge has brought a turning point to the Company in the new development stage.

Year 2013: Achieved 27% growth within the first year after restructuring. Improved production capacity, shorten delivery time, affirmed quality of product and technical services.

Year 2014: Achieved impressive growth of 50% and reached No. 1 in infrastructure plastic pipe sector for water supply and drainage, waste water treatment.

Year 2015: Continued maintaining high growth rate of 50% and maintaining No. 1 position of market share in infrastructure plastic pipe sector, utilized stably 85% production capacity of packaging bags for export. Especially, DNP completed investment in Binh Hiep Water Plant with the capacity of 31,250m³/day in 2015.



The Company achieved a high and continuous growth rate (50%) over the period 2013 – 2015. The product mix was restructured toward sustainable development.

- Infrastructure Plastic Pipe sector: continues sustainable growth based on trademark position and maintained No. 1 in terms of market share in infrastructure plastic pipe sector for water supply and drainage, waste water treatment.

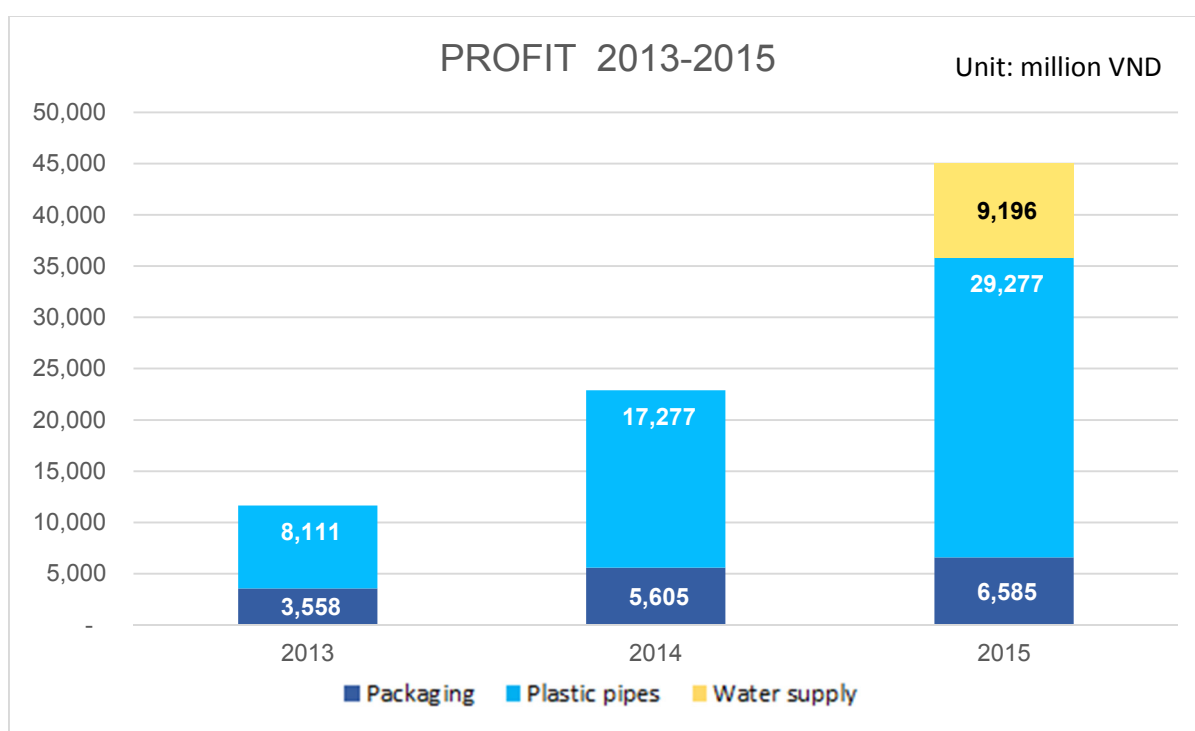
Clean water and environment are vital elements of life. The fact of “bad clean water” and wastewater treatment infrastructure in Vietnam together with strong urbanization process makes investment in water supply and wastewater treatment infrastructure an urgent need. Therefore, size of infrastructure plastic pipe market is forecasted of 15%/year growth within coming 5-10 years.

- Water supply sector: The Company sets up foundation for the development of water sector through an investment in the first water supply plant in Phan Thiet, Binh Thuan.

Providing clean water is an essential need in Vietnam. Climate changes make the problem be more urgent. All economic sectors are encouraged to invest in water supply infrastructure development. This opens up a great opportunity for DNP while DNP has competitive advantages such as knowledge of water supply and drainage sector and local characteristics.

- Packaging bags for export sector: By 2015, the Company has utilized 85% of designed capacity (1,100 tons/ month) of packaging bag plant. High and stable volume is basis for the Company to improve production management and enhance efficiency. The Company determines this is a stable business sector and believes in maintaining volume at 85-90% of designed capacity in the coming years.

SUMMARY OF CORE FINANCIAL RATIOS

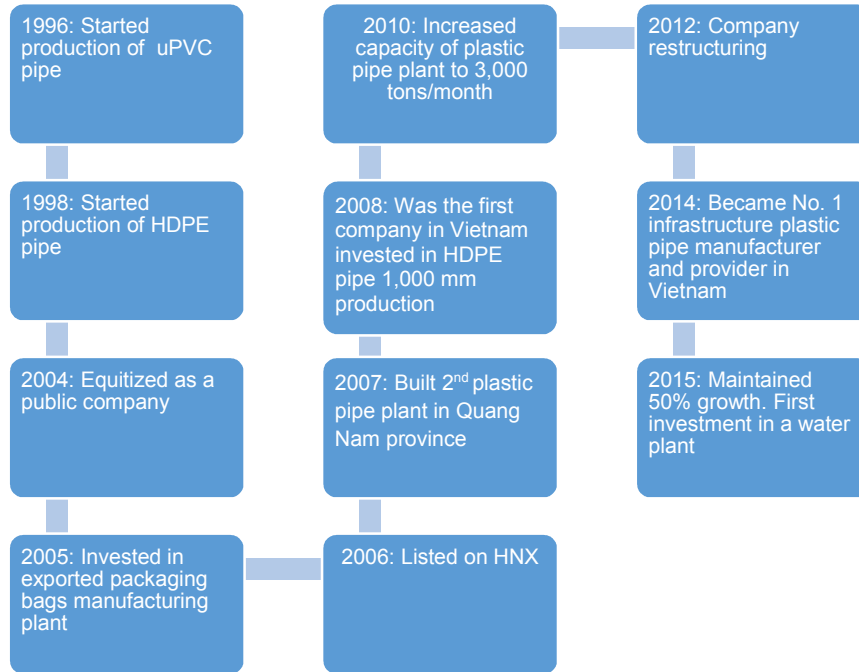


Stable production at high volume and strong market development were key factors that resulted impressive profits growth rate (over 90%) continuously in the period of 2013 – 2015. This reflected quality and efficiency of sales growth.

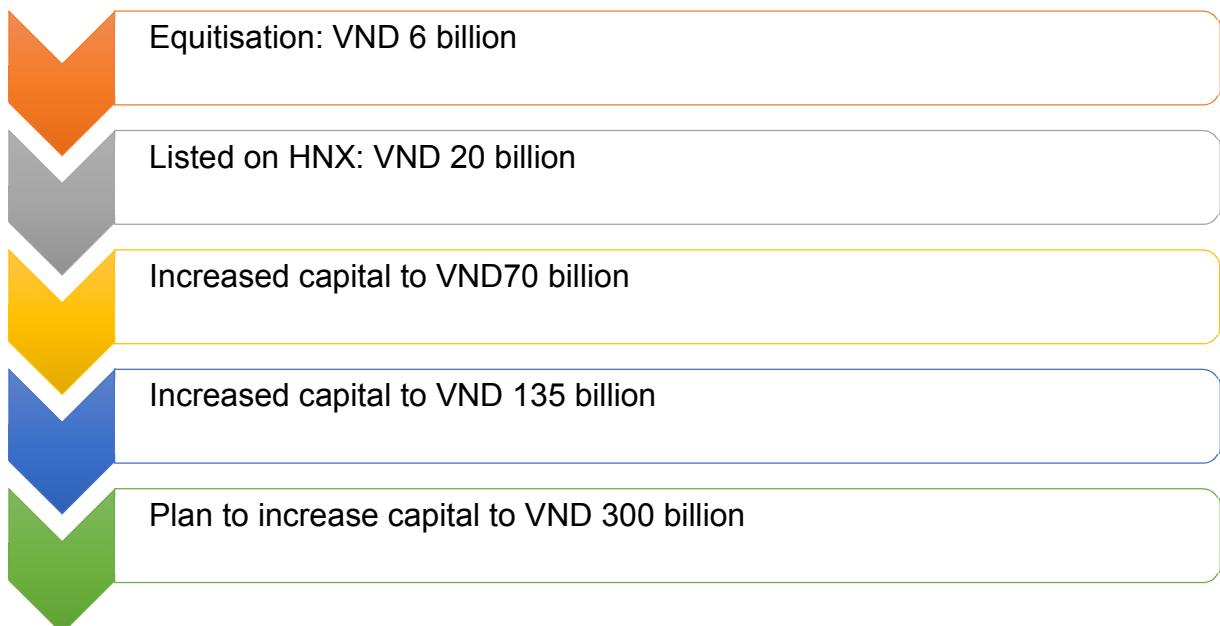
No.	BASIC FINANCIAL RATIOS	2013	2014	2015
1	Revenue	389,685	596,843	903,843
2	EBITDA	38,189	55,506	107,557
3	EBIT	24,731	38,017	75,244
4	Profit after tax (PAT)	11,669	22,882	45,058
5	EBITDA %	9.8%	9.3%	11.9%
6	PAT %	3.0%	3.8%	5.0%
7	Chartered capital	34,276	34,276	135,071
8	Owner's equity	90,102	111,081	265,984
9	Current assets	198,696	330,291	491,185
10	Non-current assets	83,819	86,624	225,639
11	Current liabilities	176,321	297,102	425,964
12	Non-current liabilities	15,813	24,876	8,732
13	Liquidity ratio	1.1	1.1	1.2
14	EPS	3,426	6,676	4,266

COMPANY HISTORY

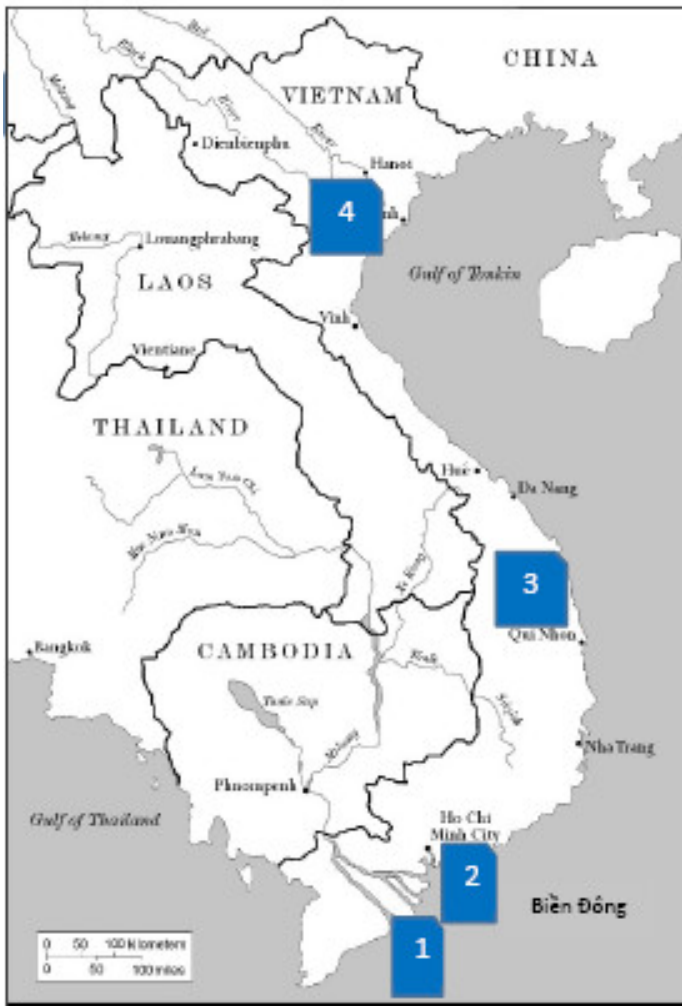
Company's Name	: Công ty Cổ phần Nhựa Đồng Nai
Company's name in English	: Dong Nai Plastic Joint Stock Company
Establishment date	: 1976
Security code	: DNP
Chartered capital	: VND135 billion
Address	: No. 9, Bien Hoa Industrial Zone 1, Dong Nai Province
Tel	: (+84. 061) 3836 843
Fax	: (+84. 061) 3836 174
Website	: www.donaplast.com.vn



INFORMATION OF SHARE CAPITAL

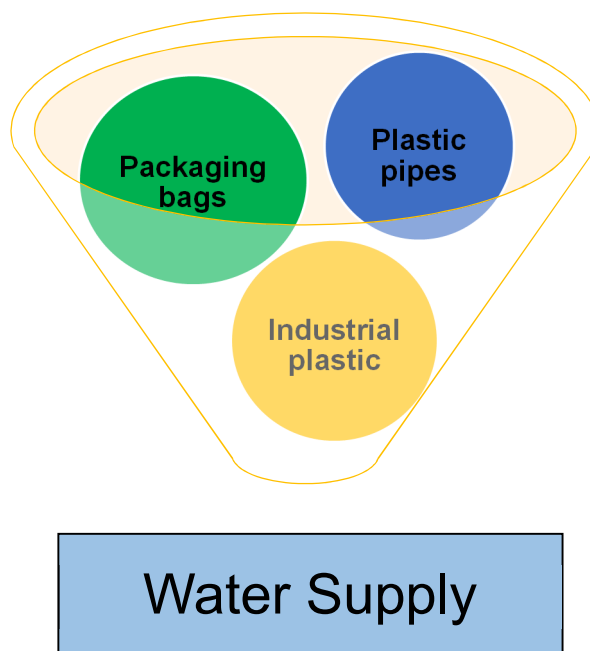


INFRASTRUCTURE



1	Bien Hoa Plant, 3 ha: <ul style="list-style-type: none"> ○ HDPE pipe (25–1,000m) and uPVC (21–400mm): 3,000 tons/month; ○ Packaging bags: 1,100 tons/month.
2	Binh Hiep Water Plant with capacity: 31,250 m ³ /day.
3	Quang Nam Plant, 1.5 ha, HDPE pipe (25–630mm) and uPVC (21–225mm): 1,000 tons/month.
4	Hanoi Branch.

CORE BUSINESSES



DNP manufactures and supplies essential products to the society including clean water, plastic pipes for water supply and drainage, waste water treatment; packaging bags and plastic products for industry and living.

- **Water supply**

Product	Capacity and position
Investing and constructing water supply plant Supplying clean water meeting standards	Current capacity: 31,250m ³ /day, supplying to Phan Thiet, Binh Thuan. In 2016, the capacity is increased to 50,000m ³ /day for Binh Thuan Province area. The next Nhi Thanh plant is going to be completed (in 2017) with capacity in Phase 1 of 30,000m ³ /day.

- **Plastic pipes**

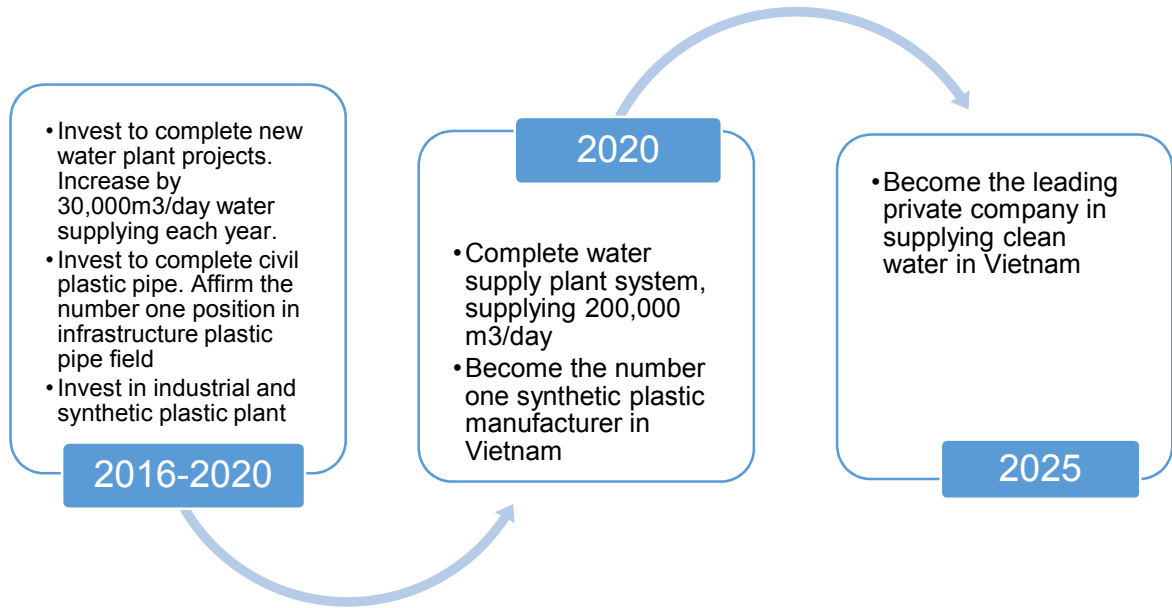
Product	Capacity and position
Manufacturing and supplying plastic pipes HDPE 25 – 1000mm, uPVC 21mm-400mm for water supply and drainage, waste water treatment, agricultural irrigation Manufacturing and supplying materials and fittings in water sector	Total capacity: 4,000 tons/month Achieving biggest market share in infrastructure plastic pipe sector Presenting in 43/63 provinces. Continuing invest in plant in the North area to complete plant system in 3 areas.

- **Packaging bags**

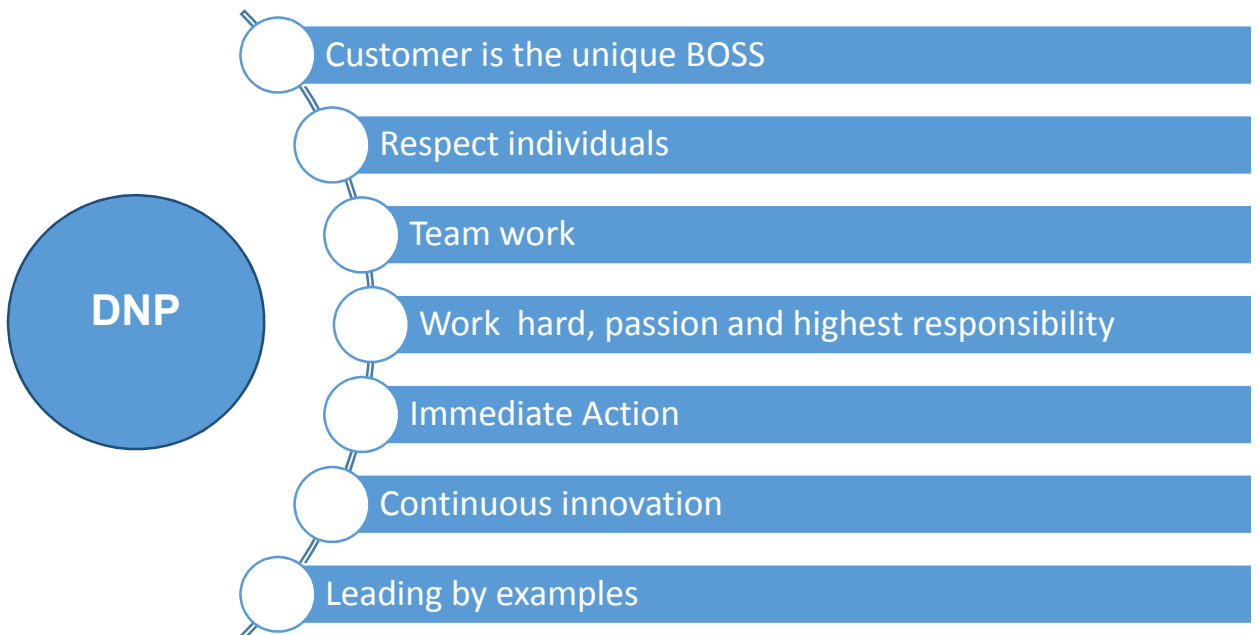
Product	Capacity and position
Manufacturing and supplying exported packaging bags: Starseal, Block, Sandwich, T-Shirt	Capacity: 1,100 tons/month Products meeting Europe standards. Presenting in 10 European countries including Germany, UK, France, Netherlands, Belgium, etc.

- **Industrial plastic**

Product	Capacity and position
PET plastic bottles and ingot Plastic boxes Battery shell Bottles, can, cask, shell (paint, pesticide, pharmacy, airline...)	Completing investment in industrial plastic plant Estimated revenue in 2016: VND550 billion. Key customers: Coca Cola, Pepsi, Sabeco, Pinaco...



CORE VALUES



REVENUE, PROFITS

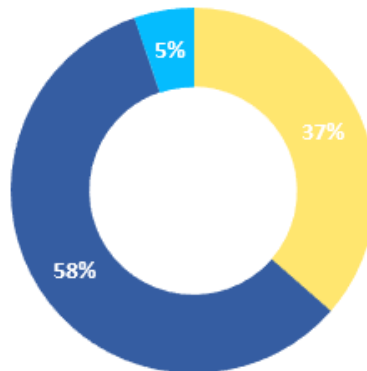
Total revenue achieved VND903,843 million which increased by 51% in comparison with 2014.

With sustainable and long-term development strategy in water supply sector that brings sustainable values to the society, infrastructure plastic pipe contributed significantly to the growth of the whole company. By the end of 2015, revenue of infrastructure plastic pipe sector reached VND527,119 million which increased by 55% in comparison with 2014 and accounted for 58% total revenue.

Along with infrastructure plastic pipe sector, investment in clean water supply through direct investment or M&A were carried out from 2015 aiming at reaching the volume of 200,000m³/day in 2020 and it is expected to be the most profitable sector of the company since 2020. The year 2015 marked the success in the implementation of this long-term strategy through owning over 53.7% shares of Binh Hiep Joint Stock Company which is the parent company of Ca Giang Water Plant with capacity of 31,250m³/day, supplying clean water for Phan Thiet City, Binh Thuan and Mui Ne areas. In 2015, revenue of water supply sector amounted to VND47,203 million and consolidated profits reached VND9,196 million which accounted for 20% profit after tax of the whole company.

Infrastructure plastic pipe
Revenue achieved VND527,119 million, accounted for 58% total revenue, increased by 55% compared to 2014.

Water supply
Revenue reached VND47,203 million, accounted for 5% total revenue



Packaging bags
Revenue reached 329,521 million VND, accounted for 37% revenue, increased 48%

Infrastructure plastic pipe:

Revenue increased by 55% compared to 2014. With the restructuring conducted since 2013 in selling activities and a long-term development strategy along with clean water supply sector, infrastructure water pipe sector of the company continuously achieved high growth rate over 40% in the last 3 years since 2013. In 2015, the Company continued to maintain high proportion of market share in the Central and the Southern areas, especially in water supply areas such as Hue, Da Nang, Khanh Hoa, Binh Thuan, Dong Nai, Ho Chi Minh City, Tien Giang, Can Tho and Kien Giang, etc. Also in 2015, the Company conducted many big projects including level 1 pipe network project (D630) for Bac Ninh surface water plant of nearly VND40 billion, level 1 pipe network project (D500, 630, 710) for Go Cong town, Tien Giang province of nearly VND50 billion, level 1 pipe network project (D710-800) and level 3 for Cu Chi area of nearly VN50 billion, level 2-3 pipe network project for Cho Lon, Trung An of nearly 200 kilometers and approximately VND50 billion in value. Besides, there were some other big projects such as Tam Ky waste water, Thai Binh waste water, Thai Hoa waste water, World Bank Bac Ninh water supply project, etc.

Water supply:

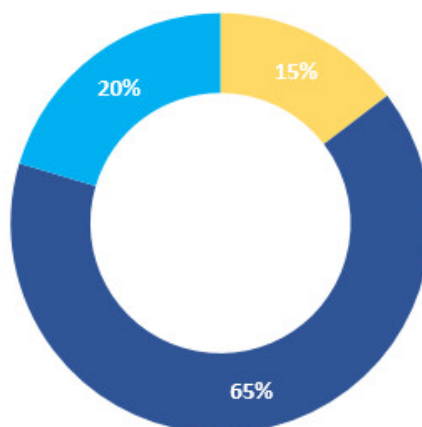
Although revenue only accounted for 5% total revenue, it contributed more than 20% of total profit. This is a high profit margin sector with stable growth in the coming time. The year 2015 marked a turning point to execute sustainable and long-term development strategy in water supply sector through acquiring 53.7% shares of the first water plant Binh Hiep Joint Stock Company with capacity of 31,250m³/day, this is the parent company of Ca Giang water plant with capacity of 31,250m³/day. By 2020, Binh Hiep Joint Stock Company will upgrade its capacity and put more investment to reach capacity of 50,000m³/day. Along with direct implementing and acquiring 3-4 water projects, it targets to reach the volume of 200,000m³/day by 2020, water supply sector is forecasted to be the most profitable sector of the company in the near future.

Packaging bags:

Revenue increased by 48% compared to 2014, this sector utilized nearly 100% capacity of the Company. The major market is Europe. The company aims at keeping this production sector stable to generate cash flow and positive foreign currency cash inflow for the Company's import activities.

PROFIT AFTER TAX (PAT)

PAT is VND45,058 million which increased by 97% compared to 2014.



Infrastructure plastic pipe

Profit after tax reached VND29,277 million which increased by 69% compared to 2014. In 2015, infrastructure plastic pipe sector achieved high efficiency mainly owing to (i) high production volume which resulted in decrease of depreciation expense and overhead costs; and (ii) decreased raw material unit price.

Water supply:

Profit after tax reached VND9,196 million which accounted for 20% total profit after tax. Entire of this profit amount was generated by Binh Hiep Joint Stock Company. The Company's profit in 2016 and succeeding years is forecasted to grow continuously thanks to an increase in sales volume. Currently, the Company is operating at about 77% capacity. With the annual growth rate of 10%, it is estimated that the Company will fully utilize its capacity within 3 coming years.

Besides, to implement the long-term strategy, the Company is going to run about 3-4 water supply plants within 2-3 coming years. The success execution of these plans will make water supply sector be the main profit contribution sector in succeeding years.

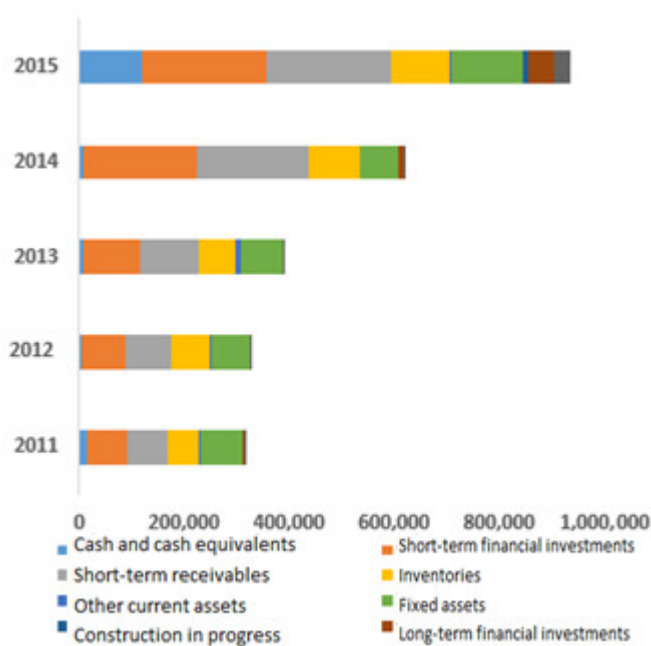
Packaging bags:

Profit after tax reached VND6,585 million which increased by 17% compared to 2014. The Company will focus on quality and effectiveness of this sector in the coming time in order to improve processing price and profit margin.

TOTAL ASSETS

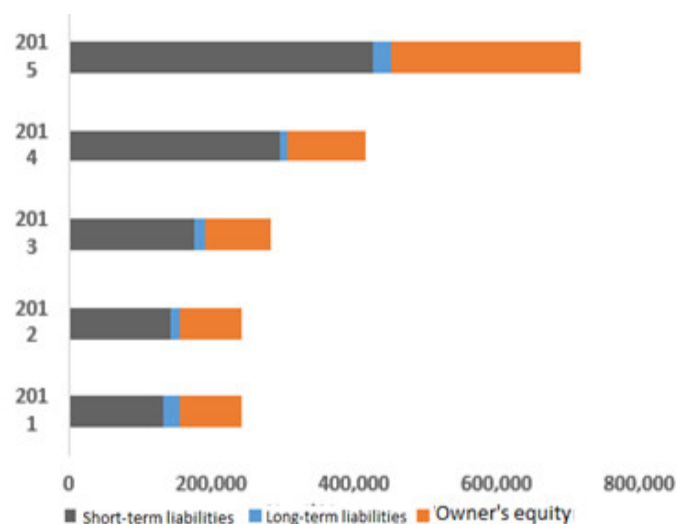
VND716,825 million, increased by 72% compared to 2014.

In the period of 2011 – 2015, total assets increased by 49% in average.



TOTAL ASSETS

As at 31 December 2015, total assets of the Company was of VND716,825 million, increased by 72% compared to 2014. In the period of 2011- 2015, total assets increased 49% in average. Current assets in this period accounted for 64%-80% total assets. This ratio was especially high in 2014 of nearly 80% but then significant decreased to 68% in 2015 when the company issued owners' equity and invested in non-current assets such as acquiring Binh Hiep Joint Stock Company, expanding a central province's plastic plant and procurements of machineries and factories in the Southern area.



TOTAL RESOURCES

As at 31 December 2015, total owners' equity was of VND265,984 million, increased by 139% compared to 2014. Total owners' equity accounted for 37% total resources, that was higher the average ratio of 34% of the period 2011-2015.

Net gearing ratio was currently nearly 1.7, significantly reduced from the ratio of 2.8 in 2014.

Gearing ratios were improved considerably because the company did not pay dividend but retained profits for reinvestment, simultaneously issued owners' equity share capital to increase capital for investment activities.

CASH FLOWS ANALYSIS

Unit: Million VND

	2014	2015
Cash and cash equivalent, opening balance	7,616	8,710
Cash flow from operating activities	(79,824)	34,834
Cash flow from investing activities	(28,863)	(119,215)
Cash flow from financing activities	109,780	193,591
Cash and cash equivalent, closing balance	8,710	117,920

In 2015, the company gained positive cash flow from operating activities amounted to VND35 billion in contrast of negative cash flow of VND80 billion in 2014. During the year, the Company focused on improving operating cash flow by customer classification, customer credit evaluation and applying debt collection methods, trade credit and selling policies together with bank guarantee which improved cash flow considerably. However, the Company still continued expanding investing activities including acquisition of Binh Hiep water plant, expansion of the plastic plant in the central area and upgrading and expanding in the Southern area. These resulted in remarkable cash used in investing activities.

The issuance of 70 billion share capital in ending months of 2015 but which has not been fully disbursed has resulted in closing cash balance of more than VND117 billion at the year end.

LIQUIDITY ANALYSIS

		2013	2014	2015
1	Current ratio (times)	1.13	1.11	1.15
2	Quick ratio (times)	0.04	0.06	0.32
3	Long-term debt/Owners' equity (times)	0.17	0.08	0.09
4	Interest coverage ratio (times)	3.63	4.84	5.07
5	Debt/ Owners' equity	2.13	2.75	1.69

Liquidity ratios of the Company were improved gradually through years. The current ratio increased from 1.13 to 1.15, the interest coverage ratio increased from 3.63 to 5.07, debt/owners' equity decreased from 2.13 to 1.69. Because of the Company's business characteristics, raw materials always accounts for a high proportion in production costs of approximately 70%, therefore, increase in revenue leads to increase in inventory balances (raw materials, finished goods) and receivables and these ratios will remain at the high level.

PROFITABILITY ANALYSIS

		2013	2014	2015
1	Gross profit margin	14.8%	14.6%	18.1%
2	Profit after tax margin	3.0%	3.8%	5.0%
3	EBITDA/revenue	9.8%	9.3%	11.9%
4	Selling and administrative expense/revenue	8.2%	7.0%	8.6%
5	ROE	12.9%	20.6%	16.9%
6	ROA	4.1%	5.5%	6.3%

The profitability ratios increased through years. Gross profit margin increased from 14.8% to 18.1% in 2015, net profit margin increased from 3% to 5%, EBITDA increased from 9.8% to 11.9%.

Performance ratios also increased considerably. ROE increased from 12.9% to 16.9%, ROA increased from 4.1% to 6.3%.

Profitability and performance ratios increased mainly thanks to (i) economy of scale leading to reduction of fixed cost per unit, (ii) reduction of raw material price, and (iii) high profitability ratios of the water sector which strategically improved profitability of the whole company.

In terms of selling and administrative expenses, although the Company kept of reducing unnecessary costs, selling and administrative expenses still witnessed slight increase which was in line with the company's increased investment in quality, e.g. recruitment of senior personnel, establishing new laboratory, improving customer services.

INVESTMENT ACTIVITIES

The year of 2015 marked the growth in investment activities to complete sustainable and long-term development strategy with water supply sector.

- For infrastructure plastic pipe sector:
 - o Acquired 3 new HDPE production lines from Germany to produce pipes with diameter from 25mm – 450mm, in which 2 lines were installed in the Southern area and 1 line was installed in the central area. Total investment value amounted to VND20 billion.
 - o Supplemented 2 production lines for the central province plant to produce pipes with diameter from 110mm – 800mm in order to enhance market capability of the central area and to save transportation costs to the Northern market.
 - o Prepared to invest in machine and mold system to manufacture uPVC fittings serving water supply projects in buildings and urban areas. Disbursement rate is expected to be high in 2016 including the acquisition of an industrial plastic company.

- For water sector:
 - o Acquired 53.7% shares of Binh Hiep Joint Stock Company which was operating Ca Giang water plant with capacity of 31,250m³/day.
 - o Implemented Phase 1 of investment in water plant with capacity of 30,000m³/day in Long An through DNP – Long An Water company (owned 75% share capital).
 - o Considered options of either direct or indirect investments in 2 water plants with estimated capacity of 35,000m³/day in the central and the Southern areas.
- For packaging bags sector: Invested to improve, replace and supplement production line to ensure stable operation.

OPERATIONAL STRUCTURE

After the Annual Shareholders Meeting in 2015, the Company has restructured its operation applying decentralization model by functional activities, in which Board of Directors includes:

- General Director – in charge of general execution and directly involved in operating activities
- Deputy General Director - in charge of production and business of packaging bags
- Deputy General Director - in charge of plastic pipe business
- Deputy General Director - in charge of plastic pipe production
- Deputy General Director - in charge of technology
- Deputy General Director - in charge of finance

2016 BUSINESS PLAN

Entering 2016, the Company recognizes that there are still some advantages such as low raw material price, improved and stable macroeconomic growth, more big projects to be implemented such as ADB projects, World Bank projects, thermal power projects, and reasonable interest rate. However, there remain some disadvantages that may impose negative impacts on business results such as exchange rates fluctuation, significant of price fluctuation and severe competitiveness. The plan and prospects by production sector in 2016 are as follows:

- Infrastructure plastic pipe sector: slight growth in revenue of about 10-15% is expected which is resulted from high selling volume. Profit at the same time is expecting remarkable increase thanks to low material price. In 2016, the Company will implement some big projects that it won in 2015 such as Thai Binh 2 Thermal Power valued nearly VND90 billion and some projects that are highly possible to bring 50% of budgeted revenue. Besides, the Company is going to supply plastic pipe and fitting to civil building projects which can generate substantial revenue.
- Water supply sector: revenue and profit of this sector mainly comes from the contribution of Binh Hiep Joint Stock Company with stable growth. Investment projects in 2016 are estimated to generate revenue in 2017 and succeeding years.
- Industrial plastic sector: this is the supplementing sector for civil plastic pipe production. The Company is going to invest in industrial plastic sector through M&A activities which were initiated since 2015.
- Packaging bags sector: maintains operation with slight and stable growth compared to 2015. The recovery of the European economy will enable packaging sector of the Company to complete its target in 2016.

No.	Items	Unit	Actual 2015	Plan 2016	Variance
1	Quantity				
1.1	Packaging	Ton	8,900	9,500	6.7%
1.2	Infrastructure plastic pipe	Ton	10,077	11,679	15.9%
1.3	M&E plastic pipe	Ton		1,500	
1.4	Water supply	M ³ /day	23,000	26,000	13.0%
1.5	Industrial plastic	Mil. VND		525,000	
2	Revenue	Mil. VND	903,843	1,622,352	79.5%
2.1	Packaging	Mil. VND	329,521	341,000	3.5%

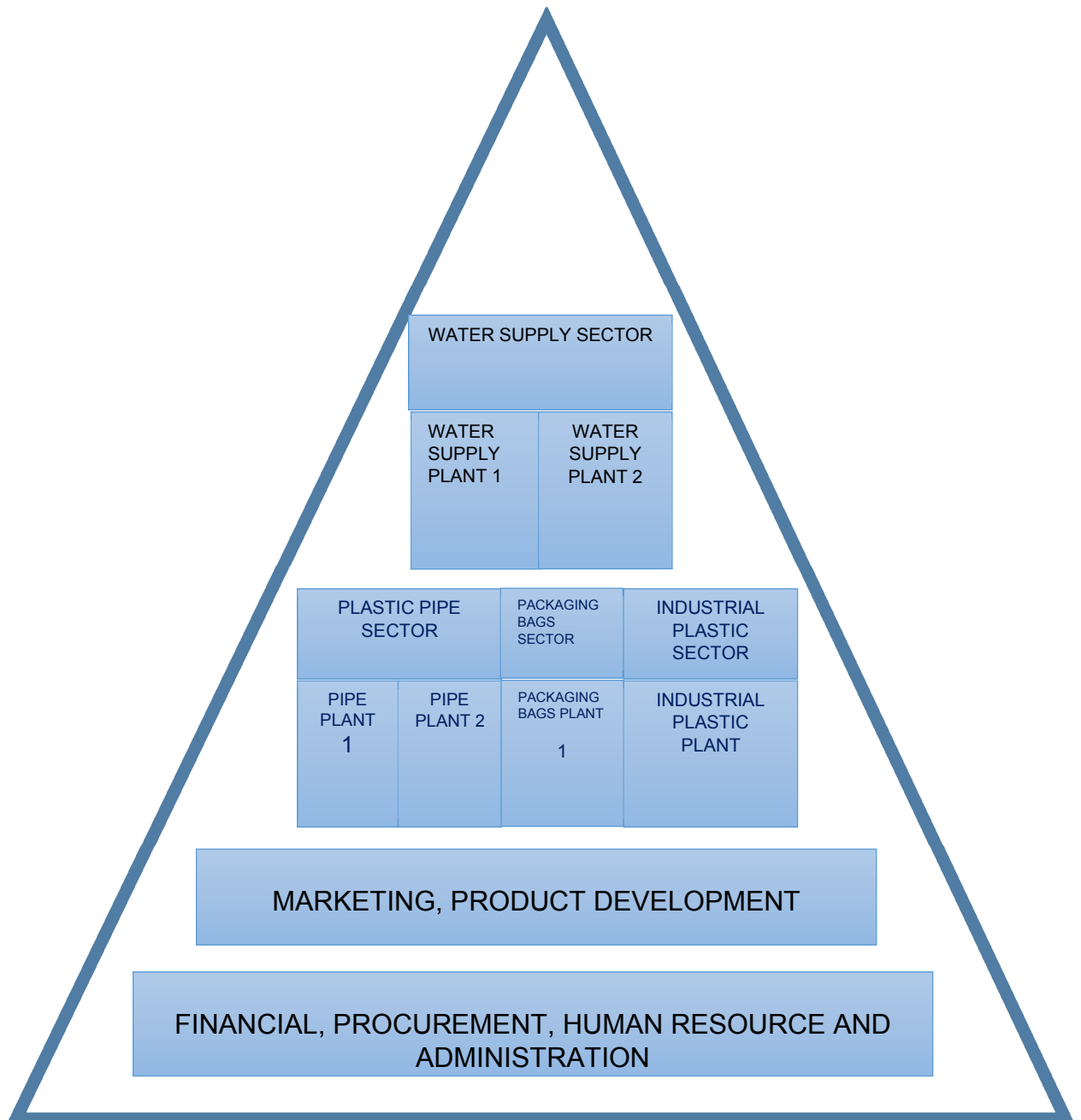
2.2	Infrastructure plastic pipe	Mil. VND	527,119	649,352	23.2%
2.3	M&E plastic pipe	Mil. VND		57,000	
2.4	Water supply	Mil. VND	47,203	50,000	5.9%
2.5	Industrial plastic	Mil. VND	-	525,000	
3	Profit after tax	Mil. VND	45,058	75,301	67.1%
3.1	Packaging	Mil. VND	6,585	9,143	38.8%
3.2	Infrastructure plastic pipe	Mil. VND	29,277	43,168	47.4%
3.3	M&E plastic pipe (*)	Mil. VND			
3.4	Water supply	Mil. VND	9,196	9,990	8.6%
3.5	Industrial plastic	Mil. VND		13,000	
4	Net profit margin	%	5.0%	4.6%	-6.9%

INVESTMENT PLAN

In 2016, the Company continues the following high priority investments:

- Water sector:
 - o Invest in Phase 1 of Nhi Thanh Long An water plant with capacity of 30,000m³/day and VND500 billion value. DNP Long An water company is the implementing entity.
 - o Research and invest in 1-2 water plants in the central and the Southern areas through new investment scheme and M&A.
- Infrastructure plastic pipe sector: Invest in fittings system to improve water pipe product system and start business in M&E infrastructure.

Industrial plastic sector: complete M&A of a big brand name industrial plastic manufacturer.



- Financial, Procurement, HR and Administrative activities are centralized and specialized at the Head Quarters (of the Parent company) to increase purchasing power, negotiating power and opportunities to recruit qualified personnel as well as to decrease intermediate administrative costs (representative offices, administrator, secretary or receptionist, etc.)
- Marketing and Product development are also centralized and specialized at the Head Quarters to attract top outstanding senior personnel, to manage market, vision and global approach.
- Product sectors are directly executed by Chief Product Officer (CPO) to ensure each sector will be managed directly and effectively. CPO at Head Quarters (of the Parent Company) is also CEO (Chief Executive Officer) of member firms (including plants) of corresponding sector.
- Manufacturing plants are organized by area and allocated with appropriate resources to well fit with geographical condition of market and customer to maximize service quality (on time delivery, 24/24 technical service).

ENHANCE BUSINESS MANAGEMENT

DNP is training and building its management team to implement Balanced Scorecard (BSC) system at the Parent Company and member companies. In 2015, BSC was implemented at manufacturing and business departments and functional departments of the Parent Company and it will be applied for the whole Company.

Applying BSC is to establish a modern strategic planning and management system. BSC is assessed as one of the 10 most effective management tools all over the world and is being applied in almost big global companies.

Meanwhile, the Company implemented new staff income structure based on HR management model comparable to developed countries such as Singapore or Malaysia to increase transparency, staff motivation and creativeness to devote all their ability and technology know-how to the sustainable development of DNP.

BUSINESS AND PRODUCTION MANAGEMENT

DNP's products (plastic pipes, soft packaging bags and clean water) are technical products and are standardized. DNP affirms its business philosophy: "Customer is the only BOSS", "Zero defective product to customer". DNP has continuously enhanced product quality, technical support service, applying international management methods and standards in order to bring customer satisfaction and optimize costs.

Manufacturing and trading packaging bags	ISO 9001-2008 Quality Control System
	BSCI Compliance evaluation criteria of social responsibility in business
Manufacturing and trading plastic pipes	ISO 9001-2008 Quality Control System
	ISO 4427-2:2007 HDPE pipe manufacturing standard
	DIN 8074-8075 HDPE pipe manufacturing standard
	ISO 4422-2:1996 uPVC pipe manufacturing standard
	BS 3505:1986 uPVC pipe manufacturing standard
	AS/NZS 1477:2006 uPVC pipe manufacturing standard
Clean water manufacturing	QCVN 01:2009/BYT; QCVN 02:2009/BYT Vietnam Ministry of Health's living water standard
Laboratory	ISO/IEC 17025:2005 General requirements on qualification of lab and calibration (*)

(*): Documents have been submitted and expected to be officially approved in May 2016.

No.	Main risks	Impact	Management strategy
1	Foreign exchange risk (VND/USD)	100% of HDPE plastic resins are imported in USD. The increase in foreign exchange rate of USD/VND will cause foreign exchange loss.	Minimizing foreign exchange loss by following methods: shortening working capital cycle; moving to borrowings of local currency (VND).
2	Bad debt risk	The business of infrastructure plastic pipes provides pipes for projects. The Company only receives payment from customers upon completion of construction works. Material suppliers, hence, have to accept payment term from 30 to 45 days.	<p>Building customer selection policy through Credit Assessment Criteria with same principles as bank.</p> <p>Only provide credit to highly competent customers or projects with available capital.</p> <p>Building frame economic contract to ensure the right to collect debt legally.</p> <p>Tight debt collection process, debt aging management.</p> <p>Implementing professional debt collection methods such as reminder letter, visits to customer's office, and legal actions (if necessary).</p>
3	Market risk	The manufacturing plastic pipes and packaging market is highly competitive with hundreds of plastic manufacturers in Vietnam, in which 70% are based in the South. Competitors tend to reduce price to gain DNP's market share that directly impact profit margin.	<p>The Company accepts to operate in highly competitive business environment.</p> <p>The Company specializes its management by sector to ensure effectiveness of each sector. Competitive ability is enhanced through achieving large market share, stable production as basis for economy of scale production and cost reducing.</p>
4	Risk of policy change	The Company's products have directly relationship with consumers' health and environment. Changes in policy will directly affect manufacturing methods and quality control management system.	<p>Building legal department for regular updating and reviewing the compliance with relevant laws and regulations.</p> <p>Actively preparing compliance plan and schedule.</p>
5	High worker turnover rate	Packaging sections is unskilled labor intensive with high turnover rate that imposes direct impact on production efficiency.	Improving working environment. Building staff income structure with more weight assigned to seniority and productivity.

Essential Representation

1. Internal transactions are transparent and publicly announced.
2. The Company has no internal transactions causing "conflict of interest" which materially affects the Company itself
3. The Company has no violation or fine imposed by State Security Committee or authorities related to capital market.

BOARD OF MANAGEMENT



Mr. VU DINH DO
Chairman

Mr. Do graduated from National Economics University in 2004.

Mr. Do joined DNP in 2012. In 2013, he held positions of Vice chairman and General Director. Since 2015, he has been holding the Chairman position.

He has extensive knowledge and experience in various fields such as: corporate finance, accounting-auditing, corporate management and investment management. Before joining DNP, he had nearly 3 years of experience working as an auditor in KPMG Vietnam and 1 year of working in KPMG Singapore. From 2007 to 2011, he experienced senior positions in investment analysis, investment, capital market, M&A and derivatives in Saigon JSC, VNDirect Securities JSC and Maritime Bank.

Besides his main tasks in DNP, he is now holding other responsibilities such as Chairman of Nam La Hydro-Electricity Power JSC, Chairman of Dong Nai Mien Trung Plastic JSC and a BOM member of Binh Hiep JSC.



Mr. TRAN HUU CHUYEN
Vice chairman

Mr. Chuyen graduated as a Chemistry Engineer from Hanoi University of Technology. He also holds a Bachelor's Degree in Business Administration of Ho Chi Minh City Economics University.

He used to serve as a Factory Deputy Director, and General Director of DNP.

He has worked for DNP for more than 30 years and has extensive experience in plastic industry.

Currently he is Vice Chairman cum Deputy General Director in charge of plastic pipe production.



Mr. NGO DUC VU
BOM member

He holds a Master's Degree in Financial Management of European School of Management ESCPEAP (France), a Master's Degree in Business Administration of the Asian Institute of Technology - Thailand and a Bachelor's Degree in Business Administration of National Economics University in Hanoi.

He used to serve as an Investment Director in Vietnam Securities Investment funds Management JSC; General Director of Sao Viet Securities JSC; General Director cum Chairman of Dong Nai Mien Trung Plastic JSC; Standing Deputy General Director of Dong Nai Plastic JSC;

Currently he is General Director of Dong Nai Plastic JSC.

BOARD OF MANAGEMENT

**Mr. NGUYEN LUU THUY**

BOM member

Qualification: Technical Chemistry Doctor

He used to hold various positions including Chairman of Green Power Company; Chairman of Van Xuan University of Technology; Vice Chairman of Galax JSC;

He has joined Dong Nai Plastics JSC as a BOM member.

With management competence, business experience and extensive community relationship, he has great contribution in developing strategic relationships with key partners such as customers, banks, professional offices.

**Mr. PHAM HUY CUONG**

BOM member

He graduated as a Civil Engineer from National University of Civil Engineering.

He used to hold various positions including Sales Specialist of No. 1 Waseenco Water Supply Construction Company, the Ministry of Construction; Investment Expert of No. 1 Waseenco Water Supply Construction Company, the Ministry of Construction; Office Manager of Water Supply and Environmental Construction Company Viwaseen Vietnam – the Ministry of Construction;

Currently he holds the position of Office Manager of Water Supply and Environmental Construction Company Viwaseen Vietnam – the Ministry of Construction; BOM member of Dong Nai Plastic JSC.

**Mr. NAKAGAWA**

BOM Advisor

Mr. Nakagawa has professional knowledge and many years of experience in financial field, international capital market with 10 working years in Nikko Securities Co., one of the leading securities companies in Japan.

He joined JSC Dong Nai Plastics in 2015 and contributed in building strategic relationships with Japanese partners (customers, manufacturers, financial institutions, JICA, JETRO), upgrading management system, connecting and supporting Japanese technology transfer process for the Company's application.

BOARD OF DIRECTORS

**Mr. NGUYEN VAN HIEU**

Deputy General Director

He graduated from Hanoi National Economics University in 2004

Before joining DNP in 2012, he had 3 years of experience as an auditor of an international auditing company and 5 years as Chief Financial Officer of a Vietnamese corporation with VND2,500 billion revenue.

He has been working for DNP for 4 years in various key positions including Sales Director (2013), Deputy General Director in charge of sales (2015) and officially appointed as Deputy General Executive Director in October 2015.

He has professional expertise, in-depth understanding of the financial sector, business development capability and market expanding.

**Mr. NGUYEN KIM NGUYEN**

Deputy General Director of Technical Services

He graduated from the University of HCMC.

He has held position of Technical Manager, Deputy General Director of Production Technology.

He has been working for nearly 20 years with extensive experience in plastic pipe production.

He is currently Deputy General Director of Technical Services of Dong Nai Plastics JSC.

**Ms. NGUYEN THI HUYEN**

Deputy General Director of Packaging

She graduated from the National Economics University in Hanoi in 2007 and holds a Master's Degree in the Academy of Finance in 2012.

She has been working for DNP for over 9 years. She used to hold various positions including Deputy Manager of Accounting department, Chief Accountant and Deputy Director in charge of Finance of DNP.

Currently she holds the position of Deputy General Director in charge of Plastic Packaging.

SUPERVISORY BOARD

**Mr. MAI HUU DAT**

Head of Supervisory board

Qualification: Doctor of Law.

He joined DNP in 2012 and has been holding the position of Head of Supervisory board since then.

He is a lawyer specializing in securities finance; in addition he also has comprehensive knowledge of management, administration and monitoring of business operation. Before joining DNP he worked as an Inspector of SSC; In-charge of the Asia area of Numero Investment Company (Czech); Founder of Alpha Securities Co.; Deputy General Director of VNDirect Securities Company; BOM member of IPA Group.

**Mr. TRINH KIEN**

SB member

Qualification: Bachelor's Degree of economic.

Mr. Kien joined DNP in 2013, he used to hold various positions including Project Manager, Office Manager, Head of internal controls and he is currently a supervisory board member since 2015.

He has knowledge and experience in accounting-auditing, corporate finance advisory. Before joining DNP, Mr. Kien had 5-year experience as an auditor in a leading audit firm in Vietnam. From 2008 to 2011, he was a director of corporate finance advisory in VP Bank Securities Company.

**Mr. PHUNG QUANG VIET**

SB member

He graduated from Banking Academy in Hanoi in 2008.

He had 8 years of experience in the field of securities investment and advisory and property management. He used to be the Head of investment portfolio management department in IPAAM Fund Management Company. He is currently a manager of high-class client in VNDirect Securities Company – a securities company with largest market share in Vietnam with a total asset of nearly VND6,000 billion.

He has been a representative of DNP shareholders in the Supervisory Board since April 2015.

He has professional expertise, in-depth understanding in financial field and extensive relationships with large financial institutions in Vietnam.

ACTIVITIES OF BOARD OF MANAGEMENT

1. MEMBERS AND STRUCTURE OF THE BOARD OF MANAGEMENT

List of BOM members

No	Member	Position	Ownership percentage of voting right shares
1	Mr. Vũ Đình Độ	Chairman	9.9%
2	Mr. Trần Hữu Chuyên	Vice chairman	0.99%
3	Mr. Ngô Đức Vũ	Board member	0%
4	Mr. Phạm Huy Cường (From 4/4/2015)	Board member	0%
5	Mr. Nguyễn Lưu Thụy	Board member	0%
6	Mr. Lê Huy Phương (From 1/1/2015 to 4/4/2015)	Board member	0%

(Number of shares recognized at 1/3/2016)

Information of Board member resigned

On 3 April 2015, Mr. Le Huy Phuong submitted a resignation letter from the position of a board member for the period 2012-2017.

Information of new board member appointed:

On 4 April 2015, the 2015 Annual Shareholders Meeting appointed Mr. Pham Huy Cuong as a Board member for the period 2012-2017.

Information of concurrent positions held in BOM of other companies

No	Member	Position	Concurrent position held in other companies
1	Mr. Vũ Đình Độ	Chairman	Chairman of Nam La Hydroelectric Power JSC. Chairman of Dong Nai Mien Trung Plastic JSC. Member of Board of Management of Binh Hiep JSC. Member of Board of Management of DNP-Long An JSC.
2	Mr. Trần Hữu Chuyên	Vice Chairman	None
3	Mr. Ngô Đức Vũ	Board member	Member of Board of Management of Dong Nai Mien Trung Plastic JSC. Member of Board of Management of DNP-Long An JSC.
4	Mr. Phạm Huy Cường	Board member	None
5	Mr. Nguyễn Lưu Thụy	Board member	Chairman of Van Xuân University Chairman of Green Power company Vice chairman of Galax JSC.

2. BOM'S ACTIVITIES

Number of Board's meetings

No	Member	Position	No of meetings	Rate	Reason for absence
1	Mr. Vũ Đình Độ	Chairman	8	8/8	
2	Mr. Trần Hữu Chuyên	Vice Chairman	8	8/8	
3	Mr. Ngô Đức Vũ	Board member	8	8/8	
4			7	7/8	Appointed from 4 April 2015
	Mr. Phạm Huy Cường	Board member			
5	Mr. Nguyễn Lưu Thụy	Board member	8	8/8	
6			1	1/8	Resigned from 3 April 2015
	Mr. Lê Huy Phương	Board member			

Resolutions and Decisions of the Board

No.	Resolution/Decision number	Date	Content
1	01/NQ-NDN	4/4/2015	Approval of resignation and appointment of some important positions in the Company's executive board.
2	02/NQ-NDN	06/4/2015	Appointed Mr. Nguyen Van Hieu, Director in charge of Plastic Pipes Sales, to be Deputy General Director.
3	03/NQ-NDN	06/4/2015	Appointed Ms. Ly Anh Thu, Director in charge of Packaging Sales, to hold new position of Deputy General Director.
4	04/NQ-NDN	06/4/2015	Appointed Mr. Ngo Duc Vu, Board member, to take new tasks as General Director
5	05/NQ-NDN	06/4/2015	Appointed Mr. Hoang Anh Tuan-Deputy Manager of Accounting Department, to handle new task as Chief Accountant.
6	03.2015/NQ-DNP	21/5/2015	Approval of shares issuance to pay 2014 dividends.
7	06.2015/NQ-DNP	17/6/2015	Approval of selection criteria for potential individual investors and list of expected investors.
8	265/QĐ-NĐN	30/9/2015	Additional contribution of VND20 billion in Dong Nai Mien Trung Plastic JSC to increase its chartered capital to VND45 billion, resulting in an increase in DNP's ownership to VND44.4975 billion equivalent to 99.33% of Dong Nai Mien Trung Plastic JSC's chartered capital.
9	276/2015/NQ-DNP	19/10/2015	Distribution of 2014 profit under the plan approved in the Annual Shareholders Meeting to pay dividends to shareholders and distribute to development investment fund and bonus for executive board fund.
10	277/2015/QĐ-DNP	19/10/2015	Issuance of share options under purchase right program to employees (including BOM, BOD, managers and employees) in 2015.
11	284/2015/NQ-DNP	2/11/2015	Restricted transferring of 5.635 million of shares in a private share placement of to 8 individual investors.

12	303/2015/NQ-DNP	30/11/2015	Capital contribution for establishment of Water Infrastructure Investment DNP-Long An JSC. to operate Nhi Thanh Surface water plant (Thu Thua-Long An) with VND 97.5 billion, equivalent to 65% of total chartered capital of Water Infrastructure Investment DNP-Long An JSC.
----	-----------------	------------	--

ACTIVITIES OF SUPERVISORY BOARD

1. ACTIVITIES OF SUPERVISORY BOARD

The Supervisory Board (SB) of DNP consists of 3 members elected by the Annual Shareholder Meeting in order to carry out monitoring activities under laws and operation regulations of the Company.

In 2015, the Supervisory Board was responsible for:

- Monitoring the implementation of the Company Charter and the Resolutions of the 2015 Annual Shareholder Meeting;
- Strengthening monitoring methods for clear and transparent financial activities of the company;
- Monitoring activities of BOM, BOD and recommending necessary changes in the Company operation management.

The meetings of the Supervisory Board:

SB holds regular meetings on a bi-annual basis to assess performance of the Supervisory Board members as well as to review and assess financial statements approved by the BOD.

In 2015, the Supervisory Board convened two meetings with 100% participants. In addition, The Supervisory Board's members also regularly discussed via phone, email etc. to clarify relevant professional issues and to resolve urgent and sudden matters in a timely manner.

List of the Supervisory Board's members:

No	Member	Position	Ownership percentage of voting right shares
1	Mr. Mai Hữu Đạt	Head	0%
2	Mr. Trịnh Kiên (From 4/4/2015)	SB member	2.55%
3	Mr. Phùng Quang Việt (From 4/4/2015)	SB member	0%
4	Mr. Nguyễn Văn Hiếu (From 1/1/2015 to 25/2/2015)	SB member	0%
5	Ms. Vũ Thu Hương (From 1/1/2015 to 25/2/2015)	SB member	0%

2. RESULTS OF THE SUPERVISORY BOARD'S ACTIVITIES IN 2015

2.1. Supervising the Board of Management's operational objective accomplishments

In 2015, the BOM conducted 8 meetings to make decisions to put into actions business plans as well as other resolutions as approved by the 2015 Annual Shareholders Meeting.

The Company has disclosed information and applied reporting regime in compliance with regulations.

2.2. Supervising the business execution of the Board of Directors

Activities of the BOD in 2015 were in line with the plan approved in 2015 Annual Shareholders Meeting. The Company's business performance exceeded the target set in 2015 Annual Shareholders Meeting.

2.3. Inspecting of reasonableness, legality, truthfulness and prudent principals in accounting and financial reporting

The financial statements were adequately prepared and audited in accordance with Annual Shareholders Meeting requirements as well as related law and regulations. Supervisory Board agreed with the financial statements.

2.4. Monitoring of the Company's compliance with law and regulations

In 2015 the Company had no legal claims.

3. ACTION PLAN OF THE SUPERVISORY BOARD IN 2016

Monitoring the compliance with Resolutions of 2016 Annual Shareholders Meeting.

Reviewing reports issued by the independent auditors and monitoring the implementation of issues raised by the auditors.

Inspecting and monitoring of bad debt collection activities of the Company.

Reviewing and supervising financial and operating regulations as well as policies and regulations issued by the BOM and BOD during the year. Simultaneously, ensuring legal compliance and assessing possible impacts on interest of shareholders when complying with those regulations.

Cooperating with Internal Audit Department of the Company to review and control operating and financial activities of member companies.

TRANSACTIONS, REMUNERATION, BENEFITS OF BOM, BOD AND SB

1. REMUNERATION AND BENEFITS

The 2015 Annual Shareholders Meeting approved the budget remuneration for BOM, The Supervisory Board and bonus for BOD in 2015 as follows:

Remuneration for BOM & Supervisory Board

Item	Budget	Actual
BOM remuneration	336,000,000	336,000,000
SB remuneration	168,000,000	168,000,000
Total	504,000,000	504,000,000

- Remuneration for BOM & SB: 504,000,000 VND;
- Bonus for BOD: 5% of budgeted profit and 10% of 2015 profit exceeding budget.

2. SHARE TRADING OF INTERNAL / MAJOR SHAREHOLDERS, RELATED PARTIES

No	Trader	Relationship with Internal/Major Shareholders, Related parties	No. of shares at the beginning of the period	No. of shares at the end of the period	Reason
1	Mr. Nguyễn Lưu Thụy	Internal Shareholder	1,027,042	0	Selling

SHAREHOLDERS INFORMATION

Stock Information

No	Item	Quantity
1	Total number of deal	248 deals
2	Total auction volume	3,630,873 shares
3	Total auction amount	VND57,895,000,000
4	Average auction volume	14,641 shares
5	Average auction amount	VND233,000,000
6	Highest price in 52 weeks	VND22,200/share

Shareholder structure

Based on the list of shareholders as at 1 March 2016

Type of share	No. of Shares	Rate	Par value (VND)	Percentage of voting
Common shares	13,507,131	99.9%	10,000	1:1
Treasury shares	10	0.1%	10,000	1:0
Total	13,507,141	100%		

Owners

Owner	No. of shareholder	Rate	Share	Rate
State shareholder	0	0%	0	0%
Organizational shareholder	21	3.3%	99,844	0.7%
Individual shareholder	648	96.7%	13,407,287	99.3%
Total	669	100%	13,507,141	100%

Shareholder by geography

Shareholder	No. of shareholder	Rate	Share	Rate
Foreign shareholder	34	5%	404,006	3%
Local shareholder	635	95%	13,103,125	97%
Total	669	100%	13,507,141	100%

CONSOLIDATED FINANCIAL STATEMENTS
DONG NAI PLASTIC JOINT STOCK COMPANY
For the year ended 31 December 2015
(Audited)

CONTENT

	Page
Report of the Board of Directors	2 – 4
Independent auditors' report	5
Audited consolidated financial statements	
Consolidated balance sheet	6 – 8
Consolidated statement of income	9
Consolidated statement of cash flows	10 - 11

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Dong Nai Plastic Joint Stock Company presented their report and consolidated financial statements for the year ended 31 December 2015.

Company background

Dong Nai Plastic Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam under the Business Registration Certificate No. 3600662561 issued by Dong Nai Department of Planning and Investment on 2 January 2004 and the 11th amendment on 24 November 2015.

According to the Business Registration Certificate No. 3600662561, the 11th amendment on 24 November 2015, the principal activities of the Company are Manufacturing – Trading – Services.

The Company has its Head office at Bien Hoa Industrial Zone 1, No.9, An Binh ward, Bien Hoa city, Dong Nai province.

The chartered capital of the Company is VND135,071,410,000 (One hundred and thirty-five billion, seventy-one million four hundred and ten thousand Vietnam Dong).

Branch of the Company

<i>Name of branch</i>	<i>Address</i>	<i>Accounting record</i>
Dong Nai Plastic Joint Stock Company – Hanoi Branch	Room 501A – Thang Long Ford Building – 105 Lang Ha – Hanoi	Independent accounting record and tax finalization

Subsidiaries:

<i>Name of company</i>	<i>Address</i>	<i>Ownership</i>	<i>Voting right</i>
Central Dong Nai Plastic Joint Stock Company	Lot 06 – Dien Nam Industrial Zone – Dien Ngoc – Dien Ban district – Quang Nam province	99.33%	99.33%
Binh Hiep Joint Stock Company	A6 – A7 Residence of Bau Canal – Phan Thiet city – Binh Thuan province	53.7%	53.7%
DNP - Long An Water Infrastructure Investment Joint Stock Company	Hamlet 7 – Nhi Thanh ward – Thu Thua district – Long An province	65%	65%

Significant events in 2015

1. Pursuant to Resolution of 2014 Annual Shareholders Meeting, the Company increased chartered capital from VND34,276,370,000 to VND67,865,830,000 through the payment of 10% shares dividend from profits of 2012 and 2013 and 100:98 share bonus from share premiums. All these shares were additionally listed on 26 March 2015.

Pursuant to the Resolution No. 01/2015/NQ-ĐHCĐ dated 4 April 2015 of 2015 Annual Shareholders Meeting, the Company issued additional 1,085,558 shares to pay 16% dividends for 2014. The Company prepared a report on share issuance submitted to the State Securities Commission dated 14 July 2015 and these shares were approved on 14 August 2015 to be additionally listed.

2. The Company also privately issued 5,635,000 shares at VND13,000 to partners in line with the plan approved in the General Shareholders Meeting. Until 15 July 2015, the Company completed the share issuance and submitted report on share issuance to the State Securities Commission dated 17 July 2015. These shares were additionally listed and traded from 23 November 2015.

The chartered capital after the share issuance was VND135,071,410,000.

3. In 2015, the Company increased its ownership interest in Binh Hiep Joint Stock Company to 53.7% through acquiring equity of other shareholders. Binh Hiep JSC. is a company operating in clean water business, supplying water for Phan Thiet and Mui Ne areas. The chartered capital of Binh Hiep JSC. as at 31 December 2015 was VND56.5 billion. Over the years, Binh Hiep JSC. has achieved good business performance with high profit margin.
4. Pursuant to Revolution No. 303/2015/NQ-DNP dated 30 November 2015 of the Board of Management of the Company, Dong Nai Plastic JSC. planned to contribute VND95,000,000,000 (Ninety-five billion Vietnamese Dong) equivalent to 65% of chartered capital to establish DNP - Long An Water Infrastructure Investment Joint Stock Company which operates in water supply sector in Long An province. As at 31 December 2015, the Company's contribution was of VND10,100,000,000.

Board of Management and Board of Directors up to the date of the financial statements

The members of Board of Management during the year and up to the date of the consolidated financial statements were:

Mr. Vu Dinh Do	Chairman
Mr. Tran Huu Chuyen	Vice Chairman
Mr. Nguyen Luu Thuy	Member
Mr. Ngo Duc Vu	Member
Mr. Pham Huy Cuong	Member

The members of Board of Directors during the year and up to the date of the consolidated financial statements were:

Mr. Ngo Duc Vu	General Director
Mr. Nguyen Van Hieu	Deputy General Director
Mr. Nguyen Kim Nguyen	Deputy General Director
Ms. Nguyen Thi Huyen	Deputy General Director

Members of Supervisor Board were:

Mr. Mai Huu Dat	Head
Mr. Phung Quang Viet	Member
Mr. Trinh Kien	Member

Auditors

Auditors of the Company are Vietnam Auditing and Valuation Company Limited (AVA).

Consolidated financial statements by the Board of Directors

Management is responsible for the preparation of the consolidated financial statements. The consolidated financial statements give a true and fair view of the financial position of the Company, and of its results of operations and cash flows for the accounting period. In preparing the consolidated financial statements, the Board of Directors confirmed the followings:

- Selection of appropriate accounting policies and apply those policies consistently;

- Provide judgements and estimates that are reasonable and prudent;
- Preparation and presentation of consolidated financial statements in compliance with accounting standards and systems and relevant statutory requirements;
- Prepare the consolidated financial statements on a going concern basis. The Company continues operating and carry out business plans in the following fiscal year.
- The accounting books are kept to reflect the financial position of the Company, with reasonable accuracy, at any time, and to ensure that the financial statements comply with relevant regulations. Simultaneously, it is responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.
- Since the accounting period-end to the date of preparation of consolidated financial statements, we confirm that there is no matter or circumstance that has arisen that may significantly affect the presented information in the consolidated financial statements and the company's operations for the following fiscal year.

In the opinion of the Board of Directors, the consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2015 and of the consolidated results of its operations and the consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and comply with relevant statutory requirements.

Other commitments

The Board of Directors confirms that the Company did not breach its obligation to disclose information under the provisions of Circular No. 155/2015/TT - BTC dated 6 October 2015 issued by the Ministry of Finance providing guidance on information disclosure in the stock market.

On behalf of the Board

Ngo Duc Vu**General Director***Dong Nai, 2 February 2016*

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, Board of Management and Board of Directors
Dong Nai Plastic Joint Stock Company**

We have audited the accompanying consolidated financial statements of Dong Nai Plastic Joint Stock Company (“the Company”), which were prepared on 2 February 2016 and comprised the consolidated balance sheet as at 31 December 2015, the consolidated statement of income, the consolidated statement of cash flows for the year then ended and the explanatory notes as set out from pages 6 to 44.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and statutory requirements relevant to preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of the consolidated 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 the 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Audit Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the financial position of Dong Nai Plastic Joint Stock Company as at 31 December 2015, and of the financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements.

Vietnam Auditing and Valuation Company Limited

Luu Quoc Thai

Vice Director

Audit Practising Registration Certificate

No. 0155-2014-126-1

Hanoi, 25 February 2016

Nguyen Mai Lan

Auditor

Audit Practising Registration Certificate

No. 1425 -2014-126-1

CONSOLIDATED BALANCE SHEET
 At 31 December 2015

Unit: VND

ASSETS	Code	Note	Ending balance	Begining balance
A. CURRENT ASSETS	100		491,185,605,860	330,291,081,811
I. Cash and cash equivalents	110	V.01	117,919,781,424	8,709,757,845
1. Cash	111		98,886,448,090	8,709,757,845
2. Cash equivalent	112		19,033,333,334	
II. Short-term financial investments	120	V.02	20,468,270,709	9,370,000,000
1. Held-for-trading securities	121		6,000,000,000	
2. Provision for diminution in the value of trading securities (*)	122			
3. Held-to-maturity investments	123		14,468,270,709	9,370,000,000
III. Short-term receivables	130		238,557,989,404	214,494,997,267
1. Short-term trade receivables	131	V.03	202,305,779,589	174,847,298,934
2. Short-term prepayments to suppliers	132		45,328,204,340	7,991,304,348
3. Inter-company receivables	133			
4. Construction contract receivables based on agreed progress billings	134			
5. Short-term loan receivables	135			
6. Other short-term receivables	136	V.04	14,246,391,980	39,413,384,829
7. Provision for doubtful debts (*)	137	V.06	(23,358,595,294)	(7,993,393,084)
8. Shortage of assets awaiting resolution	139	V.05	36,208,789	236,402,240
IV. Inventories	140	V.07	110,515,788,914	96,738,487,417
1. Inventories	141		112,862,588,827	99,867,047,396
2. Provision for devaluation of inventories (*)	149		(2,346,799,913)	(3,128,559,979)
V. Other current assets	150		3,723,775,409	977,839,282
1. Short-term prepaid expenses	151	V.12	429,531,754	587,568,799
2. Deductible value-added tax	152		2,360,796,368	390,270,483
3. Taxes and other receivables from the State Budget	153	V.18	933,447,287	
4. Purchase transactions of government bonds	154			
5. Other current assets	155			
B. NON-CURRENT ASSETS	200		225,639,858,642	86,624,493,666
I. Long-term receivables	210		3,554,542,402	1,911,461,918
1. Long-term receivables from customers	211			
2. Long-term prepayments to suppliers	212			
3. Contributed capital in branches/subsidiaries	213			
3. Inter-company receivables	214			
4. Long-term loan receivables	215			
5. Other receivables	216	V.04	3,554,542,402	1,911,461,918
6. Provision for doubtful debts (*)	219			

CONSOLIDATED BALANCE SHEET

At 31 December 2015

(Continued)

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
II. Fixed assets	220		135,181,964,110	72,636,029,519
1. Tangible fixed assets	221	V.09	110,290,986,601	48,806,485,928
- Cost	222		240,129,998,317	133,668,949,948
- Accumulated depreciation (*)	223		(129,839,011,716)	(84,862,464,020)
2. Finance leased fixed assets	224	V.10	20,880,956,842	21,068,501,212
- Cost	225		24,784,924,148	27,611,085,260
- Accumulated depreciation(*)	226		(3,903,967,306)	(6,542,584,048)
3. Intangible assets	227	V.11	4,010,020,667	2,761,042,379
- Cost	228		4,125,064,091	2,818,564,091
- Accumulated depreciation(*)	229		(115,043,424)	(57,521,712)
III. Investment properties	230			
- Cost	231			
- Accumulated depreciation(*)	232			
IV. Long-term assets in progress	240	V.08	11,148,162,572	286,253,796
1. Long-term work in progress	241			
2. Construction in progress	242		11,148,162,572	286,253,796
V. Long-term financial investments	250	V.02	46,437,662,000	10,486,890,000
1. Investments in subsidiaries	251			
2. Investments in associates, joint-ventures	252		28,207,062,000	
3. Investments in other entities	253		15,230,600,000	10,486,890,000
4. Provision for diminution of long-term financial investments	254			
5. Held-to-maturity investments	255		3,000,000,000	
VI. Other long-term assets	260		29,317,527,558	1,303,858,433
1. Long-term prepaid expenses	261	V.12	5,880,274,423	1,146,452,121
2. Deferred tax assets	262	V.13		92,100,643
3. Long-term equipment, supplies and spare parts	263			
4. Other long-term assets	268			
5. Goodwill	269	V.14	23,437,253,135	65,305,669
TOTAL ASSETS	270		716,825,464,502	416,915,575,477

CONSOLIDATED BALANCE SHEET

At 31 December 2015

(Continued)

Unit: VND

RESOURCES	Code	Note	Ending balance	Beginning balance
C. LIABILITIES	300		450,841,272,946	305,834,100,261
I. Current liabilities	310		425,964,421,940	297,101,549,618
1. Short-term trade payables	311	V.16	22,991,638,166	18,382,710,949
2. Short-term advances from customers	312	V.17	7,862,756,725	5,957,810,264
3. Taxes payable to the State Budget	313	V.18	2,904,062,886	13,085,742,972
4. Payables to employees	314		5,797,540,068	4,961,447,893
5. Accrued expenses	315	V.19	1,652,088,315	417,048,749
9. Other short-term payables	319	V.20	3,632,406,030	4,517,839,900
10. Short-term borrowings and finance lease liabilities	320	V.15	377,029,470,505	249,785,478,014
11. Provision for short-term liabilities	321		753,899,710	
12. Bonus and welfare funds	322		3,340,559,535	(6,529,123)
II. None-current liabilities	330		24,876,851,006	8,732,550,643
8. Long-term borrowings and finance lease liabilities	338	V.15	24,876,851,006	8,732,550,643
D. OWNER'S EQUITY	400		265,984,191,556	111,081,475,216
I. Owner's equity	410	V.21	265,984,191,556	111,081,475,216
1. Contributed capital	411		135,071,410,000	34,276,370,000
- Ordinary shares with voting rights	411A		135,071,410,000	34,276,370,000
- Preference shares	411B			
2. Share premium	412		16,905,000,000	26,517,339,735
4. Other owner's capital	414		11,782,176,721	1,441,908,340
5. Treasury shares (*)	415		(342,000)	(342,000)
8. Investment and development funds	418		25,035,999,802	19,576,262,119
11. Undistributed profits	421		40,291,857,999	28,966,953,711
- Undistributed profits up to the end of prior period	421A		270,562,588	28,966,953,711
- Undistributed profits of current period	421B		40,021,295,411	
12. Non controlling interest	429		36,898,089,034	302,983,311
II. Funding and other funds	430			
TOTAL RESOURCES	440		716,825,464,502	416,915,575,477

Note: The negative amount was recored in ()

Ngô Đức Vũ
General Director

Hoàng Anh Tuấn
Chief Accountant

Nguyễn Minh Đức
Preparer

Dong Nai, 02 February 2016

CONSOLIDATED STATEMENT OF INCOME
Year 2015

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sale of goods and rendering of services	01	VL01	905,862,072,037	596,843,323,635
2. Less deductions	02	VL02	2,018,870,403	2,340,495,940
3. Net revenue from sale of goods and rendering of services	10	VL03	903,843,201,634	594,502,827,695
4. Cost of goods sold and services rendered	11	VL04	740,399,372,490	507,526,741,156
5. Gross profit from sale of goods and rendering of services	20		163,443,829,144	86,976,086,539
6. Finance income	21	VL05	4,055,969,480	433,519,988
7. Finance expenses	22	VL06	30,186,865,640	15,135,429,638
- Including: interest expense	23		21,152,374,024	11,405,213,958
8. The profit/(loss) from associates and joint ventures	24			
9. Selling expenses	25	VL07	24,802,557,295	17,215,941,330
10. General and administrative expenses	26	VL07	52,837,446,930	24,231,498,561
11. Net operating profit	30		59,672,928,759	30,826,736,998
12. Other income	31	VL08	3,519,254,001	450,440,613
13. Other expenses	32	VL09	1,678,439,339	2,481,345,222
14. Profit/(loss) from other activities	40		1,840,814,662	(2,030,904,609)
15. Accounting profit before tax	50		61,513,743,421	28,795,832,389
16. Current corporate income tax expense	51	VL10	8,254,148,305	5,941,402,339
17. Deffered corporate income tax (expense)/ income	52	VL11	92,100,643	(53,489,827)
18. Net profit after tax	60		53,167,494,473	22,907,919,877
19. Profit after tax of shareholders of parent company	61		45,058,404,272	22,882,310,056
20. Profit after tax of non controlling interest	62		8,109,090,201	25,609,821
21. Earning per share	70	VL12	4,266	2,645
22. Diluted earnings per share	71	VL13	4,266	2,645

Ngô Đức Vũ
General Director

Hoàng Anh Tuấn
Chief Accountant

Nguyễn Minh Đức
Preparer

Dong Nai, 02 February 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

(Indirect method)

Year 2015

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from Operating activities				
1. Net profit before tax	01		61,513,743,421	28,795,832,389
2. Adjustments for:			66,051,960,030	32,029,722,728
+ Depreciation	02		24,637,340,274	14,962,713,579
+ Provisions	03		15,337,341,854	4,341,476,251
Unrealised foreign exchange losses due to				
- revaluation of monetary items denominated	04		6,713,114,020	1,100,987,146
in foreign currencies				
- (Profits)/Loss from other investing activities	05		(1,788,210,142)	219,331,794
+ Interest expense	06		21,152,374,024	11,405,213,958
3. Operating profit before changes in working capital	08		127,565,703,451	60,825,555,117
- Increase in receivables	09		(23,542,396,781)	(93,942,378,938)
- Increase in inventories	10		(13,755,030,825)	(31,129,285,715)
- Decrease in payables	11		(16,944,214,393)	(630,702,574)
(Excluding accrued interest, payable CIT)				-
- (Increase)/decrease in prepaid expenses	12		(3,856,747,221)	127,484,493
- Interest paid	14		(20,163,919,709)	(11,224,892,719)
- Corporate income tax paid	15		(12,828,841,995)	(3,849,351,019)
- Other receipts from operating activities	16			
- Other payments for operating activities	17		(1,640,766,862)	
Net Cash Flow from operating activities	20		34,833,785,665	(79,823,571,355)
II. Cash flows from Investing activities				
1. Capital expenditures (Fixed Assets and Other Assets)	21		(30,993,433,747)	(9,801,926,726)
2. Proceeds from disposals of Fixed Assets and Other Assets	22		523,272,727	775,509,090
3. Purchases of debt securities in other entities	23		(87,198,270,709)	(9,370,000,000)
4. Loan collected from or proceeds from disposal of other entities	24		77,100,000,000	-
5. Investments in other entities	25		(80,265,772,778)	(10,486,890,000)
6. Proceeds from divestment in other entities	26			-
7. Dividends, distributed profit and interest received	27		1,619,070,428	20,421,788
Net cash outflows from investing activities	30		(119,215,134,079)	(28,862,885,848)

CONSOLIDATED STATEMENT OF CASH FLOWS

(Indirect method)

Year 2015

(continued)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from Financing activities				
1. Proceeds from issue of shares, receipt of capital contribution by owners	31		81,622,923,000	223,947,000
2. Cash paid to equity holders, repurchaser of treasury shares	32			
3. Proceeds from borrowings	33		859,813,866,501	596,345,605,518
4. Repayments of borrowings	34		(736,468,929,182)	(479,529,175,904)
5. Payments of financial lease	35		(9,594,633,749)	(7,257,859,440)
6. Dividends paid	36		(1,805,450,000)	
Net cash flow from financing activities	40		193,567,776,570	109,782,517,174
Net cash flows in year	50		109,186,428,156	1,096,059,971
Cash and cash equivalents at beginning of year	60		8,709,757,845	7,616,394,479
Foreign exchange gain on cash and cash equivalents	61		23,595,423	(2,696,605)
Cash and cash equivalents at end of year	70		117,919,781,424	8,709,757,845

Ngô Đức Vũ
 General Director
 Dong Nai, 02 February 2016

Hoàng Anh Tuấn
 Chief Accountant

Nguyễn Minh Đức
 Preparer



DONG NAI PLASTIC JOINT STOCK COMPANY

No. 9, Bien Hoa Industrial Zone 1, Dong Nai, Vietnam

Tel: +84 61 3836 843

Fax: +84 61 3836 174

www.donaplast.com.vn