



TIEN PHONG PLASTIC
pioneer always
ANNUAL REPORT
2016

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TIEN PHONG PLASTIC PIONEER ALWAYS



MESSAGE FROM CHAIRMAN

Dear Valued Shareholders, Investors and Partners!

In 2016, Tien Phong Plastic Joint Stock Company experienced many events and achieved significant achievements, which marked the first milestones in the development strategy that the Board of Management has set. We are confident to say that Tien Phong Plastic has owned a solid foundation in the plastic manufacturing and be ready for the next stage of development, to become one of the leading plastics suppliers not only in Vietnam but also in the South-east Asia in further.

Also in 2016, Tien Phong Plastic has experienced many important events, marking the beginning of a whole new development phase, a year of spectacular "breakthrough". One of our most prominent event is the launch of new product lines with super durable feature such as: M-PVC (with ability of standing the impact force more than 50 times as compared with other normal u.PVC tubes), with light weight, good clearance height and high impact resistance, is expected to be a breakthrough technology product that attract more consumers; 2-layer PP-R tubes with heat resistant up to 95 degrees Celsius, anti-UV effects - overcome embryo defects and increase life expectancy when exposed to sunlight; especially with the HDPE-DN-2000 pipe that has the largest diameter in Vietnam and Asia, this is one of the few production lines of HDPE pipe with diameter up to 2000mm available in the world and Tien Phong Plastic is proud to be the first company in Vietnam as well as in Asia to invest and own this equipment chain. These products received heavy attention and positive feedbacks from the market, marking the great progress of Tien Phong Plastic in innovation and creativity, enhancing our capacity to participate in large projects.

In addition, the company successfully researched and defended 3 city-level projects related to improving the efficiency of plastic pipe products. The practical application of the project will help the company to control the quality of HDPE pipes with a diameter of 1.4m-2m. This is one of the key products that we exclusively manufacture in Vietnam and is used in large, core national projects. Therefore, the evaluation of product quality control is extremely important, directly affecting the quality of our works and the company's brand.

Along with these successes, Tien Phong Plastic had the business results of 2016 with impressive numbers. Specifically, the



company's sales increased at growth rate of 23%, in which PPR product's growth rate as high as 39%, consolidated revenue was VND 4,365.5 billion, and profit after tax was VND 397.6 billion. The dividend payout ratio in 2016 is up to 60%. The reputation and social impact of Tien Phong Plastic is improving, increasingly asserting the leading position in the plastic industry with the first position in terms of sales.

Step in the new development stage, Tien Phong Plastic is ready for pioneering steps. Tien Phong Plastic not only focuses on expanding production lines and the basis of available distribution network but also prepares sufficient resources for potential investment plans such as in-depth capital, human resources, labor and technology. We are committed to provide the market with superior NTP brand-ed products. We also focus on the implementation of new market-oriented business strategies with aims to capture opportunities in an uncertain business environment.

We believe in our strategic directions set and the 2016 result confirmed for this belief. Besides, the companion of all staffs and employees with the support and trust from our shareholders are the main motivation for the company to continue to rise and affirm the position, and we fully believe in the success and sustainable development of Tien Phong Plastic in the new period.

On behalf of the Board of Management, I would like to express our deep gratitude to shareholders, the State management agencies; partners and especially the dedication and enthusiasm of the Board of Management, Tien Phong Plastic employees and other unions have brought NTP to complete our production and business goals in 2016, creating a premise for the development phase. Together we can step firmly on a new journey and raise the new innovations!

We wish you a year of peace, prosperity and success!

We wish you a year of peace, prosperity and success!

Hai Phong, April, 2017
**REPRESENTATIVE OF THE BOARD
OF MANAGEMENT**



**Chairman
Tran Ba Phuc**

VISION

Over the half past century, generations of officers, workers and employees at Tien Phong Plastic have constantly strived, constructed and brought the company to become a leading plastic player of Vietnam Plastics industry – both in Vietnam market and regional plastic market.

Vision

MISSION

Bringing high-quality products through the application of advanced technology and large-scale investment.

CORE VALUE

We define our core values by “reputation in each action – quality of each product – companion and share with partners – responsibility to the community”

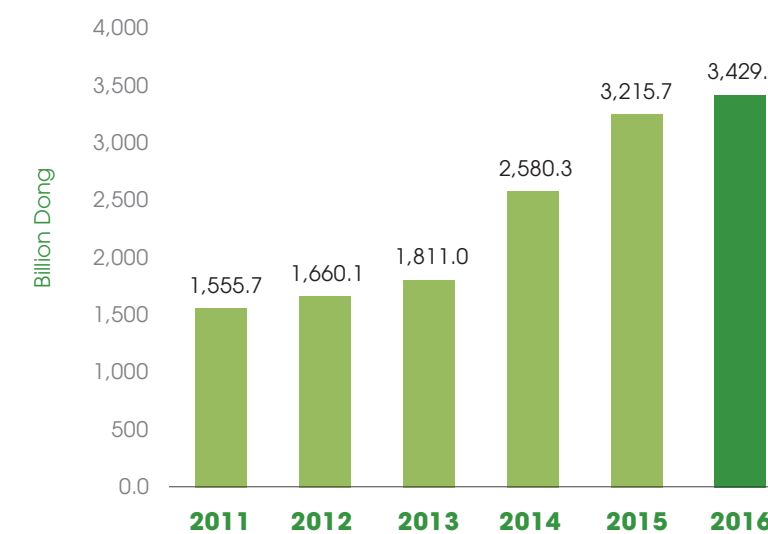
- » **Reputation in each action:** Following the concept of “reputation goes first” through every action, every Tien Phong Plastic employee is highly committed to customers, Partners, colleagues, and the community. All together is to build a “trust culture” for a reputable pioneer of Vietnam plastic industry.
- » **Quality on each product:** We commit that not only the Quality control Department in charge to ensure that the output meets the standards specifications, but also the Finance and Accounting department with the transparent financial statements or the guards with his night shift or the Sales department with their training session. Each member of Tien Phong Plastic JSC always has to make his best efforts to the highest quality.
- » **Companion and share with partners:** With the philosophy that partners are our companions on road of doing business, Tien Phong Plastic always support partners in the spirit of cooperation to succeed and mutual benefits.
- » **Responsibility to the community:** Tien Phong Plastic commits that all business operations are implemented transparent, efficiently and responsible. Not only for the purpose of economic development, but also existing to serve Vietnamese consumers, to improve and enhance the lives of employees, to bring long-term benefit to partners and shareholders, and to contribute to the common interests of the whole society.

2016 FINANCIAL HIGHLIGHTS

TOTAL ASSETS

Year	Unit	2011	2012	2013	2014	2015	2016
Total assets	Billion Dong	1,555.7	1,660.1	1,811.0	2,580.3	3,215.7	3,429.4

Total Assets in the period 2011-2016



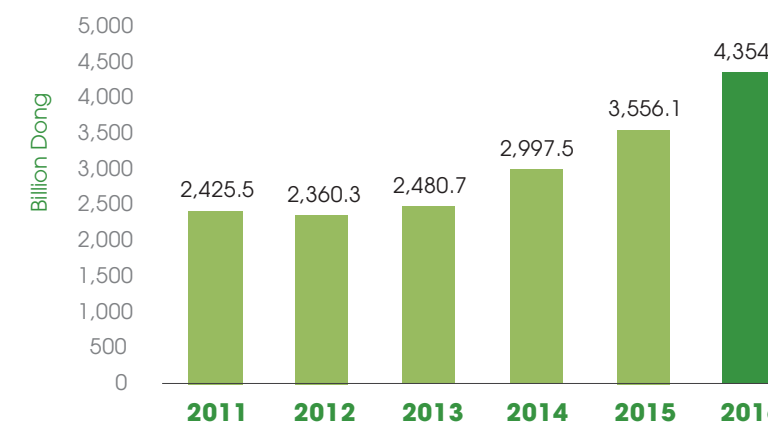
The Compound annual growth rate (CAGR) of Total Assets in the period 2011-2016 is

17% per year

TOTAL NET REVENUE AND OTHER INCOME

Year	Unit	2011	2012	2013	2014	2015	2016
Total net revenue	Billion Dong	2,425.5	2,360.3	2,480.7	2,997.5	3,556.1	4,354.2

Total Revenue in the period 2011-2016



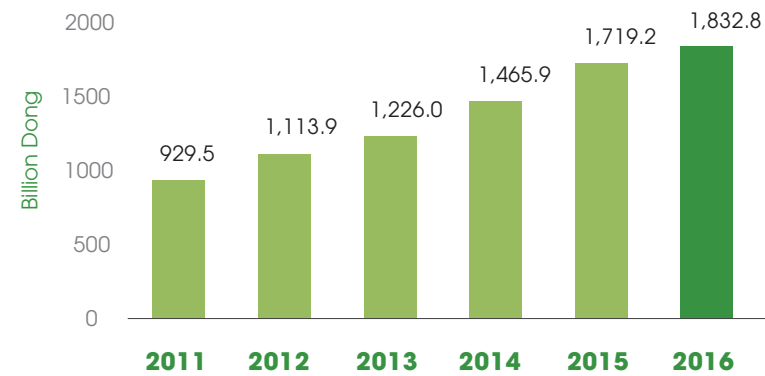
The compound annual growth rate (CAGR) of total revenue in the period 2011-2016:

12% per year

EQUITY

Year	Unit	2011	2012	2013	2014	2015	2016
Equity	Billion Dong	929.5	1,113.9	1,226	1,465.9	1,719.2	1,832.8

Equity in the period 2011-2016



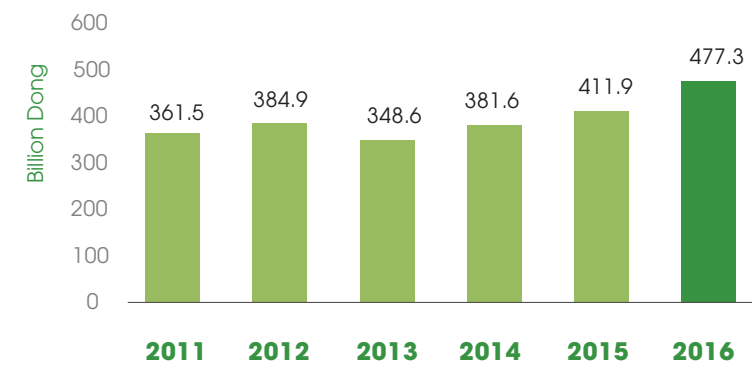
The compound annual growth rate (CAGR) of equity in the period 2011-2016 is

15% per year

PROFIT BEFORE TAX

Year	Unit	2011	2012	2013	2014	2015	2016
Pre-tax profit	Billion Dong	361.5	384.9	384.6	381.6	411.9	447.3

Pre-tax profit in the period 2011-2016



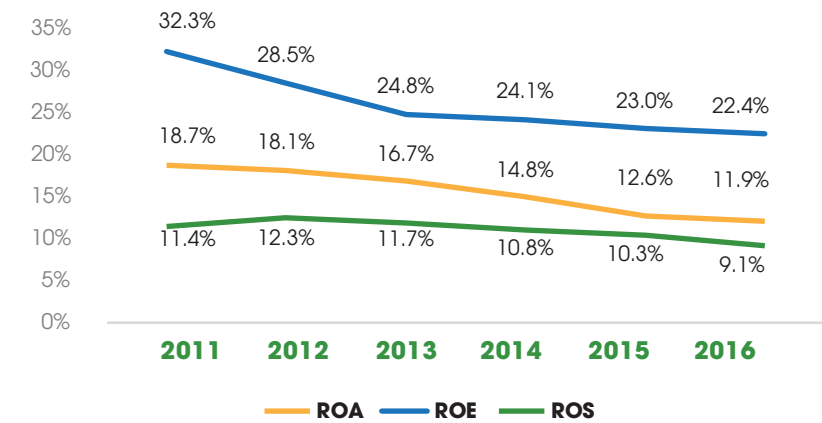
The compound annual growth rate (CAGR) of pre-tax profit in the period 2011-2016:

4% per year

ROS, ROE, ROA FOR THE PERIOD 2011-2016

	2011	2012	2013	2014	2015	2016
ROA	18.7%	18.1%	16.7%	14.8%	12.6%	11.9%
ROE	32.3%	28.5%	24.8%	24.1%	23.0%	22.4%
ROS	11.4%	12.3%	11.7%	10.8%	10.3%	9.1%

ROS, ROE, ROA for the period 2011-2016



PERFORMANCE INDICATORS

Year	Unit	2011	2012	2013	2014	2015	2016
Average inventory	Day	103.09	106.23	104.43	101.86	114.99	95.58
Days sales outstanding	Day	66.75	71.06	67.63	67.28	75.59	79.72
Average payment period	Day	133.11	132.74	128.41	149.63	210.87	204.39
Fixed asset turnover	Time	5.69	4.08	3.38	3.6	3.73	4.02
Total asset turnover	Time	1.64	1.47	1.42	1.36	1.22	1.3

OTHER INDICATORS

Year	Unit	2011	2012	2013	2014	2015	2016
EPS	VND	6,206	6,721	6,681	4,899	5,171	5,346
Book value (BV)	VND	21.45	25.7	28.9	26.02	27.74	24.65
The price/earnings ratio (P/E)	Time	4.83	5.06	8.79	9.25	10.52	13.113

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MARKET LEADER



**COMPANY NAME**

Tien Phong Plastic Joint Stock Company

FULL NAME

Tien Phong Plastic Joint Stock Company

ABBREVIATION

NTP

**STOCK CODE**

NTP

**BUSINESS
REGISTRATION
CERTIFICATE**

No. 0200167782 issued by Hai Phong Department of Planning
and Investment on 30 December 2004 and amended Busi-
ness Registration Certificates

**AUTHORIZED CAPITAL**

743 billions VND

**HEAD OFFICE**

No. 222 Mac Dang Doanh Street, Hung Dao Ward, Duong
Kinh District, Hai Phong City, Vietnam

**NUMBER PHONE**

+ (84 31) 3813979

**FAX NUMBER**

+ (84 31) 3813989

**WEBSITE**www.nhuatienphong.vn**COMPANY
INFORMATION**

**CÔNG TY CỔ PHẦN
NHỰA THIẾU NIÊN TIỀN PHONG**

ĐO: 001/001 - ĐƯỜNG KINH - TP. HẢI PHÒNG * ĐT: (021) 3636669 - FAX: (021) 3640133 - 3634669 * Website: www.nhuatienphong.vn

PIONEERING POSITION

With position of a big brand through 56 years of establishment and development, Tien Phong Plastic JSC has always affirmed the pioneering position and played a leading role in the plastics industry, especially in building and construction plastics industry in Vietnam.

The Vietnamese plastics industry is still relatively young compared to other industries but the industry has seen strong growth in recent years with an average annual growth rate of 15-18% in 2011-2016.. With the rapid pace of development, plastic industry is considered a dynamic sector in the economy of Vietnam. We are only at the first steps of the plastics development process as compared to the world's plastics industry, therefore the potential of this market is still great.

At the present, Tien Phong Plastic JSC continues to maintain our leading position on revenue and sales volumes. We hold the number one market share in the

northern region with 70%, while expanding our market coverage in the central region and making the first steps into the southern region.

Tien Phong Plastic JSC heads toward to our goal by constantly investing and expanding production and operating its manufacture in the Central and South region. At the same time, the company has a distribution network throughout the country with more than 300 dealers and 3,000 points of sales in all provinces and cities in Vietnam, and to Laos and Cambodia. These sustainable sources support strongly for our trading and distributing of products, hence increasing revenue and sales targets of the company.

We constantly prove to the market our ability of maintaining revenue growth rate even in the most difficult period. The successes and competitive advantages of Tien Phong Plastic JSC come from large-scale production, diversified products. In addition, these advantages allow us to increase more discount policies applied for dealers and distribution channels, therefore helping to maintain and increase our market share and revenue growth.

In the current situation of the plastics industry with high growth rates and fierce competition from domestic companies and foreign companies, we are aware of the importance of maintaining, developing the company's brand and trust from customers. The Board of directors and all workers of Tien Phong Plastic JSC always strive and give our best effort to keep the company's leading position in the industry and to gradually assert our brand position in international market.

HISTORY OF FORMATION & DEVELOPMENT

» History of formation and development

1958 - 1960

In December 1958, the Ministry of Light Industry (now the Ministry of Industry and Trade) decided to build a plastic factory, the first facility of plastic production and processing in Vietnam in An Da street, Hai Phong city. On 19/05/1960, the plastic factory officers cut the ribbon inaugurated and named "Tien Phong Plastic Factory".

1960 - 1990

During the first 30 years of establishment, from 1960 to 1990, in the context of the country being pushed into the state of constant war, the factory actively involved in the production of military goods such as belts, raincoats; plastic slippers ... contributes to the success of the national defense. Since 1990, the factory has gradually shifted to u.PVC, PEHD, PPR plastic pipe products for water supply and drainage and construction.

2006 - 2007

On October 24, 2006 Tien Phong Plastic Joint Stock Company officially listed 14,446,000 shares on the Hanoi Stock Exchange under the ticker symbol NTP. Less than a year later, on July 16, 2007, the Company registered to add 7,222,998 shares, bringing the total listed shares to 21,668,998 shares, equivalent to more than VND 216 billion of charter capital.

2007 - 2008

On November 1, 2007, Tien Phong Plastic established the Tien Phong Plastic South Joint Stock Company. In 2008, the company started the project to establish Tien Phong Plastic - SMP Joint Venture Company in Lao People's Democratic Republic. On January 28, 2010, TienPhong Plastic - SMP Joint Venture Company was officially put into production.

2016

In 06/2016, the Company issued shares to existing shareholders at the ratio 5:1, bringing the number of NTP shares to 74,367,307 shares, corresponding to the charter capital of more than VND 743 billion.

2015

On May 18, 2015, Tien Phong Plastic decided to establish Tien Phong Land Co., Ltd in Hai Phong city, officially entered the field of real estate.

2014

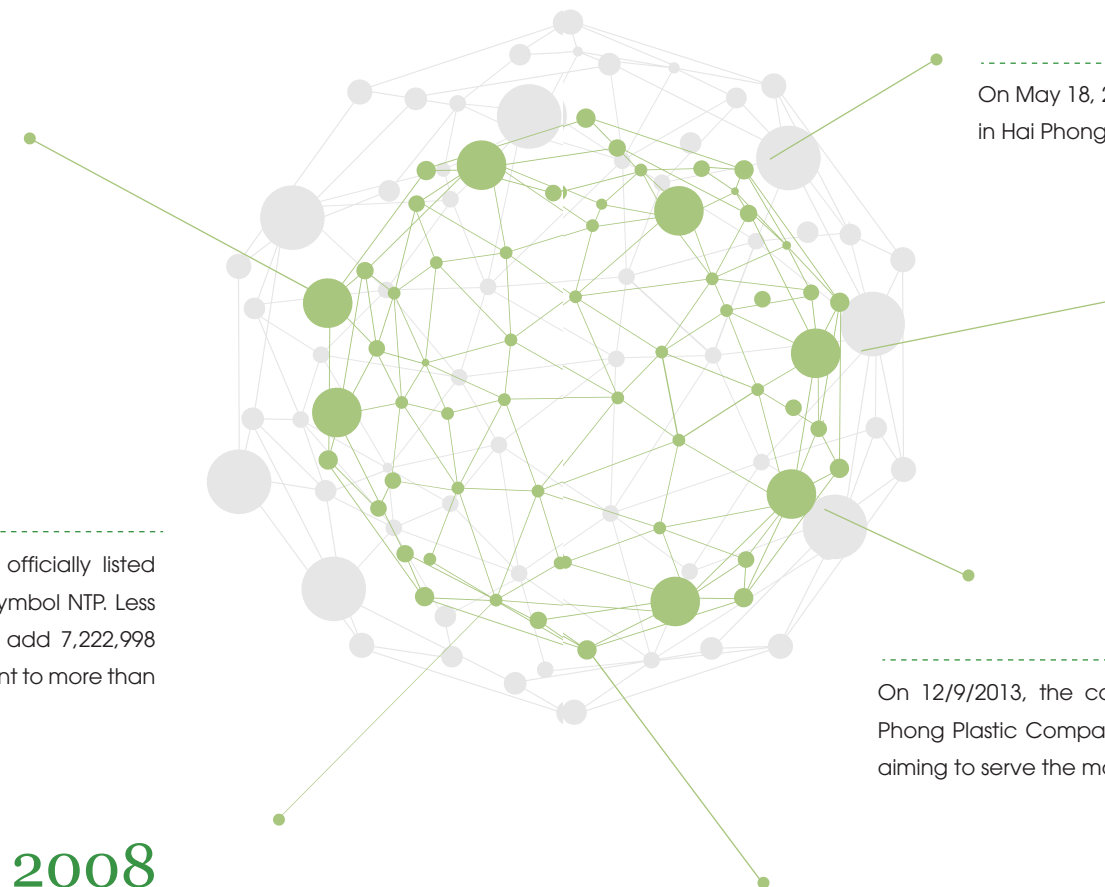
In May 2014, Tien Phong Plastic continued to issue 13,001,294 shares to raise its chartered capital to VND 536 billion. One year later, on May 16, 2015, the company successfully issued 5,633,805 shares, bringing the number of NTP shares listed to 61,973,095 shares, the charter capital of more than VND 619 billion.

2013

On 12/9/2013, the company held the inauguration ceremony of Central Tien Phong Plastic Company Limited. This is a subsidiary company based in Nghe An aiming to serve the market development strategy in the Central of the Company.

2011

In 2011, Tien Phong Plastic issued bonus shares at a ratio of 1:1, increased charter capital to over VND 433 billion.



HISTORY OF FORMATION & DEVELOPMENT Continue

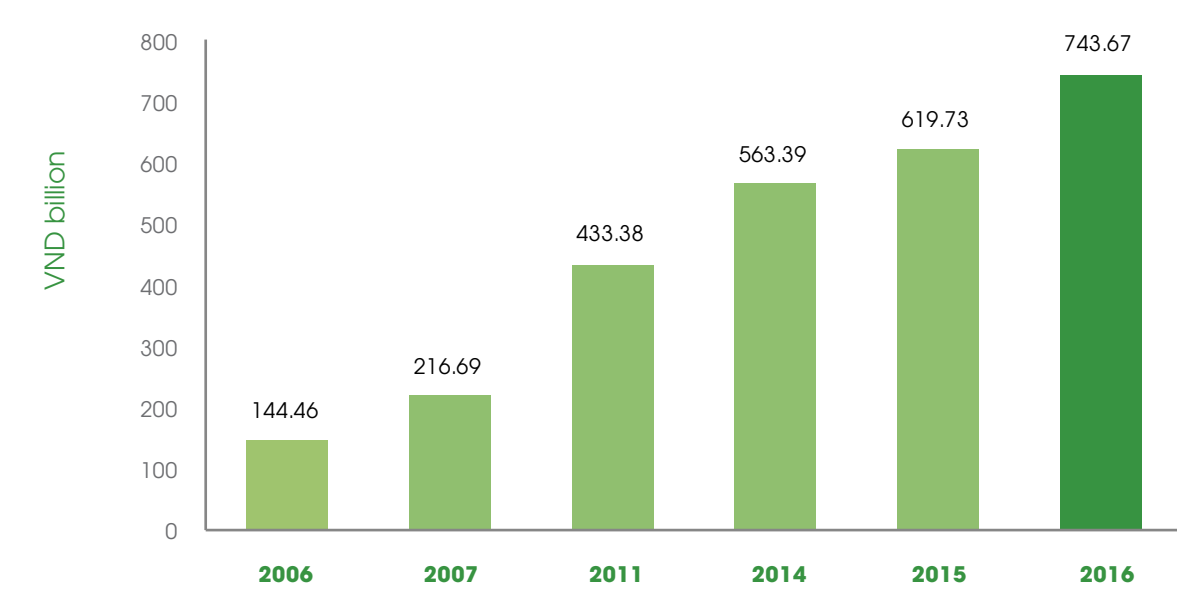
» The process of increasing the charter capital of the Company

Tien Phong Plastic Capital Increase Process

No	Issued objects	(VND billion)	Chartered capital (VND Billion)	Number	Issued date
1	Strategic partnership	144.46	144.46	23/2006/GCNCP-TTLK	07/12/2006
2	Bonus shares to existing shareholders	72.23	216.69	23/2006/GCNCP-TTLK-1	16/07/2007
3	Bonus shares to existing shareholders	216.69	433.38	23/2006/GCNCP-TTLK-2	13/04/2011
4	Bonus shares to existing shareholders	130.01	563.39	23/2006/GCNCP-TTLK-3	03/07/2014
5	Bonus shares to existing shareholders	56.34	619.73	23/2006/GCNCP-TTLK-4	15/07/2015
6	Issue shares to existing shareholders at 5:1 ratio	123.94	743.67	23/2006/GCNCP-VSD-5	17/06/2016

Source: NTP

Capital Increase Process



HONORS AND AWARDS IN 2016

TOP 30

BUSINESSES PERFORMING WELL INFORMATION DISCLOSURE

On November 11 2016, at the Annual Business Meeting & Company Management Conference 2016, NTP was voted one of Top 30 companies honored for our information disclosure and transparency performance from 2015 to 2016. This is the 4th consecutive year NTP is honored on this list, assuring the commitment and efforts of the company in information disclosure to investors.



AWARD FROM THE STATE SECURITIES COMMISSION OF VIETNAM

On October 28 2016, at the 20th Traditional day anniversary of Vietnam industry securities, NTP was honored as one of 23 members of State Securities Commission for positive contributions in building and developing Vietnam's stock market.



AWARD OF THE PRIME MINISTER

On May 23 2016, the Company's Party has been honored by Prime Minister with a certificate for the positive achievements in their work and contributes to build socialism and national defense.



TOP 30

BEST ANNUAL REPORTS

On July 29 2016, Tien Phong Plastic (NTP) JSC was honored as one of the top of the 2016 annual reports. 2016 is the 4th year in one goes (2013 to 2016), that the annual report of the company was voted and honored by Hochiminh Stock Exchange. And this is the first year, the annual report of the company in the top 30 best annual report.



YEAR 2016 NATIONAL BRAND

On November 30 2016, NTP has been honored by the National Brand Council as 1 in 88 businesses representing 16 sectors, manufacturing industry and Vietnam's exports which reached Vietnam Value in 2016.



AWARD FROM THE MINISTER OF FINANCE

On August 05 2016, Central Tien Phong Plastic Company Limited has been honored by Finance Minister with a certificate for "Doing well the declaration and payment of taxes in 2015".

HIGHLIGHTED EVENTS IN 2016

01 Introduced new products: HDPE DN2000, PP-R 2 layers of UV protector

On May 19 2016, NTP and Water Supply and Sewerage Association organized the conference and introduced products HDPE DN2000, PE/PP 2 ribbed layers, PPR 2 layers of UV protection, M-PVC. This conference has become an important milestone to implement the development strategy of the company in the new period.



04 Top 30 best annual reports

On July 29 2016, Tien Phong Plastic (NTP) JSC was honored as one of the top of the 2016 annual reports. 2016 is the 4th year in one goes (2013 to 2016), that the annual report of the company was voted and honored by Hochiminh Stock Exchange. And this is the first year, the annual report of the company in the top 30 best annual report.



02 Achieved "National Brand 2016" in the first attendance

On November 30 2016, NTP has been honored by the National Brand Council for 1 of 88 businesses in 16 sectors of manufacturing and exporting industry that reached Vietnam Value in 2016.



05 The union activities

NTP's Union organized a 2016 sporty culture week to celebrate 56 years establishing the company (05/19/1960 - 19/5 / 2016).

03 Top 30 most transparent companies of HNX 2016

On November 11 2016, at the Annual Business Meeting & Company Management Conference 2016, NTP was voted one of Top 30 companies honored for our information disclosure and transparency performance from 2015 to 2016. This is the 4th consecutive year NTP is honored on this list, assuring the commitment and efforts of the company in information disclosure to investors.



06 Social activities

NTP and the Association for the Support of Vietnamese Handicapped and Orphans of Haiphong held the inauguration ceremony and handed over kindness house to Mr. Pham Van Hien - a veteran in a poverty family, Duong Kinh, Haiphong.



BUSINESS LINES BUSINESS NETWORK

» The main commercial aspect

Brief on business

Business Division of Tien Phong Plastic Joint Stock Company

The main business of Tien Phong Plastic Joint Stock Company is Plastic Manufacturing & Trading. The company's products are diversified and meet large demands of the market, especially in water supply, drainage and sewerage in industrial, agricultural, fishery, transportation, petroleum and civil industries. The main lines of our company's plastic products include PPR pipes and PPR fittings, HDPE pipes and HDPE fittings, u.PVC pipes and u.PVC fittings, pipe and wiring accessories.

Our subsidiaries, joint ventures, affiliates

In addition to investing in subsidiaries, joint ventures, and joint ventures to expand production for the company's core business - the company's core business. Together, we will invest in a number of other directions such as plastic packaging (Tien Phong Packaging Joint Stock Company), Real Estate (Tien Phong Land Company Limited) in order to diversify business activities, seize opportunities and implement strategic plans in the long term.

Plastic construction areas

The plastic construction market occupies only 18.2% of the total plastics industry, however, the growth rate of the construction plastics segment is quite large at 15-20% per year, thus the potential for strong development. Currently, there are 180 companies operating in the segment of plastic pipe construction.

U.PVC plastic pipe and u.PVC spare parts

U.PVC plastic pipe is more used in life, gradually replacing the type of cast iron, steel and cement. Especially with the modern production lines assembled in Europe, Tien Phong Plastic has mastered the technology and can produce u.PVC 800mm tube, largest tube in Vietnam and South East Asia, meet All needs of key projects in the country as well as in the region.

PPR pipes and PPR fittings

PPR pipes are manufactured according to DIN 8077: 2008-09

& DIN 8087: 2028-09. Tien Phong Plastic is also the first enterprise to produce PPR heat pipe in Vietnam.

HDPE pipes and HDPE fittings

HDPE pipes of Tien Phong Plastic are made from imported raw materials of the world's leading raw material producers such as BOROUGE, DEAHLM. With good quality due to the melting process of the pipe which makes the solidity, anti-abrasion with many types of extreme weather, HDPE pipes of Tien Phong Plastic are trusted in many different fields such as: Drainage and waste, coal and gas fields.

Wiring and fittings

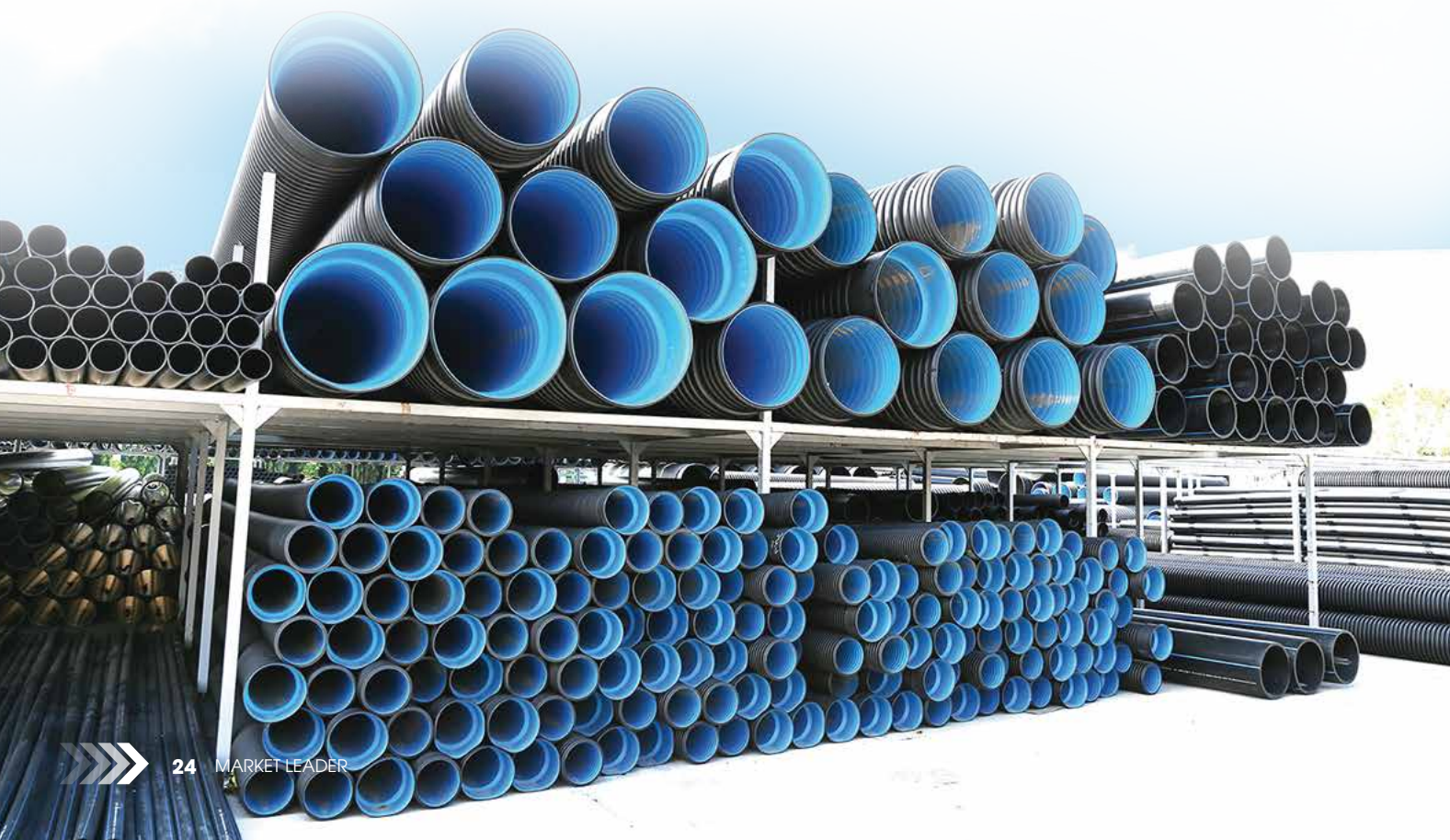
Pipes and spare parts are new product of Tien Phong Plastic with many outstanding features such as heat resistance, insulation, fire, moisture ... and especially anti-termite and acid-resistant corrosion, suitable for both household and industrial machinery used in production.

Real estate

Real Estate Project No. 2, An Da, Hai Phong

Tien Phong Land Company Limited was established in 2015 with the capital of VND 20 billion to manage and amend the purpose of using the old workshop at No. 2 An Da into a trading complex, office and luxury apartment for rent.

Currently, this real estate project has been licensed by the government planning 1: 500. The size of the project is about 6 hectares located on Lach Tray road. Total investment is estimated at more than VND 2000 billion. As the work has done, this will be a highlight of the architect of Hai Phong city.



BUSINESS LINES

BUSINESS NETWORK Continue

» Product

Quality is above all, serving the interests of consumers



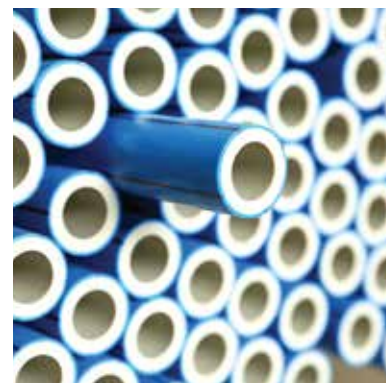
M-PVC PLASTIC TUBES

M-PVC plastic tube is a completely new product on the market with super durable features (withstand impact force 50 times than ordinary PVC u.PVC tube). M-PVC plastic pipe products are expected to be breakthrough technology products, with the aim to orient and attract consumers. Tien Phong Plastic has decided to invest, and received technology transferring from New Zealand. From May 2016, the M-PVC pipe branded Tien Phong Plastic has been on the market.



HDPE DN 2000 PLASTIC TUBES

HDPE DN 2000 plastic tubes High durability with over 50 years of usage, without harm from chemicals, not aging by temperature and ultraviolet ray, good impact resistance, high load. This plastic pipe has a simple, lightweight, low cost method of connection which is more efficient and economical than previous large diameter pipes. Tien Phong Plastic Company's plastic pipe production line was invested in 2014 worth VND150 billion, one of eight production lines that can produce 2m diameter plastic pipes in the world, and First line in Asia.



PLASTIC PIPE PP-R 2 LAYERS UV PROTECTION

Plastic pipe PP-R 2 layers UV protection is a new product of Tien Phong Plastic. The product has an inner layer resistant to temperatures as high as 95 degrees Celsius, chemical resistance, hygiene and food safety; In particular, the outer layer is heat-resistant and UV-resistant as a PP-R protective jacket protecting it from the effects of UV light, overcoming the age-defying disadvantages of direct sunlight exposure. The skyline of pipe products installed on the roof like u.PVC pipes and PP-R pipes are usually.



HDPE PIPES AND FITTINGS...

HDPE pipes are made from imported raw materials from the world's leading raw materials manufacturers such as BOROUGE, DEAHLM, ... on the most modern equipment of Germany, Italy, ... HDPE pipes are produced in compliance with DIN 8074: 1999-08 & DIN 8075: 1999-08. In plastic pipes, HDPE pipes are increasingly used because of their more valuable properties than the other plastic pipes.



TUBES AND SPARE PARTS FOR ELECTRIC WIRE PIPES

Pipes and spare parts of the conduit are the latest product of Tien Phong Plastic, with many valuable physical properties such as fireproof, heat resistant, insulating, moisture proof, especially anti-termite and acid resistant corrosive. PVC circular tube products are of high quality, heat resistance and strength, not only suitable for household use but also for industrial machinery.



U.PVC SPARE PARTS PRODUCTS GROUP; HDPE; PPR AND OTHER PRODUCTS

In order to provide comprehensive and synchronous products to our customers, we always invest in high-quality molds, supplying complete parts according to the requirements of consumers. Products of the company are diverse in types, beautiful in design and convenient in the connection. The current spare parts of the Company have diameters from Φ 20 - 800; Under pressure from 4bar to 25bar.



U.PVC PLASTIC TUBES FROM 21 - 800MM

U.PVC pipes are manufactured with standard TCVN 8491-2: 2011 and ISO 1452-2: 2009. U.PVC plastic pipe is increasingly used in life, gradually replacing the type of cast iron, steel and cement. Not stopping in the current products, the company also invested in some of the most modern product lines in the world, which were fabricated and assembled in Europe to produce tubes u.PVC to 800mm ... These are the largest tube products in Vietnam and Southeast Asia at present, meeting all the needs of key projects in the country as well as in the region.



TUBES AND PPR PLASTIC PIPE SPARE PARTS FROM 20-200MM

PPR pipes are manufactured in compliance with DIN 8077: 2008-09 & DIN 8078: 2008-09. In 2004, the company imported the production line and started to put into the market, and is the first enterprise producing PPR heat pipe in Vietnam.

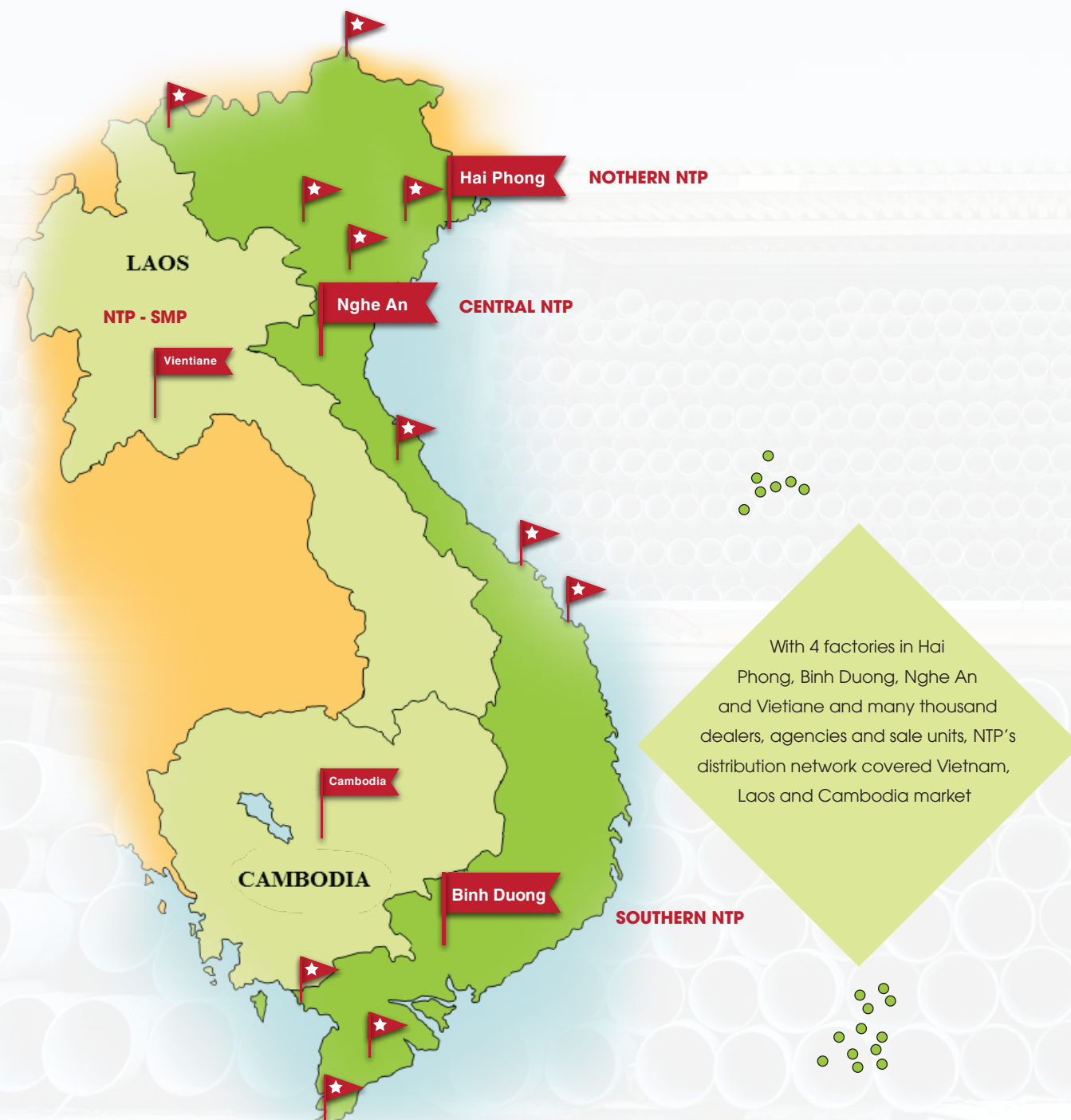
BUSINESS LINES

BUSINESS NETWORK Continue

» Business location

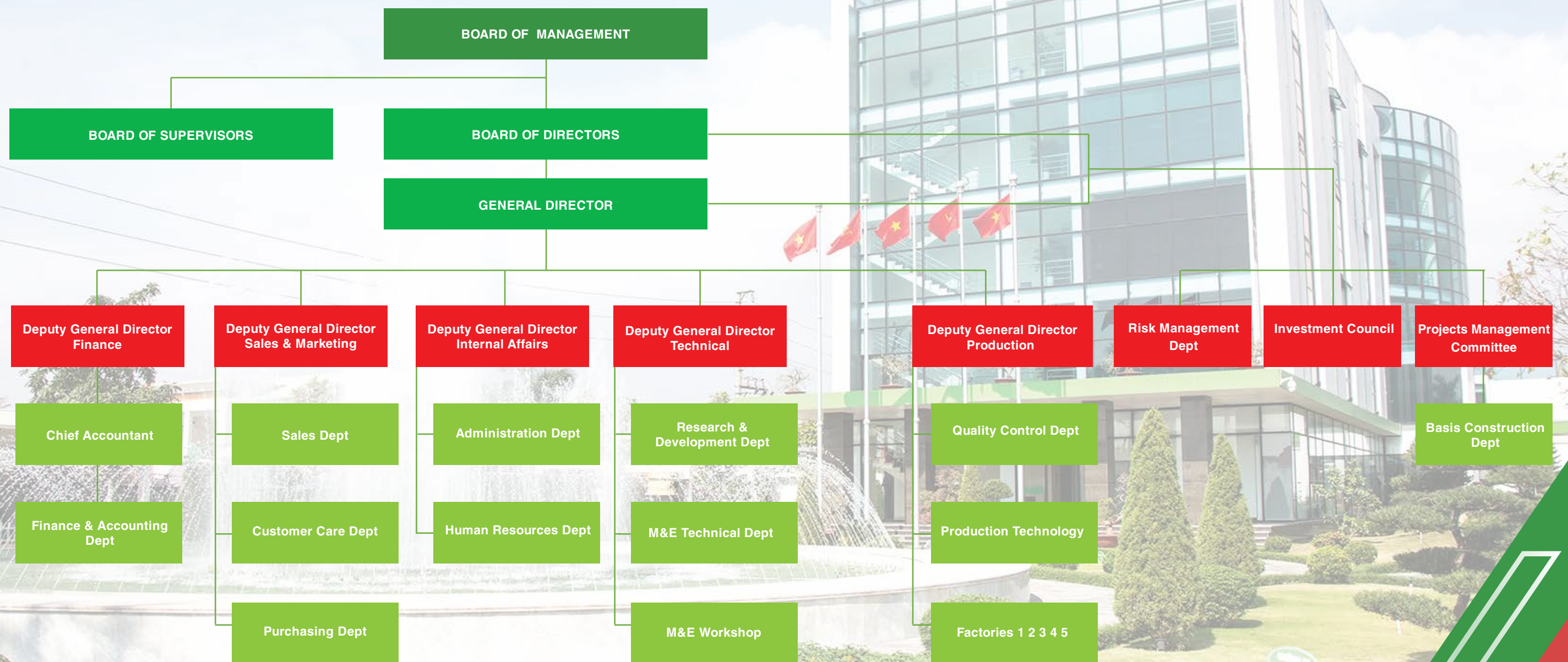
Currently, the company has four production factories located in Hai Phong, Nghe An, Binh Duong and Vientiane with total production capacity of 120,000 tons per year.

Product distribution system:



At present, the distribution network of Tien Phong Plastic continues to expand with more than 300 agents, 3,000 selling points and distribution network spread across 63 provinces in Vietnam and to Laos and Cambodia. The widespread and nationwide distribution network has always been a great advantage of Tien Phong Plastic, as well as a strong support for sales, revenue growth and sales of Tien Phong Plastic, Assertive position in the market.

ORGANIZATIONAL STRUCTURE OF THE COMPANY



» List of subsidiaries

CENTRAL TIEN PHONG PLASTIC COMPANY LIMITED

- Company name:** Central Tien Phong Plastic Company Limited
- Head office:** Lot C, Nam Cam Industrial Zone, Nghi Loc District, Nghe An Province, Vietnam
- Charter capital:** VND 120 billion
- Ownership of NTP:** 100%
- Area of Operation:** Manufacturing and trading the civil and industrial plastic products

Other information:

13/02/2015: granted quality management certificate in accordance with ISO 9001-2008 in the field of operation: production, supply of pipes, rods, plastic parts and fitting materials. Grafting

June 25, 2015: People's Committee of Nghe An province cooperates with Nghe An Department of Taxation to congratulate the Company for its excellent performance in fulfilling tax obligations to the state budget and well implementing tax law in the area in 2014.



TIEN PHONG LAND COMPANY LIMITED

- Company name:** Tien Phong Land Co., Ltd
- Head office:** No. 2 An Da, Lach Tray Ward Ngo Quyen District, Hai Phong city, Vietnam
- Chartered capital:** VND 20 billion
- Ownership of NTP:** 100%
- Area of Operation:** Trading in real estate, using land rights and transportation business, civil and industrial plastics

Other information:

On May 18, 2015, Tien Phong Plastic Joint Stock Company held a meeting of Board of Directors established Tien Phong Land Co., Ltd. The company was established for the purpose of managing and transforming the complex of commercial complex, office for lease and high class apartment invested by Tien Phong Plastic Joint Stock Company at No. 2 An Da, Lach Tray Ward, Ngo Quyen District, Hai Phong City organized by the People's Committee of Ngo Quyen District in cooperation with Tien Phong Plastic Joint Stock Company. An Da No. 2). The company also played a role in separating the activities of Project No. 2 An Da from production and business activities of Tien Phong Plastic Joint Stock Company.

TIEN PHONG SMP JOINT VENTURE LIMITED (LAO P.D.R)

- Company name:** Tien Phong SMP Joint Venture Limited (Lao P.D.R)
- Head office:** Vientiane Industrial Zone, Ban Khoksaat, Saythany District, Vientiane, Lao PDR
- Chartered capital:** 2,500,000 USD
- Ownership of NTP:** 51%
- Area of Operation:** Manufacturing and trading plastic pipe products, spare parts and other plastic pipe products

Other information:

Offshore Investment Certificate No. 222 / BKH-DTRNN issued by the Ministry of Planning and Investment on 05 March 2009 and Investment Certificate No. 032 / IB.VC issued by the Vientiane and Foreign Investment Department Issued on 17/4/2008.



TIEN PHONG PLASTIC SOUTH JOINT STOCK COMPANY

- Company name:** Tien Phong Plastic South Joint Stock Company
- Head office:** Dong An 2 Industrial Zone, Hoa Phu Ward, Thu Dau Mot Town, Binh Duong Province, Vietnam
- Chartered capital:** VND 135 billion
- Ownership of NTP:** 37,78%
- Area of Operation:** Manufacturing and trading civil and industrial plastic products

Other information:

Certificate of Business Registration 3700829126 issued by the Department of Planning and Investment of Binh Duong province for the first time on 24/09/2007 and the first change on 21/10/2014.



TIEN PHONG PACKAGING JOINT STOCK COMPANY

- Company name:** Tien Phong Packaging Joint Stock Company
- Head office:** No. 2 An Da, Lach Tray Ward, Ngo Quyen District, Hai Phong city, Vietnam
- Chartered capital:** VND 10 billion
- Ownership of NTP:** 49,98%
- Area of Operation:** Production of PP plastic packaging, cement packaging, paper, composite and other plastic products

Other information:

Business Registration Certificate 0200590620 issued by the Department of Planning and Investment of Hai Phong City for the first time on 01/07/2004 and the third revision on 16/08/2012

INTRODUCTION OF THE BOARD OF COMPANY

» Introduction of the corporate governance board Board of Management 2015 - 2020



Mr. Tran Ba Phuc - Chairman

Born: 1956

Qualification: Hydraulic engineer (Hanoi University of Technology)

Working process:

1983 - 2008: Tien Phong Plastic Joint Stock Company
Previous position: deputy manager of the workshop, deputy head of labor office, head of labor organization department, deputy general director Internal Affair Manager).

2008 - Present: Chairman of BOM.



Mr Nguyen Chi Thanh - Vice Chairman

Born: 1972

Qualification:

Bachelor of Business (National Economics University)
Master's degree at the National Institute for Policy Studies in Japan
Advanced Diploma of Political Theory - Ho Chi Minh National Academy of Public Administration

Working process:

2006 - 2013: SCIC's State Capital Investment Corporation (Head of Investment)

2010 - 2013: Domesco Medical Import Export Joint Stock Company (Chairman)

10/2013: Tien Phong Plastic Joint Stock Company (Vice Chairman of the Company)

07/2015 - Now: State Capital Investment Corporation (SCIC) (Deputy General Director)



**Mr Nguyen Quoc Truong
General Director and member of BOM**

Born: 1956

Qualification: Electrical Engineer
(Hanoi University of Technology)

Working process:

1982 - 2009: Tien Phong Plastic JSC.
(Previous positions: Deputy Manager, Factory Manager, Deputy General Director, Deputy General Director).

2013 - Now: General Director and Member of BOM



**Mr Sakchai Pati Parn Preechavud
Member of BOM**

Nationality: Thailand

Born: 1967

Qualification:

Chemical Engineer (Chulalongkorn University, Thailand)
Master of Business Administration (Kasetsart University, Thailand)

Working process:

2005 - 2009: MEHR Petrochemical Company (as Executive Vice President & CEO respectively)

2009 - 2011: SCG Plastics (Managing Director)

2013 - Now: Tien Phong Plastic Joint Stock Company (Member of the BOM)



**Mr Dang Quoc Dung
Member of BOM**

Born: 1968

Qualification: Bachelor of Economics (Hanoi Trade University)

Working process:

2002 - 2005: Huong Minh Company Limited (Director)

2007: Tien Phong Plastic south JSC (Chairman of the Board of Management and General Director)

2007 - Now: Tien Phong Plastic Joint Stock Company (Member of the Board of Management)

INTRODUCTION OF THE BOARD OF COMPANY

Continue

Board of Directors



Mr Nguyen Quoc Truong - General Director and member of BOM

Born: 1956
Qualification: Electrical Engineer (Hanoi University of Technology)
Working process:
1982 - 2009: Tien Phong Plastic JSC. (Previous positions: Deputy Manager, Factory Manager, Deputy General Director, Deputy General Director).
2013 - Now: General Director and Member of BOM



**Mr Nguyen Trung Kien
Deputy General Director of Finance**

Born: 1961
Qualification: Master of Economics (Irvine, United States of America)
Working process:
1995 - 2012: Vice President, Head of Division, Chief Accountant, and Member of the Management Board of Tien Phong Plastic Joint Stock Company.
2012 - Now: Deputy General Director of Finance.



**Mr Chu Van Phuong
Deputy General Director of Sales**

Born: 1972
Qualification: Master of Business Administration (National Economics University)
Working process:
2007 - 2012: Tien Phong Plastic Joint Stock Company (Previous position Deputy Manager, Sales Manager)
2012 - Now: Tien Phong Plastic Joint Stock Company (Deputy General Director)

INTRODUCTION OF THE BOARD OF COMPANY

Continue

Board of Directors



Ms Ngo Thi Thu Thuy
Deputy General Director of Production

Born: 1970
Qualification: Chemical Engineering Engineer, Business Administration Engineer (Hanoi University of Technology)
Working process:
2004 - 2014: Tien Phong Plastic Joint Stock Company (Previous positions: Deputy Manager, Head of Production Techniques and Quality Management)
2014 - Now: Tien Phong Plastic Joint Stock Company (Deputy General Director of Production)



Mr Tran Nhat Ninh
Deputy General Director of Technical

Born: 1971
Qualification: Mechanical Engineer, Business Management Engineer (Hanoi University of Technology)
Working process:
2005 - 2014: Tien Phong Plastic Joint Stock Company (Previous position: Deputy Manager of the workshop, Deputy Manager of Research and Design and Head of Research and Design)
2014 - Now: Tien Phong Plastic JSC Ltd (Deputy General Director of Engineering)



Mr Nguyen Van Thuc
Deputy General Director of Internal Affairs

Born: 1969
Qualification: Bachelor of Economics (National Economics University)
Working process:
2005 - 2015: Tien Phong Plastic Joint Stock Company (Previous position: Deputy Manager of Labor Organization, Manager of Labor Organization Division, Head of Labor Organization Department)
2015 - Now: Tien Phong Plastic Joint Stock Company (Deputy General Director of Internal Affairs)



Mr Tran Ngoc Bao
Chief Accountant

Born: 1969
Qualification: Bachelor of Economics (Academy of Finance)
Certified CPA Auditor Vietnam
Working process:
2000 - 2009: Hai Phong Branch Deloitte Vietnam Co., Ltd. (Branch Manager)
2010: Branch of Petroleum Machinery and Spare Parts Company in Vung Tau (Chief Accountant)
2010 - 2012: Tien Phong Plastic Joint Stock Company (Head of Supervisory Board)
2012 - Now: Tien Phong Plastic Joint Stock Company (Chief Accountant)

INTRODUCTION OF THE BOARD OF COMPANY

Continue

Board of Supervisors



Ms Vu Thi Minh Nhat - Head of Board of Supervisors

Born: 1987
Qualification: Master of Economics (University of Latrobe, Australia)
Working process:
2009 - 2014: KPMG Vietnam Co., Ltd. (Previous position: Assistant Auditor, Accounting Team Leader, Deputy Auditor, Deputy Finance Department)
2014: Tien Phong Plastic Joint Stock Company (Member of the Supervisory Board)
2015: Tien Phong Plastic Joint Stock Company (Head of Supervisory Board)



**Ms Nguyen Thi Quynh Huong
Member of Board of Supervisors**

Born: 1979
Qualification: Master of Business Administration (Hanoi Foreign Trade University)
Working process:
2002 - 2009: Bank for Investment and Development of Vietnam - Ha Thanh Branch (Previous position of Expert, Deputy Manager, Head of Planning)
2009 - 2012: State Capital Investment Corporation (Accounting and Finance Department); Tien Phong Plastic Joint Stock Company (Member of the BoS)
2012: Tien Phong Plastic JSC. (Head of Supervisory Board)
2015: Tien Phong Plastic Joint Stock Company (Member of BoS)



**Mr Praween Wirotpan
Member of Board of Supervisors**

Nationality: Thailand
Born: 1968
Qualification: Master of Finance (Chulalongkorn University, Thailand)
Working process:
2004 - 2007: TPC Vina Plastic and Chemical Co., Ltd. (Director of Accounting and Purchasing)
2007 - 2011: Thai Plastic and Chemical PCL (Secretary Group)
2011 - 2013: TPC Vina Plastic and Chemical Co., Ltd. (Accounting and Purchasing Director)
2013: Tien Phong Plastic Joint Stock Company (Member of the Board of Supervisors)

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GLOBAL STANDARD



THE POTENTIAL OF PLASTIC INDUSTRY

Plastic market for construction in Southeast Asia and the World

According to a report by McKinsey, the industry output in ASEAN has been grown steadily in recent years, particularly in Indonesia, Thailand, Vietnam, Malaysia, Philippines and Singapore. The output was more than 95% GDP in this region.

Plastic and products made from plastic was one of fields having the highest total value of export. This industry made USD39.3 billion from export sales in 2013.

In Indonesia, Food packaging took up for 70% sales of plastic industry (according to the Packaging Association of Indonesia). Plastic Industry Association of Indonesia has set a target of 6% growth for plastics industry in the context of GDP growth improved in 2016 (5.3%)

In Thailand, consumption sales were mainly contributed from plastic packaging (48%), electronics (15%), construction (14%), and machinery (8%). Thailand has invested over USD 60 million in bio-plastics for over 7 years with more than 80% funded by the Government.

Aiming to further development of the plastics industry potential in the region, the largest plastics trade associations, including the ASEAN Federation of Plastic Industries (AFPI), Malaysian Plastic Manufacturers Association (MPMA), Thai Plastic Industry Association (TPIA), Philippines Plastic Industry Association (PPIA), Vietnam Plastic Association (VPA) ... have proposed international cooperation. According to these cooperation, international trade agreements have been created, including the ASEAN Economic Community (AEC), Trans-Pacific Partnership (TPP), The Regional Comprehensive Economic Partnership (RCEP) with the main purposes are tax exemption, allowing free circulation of goods between member states, including plastic products.

With the dynamic growth taking place, the plastics industry in Southeast Asia will witness a strong growth in the near future, from increasing demand right inside ASEAN, expanding the import market and export as well as increasing cooperation with strategic partners in the world.

Plastic market for construction

SIGN OF GOOD GROWTH

According to the Vietnam Plastic Association (VPA), plastic industry exports from 2010 to 2015 continuously maintain a strong growth of 16% -18% per year; this is a high growth rate just after the growth rates in telecom and apparel. With such growth rate, the plastics industry is considered one of the dynamic sectors of Vietnam. That growth comes from the big, great potential market, especially when the plastic industry in Vietnam is only at the first step of the development compared with the world. Plastic products are used in all aspects of living life including plastic packaging products, plastic products of building materials, plastic household products and high-tech plastics.

Building plastics share has taken up only 18.2% of total industry sales but the plastic build sizeable by 15-20% / year. Overall, the building plastics industry has the potential thrive in the future because of the following reasons:

Firstly, according to the development plan of plastic industry in Vietnam, plastic industry structure will be restructured by decreasing household plastics and packaging, increasing building plastic market from 18% (2015) to 25% (2020) and to 27% (2025).

Secondly, demand for housing construction and infrastructure has been increasing as favorable conditions for the development of building and construction plastics. From 2016-2020, the demand for PVC door and window will increase by estimated annual average of 42.8 million m2. The current market share of plastic door system reaches 35% in 2016. It is expected that the demand for plastic doors each year will increase by 14.9 million m2 average.

Thirdly, plastic door with high reliability advantages, low cost, easy to transport is increasingly being preferred for the real estate market and tended to increase as compared to alternative products.

GREAT COMPETITIVE PRESSURE

Growth prospects are very optimistic; however one of the current highlighted problems of the building and construction plastics industry is the fierce competition among domestic companies and between domestic companies and foreign companies.

Firstly, to plastic pipes: The downside is cumbersome and difficult to transport. That helps domestic producers avoid direct competition with imported products. Instead, foreign companies involve in the Vietnamese market through M&A. Currently, NTP occupies 60% plastic pipe market share in the North and BMP takes up 50% plastic pipe market share in the South. The participation of foreign companies to mergers and acquisitions of large enterprises is understandable. Room for foreign companies is unlimited in plastic field and it can be up to 100%, therefore stepping in this industry of foreign companies is totally possible.

Secondly, to plastic building materials: Unlike plastic tube, building plastic companies are facing a severe competition at home from alternative products and foreign companies on the market:

Competition among alternative products: plastic door system with the main materials such as profile plastic and composite aluminum has to compete with traditional products such as wooden doors and aluminum doors. However, having durability, low cost, easy to transport, plastic doors is gradually being favored for the mid-range market of real estate with the 35% share and it is tending to increase.

Competition between the domestic and the foreign product: imported product, for example the product from China, is designable and diverse, so they are taking up almost the market share in Vietnam, especially the market of profile bar (60% of product imported).

BREAKTHROUGH OPPORTUNITIES

SWOT analysis

STRENGTHS

Large – scale production capacity to maintain a big market share through region expansion strategy to the markets in the Central and the South of Vietnam:

Owning 4 manufactures with production capacity of over 100,000 tons per year, in 2015 NTP has produced more than 70,000 tons of plastic products, reaching 70% efficiency rate of the current production capacity. We expected the capacity of the NTP will increase by 30% when the expansion plan is completed in the next 3 years.

Currently NTP holds 60% plastic pipes market share in the North and 29% market share in Vietnam. In recent years NTP has gradually implemented our strategy to expand market share to the Central and the South by establishing new manufactures in Nghe An and a plastic factory in Laos. In addition, the good discount policies also help NTP maintain bigger market share as compared to other competitors.

High quality products, diverse types and the ability of meeting diverse needs:

The company’s products always meet the requirements of the market, especially for water supply and drainage industrial pipes, agricultural, fishery, transportation, petroleum and civil engineering. The current product range is

very diverse, including: u.PVC u pipes and u.PVC fittings, PPR pipes and PPR spare part, HDPE pipes and HDPE spare part, pipe and spare parts...

WEAKNESSES

Raw material source depends on foreign suppliers:

One of the differences between NTP and our competitors (ie. BMP) is that NTP is heavily dependent on imported plastic resins imported abroad. With raw materials costing about 80% of Cost of goods sold, the resin price has a big impact on NTP’s profitability. The impact of the exchange rate will also affect the performance of the company.

Plans of expanding market share in Central and South have not been effective:

In the Southern market, BMP has taken the leading position. In the mean while, NTP’s expansion plans to the Central market have been more challenged as BMP acquired DPC and directly competed with NTP.

OPPORTUNITIES

Export growth is expected to be high:

In the coming time, with many bilateral and multilateral FTAs being signed (the EU-Vietnam free trade agreement EVFTA, the Regional Comprehensive Economic Partnership RCEP...), connecting to major export markets such as the EU, Japan, the United States, and South Korea, export sale growth is expected to increase sharply and it is a driving force for the development of the Plastics industry especially construction plastics.

Taking benefit from input material price:

In 2015, the average price of PVC (the main input material of NTP) fell by 21% due to the impact of deep downing oil prices and excess PVC supply from China. Therefore, NTP has been able to store upcheap raw materials to serve future plans.

In the first 6 months of 2016, NTP will continue to benefit from the cheap price of raw materials as the price of plastic resins decreases following the decline of world oil prices. As a result, our gross profit margin was 36.8%, slightly up from 34.4% in the first 6 months of 2015. Favorable raw material price will continue to be a positive sign for NTP’s business operation.

Taking benefit from preferential tax policy:

NTP is being applied tax incentives. Specifically, the new manufacture in Nghe An is in the period of tax exemption from corporate income tax. This manufacture will be entitled to a reduction of corporate income tax in order: 0% tax rate 2014-2017, 7.5% tax rate for the 10 years from 2018-2028 and a tax rate of 15% in subsequent years. This is an advantage that helps the company save significant tax expenses.

SCIC withdraws their capital helping increase liquidity:

At present, SCIC holds 37.1% stake in NTP and according to the plan of divesting state capital, this organization will divest in the coming time. SCIC’s divestment will help NTP’s liquidity in the market to increase. In addition, it is expected to change NTP’s governance structure for the long run.

THREATS

Risk of market share and profit:

There are new competitors in plastic market for example: Hoa Sen Group (HSG), Tan A Dai Thanh and competitors from Europe as well as in ASEAN (especially Thailand) when Vietnam has been concluding bilateral and multilateral trade agreements. It makes the risk of losing market share and reducing of profit margin is very high.

BMP has been being a heavyweight rival and having the highest market share in Southern construction plastics market. BMP has involved in the North and will be a strong threat to NTP even if its plant in this area is not effective. Their latest acquisition is also a potential danger that directly competes NTP in the Central market.

Aiming to achieve profit margins like NTP and BMP, HSG gets into establishing plastic pipe manufacture in recent years. Not having voice in the market, however with the ability of product capability along with powerful distribution channels throughout the country, the competitiveness of HSG is very high.

Risk of fluctuation of raw material price:

With raw materials costing about 80% of cost of goods sold, resin price has a big impact on NTP’s profit. Domestic plastic resin suppliers such as Phu My or TPC-Vinina only provide 30% of domestic demand and sometimes at higher cost than imported materials. NTP heavily relies on imported plastic resins, resulting in a significant impact on exchange rate. Besides, the company has to accompany by the need for contingency change in tariff policy.

BREAKTHROUGH OPPORTUNITIES

Continue

Strategy

The Company's strategic objectives for the period 2016 - 2021 are as follows:

To develop and maintain the greatest plastic brand in Vietnam:

We understand that successful branding is a result of customers' trust and satisfaction in our high-quality products in the long-term relation. Therefore, NTP always strive and push our endless efforts to maintain the leading position in Vietnamese plastics market, along with asserting position our brand in the international market. The goal of all members of Board of Management as well as staffs of the company is to bring NTP brand into consumers' mind subconsciously of about the quality and product diversification, as well as reliable maintenance.

To create products with the advanced quality:

Our working principle is to put the quality first and to ensure the rights of customers as purchasing the products of the Company. The products of NTP have been produced on the world's cutting edge machinery models. They are guaranteed by strict quality control system, accuracy and international standards. Our latest products such as M-PVC, HDPE DN 2000... are all in high demand and usages through the time.

To establish the manufacturing system with the largest production scale in Vietnam: With four manufactures in Hai Phong, Nghe An, Binh Duong and Vientiane (Laos), the production capacity of NTP has reached over 100,000 tons products of all kinds. Not stopping there, our company continues to execute an investment project to increase production capacity in the North, with investment of tens of millions of dollars. This will adopt a strategy for high growth in production scale and output in the coming period.

To maintain our comprehensive orientation for Sustainable Development: The goals of NTP are not just about business growth but also the rights of customers, the rights of the workers, the benefits of the community and whole society are also an important part. With a long-term vision, NTP always orient the development in a comprehensive and sustainable manner, harmonizing benefits of our environment and society as well as ensuring the interests of the Company in the future

COMPANY GOALS

MAINTAIN THE LEADING POSITION

With the background of a state-owned company specializing in manufacturing plastic and over 56 years of ups and downs, NTP has become the flagship in the tubular production. Since our inception, NTP has always proved to the market our ability to retain revenue growth even during the recession. As one of the two leading companies in the plastic market, we always maintain and strengthen our position in the mind of customers and partners. Despite of the increasing competition in the market, NTP still has a large market share and we will strive to affirm our leading position in the plastic industry in the period of 2016-2020.

CONTINUE TO EXPAND MARKET SHARE

Currently, NTP's distribution network continues to expand nationwide with more than 300 agencies and 3,000 sales points. The company also has distribution networks in Laos and Cambodia. Our recent launching of new manufactures in the Central and the South help to increase NTP's sales volume.

DIVERSIFY PRODUCT LINES AND BUSINESS ACTIVITIES

Besides the main activity in manufacturing plastic pipes and pipe fittings, NTP is also active in diversifying our product lines so that we can utilize our resources and adjust well with the movements in the market happening day by day.

Although our registered capital is not high, however with a completely different direction (producing plastic packaging) and stable profit margins over the years, NTP is able to seize opportunities from potential markets for packaging exports after the FTA between Vietnam- EU and other regions signed.

In addition, NTP also invested in real estate sector with Tien Phong Land Co., Ltd, with a prominent project of converting our former factory at No. 2, An Da, Hai Phong into commercial complexes, offices and high-class apartment for rent with estimated capital investment of millions of dollars. The project has been approved for design review and is expected to generate a large and stable revenue flow for NTP, offset the impacts from a saturated plastic market in long-term.

COMPANY GOALS

Continue

Connect the strength of the plastics industry

The huge growth of India and China in the plastics industry, especially in construction plastics, has made the world astonishing. However even as India and China continue to achieve particularly impressive growth, people are constantly searching answers to the question: What makes a competitive industry (ie. software industry) grow fast in a country with the harshest conditions like India?

Human Resources: With great growth potential, Plastics is still facing the challenge of lack of human resources. In that context, the Vietnam Plastic Association (VPA) and the Plastics Industry in the industry have worked together to formulate a policy, with the main objective of training plastic workers, providing the industry with a legacy Professional and skilled. The highlight is the selection of a team of molding engineers who are regularly trained in the fields of mold creation and manufacturing. At the same time, develop human resources in research and development departments; develop competitive compensation policies for skilled manpower, skills and foreign languages.

Policy: The potential growth of the plastics industry is quite high as Vietnam’s demand for plastic products is small as compared to the demand from regions and the world. In addition, the plastics industry is one of the priority sectors to benefit from the tax and capital incentives of the State.

According to the Decision 2992 / QD-BCT, the orientations and guidelines for development of the plastics industry up to 2020, 2030 approved by the Ministry of Industry and Commerce, the plastics industry is still a priority sector both for tax exemption and financial support. Accordingly: - The

investment projects that produce molds, plastic equipment can be lent 85% of total investment with preferential interest rates. - High-tech factories investing in areas with difficult socio-economic conditions are entitled to tax exemption for the first four years. - The output of plastic products is expected to reach 12.5 million tons by 2020 and export turnover will reach USD 4.3 billion with the growth rate of about 15%

Industry link building power: The plastic construction market occupies only 18.2% of the total plastics industry but grows rapidly, to 15-20% per annum. At present, there are 180 enterprises operating in two areas: construction plastic pipes and building materials. BMI International Research Institute predicts that in 2016, the growth rate of Vietnam’s infrastructure will be 9.85% as compared to average GDP growth of 6% per year in 2016-2024. Demand in plastic pipe construction is increasing. According to the strategy developed by the National Research and Development Department up to 2020, the vision plan to 2030 has been approved by the Prime Ministerin 2011, provides comprehensive solutions for development of real estate market. By 2020, the average housing area will be about 25 square meters per person, of which urban areas will reach 29 square meters per capita and in rural areas will reach 22 square meters per capita with minimum floor area of 8 m2 per person. By 2030, striving to reach the average housing area of about 30 m2 floor / person and the minimum floor area of 12 m2 of floor / person. The development of the construction and real estate markets will provide a boost to the construction plastics industry in the future.

Business Plan 2017

Continuing our achievements in 2016, also the first year of implementation of the Resolution of the 12th National Party Congress, and the Resolution of the 32nd Party Congress of NTP, on the basis of analyzing and forecasting business situation macroeconomic and market development trends, the Board of Management has set up the business plan for 2017 with the following basic indicators (including the Central Tien Phong):

No	Main indicators	Unit	Annual Planning	Growth rate comparing to 2016
1	Total Revenue	VND Billion	4,890	12%
2	Total output	Ton	95,700	11%
3	Profit before tax	VND Billion	450	7%

In order to complete the business plan in 2017, the company will focus on directing and implementing the following basic solutions and tasks:

Monitoring competitive situation, Analyzing the trend of market development, and then proposing a flexible market policy.

Specially checking up, building, promoting and developing the brand name "NTP" through synchronous measure of production to sales - customer care - as well as Public relations, aiming to bring satisfaction and trust of customers to our NTP’s products.

Actively innovating technology, improving production capacity to meet perfectly the demand growth of the market; applying innovations to improve rationalization in production.

Providing comprehensive solutions on cost savings and improving market competitiveness of NTP.

Performing standard product synchronization in NTP’s System; at the same time, strengthening the management

activities according to ISO 9001: 2008 standard with the target not to miss any defective product that affects the company’s reputation.

Focusing on training and self-training programs, enhancing up-to-date knowledge and skills to all employees. Preparing working conditions and implementing the comprehensive management system of enterprise resources. At the same time, we’re interested in building corporate culture according to the criteria of "Collaboration, discipline, professionalism".

Developing policies, regimes while applying flexible measures to attract high-quality and talented workers.

Ensuring work safety in business production; strictly proceeding technical safety measures, especially in fire prevention. Regular checkup, improve working conditions for employees.

Preparing infrastructure for production expansion, with focus on the key construction projects and moving the PEHD pipe factory to the new site in Anh Dung ward, Duong Kinh district, Hai Phong City.

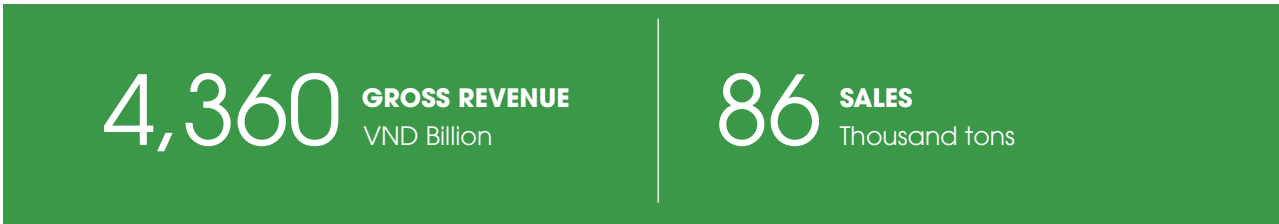
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CONQUER CHALLENGES



BOARD OF DIRECTORS' REPORTS

An overview of BOD activities in 2016



SUMMARY OF BUSINESS RESULTS IN 2016

No	Indicators	Unit	2015	Target 2016	Performance 2016	Compared to 2015 (%)	Performance Target To
1	Sales	Thousand tons	70.9	78	86	109%	110%
2	Consolidated financial indicators						
	Gross revenue	VND Billion	3,556	3,900	4,354	123%	112%
	Profit before taxes	VND Billion	412	415	447	109%	101%
	Profit after taxes	VND Billion	366	366	398	109%	99%
3	Indicators of parent company						
	Gross revenue	VND Billion	3,282.7	3,500	4,004.9	119.83%	120.07%
	Profit before taxes	VND Billion	412.34	411.5	425.9	103.11%	103.32%
	Profit after taxes	VND Billion	366.61	365.9	376.16	102.6%	102.8%
4	Gross investment	VND Billion	284.3	427.44	236.3	83.12%	55.28%
	Capital construction	VND Billion	178	230.27	239	66.15%	51.03%
	Fixed assets purchases	VND Billion	248	192.17	86	104.6%	52.14%

Major changes in business strategies, markets, products and supplies of the Company in 2016:

BUSINESS STRATEGIES

In 2016, NTP continued to expand its market into other potential areas such as the South and the Central.

In addition, the company continued to expand the potential markets and to develop, expand our network distribution with dealers. In particular, we continued to maintain our discount policy and high reward for suppliers in order to maintain revenue growth.

In addition, NTP also minimizes competitive risk by having a new strategy that is producing water pipes for buildings with higher growth rates as compared to civil plastic pipes' growth rate. In the context that the civil plastic pipe industry is growing at about 15% and unlikely to breakthrough, the consideration of expanding into the new market of water pipes for buildings will be a main product line of the company in the future.

MARKET STRATEGY

In the year 2016, NTP continued materializing the policy of the Board of Directors by focusing on expanding new market and increasing market share with flexible marketing policies and promotion programs to create a surge and attract market demand. The focus on implementing a discount policy for agents and distributors relatively affects NTP's profit margins, however it has helped NTP take a step forward in terms of market share. NTP always leads the plastic industry in sales volume. In the context of the increasingly competitive plastic market, NTP maintains our

market share in the important areas with 70% in the North, and is constantly expanding our market share in the Central. Especially into the South market, the distribution network was constantly expanding that helped NTP taking up for 29% of the national market.

PRODUCTS

In 2016, NTP's business activities remained stable. Plastic tube is still the core product of NTP and brings the majority of revenue and profit.

In 2016, besides focusing on the main product line of PVC products for construction and civil use (70% of sales), NTP also launched new products with breakthrough sales such as HDPE DN 2000 - Specialized drainage pipes with the diameter of up to 2m, that such Vietnam's first and only large pipes in Asia; 2 layers protectors UV PPR plastic with UV protection and ultra-violet protection; M-PVC tube product with super durable features, withstand the impact force 50 times u.PVC tubes...

With 15% growth in the plastic pipe industry and the unlikely to break through, the company is considering expanding into the new market - pipeline supplying for building projects. This will be the main direction of the company in the future when the plastic pipe market is facing fierce competition. In the future, the market of plastic pipe for building projects will breakthrough. In 2016, the company has signed many contracts to sell HDPE, U-PVC, M-PVC pipes of large diameter, corduroy PEHD pipe, PPR pipe ... to big projects across provinces in Nationwide. It is contributing significantly to the growth rate of sales revenue especially the durable, heat-resistant PPR pipes achieved 39% growth.

BOARD OF DIRECTORS' REPORTS

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SUPPLY

At present, the domestic supply of PP materials only meets 100,000-150,000 tons per year for plastic producers. Meanwhile, the demand for up to 1.2 million tons per year, not to mention the demand for growth of this material identified by the Vietnam Plastic Association increased an average of 15% per year. In the US, PPIUPRAM Index of raw materials and particle reference of the US market began to increase slightly in last September and October. Moreover, the tight supply of PE after the results of periodic factory maintenance plans and unexpected power outages in the region has made foreign supply scarce. Raw material prices tend to increase slightly, affecting sales and profits. Supply was down sharply as input mills shut down, another reason was the Chinese plastic market rebounded and pulled up prices. At the same time, the increase of import duty on PP resin to 3% by 2017 also affects the price of raw materials. Highly capable suppliers will raise PP prices by adjusting tariffs accordingly. However, based on the predictions of the world oil price, and the current trend is taking place Tien Phong plastic has reserved and proposed plans to build factories to produce input materials, avoid strong influence from the fluctuation in materials cost.

Research and development activities

Determining the importance of research and development to the development of the company, NTP has implemented management solutions, allocating resources to innovate and improve the effectiveness of research activities. In addition, utilize the available advantages of the Company as the development strategy of NTP in the new period.

In 2016 NTP has cooperated with the Vietnam Water Supply and Sewerage Association and other the intimate partners to hold the seminar and introduction of new products HDPE DN2000, PE / PP 2 ribbed veins, PPR 2 layers of UV protector, M-PVC, at the company seminar. That seminar was attended by more than 500 guests, scientists, managers, and customers both in local and abroad markets. The scientific workshop has become a milestone that marks a new development stage with superior product lines and technologies. New products will help NTP to serve the market demand better and become a strength of NTP in the next stage of development.

Especially, in 2016, the Company successfully researched and defended 3 city-level projects, including:

1 *Improving the level of automation on the production line of u.PVC pipe by using automatic u.PVC plastic tube sewer machine – DN60-DN160 instead of importing with higher price.*

2 *Research, design, manufacture and operate portable hydrostatic pressure test equipment for HDPE pipes and fittings from diameter 1400 to diameter 2000 in order to meet the need of company's production and pipeline inspection at the construction site.*

3 *Research Planning to improve HDPE pipe sealing machine, in order to stabilize the heating system, regardless of the change of weather; At the same time increase the stiffness of the machine, improve the durability in the construction conditions in the construction site.*

BOARD OF DIRECTORS' REPORTS

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Organization and personnel

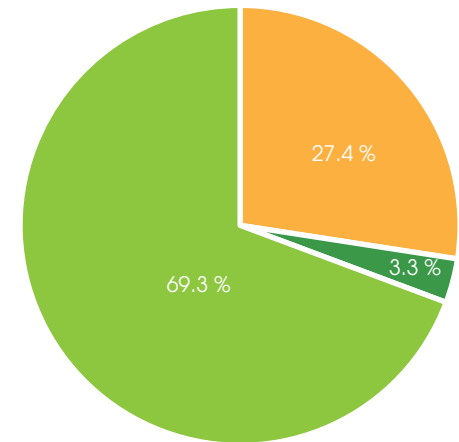
List members of BoM, BoD and BoS

No	Name	Position	Representation	Own
I BOARD OF MANAGEMENT				
1	Mr Tran Ba Phuc	Chairman	62,317	0.08
2	Mr Nguyen Chi Thanh	Vice chairman	0	0
3	Mr Nguyen Quoc Truong	Member	51,480	0.07
4	Mr Sakchai Patiparnpreechavud	Member	0	0
5	Mr Dang Quoc Dung	Member	1,611,324	2,166
II BOARD OF SUPERVISORS				
1	Ms Vu Thi Nhat Minh	Head	0	0
2	Mr Praween Wirotpan	Member	0	0
3	Ms Nguyen Thi Quynh Huong	Member	343	0
III BOARD OF DIRECTORS				
1	Mr Nguyen Quoc Truong	General Director	51,480	0.07
2	Mr Nguyen Trung Kien	Deputy General Director	810,760	1.09
3	Mr Chu Van Phuong	Deputy General Director	6,864	0.01
4	Mr Tran Nhat Ninh	Deputy General Director	4,303	0
5	Ms Ngo Thi Thu Thuy	Deputy General Director	286	0
6	Mr Nguyen Van Thuc	Deputy General Director	2,574	0
IV CHIEF ACCOUNTANT				
1	Mr Tran Ngoc Bao	Chief Accountant	0	0

Changes in the Board of Supervisors, Board of Directors and Board of Management

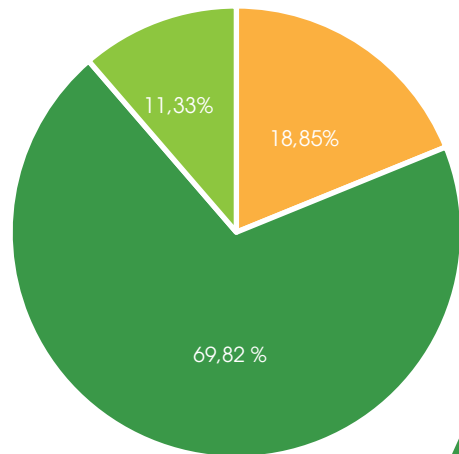
Human Resources

Qualifications	Quantity	Proportion
University or college	371	27.4
Secondary professional	44	3.3
Technical worker & other qualifications	937	69.3
Total	1,352	100



Division of labor

Function	Quantity	Proportion
Office field	223	18.85
Production field	826	69.82
Sale field	134	11.33
Total	1,183	100



BOARD OF DIRECTORS' REPORTS

Continue



2016 average wages 8million dong/person

Labor policy

With the goal of developing human resources to create competitive advantage in the industry, NTP build a proper labor policy so that the employees can feel secure and have a strong attachment to the company. NTP always has the policy of competitive salary, remuneration for employees and their family, advancement in their career and cooperation with the employees.

Training Policy

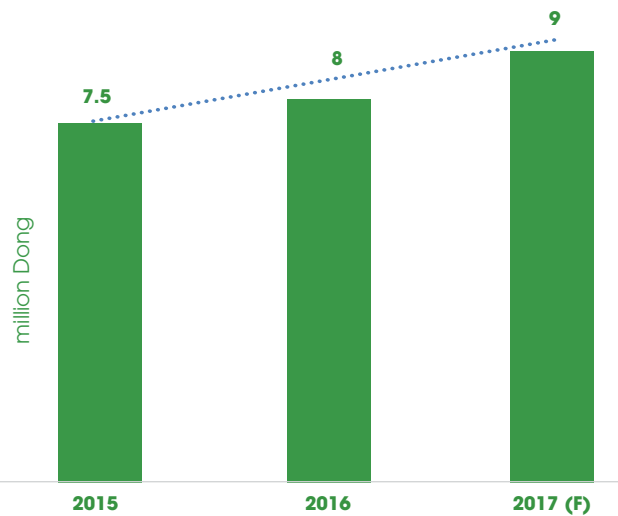
100% of new employees will take orientation training courses in order to get familiar with the job and understand more about core values of the company. The company also regularly open training courses about new and updated technology, professional skills improvement, and prioritize resources to train core staff to become the management force, to serve the long-term development needs of the company. In the end of 2016, the company has implemented 86 training courses with more than 2,500 staff members.

Welfare regime for workers

NTP focuses on compensation policy, taking care of the employees' living conditions with the motto of giving staffs a good life.

NTP's welfare regime is based on performance relevance, and value to the company. In addition, remuneration

Average income in the period of 2015-2016 and expected 2017



policy is always competitive with the market, encouraging increasing productivity and quality of work and, increasing equity and transparency.

In addition to welfare regime, the living conditions of employees is also a highlight to the company, through the full and clear implementation of the social insurance, health insurance, accident insurance including in labor contracts are 100% proceeded for employees.

Improving the spiritual life; in order to improve the spiritual life of the staff, NTP regularly hold events to exchange and develop their aptitude through collaborating activities such as cultural and art performance, physical training and sports. These activities help to create a healthy playground for employees.

Business results in 2016

TOTAL REVENUE

Total revenue for the last 5 years (2012-2016)

Unit: billion VND

Indicator	2012	2013	2014	2015	2016
1. Net Revenue	2,360.3	2,480.7	2,997.5	3,556.1	4,354.1
2. Financial revenue	2.5	4.4	2.7	1.6	2.4
3. Other income	13.3	1.6	2.7	21.9	1.1
GROSS REVENUE	2,376.1	2,486.7	3,002.9	3,579.6	4,357.6
Proportion on Gross Revenue					
1. Net revenue/ Gross revenue	99.3%	99.7%	99.8%	99.3%	99.92%
2. Financial revenue/Gross Revenue	0.1%	0.2%	0.1%	0.1%	0.06%
3. Other income/Gross Revenue	0.6%	0.1%	0.1%	0.6%	0.03%

The majority of total revenue of Tien Phong Plastic is from production activities (over 99% over the years) and this portion continues to increase. This not only confirms the scale and development of the company but also shows the strategy of using capital appropriately in priority for the entire business activities.



BOARD OF DIRECTORS' REPORTS

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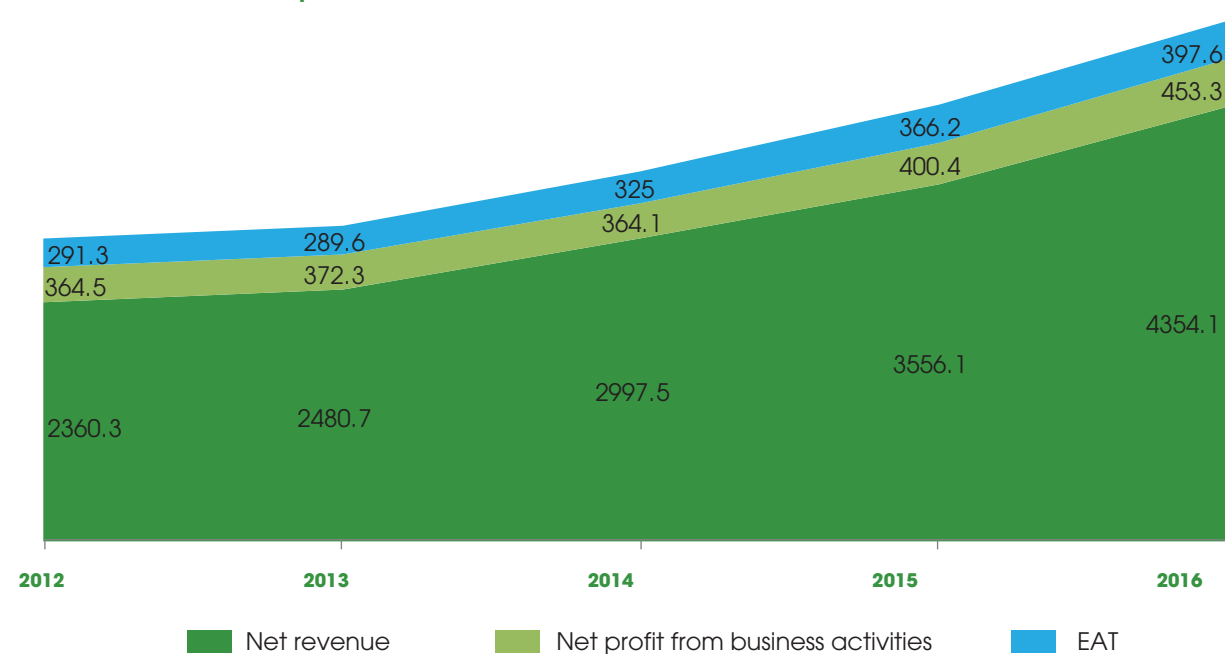
PROFIT

The results of business activities in the last 5 years

Unit: Billion VND

Indicators	2012	2013	2014	2015	2016
1. Net revenue	2,360.3	2,480.7	2,997.5	3,556.1	4,354.1
2. Operating profit	364.5	372.9	364.1	400.4	453.3
3. EAT (Consolidated)	291.3	289.6	325	366.2	397.6
4. EAT (parent company)	290.9	281.5	3,002.9	366.6	376.2
Growth speed					
1. Total revenue growth	-2.7%	5.1%	20.8%	18.6%	22.4%
2. Operating profit growth	1.5%	2.3%	2.8%	4.5%	12.65%
3. EAT growth (Consolidated)	5.5%	-0.6%	12.3%	12.7%	8.57%
4. EAT (parent company)	11.3%	-3.3%	8.8%	19.7%	2.62%

Financial results in period of 2012 - 2016



Unit: Billion VND

Indicator	2012	2013	2014	2015	2016
1. Cost of goods sold	1,577.9	1,606.5	2,071.6	2,290.3	2,784.2
2. Sales expenses	296.4	381.5	414.2	680.9	877.6
3. General & administration expenses	82.7	100.8	112.6	152.0	193.4
4. Financial activities expenses	41.2	24.1	37.7	51.8	55.7
5. Other expenses	1.2	2.9	4.4	10.4	7
TOTAL EXPENSE	1,999.5	2,115.7	2,640.5	3,185.4	3,917.9
Proportion on net revenue					
1. Cost of goods sold/net revenue	66.9%	64.8%	69.1%	64.4%	63.94%
2. Sales expenses/net revenue	12.6%	15.4%	13.8%	19.2%	20.16%
3. General & administration expenses/net revenue	3.5%	4.1%	3.8%	4.3%	4.44%
4. Financial activities expenses/ net revenue	1.8%	0.9%	1.3%	1.5%	1.28%
5. Other expenses/ net revenue	0.1%	0.1%	0.2%	0.3%	0.16%

EVALUATE BUSINESS RESULTS OF SUBSIDIARIES

Business results of subsidiaries & affiliates

Unit: Million VND

No Content		Gross Revenue		Profit after tax	
		2016	Change compared to 2015 (%)	2016	Changes compared to 2015 (%)
SUBSIDIARIES					
1	Central Tien Phong Plastic Joint Stock Company	765,832	17.04%	184,893	0.98%
2	Tien Phong Land Co., Ltd	111	54.3%	83.9	1.452%
AFFILIATES					
1	Tien Phong Packaging JSC	88,407	-1.69%	2,850	-19.62%
2	Tien Phong Plastic South Joint Stock Company	874,718	12.64%	74,764.2	40.97%

BOARD OF DIRECTORS' REPORTS

Continue



In 2016 recorded the important progress of Tien Phong Plastic in all three markets in North, Central and South. In addition to the impressive results achieved by the parent company, two subsidiaries, Tien Phong Plastic and Southern Tien Phong Plastic Vietnam, continue to bring outstanding achievements, contributing significantly to the overall development of the Company.

The Central Tien Phong Plastic JSC is a subsidiary of NTP with a charter capital of VND120 billion and 100% owned by NTP Tien Phong Plastic in the Central is still in the process of benefiting the tax incentive policy at 0% for the first four years (2014-2017) and 7.5% for the next 10 years (2018-2028) and the following year was 15%. The Central Tien Phong Plastic Board takes advantage of this to focus on developing revenue with the aim of targeting the Central market, where the construction plastics market remains substantial and there is no real business player dominating the market. By the end of 2016, profit of TienPhong Plastic Central grew by 0.98%, however, revenue growth of 17.04% was a positive sign for Tien Phong Plastic business in market expansion in the Central.

Tien Phong Plastic South Plastic JSC was established in 2007 with a view of regaining the southern plastics market from the competitors. Tien Phong Plastic in the South has also brought in good results with sales and profits growing steadily over the years. 2016 marked the impressive development of the company with growth of 12.64% in revenue and 40.97% in profit.

Financial activities in 2016

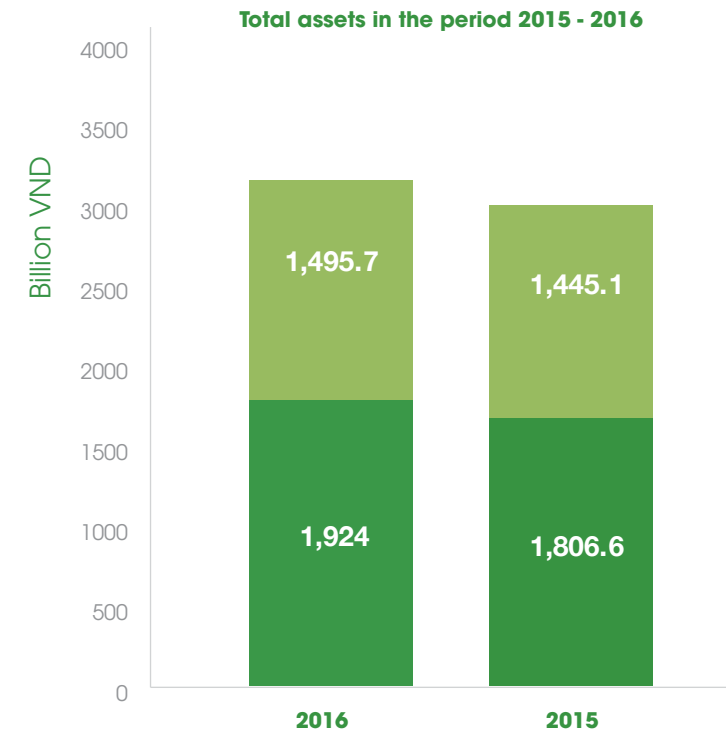
ASSET

Property size

Table of assets scale from 2015 to 2016

Unit: Billion VND

Asset	2015	2016
1. Short-term Asset	1,806.6	1,924
2. Long term Asset	1,445.1	1,495.7
TOTAL	3,251.7	3,419.7
Total assets ratio		
1. Short term assets / total assets	55.6%	56.3%
2. Long-term assets / total assets	44.4%	43.7%



Total assets in 2016 reached **VND3,417.7 billion**
that is up VND168 billion (5.17%).

Short-term assets increased by VND117.4 billion or 6.5%, mainly due to an increase in receivables. Long-term assets do not change much in terms of scale and structure. In 2016, long-term assets increased by VND50.6 billion (3.5%).

BOARD OF DIRECTORS' REPORTS

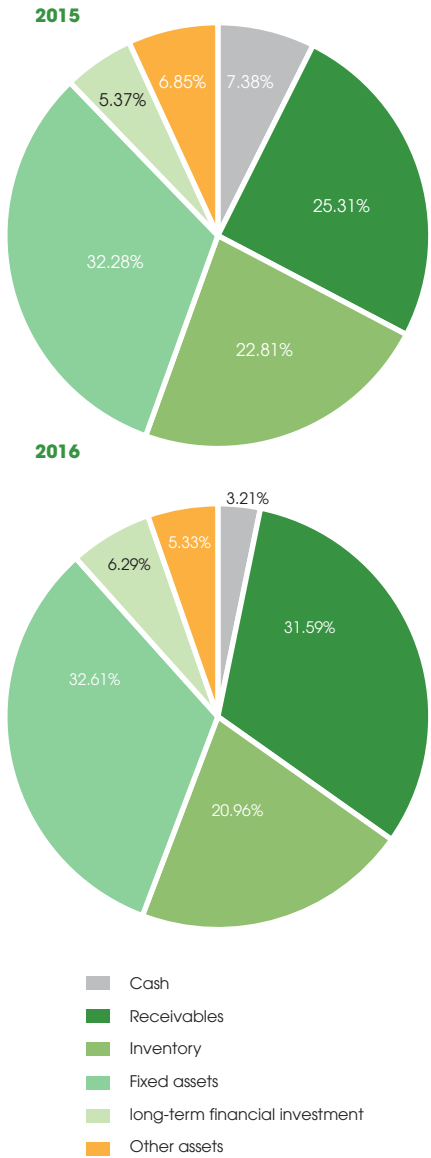
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Asset structure

Asset structure table for 2015-2016

Unit: Billion VND

No	Item	2015	2016
1	Cash	240.1	109.9
2	Short-term financial investment	0	0
3	Receivables	823	1,080.2
4	Inventory	741.8	716.9
5	Fixed assets	1,049.5	1,115.1
6	long-term financial investment	174.5	146
7	Other assets	222.8	251.6
TOTAL ASSETS		3,251.7	3,419.7
Total assets ratio			
1	Cash/total assets	7.38%	3.21%
2	Short-term financial investment/ total assets	0.00%	0.00%
3	Receivables / total assets	25.31%	31.59%
4	Inventory/ total assets	22.81%	20.96%
5	Fixed assets/ total assets	32.28%	32.61%
6	Long-term financial investment/ total assets	5.37%	6.29%
7	Other assets/ total assets	6.85%	5.33%

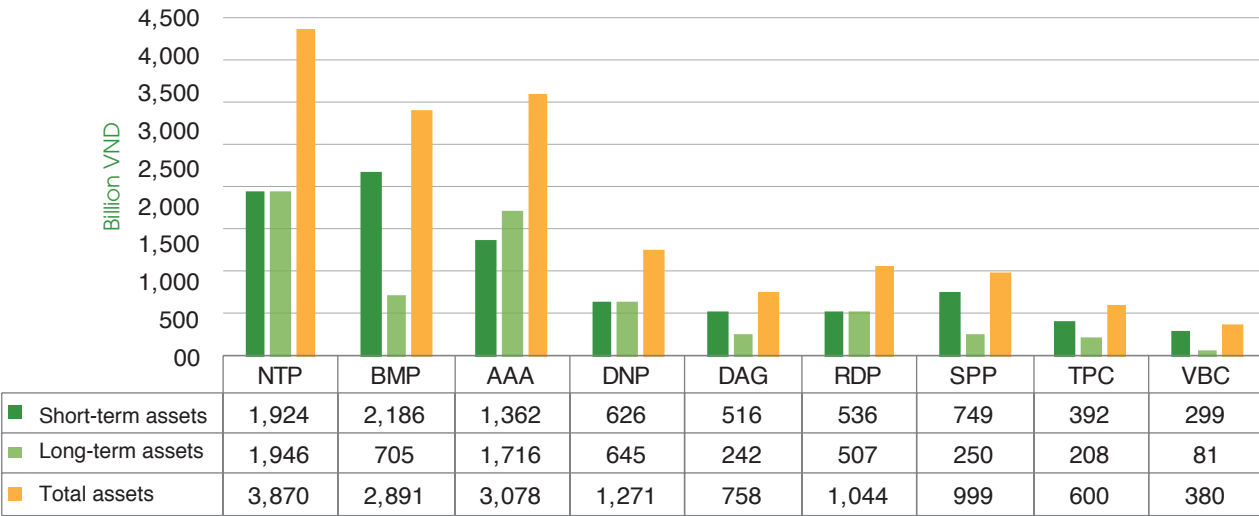


Compared to the listed plastics enterprises in 2016

Unit: Billion VND

Company name	Stock code	Short-term assets	Long-term assets	Total assets
1.Tien Phong Plastic	NTP	1,924	1,946	3,870
2. Binh Minh Plastics	BMP	2,186	705	2,891
3. An Phat Plastic	AAA	1,362	1,716	3,078
4. Dong Nai Plastics	DNP	626	645	1,271
5. Dong A Plastics	DAG	516	242	758
6. Rang Dong Plastic	RDP	536	507	1,044
7. Sai Gon Plastic	SPP	749	250	999
8. Tan Dai Hung Plastic	TPC	392	208	600
9. Vinh Plastic Packaging	VBC	299	81	380

Equity structure of companies in plastic industry



BOARD OF DIRECTORS' REPORTS

Continue

CAPITAL

Capital size

Capital size table for 2015-2016

Unit: VND Billion

No	Items	2015	2016
1	Liabilities	1,532.5	1,586.3
2	Owner's equity	1,719.2	1,832.8
	TOTAL CAPITAL	3,191.1	3,419.1
	Total capital ratio		
1	Liabilities/total capital	47.3%	46.4%
2	Owner's equity/total capital	52.7%	53.6%

The liabilities at the end of 2016 increased by VND 53.8 billion (3.51%), with decrease in outstanding loans and expenses. Owners' equity in 2016 is VND1,833.4 billion, up VND114.2 billion or 6.6%. Of which, the chartered capital increased by VND122 billion from the issuance of bonus shares at the rate of 20%; Investment and development funds increased by

VND 58.5 billion (equivalent to 8.8%); Un-distributed profit after tax decreased by VND68.9 billion (equivalent to 15.8%). In general, the share of total equity remained stable at 53-54%, reflecting a prudent use of capital and a relatively balanced capital structure.

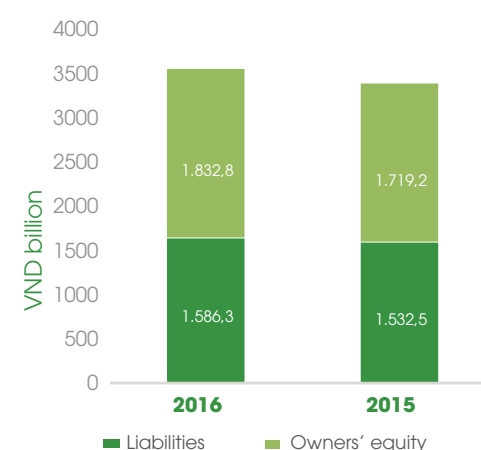
Capital structure

Capital structure 2015-2016

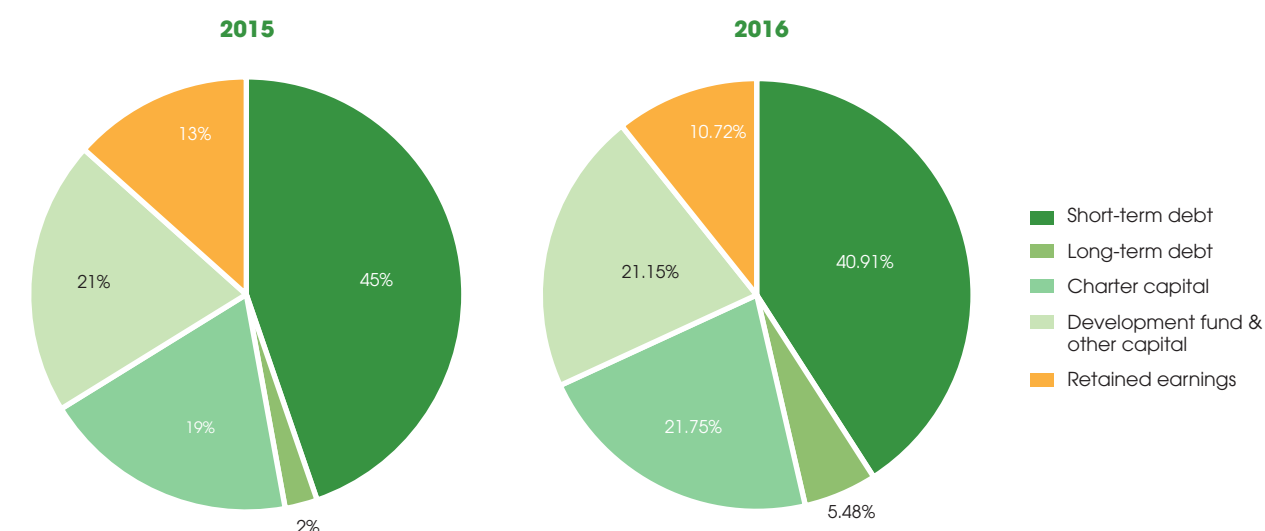
Unit: VND Billion

No	Item	2015	2016
1	Short-term debt	1,454	1,399
2	Long-term liabilities	78.5	187.3
3	Charter capital	619.7	743.7
4	Capital surplus	0	0
5	Investment & development fund Other capital	664.1	723.2
6	Profit after tax is not distributed	435.4	366.5
	TOTAL CAPITAL SOURCES	3,251.7	3,419.7

Resources in the period of 2015 - 2016



No	Item	2015	2016
	Total capital ratio		
1	Short-term debt / Total capital	44.72%	40.91%
2	Long-term debt / total capital	2.41%	5.48%
3	Charter capital / Total capital	19.06%	21.75%
4	Capital surplus / Total capital	0.00%	0.00%
5	Development fund & other capital / Total capital	20.42%	21.15%
6	Un-distributed earnings / Total capital	13.39%	10.72%



The proportion of retain earnings always accounts for more than 20% of total equity, showing the accumulative undistributed earnings from business operation efficiency and policy of reinvestment, additional capital from business activities of NTP. In 2016, the proportion of retain earnings over equity decreased slightly to 20% derived from the appropriation of development investment fund, reflecting the strategic plan of NTP in the new period developments - Focus on R & D to provide new product lines that are market-oriented and provide a competitive advantage for the company.

The ratio of short-term debt to total decreased 6.7%, but remained relatively high at 88.2% with short-term loans (71% of short-term debt) is relatively large. The main reason is the increase in payables. This may cause Tien Phong Plastic financial difficulties in the short term, but it's consistent with the revenue-focused strategy, in order to strengthen and increase the market share of Tien Phong Plastic in the Vietnamese plastics market.

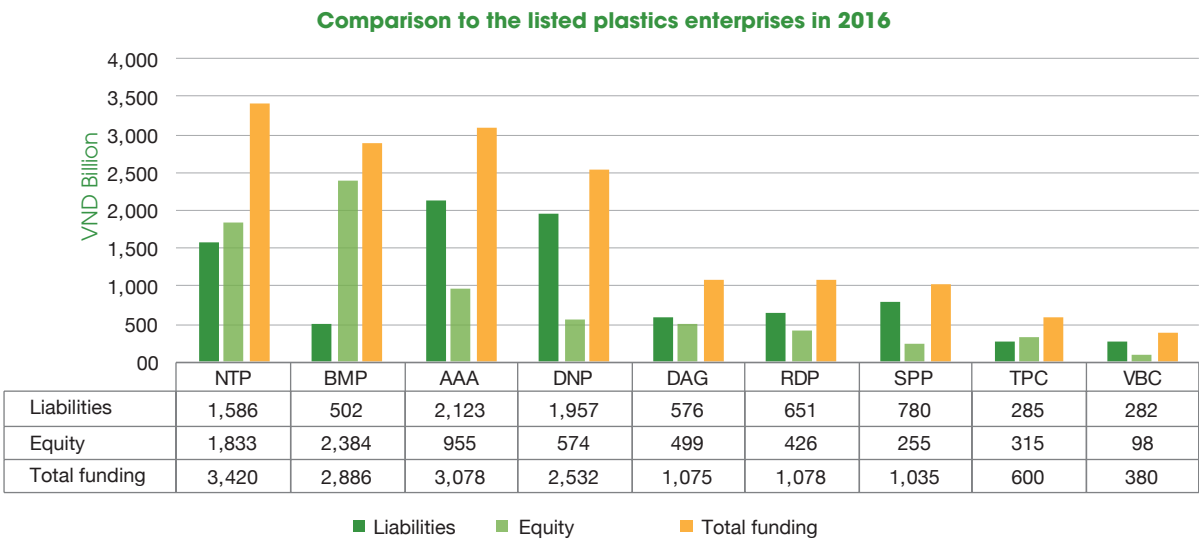
BOARD OF DIRECTORS' REPORTS

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Comparison to the listed plastics enterprises in 2016

Unit: VND Billion

Company name	Stock code	Liabilities	Equity	Total capital
1. Tien Phong Plastic	NTP	1,586	1,833	3,420
2. Binh Minh Plastic	BMP	502	2,384	2,886
3. An Phat Plastic	AAA	2,123	955	3,078
4. Dong Nai Plastics	DNP	1,957	574	2,532
5. East Asia Plastics	DAG	576	499	1,075
6. Rang Dong Plastic	RDP	651	426	1,078
7. Saigon Plastic	SPP	780	255	1,035
8. Tan Dai Hung Plastic	TPC	285	315	600
9. Plastic Packaging Vinh	VBC	282	98	380



Along with Binh Minh Plastics, Tien Phong Plastic is one of the few plastic companies in the industry with a conservative capital structure by maintaining a high proportion of equity capital. This not only shows the company financial capability, but also shows the strategic direction of the BOD and the BOM in maintaining a balance capital structure, ensuring the safety of business operations of NTP in the business environment which carries many volatile and potentially risk.



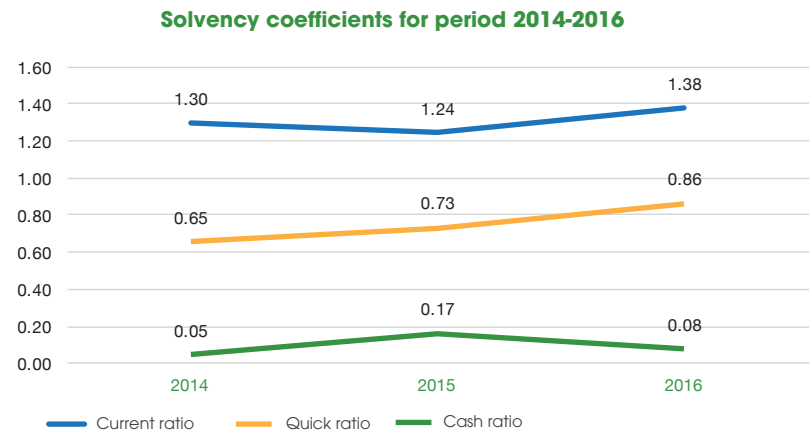
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SOLVENCY ABILITY

Table of solvency coefficients for period 2014-2016

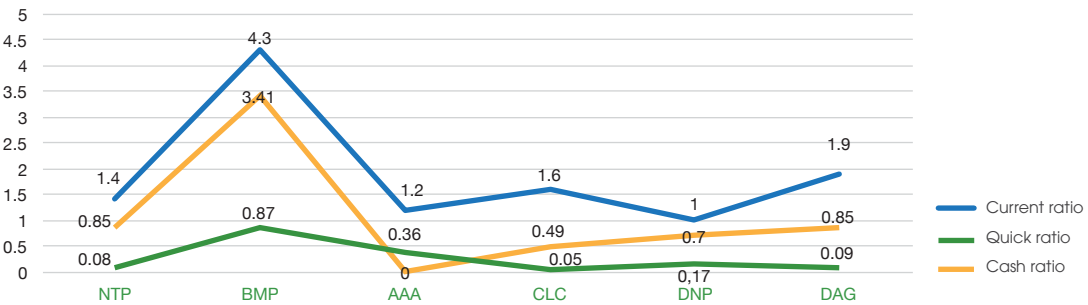
No	Indicators	2014	2015	2016
1	Current ratio	1.3	1.24	1.38
2	Quick ratio	0.65	0.7	0.8
3	Cash ratio	0.05	0.17	0.08



The ability to pay short-term debt of the company is higher than 2015, stemming from the short-term asset movement and short-term debt reduction in 2016. At the same time, the ability to pay fast also improved by solving goods inventory issues, showing safety in capital rotation operations.

Compared to the listed plastics enterprises in 2016

No	Indicators	NTP	BMP	AAA	CLC	DNP	DAG
1	Current ratio	1.4	4.3	1.2	1.6	1.0	1.9
2	Quick ratio	0.85	3.41	0.8	0.49	0.7	0.85
3	Cash ratio	0.08	0.87	0.36	0.05	0.17	0.09



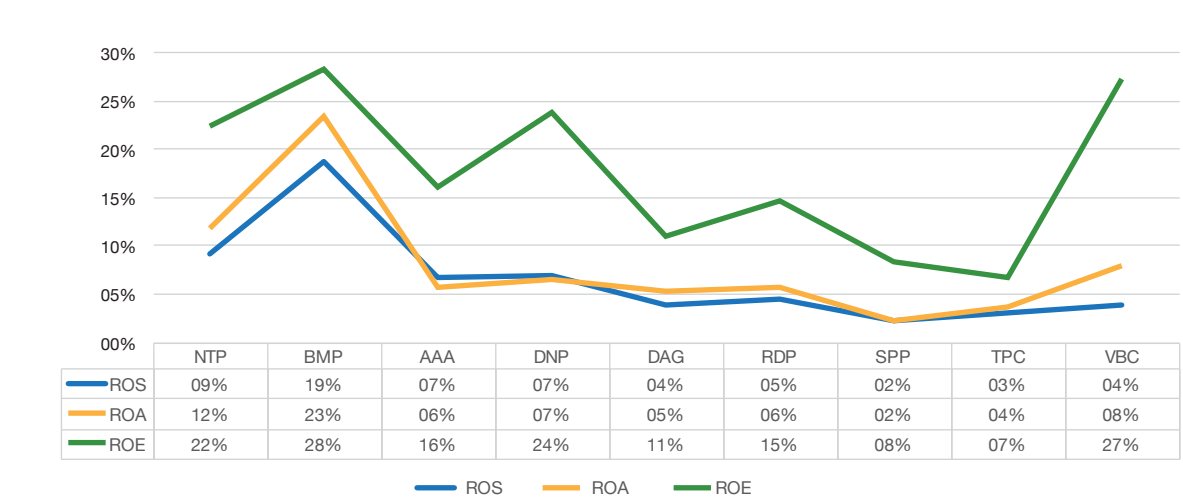
PROFITABILITY

Profitability factors

Table of profitability coefficients for the period 2014-2016

No	Indicators	2014	2015	2016
1	ROS	10.84%	10.3%	9%
2	ROA	12.6%	11.26%	11.80%
3	ROE	22.17%	21.3%	22.30%

Compared to the listed plastics enterprises in 2016



Gross profit margin maintained at a high level: In 2016, gross profit margin of NTP reached 35.95%, increased 0.43% as compared to 2015, due to the positive movements from the price Plastic resins, which account for 85% of the cost of goods sold of Tien Phong Plastic.

Total Asset Turnover: Total Asset Turnover in 2016 is 1.3, 0.1 times higher than in 2015. With faster asset turnover, Tien Phong Plastic has successfully mobilized the use of assets to generate revenue for the business. Thanks to the revolving speed of total assets, revenue in 2017 Tien Phong Plastic increased 22.5% as compared to 2015, reaching VND4,365.5 billion.

Net profit margin: In fiscal year 2016, net sales of goods and services increased by 22.5% (to VND4,565.5 billion), net profit increased by 8.6% VND397.6 billion). Revenue growth rate was higher than profit growth, resulting in a net profit margin of 1.17% (9.11%), driven by a strategy of increasing market share by supporting agents, and distributors through increased discount policy of Tien Phong Plastic.

In general, the business performance of Tien Phong Plastic in 2016 has not fluctuated strongly and still shows the consistent direction of the Board of Management with continuous focus on boosting revenue growth through preferential discount price policies.

BOARD OF DIRECTORS' REPORTS

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Profitability Analysis of Assets:

Indicators	2016	2015	Proportional difference (%)
1. Net profit margin (%)	9.11	10.30	-11.3
2. Total Asset Turnover	1.3	1.2	7.0
Return on Assets (%)	11.92	12.56	-5.1

The profitability ratio of Tien Phong Plastic represents a strategy in competition due to business size, through increase in production and consumption (increased asset usage efficiency ratio) and price incentives in order to create competitive advantage (reduce net profit margin).

Analysis of return on equity:

Indicators	2016	2015	Proportional difference (%)
1. Net profit margin (%)	9.11	10.30	-11.3
2. Number of total assets turnover	1.3	1.2	7.0
3. Asset / equity ratio	1.88	1.83	2.6
Return on Equity (%)	22.39	22.99	-2.7

Although in fiscal year 2016, Tien Phong Plastic has applied multiple financial leverage (asset / equity ratio slightly increased of 2.73% as compared to 2015), but profitability on the equity of the Company just decreased slightly (the relative proportion decreased 2.6%). The reason for this is the development strategy focusing on revenue growth by accelerating the ROA (asset turnover increased by 8.3%) and price competition competitors (net margin declined at a relatively of 11.6%).

Investment report 2016

INVESTMENT ACTIVITIES FOR PRODUCTION PROJECTS

Number 2 project – An Da:

Real estate project No 2, An Da was deployed by NTP for the purpose of managing and changing the purpose of using the old workshop at No. 2, An Da, Lach Tray - Hai Phong City Center into a commercial complex, offices and high class apartment for rent with a total area of 54,243 m2. This project has total investment of more than VND 2,000 billion.

The project is expected to become a highlight for Hai Phong City, making the mark of NTP brand and bring large and stable revenue to the company after the plastic pipe market has been saturated. However, this is a long-term project with a construction period of 15 years. Currently, the project is still at the planning level, which is not expected to be built in a short time.

In 2016, the Company negotiated with construction consultants to design the construction items. The bidding procedures for choosing a consultant were completed. At present, the design and detailed planning 1/500 scale of the project has been approved by the People's Committee of Hai Phong.

The project at Five Stars Plastics Company:

In 2016, NTP bought all 2.1 million shares of shareholders of Five Stars Plastic Trading Co., Ltd with a par value of VND 10,000 on September 16, 2016. The company has acquired the right of using more than 6.1 hectares of land to develop a factory with specialization in HDPE pipes production and capacity of 40,000 tons per year.

In 2016, the company has built a new factory on the land of Five Stars Plastic Company, by the end of 2017, NTP will move the Factory number 5 producing HDPE and PPR pipes to this new factory.



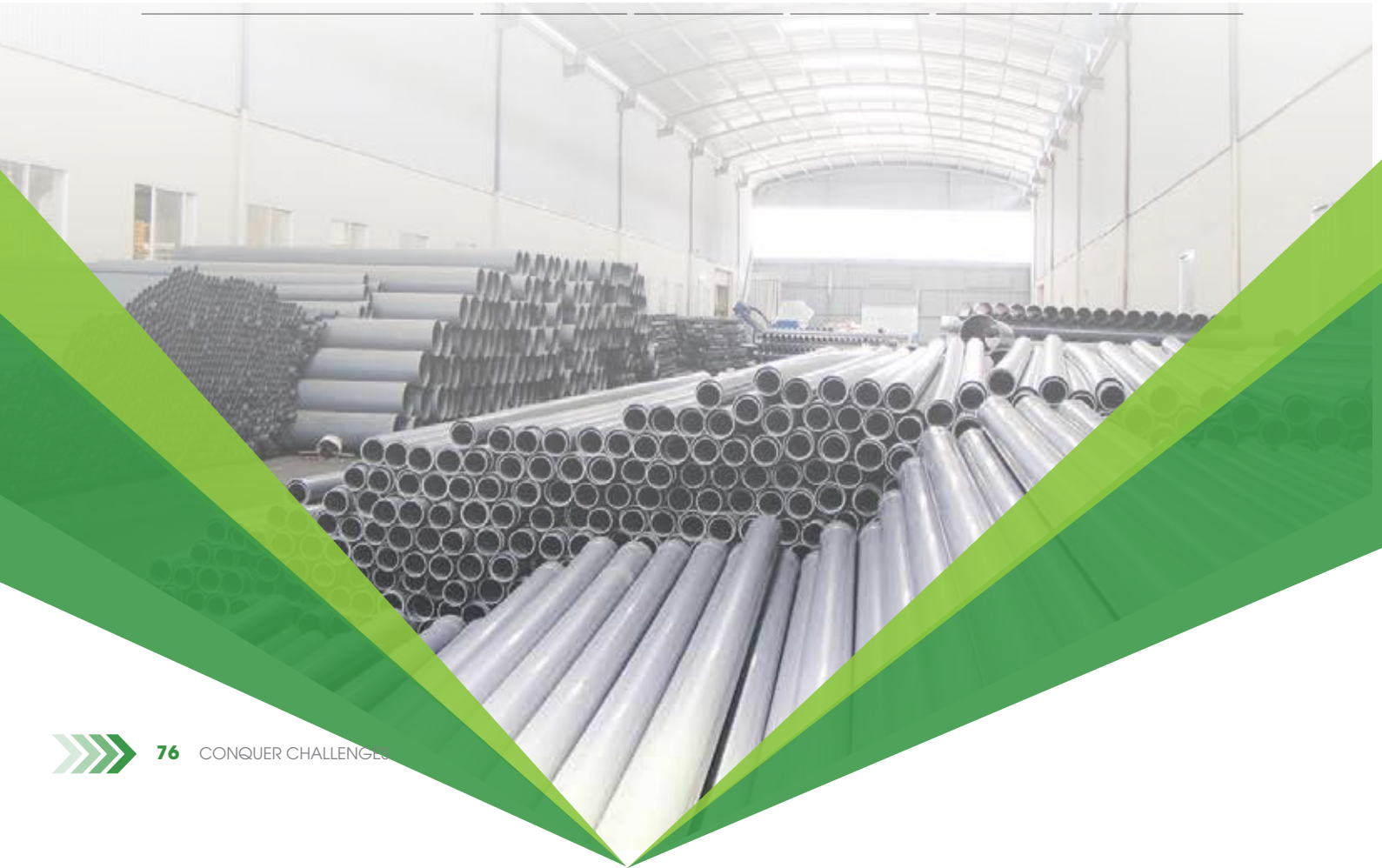
BOARD OF DIRECTORS' REPORTS

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CAPITAL INVESTMENT ACTIVITIES

Financial Statements for 2016 of the companies involved

Content	contribution ratio	Total value of actual investment (VND billion)	Charter capital (VND billion)	Profit after tax (VND billion)	Profit after tax/ charter capital
Invest into Subsidiaries					
Central Tien Phong Plastic Joint Stock Company	100%	120	120	184,9	1,54
Tien Phong Land Co., Ltd	100%	11,1	11,1	83,9	0,76
Investment in associated companies					
Tien Phong Packaging JSC	49,98%	5	10	2,9	0,28
Tien Phong Plastic South Joint Stock Company	37,78%	76,5	202,5	74,7	0,37



Marketing and branding

FOR BRAND PR WORK

Regarding to the development and management of the NTP brand in 2016, NTP continues to focus on protecting and developing the brand by increasing the depth and breadth of the NTP brand. The goal of the company is to become Vietnam's leading brand of plastic resins, penetrating the consumer's consciousness with an image, the variety of design patterns as well as the after-sales service, reliable maintenance.

In the year 2016, NTP continued maintaining a good relationship with the business community, the media and authorities at all levels to continuously develop the image of the business and to create a business environment, which is advantage for the company.

In addition, the Company also maintained regular advertising in the press and some PR articles to serve a particular purpose. Content on the website is always updated, not only complying with the law about the public company but also providing updated and detailed information on the production and business activities of the Company. In addition, the company organized the brand communication events such as 2016 Customer Conference with the participation of agents, partners, customers, and representatives of agencies (Ministry of Industry and Trade...) for the purpose of gratitude and continues to affirm and promote NTP brand to partners.

SPONSORSHIP, COMMUNITY ACTIVITIES

The company always attaches and promotes the company culture with the slogan "Associating the Company's profit with social benefits". Every year, NTP has hold charitable activities to the local community with a budget of over VND2 billion per year. NTP has cooperated with Hai Phong Orphanage & Orphans Association in 2016 to donate charity houses for disabled people, disadvantaged veterans and

poor families in Hai Phong. The company's activities as a part of the Government's and City's Project to support People with Disabilities in the period of 2012-2020 have helped many disadvantaged families to have spacious shelter, which brings them peace of mind to work out of poverty.

In addition, NTP also focused on the importance of training for young intellectuals, accompanying and supporting educational programs, and awarding scholarships to students with good academic achievements. In the year 2016, NTP held a conference to praise employees' children who have good academic achievements or winning prizes in the education Olympics for all levels of the school year 2015-2016, which encourages them keep continuing work hard to contribute value to the country.

PRODUCT MARKETING

NTP's marketing strategy is based on competitive capability, focusing on branding and marketing research to provide superior new products, reasonable prices and meeting the market demand.

NTP focuses on promoting products through popular media channels such as website and distribution system. In addition, the company organized events introducing new product lines, typically two production lines HDPE DN2000 and PP-R 2 layers UV protection. Those events had the participation of Vietnam Water Supply Association, scientists, managers and partners.

Customer care and after sales services are also caught special attention of NTP. NTP always appreciate training market staffs and customer care staff who have improved professionalism in finding, attracting, and satisfying customer needs. The company always promptly solved the complaints and inquiries of customers regarding to products, which then affirms and enhances the brand value of NTP.

BOARD OF MANAGEMENT'S REPORT

Evaluation of Board of Management on performance & Board of Management

MONITORING ACTIVITIES

To comply with the provisions of the charter, the regulations on the management of NTP, the regulations and internal management regulations and the prevailing laws, the Board of Management had the following supervision activities:

- Successfully organized the Annual General Meeting of Shareholders in 2016 on March 26, 2016 at Big Hall of the Company at 222 Mac Dang Doanh, Duong Kinh, Hai Phong.
- Strictly followed the standards of financial report in 2015.
- Supervised the executions of the BOD's and the Annual Meeting of Shareholders' decrees.
- Supervised management activities of the Board of Directors to improve business efficiency and fulfill the business plans.
- Supervised and directed the company's information disclosure with the aim of ensuring transparency and timeliness in accordance with regulations.

In addition, to manage activities effectively, the Board of Management has established the Company Governance Regulations according to Government's Circular 121 regarding Corporate Governance.

Board of Management has also instructed company's departments to amend and supplement the Company's Charter following the spirit of the Enterprise Law 2014 and Circular 121 and submit it to the General Meeting of Shareholders for approval.

RESULTS FOR SUPERVISION

In 2016, the Board of Management highly appreciated the contributions of all employees and the Management teams, which ensured NTP continuing to achieve impressive results. Sales of NTP in 2016 reached VND4,360 billion, fulfilled 112% of the plan approved by the General Meeting of Shareholders and achieved a 23% growth compared to 2015; Profit reached 421 billion, reaching 101% of the plan.

In the context of increasingly competitive market, NTP still plays its pioneering role in plastic industry. Predicting and seizing the market demands with appropriate business strategies have been key factors for NTP's outstanding achievements. At the same time, the Board of Directors has regularly updated the company's regulations to ensure the most effective coordination through out the Company's management activities.

Activities of Board of Management in 2016

INTRODUCTION OF BOARD OF MANAGEMENT

BOM has appointed 5 members: 1 chairman, 1 vice chairman and 3 memmber. (detailed in chapter I)

RESOLUTIONS OF THE BOM INTRODUCED IN 2016

In the year 2016, the Board of Management conducted four meetings with the attendance rate of 100%, introduced 10 resolutions to approve many important policies updates to the operation and development orientation of the NTP, with the main contents as follows:

The resolutions / decisions of the Board of Management have been promulgated in 2016

Date	Resolution Reference	Content
22/01/2016	14/QĐ-HĐQT	Decision of the Board of Management on the first dividend advance in 2015 (15%)
07/03/2016	24/QĐ-HĐQT	Decision of the Board of Management on the establishment of the organizing committee of HDPE, PPR, PVC-M product presentation workshop of TNTP Plastics on 19/05/2016
08/03/2016	25/QĐ-HĐQT	Decision of the Board of Management on the promulgation of the new Regulations
12/04/2016	36/QĐ-HĐQT	Decision of the Board of Management on the implementation of the shares issuance plan to increase equity capital
31/05/2016	48/QĐ-HĐQT	Decision of the Board of Management on the second dividend payment in 2015 (10%)
04/06/2016	52/QĐ-HĐQT	Resolution of the Board of Management on the listing of additional 12,394,212 shares on the Hanoi Stock Exchange
20/06/2016	58/QĐ-HĐQT	Decision of the Board of Management on the reappointment of General Director position to Mr. Nguyen Quoc Truong
19/07/2016	69/QĐ-HĐQT	Decision of the Board of Management on the establishment of risk management
15/11/2016	91/NQ-HĐQT	Resolution of the Board of Management on advance dividend in 2016 - first stage in cash at the rate of 15%
14/12/2016	100/QĐ-HĐQT	Decision of the Board of Management on the advance dividend in 2016 - first stage in cash at the rate of 15% on 23/12/2016

BOARD OF MANAGEMENT'S REPORT

Continue

ACTIVITIES OF SUBCOMMITTEES UNDER THE BOARD

Activities of the Project Management Committee

Project No. 2 An Da:

The Project Management Committee has negotiated with the design consultants for the project plans. The project has been approved by the People's Committee of Hai Phong city with detailed design-planning scale of 1:500. Currently, the basic design contractor has completed 95% of the deployment stage. Warfare Statistical Bureau has allowed the static height without building height adjustment can be up to 32 floors. The Consultant is preparing the dossiers to submit to the Ministry of Construction for appraising the basic design of works of over 20 floors building, to The Hai Phong Department of Construction for appraising works under 20 floors, to the People's Committee of Hai phong for appraising the architectural plan, to the People's Committee for approval of the report Environmental Impact Assessment. After completing this work, the Investor will approve the project. It is expected that the above items will be completed in the first quarter of 2017.

Regarding the first phase of Hung Dao project (at 222 Mac Dang Doanh street, Hung Dao ward, Duong Kinh district, Hai Phong):

As of 09/2015, all of the approved construction items (based the Phase I plan) of the 5-floor offices were completed and handed over to the commercial use

Based on the actual demand in production, the Board of Management has approved the investment plan to build a welding workshop to construct HDPE pipe up to 2,000 mm in diameter. This workshop's site extended to the site of which would be used in second phase of the project.

At present, the contractor has finished all steel structural erection, expected to be in service on 01/2017.

Regarding the phase 3 of construction project to extend premises in Phan Dung - Anh Dung ward - Duong Kinh district, Hai Phong:

The M&A activity of Five Stars Plastic Co., Ltd into NTP was completed. The company has successfully absorbed the premises of Da Nang Import-Export Company adjacent to the back of NTP's premises and is receiving more land transferred by Hai Phong High-tech Agriculture Joint Stock Company.

The project management has hired a consulting firm to develop the master plan details the usage of newly acquired premises by 2035. This plan will be submitted to the City for approval, which will include two zones: 222 Mac Dang, Hung Dao, Duong Kinh district and the site in Anh Dung ward, Duong Kinh district.

The BOM also instructed Project Management Committee to start the basic constructions synchronously to ensure timely progress of moving PX5 to the new site. Specific work is underway such as construction of internal drainage system, infrastructure system, roads; PX5 workshop is under construction and the operator has completed the 1st floor, the system of recirculation tanks has been completed; pile presses were completed for grinder factory.

Expansion Project to the Central:

The management of the project has signed the land lease contract with Central NTP and handed over the land area of 1.8 hectares to expand the factory phase 2.

Activities of the human resources Sub-Committee

During the year, the Human Resources Sub-Committee has built up a strong management team for the Company.

Through the practice of managing and operating, the Board of Management has appointed qualified personnel:

- After considering and evaluating the capacity of personnel, the Board of Management decided to appoint Mr. Nguyen Quoc Truong - Member of the Board of Management to hold the position of General Director until the end of 31 / 12/2018.
- The Board of Management also reviews and gives instructions on strengthening and appointing managing positions in some departments such as the Administration and the Technology.
- The Board of Management has reviewed and decided on the establishment of the Risk Management Board, which has been operated since July 2016.

BOARD OF MANAGEMENT'S REPORT

Continue

Management Orientation in 2017

INTERNAL MANAGEMENT ACTIVITIES

In 2017, NTP will continuously improve the quality of internal management through establishment of strict managing policies, by reviewing and improving the rules to create a legal corridor for the activities of NTP and other affiliates. At the same time the company strictly complying the existing legal framework and internal regulations of the Government to ensure objectivity and transparency, to prevent conflict of interest and to show respect with the rights and legitimate interests of shareholders.

Regarding the management orientation of affiliates, Tien Phong Plastic continues to promote the restructure of investment capital in joint ventures and associates to bring the highest investment efficiency to the Company.

PRODUCTION AND BUSINESS ACTIVITIES

2016 is the hinge year marking the beginning of the new chapters of NTP. The positive results of the production and business activities are the driving force for the Board to continue preparing for future. In 2017, the Board of Management will continuously have strategies to accelerate revenue growth, expand market shares, and pursue differentiated product strategies for catching emerging trends.

In 2017, the Board of Management will continuously focus on business production; in addition, BOM will be reviewing the long-term strategies and goals that will be implemented in 2017 and in period 2017-2020.

The basic plan of revenue and profit for the year to submit General Meeting of Shareholders in 2017 is as follows:

Target	2016	2017	Growing rate
Total revenue (in billion VND)	4,354	4,896	12%
Earnings After Tax (in billion VND)	397.6	450	7%

REPORT OF BOARD OF SUPERVISORS

Activities of the Board of Supervisors in 2016

The Board of Supervisors is the supervisory department, directly operating under of the General Meeting of Shareholders, which takes responsibilities for their supervisory activities. The board supervises the financial situations, the legitimacy of the activities of the Board of Directors, the Board of Management and other managers of the Company in accordance with the law and company's charters in order to protect the legitimate interests of NTP and Shareholders.

In 2016, the Board of Supervisors had introduced the rights and duties stipulated in the Law of Enterprises and the Charter of Organization and Operation of the Company. The Board of Supervisors has planned, developed the work program and assigned tasks for each member, conducted inspection and control of issues that the Board of Supervisors considered necessary, specifically:

- Advising the leadership to select an independent auditor;
- Attending meetings of the Board of Management, reviewing and examining the internal documents issued by Board of Management, in the process of corporate governance to ensure the development of the direction and the owner. The school operates the company in accordance with the law and in accordance with the guidelines of the general meeting of shareholders;
- Supervising the periodic information disclosures, monitoring and handling abnormal information in a timely manner and verify the truthfulness of the information disclosed to shareholders of the company;
- Updating legal provisions and submit suggestions to the Board of Management, Board of Directors to update the regulations in the company in order to comply with the provisions of law;

The Board of Supervisors did not notice any abnormal signs in the company's production, business and investment activities, financial activities in 2016. Through inspecting, the board assessed that the activities are fully implemented and complied with regulations and transparency.

In addition, the board also agreed to promulgate the regulation on the activities of the board of supervisors in accordance with the provisions of the current legal documents to legalize and unify the operation and assign responsibilities of each Supervisory Board member; In addition, the Board of Supervisors also conducted analysis of the Company's financial status during the year and made comments and recommendations to the Board of Directors, that is solutions to improve efficiency in the running of the Company.

REPORT OF BOARD OF SUPERVISORS

Continue

CORPORATE GOVERNANCE

Orientation for activities in 2017

In 2017, the Board of Supervisors will continue to carry out the responsibilities and tasks assigned:

Participating in full meetings of the company, meetings on the implementation of business plans;

Checking the financial statements of 2016 of the company and its subsidiaries;

Coordinating divisions and department of the Company, the working group to prepare reports, prepare materials for the Annual General Meeting of Shareholders in 2017;

Attending company briefings, board meetings when notified;

Supervising the implementation of resolutions of the General Meeting of Shareholders, the implementation of the Charter of the Company;

Inspecting and auditing departments/teams to ensure the company's regulations and policies are not violated;

Crosschecking accounting records, expense records, document storage of NTP's affiliates and Project Management Committee of PVC-MS Company;

Examining the use of capital and capital preservation;

Unnoticeably performing audit work at any department (when necessary);

Participating in all the professional training courses organized by NTP.

Corporate governance report

BOARD OF MANAGEMENT

List of Board of Management members and number of shares owned 31/12/2016

No	Name	Position	Total number of shares owned	Ownership ratio	Number of shares restricted transfer	Number of shares transferred freely
1	Tran Ba Phuc	Chairman	62,317	0.08	0	62,317
2	Nguyen Chi Thanh	Vice chairman	0	0	0	0
3	Nguyen Quoc Truong	Member	51,480	0.07	0	51,480
4	Sakchai Patiparnpreechavud	Member	0	0	0	0
5	Dang Quoc Dung	Member	1,611,324	2,166	0	1,611,324
Total			1,725,121	2,316	0	1,725,121

Subcommittees under the Board of Management :

In order to meet the requirements of operation, the Board has set up subcommittees including:

- Project Management and Investment Development committee
- Subcommittee on Appraisal of Investment and Development Projects
- Human Resources committee department
- Financial Supervision Subcommittee
- Other special committees under the resolution of the General Meeting of Shareholders

BOARD OF MANAGEMENT ACTIVITIES

The Board of Management of NTP operates under the Company's operating regulations, the Company Charter and the Corporate Governance Regulations issued on 08/03/2016. As the most power management department representing the rights of shareholders, in 2016, the board of directors with 05 members actively performed their roles and strictly duties in management standards. The board of company also satisfies the regulations of the State on public company management and international practices.

NTP maintains its quarterly meeting to review and evaluate production and business activities and exchange plans for next year. The Board's activities are regularly maintained with sufficient number and members of participants meet which are required of the legal and quality of the meeting. In addition, the Board of Directors ensures the supervising activities of the General director and other executives.



Activities of non-executive board members:

The Chairman does not hold General Director Position

NTP has a clear division of responsibilities between the Chairman and the General Director in order to raise the independence between the Board of Directors and Board of management. This separation also ensures the independence of decisions from the Board of directors.

Appointment of Board members

NTP always follows the clear and transparent process of appointing a new member of the Board of directors, ensuring compliance with the Company’s Charter and Regulations.

List of members of Board of Directors, Board of Management, Board of Supervisors and key staffs who have been trained in Corporate Governance.

No	Name	Position
1	Tran Ba Phuc	Chairman
2	Nguyen Chi Thanh	Vice Chairman
3	Nguyen Quoc Truong	Member
4	Dang Quoc Dung	Member
5	Sakchai patiparnpreechavud	member

Overall evaluation of board of Management’ activities:

Taking responsibility to protect interests of shareholders, employee in the Company and the business growth of NTP in general, the Board made efforts to fulfill its duties in accordance with regulations and the law by supervising the General Director in the execution of resolutions of the General Shareholders Meeting, as well as the resolutions and decisions of the Board of Directors.

BOARD OF SUPERVISORS:

List of Board of Supervisors and number of shares held at 31/12/2016:

No	Name	Position	Total number of shares owned	Owner-ship ratio	Number of shares restricted transfer	Number of shares transferred freely
1	Vu Thi Minh Nhat	Head of inspection committee	0	0	0	0
2	Praween Wirotpan	Member	0	0	0	0
3	Nguyen Thi Quynh Huong	Member	343	0	0	343
Total			343	0	0	343

Risk management report

PURPOSE OF RISK MANAGEMENT

Business risk management aims at protecting and contributing values to the company and the stakeholders through the following means:

- Developing a framework to help businesses make future plans that are consistent and manageable.
- Strengthening capacity in decision making, planning and prioritizing work on the basis of completely understanding of the business, business environments, opportunities and challenges of the company.
- Contributing to the efficient distribution of resources in the company.
- Minimizing errors in every aspect of the business.
- Protecting and increasing assets as well as the company’s image.
- Developing and supporting human resources as well as intellectual resources of NTP.
- Optimizing performance.

RISK MANAGEMENT PROCESS

Managing risks in 2016

This year marked the renovation in the management of NTP. The importance of risk management is increasing, so the company made decentralization of management becomes clearer. In addition, NTP has also decided to set up Risk Management Board, with the aim of controlling the processes, contributing to the efficient allocation, using effectively of resources, minimizing errors in all business areas, and optimizing the performance of the Company.

CORPORATE GOVERNANCE

Continue

OPERATIONAL RISK

Risk of production safety

Despite regular maintenance and repairs every year, the workshop system of the company has entered the stage of increasing the risk of potential failure of machinery and equipment. Incidents occurring during the operation will result being shut down to recover material, which affect to the company's revenue, affects the ability to complete the production plan, and most importantly affects the safety of the environment and collective staff, employees of the company.

NTP is aware of the importance of ensuring the safety in production environment, so the company always strictly adheres to the regulations on work safety - labor protection - fire protection and environmental protection. Supervision is maintained regularly, in conjunction with the dissemination and organizing safe technical practices. Because of that, in 2016 production activities in the company are ensured absolute safety that protects the production and business of the company. In addition, the fire prevention system is well equipped. The company has a team of fire fighters are well trained to readily respond to unexpected incident that might occur.

Risks in developing new products

To meet growing demands and competitive pressures in the industry, every year NTP always launches new products. The latest products launched by the company in 2016 can be mentioned as: HDPE DN2000 pipe, PP-R 2 layers UV protection. Those products have received positive attention and feedback from the market.

Bringing new products to the market needs serious investment on researching, producing until the products reach the consumers. With adaptive development strategies in

the new phase, the Company produces civil plastic products, and also focuses on researching and developing new products for the water supplying pipes. This will be the main direction of the company in the future when the market of civil plastic products is facing fierce competition.

In decision to develop new products, NTP seriously focuses on market research, product research, raw material supplies, cost, and distribution strategy and product preparation. The launching of new products to the public was also paid great attention by the NTP. By holding introductory seminars, NTP attracts participation of scientists, managers of both domestic and foreign companies/-customers.

The risk of losing senior personnel and intellectual resources

TNP has well-known and experienced leaderships who go hand in hand with the company's long history of development and success. Talent, enthusiasm and cohesion from the early days of establishment have been a great pressure for young leaders and senior executives to demonstrate competence and build trust of investors and customers.

Being aware of this, the Company always pays attention to human resources. Over the years, the company has focused on training and developing staff, especially the inheriting personnel. Training is focused not only on professional skills but also on risk management for key personnel, such as risk management training, executive classes... In addition, the Company's staff is regularly assigned to participate in Corporate Governance education programs, such as:

- Training program on setting up method of report on sustainable development organized by the Securities Commission in May 2016.

- The seminar on new regulations on corporate governance by Deloitte Vietnam Co., Ltd, International Finance Corporation (IFC) in collaboration with Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange in June 2016.
- Corporate Governance Seminar on Tasks and Performance Evaluation of Board of directors' member held by Hanoi Stock Exchange in November 2016.

FINANCIAL RISK

Payment risk

In 2016, the proportion of liabilities on total equity of NTP is 46.4%, which is down compared to 2015 (47.1%). However the structure of debt was mainly short-term debt (88% of liabilities) reflecting that the current business depends heavily on short-term financing.

In short-term debt, loans accounted for 71.1%, while cash and cash equivalents dropped sharply from 7.4% in 2015 to 3.2% in 2016 partly reflecting financial constraints and demand for short-term capital and potential liquidity risks.

Financial risk management solutions:

The short-term liquidity risk comes from an increase in customer receivables account (increasing 30.2% from 2015), stemming from sales policy of NTP to optimize sales. This is to consolidate and increase the market share of NTP in Vietnam plastic market. The company has been aware of this, so it has actively supervised receivables, inventories, and appropriately regulated sales policies to ensure liquidity not disrupting the process of production and business activities of enterprises.

Credit risk

Starting from deferred sales policy and revenue growth strategy, in 2016, customer receivables increased from VND788.1 billion to VND1012.9 billion (equivalent to 30.17%). However, NTP evaluated the Company does not encounter any significant credit risk due to receivables are not focused on some major customers.

MARKET RISK

Currency exchange risk

Business characteristics of the plastic industry led to the emergence of foreign currency loans, thus raising many risks relate to solvency, exchange rate ... In addition, the instabilities of world economic, politics and US monetary policy will exert pressure on exchange rates between VND and USD, requiring NTP pay attention and focus on the following controls:

- Actively negotiating with customers to sign contracts providing services and payment in USD to create a source of dollars in business.
- The Finance Department actively monitors market and interest rates in order to issue warnings and propose timely response measures.

Because of proper measures in the direction of operations, NTP has minimized the impact of exchange rate risk on the company's operations, thus helping to ensure cash flow for production activities.

Interest rate risk

Interest rate risk is the risk related to the interest expense of borrowings and liabilities of the Company when interest rates on the market go up. The Company's loans are mainly intended to finance the construction and investment of long-term capital for Company's projects.

Interest rate risk management solution:

In 2016, the debt to total assets ratio of NTP still remains steadily at below 50%. Debt structure tends to reduce the proportion of short term debt and increase the proportion of long term debt. The Company will maintain continually a reasonable debt ratio or seek to

reduce the debt to profitability ratio in order to reduce pressure from interest cost.

Carry out financial restructuring through debt reversal (find banks, credit institutions or investment funds with low and stable interest rates to replace) or capital from other channels such as: Issue additional shares to increase capital, divest from some investment portfolio, calling for investment cooperation from large organizations at home and abroad.

Price risk

With raw materials costing about 80% of cost of goods sold, resin price has a great impact on NTP's profitability. Domestic enterprises selling plastic resin in Vietnam such as Phu My or TPC-Vinina only provide about 30% of domestic demand and sometimes with higher cost than imported materials. NTP is heavily dependent on plastic resins imported from foreign countries leading to exchange rate influences, which will also have a small impact, along with the need to prevent changes in tariff policy.

Price risk management solution: NTP always monitor market developments and have timely solutions in purchasing and stockpiling materials with reasonable prices, which will be active in the input and ensure stable production. At the same time, the company also takes measures to save on raw materials, energy ... to reduce production costs. As a result, NTP can control the output price at a stable level, maintaining competitive advantage for the company in the context of complicated material market.

Market risk

Although the growth is still abundant, competition pressure for enterprises in the plastic industry is growing.

At present, NTP is not only under pressure from enterprises operating in the industry, but also many big and potential enterprises even from other industries have strongly invested in the plastic pipe production line equipment. Some companies participating in the plastic pipe market can be referred:

- Hoa Sen Building Materials Company limited: Hoa Sen has built another factory in Binh Dinh and started to produce HDPE and PPR pipes by the end of 2015. The company also rented more than 30ha in East Economic Zone Nam - Nghe An, which is producing steel pipes and steel pipes and expect to produce plastic pipes in the North in 2017.
- De Nhat plastics: Nhua De Nhat started producing PPR pipes from late 2015.
- Dong Nai plastics: Dong Nai plastics started producing PPR pipes from mid 2015.
- Tan A - Dai Thanh Company: Tan A - Dai Thanh specializes in producing plastic bottles, stainless steel tanks, and stainless steel valves, solar cookers, also invested in European equipment lines for production. PVC, HDPE, PPR pipes in Pho Noi - Hung Yen is expected to be marketed in 2017.

Market risk management solution:

Facing with growing competition from competitors in the industry, NTP soon became aware of the problem and built a suitable strategy for the new development phrase. In addition to focus on maintaining the market in key areas, NTP is constantly expanding its product range and expanding its market share through its marketing policies. Promotion programs to create a surge and attract market demand; strengthen the marketing,

customer care, and participate in bidding for key projects...

Not only focusing on distribution channels, NTP is also committed to making a breakthrough by focusing specifically on the production of important items, especially to meet the needs of customers. Every year, the company introduces new models with superior features, breakthrough technology and orientation, attracting consumers. In addition, NTP also minimizes the risk of competition by moving to a new strategy that focuses on piping for water supply for buildings with higher growth rates than plastic pipes.

LEGAL RISKS:

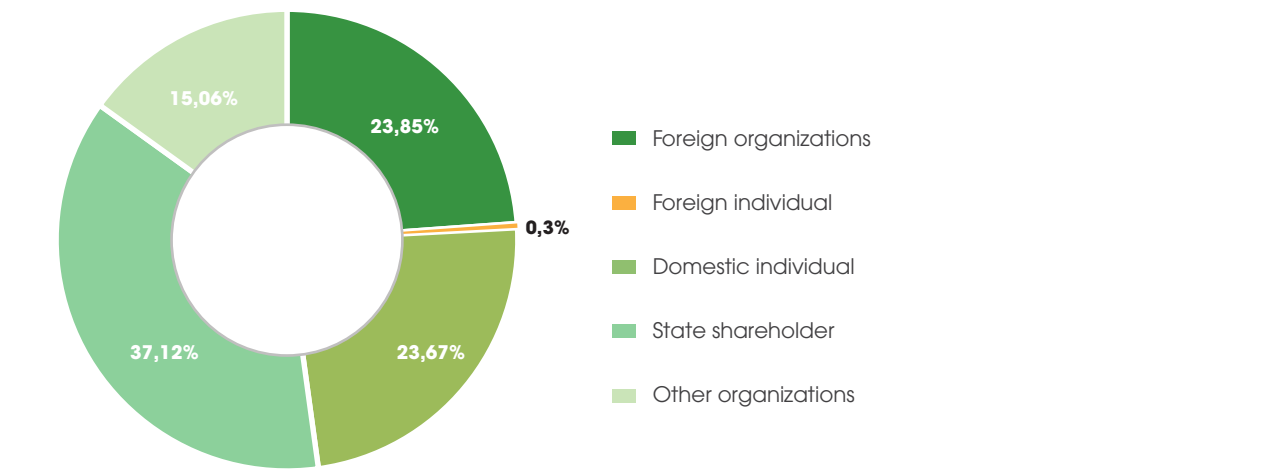
Laws and regulations, guidelines on tax are regularly changed, not synchronized, so it has an impact on the business results and development orientation of the company. The risk of litigation and compensation may occur if the Company does not understand, regularly update the new regulations.

Legal risk management solution:

- Organizing the system updating the law changes, implementing in accordance with the law.
- Giving responsibilities to the functional sections to participate in the training courses aiming to update policy and disseminate to workers to implement.
- Hiring legal consultants to advise the leaders on problems related to the State's policies to the Company's activities.

Stock information and investor relations

Stock Code	NTP
The charter capital of the Company	743,673,070,000 VND
Number of shares listed	74,673,070 shares
Type of shares	Common
Number of outstanding shares (31/12/2016)	74,673,070 shares
Market capitalization (31/12/2016)	VND 5.787 billion



Earnings per share (EPS) VND 5,346	Dividends per share (DPS) VND 3,304	Book value per share (BV) VND24,500	Total trading volume in 2016 11,7 millions
Market price on 30/12/2016 VND77.500 /share	Highest price of the year VND84.900 /share	Lowest price in the year VND40.500/share	The average volume 43,227 shares /day
P/B (30/12/2016) 3.16	P/E (30/12/2016) 14.5	Chartered capital increased during the year due to issuance VND124 Billions	Total transaction value in 2016 VND823 Billions

CHART OF CLOSING PRICE OF NTP SHARES AND COMPARE WITH VNINDEX FROM 01/01/2016 TO 31/12/2016

In the first quarter of 2016, Tien Phong Plastic (NTP) fluctuated in the same direction with VN Index. Since the second quarter of 2016, Tien Phong Plastic (NTP) started to grow significantly. At the end of the second quarter, positive news from Q1 business results (net profit of over VND83 billion, up 18%) was the beginning of the medium term upward trend.

In the last period of the third quarter and the beginning of the fourth quarter, the market appreciated the positive signals on business activities with the profit of 119 billion VND in the second quarter, strong growth compared to the market forecast, creating the foundation for a new revenue cycle begins in the second half of 2016.

Especially, in the beginning of the fourth quarter, NTP's share price reached a high of 85,000 after impressive results of revenue (VND 3,122 billion) and the plan to advance 15% of cash dividend for the first phase of 2016. At the end of the year, NTP maintained its upward momentum with a medium term uptrend due to positive outlook for next year.



(Source: HNX, www.vndirect.vn)



(Source: HNX, www.vndirect.vn)

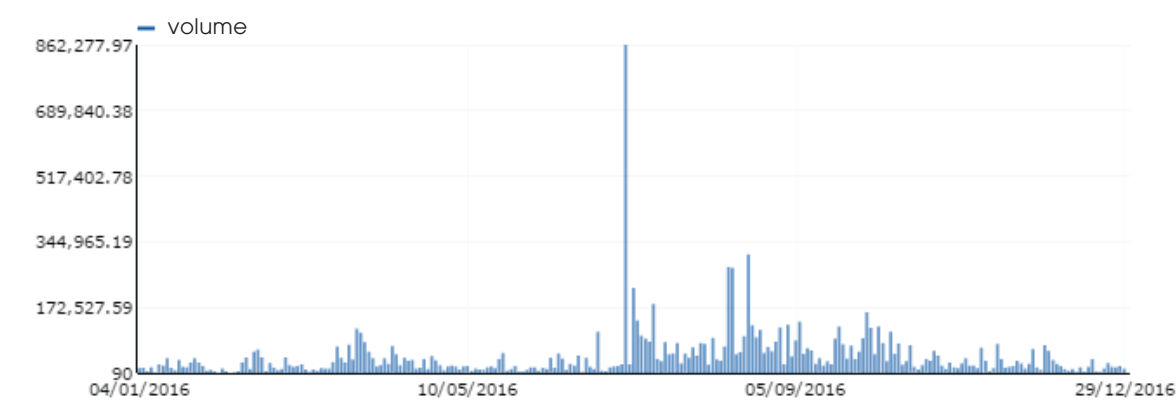
The price of NTP shares in 2016 fluctuated

the highest price of **VND84,900,**
the lowest price was VND40,500
or 109.6 percent.

CORPORATE GOVERNANCE

Continue

TRADING VOLUME CHART OF NTP SHARES FROM 01/01/2016 TO 31/12/2016



(source: HNX, www.vietstock.vn)

NTP shares traded the most in the third quarter of 2016, with a total transaction volume of 6.27 million shares, total value of over 445.3 billion, mostly transactions of shareholders and investors domestic. The most active trading date was 05/07/2016 with a trading volume of 862278 shares.

Transactions of foreign investors in 2016



In 2016, foreign investors bought a total of

195 billion VND

and sold

257 billion VND

of NTP shares

The net buying / selling value were

VND 62 billion

(source: HNX, www.vietstock.vn)

SHAREHOLDER STRUCTURE

The shareholder structure according to the list dated 03/03/2017 of the Securities Depository Center for holding the General Meeting of Shareholders is as follows::

Detailed list of insiders, persons authorized to disclose information

No	Name	Position	Total	Proportion
BOM				
1	Tran Ba Phuc	Chairman	62,317	0.08
2	Nguyen Chi Thanh	Vice chairman	0	0
3	Nguyen Quoc Truong	Member	51,480	0.07
4	Sakchai Patiparnpreechavud	Member	0	0
5	Dang Quoc Dung	Member	1,611,324	2,166
BOD				
1	Nguyen Quoc Truong	General Director	51,480	0.07
2	Nguyen Trung Kien	Deputy General Director	810,760	1.09
3	Chu Van Phuong	Deputy General Director	6,864	0.01
4	Tran Nhat Ninh	Deputy General Director	4,303	0
5	Ngo Thi Thu thuy	Deputy General Director	286	0
6	Nguyen Van Thuc	Deputy General Director	2,574	0
BOS				
1	Vu Thi Minh Nhat	Head	0	0
2	Praween Wirotpan	Member	0	0
3	Nguyen Thi Quynh Huong	Member	343	0
CHIEF ACCOUNTANT				
1	Tran Ngoc Bao	Chief Accountant	0	0
AUTHORIZER FOR INFORMATION DISCLOSE				
1	Nguyen Van Thuc	Deputy General Director	2,574	0

SHAREHOLDER RELATIONS

IR activities in 2016

Improving the quality of relations investors are an important part of NTP’s strategic direction to build an international standardized management system and promote communication to shareholders and organizations.

In the past year, the company successfully organized the annual general meeting in 2016. In addition, the NTP’s Board and the Investor Relation committee also regularly exchanged information with local and foreign investors through channels such as periodic contact, face-to-face meetings, email replies, and phone calls. Besides, NTP also actively participated in events and forums for domestic and international investors to expand opportunities for exchanges and cooperation; NTP also organized direct meetings with shareholders and investors to exchange information on production and business situation that update the progress of investment projects analyzing the current situation of competition, opportunities and challenges.

Information policy transparent, multi-dimensional

Investor relations of NTP always aim to protect and exercise the rights of shareholders, ensure transparent disclosure of information and equal treatment to shareholders and investors.

NTP published information to shareholders, investors in accordance with Circular No. 155/2015 / TT-BTC of the Ministry of Finance guiding the disclosure of information on the stock market on 06 / 05/2015 and other relevant legal documents and in accordance with the principles of the current Corporate Governance Code.

In addition, due to the fact that false information on the stock market and false information in the media about NTP may adversely affect its prestige and operation, the Company’s business and stock price, Investor Relations Committee also closely monitors analysts’ comments on NTP shares and news related to the Company. The committee also immediately adjusts and corrects the inaccurate information about the Company.

With the efforts and achievements, NTP and NTP shares continue to be trusted on stock market, received many noble awards such as:

★ **TOP 30 ENTERPRISES GOOD WORKING INFORMATION PUBLIC ANNOUNCEMENT 2015-2016**
At the Annual Business Conference 2016

★ **TOP 30 BEST PRACTICES 2016**
At the TOP 50 Annual Report 2016

★ **TOP 30 BEST LISTED COMPANIES IN TERMS OF BUSINESS TRANSPARENCY**
At the Annual Business Conference 2016

With these activities and achievements, IR activities in NTP will continue to be improved to increase the initiative and interaction with investors. The Investor Relation committee in particular, and the Board of Management of NTP in general always strive to build image with the aim of bringing NTP shares into one of the stocks are highly trusted, bring more value added to Shareholders and the community of investors in the stock market.

Transactions, remuneration and benefits of the Board of Directors, Board of Management and Board of Supervisors

NTP applies the salary regime for members of the Board of Directors, Board of Management and Board of Supervisors in accordance with the law, based on their capacity, ability of contributing value to the Company and following the salary and bonus policy of NTP Joint Stock Company.

To members of the Board of Directors and Board of Supervisors, the Company implements the remuneration system.

DETAILS OF SALARY, REMUNERATION AND BONUSES IN 2016

No	Name	Position	Income (million VND)
BOM			
1	Tran Ba Phuc	Chairman	2,756,458,000
2	Nguyen Chi Thanh	Vice chairman	117,000,000
3	Nguyen Quoc Truong	Member	2,717,981,000
4	Sakchai Patiparnpreechavud	Member	669,000,000
5	Dang Quoc Dung	Member	2,351,690,000
BOD			
1	Nguyen Quoc Truong	General Director	2,717,981,000
2	Nguyen Trung Kien	Deputy General Director	1,749,248,000
3	Chu Van Phuong	Deputy General Director	1,860,828,000
4	Tran Nhat Ninh	Deputy General Director	1,458,000,000
5	Ngo Thi Thu Thuy	Deputy General Director	1,557,000,000
6	Nguyen Van Thuc	Deputy General Director	1,443,000,000
BOS			
1	Vu Thi Minh Nhat	Head	801,000,000
2	Praween Wirotpan	Member	311,000,000
3	Nguyen Thi Quynh Huong	Member	47,000,000

CORPORATE GOVERNANCE

Continue

OTHER BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF SUPERVISORS AND BOARD OF MANAGEMENT

The Board of Directors and the Board of Supervisors also have the bonus to fulfill the target of revenue plan approved by the General Meeting of Shareholders in the year, derived from the after-tax profit.

The members of the Board of Directors also receive working vehicle regimes, working compensation for domestic and abroad trips, allowances of using the telephone according to the actual arising and the health care regime.

TRADING OF SHARES OF INTERNAL SHAREHOLDERS AND RELATED PERSONS

23/05/2016	Ms. Vu Thi Minh Nhat – Member of the Supervisory Board announced to buy 6,200 shares, increasing the number of shares after the transaction to 6,200 shares, increasing the ownership to 0.01%
30/06/2016	Ms. Vu Thi Minh Nhat – Head of Supervisory Board announces the sale of 6,200 shares, reducing the ownership to 0%
29/08/2016	Ms Nguyen Thi Thanh Xuan – (Wife of Mr. Nguyen Van Thuc – Deputy General Director) announced the purchase of 50,000 shares, increasing the number of shares after trading to 53,775 shares, increasing the ownership to 0.07%

Contracts or transactions with insiders: Tien Phong Plastic has a policy of discouraging the transaction between the Company and its insiders. In 2016, no contract or transaction between the Company and any internal person occurred.



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SUSTAINABLE DEVELOPMENT

VISION FOR SUSTAINABILITY

The message of sustainable development

“ Sustainable development is the heart of every business ”

Promoting and sustaining creativity in sustainable development is not only a goal but also a focus of daily activities at NTP.

As the world is changing day by day, there are always more challenges waiting ahead. Ready to overcome challenges, NTP has been pursuing sustainable growth through continuous investments, researches and developments in technology and in the development of human resources. In addition, NTP continues to focus on corporate culture and human resources, fostering the cohesion of stakeholders, employees, customers and Investors.

Looking back on our long journey over the years, NTP believes that sustainable development plays an important role in the long-term success of the business. It helps NTP continuing to flourish, to inherit the intrinsic value, enhancing international competitiveness, effective and sustainable growth.

Overview of Sustainable Development Report

The Sustainable Development Report of NTP Joint Stock Company in 2016 is integrated with the Company's Annual Report. The message **" Pioneering step - Towards Sustainability"** is conveyed throughout the report, reflected in the company's research and development activities and future directions. The report also provides clear information on strategies, policies for the environment, society, communities, workers ... to partners, customers, shareholders and other stakeholders in a comprehensive way more appearance.

Reporting scope and reporting period

REPORTING SCOPE

The entities that are covered by this report include JSC Ltd and its subsidiaries and affiliates. The list of companies listed below:

Subsidiary company

Central Tien Phong Plastic company limited

Tien phong Land Company limited

Affiliate company

Tien Phong Plastic - SMP Company Limited

Tien Phong Packaging Joint Stock Company

Tien Phong Plastic South Plastic Joint Stock Company

VISION FOR SUSTAINABILITY

Continue

Inside:

Activities of NTP will be reported fully. Activities related to member companies will be selected to report based on the key areas which are identified in these reports and can be extent of the impact on the Parent Company. Due to the limited length of the reports, the information will be selected for publication. Further information as needed can be found in the Annual Report of member companies.

REPORTING PERIOD

This report contains data collected during the period January 1, 2016 to December 31, 2016 (Financial Year 2016)

REPORTING CYCLE

Tien Phong Plastic intends to report annually to monitor and implement our company's sustainable development commitments.

Applied standard

The report is prepared in accordance with the Guidelines for the Preparation of Sustainable Development Reports issued by the State Securities Commission (SSC) and the International Finance Corporation (IFC), and is prepared in accordance with "core" The Global Reporting Initiative (GRI) G4 Sustainability Report Guidelines.

Contact

NTP always strive to meet the expectations of stakeholders in information transparency, sustainable development about business activities, showing the responsibility of enterprises to the community. We are always available to listen, receive and respond to queries and recommendations related to sustainable development of NTP as well as the content of this report.

For inquiries, please contact:

Tien Phong Plastic Joint Stock Company

Contact address: 222 Mac Dang Doanh Street, Hung Dao Ward, Duong Kinh District, Hai Phong City, Vietnam

Email: contact@nhuatienphong.vn

Work phone: + (84 31) 3813979



SUSTAINABLY LINKED WITH THE COMPANY

Sustainability approach

SUSTAINABLE MANAGEMENT RESPONSIBILITY

As the global population increases, infrastructure in urban areas also increases, therefore building a city or a sustainable building that does not harm the environment and ecosystems becomes a challenge and a priority. Being a national brand enterprise - NTP has the motivation and strength to carry out the mission, to influence through the innovative products and solutions of the company. This is why NTP always prioritizes for researching programs and initiatives, sharing sustainable development goals from executive boards to all workers in the public sector.

Roles and responsibilities of the Board in implementing the strategy for sustainable development:

- Setting strategic goals and orientations for sustainable development
- Assessing the capacity and implementation issues related to sustainable development

- Directing the implementation of sustainable development report.

Role and responsibilities of the BOM in implementing the sustainable development strategy:

- Deploying the sustainable development plan under the direction of the General Director. Urging and supervising the implementation of sustainable development issues.
- Implementing innovation to ensure sustainable development in accordance with the orientation and suit the characteristics of each unit according to the strategy and development orientation of the company.
- Implement sustainable development issues at the parent company and monitor the performance of the sustainable performance of the member units, ensuring a balance between the three factors; economic, social and environmental.

SUSTAINABLE DEVELOPMENT MODEL

	Economy	Environment	Society	Management
Social challenges	Population is constantly growing and the process of urbanization is getting bigger	Climate Change; Greenhouse effect; Resource scarcity and imbalance in biodiversity	Poverty, income inequality, aging and unemployment	Link foreign and international equipment companies to introduce new technologies and raw materials
Sustainable goals	Construction of the plastic industry from production to final processing	Production of biodegradable plastic products, environmentally friendly	Carry out strategic social work for community development	Actively seek for source material for production and form supporting industries.
Prioritize sustainable development	Improve operational productivity Provide sustainable products and services Offer effective and resourceful building solutions	Use alternative fuels, raw materials as well as clean energy Reducing emissions and enhancing environmental management	Actively participate in community sustainable development Create comprehensive and friendly business opportunities Enhance corporate social responsibility	Ensure customer satisfaction and vendor responsibility Implement policies to attract and retain talented people

SHARE THE VALUE OF SUSTAINABLE DEVELOPMENT

The sustainable action that Vietnamese companies are making is an indispensable trend and NTP is a concrete demonstration. The development associated with social responsibility is the highlight in the business philosophy of NTP's BOD. NTP always shows its social responsibility with two main tasks: environmental protection and charitable activities.

SUSTAINABLY LINKED WITH THE COMPANY

Continue

ENVIRONMENTAL PROTECTION

NTP focuses on environmental protection activities by compliance with stringent requirements, applying international standards of quality environmental and friendly products, replacing the old technology causing pollution. By using new technology without pollution, NTP always pay attention to the investment in production lines and machinery made from leading companies in Europe and Japan. Currently, NTP is applying comprehensive quality management system TQM and achieving quality management standards in accordance with ISO 9001: 2008 quality management system. That does not only help to produce high accuracy but it also helps to save energy and protect the environment. In addition, the company also pays much attention to the construction of a wastewater treatment system to control the quality of waste water into the environment. More than that, the company develops greenery around with plants to improve Environment, working conditions.

Implementing the Law on Environmental Protection while every year the Company invites the Center for Environmental Monitoring - Department of Natural Resources and Environment of Hai Phong to survey the real emission and water waste conditions of the company. Analytical parameters of analysis include:

- Air: dust concentration, noise,NO₂, CO₂, CO.
- Volatile Organic Compounds: Vinyl chloride, Cyan, Lithium.
- Waste water: temperature, dissolved oxygen, salt content, suspended solids, chemical oxygen demand, heavy metal content (Hg, As, Cd, Pb), grease...

The company performs periodic environmental monitoring four times a year. The results of monitoring and analysis of almost all parameters and indicators are within the permitted limits according to Vietnam’s current environmental standards.

COMMUNITY SUPPORT

The long-term development of the business is built on the foundation of a stable and prosperous community. NTP always understands that our presence in the community creates a wide range of economic, environmental and social impacts. NTP is also considered as a bright spot in humanitarian and charitable activities. Every year, the company contributes billions of VND for this work, such as supporting elderly people who are alone with special circumstances; actively supporting gratitude funds; giving scholarships to poor students to study well; supporting the blind children and disabled people.

Challenges towards sustainability

Economy	Environment	Society	Management
Technological innovation, improve the quality of products, thereby creating sustainable values for companies	Production of biodegradable plastic products, environmentally friendly	Improve the propaganda and encourage the sense of self-consciousness of all employees in the efficient use of energy	Take advantage of the domestic supply of raw materials, exploit domestic market demand, welcome FTAs, and prepare for export activities
Diversify designs and various types of products as well as enhance the production of value-added plastic products	Regularly measure emissions quantification and reduce environmental impact	Maintain, engage with partners to continue to create shared value and growth opportunities for the community	Strengthen the team of experts with in-depth knowledge of the industry, capable of analyzing and providing information on the global plastics market
Increased technical barriers, preventing mass imports from other countries	Conserve biodiversity to increase efficiency and avoid wasting energy	Promote the spirit of employee collaboration through collective action.	Improve management capacity, leadership to innovate, and apply new product technologies.

The company’s contribution to national sustainable development

Besides the rapid development of the economy, it is the negative changes of the environment, causing anxiety and threat to the sustainable growth of the global economy. Recognizing the importance of Sustainable Development, NTP always promotes development-oriented policies to support productive activities, create good jobs, innovate business; Improve and innovate technology, focus on high added value areas and labor intensive, contribute to sustainable national development; Promote long-term, open and sustainable economic growth, full employment and productivity and good jobs for all. Putting in the overall development of the community, NTP is committed to engaging and integrating sustainability issues in a business strategy in a harmonious way that is consistent with the internal business model. Seriously implement the content of sustainable development in accordance with the law, strengthen the responsibility to the environment and society, and proceed to build a green finance growth, in order to establish and associate our business with National Strategy for Green Growth 2011-2020 and Vision to 2050.

COMBINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

Product quality - towards sustainability

RESOURCE MANAGEMENT

At present, the domestic supply of PP materials only meets 100,000-150,000 tons per year for plastic producers. Meanwhile, the demand for up to 1.2 million tons per year, not to mention the demand for growth of this material identified by the Vietnam Plastic Association (VPA) increased an average of 15% per year. In the US, PPIJPRAM Index of raw materials and particle reference of the US market began to increase slightly in September and October. Moreover, the tight supply of PE after the results of periodic factory maintenance plans and unexpected power outages in the region has made foreign supply scarce. Raw material prices tend to increase slightly, affecting sales and profits. Supply was down sharply as input mills shut down, another reason was the Chinese market rebounded and pulled up. At the same time, the increase of import duty on PP resin to 3% by 2017 also affects the price of raw materials. Highly capable suppliers will raise PP prices by adjusting tariffs accordingly. However, based on the predictions of the world oil price, and the current trend is taking place NTP has reserved and proposed plans to build factories to produce input materials, avoid strong influence from the fluctuation in cost of materials.

NTP PRODUCTS ARE ACCOMPANIED WITH BUILDINGS OVER THE COUNTRY

Applying advanced practice, NTP products are the result of innovation and creation from research and development activities. In 2016, NTP has made continuous efforts and launched three new product lines with preeminent features including mPVC pipes, 2-layer PPR pipes and HDPE pipes 2000. The company successfully proposed of three city-class projects involving in the improvement and manufacture of production lines and systems and new equipment such as the research topic Improvement of HDPE stamping machine, research topics to improve the degree of automation on the day PVC pipe production line u.PVC.



COMBINE RESOURCES FOR SUSTAINABLE DEVELOPMENT Continue

The foundation of creativity raising

In NTP, training policies always encourage and create the best conditions for all employees to participate and get comprehensive development in both knowledge and skills. With a keen spirit of learning, passion for the profession is inherited and promoted through 56 years of operation and development, the staff has become the core force of the development through more than half a century has passed. NTP is always proud of a dynamic and creative staffs, who are always ready the change and overcome the challenge to conquer the peak.

RECRUITMENT POLICY

The recruitment policy of NTP always welcomes candidates who are knowledgeable, experienced and willing to take on challenges in a new job with a high sense of responsibility. In addition, the Company also creates conditions for new workers to get acquainted with the work, company environment and training before entering the formal working process.

EMPLOYEE POLICY

All workers in NTP have implemented labor contract. Depending on the type of job nature and the types of experience levels, the Company will determine the type of contract for a definite or indefinite term.

Working shift at the company is 08 hours / day, 06 days / week. Office blocks work from 08:00 to 17:00 from Monday to Saturday. For the production sectors, due to the nature of work the workers do 3 shifts on a day to combined the factories work for 24h per day

LABOR SAFETY

Recognizing the importance of occupational safety and health issues for workers, NTP always strictly adheres to the regulations on safety, labor protection and fire prevention. In NTP, inspection work is always maintained in conjunction with the dissemination, propaganda and organization of safe technical measures. As a result, in 2016, the Company achieved the important result that the number of labor accidents is zero. This is also an important goal that the Company is committed to maintain in the next phase.

TRAINING POLICY

NTP always attaches importance to the training of staffs for the Company. In addition to the training of new staff, the Company continues to re-train its existing staff to ensure its expertise and operational procedures. The company also decentralizes the heads of departments/units to directly train staff. Self-shared culture, self-training and sharing of experiences help NTP to reduce the cost of outsourcing, reducing the actual training costs compared with the budget.

COMBINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

Continue

Environment and energy

ENERGY

Effective use and energy savings are a matter of concern at NTP. Company leaders regularly carry out survey, diagnosis and data collections to find out possible energy saving solutions in the member units. At the same time, the Company develops an energy saving plan by setting energy consumption norms for machinery and equipment, comparing actual consumption data with norms. Evaluating performance and taking timely measure to improve energy efficiency.

Power-saving solution in 2017:

1. Implementing solar energy lighting systems to reduce electrical lighting by using natural light-emitting plastics to enhance the look of the factory.
2. Saving energy in ventilation, heat exchange. Installing frequency inverter or speed control to adjust the speed required to reduce the power consumption of the ventilating fan, water pump ...
3. Carrying out energy conservation awareness campaigns for all employees and practice power saving during peak hours.
4. Investing in technology and equipment for low power consumption, replacing old, backward and high power consuming equipment.

PROTECT THE WATER SOURCE

Year	Unit	2016	2015	2014	2013
Water consumption at An Da headquarters	m ³	42,852	45,185	65,625	79,356
Water consumption at Duong Kinh factory	m ³	82,548	79,884	68,202	58,006
Total	m³	125,400	125,069	133,827	137,362

Characteristics of water resources:

- Water supplied by Hai Phong Water Supply Company Limited.
- Water used for production is mainly circulating water that does not pollute the environment.
- Domestic wastewater: 70-100 m³ / day (30% is watering and evaporating surface in the process of production and living). The company has built the collecting system (with sediment pit) to collect water from surface overflow, domestic wastewater (with septic tank). All sewage is collected to the wastewater treatment station, using biochemical technology, capacity of 130 m³ / day and night reach column B before discharging into the environment.
- Wastewater treatment station is upgraded, maintained periodically, with regular operator assignment and specific operating procedures; The station log is fully recorded. Wastewater monitoring periodically reaches column B before discharge into the Da Do irrigation system.

Reducing water consumption:

In 2016, Tien Phong Plastic continued to maintain low water consumption as compared to 2015 with the use of fluctuating around 125,000 m³.

The positive improvement in water consumption of NTP not only came from the efficiency of increasing production in the year but also from the effectively using and controlling water consumption, including:

- Controlling the daily and shiftily water use ... based on the water usage monitoring chart for each shift. When the difference between two shifts is large, the company will conduct inspection, identifying the causes and find the prompt solutions
- Through the monthly report to inform every company's units of their current water use situation.
- Recycle condensate water from sources ...
- Regularly check, review, plumbing, water equipment.

WASTE WATER MANAGEMENT:

The waste water treatment process at Tien Phong Plastic is always strictly adhered to ensure the discharge of water into the environment in accordance with environmental protection law: Environmental Law 55/2014 / QH13, promulgated June 23, 2014, effective January 1, 2015; Decree No. 80/2014 / ND-CP dated 06/08/2014 of the Government on water drainage and waste water treatment.

COMBINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

Continue

Waste water from the factories of Tien Phong Plastic is processed with modern technology to ensure the quality of waste water to meet the requirements of the law. The wastewater after partial treatment will be reused for irrigation and aquaculture purposes. The company is committed to further improve waste water quality through effective waste management and disposal technologies and methods, and to periodically carry out inspections to promptly detect and correct these wastes. Water related incident.

Year	Unit	2016	2015	2014	2013
Waste water and surface water	m ³	36.626	44.400	54.561	46.404

Water conservation strategy

- Invest in water-saving equipment: The Company switches to using water-saving equipment and tools and filtration systems.
- Employee Awareness: Tien Phong Plastic always deliver the message of responsible water use to employees. The staffs of Tien Phong Plastic always pay close attention to regular inspection and timely remediation related to the leakage of water.
- Detects and repairs any leakage - from pipes, fixtures, equipment.
- Set moderate water pressure to avoid causing inadequate water supply, indoor plumbing or irrigation systems - and waste of water.
- Use of condensation during hot and dry weather, and air conditioning units are at maximum level. Then switch to rainwater stored when the weather gets cold and the air conditioning system is unused.

Emissions

About the dust from the process of loading the PVC powder into the stirrer: On the mouth of the feeder, place the suction cups through the dust filter system of the sleeve for retrieval. This system is located in a closed room. All the factories are built of high roof, airy; Install ventilation system to limit dust and chemical vapors affecting workers.

About the chemical vapor generated by the glue stamping process: it is absorbed by the exhaust system that releases the chemicals around and is diluted with air before being released into the environment.

Poisonous gas (CO2, CO, SO2, Xyclohexanol, HCl, MEK, H2SO4), micro-climate (temperature, humidity, wind speed) areeasured in the company, at the production sites have workers work. Every year, the Company invites the Labor Environment Health Center of the Ministry of Industry and Trade to measure labor environment of work-ers regularly according to the law. All samples are within the permitted limits of the current TCVN Standard.

Environmental monitoring is periodically 4 times a year. Results of observation and analysis of emission param-e-ters, norms: concentration of dust, noise, CO; Volatile organic compounds: Vinyl chloride, cyanide, citric ... is within acceptable limits.

Solid and toxic waste

The company arranged the collection area of domestic waste and industrial waste before the Urban Environ-mental One Member Limited Company came to collect and process.

- The company arranges hazardous waste storage, warning signs, tailings classified and sealed separately.
- The Company shall arrange separate solid waste and hazardous waste storehouses with warning signs, wastes to be classified separately and coded, hazardous wastes with roofs and ditches. Water collection, oil collection ... meets technical standards.
- Make the work instructions; sign the garbage area according to the regulations, position to each sort of garbage. Specific:

General waste: The Company’s waste is cleaned and disposed of daily by the staff of the company’s clean-ers, collectors, and transporters to the concentrated storage area in the Company before being collected by the Urban Environmental One Member Limited Company to collect and handle according to regulations.

Year	Unit	2016	2015	2014	2013
An Da headquarter	m ³	186	204	204	204
Duong Kinh factory	m ³	835.5	630	411	289
Total	m ³	1,021.5	834	615	493

Hazardous waste: including waste ink cartridges, waste ink ribbons from thermal printing technology; Fluores-cent lamp is broken; Engine oil, gearbox and synthetic lubrication; Chemical containers; Wipes, gloves, grease-free solders and other hazardous components arising in the course of production shall be collected and classified at the source as workshops or barrels not yet designated with red stamps. Periodically, industrial hygienists transport, hand over and dispose of wastes with the code in the Company’s warehouse prior to collection and treatment according to regulations.

Statistics on hazardous wastes treated in the past two years: By 2015, 11,336 Kg (average 944.6 kg / month); In 2016 is 13,363 kg (average 1,113kg / month)

COMBINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

Continue

Management structure towards sustainable development

GOVERNANCE STRUCTURE

The Board of Directors

The Board of Directors is the Management Authority of NTP, has full power to make decisions and exercise the rights and obligations of NTP not under the authority of the Board of Management.

The Board of Directors also establishes subcommittees with the function of advising and supporting the operation of the Board of Management such as the Subcommittee on Investment and Development Project Management, Development, Personnel and Salary Subcommittee, Financial Monitoring Subcommittee, ...

List of members of the Board of Management

Name	Position	Period
Tran Ba Phuc	Chairman	2015-2020
Nguyen Chi Thanh	Vice chairman	2015-2020
Nguyen Quoc Truong	Member	2015-2020
Sakchai Patiparnpreechavud	Member	2015-2020
Dang Quoc dung	member	2015-2020

Board of Management

The BOM is responsible for operating and managing the business activities of NTP, regularly updating the implementation of BOD's decisions to make reasonable adjustments and ensure the most effective coordination of activities

List of Board members

Name	Position	Period
Nguyen Quoc Truong	General director	2015-2020
Nguyen Trung Kien	Deputy general director	2015-2020
Chu Van Phuong	Deputy general director	2015-2020
Tran Nhat Ninh	Deputy general director	2015-2020
Ngo Thi Thu Thuy	Deputy general director	2015-2020
Nguyen Van Thuc	Deputy general director	2015-2020
Tran Ngoc Bao	Chief Accountant	2015-2020

Board of Supervisors The Board of Supervisors operates independently from the Board of Directors and Board of Management, and is responsible before the General Meeting of Shareholders for the performance of tasks assigned by the General Meeting of Shareholders, supervising the activities of the Board of Directors and the Board of Management.

List of members of the Board of Supervisors

Name	Position	Period
Vu Thi Minh Nhat	Head of BOS	2015-2020
Praween Wirotpan	Member	2015-2020
Nguyen Thi Quynh Huong	Member	2015-2020

COMBINE RESOURCES FOR SUSTAINABLE DEVELOPMENT Continue

BOD'S AND BOM'S ACTIVITIES

The Board of NTP identifies the corporate governance system that plays a key role in ensuring our objectives of effective growth, sustainable development. This system not only ensures the interests of shareholders but also balances the interests of stakeholders include customers, workers and the community.

Roles and responsibilities of the Board of Directors:

01 Steer the direction of sustainable development and strategic planning

In 2016, based on the commitment of the BOD on the implementation of the socio-economic and environmental objectives, the BOD has set strategic goals and orientation for sustainable development. These strategic orientations are achieved through the development of specific targets for each Block / Function Board and member units. These targets are quantified according to performance indicators (KPIs), which include economic, environmental and social indicators. At each member unit, the orientation, strategy, action and development objectives are disseminated and agreed to the employees through meetings of laborers and propaganda activities, Common to all staff.

02 Assess the effectiveness of the implementation of environmental, economic and social issues

The BOD takes into account the implementation of the socio-economic and environmental objectives quarterly through labor meetings and conferences. The BOD also reviews and evaluates the direction of production and business activities, including: Assessing the socio-economic situation, directing the implementation of business plans and resolutions.

03 Review impacts, risks and opportunities affecting financial (economic) and non-financial (social-environmental) factors.

Through the steering documents, the BOD requires functional departments to focus on forecasting, regularly monitoring the actual situation of the economy, society and business activities, to be proactive and flexible on providing solutions and efficiency before the change of business environment.

04 Steer the implementation of sustainable development report

The Board of Directors is responsible for overseeing the strategic implementation of Tien Phong Plastic and, at the same time, assigning the Steering Committee and the functional division responsible for Sustainable Development to prepare and develop appropriate content of laws, international standards for sustainable development as well as practices and conditions in Vietnam.

Roles and responsibilities of the BOM

- Develop a sustainable development plan under the direction of the General Director, supervise the implementation of sustainable development issues, and ensure a balance between socio-economic and social factors.
- Propose sustainable ideas and initiatives on the basis of coordinating with the Sub-Committees and member units to ensure the implementation of sustainable development in the direction of the BOD
- To periodically report on the impacts, risks and opportunities related to socio-economic and environmental issues in order to timely adjust production and business activities which are potentially influenced by the above factors



SUSTAINABLE DEVELOPMENT IN EVERY ACTION

Responsibility to customers, consumers

NTP defines customers as the center of all activities. Therefore, all our activities are aimed at building customer trust, prestige and quality of products on the top. We are constantly cultivating relationships with customers through specific actions such as after-sales policies, customer care services in accordance with common standards agreed between the two parties. Feedbacks from customers through various channels have helped NTP to improve our quality of service, thereby serving customers better, as well as providing added value to customers. We pledge:

- Equal treatment, always respect the customer and build relationships on the basis of mutual benefit.
- Continuously improve and diversify products, create optimal conditions for the customers' choices as well as the growing demand of the market.
- Establishing a strong relationship with customers by providing good products with competitive price, prompt delivery with right quantity and good after sales services.



SUSTAINABLE DEVELOPMENT IN EVERY ACTION Continue

Accountability to employees

At NTP, we identify human resources as the foundation that determines the growth and development of the business. The company always respects, cares for the material and spiritual life of employees, in parallel with the training and development of employees.

- NTP develops the competitive compensation policy, commits to fully realization process of the legitimate interests and interests of the employees, and strictly abides by the provisions of the Labor Code and other regulations of the State.
- The company commits to ensuring that employees work in a safe environment, while taking care of employees' health and enjoy the prescribed regime.
- The company performs the performance evaluation, encourages employees to respond and share their aspirations to contribute to the overall development of the Company.

Responsibility to shareholders, investors

As a capital contributor to the business, delivering value added through growth and maintaining high dividends over the years for shareholders and investors is a key objective of NTP. NTP always consider the benefits of shareholders with the sustainable development of the Company. We pledge:

- Put the interests of shareholders on the top, prevent conflicts of interest, and ensure shareholders a safe investment channel, attractive dividend policy, sustainable profit.
- Ensure transparent disclosure and equal treatment of shareholders and investors.
- Ensuring the confidentiality of information of investors and shareholders, except for cases permitted by related persons or law enforcement.

Social Responsibility

Tien Phong Plastic always pays attention to ensuring the lives of local people. We understand that when community stabilize and develop, it will provide forces for us to exploit business opportunities hence creating new jobs for local workers, and contributing to the local economy. Therefore, the Company commits to creating positive and lasting impact on the community by investing regularly in social programs:

- Support the community by contributing of basic living conditions, enabling local labors to concentrate production tasks, promote the local economy and create opportunities for business development of NTP.
- Continue to invest in education and training to the younger generation through learning promotion activities; Implement gratitude activities toward to struggling residents, as well as assisting localities in overcoming the consequences of natural disasters.

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FINANCIAL STATEMENTS



REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Tien Phong Plastic JSC (referred to as the "Company") filed this report together with the consolidated financial statements of the company for the financial year ended on December 31, 2016.

THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The members of the Board of Directors and the Board of Management have executed the Company during the year to the date of this report are:

Board of Management

Mr. Tran Ba Phuc	Chairman
Mr. Nguyen Chi Thanh	Vice chairman
Mr. Nguyen Quoc Truong	Member
Mr. Sakchai Patiparnpreechavud	Member
Mr. Dang Quoc Dung	Member

Board of Directors

Mr. Nguyen Quoc Truong	General chairman
Mr. Nguyen Trung Kien	Deputy General chairman
Mr. Chu Van Phuong	Deputy General chairman
Mr. Tran Nhat Ninh	Deputy General chairman
Mr. Ngo Thi Thu Thuy	Deputy General chairman
Mr. Nguyen Van Thuc	Deputy General chairman
Mr. Tran Ngoc Bao	Chief Accountant

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board Of Directors of the Company are responsible for establishment of the consolidated financial statements for the financial year ended on December 31, 2016; reflecting an honest and reasonable financial situation and the results of business operations and cash flow situation of the company in the financial period; in accordance with the accounting standards accounting regime, Vietnam business laws and the legal provisions relevant to the preparation and presentation of financial statements. In order to prepare for this consolidated financial report, the Board of Directors are required to:

- Select appropriate accounting policies and applied them consistently
- Take out the guess and estimate reasonably and prudently;
- Clearly state the appropriate accounting principles have been complied or not, the important discrepancies applies should be announced and explained in the financial statements incorporated or not;
- Combine consolidated financial reporting on the basis of continuous operation unless it is impossible for that the Company will continue to operate the business;
- Design and implement internal control system effective for purposes of establishment and presentation of the consolidated financial statements reasonably intended to limit risk and fraud.

The Board of Management is responsible to ensure that the accounting books are recorded in a manner appropriate to reasonably reflect the financial situation of the Company at any time, and ensure that the consolidated financial statements comply with accounting standards, Vietnam business’s accounting regulations and the legal provisions related to the preparation and the presentation of financial statements. The Board of Management is also responsible to ensure that the safety of the company’s assets and implement appropriate measures to prevent and detect fraud and other violations.

The Board of Directors confirm that the Company has to comply with the above requirements in the consolidated financial statements.

On behalf of the Board Of Directors,



NGUYEN QUOC TRUONG

General director,

Hai Phong, March 17th 2017

INDEPENDENT AUDITED REPORT

Dear Shareholders,

Board of Directors and Board of Management

Tien Phong Plastic Joint Stock Company

We have audited consolidated financial statements of Tien Phong Plastic JSC (referred as "the Company"), created on March 17, 2017, from page 4 to page 27, comprising the balance Sheet at December 31, 2016, report the results of business activities Cash flow statements for the financial year ending on the same day and a presentation of financial statements (collectively, the "consolidated financial statements").

RESPONSIBILITY OF BOARD OF DIRECTORS

Board of Directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard, accounting regime for enterprises and legal regulations relating to financial statements and is responsible for such internal as management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or mistake.

AUDITOR'S RESPONSIBILITY

Our responsibility is to give opinion on the consolidated financial statements based on the results of the audit. We have conducted audit as audit standards of Vietnam. This standards require that we comply with the standards and the rules of professional ethics, to plan and perform the audit in order to gain reasonable assurance about whether the consolidated financial statements of the company have also critical errors or not.

The audit work included performing the procedure in order to collect audit evidence about the figures and captions on the consolidated financial statements. The audit procedures are chosen based on the judgment of the Auditor, including risk assessment are critical flaws in the consolidated financial statements due to fraud or mistake. When performing the risk assessment, the Auditor considers internal control relevant to the company's establishment and presentation of the consolidated financial statements truthfully, rationally in order to design audit procedures consistent with the actual situation, however, is not intended to give an opinion on the effectiveness of internal control of the company. The audit work also includes assessing suitability of the accounting policies were applied and the reasonableness of accounting estimates by the Board of Directors as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our audit opinion.

AUDITOR'S OPINION

In our opinion, the consolidated financial statements attached reflected honestly and reasonably, on key aspects, the financial situation of the company at December 31, 2016, as well as the results of operations and cash flow situation for the financial year ended on the same date in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the financial statements.



ĐANG CHI DUNG
Deputy General Director

For and on behalf of
DELOITTE VIET NAM LIMITED COMPANY

March 17th, 2017
Ha Noi, S.R. Vietnam

TRAN TUNG
Auditor

Audit Practising Registration Certificate
No 1941-2013-001-1

CONSOLIDATED BALANCE SHEET

On December 31 St, 2016

Template No, B 01 -DN

Unit: VND

Assets	Code	Note	31/12/2016	31/12/2015
A. SHORT-TERM ASSETS	100		1,924,007,771,544	1,806,602,062,228
I. Cash and cash equivalents	110	5	109,949,992,376	240,141,241,109
1. Cash	111		88,949,992,376	225,641,241,109
2. Cash equivalents	112		21,000,000,000	14,500,000,000
II. Short-term receivables	130		1,080,153,772,818	822,981,655,336
1. Short-term receivables from customers	131	6	1,012,918,824,967	778,130,928,465
2. Prepayments to sellers in short-term	132		65,907,296,301	54,189,481,371
3. Short-term borrowings receivables	135		15,461,572,866	2,200,000,000
4. Other short-term receivables	136	7	5,551,580,750	6,673,004,680
5. Provision for uncollectible short-term receivables	137	8	(19,685,502,066)	(18,211,759,180)
III. Inventories	140	9	716,906,126,429	741,772,937,039
1. Inventories	141		722,255,123,221	746,651,050,455
2. Provision against devaluation of goods in stock	149		(5,348,996,792)	(4,878,113,416)
IV. Other short-term assets	150		16,997,879,921	1,706,228,744
1. Short-term prepaid expenses	151	10	16,160,138,276	663,996,112
2. Deductible VAT	152		277,779,703	733,800
3. Taxes and other revenues to the State	153	11	559,961,942	1,041,498,832
B. LONG-TERM ASSETS	200		1,495,699,724,641	1,445,079,221,581
I. Fixed assets	220		1,115,091,896,123	1,049,538,994,802
1. Tangible fixed assets	221	12	1,072,128,458,290	1,002,312,404,424
Costs	222		1,825,251,911,690	1,555,469,432,298
Value of accumulated depreciation	223		(753,123,453,400)	(553,157,027,874)
2. Intangible fixed assets	227	13	42,963,437,833	47,226,590,378
Costs	228		49,371,495,144	50,311,940,921
Value of accumulated amortization	229		(6,408,057,311)	(3,085,350,543)

Template No, B 01 -DN

Unit: VND

Assets	Code	Note	31/12/2016	31/12/2015
II. Long-term unfinished assets	240		215,146,899,641	174,458,928,250
1. Cost of construction in progress	242	14	215,146,899,641	174,458,928,250
III. Long-term financial investments	250		145,969,241,369	133,775,747,545
1. Investments in associated companies & joint-ventures	252	15	145,804,241,369	133,539,747,545
2. Investments in other units	253		1,500,000,000	1,600,000,000
3. Provision for long-term financial investments	254		(1,335,000,000)	(1,364,000,000)
IV. Other long-term assets	260		19,491,687,508	87,305,550,984
1. Long-term prepaid expenses	261	10	19,491,687,508	87,305,550,984
TOTAL ASSETS	270		3,419,707,496,185	3,251,681,283,809

Capital	Code	Note	31/12/2016	31/12/2015
C. LIABILITIES	300		1,586,272,393,428	1,532,467,739,990
I. Short-term debt	310		1,399,002,982,324	1,453,956,263,310
1. Short-term supplier payables	311	16	147,852,073,973	81,275,965,042
2. Short-term deferred revenues	312		1,724,145,838	1,720,585,417
3. Taxes and other payables to State	313	11	46,552,914,696	23,987,667,761
4. Payables to employees	314		65,275,007,414	55,857,683,065
5. Short-term expenses payable	315	17	105,454,849,655	188,899,695,525
6. Other short-term payables	319	18	37,325,508,642	28,468,752,829
7. Short-term loans and finance lease liabilities	320	19	994,091,869,202	1,071,019,147,810
8. Bonus and bonus and	322		726,612,904	2,726,765,861
II. Long-term liabilities	330		187,269,411,104	78,511,476,680
1. Long-term loans and finance lease liabilities	338	20	174,269,411,104	70,511,476,680
2. Scientific and technological development fund	343		13,000,000,000	8,000,000,000

CONSOLIDATED BALANCE SHEET

On December 31 St, 2016 (continue)

Template No, B 01-DN

Unit: VND

Capital	Code	Note	31/12/2016	31/12/2015
D. OWNER'S EQUITY	400		1,833,435,102,757	1,719,213,543,819
I. Owner's equity	410	21	1,832,795,102,757	1,719,213,543,819
1. Contributions from owners	411		743,673,070,000	619,730,950,000
2. Development investment funds	418		722,568,011,805	664,053,783,058
3. Undistributed post-tax profits	421		366,554,020,952	435,428,810,761
- Accumulated undistributed post-tax profits of the beginning year	421a		46,595,497,222	81,271,414,885
- Accumulated undistributed post-tax profits of the ending year	421b		319,958,523,730	354,157,395,876
II. Other funds	430		640,000,000	-
1. Welfare and reward fund	431		640,000,000	-
TOTAL EQUITY (440=300+400)	440		3,419,707,496,185	3,251,681,283,809



LUU THI MAI

Prepared
March 17th, 2017



TRAN NGOC BAO
Chief Accountant



NGUYEN QUOC TRUONG
General Director

CONSOLIDATED INCOME STATEMENT

For the fiscal year ending on December 31st, 2016

Template No, B 02-DN

Unit: VND

Indicators	No	Notes	2016	2015
1. Revenues from sales and service provisions	01	23	4,016,272,285,034	3,290,668,026,258
2. Revenue deductions	02	23	11,323,237,111	7,903,590,256
3. Net revenues from sales and service provisions	10	23	4,004,940,047,923	3,282,764,436,002
4. Costs of good sold	11	24	2,741,335,838,535	2,277,239,842,817
5. Gross revenues from sales and service provisions	20		1,263,604,209,388	1,005,524,593,185
6. Financial income	21	26	188,614,760,433	210,631,833,104
7. Financial expense	22	27	77,849,949,827	50,151,014,855
Interest expense	23		54,808,958,942	47,558,117,293
8. Selling expense	25	28	779,345,277,474	619,990,755,800
9. Enterprise administrative expense	26	28	171,045,306,737	136,822,158,810
10. Net profit from operations	30		423,978,435,783	409,192,496,824
(30=20+ (21-22)-(25+26))				
11. Other income	31		8,704,168,767	13,567,304,660
12. Other expenses	32		6,779,938,815	10,419,799,329
13. Other profit (40=31-32)	40		1,924,229,952	3,147,505,331
14. Total pre-tax profit (50=30+40)	50		425,902,665,735	412,340,002,155
15. Current enterprise income tax expense	51	29	49,741,751,068	45,727,539,179
16. Profit after enterprise income tax (60=50-51)	60		376,160,914,667	366,612,462,976



LUU THI MAI

Prepared
March 17th, 2017



TRAN NGOC BAO
Chief Accountant



NGUYEN QUOC TRUONG
General Director

CONSOLIDATED CASH FLOW STATEMENT

For the fiscal year ending on December 31st, 2016

Template B 03-DN

Unit: VND

Items	Code	2016	2015
I. CASH FLOW FROM TRADING			
1. Pre-tax profits	01	425,902,665,735	412,340,002,155
2. Adjustment for:			
Depreciation of fixed assets	02	169,936,895,778	93,919,571,920
Provisions	03	24,038,342,028	4,816,974,470
Profits/losses from investment	05	(185,750,689,855)	(199,932,264,842)
Interest expense	06	54,808,958,942	47,558,117,293
3. Operating profit before changes in working capital	08	488,936,172,628	358,702,400,996
Increase or decrease in amounts receivable	09	(231,583,698,873)	(153,583,204,759)
Increase or decrease in inventories	10	5,464,601,617	(47,465,640,078)
Increase or decrease in amounts payable	11	43,908,930,863	154,958,464,602
Increase or decrease in prepaid expenses	12	48,949,971,732	(18,504,641,197)
Interest paid	14	(54,486,085,538)	(45,736,499,186)
Enterprise income tax paid	15	(59,953,051,592)	(51,775,886,090)
Other expenditures on trading	17	(19,865,579,125)	(27,259,661,032)
Net cash flow from trading	20	221,553,261,712	169,335,333,256
II. CASH FLOW FROM INVESTMENT			
1.Expenditures for purchase, construction of fixed assets and other long-term assets	21	(298,348,436,390)	(329,417,398,568)
2. Sums received from liquidation, sale of fixed assets and other long-term assets	22	61,132,800	45,000,000
3. Collections from borrowers and proceeds from disposal of debt instruments of other entities	24	100,000,000	-
4. Payments for investments in other entities	25	(5,148,000,000)	(18,206,400,000)
5. Sums received from loan interest, dividends and profits shared	27	188,765,698,833	170,512,813,220
Net cash flow from investment	30	(114,569,604,757)	(177,065,985,348)

Template B 03-DN

Unit: VND

Items	Code	2016	2015
III. CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Sums received from borrowings	33	2,625,226,308,867	2,235,452,990,009
2. Payment of loan principal	34	(2,598,395,653,051)	(1,959,237,803,852)
3. Dividends and interest paid to owners	36	(266,483,698,000)	(84,508,935,000)
Net cash flow from financial activities	40	239,653,042,184)	191,706,251,157
Net cash flow in the period	50	132,669,385,229)	183,975,599,065
Cash and cash equivalents at beginning of period	60	231,911,076,815	47,935,477,750
Cash and cash equivalents at end of period	70	99,241,691,586	231,911,076,815



LUU THI MAI
Prepared
March 17th, 2017



TRAN NGOC BAO
Chief Accountant



NGUYEN QUOC TRUONG
General Director

COMPANY DIRECTORY



TIEN PHONG PLASTIC JOINT STOCK COMPANY

	ADDRESS	No.222 Mac Dang Doanh Street, Hung Dao Ward, Duong Kinh District, Hai Phong City, Vietnam
	MOBILE	+ (84 31) 3813979
	FAX	+ (84 31) 3813989
	EMAIL	contact@nhuatienphong.vn

CENTRAL TIEN PHONG PLASTIC LIMITED COMPANY

	ADDRESS	Lot C, Nam Cam Industrial Zone, Nghi Loc District, Nghe An Province, Vietnam
	MOBILE	+ (84 38) 3791268/ 3791866
	FAX	+ (84 38) 3791244
	EMAIL	central@nhuatienphong.vn

TIEN PHONG LAND LIMITED COMPANY

	ADDRESS	No.2 An Da Street, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam
	MOBILE	+ (84 31) 3640758



TIEN PHONG PLASTIC SOUTH JOINT STOCK COMPANY

	ADDRESS	Dong An 2 Industrial Zone, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam
	MOBILE	+ (84 650) 3589544/ 3589545/ 3589546
	FAX	+ (84 650) 3589 418/ 3589527
	EMAIL	info@nhuatienphong.vn

TIEN PHONG-SMP PLASTIC JOINT VENTURE LIMITED COMPANY

	ADDRESS	Vientiane Industrial Zone, Ban Khoksaat, Saythany District, Vientiane Capital, Lao P.D.R
	MOBILE	+ (85 621) 765021-765022
	FAX	+ (85 621) 765023
	EMAIL	tienphongsmp@nhuatienphong.vn

TIEN PHONG PACKAGING JOINT STOCK COMPANY

	ADDRESS	No.2 An Da Street, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam
	MOBILE	+ (84 31) 3640445/3640932