

BIBICA CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
30 – SEPTEMBER - 2017

THE CONSOLIDATED BALANCE SHEET
As at 30th Sep 2017

Figure in: VND

ASSETS	Codes	Notes	30 Sep 2017	31 Dec 2016
1	2	3	4	5
A. CURRENT ASSETS	100		746,847,245,237	789,309,796,393
I Cash and cash equivalents	110		334,705,825,790	368,688,250,041
1 Cash	111		117,897,825,790	65,915,450,041
2 Cash equivalents	112		216,808,000,000	302,772,800,000
II Short-term financial investments	120		177,925,212,237	216,529,535,252
1 Trading securities	121		4,618,744,826	4,618,744,826
2 Provision for held-for-impairment of trading securities(*)	122		(1,651,532,589)	(2,089,209,574)
3 Held-to-maturity investments	123		174,958,000,000	214,000,000,000
III Short-term receivable	130		117,893,568,946	97,490,045,760
1 Short-term trade receivables	131		109,922,368,204	78,590,050,187
2 Short-term advances to suppliers	132		825,282,161	12,049,639,637
3 Short-term inter-company receivable	133			
4 Receivables from construction contracts under percentage of completion method	134			
5 Short-term loan receivables	135			
6 Other short-term receivables	136		10,637,088,542	10,570,945,058
7 Provision for short-term doubtful debt (*)	137		(3,491,169,961)	(3,720,589,122)
8 Deficits in assets awaiting solution	139			
IV Inventories	140		105,473,601,284	100,903,638,657
1 Inventories	141		108,934,003,550	104,015,435,313
2 Provision for devaluation inventories (*)	149		(3,460,402,266)	(3,111,796,656)
V Other short-term assets	150		10,849,036,980	5,698,326,683
1 Short-term prepayments	151		5,529,255,577	3,984,441,240
2 Value-added tax deductibles	152		4,372,719,133	1,475,532,856
3 Taxes and other receivables from the State budget	153			238,352,587
4 Government bond sale and repurchase transactions	154			
5 Other short-term assets	155		947,062,270	
B. NON-CURRENT ASSETS	200		301,582,325,119	251,838,264,523
I Long-term receivables	210		-	-
1 Long-term trade receivables	211			
2 Non-current advances to suppliers	212			
3 Working capital from sub-units	213			
4 Long-term inter-company receivables	214			
5 Long-term loan receivables	215			
6 Other long-term receivables	216			
7 Provision for long-term doubtful debts (*)	219			
II Fixed assets	220		181,160,058,182	206,533,187,489
1 Tangible fixed assets	221		177,572,749,028	202,273,094,999
- Cost	222		586,331,888,557	584,347,444,852
- Accumulated depreciation (*)	223		(408,759,139,529)	(382,074,349,853)
2 Finance lease assets	224		-	-
- Cost	225			
- Accumulated depreciaion (*)	226			
3 Intangible assets	227		3,587,309,154	4,260,092,490
- Cost	228		9,292,486,943	9,292,486,943
- Accumulated amortization (*)	229		(5,705,177,789)	(5,032,394,453)
III Investment property	230		-	-
- Cost	231			
- Accumulated amortization (*)	232			
VI Long-term asset in progress	240		78,146,753,591	3,043,705,374
1 Long term work in progress	241			
2 Long-term construction in progress	242		78,146,753,591	3,043,705,374
V Long-term financial investments	250		-	-

	1	2	3	4	5
1 Investment in subsidiaries		251		-	-
2 Investment in joint-ventures, associates		252		-	-
3 Equity investment in other entities		253			
4 Provision for impairment of long-term financial investment(*)		254			
5 Held to maturity investments		255			
VI Other long-term assets		260		42,275,513,346	42,261,371,660
1 Long-term prepayment		261		39,355,374,264	39,341,232,578
2 Deffered tax assets		262		2,920,139,082	2,920,139,082
3 Long-term reserved spare parts		263			
4 Other long-term assets		268			
5 Commercial advantage		269			
TOTAL ASSETS (270 = 100 + 200)		270		1,048,429,570,356	1,041,148,060,916
C. LIABILITIES		300		259,246,277,238	288,291,233,439
I Current liabilities		310		238,220,012,602	267,550,910,686
1 Short-term trade payables		311		90,487,058,176	95,570,976,947
2 Short-term advances from customers		312		14,377,484,449	6,373,109,162
3 Taxes and amounts payable to the State budget		313		12,570,719,957	13,744,493,832
4 Payables to employees		314		8,709,370,114	10,476,155,903
5 Short-term accrued expenses		315		107,144,175,656	136,655,973,027
6 Short-term inter-company payables		316			
7 Payables relating to construction contracts under percentage of completion method		317			
8 Short-term unearned revenue		318			
9 Other current payables		319		2,983,022,578	3,100,308,610
10 Short-term loans and obligations under finance leases		320			
11 Short-term provision(*)		321			
12 Bonus and welfare fund		322		1,948,181,672	1,629,893,205
13 Price stabiliztion fund		323			
14 Government bond sale and repurchase transactions		324			
II Long-term liabilities		330		21,026,264,636	20,740,322,753
1 Long-term trade payables		331			
2 Long-term advances from customers		332			
3 Long-term accrued expenses		333			
4 Inter-company payables regarding operating capital		334			
5 Long-term inter-companypayables		335			
6 Long-term unearned revenue		336			
7 Other long-term liabilities		337		5,793,955,232	5,841,395,442
8 Long-term loans and obligations under finance leases		338			
9 Convertible bonds		339			
10 Preference bond		340			
11 Deffered tax liabilities		341			
12 Long-term provisions (*)		342		15,232,309,404	14,898,927,311
13 Scientific and technological development fund		343			
D. OWNER'S EQUITY		400		789,183,293,118	752,856,827,477
I Owner's equity		410		789,183,293,118	752,856,827,477
1 Owner's contributed capital		411		154,207,820,000	154,207,820,000
- Ordinary shares carrying voting rights		411a		154,207,820,000	154,207,820,000
- Preferred shares		411b			
2 Share premium		412		302,726,583,351	302,726,583,351
3 Convertible option		413			
4 Other owner's equity		414			
5 Treasury shares (*)		415			
6 Assets revaluation reserve		416			
7 Foreign exchange reserve		417			
8 Investment and development fund		418		281,266,237,791	224,553,967,078
9 Enterprise reorganization support fund		419			
10 Other reserves		420			
11 Retained earnings		421		50,982,651,976	71,368,457,048
- Retained earnings/(losses) accumulated to the prior yearend		421a		23,909,313,586	(660,346,503)
- Retained earnings/(losses) of the current year		421b		27,073,338,390	72,028,803,551
12 Construction investment fund		422			
13 Non-controlling shareholders interest		429			

1	2	3	4	5
II Other resources and funds	430		-	-
1 Subsidised funds	432			
2 Funds for fixed assets acquisition	433			
TOTAL LIABILITIES AND OWNERS' EQUITY (440 = 300+400)	440		1,048,429,570,356	1,041,148,060,916

Preparer



Vũ Văn Thức

Accountant



Vũ Văn Thức



THE CONSOLIDATED INCOME STATEMENT

03rd quarter 2017

Figures in: VND

TARGETS	Code s	Notes	03rd quarter		Accumulated from January to the end of this quarter	
			This year	Last year	This year	Last year
1	2	3	4	5	6	7
1 Gross revenue from good sold and services rendered	01		340,128,852,858	330,502,764,140	790,830,427,419	758,296,648,980
2 Deductions	02		1,448,313,631	869,191,310	8,826,471,548	6,499,530,897
3 Net revenue from goods sold and services rendered (10 = 01 - 02)	10		338,680,539,227	329,633,572,830	782,003,955,871	751,797,118,083
4 Cost of sales	11		224,720,386,511	210,555,552,948	544,250,562,748	505,871,897,779
5 Gross profit from goods sold and services rendered (20 = 10 - 11)	20		113,960,152,716	119,078,019,882	237,753,393,123	245,925,220,304
6 Financial Income	21		5,933,956,309	5,527,465,281	18,403,829,149	12,944,616,483
7 Financial expenses	22		256,231,303	(183,994,350)	2,055,859,929	650,751,449
- In which: Interest expense	23					
8 Selling expenses	25		68,467,483,900	70,436,436,016	140,023,759,569	138,951,637,668
9 General and Administrative expenses	26		17,621,948,396	17,449,931,479	50,829,714,701	52,821,150,072
10 Operating profit (30 = 20 + (21 - 22) + 24 - (25 + 26))	30		33,548,445,426	36,903,112,018	63,247,888,073	66,446,297,598
11 Other Income	31		382,940,551	670,547,954	1,919,371,425	1,388,541,746
12 Other Expenses	32		243,192,953	4,236,285,077	550,520,202	4,388,846,603
13 Profit from other activities (40 = 31 - 32)	40		139,747,598	(3,565,737,123)	1,368,851,223	(3,000,304,857)
14 Accounting profit before tax (50 = 30 + 40)	50		33,688,193,024	33,337,374,895	64,616,739,296	63,445,992,741
15 Current corporate income tax expense	51		6,614,854,634	6,050,051,992	12,144,275,059	11,070,296,715
16 Deferred corporate tax (income)/ expense	52					
17 Net profit after corporation income tax (60 = 50 - 51 - 52)	60		27,073,338,390	27,287,322,903	52,472,464,237	52,375,696,026
18 Net profit after tax attributable to shareholders of the parent	61		27,073,338,390	27,287,322,903	52,472,464,237	52,375,696,026
19 Basic earning per share (*)	70		1,668	1,770	3,233	3,396

Preparer

Vũ Văn Thức

Accountant

Vũ Văn Thức

HCMC, Oct 18th 2017
General Director

Trương Phú Chiến

THE CONSOLIDATED CASH FLOW STATEMENT
03rd quarter 2017
(By indirect method)

Figures in: VND

TARGETS	Code s	Notes	Accumulated from January to the end of this quarter	
			This year	Last year
1	2	3	4	5
I Cash flows from operating activities				
1 Profit before tax	01		64,616,739,296	63,445,992,741
2 Adjustments for:			14,882,750,277	21,527,737,329
- Depreciation and amortisation of fixed assets and investment properties	02		30,874,997,682	31,059,105,929
- Provisions	03		318,490,536	2,031,177,526
- Foreign exchange gains/loss arising from translating foreign currency items	04		1,331,215,998	(655,947,779)
- Gain/loss from investing activities	05		(17,641,953,939)	(10,906,598,347)
- Interest expenses	06		-	-
3 Operating profit before movements in working capital	08		79,499,489,573	84,973,730,070
- (Increase) Decrease in receivables	09		(24,018,352,572)	69,171,026,717
- (Increase) Decrease in inventories	10		(4,918,568,237)	(28,849,271,082)
- (Increase) Decrease in payables (excluding accrued loan interest and corporate income tax payable)	11		(30,692,442,947)	(104,875,630,301)
- (Increase) Decrease in prepaid expenses	12		(1,558,956,023)	2,081,202,341
- Interest paid	14		-	-
- Corporate income tax paid	15		(10,780,410,427)	(13,859,614,156)
- Other cash inflows	16		456,084,731	2,321,533,976
- Other cash outflows	17			
Net cash generated by operating activity	20		7,986,844,098	10,962,977,565
II Cash flows from investing activities				
1 Acquisition and construction of fixed and other long-term assets	21		(88,744,556,695)	(6,308,444,643)
2 Proceeds from sale, disposal of fixed assets and other long-term assets	22		479,993,497	45,400,000
3 Cash outflow for lending, buying debt instruments of other entities	23		(322,494,043,440)	(348,223,055,000)
4 Cash recovered from lending, selling debt instruments of other entities	24		361,000,000,000	350,117,500,000
5 Equity investments in other entities	25			
6 Interest earned, dividends and profits received	26			
7 Interest earned, dividends and profits received	27		17,278,742,001	10,861,198,347
Net cash generated by investing activity	30		(32,479,864,637)	6,492,598,704
III Cash follows from a financing activities				
1 Dividends and profit paid	36		(9,252,469,200)	(27,567,047,070)

Figures in: VND

TARGETS	Code s	Notes	Accumulated from January to the end of this quarter	
			This year	Last year
1	2	3	4	5
Net cash generated by financing activities	40		(9,252,469,200)	(27,567,047,070)
Net decrease(increase) in cash (50 = 20 +30 + 40)	50		(33,745,489,739)	(10,111,470,801)
Cash and cash equivalents at the beginning period	60		368,688,250,041	299,793,647,514
Effects to changes in foreign exchange rates	61		(236,934,512)	29,002,945
Cash and cash equivalents at end of period (70 = 50 + 60 + 61)	70		334,705,825,790	289,711,179,658

Preparer



Vũ Văn Thức

Accountant



Vũ Văn Thức



HCMC, Oct 18th 2017

General Director

Trương Phú Chiến

NOTE TO CONSOLIDATED FINANCIAL STATEMENT
03rd quarter 2017

I. Characteristics of enterprise activity

1. A form of ownership

- Bibica corporation was established in Vietnam and operates according to the certificate of corporate business registration No. 3600363970 dated June 25th 2015 - The Original Business Registration Number: 059 167, issued by The Business Registries Chamber of Dong Nai planning and Investment Department, issued on January 16th .1999 (registration change the 5th dated June 25th, 2015).

- Main office: 443 Ly Thuong Kiet street, Ward 08, Tan Binh District, Ho Chi Minh City, Viet Nam

2. Business fields

- Industrial production and trade of food commodities; import and export.

3. Business

- Production and sale of products: sugar, confectionery, malt, wine (alcoholic beverages), nutritional powder, milk and dairy products, soy milk, soft drinks, powdered soft drinks (not produced at the company's headquarter).

- Trading in real estate - just comply with Clause 1 of Article 10 of the Law on Real Estate Business.

4. The ordinary production and business cycle

- The Ordinary of production and business cycle in accordance with the calendar year, starting from January 01st to December 31st (within 12 months)

5. Characteristics of enterprise activities in the fiscal year that affect the financial statement

- In period, the company produce and business is just normal

6. Group structure

Affiliate units

- Bien Hoa Factory

Address: Bien Hoa I Industrial Zone, An Binh Ward, Bien Hoa City, Dong Nai Province, Viet Nam.

- Ha Noi factory

Address: Sai Dong B Industrial Zone, Sai Dong Ward, Long Bien District, Ha Noi City, Viet Nam.

Subsidiaries

Name	Location	% of ownership	Business field
Bibica Eastern One Member Limited Liability Company	My Phuoc I Industrial Zone, Ben Cat, I	100%	Production and sale of products: sugar, confectionery, malt, nutritional powder, milk, dairy products, soy milk, soft drinks, beverage, and other foods
Northern Limited Liability Company	Pho Noi A Industrial Zone, Hung Yen	100%	Production and sale of products: sugar, confectionery, malt, nutritional powder, milk, dairy products, soy milk, soft drinks, beverage

Northern limited liability is in the process of construction investment, not yet in operation

These events affect critical to business operations of the Group during the reporting period:

Unarise

II. Accounting period, the currency used in accounting

1. The accounting year of the Company starts on January 01st and end on December 31st every year
2. The currency used in the accounting records is Vietnam dong (VND)

III . Standards and applicable accounting regulations

1 . Applicable accounting regulations

- The Company applies the corporate accounting regime issued follow Circular No. 200/2014 / TT - BTC dated December 22nd 2014 of the Ministry of Finance guiding the business accounting and Circular No. 202/2014 / TT - BTC dated December 22nd 2014 of the Ministry of finance guiding the forming and presentation methods of the consolidated financial statements.

2 . Declaration on compliance with accounting standards and accounting regulations

- The Company has applied the accounting standards of Vietnam and the guiding documents issued by the State. The financial statements are prepared and presented in accordance with the provisions of each standard, circular guiding the implementation of standards and current accounting regulations are applied.

The Company applies the form of computerized accounting.

IV. The accounting policies applied.

1 . Basis of consolidating the financial statements

- The consolidated financial statements of the Company are prepared on a consolidated between the separate financial statements of the Company and the financial statements of the subsidiaries controlled by the Company (its subsidiaries). The control is achieved when the Company has the ability to control the financial and operating policies of the investee companies to obtain benefits from the activities of these companies.

- The financial statements of subsidiaries are prepared for the same period of the financial statements of the Company. In case of necessity, the financial statements of subsidiaries are adjusted to the accounting policies applied in the Company and other subsidiaries is the same.

- The results of operations of subsidiaries acquired or disposed of during the period are presented in the consolidated financial statements from the date of acquisition or up to the date of sale of investments in that company.

- The balances, income and mainly expenses, including unrealized profits arising from intra-group transactions are eliminated in the consolidated financial statements.

- The benefit of minority shareholders as part of the interest in the profit or loss and net assets of subsidiaries not held by the shareholders of the Company and are presented in a separate item on the interim consolidated balance sheet and consolidated income statement.

- Benefits of non-controlling shareholders in the fair value of net assets of subsidiaries are identified and presented as a separate indicator of the equity component.

2 . Recognition of cash and cash equivalents

-Cash and cash equivalents include cash on hand, cash in bank demand deposits, short-term maturity not exceeding 03 Investments with months from the date of Investment with high Liquidity, there easily convertible into the significant cash and no risk of change in value

3 . Accounting financial investments principle

a. Held- for-trading securities

- The securities held for trading purposes at the time of the report, which aims for capital appreciation to sell for profit.

b. Investments held to maturity

- The savings deposits with a term not exceeding 12 months from the time of the report and is not classified as cash equivalents.

c. Loans

- Loans excluding content is reflected in the "Investments held to maturity" has recovered the remaining term not exceeding 12 months or in 01 normal business cycle at the moment report, as lending in the indenture, loan agreement between 02 parties

4. Account receivables principle

Receivables are tracked in detail for each object, each type of original currency incurred in purchasing the product, goods and services provided under the agreement between the Company and customers.

Provision for doubtful debts is made for each doubtful debts based on the age of overdue debt of each debt or expected losses can occur for each receivables

5. Recognition of inventories principle

Inventories are stated at original cost. In case of the net realizable value is lower than cost, the value calculated at net realizable. The cost of inventories includes the cost of purchase, costs of conversion and other costs directly related incurred to acquire inventory in location and current status.

The value of inventories is determined by the average method
Inventories are accounted for using the perpetual inventory method.

Provision for decline in inventories is made at the end of the period is the difference between the cost of inventory is greater than the net value of their realizable.

6. Recognition and depreciation of fixed assets principle

Tangible fixed assets, intangible fixed assets are recorded at cost. In the course of use, tangible fixed assets, intangible fixed assets are recorded at cost, accumulated depreciation and residual value.

Depreciation is made according to the straight line method.

Prior to the date of October 06th 2013 - Circular No. 45/2013 / TT - BTC dated 25/04/2013 was effective, the company implement the management, use and depreciation of fixed assets in accordance with Circular No. 203/2009 / TT - BTC dated October 20th 2009. Since October 06th 2013 the company implement the management, use and depreciation of fixed assets in accordance with Circular No. 45/2013 / TT - BTC dated April 25th 2013.

Fixed assets depreciation period is estimated as follows :

- Buildings and structures	5-50	10 - 20 years
- Machinery and equipment	5-20	5 - 12 years
- Means of transportation	6-30	6 - 12 years
- Office equipment	3-10	3 - 5 years
- Other fixed assets	4-20	4 - 7 years
- Computer software	2-20	3 - 5 years

- Land use rights with a term will be allocated over a straight-line over a period of granted

- Land use right has no time limit so the company not deduct depreciation

7 . Recognition and allocate prepaid expenses principle

The prepaid expenses only related to the cost of production and business in the current fiscal year are recorded as short-term prepaid expenses and is calculated on the cost of production and business in the fiscal year.

The following costs were incurred in the fiscal year, but is accounted for in long-term prepaid expenses to amortized into results of operations for many years:

- Tools for use have great value
- The other costs incurred related to the business results of accounting years.

The calculation and allocation of long-term prepaid expenses on production and business costs in each accounting period is based on the nature and severity of each type of cost to select the method and rational allocation criteria. Prepaid expenses are amortized into cost of production and business in accordance with the straight line method.

8 . Liabilities principle

- The liabilities are monitored in detail by maturity , subject, type of currency
- Payables Classification are payable to suppliers, internal payable and other payables are carried out according to the principle:

a . Payable include payables commercial nature arising from the purchase of goods and services, property and the seller is an independent unit with the buyer, including payables between the Parent Company and its subsidiaries;

b. Internal payables including payable between superior and subordinate units have no legal status dependent accounting;;

c. Other payables, including payables non-commercial, not related to the purchase, sale or supply of goods and services: such as interest, dividends, payable related to workers

9 . Recognition Loans and finance lease liabilities principle

- Loans and finance lease liabilities are detailed tracking of each term to pay loans and finance lease liabilities and specific for each type of currency when occurred transaction.

10 . Recognition and capitalization of borrowing costs

- Borrowing costs are recognized in the cost of production, sales in the incurred period , except for borrowing costs directly attributable to the acquisition, construction or production of uncompleted assets is calculated on the value of assets that (capitalized) when all the conditions prescribed in accounting Standard Vietnam No. 16 "borrowing Costs".

- Borrowing costs directly attributable to the acquisition, construction or production of uncompleted assets is calculated on the value of such assets (capitalized), including the interest on loan, Amortization of discount or premium when issuing bonds, the ancillary costs incurred in relation to the process of obtaining a loan.

11 . Recognition of accrued expenses principle

- Payables certainly in terms of value and time for goods and services received from the seller or provided to the buyer during the reporting period, but the actual unpaid bills due to not yet invoiced or insufficient records, accounting records, are recognized in the cost of production and business of the reporting period.

12 . The principle and method of recording equity

Owner equity are recorded as a capital contribution by the owners.

Surplus equity is recognized by the difference between larger / or smaller between the actual price and the par value of shares for the first time issue shares, released or re-released additional shares of the fund. Direct costs related to the issuance of additional shares or reissue shares are reduced surplus fund equity.

Undistributed profit after tax can be distributed to investors based on the ratio of capital contribution after the Board of Directors for approval and after allocations to the reserve fund in accordance with the Company's Charter and regulations Vietnam law

Dividends to shareholders are recorded as liabilities in the Balance Sheet after the dividend announcement of the Board of Directors of the Company.

The Company applies processing rate differences under the guidance of Vietnam Accounting Standard No. 10 (VAS 10) "Effects of Changes in exchange rates". Accordingly transactions denominated in foreign currencies are converted at the exchange rate at the date of the transaction. The balances of monetary assets and liabilities receivable and payable (excluding prepayments to suppliers and received by the buyer), deposit, check deposit, on consignment with denominated in foreign currencies at the end of the accounting year are converted at the exchange rate at that date. Foreign exchange differences arising are accounted for in the statement of operations. Interest rate differences due to the revaluation of the balance at the end of the fiscal year should not be used to divide the owner.

13. Principles and methods of revenue recognition

- Revenue to be recognized in accordance with nature, rather than the form of the transaction or name and must be distributed under the supply obligation goods or services (excluding revenues collected on behalf of third parties)

a . Revenue from Sales of good

Sales of goods are recognized when simultaneously satisfy 05 (years) the following conditions::

- The Company has transferred substantially all risks and rewards associated with ownership of the goods to the buyer;
- Company has no longer retains management of goods as cargo owners or control of goods;
- The revenue can be measured reliably;
- The Company has obtained or will obtain economic benefits from the sale transaction and;
- Determine the costs related to sales transactions..

b . Revenue from providing service

Revenue from providing services is recognized when the outcome of the transaction can be measured reliably. Where the provision of services related to several periods, revenue is recognized in the period in accordance with the results of work already completed at the time of reporting. The results of the transaction service provider is defined as satisfying the following conditions:

- The revenue can be measured reliably;
- It is probable that the company can get benefit from providing service transaction;
- The percentage of work already completed at the time of reporting;
- The costs incurred for the transaction and the costs to complete the providing services transaction.
- Part of the service provider has completed, as determined by the method of assessment of work completed.

c . Revenue from financial activities

- Revenue arising from interest, royalties, dividends, profits and dividends and revenues from other financial activities are recorded when satisfy the following two conditions::

BIBICA CORPORATION

443, Ly Thuong Kiet Street, Ward 08, Tan
Binh District, Ho Chi Minh, Viet Nam

B 09a - DN/HN

- The revenue can be measured reliably;
- It is probable that the company can get benefit from providing service transaction;
- Dividends and profit shared are recognized when the Company is entitled to receive dividends or were entitled to receive profits from the capital contribution..

d . Other income

- The other income in addition to operations, production and business; including revenue from the sale and liquidation of fixed assets, the amount of fine for breach of contract of customers, the bad debt was eliminated, payable to not be identified and any other items as above..

14 . Deductions principle

- The adjusted amounts deducted in the sales, service providers arising in the period, including: Trade discounts, rebates and bounce products is monitored in detail for each item and each customer.

15 . Financial expenses principle

These expenses are recorded in financial expenses include:

- Expenses or losses relating to financial investment activities;
- The cost of lending and borrowing;
- The losses due to changes in exchange rates of Transactions involving foreign currencies;
- Provision for impairment of investment securities.

16 . Accounting principles in selling expenses, corporate management costs

- Cost of sales as actual expenses incurred during the sale of products, goods and service providers, including the costs of offers, product descriptions, advertising related products, commission, storage costs, packaging and shipping to be monitored in detail on the contents of the cost.

- Enterprise management expenses include the costs of general management of the business such as staff salaries of management department, office materials, working tools, be monitored in detail on the contents of the cost of prescribed

17 . The principle and method of recording the taxes

Current tax

Tax assets and liabilities for taxes in the current year and previous years are measured at the amount expected to be paid to (or recovered from) the taxation authorities, based on tax rates and tax laws enacted by the balance sheet date

Current income tax is recorded in the consolidated income statement, except when it relates to items recognized directly to equity. In this case, the current income tax is also recorded directly in equity.

The Group of company is only allowed to offset current income tax assets and current income tax payable when it has the legal right to current income tax assets with current income tax payable. And it intends to pay current income tax liabilities and current income tax assets on a net basis.

Deffered income tax

Deferred income tax is determined for temporary differences at the end of the year, the temporary differences between the tax assets and liabilities and their carrying amounts for reporting consolidated financial statements purpose.

Deferred tax liability is recorded for all taxable temporary differences. Deferred income tax assets should be recorded for all deductible temporary differences, the deductible amounts carried forward to subsequent years of unused tax losses and unused tax losses. In the future, it is probable that future taxable profits will be available against the deductible temporary differences, tax losses and unused tax incentives.

The carrying amount of the deferred tax asset should be reviewed on the balance sheet date and the carrying amount of the deferred tax asset should be reduced to the amount sufficiently guarantee. Taxable profits allow the interest of all or part of the deferred tax assets to be used. Deferred tax assets not yet recorded previously are reclassified at the balance sheet date and are recognized when it is probable that future taxable profits will be available against which future taxable profits can be utilized for unrecorded deferred income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the tax rates that are expected to apply in the fiscal year when assets or liabilities are settled, based on tax rates. And tax laws are effective at the balance sheet date.

Deferred income tax is recorded in the consolidated income statement, except when it relates to items recorded directly to equity, in which case the tax is recorded in the income statement. Deferred income is also recorded directly in equity.

The Group is only able to offset deferred income tax assets and deferred tax liabilities when the Company has the legal right to offset any current income tax assets with current income tax liabilities and Deferred income tax assets and deferred tax liabilities relating to corporate income tax are managed by the same tax authorities for the same taxpayer or corporation intending to pay tax. Current income tax liabilities and current income tax assets are subject to net disposal or revaluation of assets at the same time that future payables are due, at which time the deferred tax assets must Pay or deferred income tax assets are paid or recovered.

Eastern Bibica (subsidiary of Bibica corporation) was established under the license No. 4604000132 dated September 21st 2007 are in the stage of investment incentives and tax rate of 15% within 12 months. The company has 100% tax exemption for three years from 2008, a 50% reduction of tax over the next seven years. Preferential corporate income tax is only applied to Layer cake lines, not Chocopic.

V. Additional information for items presented in the balance sheet

1. Money

Cash on hand
Banks demand deposit
Money is being transferred

Figure in : VND

	30/09/2017	31/12/2016
	419,134,307	252,170,148
	117,478,691,483	65,663,279,893
	-	-
	<u>117,897,825,790</u>	<u>65,915,450,041</u>

BIBICA CORPORATION443, Ly Thuong Kiet Street, Ward 08, Tan
Binh District, Ho Chi Minh, Viet Nam

B 09a - DN/HN

2. Financial investment

a) Held-for-trading securities

	30/09/2017			31/12/2016		
	Cost	Fair value	Provision	Cost	Fair value	Provision
HOA AN JOINT STOCK COMPANY	684,881,000	552,825,000	132,056,000	684,881,000	466,200,000	218,681,000
DO THANH TECHNOLOGY CORPORATION	2,305,557,332	1,084,713,450	1,220,843,882	2,305,557,332	874,124,730	1,431,432,602
HAPACO GROUP JOINT STOCK COMPANY	487,959,001	189,520,400	298,438,601	487,959,001	128,278,000	359,681,001
MY CHAU PRINTING AND PACKAGING HOLDING COMPANY	975,259,755	975,259,755	-	975,259,755	919,576,800	55,682,955
THANH CONG TEXTILE JOINT STOCK CO., BINH THANH IMP-EXP PRODUCTION AND TRADE JOINT STOCK CO.,	164,448,732	164,448,732	-	164,448,732	141,027,000	23,421,732
SAI GON REFRIGERATION COMPANY	71,672	67,800	3,872	71,672	71,672	-
ASIA COMMERCIAL JOINT STOCK BANK	467,560	315,900	151,660	467,560	221,850	245,710
TOTAL	99,774	61,200	38,574	99,774	35,200	64,574
	4,618,744,826	2,967,212,237	1,651,532,589	4,618,744,826	2,529,535,252	2,089,209,574

b) Held-to-maturity securities

Time deposit (*)

	30/09/2017		31/12/2016	
	Cost	Carrying value	Cost	Carrying value
	174,958,000,000	174,958,000,000	214,000,000,000	214,000,000,000
	174,958,000,000	174,958,000,000	214,000,000,000	214,000,000,000

(*) Held-to-maturity investments represent short-term deposits at the commercial banks with the original maturity of more than three(3) months and less than twelve(12) months and earn interest at the applicable bank deposit rates.

c) Investment in other units

- Investment in subsidiaries :

+ Eastern Bibica Limited

	30/09/2017	31/12/2016
	200,000,000,000	200,000,000,000
	200,000,000,000	200,000,000,000

BIBICA CORPORATION443 Ly Thuong Kiet Street, Ward 08, Tan
Binh District, Ho Chi Minh City, Viet Nam

B 09a - DN/HN

3. Trade receivable

	30/09/2017	31/12/2016
CUSTOMERS HAVE LIABILITIES WHICH COUNTED FOR 10% OR MORE	-	-
OTHER TRADE RECEIVABLE		
Total trade receivable	109,922,368,204	78,590,050,187

Related parties receivable

	30/09/2017	31/12/2016
LOTTE CONFECTIONERY CO., LTD	3,332,972,901	49,763,352
PAN FOOD JSC.,	2,939,063,172	692,220,027

4. Other short-term receivable

	30/09/2017	31/12/2016
Receivable from interest on saving	4,967,486,111	3,758,075,000
Receivable from personal income tax(2009 - 2012), Department of Taxation arrears from employees	1,679,984,498	1,679,984,498
Other receivable	3,989,617,933	5,132,885,560
	<u>10,637,088,542</u>	<u>10,570,945,058</u>

5. Deficits in assets awaiting solution

	30/09/2017		31/12/2016	
	Quantity	Value	Quantity	Value
Other assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BIBICA CORPORATION
 443 Ly Thuong Kiet Street, Ward 08, Tan
 Binh District, HCM City, Viet Nam

6. The situation of increasing and reducing the provision for short-term and doubtful receivables

	30/09/2017	31/12/2016
Beginning of the period		
Provision made for the period	3,720,589,122	5,938,902,148
Reversal of provision during the period	-	320,983,814
Ending of the period	229,419,161	2,539,296,840
	3,491,169,961	3,720,589,122

7. Inventories

Raw materials
 Tool and supplies
 Work in progress
 Finished good
 Merchandise goods

	30/09/2017		31/12/2016	
	Cost	Provision	Cost	Provision
Raw materials	49,522,287,350	2,823,002,884	53,135,202,075	2,496,375,633
Tool and supplies	5,400,435,248	637,399,382	4,520,151,216	615,421,023
Work in progress	1,707,968,991		1,139,955,875	-
Finished good	51,944,950,463		42,673,748,325	-
Merchandise goods	358,361,498		2,546,377,822	-
	108,934,003,550	3,460,402,266	104,015,435,313	3,111,796,656

Inventories are provisioning at the same day made the financial statement, mainly focus on technical equipment, tools and perennial inventory. In the production and business activities, the company had reservation to ensure the production is ongoing. However, The company has adjusted business plan before use all so it is still exist. The company also has the plan to use in regular repair every month with the equipment can use, and liquidation with the rest

The reversal of the provision for impairment of inventories because the company has liquidate some material no need to use like films, labels, outside packaging of some products eliminated

8. Long-term assets in progress

-Construction in progress
 -Northern Bibica project cost
 - Hifat soft candy project cost
 - Moved Jelly line project cost
 - Bun project cost
 -Cracker project cost
 - HR management software project cost
 - Other projects

	30/09/2017	31/12/2016
-Construction in progress	1,235,395,810	1,235,395,810
-Northern Bibica project cost	74,566,559,750	809,648,226
- Hifat soft candy project cost	-	362,459,000
- Moved Jelly line project cost	941,058,031	-
- Bun project cost	1,242,940,000	8,289,000
-Cracker project cost	160,800,000	160,800,000
- HR management software project cost	-	467,113,338
- Other projects	78,146,753,591	3,043,705,374

9. Increase (Decrease) tangible fixed assets

<i>Items</i>	<i>Buildings and Structures</i>	<i>Machinery and equipment</i>	<i>Transportation</i>	<i>Office equipment</i>	<i>Other fixed assets</i>	<i>Total</i>
Cost:						
As at 31 Dec 2016	128,316,811,465	432,558,448,578	12,011,428,661	11,277,060,989	183,695,159	584,347,444,852
Increase in year	4,346,919,546	1,169,923,461	1,970,880,700	304,386,000	-	7,792,109,707
In which:						
<i>Newly purchase</i>		1,169,923,461				1,169,923,461

Liquidation	2,173,459,773	3,277,286,986	356,919,243	-	-	5,807,666,002
As at 30 Sep 2017	130,490,271,238	430,451,085,053	13,625,390,118	11,581,446,989	183,695,159	586,331,888,557
<i>In which:</i>						
<i>Fully depreciated</i>	9,684,039,034	149,694,337,028	6,857,610,171	4,807,803,534	140,595,159	171,184,384,926
Accumulated depreciation:						
As at 31 dec 2016	62,291,014,693	300,506,773,334	10,377,752,612	8,733,090,819	165,718,395	382,074,349,853
Depreciation for the year	5,148,461,138	23,597,577,945	598,943,255	850,628,859	6,603,149	30,202,214,346
Liquidation	-	3,160,505,427	356,919,243	-	-	3,517,424,670
As at 30 Sep 2017	67,439,475,831	320,943,845,852	10,619,776,624	9,583,719,678	172,321,544	408,759,139,529
Net carrying amount:						
- As at 31 Dec 2016	66,025,796,772	132,051,675,244	1,633,676,049	2,543,970,170	17,976,764	202,273,094,999
- As at 30 Sep 2017	63,050,795,407	109,507,239,201	3,005,613,494	1,997,727,311	11,373,615	177,572,749,028

10. Increase (Decrease) intangible assets

Sections	Land use right	Computer software	Total
Cost:			
As at 31 Dec 2016			
As at 30 Sep 2016	256,080,000	9,036,406,943	9,292,486,943
In which:	256,080,000	9,036,406,943	9,292,486,943
Fully Depreciated	-	3,245,590,085	3,245,590,085
Accumulated depreciation:			
As at 31 Dec 2016			
Depreciation for the year	-	5,032,394,453	5,032,394,453
As at 30 Sep 2016	-	672,783,336	672,783,336
Net carrying amount:			
- As at 31 Dec 2016	256,080,000	4,004,012,490	4,260,092,490
- As at 30 Sep 2017	256,080,000	3,331,229,154	3,587,309,154

11. Prepaid expenses

	30/09/2017	31/12/2016
a) Short-term		
- Tools and supplies		
- Others	5,116,631,339	3,427,539,439
Total	<u>412,624,238</u>	<u>556,901,801</u>
	5,529,255,577	3,984,441,240

b) Long-term

- Land rental fee		
- Site clearance cost in Binh Duong	22,620,344,987	23,150,774,210
- Overhaul	7,180,822,419	7,360,342,979
- Tool and supplies	4,129,108,204	4,677,053,981
- Other long-term prepaid expenses	4,857,343,377	3,252,247,666
	<u>567,755,277</u>	<u>900,813,742</u>
	39,355,374,264	39,341,232,578

12. Trade payables

a) Trade payables

THANH PHU PACKAGING LD.,
AN KHAI TRADING AND PRODUCTION LTD.,
OTHER SUPPLIERS

Total

	30/09/2017	31/12/2016
	-	-
	90,487,058,176	95,570,976,947
	90,487,058,176	95,570,976,947

b) The number of unpaid overdue

Not incur overdue debt in the reporting day

c) Payables to related party

Pan Food JSC

As 31 Dec 2016

Increased in period

Decreased occurred in period

As 30 Sep 2017

	-
	395,821,200
	36,379,200
	359,442,000

13. Tax and Other amount payables to the State 31/12/2016

a) Payables

- Corporate in come tax

- Value added tax

- Personal income tax

- Other

Total

	Increase for the year	Payment made in the year	30-Sep-17
4,970,502,823	12,427,897,173	10,780,410,427	6,617,989,569
9,080,059,779	25,972,060,990	28,692,892,809	6,359,227,960
(306,068,770)	4,296,771,954	4,594,013,088	(603,309,904)
-	328,844,823	132,032,491	196,812,332
13,744,493,832	43,025,574,940	44,199,348,815	12,570,719,957

14. Short-term accrued expenses

Salaries and bonus

Promotion

Transportation expense

The cost of sign, advertising

Other

Total

	30/09/2017	31/12/2016
	42,894,564,840	38,787,175,116
	2,753,721,594	3,704,315,078
	7,342,392,002	8,583,517,267
	18,788,437,385	21,582,141,609
	<u>35,365,059,835</u>	<u>63,998,823,957</u>
	107,144,175,656	136,655,973,027

15. Other payables

a) Short-term

- Union expenditure

	30/09/2017	31/12/2016
	91,799,938	1,067,978,649

- Other payable

Total

b) Long-term

- deposit receipt, long-term deposit

- Other payables

Total

16. Provision for payables

- Provision for severance allowance for employee

Total

	2,891,222,640	2,032,329,961
	<u>2,983,022,578</u>	<u>3,100,308,610</u>
	5,793,955,232	5,841,395,442
	<u>5,793,955,232</u>	<u>5,841,395,442</u>
	30/09/2017	31/12/2016
	15,232,309,404	14,898,927,311
	<u>15,232,309,404</u>	<u>14,898,927,311</u>

BIBICA CORPORATION443 Ly Thuong Kiet Street, Ward 08, Tan
Binh District, HCM City, Viet Nam

B 09a - DN/HN

17 - Owners' Equity**a- Increase and decrease in owners' equity table**

A	Sections belong to owners' equity						Total
	Contributed share capital	Share premium	Exchange rate difference	Investment & Development Fund	Undistributed earnings	Other	
	1	2	3	4	5	6	7
Surplus at 31 dec 2016	154,207,820,000	302,726,583,351	-	163,508,737,432	85,154,978,809		705,598,119,592
Gain (loss) in year					81,281,272,751		81,281,272,751
Funds setting				61,045,229,646	(61,045,229,646)		-
Welfare deduction					(4,290,766,266)		(4,290,766,266)
Dividend					(27,757,407,600)		(27,757,407,600)
BOD's remuneration					(1,974,391,000)		(1,974,391,000)
Foreign exchange differences valuation at the end of year							-
Surplus at 31 dec 2016	154,207,820,000	302,726,583,351	-	224,553,967,078	71,368,457,048	-	752,856,827,477
Gain (loss) in year					52,472,464,237		52,472,464,237
Foreign exchange differences reversal							-
Transfer to funds				56,712,270,713	(56,712,270,713)		-
Transfer to bonus&Welfare fund					(4,064,063,638)		(4,064,063,638)
Dividends declared					(9,252,469,200)		(9,252,469,200)
Foreign exchange differences valuation at the end of period							-
Other deduction					(2,829,465,758)		(2,829,465,758)
Surplus at the end of this period	154,207,820,000	302,726,583,351	-	281,266,237,791	50,982,651,976	-	789,183,293,118

18 . Off balance sheet items

a) Foreign currencies :

USD	30/09/2017	31/12/2016
EUR	4,704,775	4,609,545
	324	1,773

VI. Additional information for items presented in the Report on results of operations

1- Gross revenue from good sold and sevice rendered

a) Revenue

- Revenue from sales

03rd Quarter 2017	03rd Quarter 2016
340,128,852,858	330,502,764,140
340,128,852,858	330,502,764,140

b) Revenue from related parties

Lotte confectionery Co., Ltd .

- Sales

03rd Quarter 2017	03rd Quarter 2016
18,160,810,711	10,417,695,434

- Value obtained from account receivables

17,862,963,102	11,103,520,990
----------------	----------------

Pan Food JSC

- Sales

6,510,759,214	9,233,070,517
---------------	---------------

- Value obtained from account receivables

5,039,660,999	3,950,831,031
---------------	---------------

2- Revenue deductions

- Commercial discount

03rd Quarter 2017	03rd Quarter 2016
199,550,114	395,050,580

- Goods returned

1,248,763,517	474,140,730
---------------	-------------

1,448,313,631	869,191,310
----------------------	--------------------

3- Cost of goods sold

- Cost of finish goods sold

03rd Quarter 2017	03rd Quarter 2016
215,727,620,599	200,967,011,948

- Goods for promotion

8,992,765,912	9,588,541,000
---------------	---------------

224,720,386,511	210,555,552,948
------------------------	------------------------

4- Income financial activities

- Interest on deposit, loan

03rd Quarter 2017	03rd Quarter 2016
5,694,950,945	3,429,819,265

- Provision for trading securities

166,911,678	-
-------------	---

- Dividend, distributed product

67,056,600	79,336,500
------------	------------

- Interest rate differences

5,037,086	145,999,389
-----------	-------------

- Other

-	1,872,310,127
---	---------------

5,933,956,309	5,527,465,281
----------------------	----------------------

5- Financial expenses

- Loan interest

03rd Quarter 2017	03rd Quarter 2016
-------------------	-------------------

- Provision for impairment securities

(192,486,900)

- Loss from disposal of financial investments

- Loss from exchange rate differences

- Other

256,231,303	8,154,769
-------------	-----------

337,781

256,231,303	(183,994,350)
--------------------	----------------------

6 - Other income

- Disposal and sale of fixed assets

03rd Quarter 2017	03rd Quarter 2016
230,326,830	

- Other

152,613,721	670,547,954
-------------	-------------

382,940,551	670,547,954
--------------------	--------------------

7 - Other expenses

- The remaining value of fixed assets and disposal, sale fixed assets cost

116,781,559	-
-------------	---

- Penalty

- Other

126,411,394	4,236,285,077
-------------	---------------

243,192,953	4,236,285,077
--------------------	----------------------

8 - Selling and administrative expenses

a) Administration expenses incurred in the period

Wages expenses, Additional salary

03rd Quarter 2017	03rd Quarter 2016
-------------------	-------------------

11,075,406,231	11,009,384,255
----------------	----------------

Other expenses	6,546,542,165	6,440,547,224
b) Details of the sales costs arising in the period		
Wages cost	18,552,785,878	17,935,718,092
Advertising cost	5,822,685,438	11,753,681,399
Transportation cost	9,497,206,679	8,086,572,640
Commissions, expenses reimbursement, turnover cost	8,781,567,195	12,012,335,086
Order discounts cost	8,248,713,582	11,126,092,916
Other cost	17,564,525,128	9,522,035,883
9- Current business income tax charge		
- Income tax expense on income taxed current period	6,614,854,634	6,050,051,992
- Adjusted income tax expense of the last period to the income tax expense current period	-	-
	6,614,854,634	6,050,051,992

VII. Additional information for items presented in the statements of cash flows

1 - The non-cash transactions affecting cash flow statements in the future

As of the reporting date, the Group has no non-cash transactions affecting cash flow statement in the future

2 - The amount of money a business held but not used

As of the reporting period the Group does not hold any funds that are not used

VIII. Other informations

1. These potential liabilities, commitments and financial information

The company has no potential liabilities and other commitments

2 - Events occurring after the balance sheet date

Unarise

3 - Related parties information

General Management and Board of Director Income	03rd Quarter 2017	03rd Quarter 2016
- General Management Income	566,980,331	617,224,355
- Board of Directors Remuneration (temporary)	225,000,000	244,196,250

4 - Information according to department

The Company's main activity is the production and sale Confectionery, while business activity of the company is mainly carried out on the territory of Vietnam. So risk and profitability ratios of the Company are not affected by differences in products sold by the Company or operate in many different geographic areas. Therefore the Company has only one segment of business activities and geographic areas. So the information according to department will not cover

5 - Financial instrument

Financial liabilities of the Company mainly include payables to suppliers and other. The main purpose of these financial liabilities is to mobilize financial resources for the operation of the Company.

The company has customer receivables, other receivables and other financial instruments was listed and direct money was generated from operations. The Company does not hold or issue derivative financial instruments

The company has a market risk, credit risk and liquidity risk. However, the influence of these risks to the Company at the date of the report are negligible.

6 - Information about investment projects of subsidiaries: Northern limited liability company

Currently, Northern Bibica are in the investment phase, some of the information related to the project as follows

- Location of the project: 206 street, Block B, Pho Noi A Industrial Park, Van Lam district, Hung Yen province
- Total registered capital investment: 200 billion
- Investment costs accumulated until Sep 30th 2017: 30,619,907,593 VND, in which mainly land renting

Preparer



Vũ Văn Thức

Accountant



Vũ Văn Thức



HCMC, Oct 18th 2017
General Director

Trương Phú Chiến