

BIBICA CORPORATION

**SEPARATE FINANCIAL STATEMENTS**

**30 – SEPTEMBER - 2017**

**Separate financial statement**

For the period from Jul 1st 2017 to Sep 30th 2017

**BIBICA CORPORATION**

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

B 01a - DN

**THE SEPARATE BALANCE SHEET**

As at Sep 30th 2017

Figure in: VND

ASSET	Code s	Note	30/9/2017	31/12/2016
1	2	3	4	5
<b>A. CURRENT ASSETS</b>				
<b>I Cash and cash equivalents</b>	<b>100</b>		<b>725,126,896,469</b>	<b>759,892,527,350</b>
1 Cash	110		334,612,602,561	368,469,670,536
2 Cash equivalents	111		117,804,602,561	65,696,870,536
<b>II Short-term financial investments</b>	<b>112</b>		<b>216,808,000,000</b>	<b>302,772,800,000</b>
1 Trading securities	120		177,925,212,237	216,529,535,252
2 Provision for held-for-impairment of trading securities(*)	121		4,618,744,826	4,618,744,826
3 Held-to-maturity investments	122		(1,651,532,589)	(2,089,209,574)
<b>III Short-term receivable</b>	<b>123</b>		<b>174,958,000,000</b>	<b>214,000,000,000</b>
1 Short-term trade receivables	130		117,779,564,664	97,349,408,240
2 Short-term advances to suppliers	131		109,900,180,764	78,567,643,297
3 Short-term inter-company receivable	132		825,282,161	12,049,639,637
4 Receivables from construction contracts under percentage of completion method	133			
5 Short-term loan receivables	134			
6 Other short-term receivables	135			
7 Provision for short-term doubtful debt (*)	136		10,545,271,700	10,452,714,428
8 Deficits in assets awaiting solution	137		(3,491,169,961)	(3,720,589,122)
<b>IV Inventories</b>	<b>139</b>		<b>85,132,435,370</b>	<b>73,449,340,155</b>
1 Inventories	140		87,616,035,801	75,492,659,839
2 Provision for devaluation inventories (*)	141		(2,483,600,431)	(2,043,319,684)
<b>V Other short-term assets</b>	<b>149</b>		<b>9,677,081,637</b>	<b>4,094,573,167</b>
1 Short-term prepayments	150		4,437,210,234	2,416,005,974
2 Value-added tax deductibles	151		4,297,809,133	1,440,214,606
3 Taxes and other receivables from the State budget	152			238,352,587
4 Government bond sale and repurchase	153			
5 Other short-term assets	154			
	155		942,062,270	
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>347,104,658,221</b>	<b>280,980,754,475</b>
<b>I Long-term receivables</b>	<b>210</b>			
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			
<b>II Fixed assets</b>	<b>220</b>		<b>59,769,068,068</b>	<b>68,100,739,673</b>
1 Tangible fixed assets	221		56,181,758,914	63,840,647,183
- Cost	222		300,602,824,188	298,720,689,967
- Accumulated depreciation (*)	223		(244,421,065,274)	(234,880,042,784)
2 Finance lease assets	224			
- Cost	225			

1	2	3	4	5
- Accumulated depreciacion (*)	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)
<b>III Investment property</b>	<b>230</b>			
- Cost	231		-	-
- Accumulated amortization (*)	232		-	-
<b>VI Long-term asset in progress</b>	<b>240</b>		<b>75,668,417,781</b>	<b>1,800,020,564</b>
1 Long term work in progress	241			
2 Long-term construction in progress	242		75,668,417,781	1,800,020,564
<b>V Long-term financial investments</b>	<b>250</b>		<b>200,000,000,000</b>	<b>200,000,000,000</b>
1 Investment in subsidiaries	251		200,000,000,000	200,000,000,000
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			
<b>VI Other long-term assets</b>	<b>260</b>		<b>11,667,172,372</b>	<b>11,079,994,238</b>
1 Long-term prepayment	261		8,918,499,836	8,331,321,702
2 Deffered tax assets	262		2,748,672,536	2,748,672,536
3 Long-term reserved spare parts	263			
4 Other long-term assets	268			
<b>TOTAL ASSETS ( 270 = 100 + 200)</b>	<b>270</b>		<b>1,072,231,554,690</b>	<b>1,040,873,281,825</b>
<b>C. LIABILITIES</b>	<b>300</b>		<b>284,846,985,651</b>	<b>309,510,913,936</b>
<b>I Current liabilities</b>	<b>310</b>		<b>264,232,357,555</b>	<b>289,284,416,209</b>
1 Short-term trade payables	311		123,863,343,528	126,539,287,679
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		11,651,627,188	10,197,136,623
4 Payables to employees	314		8,116,334,785	8,665,339,513
5 Short-term accrued expenses	315		102,761,545,823	134,136,584,866
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		1,513,840,110	1,743,065,161
10 Short-term loans and obligations under finance leases	320			
11 Short-term provision(*)	321			
12 Bonus and welfare fund	322			
13 Price stabilization fund	323		1,948,181,672	1,629,893,205
14 Government bond sale and repurchase transactions	324			
<b>II Long-term liabilities</b>	<b>330</b>		<b>20,614,628,096</b>	<b>20,226,497,727</b>
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-company payables	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			

1	2	3	4	5
11 Deffered tax liabilities	341			
12 Long-term provisions (*)	342		14,820,672,864	14,385,102,285
13 Scientific and technological development fund	343			
<b>D. OWNER'S EQUITY</b>	<b>400</b>		<b>787,384,569,039</b>	<b>731,362,367,889</b>
<b>I Owner's equity</b>	<b>410</b>		<b>787,384,569,039</b>	<b>731,362,367,889</b>
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		49,183,927,897	49,873,997,460
- Retained earnings/(losses) accumulated to the prior yearend	421a		23,950,052,531	
- Retained earnings/(losses) of the current year	421b		25,233,875,366	83,478,636,011
12 Construction investment fund	422			
<b>II Other resources and funds</b>	<b>430</b>		-	-
1 Subsidised funds	432			
2 Funds for fixed assets acquisition	433			
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b> ( 440 = 300+400 )	<b>440</b>		<b>1,072,231,554,690</b>	<b>1,040,873,281,825</b>

Preparer



Vũ Văn Thức

Accountant



Vũ Văn Thức



HCMC, Oct 18th 2017  
General Director



Trương Phú Chiến

## THE SEPARATE INCOME STATEMENT

The 03rd quarter 2017

Figures in: VND

TARGETS	Code s	Notes	03rd Quarter 2017		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 goods sold and services rendered	01		341,873,617,216	336,837,884,007	796,755,078,748	768,067,078,454
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		340,425,303,585	335,968,692,697	787,928,607,200	761,567,547,557
4 Cost of sale	11		230,374,846,609	225,981,289,898	567,592,859,169	540,013,071,652
5 Gross profit from goods sold and services rendered ( 20 = 10 - 11 )	20		110,050,456,976	109,987,402,799	220,335,748,031	221,554,475,905
6 Financial income	21		5,933,870,374	3,664,748,320	49,029,683,517	52,175,041,649
7 Financial expenses - In which: interest expense	22 23		256,231,303	(183,994,350)	2,055,859,929	650,751,449
8 Selling expenses	25		68,467,483,900	70,436,436,016	140,023,759,569	138,951,637,668
9 General and administration expenses	26		15,732,051,620	15,697,406,531	45,159,418,343	47,765,954,981
10 Operating profit ( 30 = 20 + ( 21 - 22 ) - ( 25 + 26 ) )	30		31,528,560,527	27,702,302,922	82,126,393,707	86,361,173,456
11 Other income	31		308,354,247	667,549,403	1,586,642,860	1,383,443,166
12 Other expenses	32		205,827,454	153,144,408	448,972,104	299,316,431
13 Profit from other activities ( 40 = 31 - 32 )	40		102,526,793	514,404,995	1,137,670,756	1,084,126,735
14 Accounting profit before tax ( 50 = 30 + 40 )	50		31,631,087,320	28,216,707,917	83,264,064,463	87,445,300,191
15 Current corporate income tax expense	51		6,397,211,954	5,541,653,207	11,468,277,609	9,644,003,684
16 Deferred corporate tax (income)/expense	52					
17 Net profit after corporate income tax ( 60 = 50 - 51 - 52 )	60		25,233,875,366	22,675,054,710	71,795,786,854	77,801,296,507

Preparer

Vũ Văn Thứ

Accountant

Vũ Văn Thứ


 HCMC, Oct 18th 2017  
 General Director


  
 Trương Phú Chiến

## THE SAPERATE CASH FLOW STATEMENT

The 03rd quarter 2017

(By indirect method)

Figures in: VND

TARGETS	Cod es	Note s	Accumulated from January to the end of this quarter	
			This year	Last year
1	2	3	4	5
<b>I Cash flows from operating activities</b>				
1 Profit before tax	01		83,264,064,463	87,445,300,191
2 Adjustments for:				
- Depreciation and amortisation of fixed assets and investment propertises	02		(2,091,179,274)	4,367,666,960
- Provisions	03		13,698,785,540	13,899,035,560
- Foreign exchange gains/loss arising from translating foreign currency items	04		226,815,399	2,031,177,526
- Gain/loss from investing activities	05		1,331,215,998	(655,947,779)
- Interest expenses	06		-	(10,906,598,347)
3 Operating profit before movements in working capital	08		81,172,885,189	91,812,967,151
- (Increase) Decrease in receivables	09		(24,000,394,060)	1,791,457,170
- (Increase) Decrease in inventories	10		(12,123,375,962)	(17,461,831,205)
- (Increase) Decrease in payables (excluding accrued loan interest and corporate income tax payable)	11		(27,414,417,888)	(56,241,897,907)
- (Increase) Decrease in prepaid expenses	12		(2,608,382,394)	1,210,698,163
- Interest paid	14		-	-
- Corporate income tax paid	15		(8,972,714,005)	(11,097,417,214)
- Other cash inflows	16		1,271,428,554	1,134,094,140
- Other cash outflows	17			(407,107,947)
<b>Net cash generated by operating activity</b>	<b>20</b>		<b>7,325,029,434</b>	<b>10,740,962,351</b>
<b>II Cash flows from investing activities</b>				
1 Acquisition and construction of fixed and other long-term assets	21		(87,477,119,695)	(5,899,425,643)
2 Proceeds from sale, disposal of fixed assets and other long-term assets	22		-	-
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 receivales	26			

TARGETS	Codes	Notes	Accumulated from January to the end of this quarter	
			This year	Last year
1	2	3	4	5
7 Interest earned, dividends and profits received	27		17,278,469,438	10,861,198,347
<b>Net cash generated by investing activity</b>	<b>30</b>		<b>(31,692,693,697)</b>	<b>6,856,217,704</b>
<b>III Cash follows from a financing activities</b>				
1 Dividends and profit paid	36		(9,252,469,200)	(27,567,047,070)
<b>Net cash generated by financing activities</b>	<b>40</b>		<b>(9,252,469,200)</b>	<b>(27,567,047,070)</b>
<b>Net decrease(increase) in cash</b> <b>( 50 = 20 + 30 + 40 )</b>	<b>50</b>		<b>(33,620,133,463)</b>	<b>(9,969,867,015)</b>
<b>Cash and cash equivalents at the beginning period</b>	<b>60</b>		<b>368,469,670,536</b>	<b>299,560,355,314</b>
Effects to changes in foreign exchange rates	61		(236,934,512)	29,002,945
<b>Cash and cash equivalents at end of period</b> <b>( 70 = 50 + 60 + 61 )</b>	<b>70</b>		<b>334,612,602,561</b>	<b>289,619,491,244</b>

Preparer



Vũ Văn Thức

Accountant



Vũ Văn Thức



Hàng ngày 18th 2017  
General Director

Trương Phú Chiến

**NOTE TO FINANCIAL STATEMENT**  
**The 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.

Affiliate : ( See item VIII.3 )

- Lotte confectionery Co., Ltd.

**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::

- 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, comission, 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 recogniz 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.

#### V. Additional information for items presented in the balance sheet

Figure in : VND

##### 1. Money

Cash on hand  
Banks demand deposit  
Money is being transferred

	30/09/2017	31/12/2016
Cash on hand	409,725,738	232,446,141
Banks demand deposit	117,394,876,823	65,464,424,395
Money is being transferred	-	-
	<b>117,804,602,561</b>	<b>65,696,870,536</b>

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

B 09a - DN

## 2. Financial investment

	30/09/2017			31/12/2016		
	Cost	Fair value	Provision	Cost	Fair value	Provision
<b>a) Held-for-trading securities</b>						
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
<b>TOTAL</b>	<b>4,618,744,826</b>	<b>2,967,212,237</b>	<b>1,651,532,589</b>	<b>4,618,744,826</b>	<b>2,529,535,252</b>	<b>2,089,209,574</b>

**b) Held-to-maturity securities**

Term 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
<b>TOTAL</b>	<b>174,958,000,000</b>	<b>174,958,000,000</b>	<b>214,000,000,000</b>	<b>214,000,000,000</b>

(\*) 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 :

+ Bibica Eastern One Member Limited

	30/09/2017	31/12/2016
	200,000,000,000	200,000,000,000
<b>TOTAL</b>	<b>200,000,000,000</b>	<b>200,000,000,000</b>

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

B 09a - DN

		30/09/2017	31/12/2016
<b>3. Trade receivable</b>			
	CUSTOMERS HAVE LIABILITIES WHICH COUNTED FOR 10% OR MORE	-	-
	OTHER TRADE RECEIVABLE	109,900,180,764	78,567,643,297
	<b>Total trade receivable</b>	<b>109,900,180,764</b>	<b>78,567,643,297</b>
<b>4. Other short-term receivable</b>			
	Receivable from savings bank	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	3,897,801,091	5,014,654,930
		<u>10,545,271,700</u>	<u>10,452,714,428</u>
<b>5. Deficits in assets awaiting solution</b>		<b>31/12/2016</b>	
		<b>Quantity</b>	<b>Value</b>
	Other assets	-	-
		-	-



**BIBICA CORORATION**443 Ly Thuong Kiet Street, Ward 08, Tan  
Binh District, HCM City, Viet Nam**B 09a - DN****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 peiod	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**

	30/09/2017		31/12/2016	
	Cost	Provision	Cost	Provision
Raw materials	37,551,130,622	1,846,201,049	35,941,201,803	1,437,544,596
Tool and supplies	3,736,256,700	637,399,382	3,074,164,259	605,775,088
Work in progress	1,608,972,096		1,139,955,875	
Finished good	44,361,314,885		35,266,393,903	
Merchandise goods	358,361,498		70,943,999	
	<b>87,616,035,801</b>	<b>2,483,600,431</b>	<b>75,492,659,839</b>	<b>2,043,319,684</b>

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**

	30/09/2017	31/12/2016
- Construction in progress	74,566,559,750	809,648,226
- Hifat soft candy project cost	-	362,459,000
- Jelly moving project cost	941,058,031	-
- HR management software project cost	160,800,000	160,800,000
-Other	-	467,113,338
	<b>75,668,417,781</b>	<b>1,800,020,564</b>

9. Increases/ Decrease tangible fixed assets

<b>Sections</b>	<b>Buildings and architecture</b>	<b>Machines and equipments</b>	<b>Means of transportation</b>	<b>Office equipments</b>	<b>Other fixed assets</b>	<b>Total</b>
<b>Cost:</b>						
As at 31 dec 2016	68,146,746,507	210,191,918,029	10,542,685,200	9,655,645,072	183,695,159	298,720,689,967
Increase in year	4,346,919,546	1,010,637,461	1,970,880,700	304,386,000	-	7,632,823,707
<i>In which:</i>						
<i>Newly purchase</i>		1,010,637,461				-
<i>Construction completed</i>						1,010,637,461
Liquidation	2,173,459,773	3,220,310,470	356,919,243	-	-	-
As at 30 Sep 2017	70,320,206,280	207,982,245,020	12,156,646,657	9,960,031,072	183,695,159	300,602,824,188
<i>In which:</i>						
<i>Fully depreciated</i>	7,057,566,289	110,846,594,098	6,857,610,171	3,528,015,513	140,595,159	128,430,381,230
<b>Accumulated depreciation:</b>						
As at 31 Dec 2016	41,211,720,128	176,678,787,288	9,464,506,643	7,359,310,330	165,718,395	234,880,042,784
Depreciation for the year	2,838,493,701	8,960,490,074	485,224,988	735,190,292	6,603,149	13,026,002,204
Liquidation	-	3,128,060,471	356,919,243	-	-	3,484,979,714
As at 30 Sep 2017	44,050,213,829	182,511,216,891	9,592,812,388	8,094,500,622	172,321,544	244,421,065,274
<b>Net carrying amount:</b>						
- As at 31 Dec 2016	26,935,026,379	33,513,130,741	1,078,178,557	2,296,334,742	17,976,764	63,840,647,183
- As at 30 Sep 2017	26,269,992,451	25,471,028,129	2,563,834,269	1,865,530,450	11,373,615	56,181,758,914

**BIBICA CORPORATION**

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

**B 09a - DN**
**10. Increase (Decrease) intangible assets**

Sections	Land use right	Computer software	Total
<b>Cost:</b>			
As at 31 Dec 2016	256,080,000	9,036,406,943	9,292,486,943
As at 30 Mar 2017	256,080,000	9,036,406,943	9,292,486,943
<i>In which:</i>			
<i>Fully Depreciated</i>	-	3,245,590,085	3,245,590,085
<b>Accumulated depreciation:</b>			
As at 31 Dec 2016	-	5,032,394,453	5,032,394,453
Depreciation for the year	-	672,783,336	672,783,336
As at 30 Mar 2017	-	5,705,177,789	5,705,177,789
<b>Net carrying amount:</b>			
- As at 31 Dec 2016	256,080,000	4,004,012,490	4,260,092,490
- As at 30 Mar 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	4,122,497,294	2,061,186,296
- Others	314,712,940	354,819,678
<b>Total</b>	<b>4,437,210,234</b>	<b>2,416,005,974</b>
b) Long-term		
- Land rental fee	1,175,063,956	1,269,810,269
- Overhaul	3,147,813,824	3,669,391,667
- Tool and supplies	4,215,141,819	2,491,306,069
- Other long-term prepaid expenses	380,480,237	900,813,697
	<b>8,918,499,836</b>	<b>8,331,321,702</b>

**12. Trade payable**

	30/09/2017	31/12/2016
a) Trade payables		
Customers for more than 10% of total debts	-	-
Others customers	123,863,343,528	126,539,287,679
<b>Total trade payables</b>	<b>123,863,343,528</b>	<b>126,539,287,679</b>
b) The number of unpaid overdue		
Not incur overdue debt in the reporting day		
c) Payables to related party		
Not incur in the reporting period		

**13. Tax and Other amount payables to the State**

	31-Dec-16	Increase for the year	Payment made in the year	30-Sep-17
- Corporate income tax	3,649,857,286	11,723,203,608	8,972,714,005	6,400,346,889
- Value added tax	6,432,831,896	18,888,771,367	19,668,816,698	5,652,786,565
- Personal income tax	114,447,441	3,532,113,615	4,244,879,654	(598,318,598)
- Thuế khác	-	196,812,332	-	196,812,332
<b>Total</b>	<b>10,197,136,623</b>	<b>34,340,900,922</b>	<b>32,886,410,357</b>	<b>11,651,627,188</b>

**14. Short-term accrued expenses**

	30/09/2017	31/12/2016
Salaries and bonus	38,499,298,260	36,261,245,771
Promotion	2,753,721,594	3,704,315,078
Transportation expense	7,342,392,002	8,583,517,267
The cost of sign, advertising	18,788,437,385	21,582,141,609

Other	35,377,696,582	64,005,365,141
<b>Total</b>	<b>102,761,545,823</b>	<b>134,136,584,866</b>
<b>15. Other payable</b>	<b>30/09/2017</b>	<b>31/12/2016</b>
a) Short-term		
- Union expenditure	-	48,219,443
- Other payables	1,513,840,110	1,694,845,718
<b>Total</b>	<b>1,513,840,110</b>	<b>1,743,065,161</b>
b) Long-term		
- deposit receipt, long-term deposit	5,793,955,232	5,841,395,442
- Other payables	-	-
<b>Total</b>	<b>5,793,955,232</b>	<b>5,841,395,442</b>
<b>16. Provision for payables</b>	<b>30/09/2017</b>	<b>31/12/2016</b>
- Provision for severance allowance for employee	14,820,672,864	14,385,102,285
<b>Total</b>	<b>14,820,672,864</b>	<b>14,385,102,285</b>

**BIBICA CORPORATION**443 Ly Thuong Kiet Street, Ward 08, Tan  
Binh District, Ho Chi Minh City, Viet Nam**B 09a - DN****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
<b>Surplus at 31 Dec 2016</b>	<b>154,207,820,000</b>	<b>302,726,583,351</b>		<b>163,508,737,432</b>	<b>52,210,686,761</b>		<b>672,653,827,544</b>
Gain (loss) in year					92,731,105,211		92,731,105,211
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 remuneration					(1,974,391,000)		(1,974,391,000)
Foreign exchange differences valuation at the end of year							-
<b>Surplus at 31 Dec 2016</b>	<b>154,207,820,000</b>	<b>302,726,583,351</b>	-	<b>224,553,967,078</b>	<b>49,873,997,460</b>	-	<b>731,362,367,889</b>
Gain (loss) in year					71,795,786,854		71,795,786,854
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)
Other deduction					(2,457,052,866)		(2,457,052,866)
<b>Surplus at the end of this period</b>	<b>154,207,820,000</b>	<b>302,726,583,351</b>	-	<b>281,266,237,791</b>	<b>49,183,927,897</b>	-	<b>787,384,569,039</b>

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

B 09a - DN

**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
341,873,617,216	336,837,884,007
<b>341,873,617,216</b>	<b>336,837,884,007</b>

**b) Revenue from related parties****Lotte confectionery Co., Ltd .**

- Sales

03rd Quarter 2017	03rd Quarter 2016
18,160,810,711	10,417,695,434
17,862,963,102	11,103,520,990

- Value obtained from account receivables

**Pan Food SJC**

- 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
1,248,763,517	474,140,730
<b>1,448,313,631</b>	<b>869,191,310</b>

- Goods returned

**3- Cost of good sold**

- Cost of products sold

03rd Quarter 2017	03rd Quarter 2016
221,382,080,697	216,392,748,898
8,992,765,912	9,588,541,000
<b>230,374,846,609</b>	<b>225,981,289,898</b>

- Promotion goods

**4- Income financial activities**

- Interest on deposit, loan

03rd Quarter 2017	03rd Quarter 2016
5,694,865,010	3,429,474,520
166,911,678	-
67,056,600	79,336,500
5,037,086	145,999,389
-	9,937,911
<b>5,933,870,374</b>	<b>3,664,748,320</b>

- Provision for investment in mineral resources

- Dividend, distributed product

- Interest rate differences

- Other

**5- Financial expenses**

- Loan interest

03 rd Quarter 2017	03rd Quarter 2016
	(192,486,900)
256,231,303	8,154,769
	337,781
<b>256,231,303</b>	<b>(183,994,350)</b>

- Provision for impairment securities

- Loss from disposal of financial investments

- Loss from exchange rate differences

- Other

**6 - Other income**

- Disposal and sale of fixed assets

03rd Quarter 2017	03rd Quarter 2016
161,776,772	-
146,577,475	667,549,403
<b>308,354,247</b>	<b>667,549,403</b>

- Other

**7 - Other expenses**

- Penalty

03rd Quarter 2017	03rd Quarter 2016
92,249,999	-

- Other	113,577,455	153,144,408
	<b>205,827,454</b>	<b>153,144,408</b>
<b>8 - Selling and administrative expenses</b>	<b>03rd Quarter 2017</b>	<b>03rd Quarter 2016</b>
a) Administration expenses incurred in the period		
Wages expenses, Additional salary	10,282,420,263	10,118,803,646
Other expenses	5,449,631,357	5,578,602,885
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	8,781,567,195	12,012,335,086
Order discount	8,248,713,582	11,126,092,916
Others	17,564,525,128	9,522,035,883
<b>9- Current business income tax charge</b>	<b>03rd Quarter 2017</b>	<b>03rd Quarter 2016</b>
- Income tax expense on income taxed current period	6,397,211,954	5,541,653,207
- Adjusted income tax expense of the last period to the income tax expense current period	-	-
	<b>6,397,211,954</b>	<b>5,541,653,207</b>

**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. Others information**

**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**

<b>Board of Management and Board of Director Income</b>	<b>03rd Quarter 2017</b>	<b>03rd Quarter 2016</b>
- Board of management income	566,980,331	617,224,355
- Board of Director income (Provisionally )	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 Thúc**

**Accountant**



**Vũ Văn Thúc**



General Director

**BIBICA**

**Trương Phú Chiến**