



MACHINERY SPARE PARTS N01 JOINT STOCK COMPANY

STANDARD COMPANY REPORT



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MACHINERY SPARE PARTS N01 JSC

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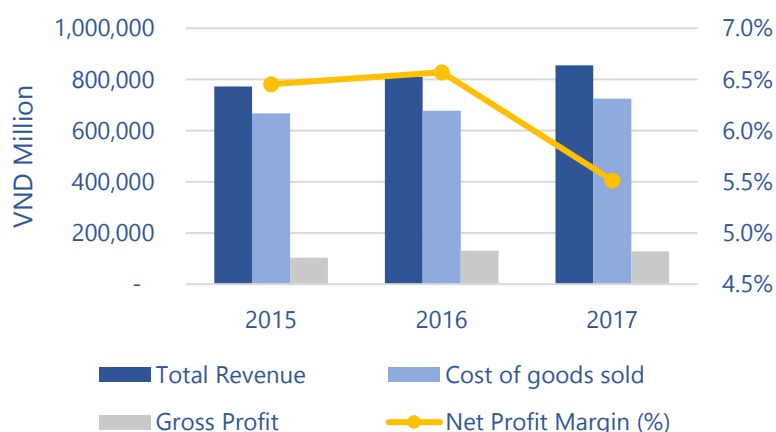
Email: phutung1@futu1.com.vn

Main Business Activities	- Manufacture and distribute of motorcycles parts	
Key Products	- Automobile & motorcycles parts and components - Mechanical parts & components - Materials	
Key Market	Domestic market and overseas markets	
Sector	Supporting Industry for Motorcycle Manufacturing	ICB: 3355 VSIC: 2930 – 2591 – 2592 – 2599 – 2814 – 4530 – 4543 – 5669
	Registration Code	4600358468
Incorporated Date	December 31, 2008	
Parent Company	Vietnam Engine and Agricultural Machinery Corporation	
Accounting Period	Annually	
Stock Listing	Public unlisted	
No. of Employees	1,225 (Updated: Dec. 2017)	
Legal Representative's Profile	Mr. Nguyen Duc Hien <ul style="list-style-type: none"> Nationality: Vietnamese ID No./Passport No.: B1726967 YOB: 1962 	
No. of Shareholders	868 (Updated: Dec. 2017)	
Tax Status	Good	

SNAPSHOT

Established in 2008, Machinery Spare Part N01 Joint Stock Company (FUTU1), a subsidiary of Vietnam Engine and Agricultural Machinery Corporation, mainly engaging in manufacturing parts for motorcycle (sprocket, gear, sleeve cylinder, connecting rod etc.) and automobile as well as precision mechanical parts (flange, ball bearing unit). Initially, FUTU1 was known as No. 1 Auto Parts Factory when it was established in 1968. With strong expertise and investments in technology, facility and management systems on quality, energy and environment (ISO 9001:2015, ISO 50001:2011, ISO 14001:2015), the company is one of the leading parts manufacturers in Vietnam with many renown customers, including Honda Vietnam, Atsumitec Vietnam, Yamaha Motor Vietnam etc. FUTU1 owns one factory with 10 production lines equipped with modern technologies and machineries such as CNC gear measuring machines, casting machines, forging and pressing machine, heat treatment system, painting production line etc. The company's products are supplied to domestic market as well as foreign markets, including Thailand, Japan, Italy, China, etc. FUTU1 was listed in Sept. 2017 (UPCoM:FT1).

COMPANY PERFORMANCE REVIEW



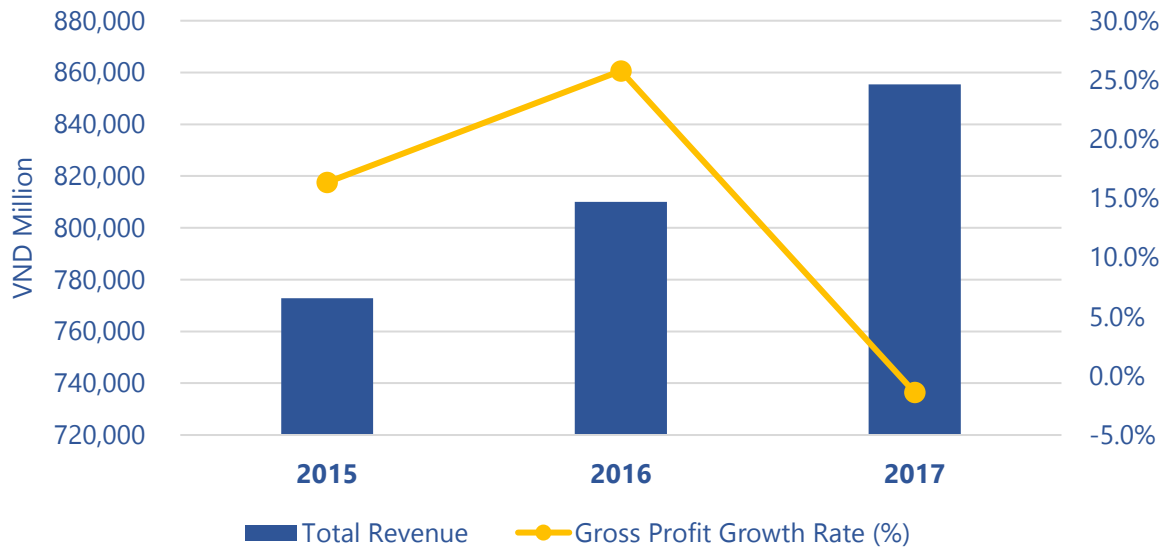
Financial Data

Charter Capital	US \$3,123,694.24
Revenue	US \$37,739,988.32
Net Profit	US \$2,080,834.19
Total Assets	US \$14,889,985.22
Net Debts	US \$8,465,156.25
Owner's Equity	US \$6,360,294.66
ROE	31.67%
ROA	13.53%
Market Capitalization	US \$12,494,776.97
Outstanding Share	7,079,853.00

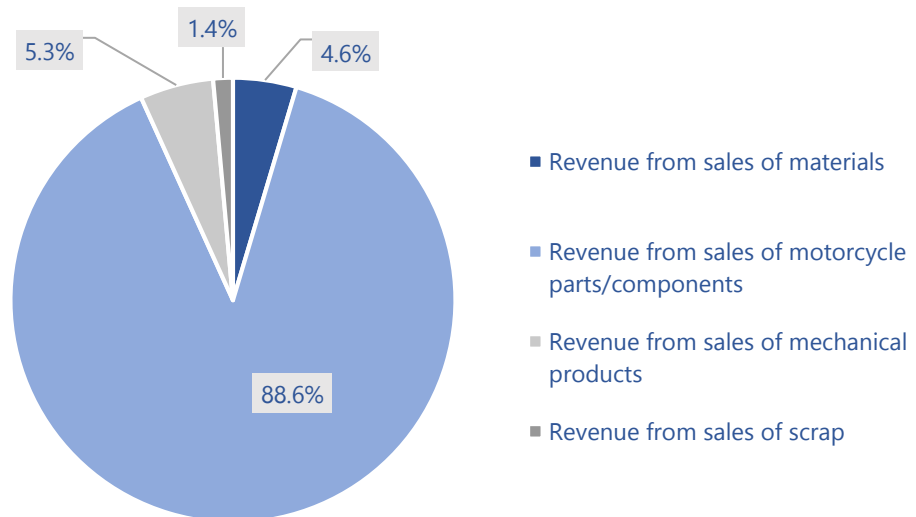
Updated: Dec. 2017

SALES

REVENUE IN 3 YEARS



REVENUE BREAK DOWN IN 2017



Target Markets

Domestic market	Nationwide
Overseas Markets	Thailand, Japan, Italy, China etc.

Key Customers

Name	Address	Tel
Honda Vietnam Co., Ltd.	Phuc Thang Ward, Phuc Yen Town, Vinh Phuc Province	(84-211) 386 8888
Atsumitec Vietnam Co., Ltd.	Lot H3, Thang Long Industrial Park, Vong La Commune, Dong Anh Dist., Hanoi City	(84-24) 3951 6445
Yamaha Motor Vietnam Co., Ltd.	Binh An Hamlet, Trung Gia Commune, Soc Son Dist., Hanoi City	(84-24) 3582 4900
Vietnam Auto Parts Co., Ltd.	Nhu Quynh Industrial Zone, Van Lam Town, Hung Yen Province	-
Sumitomo Heavy Industries (Vietnam) Co., Ltd.	Lot I-7, I-8, I-9, M-2, M-3 Thang Long Industrial Park, Vong La Commune, Dong Anh Dist., Hanoi City	(84-24) 3955 0010
Vietnam Manufacturing & Export Processing Co., Ltd.	Quarter 5, Tam Hiep Ward, Bien Hoa City, Dong Nai Province	(84-251) 381 2080

Distribution Channel

The company has no distribution channel. Its commercial transactions are conducted via Business-to-Business (B2B) model.

OPERATION

Production

Line of Business

Motorcycle parts & components	Engine parts, sprocket, connecting rod and gear shift fork etc.
Automobile parts & components	<ul style="list-style-type: none"> - Components of automobile's compressor - Components of automobile's brake system
Mechanical parts & components	Flange, ball bearing unit etc.
Others	Materials, scrap etc.

Office

Name	Head Office
Location	Mo Che Ward, Song Cong City, Thai Nguyen Province
Start of Operation	1975

Factory

Name	Factory
Location	Mo Che Ward, Song Cong City, Thai Nguyen Province
Capacity	-
Detail	<ul style="list-style-type: none"> - Equipped with 700 equipment: Press machines (1,600 ton), machining centers, lathe machines, grind machines and boring machines etc. - Area: 80,000 m²
Start of Operation	1975

Legal Environment

Vietnamese Civil Law System – Government Corporate Law of Vietnam – Corporate Law of Vietnam 2006.

Personnel

Employee Size: 1,225 (Updated: Dec. 2017)

Key Partners

Name	Product Supplied	Address	Tel
Material & Complete Equipment Export - Import Corporation	Materials	Km 3, Pham Van Dong St., Co Nhue 1 Ward, North Tu Liem Dist., Hanoi City	(84-24) 3756 4715
Vietnam Engine and Agricultural Machinery Corporation	Financial services	Phu Thuong Ward, Tay Ho Dist., Hanoi City	(84-24) 6280 0802
Me Linh Mechanical One Member Co., Ltd.	-	Quang Minh Industrial Zone, Quang Minh Town, Me Linh Dist., Hanoi City	(84-24) 3813 4268
Research Institute Of Technology For Machinery	-	25 Vu Ngoc Phan St., Lang Ha Ward, Dong Da Dist., Hanoi City	(84-24) 3776 3322
Song Cong Diesel Ltd., Co.	-	Luong Chau Ward, Song Cong City, Thai Nguyen Province	(84-208) 386 2332

LINKAGES

Parent

Name	Address	Tel
Vietnam Engine and Agricultural Machinery Corporation	Phu Thuong Ward, Tay Ho Dist., Hanoi City	(84-24) 6280 0802

Subsidiaries and Affiliates

The company has no subsidiary and affiliate.

Branch

The company has no branch.

COMPANY INSIGHTS

Company position

- Machinery Spare Part N01 Joint Stock Company (FUTU1) is a manufacturer of motorcycle and automobile parts and precision mechanical parts with 50 years in operation. Previously, FUTU1 was known as No. 1 Auto Parts Factory specializing in manufacturing of parts for engine motors and agricultural and aquaculture machines. Its main market is Northern Vietnam and revenue mostly comes from manufacturing of motorcycle parts (85% in 2016 and 89% in 2017).
- As one of the most well – known parts manufacturers in Vietnam with over 1,200 employees, FUTU1 has invested in new technologies and modern machinery (CNC gear measurement system, casting machines, heat treatment system etc.) in its 10 production lines and is certified with ISO 9001:2015, ISO 50001:2011 and ISO 14001:2015 standards. With such investments and long – standing experience in manufacturing and dealing with mechanical products/issues, FUTU1 has been the supplier for many famous companies, including Honda Vietnam (contributed 34% to 36% of FUTU1’s revenue in the last few years), Atsumitec Vietnam (14% to 16%), Yamaha Motor Vietnam (10% to 11%), Vietnam Auto Parts (7%) etc.
- FUTU1’s products include motorcycle parts (sprocket, gear, pinion, sleeve cylinder, connecting rod, etc.), automobile parts (product types are not disclosed), precision mechanical parts (flange, ball bearing unit). Agricultural and aquaculture machines are currently not in production. Among all businesses, manufacturing motorcycle parts is the core field (accounted for 70% to 80% of total production), in which sprocket are FUTU1’s main products. FUTU1’s products are supplied to other assemblers and businesses, not retailing. Sprocket is among the few product types of FUTU1 that have been counterfeited.
- Net revenues increased by 5.7% from 2016 to 2017, reaching VND 854.04 billion, an increase of 10.6% compared to 2015. In 2017, with the commitment on reducing prices by 10% to 30% for key customers, such as Honda Vietnam, Yamaha Motor Vietnam, Atsumitec Vietnam etc., and the increase in cost for introducing new product types, the company set its net profit target 25% lower compared to that of 2016, decreasing from VND 53.2 billion to VND 40 billion. The actual net profit in 2017 was VND 47.16 billion, surpassing target by 17.9%. In 2017, gross revenue was also higher than the target by 3%.

Key Business Risks

Strategic Risks

- The Vietnam Motorcycle Industry, with a localization rate of 80%, consists of most reputable manufacturers in the global Motorcycle Industry such as Honda, Yamaha, Suzuki, Piaggio etc. Some of them tend to source a number of their parts/components from FDI suppliers or from those that move/establish factories in Vietnam as they do. Moreover, a wave of automobile and motorcycle parts manufacturers from Japan have entered into Vietnam in the last few years. This can be a threat to domestic suppliers like FUTU1.
- A majority of raw materials (approximately 70%) used in the Supporting Industry for Mechanical Sector is imported; thus, volatility in global prices and exchange rate can affect the COGS of firms significantly.
- This industry constantly seeks for innovation which requires strong R&D activities, quality human resource as well as relatively high amount of capital invested in machinery and technologies for production.

Operational Risks

- As motorcycle and automobile models are changing relatively frequently, it requires adjustments/modifications relating to material, size, technical function and specification, in manufacturing parts, thus, urging firms to constantly keep innovating and updating production technologies so as to meet changing demand. Frequent changes in customers' orders require firms to pay attention to detail in order to avoid failures in meeting requirements.
- Since labor of firms in Mechanical Industry must work with heavy and complex machinery, labor safety is utterly important for firms to operate smoothly and efficiently. Meanwhile, the consistency in labors' work performance can be an issue for firms; hence, conduction of periodical training as well as rehearsals are essential to avoid accidents. Periodical repair and maintenance of machinery and equipment are also required to ensure quality of products.
- The Industry of Manufacturing Components/Parts for Automobile and Motorcycle, as well as all other segments of Mechanical Industry, relies on quality mechanics/engineers because their failures in production can disrupt other steps of production process.

Compliance Risks

- As Vietnam is joining several Free Trade Agreements (FTAs) and firms might have more exporting opportunities to those FTAs markets, they need to comply strictly with regulations of those FTAs regarding rules of origin, labor, environment, intellectual property etc.
- Regulations can be changed relatively often and implemented with short notice. This matter requires firms to have risk control measure in place in order to avoid undesirable consequences to cost and operation.
- The company is required to comply with several laws and regulations while in operation, such as labor safety in the factory. This is considered as both financial and non – financial burden for FUTU1 while operating in heavy mechanical industry because it is required that all the staffs and engineers are well – managed and well – trained so as to maintain this standard.
- Nguyen Trong Tin, Deputy Director under the Market Surveillance Agency (MSA) of Ministry of Industry and Trade, confirmed that motorcycle parts have been counterfeited and smuggled into Vietnam for a long time. In 2016, the MSA fined over 2,530 IP infringement cases. In the first half of 2017, over 2,721 cases were cracked down. These figures reveal significant IP Law risk affecting part manufacturers in terms of financial cost and time to handle and address this problem.

Business Strategies

- The company's current main strategies are to:
 - (1) Diversify and develop new products, expand into new markets and attract potential large customers, such as Schaeffler, Sumitomo etc., by adopting their required quality management systems.
 - (2) Expand current product lines to attract new and exporting customers.
 - (3) Enhance sales of sprockets, spare parts carrying FUTU1 brand in Vietnam market.
 - (4) Maintain existing customer base to keep current market share is also an important task because Japanese customers often demand for price reduction every year. In order to do so, FUTU1 has continuously invested in technology upgrade, automated production lines, quality management system and practiced lean

manufacturing tool, Single-Minute Exchange of Dies (SMED), reducing production cost and unit capital cost and developing new products meeting changing demands of current customers (VMEP, Piaggio etc.).

- (5) Either lower the prices or enhance product quality while keeping prices unchanged, depending on customers' requirements or market trend.
 - (6) Invest in technology improvement for production lines of groups of products with high defective rate, high production cost or low productivity, especially casting products.
 - (7) Improve moulds and jigs for casting, pressing and forging moulds group.
 - (8) Continue to reorganize production lines following steps layout.
 - (9) Develop more automobile parts.
- Even though the company tries to manufacture more types of automobile's parts, manufacturing motorcycle parts is still its main focus.
 - In order to control product quality, the company emphasizes the importance of production input quality. Its inputs are strictly controlled and sourced from reputed suppliers.
 - Production process is also frequently examined for improvement in order to utilize machineries' function to the fullest. Ideas for technique improvement, through applying Kaizen and facilitating idea competitions within the company, will be tested and put into use if they can enhance the company's production process.

Company Prospects

- Sales of motorcycles recovered within the last two consecutive years in Vietnam (after stagnant sales in the period of 2012 to 2014). Moreover, as income per capita has been rising in recent years, automatic motorcycles/scooters purchase of domestic buyers has also increased, contributing to the rise in the country's sales of motorcycles. This is a positive sign to motorcycle part manufacturers such as FUTU1.
- In the coming midterm to long – term period, authorities of large cities such as Hanoi, Danang, Ho Chi Minh City have planned or considered to cut down the usage of private motorcycles by banning or restricting them in city central areas as well as gradually limiting the issuance of licenses to new motorcycles. These are substantial measures of the domestic lawmakers to combat traffic congestion which can negatively affect motorcycle and parts manufacturers in Vietnam.

- Motorcycle has long been the most common mean of transportation in Vietnam with sales of over three million units yearly thanks to the increase in income and introduction of new models despite the fact that nearly one in every two Vietnamese owns a motorcycle. Encouraged by these figures, assemble makers such as Honda Vietnam, Piaggio etc. have continued to invest and establish new factories in Vietnam within the last few years, attracting more foreign part companies to enter Vietnam such as Sanoh Vietnam Co., Ltd., Mitsui Kinzoku Catalysts Vietnam Co., Ltd., Musashi Auto Parts Vietnam Co., Ltd. etc., making competition fiercer for current players.
- However, with the automobile segment being one of the strong focuses of the authorities as well as large corporations and conglomerates in Vietnam recently, FUTU1 has opportunity to supply its automobile parts locally.
- The increases in minimum wage and price of electricity, gasoline in late 2017 and 2018 are significant challenges for many companies, including FUTU1, in terms of cost reduction.
- The motorcycle market is in the maturity stage and the number of supporting companies in the supply chain system of motorcycle companies, such as Honda Vietnam and Yamaha Motor Vietnam, has been increasing, however, with established reputation and more competitive price, thanks to production scale and improvement in technologies, FUTU1 will continue to be a trusting supplier for traditional customers as well as new overseas customers (Japan). Especially, with high quality and decent price, it is expected that the number of FUTU1's motorcycle parts, such as rod connecting, ordered for exporting, will increase in 2018.

Updated Financial Review

Total assets decreased by 6.2% from 2016 to 2017, falling to VND 337.48 billion, an increase of 7.4% compared to 2015. Short-term receivables decreased by 7.7% from 2016 to 2017, falling to VND 84.83 billion (accounted for 25.1% of Total assets), a decrease of 6.8% compared to 2015. Inventories decreased by 13.5% from 2016 to 2017, falling to VND 133.98 billion (accounted for 39.7% of Total assets), an increase of 7.3% compared to 2015. The total of Fixed assets and Long-term assets in progress increased by 28.0% from 2016 to 2017, reaching VND 114.84 billion (accounted for 34.0% of Total assets), an increase of 45.5% compared to 2015.

Total liabilities decreased by 6.2% from 2016 to 2017, falling to VND 193.33 billion (accounted for 57.3% of Total resources), an increase of 16.1% compared to 2015. Short-term payables decreased by 11.9% from 2016 to 2017, falling to VND 118.96 billion (accounted for 61.5% of Total liabilities), an increase of 4.9% compared to 2015. Total debts decreased by 25.2% from 2016 to 2017, falling to VND 42.50 billion (accounted for 22.0% of Total liabilities), a decrease of 8.0% compared to 2015.

Owner's equity decreased by 6.2% from 2016 to 2017, falling to VND 144.16 billion (accounted for 42.7% of Total resources), a decrease of 2.4% compared to 2015.

Net revenues increased by 5.7% from 2016 to 2017, reaching VND 854.04 billion, an increase of 10.6% compared to 2015. Gross profit decreased by 1.4% from 2016 to 2017, falling to VND 128.95 billion, an increase of 24.0% compared to 2015. Net profit decreased by 11.4% from 2016 to 2017, falling to VND 47.16 billion, a decrease of 5.4% compared to 2015. Gross profit margin of 2017 was 15.1%, which is higher than the three-year average gross profit margin (14.9%). Net profit margin of 2017 was 5.5%, which is lower than the three-year average net profit margin (6.2%).

In 2017, ROA was 13.5%, ROE was 31.7% and Leverage (D/E Ratio) was 0.29.

APPENDIX

IN VND

BALANCE SHEET

	31/12/2017	31/12/2016	31/12/2015
	VND	VND	VND
A – SHORT-TERM ASSETS	220,703,161,084	268,508,314,208	233,473,500,000
I. Cash and cash equivalents	1,462,670,123	17,310,219,753	17,646,920,000
1. Cash	1,462,670,123	17,310,219,753	17,646,920,000
II. Short-term investments	-	-	-
3. Held to maturity investments	-	-	-
III. Short-term receivables	84,828,590,989	91,868,539,304	91,021,890,000
1. Short-term trade receivables	82,508,059,907	89,890,506,716	87,064,990,000
2. Short-term repayments to suppliers	1,265,315,444	810,962,500	2,542,596,000
6. Other Short-term receivables	759,049,093	752,473,991	1,031,446,000
7. Short-term allowances for doubtful debts	-	-	-
8. Shortage of assets awaiting resolution	296,166,545	414,596,097	382,858,400
IV. Inventories	133,977,341,971	154,948,436,110	124,804,700,000
1. Inventories	133,977,341,971	154,948,436,110	124,804,700,000
2. Allowances for decline in value of inventories	-	-	-
V. Other current assets	434,558,001	4,381,119,041	-
1. Short-term prepaid expenses	289,237,587	4,381,119,041	-
2. Deductible VAT	145,320,414	-	-
3. Taxes and other receivables from government budget	-	-	-
5. Other current assets	-	-	-

B – LONG-TERM ASSETS	116,778,353,978	91,231,765,446	80,798,150,000
I. Long-term receivables	-	-	-
II. Fixed assets	114,713,472,160	89,712,965,446	78,906,740,000
1. Tangible fixed assets	113,461,872,160	88,461,365,446	77,655,150,000
- Historical costs	490,250,671,254	427,773,544,151	387,376,100,000
- Accumulated depreciation	-376,788,799,094	-339,312,178,705	-309,720,900,000
2. Finance lease fixed assets	-	-	-
3. Intangible fixed assets	1,251,600,000	1,251,600,000	1,251,600,000
- Historical costs	1,251,600,000	1,251,600,000	1,251,600,000
III. Investment properties	-	-	-
- Accumulated depreciation	-	-	-
IV. Long-term assets in progress	128,181,818	-	-
2. Construction in progress	128,181,818	-	-
V. Long-term investments	958,800,000	958,800,000	958,800,000
3. Investments in equity of other entities	958,800,000	958,800,000	958,800,000
VI. Other long-term assets	977,900,000	560,000,000	932,604,300
1. Long-term prepaid expenses	977,900,000	560,000,000	932,604,300
TOTAL ASSETS	337,481,515,062	359,740,079,654	314,271,700,000

C – LIABILITIES	193,325,436,560	206,045,415,132	166,526,800,000
I. Short-term liabilities	173,653,436,560	194,045,415,132	146,526,800,000
1. Short-term Trade payables	54,612,990,210	67,536,746,385	44,270,350,000
2. Short-term prepayments from customers	355,136,980	481,630,880	386,073,300
3. Taxes and other payables to government budget	10,437,059,114	9,753,327,546	9,780,036,000
4. Payables to employees	50,467,273,182	54,280,925,072	55,340,470,000
5. Short-term accrued expenses	-	-	-
9. Other Short-term payments	3,446,032,819	3,508,744,647	4,033,847,000
10. Short-term borrowings and finance lease liabilities	22,831,121,430	44,798,012,868	26,212,460,000
11. Short-term provisions	-	-	-
12. Bonus and welfare fund	31,503,822,825	13,686,027,734	6,503,554,000
II. Long-term liabilities	19,672,000,000	12,000,000,000	20,000,000,000
1. Long-term trade payables	-	-	-
2. Long-term repayments from customers	-	-	-
3. Long-term accrued expenses	-	-	-
8. Long-term borrowings and finance lease liabilities	19,672,000,000	12,000,000,000	20,000,000,000
12. Long-term provisions	-	-	-
D – OWNER'S EQUITY	144,156,078,502	153,694,664,522	147,744,900,000
I. Owner's equity	144,156,078,502	153,694,664,522	147,744,900,000
1. Contributed capital	70,798,530,000	70,798,530,000	70,798,530,000
- Ordinary shares with voting rights	70,798,530,000	70,798,530,000	70,798,530,000
2. Capital surplus	-	-	-
4. Other capital	-	-	-
5. Treasury shares	-	-	-
8. Development and investment funds	7,079,853,000	7,079,853,000	7,079,853,000
11. Undistributed profit after tax	66,277,695,502	75,816,281,522	69,866,490,000
- Undistributed profit after tax brought forward	19,115,588,622	22,589,922,840	19,986,050,000
- Undistributed profit after tax for the current year	47,162,106,880	53,226,358,682	49,880,440,000
12. Capital expenditure funds	-	-	-
II. Funding sources and other funds	-	-	-
TOTAL RESOURCES	337,481,515,062	359,740,079,654	314,271,700,000

INCOME STATEMENT

	2017	2016	2015
	VND	VND	VND
1. Revenues from sales and services rendered	855,376,835,197	810,078,857,669	772,864,600,000
2. Revenue deductions	1,336,986,518	1,758,753,771	1,025,106,000
3. Net revenues from sales and services rendered	854,039,848,679	808,320,103,898	771,839,500,000
4. Cost of goods sold	725,087,198,656	677,543,781,383	667,852,700,000
5. Gross revenues from sales and services rendered	128,952,650,023	130,776,322,515	103,986,700,000
6. Financial income	210,254,441	462,291,109	647,000,500
7. Financial expenses	2,892,030,131	2,272,389,387	3,390,493,000
- In which: Interest expenses	2,842,320,819	2,170,607,287	3,353,694,000
9. Selling expenses	14,227,476,285	9,340,421,674	6,968,046,000
10. General and administration expenses	53,604,175,080	53,150,609,017	44,507,620,000
11. Net profits/(loss) from operating activities	58,439,222,968	66,475,193,546	49,767,580,000
12. Other incomes	748,170,182	235,461,128	14,210,360,000
13. Other expenses	85,000,000	51,374,978	28,651,800
14. Other profits/(loss)	663,170,182	184,086,150	14,181,710,000
15. Total net profit before tax	59,102,393,150	66,659,279,696	63,949,290,000
16. Current corporate income tax expenses	11,940,286,270	13,432,921,014	14,068,840,000
17. Deferred corporate income tax expenses	-	-	-
18. Profits after enterprise income tax	47,162,106,880	53,226,358,682	49,880,440,000
21. Basic earnings per share	399,551	450,926	-
22. Diluted earnings per share	-	-	-

CASH FLOW STATEMENT

	2017	2016	2015
Direct Method	VND	VND	VND
I. Cash Flows From Operating Activities			
1. Proceeds from sales and services rendered and other revenue	815,517,804,922	722,942,930,187	723,036,300,000
2. Expenditures paid to suppliers	-464,580,977,526	-441,473,931,596	-439,132,500,000
3. Expenditures paid to employees	-176,610,881,699	-164,958,821,526	-148,339,100,000
4. Paid interest	-2,842,320,819	-2,249,763,578	-3,280,360,000
5. Paid enterprise income tax	-12,168,426,187	-12,331,115,002	-10,848,410,000
6. Other proceeds from operating activities	3,372,262,455	4,440,802,624	3,164,675,000
7. Other expenditures from operating activities	-53,145,752,189	-51,804,096,835	-46,824,700,000
Net cash flows from operating activities	109,541,708,957	54,566,004,274	77,775,880,000
II. Cash Flows From Investing Activities			
1. Expenditures on purchase and construction of fixed assets and long-term assets	-76,501,059,763	-30,315,160,192	-45,647,160,000
2. Proceeds from disposal or transfer of fixed assets and other long-term assets	752,000,000	-	-
4. Proceeds from lending or repurchase of debt instruments from other entities	-	-	1,000,000,000
7. Proceeds from interests, dividends and distributed profits	54,000,333	227,932,973	108,171,400
Net cash flows from investing activities	-75,695,059,430	-30,087,227,219	-44,538,980,000
III. Cash Flows From Financial Activities			
1. Proceeds from issuance of shares and receipt of contributed capital	-	-	-
2. Repayment of contributed capital and repurchase of stock issued	-	-	-
3. Proceeds from borrowings	148,311,860,265	176,403,245,473	344,037,500,000
4. Repayment of principal	-162,606,751,703	-165,817,697,623	-336,350,100,000
6. Dividends or profits paid to owners	-35,399,265,000	-35,399,265,000	-27,748,230,000
Net cash flows from financial activities	-49,694,156,438	-24,813,717,150	-20,060,830,000
Net cash flows during the fiscal year	-15,847,506,911	-334,940,095	13,176,070,000
Cash and cash equivalents at the beginning of fiscal year	17,310,219,753	17,646,924,527	4,470,851,000
Effect of exchange rate fluctuations	-42,719	-1,764,679	-
Cash and cash equivalents at the end of fiscal year	1,462,670,123	17,310,219,753	17,646,920,000

IN USD

BALANCE SHEET

	31/12/2017	31/12/2016	31/12/2015
	USD	USD	USD
End of year Exchange rate(VND/USD)	22,665	22,720	22,450
A – SHORT-TERM ASSETS	9,737,620.17	11,818,147.63	10,399,710.47
I. Cash and cash equivalents	64,534.31	761,893.48	786,054.34
1. Cash	64,534.31	761,893.48	786,054.34
II. Short-term investments	-	-	-
3. Held to maturity investments	-	-	-
III. Short-term receivables	3,742,713.04	4,043,509.65	4,054,427.17
1. Short-term trade receivables	3,640,329.14	3,956,448.36	3,878,173.27
2. Short-term repayments to suppliers	55,826.85	35,693.77	113,255.95
6. Other Short-term receivables	33,489.92	33,119.45	45,944.14
7. Short-term allowances for doubtful debts	-	-	-
8. Shortage of assets awaiting resolution	13,067.13	18,248.07	17,053.83
IV. Inventories	5,911,199.73	6,819,913.56	5,559,229.40
1. Inventories	5,911,199.73	6,819,913.56	5,559,229.40
2. Allowances for decline in value of inventories	-	-	-
V. Other current assets	19,173.09	192,830.94	-
1. Short-term prepaid expenses	12,761.42	192,830.94	-
2. Deductible VAT	6,411.67	-	-
3. Taxes and other receivables from government budget	-	-	-
5. Other current assets	-	-	-

B – LONG-TERM ASSETS	5,152,365.06	4,015,482.63	3,599,026.73
I. Long-term receivables	-	-	-
II. Fixed assets	5,061,260.63	3,948,634.04	3,514,776.84
1. Tangible fixed assets	5,006,038.92	3,893,546.01	3,459,026.73
- Historical costs	21,630,296.55	18,828,060.92	17,255,060.13
- Accumulated depreciation	-16,624,257.63	-14,934,514.91	-13,796,031.18
2. Finance lease fixed assets	-	-	-
3. Intangible fixed assets	55,221.71	55,088.03	55,750.56
- Historical costs	55,221.71	55,088.03	55,750.56
III. Investment properties	-	-	-
- Accumulated depreciation	-	-	-
IV. Long-term assets in progress	5,655.50	-	-
2. Construction in progress	5,655.50	-	-
V. Long-term investments	42,303.11	42,200.70	42,708.24
3. Investments in equity of other entities	42,303.11	42,200.70	42,708.24
VI. Other long-term assets	43,145.82	24,647.89	41,541.39
1. Long-term prepaid expenses	43,145.82	24,647.89	41,541.39
TOTAL ASSETS	14,889,985.22	15,833,630.27	13,998,739.42

C – LIABILITIES	8,529,690.56	9,068,900.31	7,417,674.83
I. Short-term liabilities	7,661,744.39	8,540,731.30	6,526,806.24
1. Short-term Trade payables	2,409,573.80	2,972,568.06	1,971,953.23
2. Short-term prepayments from customers	15,668.96	21,198.54	17,197.03
3. Taxes and other payables to government budget	460,492.35	429,283.78	435,636.35
4. Payables to employees	2,226,661.07	2,389,125.22	2,465,054.34
5. Short-term accrued expenses	-	-	-
9. Other Short-term payments	152,042.04	154,434.18	179,681.38
10. Short-term borrowings and finance lease liabilities	1,007,329.43	1,971,743.52	1,167,592.87
11. Short-term provisions	-	-	-
12. Bonus and welfare fund	1,389,976.74	602,377.98	289,690.60
II. Long-term liabilities	867,946.17	528,169.01	890,868.60
1. Long-term trade payables	-	-	-
2. Long-term repayments from customers	-	-	-
3. Long-term accrued expenses	-	-	-
8. Long-term borrowings and finance lease liabilities	867,946.17	528,169.01	890,868.60
12. Long-term provisions	-	-	-
D – OWNER'S EQUITY	6,360,294.66	6,764,729.95	6,581,064.59
I. Owner's equity	6,360,294.66	6,764,729.95	6,581,064.59
1. Contributed capital	3,123,694.24	3,116,132.48	3,153,609.35
- Ordinary shares with voting rights	3,123,694.24	3,116,132.48	3,153,609.35
2. Capital surplus	-	-	-
4. Other capital	-	-	-
5. Treasury shares	-	-	-
8. Development and investment funds	312,369.42	311,613.25	315,360.94
11. Undistributed profit after tax	2,924,231.00	3,336,984.22	3,112,093.10
- Undistributed profit after tax brought forward	843,396.81	994,274.77	890,247.22
- Undistributed profit after tax for the current year	2,080,834.19	2,342,709.45	2,221,845.88
12. Capital expenditure funds	-	-	-
II. Funding sources and other funds	-	-	-
TOTAL RESOURCES	14,889,985.22	15,833,630.27	13,998,739.42

INCOME STATEMENT

	2017	2016	2015
	USD	USD	USD
<i>End of year Exchange rate(VND/USD)</i>	22,665	22,720	22,450
1. Revenues from sales and services rendered	37,739,988.32	35,654,879.30	34,426,040.09
2. Revenue deductions	58,989.04	77,409.94	45,661.74
3. Net revenues from sales and services rendered	37,680,999.28	35,577,469.36	34,380,378.62
4. Cost of goods sold	31,991,493.43	29,821,469.25	29,748,449.89
5. Gross revenues from sales and services rendered	5,689,505.85	5,756,000.11	4,631,924.28
6. Financial income	9,276.61	20,347.32	28,819.62
7. Financial expenses	127,598.95	100,017.14	151,024.19
- In which: Interest expenses	125,405.73	95,537.29	149,385.03
9. Selling expenses	627,728.93	411,110.11	310,380.67
10. General and administration expenses	2,365,063.98	2,339,375.40	1,982,522.05
11. Net profits/(loss) from operating activities	2,578,390.60	2,925,844.79	2,216,818.71
12. Other incomes	33,009.94	10,363.61	632,978.17
13. Other expenses	3,750.28	2,261.22	1,276.25
14. Other profits/(loss)	29,259.66	8,102.38	631,702.00
15. Total net profit before tax	2,607,650.26	2,933,947.17	2,848,520.71
16. Current corporate income tax expenses	526,816.07	591,237.72	626,674.39
17. Deferred corporate income tax expenses	-	-	-
18. Profits after enterprise income tax	2,080,834.19	2,342,709.45	2,221,845.88
21. Basic earnings per share	17.63	19.85	-
22. Diluted earnings per share	-	-	-

CASH FLOW STATEMENT

	2017	2016	2015
Direct Method	USD	USD	USD
End of year Exchange rate(VND/USD)	22,665	22,720	22,450
I. Cash Flows From Operating Activities			
1. Proceeds from sales and services rendered and other revenue	35,981,372.38	31,819,671.22	32,206,516.70
2. Expenditures paid to suppliers	-20,497,726.78	-19,431,070.93	-19,560,467.71
3. Expenditures paid to employees	-7,792,229.50	-7,260,511.51	-6,607,532.29
4. Paid interest	-125,405.73	-99,021.28	-146,118.49
5. Paid enterprise income tax	-536,881.81	-542,742.74	-483,225.39
6. Other proceeds from operating activities	148,787.23	195,457.86	140,965.48
7. Other expenditures from operating activities	-2,344,837.95	-2,280,109.90	-2,085,732.74
Net cash flows from operating activities	4,833,077.83	2,401,672.72	3,464,404.45
II. Cash Flows From Investing Activities			
1. Expenditures on purchase and construction of fixed assets and long-term assets	-3,375,294.94	-1,334,294.02	-2,033,281.07
2. Proceeds from disposal or transfer of fixed assets and other long-term assets	33,178.91	-	-
4. Proceeds from lending or repurchase of debt instruments from other entities	-	-	44,543.43
7. Proceeds from interests, dividends and distributed profits	2,382.54	10,032.26	4,818.33
Net cash flows from investing activities	-3,339,733.48	-1,324,261.76	-1,983,918.93
III. Cash Flows From Financial Activities			
1. Proceeds from issuance of shares and receipt of contributed capital	-	-	-
2. Repayment of contributed capital and repurchase of stock issued	-	-	-
3. Proceeds from borrowings	6,543,651.46	7,764,227.35	15,324,610.24
4. Repayment of principal	-7,174,354.81	-7,298,314.16	-14,982,187.08
6. Dividends or profits paid to owners	-1,561,847.12	-1,558,066.24	-1,236,001.34
Net cash flows from financial activities	-2,192,550.47	-1,092,153.04	-893,578.17
Net cash flows during the fiscal year	-699,206.13	-14,742.08	586,907.35
Cash and cash equivalents at the beginning of fiscal year	763,742.32	776,713.23	199,147.04
Effect of exchange rate fluctuations	-1.88	-77.67	-
Cash and cash equivalents at the end of fiscal year	64,534.31	761,893.48	786,054.34



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