NOVELIS VIETNAM COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

NOVELIS VIETNAM COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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NOVELIS VIETNAM COMPANY LIMITED

CORPORATE INFORMATION

Investment certificate	No. 8703080842 dated 15 December 2015 The Investment certificate and its subsequent amendments were issued by the Board of Management of Vietnam-Singapore Industrial Zone II-A for a period of 46 years from the date of the initial Investment certificate dated 6 August 2012.
Enterprise registration certificate	No. 3702086500 dated 31 May 2016 The Enterprise registration certificate was issued by the Department of Planning and Investment of Binh Duong Province.
Legal representative	Mr Lee EunHyuk General Manager
Registered office	No. 3 VSIP II-A, Street 19, Vietnam-Singapore Industrial Zone II - A, Tan Uyen Town, Binh Duong Province, Vietnam
Branch office	Vincom Center B, 72 Le Thanh Ton Street and 45A Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Auditor	PricewaterhouseCoopers (Vietnam) Limited

NOVELIS VIETNAM COMPANY LIMITED

STATEMENT OF THE RESPONSIBILITY OF THE GENERAL MANAGER OF THE COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The General Manager of Novelis Vietnam Company Limited ("the Company") is responsible for preparing financial statements which give a true and fair view of the financial position of the Company as at 31 March 2017 and the results of its operations and cash flows for the year then ended. In preparing these financial statements, the General Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The General Manager is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The General Manager is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE FINANCIAL STATEMENTS

I hereby approve the accompanying financial statements as set out on pages 5 to 26 which give a true and fair view of the financial position of the Company as at 31 March 2017 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

S.G.C.N: 4630430000387 - D.T.N.NG - H. TÂN UYÊN - T. BÌNH DƯƠNG
CÔNG TY TNHH NOVELIS VIỆT NAM

Lee EunHyuk
General Manager

Binh Duong Province, SR Vietnam
28 April 2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOVELIS VIETNAM COMPANY LIMITED

We have audited the accompanying financial statements of Novelis Vietnam Company Limited ("the Company") which were prepared on 31 March 2017 and approved by the General Manager on 28 April 2017. The financial statements comprise the balance sheet as at 31 March 2017, the income statement, the cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 26.

The General Manager's Responsibility to the Financial Statements

The General Manager of the Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements and for such internal controls which the General Manager determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

For and on behalf of PricewaterhouseCoopers (Vietnam) Limited

Dao Quang Huy
Audit Practising Licence No.
1895-2016-006-1
Authorised signatory

Tran Thi Hong Hanh
Audit Practising Licence No.
3783-2016-006-1

Report reference number: HCM6225
Ho Chi Minh City, 28 April 2017

As indicated in Note 2.1 to the financial statements, the accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

NOVELIS VIETNAM COMPANY LIMITED

Form B 01 – DN

BALANCE SHEET

Code	ASSETS	Note	As at 31 March 2017 VND	As at 31 March 2016 VND
100	**CURRENT ASSETS**		**149,544,780,137**	**457,400,765,801**
110	**Cash and cash equivalents**	3	**41,639,844,805**	**3,535,070,152**
111	Cash		41,639,844,805	3,535,070,152
130	**Short-term receivables**		**10,927,750,800**	**323,145,516,033**
131	Short-term trade accounts receivable	4	-	322,941,166,033
136	Other short-term receivables		10,927,750,800	204,350,000
140	**Inventories**		**45,317,944,015**	**87,708,517,249**
141	Inventories	5	45,317,944,015	87,708,517,249
150	**Other current assets**		**51,659,240,517**	**43,011,662,367**
151	Short-term prepaid expenses		218,429,864	1,490,020,051
152	Value Added Tax to be reclaimed		50,381,008,415	41,521,642,316
153	Other tax receivables	8	1,059,802,238	-
200	**LONG-TERM ASSETS**		**74,848,815,484**	**81,609,759,430**
210	**Long-term receivables**		**393,745,590**	**393,745,590**
216	Other long-term receivables		393,745,590	393,745,590
220	**Fixed assets**		**73,183,677,154**	**79,555,248,874**
221	Tangible fixed assets	6(a)	54,352,720,401	60,218,090,835
222	Cost		74,254,149,498	74,177,149,498
223	Accumulated depreciation		(19,901,429,097)	(13,959,058,663)
227	Intangible fixed assets	6(b)	18,830,956,753	19,337,158,039
228	Cost		21,159,785,021	21,159,785,021
229	Accumulated amortisation		(2,328,828,268)	(1,822,626,982)
260	**Other long-term assets**		**1,271,392,740**	**1,660,764,966**
261	Long-term prepaid expenses		1,075,398,524	1,397,186,680
262	Deferred income tax assets	12	195,994,216	263,578,286
270	**TOTAL ASSETS**		**224,393,595,621**	**539,010,525,231**

NOVELIS VIETNAM COMPANY LIMITED

Form B 01 – DN

BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 March 2017 VND	As at 31 March 2016 VND
300	**LIABILITIES**		**48,541,076,262**	**426,822,215,112**
310	**Short-term liabilities**		**48,175,512,864**	**426,822,215,112**
311	Short-term trade accounts payable	7	41,827,419,285	194,539,239,841
313	Tax and other payables to the State Budget	8	32,077,444	368,181,639
315	Short-term accrued expenses		1,353,565,495	2,074,157,311
319	Other short-term payables	9	4,962,450,640	21,738,419,937
320	Short-term borrowings	10	-	208,102,216,384
330	**Long-term liabilities**		**365,563,398**	**-**
342	Provision for long-term liabilities		365,563,398	-
400	**OWNER'S EQUITY**		**175,852,519,359**	**112,188,310,119**
410	**Capital and reserves**		**175,852,519,359**	**112,188,310,119**
411	Owner's capital	12, 13	20,820,000,000	20,820,000,000
421	Undistributed earnings	13	155,032,519,359	91,368,310,119
421a	- *Undistributed post-tax profits of the previous years*		*91,368,310,119*	*29,029,544,502*
421b	- *Post-tax profit of current year*		*63,664,209,240*	*62,338,765,617*
440	**TOTAL RESOURCES**		**224,393,595,621**	**539,010,525,231**

Tran Thi My Linh
Chief Accountant/Preparer

CÔNG TY TNHH NOVELIS VIỆT NAM
S.G.C.N: 463043000387 - D.T.N.N.
H. TÂN UYÊN - T. BÌNH DƯƠNG

Lee EunHyuk
General Manager
28 April 2017

NOVELIS VIETNAM COMPANY LIMITED

Form B 02 – DN

INCOME STATEMENT

Code		Note	Year ended 31 March 2017 VND	Year ended 31 March 2016 VND
01	**Sales**	15	**867,528,817,752**	**1,417,226,981,887**
02	Less deductions		(3,236,702,275)	-
10	**Net sales**		**864,292,115,477**	**1,417,226,981,887**
11	**Cost of sales**	16	**(759,705,205,906)**	**(1,289,875,895,119)**
20	**Gross profit**		**104,586,909,571**	**127,351,086,768**
21	Financial income	17	489,844,913	647,811,476
22	Financial expenses	18	(12,591,796,208)	(29,262,575,419)
23	*- Including: Interest expenses*		*(8,175,682,088)*	*(16,989,881,302)*
25	Selling expenses	19	(2,270,044,644)	(4,353,856,565)
26	General and administration expenses	20	(23,353,567,105)	(14,214,822,612)
30	**Net operating profit**		**66,861,346,527**	**80,167,643,648**
31	Other income		33,759,245	233,175,364
32	Other expenses		(3,226,022,855)	(548,680,874)
40	**Net other expenses**		**(3,192,263,610)**	**(315,505,510)**
50	**Net accounting profit before tax**		**63,669,082,917**	**79,852,138,138**
51	**Business income tax - current**	21	**62,710,393**	**(17,675,193,137)**
52	**Business income tax - deferred**	11, 21	**(67,584,070)**	**161,820,616**
60	**Net profit after tax**		**63,664,209,240**	**62,338,765,617**

S.G.C.N: 4630430003 87-D.T.N.NG
CÔNG TY TNHH NOVELIS VIỆT NAM
H. TÂN UYÊN-T. BÌNH DƯƠNG

Tran Thi My Linh
Chief Accountant/Preparer

Lee EunHyuk
General Manager
28 April 2017

The notes on pages 9 to 26 are an integral part of these financial statements.

NOVELIS VIETNAM COMPANY LIMITED

Form B 03 – DN

CASH FLOW STATEMENT
(Indirect method)

Code		Note	Year ended 31 March 2017 VND	2016 VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**63,669,082,917**	**79,852,138,138**
	Adjustments for:			
02	Depreciation and amortisation		6,448,571,720	6,441,448,455
03	Provisions		365,563,398	-
04	Unrealised foreign exchange losses		6,420,627	636,577,524
05	(Profits)/losses from investing activities		(141,218,312)	96,048,165
06	Interest expense		8,175,682,088	16,989,881,302
08	**Operating profit before changes in working capital**		**78,524,102,438**	**104,016,093,584**
09	Decrease/(increase) in receivables		302,298,596,896	(138,981,709,612)
10	Decrease/(increase) in inventories		42,390,573,234	(33,108,352,319)
11	(Decrease)/increase in payables		(168,881,705,082)	147,492,956,029
12	Decrease/(increase) in prepaid expenses		1,593,378,343	(216,800,160)
14	Interest paid		(8,604,428,850)	(17,752,546,104)
15	Business income tax paid		(1,254,338,662)	(19,860,054,949)
20	**Net cash inflows from operating activities**		**246,066,178,317**	**41,589,586,469**
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(77,000,000)	(1,176,291,541)
27	Interest income received		141,218,312	153,030,737
30	**Net cash inflows/(outflows) from investing activities**		**64,218,312**	**(1,023,260,804)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings		886,256,449,456	627,027,166,581
34	Repayments of borrowings		(1,094,358,665,840)	(668,047,477,528)
40	**Net cash outflows from financing activities**		**(208,102,216,384)**	**(41,020,310,947)**
50	**Net increase/(decrease) in cash and cash equivalents**		**38,028,180,245**	**(453,985,282)**
60	**Cash and cash equivalents at beginning of year**	3	**3,535,070,152**	**3,963,274,596**
61	Effect of foreign exchange differences		76,594,408	25,780,838
70	**Cash and cash equivalents at end of year**	3	**41,639,844,805**	**3,535,070,152**

CÔNG TY TNHH NOVELIS VIỆT NAM
S.G.C.N: 4630430000387 - Đ.T.N.N.G
H. TÂN UYÊN T. BÌNH DƯƠNG

Tran Thi My Linh
Chief Accountant/Preparer

Lee EunHyuk
General Manager
28 April 2017

The notes on pages 9 to 26 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 GENERAL INFORMATION

Novelis Vietnam Company Limited ("the Company") was established in SR Vietnam pursuant to Investment certificate No. 8703080842, dated 15 December 2015 which was issued by the Board of Management of Vietnam-Singapore Industrial Zone II-A for a period of 46 years from the date of the initial Investment certificate.

The Company is a one member limited liability company, 100% owned by Novelis Inc., a company incorporated in Canada.

The principal activities of the Company are:

- Recycling used aluminium beverage cans (the Company is not allowed to establish its facilities to directly collect used beverage cans);
- Implementing the export right of goods having HS code of 7602000000 produced by the Company in Vietnam; and
- Implementing the import right the wholesale distribution right (without establishment of a wholesale location) and the retail distribution right (without establishment of a retail location) of goods having the HS code of 7606121000.

The normal business cycle of the Company is 12 (twelve) months.

The Company is temporarily ceasing its operation since October 2016 to the date of these financial statements. The owner and the General Director of the Company believes to resume its operating activities in the near future.

As at 31 March 2017, the Company had 17 employees (2016: 39 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The financial statements have been prepared under the historical cost convention.

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

2.2 Fiscal year

The Company's fiscal year is from 1 April to 31 March.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Currency

The financial statements are measured and presented using Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.5 Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review by the General Manager of all outstanding amounts at the year end. Bad debts are written off when identified.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The estimated useful lives range as below:

Plant and buildings	20 - 40 years
Machinery and equipment	5 - 10 years
Motor vehicles	10 years
Office equipment	7 years
Software	3 years

Land use rights are amortised using the straight-line method over 46 years in accordance with the terms indicated in the land use right certificate issued by Vietnam Singapore Industrial Park dated 24 October 2012.

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

2.8 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the leases.

2.9 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the balance sheet and are mainly spare parts, prepaid office furniture. Prepaid expenses are recorded at historical cost and allocated to expenses using the straight line method over their estimated useful lives.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables including non-trade payables, and not relating to purchase of goods and services.

Payables are classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.11 Borrowing costs

Borrowing costs are recognised in the income statement when incurred.

2.12 Accrued expenses

Accrued expenses include liabilities for goods and services received in the fiscal year but not yet paid due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.13 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.14 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Provision for severance allowances (continued)

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in according with current regulations.

2.15 Owner's capital

Contributed capital of the owner is recorded according to actual amount contributed.

Undistributed earnings record the Company's results (profit, loss) after business income tax at the reporting date.

2.16 Revenue recognition

(a) Sales of goods

Revenue from the sale of goods is recognised in the income statement when all five (5) following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

(b) Interest income

Interest income is recognised on an earned basis.

2.17 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Cost of sales

Cost of goods sold are cost of finished goods, merchandises, materials sold during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.19 Financial expenses

Finance expenses are expenses incurred in the year for financial activities including expenses of borrowings, losses incurred when selling foreign currencies, losses from exchange rates.

2.20 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, which mainly include branding fee.

2.21 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration, licence tax, utilities (electricity, water, telephone, fax, assets warranty, fire and explosive accidents insurance) other cash expenses (entertainment).

2.22 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Company considers the substance of the relationship not merely the legal form.

3 CASH

	2017 VND	2016 VND
Cash at bank	41,639,844,805	3,535,070,152

4 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2017 VND	2016 VND
Third parties:		
Crown Beverage Cans Saigon Limited	-	128,613,389,810
Crown Beverage Cans (Dong Nai) Limited	-	118,599,934,826
Crown Beverage Cans Danang Limited	-	51,439,315,195
Sabeco - Song Lam Packaging Joint Stock Company	-	24,288,526,202
	-	322,941,166,033

5 INVENTORIES

	2017 VND	2016 VND
Raw materials	296,074,561	146,458,689
Work in progress	45,021,869,454	76,793,016,295
Finished goods	-	10,769,042,265
	45,317,944,015	87,708,517,249

6 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 1 April 2016	38,494,164,122	26,305,238,773	5,145,504,717	4,232,241,886	**74,177,149,498**
New purchases	-	77,000,000	-	-	**77,000,000**
As at 31 March 2017	38,494,164,122	26,382,238,773	5,145,504,717	4,232,241,886	**74,254,149,498**
Accumulated depreciation					
As at 1 April 2016	5,579,229,568	5,661,821,130	1,350,315,646	1,367,692,319	**13,959,058,663**
Charge for the year	2,063,236,618	2,754,941,310	519,586,524	604,605,982	**5,942,370,434**
As at 31 March 2017	7,642,466,186	8,416,762,440	1,869,902,170	1,972,298,301	**19,901,429,097**
Net book value					
As at 1 April 2016	32,914,934,554	20,643,417,643	3,795,189,071	2,864,549,567	**60,218,090,835**
As at 31 March 2017	30,851,697,936	17,965,476,333	3,275,602,547	2,259,943,585	**54,352,720,401**

Cost of fully depreciated tangible fixed assets but still in use as at 31 March 2017 was nil (2016: nil).

6 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 April 2016 and 31 March 2017	20,843,966,666	315,818,355	**21,159,785,021**
Accumulated amortisation			
As at 1 April 2016	1,570,496,135	252,130,847	**1,822,626,982**
Charge for the year	452,665,020	53,536,266	**506,201,286**
As at 31 March 2017	2,023,161,155	305,667,113	**2,328,828,268**
Net book value			
As at 1 April 2016	19,273,470,531	63,687,508	**19,337,158,039**
As at 31 March 2017	18,820,805,511	10,151,242	**18,830,956,753**

Cost of fully depreciated intangible fixed assets but still in use as at 31 March 2017 was VND232,814,354 (2016: nil).

7 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2017 VND	2016 VND
Related parties (Note 23(b))	41,624,835,657	189,407,739,345
Third parties	202,583,628	5,131,500,496
	41,827,419,285	194,539,239,841

8 TAX AND OTHER PAYABLES TO THE STATE BUDGET

(a) Tax receivables

	2017 VND	2016 VND
Business income tax - current	1,059,802,238	-

(b) Tax payables

	2017 VND	2016 VND
Business income tax - current	-	257,246,817
Personal income tax	32,077,444	110,934,822
	32,077,444	368,181,639

Movements in tax and other (receivables)/payables to the State Budget during the year were as follows:

	As at 1.4.2016 VND	(Receivable)/ Payable VND	Net off VAT input & VAT output VND	Paid VND	As at 31.3.2017 VND
Output value added tax	-	87,443,221,489	(87,443,221,489)	-	-
Personal income tax	110,934,822	816,238,602	-	(895,095,980)	32,077,444
Business income tax	257,246,817	(62,710,393)	-	(1,254,338,662)	(1,059,802,238)

9 OTHER SHORT-TERM PAYABLES

	2017 VND	2016 VND
Related parties (Note 23(b))	4,946,192,458	21,730,355,070
Others	16,258,182	8,064,867
	4,962,450,640	21,738,419,937

10 SHORT-TERM BORROWINGS

	At as 1.4.2016 VND	Increase VND	Decrease VND	At as 31.3.2017 VND
Bank loans	208,102,216,384	886,256,449,456	(1,094,358,665,840)	-

10 SHORT-TERM BORROWINGS (continued)

Details of bank loans are as follows:

Lender	Credit line VND	Interest per annum	Loan balance as at 31 March 2017 VND	Loan balance as at 31 March 2016 VND	Guarantee
Shinhan Bank Vietnam Limited					
Borrowing 1	210,000,000,000	Market Funding Cost 3 months + 1.75% (VND withdraw) Libor 3 months + 2.5% (USD withdrawal)	-	140,503,450,625	Letter of Guarantee (Novelis Korea)
Borrowing 2	168,000,000,000	Market Funding Cost 3 months + 1.6% (VND withdraw) · Libor 3 months + 2.5% (USD withdrawal)	-	37,815,831,259	Stand-by LC (Shinhan bank in Korea)
Standard Chartered Bank Vietnam Limited	84,200,000,000	VNIBOR 2 months + 2.2%	-	29,782,934,500	Letter of Guarantee (Novelis Korea)
			-	208,102,216,384	

11 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	2017 VND	2016 VND
Deferred tax assets to be recovered within 12 months	195,994,216	263,578,286

The gross movement in the deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	2017 VND	2016 VND
Beginning of year	263,578,286	101,757,670
Income statement (charge)/credit	(67,584,070)	161,820,616
End of year	195,994,216	263,578,286

Balance of deferred tax assets is the deductible temporary differences relating to accrued expenses.

The Company uses tax rate of 20% in year 2017, 22% and 20% in year 2016 for determining deferred tax assets.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

12 OWNER'S CAPITAL

	Charter capital US$	%	Amount contributed US$	Equivalent VND
Novelis Inc.,	1,000,000	100	1,000,000	20,820,000,000

Pursuant to Investment certificate No. 8703080842 dated 15 December 2015, the charter capital of the Company is US$1,000,000 which has been fully contributed, equivalent to VND20,820,000,000 as translated using the exchange rate at the time of contribution. The investment capital of the project is US$4,875,000.

13 MOVEMENTS IN OWNER'S EQUITY

	Owner's capital VND	Post-tax undistributed earnings VND	Total VND
As at 1 April 2015	20,820,000,000	29,029,544,502	**49,849,544,502**
Profit for the year	-	62,338,765,617	**62,338,765,617**
As at 31 March 2016	20,820,000,000	91,368,310,119	**112,188,310,119**
Profit for the year	-	63,664,209,240	**63,664,209,240**
As at 31 March 2017	20,820,000,000	155,032,519,359	**175,852,519,359**

14 OFF BALANCE SHEET ITEMS

Included in cash and cash equivalents are balances held in foreign currencies of US$171,683 (2016: US$25,828).

15 REVENUE

	2017 VND	2016 VND
Sales		
Sales of finished goods	867,528,817,752	1,417,226,981,887
Sales deductions		
Sales allowances	3,236,702,275	-
Net revenue from sales of goods		
Net revenue from sales of goods	864,292,115,477	1,417,226,981,887

16 COST OF SALES

	2017 VND	2016 VND
Cost of finished goods sold	759,270,136,925	1,288,813,915,911
Inventory losses	435,068,981	1,061,979,208
	759,705,205,906	1,289,875,895,119

17 FINANCIAL INCOME

	2017 VND	2016 VND
Interest income from deposits	141,218,312	153,030,737
Realised foreign exchange gains	348,626,601	494,780,739
	489,844,913	647,811,476

18 FINANCIAL EXPENSES

	2017 VND	2016 VND
Interest expenses	8,175,682,088	16,989,881,302
Loan guarantee fees	1,922,717,621	5,461,650,011
Realised foreign exchange losses	2,486,975,872	6,174,466,582
Net loss from foreign currency translation at year-end	6,420,627	636,577,524
	12,591,796,208	29,262,575,419

19 SELLING EXPENSES

	2017 VND	2016 VND
Branding fee	2,270,044,644	4,353,856,565

20 GENERAL AND ADMINISTRATION EXPENSES

	2017 VND	2016 VND
Labour costs	13,730,247,685	8,551,097,954
Write-off VAT to be reclaimed	2,198,084,000	-
Tax, legal and audit fees	2,087,347,509	1,142,878,631
Rental and management fees	1,706,873,360	1,319,665,466
Outsourced services	1,036,230,565	1,795,209,400
Depreciation and amortisation of fixed assets	252,661,163	261,402,826
Others	2,342,122,823	1,144,568,335
	23,353,567,105	14,214,822,612

21 BUSINESS INCOME TAX

According to the Official letter No. 16172/CT-TT&HT dated 14 November 2016 issued by the Binh Duong Tax General Department, the Company is entitiled to 50% reduction in Business income tax. The reduction period is from taxable period in 2015 to taxable period in 2018.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% since 1 January 2016 (22% from 1 April 2015 to 31 December 2015) as follows:

	2017 VND	2016 VND
Net accounting profit before tax	63,669,082,917	79,852,138,138
Tax calculated at a rate of 20% (22% from 1 April 2015 to 31 December 2015)	12,733,816,583	17,200,432,420
Effect of:		
Expenses not deductible for tax purposes	112,144,984	474,760,717
This year tax deduction	(6,366,908,292)	-
Last year tax deduction	(6,488,455,538)	-
Others	14,275,940	(161,820,616)
Business income tax charge (*)	4,873,677	17,513,372,521
Charged/(credited) to income statement:		
Business income tax – current	(62,710,393)	17,675,193,137
Business income tax – deferred (**) (Note 11)	67,584,070	(161,820,616)
	4,873,677	17,513,372,521

(*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

(**) Deferred income tax expenses/(incomes) incurred during the year are mainly as below:

	2017 VND	2016 VND
Taxable temporary differences	67,584,070	-
Deductible temporary differences	-	(161,820,616)
Total deferred income tax expenses/(incomes)	67,584,070	(161,820,616)

22 COST OF OPERATIONS BY FACTOR

	2017 VND	2016 VND
Raw materials	400,929,322,693	751,030,699,943
Tolling fee (Note 23(a))	297,195,873,267	515,955,207,871
Outsourced services	30,142,619,740	43,719,201,270
Labour cost	19,286,401,923	19,557,751,442
Depreciation and amortisation expenses	6,448,571,720	6,441,448,455
Branding fee	2,270,044,644	4,353,856,565
Write-off VAT to be reclaimed	2,198,084,000	-
	758,470,917,987	1,341,058,165,546

23 RELATED PARTY DISCLOSURES

The Company is controlled by Novelis Inc., which owns 100% of the Company's charter capital. Novelis Inc., is the ultimate parent of the a company incorporated in Canada.

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

	2017 VND	2016 VND
i) Compensation of key management		
Gross salaries and other benefits	4,730,998,802	5,744,373,727
ii) Expenses charged		
Tolling fee - Novelis Korea Limited	297,195,873,267	515,955,207,871
Branding fee - Novelis Services	1,905,842,359	4,594,744,152
IT and Lexicon Charge - Novelis Inc	1,911,356,710	1,705,209,400
Staff reallocation recharges - Novelis Inc.,	1,244,104,684	-
Loan guarantee fee - Novelis Korea Limited	696,837,261	5,649,729,185
Staff reallocation recharges - Novelis Corp.	435,168,679	243,923,170
Hypothetical tax – Novelis Korea Limited	223,184,153	-
	303,612,367,113	528,105,429,631

23 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	2017 VND	2016 VND
Short-term trade accounts payable (Note 7)		
Novelis Korea Limited	41,624,835,657	189,407,739,345
Other short-term payables (Note 9)		
Loan guarantee - Novelis Korea Limited	998,398,865	19,295,227,800
Staff relocation recharge - Novelis Corp.	2,183,200,125	1,711,378,269
Legal fee - Novelis Korea Limited	698,942,370	657,593,895
IT and staff relocation recharge - Novelis Inc.,	995,269,883	66,155,106
Hypo tax - Novelis Korea Limited	70,381,215	-
	4,946,192,458	21,730,355,070

24 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	2017 VND	2016 VND
Within 1 year	2,572,212,222	2,776,463,686
Between 1 and 5 years	1,912,124,971	2,924,371,720
Total minimum payments	4,484,337,193	5,700,835,406

25 CONTINGENT LIABILITIES

According to Customs Audit Conclusion No. 235/KL-TCHQ dated 11 January 2017 regarding the compliance with Customs Law for the period from 1 January 2013 to 1 June 2016, the General Department of Vietnam Customs has the conclusion about the non-compliance some regulations in declaration on the customs declaration forms, non-compliance on using Value Added Tax invoices, and the deficit transfer of raw materials in some processing contracts.

The Company disagreed to the above conclusion of the General Department of Vietnam Customs, therefore the Company has lodged an Official Letter No NV-22022017 dated 22 February 2017 in order to explain the above matters from the conclusion of the General Department of Vietnam Customs. As at the date of financial statements, the Company is still working with the General Department of Vietnam Customs to resolve these disagreement points and hence, the Company assesses that the potential tax liabilities, if any, in relation to the conclusion of the General Department of Vietnam Customs have not yet been identified and estimated, and is uncertain whether the Company has to pay any additional tax or not.

26 TAX FINALISATION

The Company received the Decision No 773/QĐ-CT dated 7 March 2017 from Binh Duong Tax Department about tax audit on Business income tax and Value Added Tax for the year 2012- 2015 and 2016.

As at the date of financial statements, the tax audit team of Binh Duong Tax Department is carrying out the tax audit and has not come up with the result on the audit.

The financial statements were approved by the General Manager on 28 April 2017.

Tran Thi My Linh Chief Accountant/Preparer	Lee EunHyuk General Manager