



Bien Hoa Sugar Joint Stock Company

Separate Interim Financial Statements
for the six month period ended
31 December 2016



Bien Hoa Sugar Joint Stock Company
Corporate Information

Establishment Decision No. 44/2001/QĐ-TTg 27 March 2001

Business Registration Certificate No. 3600495818 16 May 2001

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 8 July 2016. The Business Registration Certificate and its updates were issued by the Planning and Investment Department of Dong Nai Province.

Board of Management	Ms. Nguyen Thi Hoa	Chairwoman
	Ms. Tran Que Trang	Member
	Mr. Henry Chung	Member
	Mr. Vo Tong Xuan	Member
	Mr. Le Quang Hai	Member

Board of Directors	Ms. Tran Que Trang	General Director
	Mr. Nguyen Thanh Khiem	Deputy General Director
	Mr. Tran Quoc Thao	Standing Deputy General Director (from 4 November 2016)
	Mr. Tran Quoc Thao	Deputy General Director of Finance (until 3 November 2016)
	Mr. Nguyen Quoc Viet	Deputy General Director (from 15 November 2016)

Supervising Board	Mr. Le Van Hoa	Chief Supervisor
	Ms. Luu Dang My Quynh	Member
	Ms. Nguyen Thuy Van	Member

Registered Office

Bien Hoa Industrial Zone 1
 An Binh Ward
 Bien Hoa City
 Dong Nai Province
 Vietnam

Auditor

KPMG Limited
 Vietnam

Bien Hoa Sugar Joint Stock Company
Statement of the Board of Management and Board of Directors

The Board of Management and Board of Directors of Bien Hoa Sugar Joint Stock Company ("the Company") present this statement and the accompanying separate interim financial statements of the Company for the six-month period ended 31 December 2016.

The Board of Directors is responsible for the preparation and fair presentation of the separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of Board of Directors:

- (a) the separate interim financial statements set out on pages 5 to 57 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2016, and of the unconsolidated results of operations and the unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Management and Board of Directors have, on the date of this statement, authorised these accompanying separate interim financial statements for issue.



On behalf of the Board of Management and Board of Directors

Mr. Tran Quoc Thao
Standing Deputy General Director

Dong Nai Province, 25 February 2017



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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Bien Hoa Sugar Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Bien Hoa Sugar Joint Stock Company ("the Company"), which comprise the separate interim balance sheet as at 31 December 2016 and the separate interim statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management and Board of Directors on 25 February 2017, as set out on pages 5 to 57.

Management's Responsibility

The Company's Board of Management and Board of Directors are responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the separate interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these separate interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 Review of interim financial information performed by the independent auditor of the entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of Bien Hoa Sugar Joint Stock Company as at 31 December 2016 and of its unconsolidated results of operations and its unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Report No.: 16-01-1080-2



Nguyễn Đình Nghi

Practicing Auditor Registration

Certificate No. 0304-2013-007-1

Deputy General Director

Ho Chi Minh City, 25 February 2017

Bien Hoa Sugar Joint Stock Company
Separate interim balance sheet as at 31 December 2016

Form B 01a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2016 VND	1/7/2016 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		2,735,359,138,366	2,315,929,177,714
Cash and cash equivalents	110	5	287,322,223,579	425,509,868,715
Cash	111		184,322,223,579	342,909,868,715
Cash equivalents	112		103,000,000,000	82,600,000,000
Short-term financial investments	120		64,000,000,000	-
Held-to-maturity investments	123		64,000,000,000	-
Accounts receivable – short-term	130		1,408,829,937,453	1,043,314,529,651
Accounts receivable from customers	131	6	651,920,529,829	490,534,672,883
Prepayments to suppliers	132	7	333,060,589,379	347,860,161,211
Loans receivable	135	8	77,000,000,000	155,000,000,000
Other receivables	136	9	362,314,285,999	65,698,991,002
Allowance for doubtful debts	137	10	(15,465,467,754)	(15,779,295,445)
Inventories	140	11	881,898,319,350	787,825,870,456
Other current assets	150		93,308,657,984	59,278,908,892
Short-term prepaid expenses	151	12(a)	72,529,413,049	28,015,768,306
Deductible value added tax	152		20,495,701,058	31,062,376,949
Taxes receivable from State				
Treasury	153	21(b)	283,543,877	200,763,637
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		2,256,122,105,465	2,277,722,769,029
Accounts receivable – long-term	210		35,341,448,612	66,368,071,018
Prepayments to suppliers – long-term	212	7	35,328,448,612	18,355,071,018
Loans receivable – long-term	215	8	-	48,000,000,000
Other long-term receivables	216		13,000,000	13,000,000
Fixed assets	220		505,068,286,375	504,199,934,570
Tangible fixed assets	221	13	496,950,136,590	495,461,028,561
Cost	222		1,037,526,158,413	1,009,147,652,675
Accumulated depreciation	223		(540,576,021,823)	(513,686,624,114)
Intangible fixed assets	227	14	8,118,149,785	8,738,906,009
Cost	228		21,130,305,431	21,130,305,431
Accumulated amortisation	229		(13,012,155,646)	(12,391,399,422)

The accompanying notes are an integral part of these separate interim financial statements

Bien Hoa Sugar Joint Stock Company
Separate interim balance sheet as at 31 December 2016 (continued)

Form B 01a – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2016 VND	1/7/2016 VND
Investment property	230	15	57,590,079,020	59,092,428,908
<i>Cost</i>	231		60,093,995,500	60,093,995,500
<i>Accumulated depreciation</i>	232		(2,503,916,480)	(1,001,566,592)
Long-term work in progress	240		118,144,131,601	112,759,800,088
Construction in progress	242	16	118,144,131,601	112,759,800,088
Long-term financial investments	250	17	1,417,084,718,150	1,408,406,103,384
Investments in subsidiaries	251		1,232,757,767,350	1,254,757,767,350
Investments in associates	252		166,746,814,800	86,650,962,000
Equity investments in other entities	253		17,580,136,000	66,997,374,034
Other long-term assets	260		122,893,441,707	126,896,431,061
Long-term prepaid expenses	261	12(b)	120,964,738,329	124,967,727,683
Deferred tax assets	262	18	1,928,703,378	1,928,703,378
TOTAL ASSETS (270 = 100 + 200)	270		4,991,481,243,831	4,593,651,946,743

The accompanying notes are an integral part of these separate interim financial statements

Bien Hoa Sugar Joint Stock Company
Separate interim balance sheet as at 31 December 2016 (continued)

Form B 01a – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2016 VND	1/7/2016 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		2,860,321,161,517	2,518,401,399,005
Current liabilities	310		2,357,628,184,394	2,010,606,542,144
Accounts payable to suppliers	311	19	154,580,414,269	242,403,597,786
Advances from customers	312	20	32,934,809,805	9,051,646,999
Taxes payable to State Treasury	313	21(a)	2,562,167,682	5,122,493,688
Payables to employees	314		11,620,473,390	22,794,188,440
Accrued expenses	315	22	59,082,227,374	18,045,838,253
Other payables – short-term	319	23	44,148,577,614	57,020,635,069
Short-term borrowings and bonds	320	24(a)	2,029,934,309,996	1,634,416,637,203
Bonus and welfare fund	322	25	22,765,204,264	21,751,504,706
Long-term liabilities	330		502,692,977,123	507,794,856,861
Other payables – long-term	337		99,000,000	109,000,000
Long-term borrowings and bonds	338	24(b)	502,593,977,123	507,685,856,861
EQUITY (400 = 410)	400		2,131,160,082,314	2,075,250,547,738
Owners' equity	410	26	2,131,160,082,314	2,075,250,547,738
Share capital	411	27	1,295,111,980,000	1,295,111,980,000
Share premium	412		461,687,950,000	461,712,700,000
Investment and development fund	418	28	171,812,353,283	154,291,915,117
Other equity funds	420	29	13,050,175,000	-
Retained profits	421		189,497,624,031	164,133,952,621
- Retained profits brought forward	421a		142,130,299,483	13,966,794,155
- Profit for the current period	421b		47,367,324,548	150,167,158,466
TOTAL RESOURCES (440 = 300 + 400)	440		4,991,481,243,831	4,593,651,946,743

25 February 2017

Prepared by:



Do Thi Thuy Tien
General Accountant



Nguyen Minh Tin
Chief Accountant

Approved by:



Tran Quoc Thao
Standing Deputy
General Director

The accompanying notes are an integral part of these separate interim financial statements

Bien Hoa Sugar Joint Stock Company

Separate interim statement of income for the six-month period ended 31 December 2016

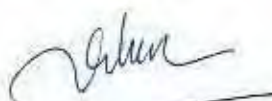
Form B 02a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Revenue from sales of goods and provision of services	01	31	2,123,219,460,424	2,053,554,318,348
Revenue deductions	02	31	4,420,500,003	8,982,844,730
Net revenue (10 = 01 - 02)	10	31	2,118,798,960,421	2,044,571,473,618
Cost of sales	11	32	1,962,934,594,609	1,798,782,207,078
Gross profit (20 = 10 - 11)	20		155,864,365,812	245,789,266,540
Financial income	21	33	94,174,036,015	18,032,447,798
Financial expenses	22	34	69,747,210,371	29,418,428,403
<i>In which: Interest expense</i>	23		67,113,011,420	26,058,332,592
Selling expenses	25	35	66,426,604,069	45,292,425,780
General and administration expenses	26	36	57,032,483,034	57,255,724,755
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		56,832,104,353	131,855,135,400
Other income	31	37	2,715,992,797	6,161,229,128
Other expenses	32		2,358,612,665	2,443,129,739
Results of other activities (40 = 31 - 32)	40		357,380,132	3,718,099,389
Accounting profit before tax (50 = 30 + 40)	50		57,189,484,485	135,573,234,789
Income tax expense – current	51	39	9,822,159,937	27,187,375,914
Income tax expense – deferred	52	39	-	5,299,806,995
Net profit after tax (60 = 50 - 51 - 52)	60		47,367,324,548	103,086,051,880

25 February 2017

Prepared by:



Do Thi Thuy Tien
General Accountant



Nguyen Minh Tin
Chief Accountant

Approved by:



Tran Quoc Thao
Standing Deputy
General Director

The accompanying notes are an integral part of these separate interim financial statements

Bien Hoa Sugar Joint Stock Company

**Separate interim statement of cash flows for the six-month period ended 31 December 2016
(Indirect method)**

Form B 03a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		57,189,484,485	135,573,234,789
Adjustments for				
Depreciation and amortisation	02		29,611,071,658	20,002,986,982
Allowances and provisions	03		(313,827,691)	(4,426,357,494)
Exchange losses arising from revaluation of monetary items denominated in foreign currency	04		574,833,831	-
Gains on disposals of investments	05		(58,653,221,966)	-
Gains on disposals of fixed assets	05		(138,266,568)	(5,684,384,912)
Interest income	05		(12,602,517,626)	(16,600,469,494)
Dividends income	05		(21,078,684,800)	(627,704,000)
Interest expense	06		67,113,011,420	26,058,332,592
Operating profit before changes in working capital	08		61,701,882,743	154,295,638,463
Change in receivables	09		(149,606,150,990)	(245,043,031,404)
Change in inventories	10		(94,072,448,894)	53,368,506,191
Change in payables and other liabilities	11		(37,680,552,644)	276,203,790,727
Change in prepaid expenses	12		(41,865,260,737)	(11,739,294,736)
			(261,522,530,522)	227,085,609,241
Interest paid	14		(66,262,088,443)	(25,988,989,305)
Income tax paid	15		(14,881,357,256)	(33,663,387,696)
Other payments for operating activities	16		(386,908,362)	(7,473,625,782)
Net cash flows from operating activities	20		(343,052,884,583)	159,959,606,458
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(337,501,371,078)	(152,485,248,030)
Proceeds from disposals of fixed assets	22		4,700,497,501	89,355,932,952
Payments for granting loans of other entities and term deposits	23		(64,000,000,000)	(213,500,000,000)
Receipts from collecting loans of other entities	24		126,000,000,000	137,146,940,000
Payments for investments in other entities	25		(86,023,702,800)	(85,979,586,000)
Proceeds from disposals of investments in other entities	26		135,998,310,000	-
Receipts of interest and dividends	27		35,261,525,554	18,321,529,535
Net cash flows from investing activities	30		(185,564,740,823)	(207,140,431,543)

The accompanying notes are an integral part of these separate interim financial statements

Bien Hoa Sugar Joint Stock Company

**Separate interim statement of cash flows for the six-month period ended 31 December 2016
(Indirect method – continued)**

Form B 03a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for costs attributable to the issue of ordinary shares	31		-	(41,000,000)
Proceeds from borrowings	33		2,222,113,459,490	1,776,689,374,852
Payments to settle loan principals	34		(1,831,687,666,435)	(1,570,552,874,152)
Payments of dividends	36		(27,132,400)	(61,333,648,800)
Net cash flows from financing activities	40		390,398,660,655	144,761,851,900
Net cash flows during the period (50 = 20 + 30 + 40)	50		(138,218,964,751)	97,581,026,815
Cash and cash equivalents at beginning of the period	60		425,509,868,715	39,236,047,809
Effect of exchange rate fluctuations on cash and cash equivalents	61		31,319,615	-
Cash and cash equivalents at end of the period (70 = 50 + 60 + 61)	70	5	287,322,223,579	136,817,074,624

25 February 2017

Prepared by:



Do Thi Thuy Tien
General Accountant



Nguyen Minh Tin
Chief Accountant



Tran Quoc Thao
Standing Deputy
General Director

The accompanying notes are an integral part of these separate interim financial statements

Bien Hoa Sugar Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
31 December 2016

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

These notes form an integral part of and should be read in conjunction with the accompanying separate interim financial statements.

1. Reporting entity

(a) Ownership structure

Bien Hoa Sugar Joint Stock Company (the “Company”) is incorporated as a joint-stock company in Vietnam.

The Company’s shares are listed on Ho Chi Minh City Stock Exchange in accordance with Licence No. 79/UBCK-GPNY issued by State Security Commission of Vietnam on 21 November 2006 and formally traded on 20 December 2006.

(b) Principal activities

The principal activities of the Company are to produce sugar; plant sugar cane; produce and trade products using sugar or its by-products, waste products; produce and trade fertilizer, agricultural materials; and provide technology and management consultation services relating to sugar’s production industry.

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) Company structure

As at 31 December 2016, the Company had 1,121 employees (1/7/2016: 1,082 employees).

The Company’s head office and factory are located at Bien Hoa Industrial Zone 1, An Binh Ward, Bien Hoa City, Dong Nai Province. The Company’s branches, representative office and other factories as at 31 December 2016 included:

- TTC Bien Hoa – Tay Ninh factory was established in accordance with Business Registration Certificate No. 3600495818-001 issued the first time on 13 June 2001, amended the thirteenth time on 20 September 2016, which is located at No. 561A, Tran Phu Road, Tan Phuoc Hamlet, Tan Binh Ward, Tay Ninh City, Tay Ninh Province.
- TTC Bien Hoa – Tri An factory was established in accordance with Business Registration Certificate No. 3600495818-009 issued the first time on 7 December 2007, amended the seventh time on 21 September 2016, which is located at Hamlet 1, Tri An Ward, Vinh Cuu District, Dong Nai Province.
- Bien Hoa – Thanh Long Farm branch was established in accordance with Business Registration Certificate No. 3600495818-011 dated 26 April 2014, which is located at Thanh Dong Hamlet, Thanh Long Ward, Chau Thanh District, Tay Ninh Province.

Bien Hoa Sugar Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
31 December 2016 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

- Representative Office was established in accordance with Representative Office Registration Certificate No. 3600495818-012 dated 8 September 2014, which is located at No. 62, Tran Huy Lieu Street, Ward 12, Phu Nhuan District, Ho Chi Minh City.

2. Basis of preparation

(a) Statement of compliance

These separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.

(b) Basis of measurement

The separate interim financial statements, except for the separate interim statement of cash flows, are prepared on the accrual basis using the historical cost concept. The separate interim statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 July to 30 June.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these separate interim financial statements.

The accounting policies that have been adopted by the Company in the preparation of these separate interim financial statements are consistent with those adopted in the preparation of the latest separate annual financial statements.

Bien Hoa Sugar Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
31 December 2016 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(a) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of the account transfer buying rate and selling rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances, call deposits and cash in transit. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investments

(i) Investments in subsidiaries and associates

For the purpose of these financial statements, investments in subsidiaries and associates are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(ii) Investments in equity instruments of other entities

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Bien Hoa Sugar Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
31 December 2016 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Prepayments to suppliers

Included in prepayment to suppliers are prepayments to sugar cane farmers which are stated at cost less allowance for overdue receivables. The Company's policies on making allowance for overdue receivables are in accordance with the guidance under Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventory.

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the separate interim statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	7 – 25 years
▪ machinery and equipment	5 – 20 years
▪ office equipment	3 – 10 years
▪ motor vehicles	6 – 10 years

Bien Hoa Sugar Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended
31 December 2016 (continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise those acquired in a legitimate transfer and are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over the term of land use rights of 19 years to 20 years.

(ii) Development costs

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and process, is capitalised if the product or process is technically and commercially feasible and the Company has sufficient resources to complete development. The expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads. Other development expenditure is recognised in the separate interim statement of income as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation, which is provided on a straight-line basis from 5 years to 15 years.

(iii) Software

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 years.

(i) Investment property held to earn rental

(i) Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the separate interim statement of income in the period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

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(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful lives are as follows:

- land use rights 20 years
- buildings 20 years

(j) Construction in progress

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(k) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing regulation, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the separate interim statement of income on a straight-line basis over the term of the lease of 45 years.

(ii) Tools and equipment

Tools and equipment include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and equipment are amortised on a straight-line basis over a period from 2 years to 3 years.

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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(n) Straight bonds issued

At initial recognition, straight bonds are measured at cost which comprises proceed from issuance net of issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bond.

(o) Bonus and welfare fund

Allocations are made to bonus and welfare fund based on shareholders' resolution at their meetings. This fund is used exclusively to pay bonus and welfare to the Company's staffs. Payments from bonus and welfare fund are not charged to separate interim statement of income.

(p) Share capital

Ordinary shares

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of ordinary shares, net of tax effects, are recognised as a deduction from share premium.

(q) Equity funds

Allocation are made to equity funds based on the shareholders' resolution at their meetings.

(r) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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(s) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sale discounts stated on the invoice.

(ii) Services rendered

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the accounting period. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(iv) Dividend income

Dividend income is recognised when the right to receive dividend is established. Share dividends are not recognised as income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(t) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the separate interim statement of income as an integral part of the total lease expense.

(u) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

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A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company primary format for segment reporting is based on business segments.

(w) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

4. Segment reporting

The Company operates mainly in one business segment, which is in producing and trading sugar and sugar related by-products and in one geographical segment, which is in Vietnam.

5. Cash and cash equivalents

	31/12/2016 VND	1/7/2016 VND
Cash on hand	483,794,017	361,980,226
Cash in banks	183,838,429,562	342,547,888,489
Cash equivalents	103,000,000,000	82,600,000,000
	287,322,223,579	425,509,868,715



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6. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	31/12/2016	1/7/2016
	VND	VND
Global Mind Commodities Trading Pte Ltd	170,821,115,200	-
Thanh Thanh Cong Trading Joint Stock Company	149,004,588,334	-
Friesland Campina Vietnam Company Limited	51,368,912,700	61,562,172,000
Thanh Thanh Cong Tay Ninh Joint Stock Company	50,252,817,711	120,935,669,588
Other customers	230,473,095,884	308,036,831,295
	651,920,529,829	490,534,672,883

(b) Accounts receivable from customers classified by payment term

	31/12/2016	1/7/2016
	VND	VND
Short-term	651,920,529,829	490,534,672,883

(c) Accounts receivable from customers who are related parties

	31/12/2016	1/7/2016
	VND	VND
Thanh Thanh Cong Trading Joint Stock Company	149,004,588,334	6,006,658
Thanh Thanh Cong Tay Ninh Joint Stock Company	50,252,817,711	120,935,669,588
Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company	9,836,551,248	26,712,219,100
Loc Tho Joint Stock Company	1,974,696,084	-
Thanh Thanh Cong Investment Joint Stock Company	-	6,710,713,434
Thuan Thien Trading Investment Company Limited	-	26,620,550
Gia Lai Electricity Joint Stock Company	-	8,400,000

The trade related amounts due from related parties were unsecured, interest free and are receivable within 15 – 20 days from invoice date.

At 31 December 2016, accounts receivable with carrying amount of VND464,643 million (1/7/2016: VND360,058 million) was pledged with banks as security for loans granted to the Company.

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7. Prepayments to suppliers

(a) Prepayments to suppliers detailed by significant suppliers

	31/12/2016	1/7/2016
	VND	VND
Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company	185,098,949,904	-
Global Mind Commodities Trading Pte Limited	-	220,781,750,000
Prepayments to sugar cane farmers	127,195,799,313	112,265,155,091
Others	56,094,288,774	33,168,327,138
	<u>368,389,037,991</u>	<u>366,215,232,229</u>

(b) Prepayments to suppliers classified by payment term

	31/12/2016	1/7/2016
	VND	VND
Short-term	333,060,589,379	347,860,161,211
Long-term	35,328,448,612	18,355,071,018
	<u>368,389,037,991</u>	<u>366,215,232,229</u>

(c) Prepayments to suppliers who are related parties

	31/12/2016	1/7/2016
	VND	VND
Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company	185,098,949,904	-
Hai Vi Co., Ltd	9,327,707,486	-
Thuan Thien Trading Investment Company Limited	7,813,615,745	9,007,241,465
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	441,275,570	103,717,500
	<u></u>	<u></u>

The prepayments to related parties were unsecured and earned interest at rates ranging from 7.5% to 8.5% per annum during the period (six-month period ended 31/12/2015: from 7.5% to 8.5%).

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The prepayments to sugar cane farmers were partially secured by the farmers' land use rights and earned interest at fixed rate of 0.8% per month during the period (six-month period ended 31/12/2015: 0.8% per month). The prepayments to sugar cane farmers are receivable within 1 to 4 years from drawdown dates.

During the period, the Company netted off purchase of sugar cane with total amount of VND28,422 million (six-month period ended 31/12/2015: VND62,045 million) against prepayments to and interest receivables from sugar cane farmers.

8. Loans receivable

	Maturity	31/12/2016 VND	1/7/2016 VND
Loans receivable from related parties:			
Ben Tre Import and Export Joint Stock Company	July 2017	75,000,000,000	75,000,000,000
Thanh Thanh Cong Trading Joint Stock Company	September 2016	-	80,000,000,000
Loans receivable from third parties:			
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	July 2017	2,000,000,000	48,000,000,000
		77,000,000,000	203,000,000,000
Short-term		77,000,000,000	155,000,000,000
Long-term		-	48,000,000,000

Loans receivable earned interest at rates ranging from 5.5% to 9.5% per annum during the period (six-month period ended 31/12/2015: 8.5% to 9.0%). These loans receivables are unsecured.

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9. Other receivables

	31/12/2016	1/7/2016
	VND	VND
Short-term deposits (*)	328,582,539,512	43,442,229,250
Advances to employees	19,257,706,167	14,008,153,506
Interest income receivables from sugar cane farmers	995,506,475	2,575,829,603
Others	13,478,533,845	5,672,778,643
	362,314,285,999	65,698,991,002

(*) These amounts mainly comprised deposits for land rental to plant sugarcane in Thanh Long, Tay Ninh province.

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10. Bad and doubtful debts

	31/12/2016				1/7/2016			
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND	Allowance VND	Recoverable amount VND
Overdue debts of prepayments to sugar cane farmers								
Nguyen Minh Dat	1,732	3,873,149,384	(3,873,149,384)	-	1,548	4,753,149,384	(4,753,149,384)	-
Nguyen Van Binh	1,368	3,749,281,161	(3,749,281,161)	-	1,184	3,749,281,161	(3,749,281,161)	-
Vo Thanh Vinh	645	2,151,523,720	(1,075,761,860)	1,075,761,860	461	2,222,892,349	(1,111,446,175)	1,111,446,174
Le Van Hung	1,367	1,072,151,037	(1,072,151,037)	-	1,183	1,072,151,037	(1,072,151,037)	-
Others		7,465,709,942	(4,256,380,461)	3,209,329,481		4,546,875,750	(3,654,523,837)	892,351,913
		18,311,815,244	(14,026,723,903)	4,285,091,341		16,344,349,681	(14,340,551,594)	2,003,798,087
Overdue debts of accounts receivable from customers								
Phuoc Thinh Company Limited	1,857	999,809,072	(999,809,072)	-	1,673	999,809,072	(999,809,072)	-
Xi nghiep San xuat Gia cong bao day Dai Thang	5,117	315,035,552	(315,035,552)	-	4,929	315,035,552	(315,035,552)	-
Others		123,899,227	(123,899,227)	-		123,899,227	(123,899,227)	-
		1,438,743,851	(1,438,743,851)	-		1,438,743,851	(1,438,743,851)	-
<i>Of which:</i>								
Allowance for doubtful debts – short-term			(15,465,467,754)				(15,779,295,445)	

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11. Inventories

	31/12/2016 VND	1/7/2016 VND
Goods in transit	96,127,080,500	66,244,000
Raw materials	442,632,960,510	385,684,986,504
Tools and supplies	15,859,512,864	17,139,285,445
Work in progress	77,603,346,718	47,785,713,462
Finished goods	152,258,704,339	256,431,849,393
Merchandise inventories	97,416,714,419	70,596,402,593
Goods on consignment	-	10,121,389,059
	881,898,319,350	787,825,870,456

At 31 December 2016, inventories with carrying amount of VND652,895 million (1/7/2016: VND498,080 million) were pledged with banks as security for loans granted to the Company.

12. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2016 VND	1/7/2016 VND
Prepaid expenses for the next production season	36,636,033,893	21,047,003,529
Maintenance of fixed assets	13,700,737,074	3,540,076,234
Others	22,192,642,082	3,428,688,543
	72,529,413,049	28,015,768,306

(b) Long-term prepaid expenses

	Prepaid land cost VND	Tools and equipment VND	Total VND
Opening balance	120,559,875,913	4,407,851,770	124,967,727,683
Additions	-	1,472,380,000	1,472,380,000
Amortisation for the period	(1,354,605,348)	(4,120,764,006)	(5,475,369,354)
Closing balance	119,205,270,565	1,759,467,764	120,964,738,329

At 31 December 2016, long-term prepaid expenses with carrying value of VND119,205 million (1/7/2016: VND120,560 million) were pledged with banks as security for loans granted to the Company.

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13. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	225,256,475,938	737,006,324,980	33,704,782,736	13,180,069,021	1,009,147,652,675
Additions	-	20,345,813,909	-	156,955,500	20,502,769,409
Transfers from construction in progress	1,003,299,960	10,594,360,851	829,342,560	609,531,728	13,036,535,099
Disposals	-	(5,160,798,770)	-	-	(5,160,798,770)
Closing balance	226,259,775,898	762,785,700,970	34,534,125,296	13,946,556,249	1,037,526,158,413
Accumulated depreciation					
Opening balance	101,443,083,033	390,471,692,399	15,348,987,155	6,422,861,527	513,686,624,114
Charge for the period	4,623,048,438	20,584,411,584	1,554,783,422	725,722,102	27,487,965,546
Disposals	-	(598,567,837)	-	-	(598,567,837)
Closing balance	106,066,131,471	410,457,536,146	16,903,770,577	7,148,583,629	540,576,021,823
Net book value					
Opening balance	123,813,392,905	346,534,632,581	18,355,795,581	6,757,207,494	495,461,028,561
Closing balance	120,193,644,427	352,328,164,824	17,630,354,719	6,797,972,620	496,950,136,590

Included in the cost of tangible fixed assets were assets costing VND166,793 million which were fully depreciated as of 31 December 2016 (1/7/2016: VND139,580 million), but which are still in active use.

At 31 December 2016, tangible fixed assets with net book value of VND427,039 million were pledged with banks as security for loans granted to the Company (1/7/2016: VND484,124 million).

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14. Intangible fixed assets

	Land use rights VND	Development costs VND	Software VND	Total VND
Cost				
Opening and closing balance	16,521,496,458	2,826,617,042	1,782,191,931	21,130,305,431
Accumulated amortisation				
Opening balance	8,671,882,288	2,723,769,472	995,747,662	12,391,399,422
Charge for the period	371,526,436	22,669,554	226,560,234	620,756,224
Closing balance	9,043,408,724	2,746,439,026	1,222,307,896	13,012,155,646
Net book value				
Opening balance	7,849,614,170	102,847,570	786,444,269	8,738,906,009
Closing balance	7,478,087,734	80,178,016	559,884,035	8,118,149,785

Included in the cost of intangible fixed assets were assets costing VND3,373 million which were fully amortised as of 31 December 2016 (1/7/2016: VND2,892 million), but which are still in active use.

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15. Investment property

	Land use rights VND	Buildings VND	Total VND
Cost			
Opening and closing balance	17,560,643,130	42,533,352,370	60,093,995,500
Accumulated depreciation			
Opening balance	292,677,386	708,889,206	1,001,566,592
Charge for the period	439,016,078	1,063,333,810	1,502,349,888
Closing balance	731,693,464	1,772,223,016	2,503,916,480
Net book value			
Opening balance	17,267,965,744	41,824,463,164	59,092,428,908
Closing balance	16,828,949,666	40,761,129,354	57,590,079,020

At 31 December 2016, investment properties with net book value of VND57,590 million (1/7/2016: 59,092) were pledged with banks as security for loans granted to the Company.

16. Construction in progress

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Opening balance	112,759,800,088	129,151,868,730
Additions during the period	18,420,866,612	138,706,447,718
Transfers to tangible fixed assets	(13,036,535,099)	(38,012,494,483)
Transfers to intangible fixed assets	-	(1,762,423,500)
Transfer to prepayments	-	(8,553,098,112)
Closing balance	118,144,131,601	219,530,300,353

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Major constructions in progress were as follows:

	31/12/2016 VND	1/7/2016 VND
Sugar manufacturing project in Cambodia (*)	39,682,376,555	39,682,376,555
Sugar manufacturing project at Vam Co River (**)	23,512,406,107	23,512,406,107
Constructions in progress at Thanh Long	20,600,165,054	19,611,420,423
Constructions in progress at Head Office	18,149,763,681	14,293,455,545
Constructions in progress at Tri An	4,237,627,743	8,845,623,334
Constructions in progress at Tay Ninh	857,358,157	829,342,560
Others	11,104,434,304	5,985,175,564
	118,144,131,601	112,759,800,088

- (*) On 16 June 2014, the Company signed a contract with Brightway Group Co. Ltd to transfer this project for a consideration of USD2,026,740 and the buyer has made an advance payment of USD1,621,392. As at 31 December 2016, related procedures and documents for the sale have not been completed due to the changes in Cambodia's laws and regulations, therefore construction in progress has not been derecognised in these separate interim financial statements and advance received was recorded as other payables (Note 23).

- (**) The Company was in the progress of finding new investor to transfer this project.

At 31 December 2016, constructions in progress with carrying value of VND17,505 million (1/7/2016: VND19,071 million) were pledged with banks as security for loans granted to the Company.

During the period, interest expense capitalised into construction in progress amounted to VND68 million (six-month period ended 31/12/2015: VND312 million).

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17. Long-term financial investments

	Quantity	% of equity owned/ voting right	31/12/2016 Carrying amount VND	Allowance VND	Fair value VND	Quantity	% of equity owned/ voting right	1/7/2016 Carrying amount VND	Allowance VND	Fair value VND
Long-term equity investments in subsidiaries:										
▪ Bien Hoa – Ninh Hoa Sugar One Member Co., Ltd (i)	60,750,000	100%	1,030,726,951,350	-	(*)	60,750,000	100%	1,030,726,951,350	-	(*)
▪ Bien Hoa – Phan Rang Sugar Joint Stock Company (ii)	4,252,926	94.51%	84,430,816,000	-	(*)	4,252,926	94.51%	84,430,816,000	-	(*)
▪ Hai Vi Co., Ltd (iii)	-	-	-	-	-	-	100%	22,000,000,000	-	(*)
▪ Bien Hoa Import Export Trading Joint Stock Company (iv)	11,760,000	98%	117,600,000,000	-	(*)	11,760,000	98%	117,600,000,000	-	(*)
			<u>1,232,757,767,350</u>	-				<u>1,254,757,767,350</u>	-	
Long-term equity investments in associates:										
▪ Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company (v)	720,000	24.00%	7,200,000,000	-	(*)	720,000	24.00%	7,200,000,000	-	(*)
▪ Tay Ninh Sugar Joint Stock Company (vi)	12,703,166	43.20%	159,546,814,800	-	(*)	7,789,310	26.49%	79,450,962,000	-	(*)
			<u>166,746,814,800</u>	-				<u>86,650,962,000</u>	-	

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			31/12/2016						1/7/2016		
	Quantity	% of equity owned/ voting right	Carrying amount VND	Allowance VND	Fair value VND		Quantity	% of equity owned/ voting right	Carrying amount VND	Allowance VND	Fair value VND
Long-term equity investments in other entities:											
▪ Son Duong Sugar Joint Stock Company (vii)	1,778,355	13.08%	17,360,136,000	-	(*)	1,185,570	13.08%	11,432,286,000	-	-	(*)
▪ Thanh Thanh Cong Tay Ninh Joint Stock Company (viii)	-	-	-	-		3,853,520	2.08%	55,565,088,034	-	-	120,229,824,000
Hai Vi Co., Ltd (iii)	-	1.00%	220,000,000	-	(*)	-	-	-	-	-	-
			17,580,136,000	-				66,997,374,034	-	-	
			1,417,084,718,150	-				1,408,406,103,384	-	-	

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- (*) Information about the fair value of these investments was not available as at the reporting date.

The fair value of investments in listed shares was determined by reference to the market price on Ho Chi Minh City Stock Exchange at reporting date.

- (i) Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company (“Bien Hoa – Ninh Hoa”) (“formerly known as Ninh Hoa Sugar Joint Stock Company”) is a company incorporated in Vietnam based on the equitisation of the state owned enterprise (“Ninh Hoa Sugar Factory - Khanh Hoa Sugar Company”) following the Decision No. 2267/QĐ-UBND dated 10 November 2005 issued by Khanh Hoa People Committee. Following the Company’s acquisition of 99.34% shares of this entity by issuing the Company’s shares for Ninh Hoa Sugar Joint Stock Company’s former shareholders, Ninh Hoa Sugar Joint Stock Company has changed its name and legal form to one member limited liability company. The principal activities of Bien Hoa – Ninh Hoa are to manufacture sugar and other by-products from sugar-cane for sales; manufacture electricity for sales; engineer the industrial and civil projects; trade in agricultural materials and real estate; manufacture and trade in fertilizer; and provide storage services.
- (ii) Bien Hoa – Phan Rang Sugar Joint Stock Company (“Phan Rang Sugar”) (formerly known as Phan Rang Sugar Joint Stock Company”) was established in Vietnam in accordance with Business License No. 4303000027 issued by the Planning and Investment Department of Ninh Thuan Province on 26 December 2005. The principal activities of Phan Rang Sugar are to produce and trade in sugar and other by-products from sugar-cane; produce and trade in soft drink; produce and trade in cattle-feed and agricultural products; produce and trade in organic fertilizer; provide processing and repairing services; trade oils and gas products; and provide consignment services.
- (iii) Hai Vi Co., Ltd (“Hai Vi”) was established in Vietnam in accordance with Business License No. 3900244283 issued by the Department of Planning and Investment of Tay Ninh Province on 23 May 1997. During the period, the Company disposed 99% of its equity interests in Hai Vi. The principal activities of this company are to plant sugar cane; produce and trade fertilizer and agricultural materials.
- (iv) Bien Hoa Import Export Trading Joint Stock Company (“Bien Hoa Trading”) was established in Vietnam in accordance with Business License No. 0313733213 issued by the Department of Planning and Investment of Ho Chi Minh City on 4 April 2016. The principal activities of this company are to trade sugar and products which used sugar as the material, trade foods and beverages.
- (v) Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company (“Thanh Thanh Cong Sugarcane”) was established in Vietnam in accordance with Business License No. 3901162964 issued by the Department of Planning and Investment of Tay Ninh Province on 21 March 2013. The principal activities of this company are to perform research and develop sugar cane sprouts; analysis cultivation and plant protection products; produce and develop mechanic machineries for sugar cane production.
- (vi) Tay Ninh Sugar Joint Stock Company (“Tay Ninh Sugar”) was established in Vietnam in accordance with Business License No. 3900243272 issued by the Department of Planning and Investment of Tay Ninh Province on 23 May 2007. During the period, the Company acquired additional 4,913,856 shares of this entity. The principal activities of this company are to plant, process and trade sugar, tapioca and rubber.

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(vii) Son Duong Sugar Joint Stock Company (“Son Duong Sugar”) was established in Vietnam in accordance with Business License No. 5000122053 issued by the Department of Planning and Investment of Tuyen Quang Province on 21 September 1998. The Head Office of Son Duong Sugar is located at Iao Phu Commune, Son Duong District, Tuyen Quang Province, Vietnam. During the period, the Company acquired additional 592,785 shares of this entity. The principal activities of this company are to produce sugar and agricultural products.

(viii) During the period, the Company disposed all of its equity interest in Thanh Thanh Cong Tay Ninh Joint Stock Company for a price of VND114,218 million.

At 31 December 2016, investments in Bien Hoa – Ninh Hoa One Member Co., Ltd with carrying value of VND1,030,727 million (1/7/2016: VND1,086,292) were pledged with banks as security for loans granted to the Company.

Movements in long-term financial investments during the period were as follows:

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Opening balance	1,408,406,103,384	106,904,479,384
Increase during the period	86,023,702,800	85,979,586,000
Increase during the period by issuing additional shares	-	1,025,934,360,000
Disposals	(77,345,088,034)	-
Closing balance	1,417,084,718,150	1,218,818,425,384

Movements in allowance for diminution in the value of long-term financial investments during the period were as follows:

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Opening balance	-	12,124,335,245
Increase	-	5,547,723,589
Written back	-	(10,922,058,834)
Closing balance	-	6,750,000,000

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18. Deferred tax assets

	31/12/2016 VND	1/7/2016 VND
Deferred tax assets:		
Accrued expenses	1,928,703,378	1,928,703,378
Total deferred tax assets	1,928,703,378	1,928,703,378

19. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	31/12/2016 Cost/Amount within payment capacity VND	1/7/2016 Cost/Amount within payment capacity VND
Global Mind Commodities Trading Pte.Ltd	96,127,080,500	-
Other suppliers	58,453,333,769	242,403,597,786
	154,580,414,269	242,403,597,786

(b) Accounts payable to suppliers classified by payment terms

	31/12/2016 VND	1/7/2016 VND
Short-term	154,580,414,269	242,403,597,786

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(c) Accounts payable to suppliers who are related party

	31/12/2016	1/7/2016
	VND	VND
Ben Tre Import and Export Joint Stock Company	1,330,265,418	1,703,896,800
Hai Vi Co., Ltd	784,511,333	13,569,967,663
Thanh Thanh Cong Investment Joint Stock Company	718,241,500	1,264,200,740
Thanh Thanh Cong Tay Ninh Joint Stock Company	239,543,697	109,199,587,055
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	95,127,586	-
Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company	-	71,361,579,670
Thuan Thien Trading Investment Company Limited	-	796,169,840
Tay Ninh Sugar Joint Stock Company	-	10,000,000
Thanh Thanh Cong Trading Joint Stock Company	-	115,470,769

The trade related amounts due to related parties were unsecured, interest free and are payable within 7 days from the reconciliation date between parties.

(d) Overdue accounts payable

There was no overdue accounts payable as at 31 December 2016 and 1 July 2016.

20. Advance from customers

Advances from customers included the following advances from related parties:

	31/12/2016	1/7/2016
	VND	VND
Advances from related parties	29,968,400,385	1,534,581,876

The advances from related parties were unsecured and interest free.



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21. Taxes receivable from and payable to State Treasury

(a) Taxes payable to State Treasury

	1/7/2016 VND	Incurred VND	Paid/Net-off/ Reclassified VND	31/12/2016 VND
Taxes				
Corporate income tax	4,992,448,472	9,822,159,937	(14,814,608,409)	-
Value added tax	-	92,835,743,597	(90,445,293,433)	2,390,450,164
Value added tax on imported goods	-	18,701,492,064	(18,701,492,064)	-
Import-export tax	-	20,379,214,299	(20,379,214,299)	-
Personal income tax	126,027,624	1,838,315,344	(1,808,011,006)	156,331,962
Special consumption tax	-	1,417,742	(1,417,742)	-
Other taxes	4,017,592	1,338,290,348	(1,326,922,384)	15,385,556
	5,122,493,688	144,916,633,331	(147,476,959,337)	2,562,167,682

(b) Taxes receivable from State Treasury

	1/7/2016 VND	Incurred VND	Refunded VND	31/12/2016 VND
Taxes refundable from State Treasury				
Other taxes	200,763,637	175,905,481	(93,125,241)	283,543,877

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22. Accrued expenses

	31/12/2016 VND	1/7/2016 VND
Transportation expense	15,698,554,187	1,222,558,408
Sales support	12,911,176,624	6,443,055,152
Support for sugar cane farmers	9,893,978,460	-
Interest expense	6,356,380,000	5,437,797,428
13 th salary	5,449,651,379	-
Others	8,772,486,724	4,942,427,265
	59,082,227,374	18,045,838,253

23. Other payables – short-term

	31/12/2016 VND	1/7/2016 VND
Payables to Brightway Group Co., Ltd (*)	33,172,706,250	33,172,706,250
Harvest and transportation deposits payables to sugar cane farmers	4,155,168,903	326,439,185
Dividend payables	1,755,666,500	1,782,798,900
Short-term deposits and collaterals received	1,274,446,107	648,611,625
Salary and per diem for salesman	9,280,000	2,112,986,157
Social, health and unemployment insurance	6,339,662	667,873,898
Remuneration of Boards of Management, Directors and Supervisor	-	3,917,392,948
Boards of Management and Supervisor operation fund	-	6,450,175,000
Others	3,774,970,192	7,941,651,106
	44,148,577,614	57,020,635,069

(*) Payables to Brightway Group Co., Ltd represented advance from Brightway Group Co., Ltd for the transfer of sugar factory manufacturing project in Cambodia (Note 16).

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24. Borrowings and bonds

(a) Short-term borrowings and bonds

	1/7/2016		Movements during the period		31/12/2016	
	Carrying amount VND	Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	1,511,022,655,564	1,511,022,655,564	2,182,603,996,865	(1,790,561,936,751)	1,903,064,715,678	1,903,064,715,678
Current portion of long-term borrowings	23,393,981,639	23,393,981,639	16,455,663,858	(12,980,051,179)	26,869,594,318	26,869,594,318
Straight bonds maturing within 12 months	100,000,000,000	100,000,000,000	-	-	100,000,000,000	100,000,000,000
	1,634,416,637,203	1,634,416,637,203	2,199,059,660,723	(1,803,541,987,930)	2,029,934,309,996	2,029,934,309,996

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Terms and conditions of short-term borrowings were as follows:

	Currency	31/12/2016 VND	1/7/2016 VND
▪ Loan 1 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (a)	VND	456,039,824,491	644,946,400,045
▪ Loan 2 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (a)	USD	5,736,800,000	-
▪ Loan 3 from Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch 1 (b)	VND	268,863,890,875	279,698,206,982
▪ Loan 4 from ANZ Bank (Vietnam) Limited – Ho Chi Minh City Branch (c)	VND	218,661,383,512	160,834,936,032
▪ Loan 5 from Military Commercial Joint Stock Bank – Ho Chi Minh City Branch (d)	VND	144,938,762,001	141,184,013,449
▪ Loan 6 from Vietnam International Commercial Joint Stock Bank – Dong Nai Branch (e)	VND	113,538,000,131	99,448,669,652
▪ Loan 7 from Malayan Banking Berhard – Ho Chi Minh City Branch (f)	VND	6,000,000,000	54,689,824,271
▪ Loan 8 from Malayan Banking Berhard – Ha Noi Branch (f)	VND	25,500,000,000	44,955,011,263
▪ Loan 9 from Malayan Banking Berhard – Ho Chi Minh City Branch (f)	USD	146,998,400,000	-
▪ Loan 10 from Shinhan Bank Vietnam Limited – Bien Hoa Branch (g)	VND	56,324,625,085	51,596,232,568
▪ Loan 11 from CTBC Commercial Bank – Ho Chi Minh City Branch (h)	VND	7,921,576,083	32,618,212,959
▪ Loan 12 from BPCE IOM Bank – Ho Chi Minh City Branch (i)	VND	96,009,712,613	1,051,148,343
▪ Loan 13 from Joint Stock Commercial Bank for Investment and Development of Vietnam (j)	VND	137,199,097,871	-

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	Currency	31/12/2016 VND	1/7/2016 VND
▪ Loan 14 from Bank SinoPac – Ho Chi Minh City Branch (k)	VND	39,231,518,510	-
▪ Loan 15 from The Maritime Commercial Joint Stock Bank (l)	VND	97,116,324,506	-
▪ Loan 16 from HSBC Bank (Vietnam) Ltd – Ho Chi Minh City Branch (m)	USD	82,984,800,000	-
		<u>1,903,064,715,678</u>	<u>1,511,022,655,564</u>

The loans in VND and USD bore interest at rates ranging from 5.1% to 6.0% per annum (six-month period ended 31/12/2015: from 5.1% to 6.3%) and from 2.4% to 2.5% per annum (six-month period ended 31/12/2015: 2.5%) during the period, respectively.

- (a) This loan has a maximum facility of VND800,000 million (1/7/2016: VND800,000 million). This loan, together with the loan 5, loan 6 loan 7 and loan 8 (Note 24(b)(i)), are secured by building and structures with net book value of VND37,054 million, machinery and equipment with net book value of VND170,921 million and construction in progress with carrying value of VND17,505 million as at 31 December 2016 (1/7/2016: building and structures with net book values of VND68,502 million, machinery and equipment with net book values of VND196,716 million and construction in progress with carrying values of VND17,928 million).
- (b) This loan has a maximum facility of VND400,000 million (1/7/2016: VND400,000 million). This loan is secured by inventories and receivables with carrying value as at 31 December 2016 of VND85,206 million and VND130,000 million, respectively (1/7/2016: VND130,000 million and VND97,828 million).
- (c) This loan has a maximum facility of VND273,420 million or USD12 million (1/7/2016: VND268,080 million or USD12 million). This loan is secured by accounts receivable from customers and inventories with carrying value as at 31 December 2016 of VND170,363 million (1/7/2016: VND167,550 million) each.
- (d) This loan has a maximum facility of VND150,000 million (1/7/2016: VND150,000 million) and is unsecured.
- (e) This loan has a maximum facility of VND120,000 million (1/7/2016: VND120,000 million). This loan is secured by inventories with carrying value as at 31 December 2016 of VND100,000 million (1/7/2016: VND100,000 million).
- (f) This loan has a maximum facility of VND179,050 million or USD8 million (1/7/2016: VND111,700 million or USD5 million). This loan is secured by accounts receivable from customers with carrying value as at 31 December 2016 of VND50,000 million (1/7/2016: VND50,000 million).

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- (g) This loan has a maximum facility of VND60,000 million (1/7/2016: VND60,000 million) and is unsecured.
- (h) This loan has a maximum facility of VND22,785 million or USD1 million (1/7/2016: VND44,680 million or USD2 million). This loan is secured by accounts receivable from customers with carrying value as at 31 December 2016 of VND22,785 million (1/7/2016: VND44,680 million).
- (i) This loan has a maximum facility of VND102,533 million or USD4.5 million (1/7/2016: VND100,530 million or USD4.5 million). This loan is secured by inventories with carrying value as at 31 December 2016 of VND102,533 million (1/7/2016: accounts receivable from customers with carrying value of VND100,530 million).
- (j) This loan has a maximum facility of VND400,000 million. This loan is secured by inventories with the carrying amount as at 31 December 2016 of VND150,000 million.
- (k) This loan has a maximum facility of VND45,570 million or USD2 million and is unsecured.
- (l) This loan has a maximum facility of VND100 billion and is unsecured.
- (m) This loan has a maximum facility of VND88,862 million or USD3.9 million. This loan is secured by accounts receivable from customers with carrying value as at 31 December 2016 of VND136,290 million.

(b) Long-term borrowings and bonds

	31/12/2016 VND	1/7/2016 VND
Long-term borrowings (i)	132,820,238,110	131,079,838,500
Straight bonds (ii)	496,643,333,331	500,000,000,000
	629,463,571,441	631,079,838,500
Amount repayable within twelve months	(126,869,594,318)	(123,393,981,639)
Amount repayable after twelve months	502,593,977,123	507,685,856,861

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(i) Long-term borrowings

Terms and conditions of long-term borrowings were as follows:

	Currency	Year of maturity	31/12/2016 VND	1/7/2016 VND
▪ Loan 1 from Orient Commercial Joint Stock Bank – Dak Lak Branch (a)	VND	2023	80,000,000,000	80,000,000,000
▪ Loan 2 from Orient Commercial Joint Stock Bank – Dak Lak Branch (b)	VND	2022	13,305,219,322	14,519,689,322
▪ Loan 3 from Vietnam Bank for Agriculture and Rural Development – Dong Nai Branch	VND	2018	-	11,038,521,968
▪ Loan 4 from Vietnam Development Bank – Tay Ninh Branch (c)	VND	2020	6,236,512,800	7,242,998,200
▪ Loan 5 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (d)	VND	2018	4,910,120,640	6,138,120,640
▪ Loan 6 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (e)	VND	2017	2,883,386,602	6,924,386,602
▪ Loan 7 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (f)	VND	2020	7,958,105,436	-
▪ Loan 8 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (g)	VND	2019	3,936,533,310	5,216,121,768
▪ Loan 9 from Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 1 (h)	VND	2019	13,590,360,000	-
			132,820,238,110	131,079,838,500
Amount repayable within 12 months			(26,869,594,318)	(23,393,981,639)
Amount repayable after 12 months			105,950,643,792	107,685,856,861

The loans bore interest at rates ranging from 3.9% to 9.5% per annum during the period (six-month period ended 31/12/2015; from 3.9% to 10.0%).

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- (a) This loan has a maximum facility of VND217,681 million (1/7/2016: VND217,681 million) and is secured by the land use right in long-term prepaid expenses with carrying value of VND119,205 million as at 31 December 2016 (1/7/2016: VND120,560 million). Principal outstanding as at 31 December 2016 is repayable in 24 equal quarterly instalments of VND3,333 million each from 26 June 2017. The final instalment will be on 26 March 2023.
- (b) This loan has a maximum facility of VND26,000 million and is secured by machinery with net book value as at 31 December 2016 of VND23,107 million (1/7/2016: machinery with net book value of VND25,582 million and construction in progress with carrying value of VND1,143 million). Principal outstanding as at 31 December 2016 is repayable in 10 equal six-month instalments of VND1,214 million each and a final instalment of VND1,165 million will be on 8 January 2022.
- (c) This loan has a maximum facility of VND30,195 million (1/7/2016: VND30,195 million) and is unsecured. Principal outstanding as at 31 December 2016 is repayable in 6 equal six-month instalments of VND1,006 million each and a final instalment of VND200 million on 15 April 2020.
- (d) This loan has a maximum facility of VND10,708 million and is secured by the same collaterals with loan 1 and loan 2 (Note 24(a)), loan 6, loan 7 and loan 8 (Note 24(b)(i)). Principal outstanding as at 31 December 2016 is repayable in 7 equal quarterly instalments of VND614 million and a final instalment of VND612 million will be on 22 October 2018.
- (e) This loan has a maximum facility of VND40,000 million and is secured by the same collaterals with loan 1 and loan 2 (Note 24(a)), loan 5, loan 7 and loan 8 (Note 24(b)(i)). Principal outstanding as at 31 December 2016 is repayable in an instalment of VND2,021 million and a final instalment of VND863 million on 26 June 2017.
- (f) This loan has a maximum facility of VND12,558 million and is secured by the same collaterals with loan 1 and loan 2 (Note 24(a)), loan 5, loan 6 and loan 8 (Note 24(b)(i)). Principal outstanding as at 31 December 2016 is repayable in 14 equal quarterly instalments of VND531 million each and a final instalment of VND524 million will be on 9 September 2020.
- (g) This loan has a maximum facility of VND10,236 million and is secured by the same collaterals with loan 1 and loan 2 (Note 24(a)), loan 5, loan 6 and loan 7 (Note 24(b)(i)). Principal outstanding as at 31 December 2016 is repayable in 5 equal quarterly instalments of VND640 million each and a final instalment of VND737 million will be on 5 March 2019.
- (h) This loan has a maximum facility of VND13,590 million and is secured by the value of future assets construction from the loan. Principal outstanding as at 31 December 2016 is repayable in 11 equal quarterly instalments of VND1,133 million each and a final instalment of VND1,127 million will be on 12 December 2019.

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(ii) Straight bonds

	Currency	Annual interest rate	Year of maturity	31/12/2016 VND	1/7/2016 VND
Bonds issued at par:					
Orient Commercial Joint		Cost of			
Stock Bank – Ho Chi		fund +			
Minh City Branch	VND	2.75%	2021	496,643,333,331	500,000,000,000
Bonds maturing within 12 months				(100,000,000,000)	(100,000,000,000)
Bonds maturing after 12 months				396,643,333,331	400,000,000,000

These bonds are secured by short term financial investments with the carrying value of VND63,000 million, investment property with net book value of VND57,590 million, machinery and equipment with net book value of VND195,957 million, long-term financial investments with carrying value of VND1,030,727 million as at 31 December 2016 (1/7/2016: investment property with net book value of VND59,092 million, machinery and equipment with net book value of VND193,324 million, long-term financial investments with carrying value of VND1,086,292 million). Principal outstanding as at 31 December 2016 is repayable in 4 equal annually instalments of VND100,000 million each and the final instalment of VND96,643 million will be on 27 May 2021.

25. Bonus and welfare fund

Movements of bonus and welfare fund during the period were as follows:

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Opening balance	21,751,504,706	5,990,756,991
(Refund to)/appropriation from retained profits	(2,516,785,028)	11,752,771,749
Reclassification from Remuneration of Boards of Management, Directors and Supervisor	3,917,392,948	-
Utilisation	(386,908,362)	(7,473,625,782)
Closing balance	22,765,204,264	10,269,902,958

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26. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total owners' equity VND
Balance as at 1 July 2015	629,949,180,000	39,817,240,000	144,497,938,660	-	100,185,541,361	914,449,900,021
Shares issued	603,490,800,000	421,962,560,000	-	-	-	1,025,453,360,000
Net profit for the period	-	-	-	-	103,086,051,880	103,086,051,880
Dividends	-	-	-	-	(61,671,999,000)	(61,671,999,000)
Appropriation to equity fund	-	-	9,793,976,457	-	(9,793,976,457)	-
Appropriation to bonus and welfare fund	-	-	-	-	(11,752,771,749)	(11,752,771,749)
Bonus for exceeding budget	-	-	-	-	(1,000,000,000)	(1,000,000,000)
Appropriation to Boards of Management and Supervisor operation fund	-	-	-	-	(2,000,000,000)	(2,000,000,000)
Balance as at 31 December 2015	1,233,439,980,000	461,779,800,000	154,291,915,117	-	117,052,846,035	1,966,564,541,152
Balance as at 1 July 2016	1,295,111,980,000	461,712,700,000	154,291,915,117	-	164,133,952,621	2,075,250,547,738
Net profit for the period	-	-	-	-	47,367,324,548	47,367,324,548
Appropriation to equity fund	-	-	17,520,438,166	7,000,000,000	(24,520,438,166)	-
Refund from bonus and welfare fund	-	-	-	-	2,516,785,028	2,516,785,028
Reclassification from Board of Management and Supervisor operation fund	-	-	-	6,450,175,000	-	6,450,175,000
Utilisation of funds	-	(24,750,000)	-	(400,000,000)	-	(424,750,000)
Balance as at 31 December 2016	1,295,111,980,000	461,687,950,000	171,812,353,283	13,050,175,000	189,497,624,031	2,131,160,082,314

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27. Share capital

The Company's authorised and issued share capital are as follows:

	31/12/2016		1/7/2016	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital – par value				
Ordinary shares	129,511,198	1,295,111,980,000	129,511,198	1,295,111,980,000
Shares in circulation – par value				
Ordinary shares	129,511,198	1,295,111,980,000	129,511,198	1,295,111,980,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

Movements in share capital during the period were as follows:

	From 1/7/2016 to 31/12/2016		From 1/7/2015 to 31/12/2015	
	Number of shares	VND	Number of shares	VND
Balance at beginning of the period	129,511,198	1,295,111,980,000	62,994,918	629,949,180,000
Shares issued during the period for acquisition of a subsidiary	-	-	60,349,080	603,490,800,000
Balance at end of the period	129,511,198	1,295,111,980,000	123,343,998	1,233,439,980,000

28. Investment and development fund

Investment and development fund was appropriated from retained profits in accordance with the shareholders' resolution. The fund was established for the purpose of future business expansion.

29. Other equity funds

Other equity funds was appropriated from retained profits in accordance with the shareholders' resolution.

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30. Off balance sheet items

(a) Lease commitments

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

	31/12/2016 VND	1/7/2016 VND
Within one year	3,146,043,583	3,992,203,835
Within two to five years	10,428,019,979	10,846,890,863
More than five years	58,957,483,303	59,938,106,161
	72,531,546,865	74,777,200,859

(b) Capital expenditure commitments

As at reporting date, the Company had the following outstanding capital commitments approved but not provided for in the separate interim balance sheet:

	31/12/2016 VND	1/7/2016 VND
Approved but not contracted	339,772,261,329	205,205,820,197
Approved and contracted	50,585,545,728	17,378,737,113
	390,357,807,057	222,584,557,310

(c) Assets, materials and goods held for other parties

	31/12/2016 VND	1/7/2016 VND
Materials, goods held for other parties	21,451,926,814	12,380,131,533

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(d) Foreign currencies

	31/12/2016		1/7/2016	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	345,007	7,838,552,451	18,118	403,495,876
EUR	250	5,934,500	250	6,177,750
		7,844,486,951		409,673,626

(e) Bad debts written off

	Written off in year	31/12/2016 VND	1/7/2016 VND
Receivable from customers	Before 2006	758,295,202	758,295,202
Receivable from customers	2006	203,769,039	203,769,039
Receivable from customers	2007	1,034,299,060	1,034,299,060
Receivable from sugar cane farmers	2009	70,095,481	70,095,481
Receivable from customers	2011	164,641,794	164,641,794
Receivable from sugar cane farmers	2012	7,709,663,485	7,881,573,485
Receivable from customers	2014	46,300,961	46,300,961
		9,987,065,022	10,158,975,022

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31. Revenue from sales of goods and provision of services

Total revenue represented the gross value of goods sold and services provided exclusive of value added tax.

Net revenue comprised:

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Total revenue		
▪ Sales of goods	2,118,541,725,350	2,046,466,389,635
▪ Services	4,677,735,074	7,087,928,713
	2,123,219,460,424	2,053,554,318,348
Less sales deductions		
▪ Sales discounts	4,187,752,637	6,556,796,825
▪ Sales returns	232,747,366	230,745,429
▪ Sales allowances	-	2,195,302,476
	4,420,500,003	8,982,844,730
Net revenue	2,118,798,960,421	2,044,571,473,618

32. Cost of sales

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Total cost of sales:		
▪ Goods sold	1,959,274,339,576	1,794,545,654,044
▪ Services provided	3,660,255,033	4,236,553,034
	1,962,934,594,609	1,798,782,207,078

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33. Financial income

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Interest income from deposits in banks	250,277,451	644,743,430
Interest income from prepayments to sugar cane farmers	2,817,717,751	3,014,976,277
Interest income from prepayments to suppliers and loans to other entities	5,770,572,830	10,383,443,354
Interest income from late payments of customers	3,763,949,594	2,557,306,433
Dividends income	21,078,684,800	627,704,000
Gains from disposals of investment in other entities	58,653,221,966	-
Foreign exchange gains	1,823,797,878	804,274,304
Others	15,813,745	-
	94,174,036,015	18,032,447,798

34. Financial expenses

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Interest expense	67,113,011,420	26,058,332,592
Allowance for diminution in the value of long-term financial investments	-	5,547,723,589
Written back allowance for diminution in the value of long-term financial investments	-	(10,922,058,834)
Foreign exchange losses	1,646,974,390	8,734,431,056
Others	987,224,561	-
	69,747,210,371	29,418,428,403

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35. Selling expenses

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Staff cost	17,383,799,107	15,172,835,974
Tools and supplies	1,375,306,646	457,310,507
Depreciation and amortisation	768,784,124	894,258,052
Transportation expense	28,571,087,050	19,169,394,617
Sales supporting fee	17,459,732,354	7,047,487,195
Other expenses	867,894,788	2,551,139,435
	66,426,604,069	45,292,425,780

36. General and administration expenses

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Staff cost	31,074,389,860	30,232,448,906
Tools and supplies	1,154,039,664	1,804,208,447
Stationery	488,892,290	605,511,679
Depreciation and amortisation	3,750,475,954	2,053,095,698
Taxes and fees	29,020,652	367,096,248
Provision for doubtful debts	(313,827,691)	947,977,751
Outside services	12,316,751,710	5,051,466,411
Boards of Management and Supervisor allowance	553,125,000	564,599,461
Other expenses	7,979,615,595	15,629,320,154
	57,032,483,034	57,255,724,755

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37. Other income

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Gains from disposals of tangible fixed assets	138,266,568	5,684,384,912
Collections of doubtful debts written off	162,516,173	319,019,886
Compensation received	38,301,293	62,106,215
Others	2,376,908,763	95,718,115
	2,715,992,797	6,161,229,128

38. Production and business costs by element

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Raw material costs included in production costs	1,284,831,115,299	1,120,847,411,255
Labour costs and staff costs	76,630,476,512	67,835,865,648
Depreciation and amortisation	19,808,946,235	20,002,986,982
Outside services	48,259,054,543	36,116,928,129
Other expenses	37,772,441,162	26,621,994,858

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39. Income tax

(a) Recognised in the separate interim statement of income

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Current tax expense		
Current period	9,822,159,937	24,896,639,454
Under provision in prior periods	-	2,290,736,460
	9,822,159,937	27,187,375,914
Deferred tax expense		
Origination of temporary differences	-	5,299,806,995
	9,822,159,937	32,487,182,909

(b) Reconciliation of effective tax rate

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Accounting profit before tax	57,189,484,485	135,573,234,789
Tax at the Company's tax rate	11,437,896,897	29,826,111,654
Non-deductible expenses	-	620,689,068
Tax exempt income	(1,615,736,960)	(250,354,273)
Under provision in prior periods	-	2,290,736,460
	9,822,159,937	32,487,182,909

(c) Applicable tax rates

Under the terms of Income Tax Law, the Company has an obligation to pay the corporate income tax at the rate of 22% and 20% of taxable profits for the period from 1 July 2015 to 31 December 2015 and from 1 January 2016 to 31 December 2016, respectively. The usual income tax rate applicable to enterprises before any incentives was 20% (2015: 22%).

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Under the terms of Decree 12/2015/NĐ-CP dated 12 February 2015 issued by the Government, income from processing activities in which percentage of agricultural materials on total production costs is equal or higher than 30% and the finished goods are not subject to special consumption tax is taxed at the rate of 10% of taxable profit over the entire operating period. The Decree was effective from 1 January 2015 and applied to the corporate income tax period from 2015 onwards.

40. Non-cash operating and investing activities

	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Acquisition of a subsidiary by issuing the Company's ordinary shares	-	1,025,934,360,000
Accrual costs attributable to the issue of ordinary shares	-	440,000,000
Net off purchases of sugar cane against prepayments to sugar cane farmers	28,422,335,535	57,304,171,635
Net off purchases of sugar cane against interest income receivable from sugar cane farmers	2,840,609,647	5,734,178,675
Amortisation expenses capitalised in construction in progress	1,354,605,348	-

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41. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the separate interim financial statements, the Company had the following significant transactions with related parties during the period:

	Transaction value	
	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Shareholders		
Thanh Thanh Cong Investment Joint Stock Company		
Sales of goods	32,046,227,038	119,847,619,051
Purchases of goods and services	6,093,465,803	5,839,348,547
Interest income from loans receivable	440,359,938	2,688,348,100
Dividends distribution	-	17,048,494,000
Thanh Thanh Cong Tay Ninh Joint Stock Company		
Sales of goods and service	42,061,609,557	135,163,839,574
Purchases of goods and services	88,508,317,034	342,077,682,772
Proceeds from disposals of fixed assets	4,714,367,401	-
Dividends distribution	-	10,465,910,000
Gia Lai Electricity Joint Stock Company		
Sales of goods and service	-	3,549,142,858
Thuan Thien Trading Investment Company Limited		
Sales of goods and service	16,530,500	-
Purchases of goods and services	6,871,767,390	7,081,367,655
Dividends distribution	-	5,042,686,000
Interest income	345,205,322	18,888,889

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	Transaction value	
	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Subsidiaries		
Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company		
Sales of goods	56,931,819	1,608,325,735
Proceeds from disposals of fixed assets	-	88,988,660,225
Purchases of goods	517,986,327,220	349,447,102,628
Interest income from prepayments to suppliers	4,294,339,730	447,916,667
Bien Hoa – Phan Rang Sugar Joint Stock Company		
Sales return of goods and sales discounts	8,727,476	1,798,146,239
Proceeds from disposals of fixed assets	12,214,101,109	2,781,142,857
Dividends received	7,655,266,800	-
Interest income from prepayments to suppliers	29,166,667	-
Bien Hoa Import Export Trading Joint Stock Company		
Sales of goods	483,133,925,723	-
Purchases of goods	304,477,756	-
Interest expense	372,563,765	-
Other related parties		
Thanh Thanh Cong Trading Joint Stock Company		
Purchases of goods and services	130,348,714,449	14,515,089,501
Interest income from prepayments to suppliers	1,475,930,555	2,785,343,532
Sales of goods and services	331,578,987,317	8,544,336,376
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company		
Sales of goods	6,545,456	-
Purchases of goods and services	485,481,986	382,450,000
Ben Tre Import Export Joint Stock Company		
Sales return of goods and sales discounts	26,529,352	-
Purchases of goods and services	7,443,379,865	-
Interest income	1,054,166,666	-
Tay Ninh Sugar Joint Stock Company		
Purchases of goods and services	46,187,142,858	-

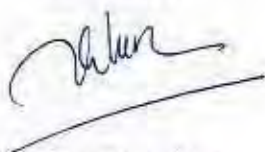
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	Transaction value	
	From 1/7/2016 to 31/12/2016 VND	From 1/7/2015 to 31/12/2015 VND
Hai Vi Co., Ltd		
Purchases of sugar cane	-	4,766,763,773
Sales of goods and services	3,153,072,101	4,173,331,356
Board of Directors and Board of Management		
Remuneration	553,125,000	564,599,461
Salary and compensation	2,339,718,905	1,955,120,993

25 February 2017

Prepared by:



Do Thi Thuy Tien
General Accountant



Nguyen Minh Tin
Chief Accountant

Approved by:



Tran Quoc Thao
Standing Deputy
General Director

DN