KPMG

**Bien Hoa Sugar Joint Stock Company and its subsidiaries**

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

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

| | | |
|---|---|---|
| **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<br>An Binh Ward<br>Bien Hoa City<br>Dong Nai Province<br>Vietnam | |
| **Auditor** | KPMG Limited<br>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 consolidated interim financial statements of the Company and its subsidiaries (together referred to as "the Group") for the six-month period ended 31 December 2016.

The Board of Directors is responsible for the preparation and fair presentation of the consolidated 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 the Board of Directors:

(a) the consolidated interim financial statements set out on pages 5 to 70 give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of the consolidated results of operations and the consolidated cash flows of the Group 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 Group 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 the accompanying consolidated 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

KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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# INTERIM FINANCIAL STATEMENTS REVIEW REPORT

**To the Shareholders**
**Bien Hoa Sugar Joint Stock Company**

We have reviewed the accompanying consolidated interim financial statements of Bien Hoa Sugar Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated interim balance sheet as at 31 December 2016 and the consolidated 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 70.

## Management's Responsibility

The Company's Board of Management and Board of Directors are responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Bien Hoa Sugar Joint Stock Company and its subsidiaries as at 31 December 2016 and of their consolidated results of operations and its consolidated 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
Review Report No.: 16-01-1080-1

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2013-007-1
*Deputy General Director*

Ho Chi Minh City, 25 February 2017

**Form B 01a – DN/HN**
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/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** | | **3,728,958,414,326** | **3,746,795,399,037** |
| **Cash and cash equivalents** | **110** | **5** | **351,226,157,886** | **519,674,944,557** |
| Cash | 111 | | 248,226,157,886 | 437,074,944,557 |
| Cash equivalents | 112 | | 103,000,000,000 | 82,600,000,000 |
| **Short-term financial investments** | **120** | **6** | **195,000,000,000** | **131,000,000,000** |
| Held-to-maturity investments | 123 | | 195,000,000,000 | 131,000,000,000 |
| **Accounts receivable – short-term** | **130** | | **2,060,691,380,779** | **1,622,611,542,866** |
| Accounts receivable from customers | 131 | 7 | 659,223,526,180 | 532,514,083,594 |
| Prepayments to suppliers | 132 | 8 | 590,288,875,082 | 500,867,125,679 |
| Loans receivable | 135 | 9 | 447,450,000,000 | 425,300,000,000 |
| Other receivables | 136 | 10 | 381,951,976,998 | 182,270,312,615 |
| Allowance for doubtful debts | 137 | 11 | (18,222,997,481) | (18,339,979,022) |
| **Inventories** | **140** | **12** | **946,193,042,770** | **1,412,244,897,765** |
| **Other current assets** | **150** | | **175,847,832,891** | **61,264,013,849** |
| Short-term prepaid expenses | 151 | 13(a) | 154,289,971,975 | 28,622,898,022 |
| Deductible value added tax | 152 | | 21,027,208,919 | 31,345,134,879 |
| Taxes receivable from State Treasury | 153 | 24(b) | 530,651,997 | 1,295,980,948 |

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

**Form B 01a – DN/HN**
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|---|---|
| **Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)** | **200** | | **2,299,000,869,549** | **2,226,192,392,980** |
| **Accounts receivable – long-term** | **210** | | **164,579,981,164** | **191,701,675,824** |
| Prepayments to suppliers – long-term | 212 | 8 | 37,403,374,418 | 19,747,297,824 |
| Loans receivable – long-term | 215 | 9 | 117,000,000,000 | 165,000,000,000 |
| Other long-term receivables | 216 | | 10,176,606,746 | 6,954,378,000 |
| **Fixed assets** | **220** | | **1,349,182,035,426** | **1,368,449,713,470** |
| Tangible fixed assets | 221 | 14 | 1,258,187,472,077 | 1,284,812,433,183 |
| *Cost* | *222* | | *1,895,618,819,610* | *1,851,015,238,005* |
| *Accumulated depreciation* | *223* | | *(637,431,347,533)* | *(566,202,804,822)* |
| Finance lease tangible fixed assets | 224 | 15 | 65,079,837,702 | 63,692,309,778 |
| *Cost* | *225* | | *69,295,190,731* | *65,806,692,123* |
| *Accumulated depreciation* | *226* | | *(4,215,353,029)* | *(2,114,382,345)* |
| Intangible fixed assets | 227 | 16 | 25,914,725,647 | 19,944,970,509 |
| *Cost* | *228* | | *39,420,135,403* | *34,357,757,765* |
| *Accumulated amortisation* | *229* | | *(13,505,409,756)* | *(14,412,787,256)* |
| **Investment property** | **230** | **17** | **57,590,079,020** | **59,092,428,908** |
| *Cost* | *231* | | *60,093,995,500* | *60,093,995,500* |
| *Accumulated depreciation* | *232* | | *(2,503,916,480)* | *(1,001,566,592)* |
| **Long-term work in progress** | **240** | | **167,683,660,665** | **120,567,157,794** |
| Construction in progress | 242 | 18 | 167,683,660,665 | 120,567,157,794 |
| **Long-term financial investments** | **250** | **19** | **370,889,448,726** | **288,819,751,053** |
| Investments in associates | 252 | | 187,595,032,026 | 96,108,096,319 |
| Equity investments in other entities | 253 | | 143,294,416,700 | 192,711,654,734 |
| Held-to-maturity investments | 255 | | 40,000,000,000 | - |
| **Other long-term assets** | **260** | | **189,075,664,548** | **197,561,665,931** |
| Long-term prepaid expenses | 261 | 13(b) | 149,470,824,480 | 147,820,030,015 |
| Deferred tax assets | 262 | 20 | 5,325,601,725 | 4,561,514,910 |
| Goodwill | 269 | 21 | 34,279,238,343 | 45,180,121,006 |
| **TOTAL ASSETS (270 = 100 + 200)** | **270** | | **6,027,959,283,875** | **5,972,987,792,017** |

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

**Form B 01a – DN/HN**
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/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** | | **3,750,112,501,892** | **3,832,763,699,679** |
| **Current liabilities** | **310** | | **3,124,554,142,039** | **3,192,388,996,268** |
| Accounts payable to suppliers | 311 | 22 | 204,046,761,498 | 375,919,715,308 |
| Advances from customers | 312 | 23 | 39,580,372,622 | 74,417,564,332 |
| Taxes payable to State Treasury | 313 | 24(a) | 29,739,584,372 | 14,182,472,481 |
| Payables to employees | 314 | | 13,633,043,316 | 42,241,938,567 |
| Accrued expenses | 315 | 25 | 63,357,522,333 | 43,313,667,761 |
| Other payables – short-term | 319 | 26 | 64,917,445,189 | 83,923,641,509 |
| Short-term borrowings, bonds and finanance lease liabilities | 320 | 27(a) | 2,670,066,666,482 | 2,524,684,378,266 |
| Bonus and welfare fund | 322 | 28 | 39,212,746,227 | 33,705,618,044 |
| **Long-term liabilities** | **330** | | **625,558,359,853** | **640,374,703,411** |
| Other payables – long-term | 337 | | 99,000,000 | 109,000,000 |
| Long-term borrowings, bonds and finance lease liabilities | 338 | 27(b) | 621,106,979,053 | 635,913,322,611 |
| Deferred tax liabilities | 341 | 20 | 3,352,380,800 | 3,352,380,800 |
| Science and technology development fund | 343 | | 1,000,000,000 | 1,000,000,000 |
| **EQUITY (400 = 410)** | **400** | | **2,277,846,781,983** | **2,140,224,092,338** |
| **Owners' equity** | **410** | **29** | **2,277,846,781,983** | **2,140,224,092,338** |
| Share capital | 411 | 30 | 1,295,111,980,000 | 1,295,111,980,000 |
| Share premium | 412 | | 449,522,400,000 | 461,712,700,000 |
| Foreign exchange differences | 417 | | 606,863,615 | 336,806,622 |
| Investment and development fund | 418 | 32 | 193,948,608,338 | 164,946,980,894 |
| Other equity funds | 420 | 33 | 25,215,725,000 | - |
| Retained profits | 421 | | 305,439,520,938 | 209,743,513,798 |
| *- Retained profits brought forward* | *421a* | | *160,266,464,121* | *13,152,652,380* |
| *- Profit for the current period* | *421b* | | *145,173,056,817* | *196,590,861,418* |
| Non-controlling interest | 429 | | 8,001,684,092 | 8,372,111,024 |
| **TOTAL RESOURCES (440 = 300 + 400)** | **440** | | **6,027,959,283,875** | **5,972,987,792,017** |

25 February 2017

| Prepared by: | | Approved by: |
|---|---|---|
| Do Thi Thuy Tien | Nguyen Minh Tin | Tran Quoc Thao |
| *General Accountant* | *Chief Accountant* | *Standing Deputy General Director* |

CÔNG TY CỔ PHẦN ĐƯỜNG BIÊN HÒA

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

**Bien Hoa Sugar Joint Stock Company and its subsidiaries**
**Consolidated interim statement of income for the six-month period ended 31 December 2016**

**Form B 02a – DN/HN**
*(Issued under No. 202/2014/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** | **35** | **2,508,338,470,900** | **2,061,481,941,848** |
| **Revenue deductions** | **02** | **35** | **13,353,270,008** | **8,982,844,730** |
| **Net revenue (10 = 01 - 02)** | **10** | **35** | **2,494,985,200,892** | **2,052,499,097,118** |
| **Cost of sales** | **11** | **36** | **2,169,081,792,543** | **1,797,931,973,446** |
| **Gross profit (20 = 10 - 11)** | **20** | | **325,903,408,349** | **254,567,123,672** |
| Financial income | 21 | 37 | 109,358,822,879 | 26,853,437,906 |
| Financial expenses | 22 | 38 | 99,964,835,633 | 37,443,181,399 |
| *In which: Interest expense* | *23* | | *92,471,331,150* | *33,977,597,759* |
| Share of profit in associates | 24 | 19 | 11,391,082,907 | 76,266,905 |
| Selling expenses | 25 | 39 | 90,429,605,464 | 46,044,237,609 |
| General and administration expenses | 26 | 40 | 87,900,378,453 | 67,171,310,832 |
| **Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}** | **30** | | **168,358,494,585** | **130,838,098,643** |
| Other income | 31 | 41 | 3,662,170,828 | 6,701,677,261 |
| Other expenses | 32 | | 4,011,329,883 | 2,773,236,649 |
| **Results of other activities (40 = 31 - 32)** | **40** | | **(349,159,055)** | **3,928,440,612** |
| **Accounting profit before tax (50 = 30 + 40)** | **50** | | **168,009,335,530** | **134,766,539,255** |
| **Income tax expense – current** | **51** | **43** | **23,600,365,528** | **27,555,649,332** |
| **Income tax (benefit)/expense – deferred** | **52** | **43** | **(764,086,815)** | **4,567,079,332** |
| **Net profit after tax (60 = 50 - 51 - 52)** | **60** | | **145,173,056,817** | **102,643,810,591** |

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

**Form B 02a – DN/HN**
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/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 |
|---|---|---|---|---|
| **Net profit after tax (60 = 50 - 51 - 52)** | **60** | | **145,173,056,817** | **102,643,810,591** |
| **Attributable to:** | | | | |
| Equity holders of the Company | 61 | | 144,760,285,198 | 102,628,898,599 |
| Non-controlling interest | 62 | | 412,771,619 | 14,911,992 |
| **Earnings per share** | | | | |
| Basic earnings per share | 70 | 44 | 1,024 | 1,179 |

25 February 2017

| Prepared by: | | Approved by: |
|---|---|---|
| Do Thi Thuy Tien<br>*General Accountant* | Nguyen Minh Tin<br>*Chief Accountant* | Tran Quoc Thao<br>*Standing Deputy General Director* |

CÔNG TY CỔ PHẦN ĐƯỜNG BIÊN HÒA

**Bien Hoa Sugar Joint Stock Company and its subsidiaries**
**Consolidated interim statement of cash flows for the six-month period ended 31 December 2016 (Indirect method)**

**Form B 03a – DN/HN**
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/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** | | **168,009,335,530** | **134,766,539,255** |
| **Adjustments for** | | | | |
| Depreciation and amortisation | 02 | | 81,913,771,612 | 33,740,499,951 |
| Allowances and provisions | 03 | | (116,981,541) | (4,426,357,494) |
| Exchange losses arising from revaluation of monetary items denominated in foreign currency | 04 | | 574,833,831 | - |
| Gains on disposals of fixed assets | 05 | | (138,266,568) | (5,655,307,577) |
| Interest income | 05 | | (37,001,260,102) | (23,196,155,946) |
| Share of profit in associates | 05 | | (11,391,082,907) | (76,266,905) |
| Dividends income | 05 | | (423,418,000) | (627,704,000) |
| Gain on disposals of investments | 05 | | (58,653,221,966) | - |
| Gain on disposal of a subsidiary | 05 | | (7,727,118,628) | - |
| Financial income from business combinations | 05 | | - | (2,169,648,650) |
| Interest expense | 06 | | 92,471,331,150 | 33,977,597,759 |
| **Operating profit before changes in working capital** | **08** | | **227,517,922,411** | **166,333,196,393** |
| Change in receivables | 09 | | (123,740,709,924) | (73,369,692,374) |
| Change in inventories | 10 | | 461,179,475,013 | 100,304,344,251 |
| Change in payables and other liabilities | 11 | | (233,512,372,625) | 344,874,031,227 |
| Change in prepaid expenses | 12 | | (147,712,099,196) | (30,141,963,265) |
| | | | **183,732,215,679** | **507,999,916,232** |
| Interest paid | 14 | | (91,711,136,335) | (31,368,088,333) |
| Income tax paid | 15 | | (22,362,473,806) | (33,845,308,497) |
| Other payments for operating activities | 17 | | (9,788,012,630) | (9,474,689,836) |
| **Net cash flows from operating activities** | **20** | | **59,870,592,908** | **433,311,829,566** |

**Form B 03a – DN/HN**

*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/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 INVESTING ACTIVITIES** | | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | | (357,853,021,584) | (170,287,951,971) |
| Proceeds from disposals of fixed assets | 22 | | 6,948,442,155 | 91,933,136,791 |
| Payments for granting loans of other entities and term deposits at banks | 23 | | (434,000,000,000) | (652,346,940,000) |
| Receipts from collecting loans of other entities and term deposits at banks | 24 | | 395,850,000,000 | 317,793,880,000 |
| Payments for investments in other entities | 25 | | (128,041,952,800) | (7,198,106,000) |
| Acquisitions of subsidiaries, net of cash acquired | | | - | (8,861,363,765) |
| Net proceeds from disposal of investments in a subsidiary, net of cash disposed | | | 21,631,953,809 | - |
| Proceeds from disposals of investments in other entities | 26 | | 114,218,310,000 | - |
| Receipts of interest and dividends | 27 | | 43,515,363,055 | 23,696,067,987 |
| **Net cash flows from investing activities** | **30** | | **(337,730,905,365)** | **(405,271,276,958)** |

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

**Bien Hoa Sugar Joint Stock Company and its subsidiaries**
**Consolidated interim statement of cash flows for the six-month period ended 31 December 2016 (Indirect method – continued)**

**Form B 03a – DN/HN**
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/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 | 32 | | - | (41,000,000) |
| Proceeds from borrowings | 33 | | 3,122,206,523,494 | 1,978,619,905,902 |
| Payments to settle loan principals | 34 | | (3,003,576,858,785) | (1,819,421,215,673) |
| Payments to settle finance lease liabilities | 35 | | (8,782,952,938) | - |
| Payments of dividends | 36 | | (466,505,600) | (61,333,648,800) |
| **Net cash flows from financing activities** | **40** | | **109,380,206,171** | **97,824,041,429** |
| **Net cash flows during the period (50 = 20 + 30 + 40)** | **50** | | **(168,480,106,286)** | **125,864,594,037** |
| **Cash and cash equivalents at beginning of the period** | **60** | | **519,674,944,557** | **39,259,307,816** |
| **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** | **351,226,157,886** | **165,123,901,853** |

25 February 2017

Prepared by:

Approved by:

CÔNG TY CỔ PHẦN ĐƯỜNG BIÊN HÒA

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 consolidated interim financial statements*

These notes form an integral part of and should be read in conjunction with the accompanying consolidated 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 Group are to produce sugar; plant sugar cane; produce and trade products using sugar or its by-products, waste products; produce and trade fertilizer and agricultural materials; produce and sell electricity; and provide technology and management consultation services relating to sugar's production industry.

## (c) Normal operating cycle

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

## (d) Group structure

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 at as 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 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.

- 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.

As at 31 December 2016, the Group has 7 subsidiaries and 2 associates (1/7/2016: 8 subsidiaries and 2 associates), as follows:

| Company | Principal activities | Business Registration Certificate | Effective ownership interest | |
|---|---|---|---|---|
| | | | 31/12/2016 | 1/7/2016 |
| *Subsidiaries* | | | | |
| Hai Vi Co., Ltd ("Hai Vi") (vi) | Planting sugar cane; producing and trading fertilizer, agricultural materials. | Business Registration Certificate No. 3900244283 issued by the Department of Planning and Investment of Tay Ninh Province on 23 May 1997. | 1% | 100% |
| Bien Hoa – Thanh Long One Member Limited Liability Company ("Bien Hoa – Thanh Long") (i) | Planting sugar cane; producing and trading fertilizer, agricultural materials. | Business Registration Certificate No. 3900854955 issued by the Department of Planning and Investment of Tay Ninh Province on 8 December 2009. | 100% | 100% |
| Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company ("NHS") (ii) | Producing sugar; planting sugar cane; producing and trading products using sugar or its by-products, waste products; producing and trading fertilizer | Business Registration Certificate No. 4200636590 issued by the Department of Planning and Investment of Khanh Hoa Province on 20 November 2015. | 100% | 100% |
| Mien Trung Bovine Breeding Joint Stock Company ("Mien Trung Bovine") (ii) | Breeding cows; planting sugar cane and other industrial crops; trading cattle feed; processing woods and other forestry; afforesting. | Business Registration Certificate No. 3703000180 issued by the Planning and Investment Department of Khanh Hoa Province on 21 December 2005. | 90.1% | 66.97% |

| Company | Principal activities | Business Registration Certificate | Effective ownership interest 31/12/2016 | Effective ownership interest 1/7/2016 |
|---|---|---|---|---|
| Ninh Hoa Thermoelectricity One Member Limited Liability Company ("Ninh Hoa Thermoelectricity") (ii) (v) | Manufacturing electricity; providing electricity system installation service. | Business Registration Certificate No. 4201575358 issued by the Planning and Investment Department of Khanh Hoa Province on 9 October 2013. | 100% | 100% |
| Ninh Hoa Sugar Private Limited Company ("NHS PTE") (ii) | Trading sugar, other by-products from sugar cane and agricultural products. | Certificate of Foreign Investment No. 734/BKHDT-DTRNN dated 12 August 2014 issued by the Ministry of Planning and Investment. | 100% | 100% |
| Bien Hoa – Phan Rang Sugar Joint Stock Company ("Phan Rang Sugar") (iii) | Producing sugar; planting sugar cane; producing and trading products using sugar or its by-products, waste products; producing and trading fertilizer. | Business Registration Certificate No. 4303000027 issued by the Department of Planning and Investment of Ninh Thuan Province on 21 August 2015. | 94.51% | 94.51% |
| Bien Hoa Import Export Trading Joint Stock Company ("Bien Hoa Trading") (iv) | Trading sugar and products using sugar as material; trading foods and beverages. | Business License No. 0313733213 issued by the Department of Planning and Investment of Ho Chi Minh City on 4 April 2016. | 98% | 98% |
| *Associates* | | | | |
| Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company ("Thanh Thanh Cong Sugarcane") (ii) | Doing research and planting sugar cane sprouts; developing cultivation and plant protection products; producing and developing mechanic machinery for sugar cane production. | Business Registration Certificate No. 3901162964 issued by the Department of Planning and Investment of Tay Ninh Province on 21 March 2013. | 38.00% | 38.00% |

| Company | Principal activities | Business Registration Certificate | Effective ownership interest 31/12/2016 | 1/7/2016 |
|---|---|---|---|---|
| Tay Ninh Sugar Joint Stock Company ("Tay Ninh Sugar") | Planting sugar cane; producing and trading sugar, tapioca and rubber. | Business License No. 3900243272 issued by the Department of Planning and Investment of Tay Ninh Province on 23 May 2007. | 43.20% | 26.49% |

(i) As at 31 December 2016, the Company has not contributed capital to Bien Hoa – Thanh Long and this company was still in pre-operating stage.

(ii) In accordance with Resolution dated 27 June 2014, shareholders approved the Company to acquire additional 99.34% equity interests in Ninh Hoa Sugar Joint Stock Company ("NHS") by issuing ordirary shares of the Company for NHS's existing shareholders with conversion rate of 1:1. On 9 July 2014, the Board of Management of the Company approved to issue additional 60,349,080 shares for the above mentioned acquisition and the acquisition was completed on 31 October 2015. After the Company owned 100% shares of NHS, NHS has changed its legal form to one member limited liability company. NHS had following subsidiaries as at 31 December 2016:

| Company | Effective ownership interest 31/12/2016 |
|---|---|
| Mien Trung Bovine Breeding Joint Stock Company | 90.1% |
| Ninh Hoa Thermoelectricity One Member Limited Liability Company | 100% |
| Ninh Hoa Sugar Private Limited Company | 100% |

In addition, as a result of this acquisition, the Group's economic interests in Thanh Thanh Cong Sugarcane increased from 24% to 38% since 31 October 2015. The increase represented NHS's economic interest in Thanh Thanh Cong Sugarcane as at 31 October 2015.

(iii) In accordance with Resolution dated 26 October 2015, shareholders approved the Company to acquire additional 87.54% equity interests in Phan Rang Sugar Joint Stock Company for a cash consideration of VND78,781 million. The acquisition was completed on 31 October 2015.

(iv) The Company has contributed capital amounting to VND117,600 million equivalent to 98% equity interests into Bien Hoa Import Export Trading Joint Stock Company on 31 May 2016.

(v) The Members' Council of Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company, on 9 May 2016 resolved to dispose 49% of its equity interests in Ninh Hoa Thermoelectriciy. As at the date of this report, the disposal has not been completed.

(vi) During the period, the Company disposed 99% of its equity interests in Hai Vi.

As at 31 December 2016, the Group had 2,227 employees (1/7/2016: 1,872 employees).

## 2. Basis of preparation

### (a) Statement of compliance

These consolidated 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.

### (b) Basis of measurement

The consolidated interim financial statements, except for the consolidated interim statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated 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 Group in the preparation of these consolidated interim financial statements.

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

### (a) Basis of consolidation

#### *(i) Subsidiaries*

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

#### *(ii) Non-controlling interests*

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

### *(iii) Loss of control*

When the Group losses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated interim income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the separate interim financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

### *(iv) Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated interim financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in associates, the carrying amount of that interest (including any long-term financial investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associates.

### *(v) Transactions eliminated on consolidation*

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associates.

## (b) Foreign currency

### *(i) 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 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.

### *(ii) Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to VND at exchange rates at the end of the accounting period. The income and expenses of foreign operations are translated to VND at exchange rates at the dates of transactions.

Foreign currency differences arising from the translation of foreign operations are recognised in the consolidated interim balance sheet under the caption "Foreign exchange differences" in equity.

## (c) 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.

## (d) Investments

### *(i) Held-to-maturity investments*

Held-to-maturity investments are those that the management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investment are stated at cost less allowance for doubtful debts.

### *(ii) Investments in equity instruments of other entities*

Investments in equity instruments of other entities when the Group does not exercise control or significant influence 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 or its subsidiaries' 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.

### (e) Accounts receivable

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

### (f) 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 Group'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.

### (g) 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 Group applies the perpetual method of accounting for inventory.

## (h) 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 consolidated 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 | 5 – 25 years |
| ▪ machinery and equipment | 5 – 20 years |
| ▪ motor vehicles | 3 – 10 years |
| ▪ office equipment | 3 – 10 years |

## (i) Finance lease tangible fixed assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in accounting policy 3(h).

## (j) 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 Group 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 consolidated 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.

## (k) 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 consolidated 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 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.

### *(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 |

## (l) 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.

## (m) Long-term prepaid expenses

### *(i) Prepaid land costs*

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group 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 consolidated interim statement of income on a straight-line basis over the term of the lease of 6 years to 50 years.

### *(ii) Tools and equipment*

Tools and equipment include assets held for use by the Group 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.

## (n) Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated interim statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

## (o) Trade and other payables

Trade and other payables are stated at their cost.

## (p) Provisions

A provision is recognised if, as a result of a past event, the Group 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.

### (q) 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.

### (r) Bonus and welfare funds

Allocations from retained profits are made to bonus and welfare funds based on shareholders' resolution at their meetings. These funds are used exclusively to pay bonus and welfare to the Group's staffs. Payments from bonus and welfare fund are not charged to consolidated interim statement of income.

### (s) 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.

### (t) Equity funds

Allocations from retained profits are made to equity funds based on the shareholders' resolution at their meetings.

### (u) 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 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.

## (v) 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) Electricity sold*

Revenue is recognised based on the volume of electricity delivered and the sales price agreed with the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

### *(iii) 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 end of 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.

### *(iv) Interest income*

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

### *(v) 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.

## (w) 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 statement of income as an integral part of the total lease expense.

### (x) 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.

### (y) Earnings per share

The Group presents basic earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare funds for the accounting period) of the Company by the weighted average number of ordinary shares outstanding during the period. The Company does not have any potential dilutive ordinary share.

### (z) Segment reporting

A segment is a distinguishable component of the Group 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 Group primary format for segment reporting is based on business segments.

### (aa) Related parties

Parties are considered to be related to the Group 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 Group 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 Group 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 | 707,721,475 | 672,093,351 |
| Cash at banks | 247,518,436,411 | 436,402,851,206 |
| Cash equivalents | 103,000,000,000 | 82,600,000,000 |
| | 351,226,157,886 | 519,674,944,557 |

At 31 December 2016, cash at banks with carrying amount of VND2 billion was pledged with banks as security for loans granted to the Group (1/7/2016: VND2 billion).

## 6. Short-term financial investments

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Term deposits | 195,000,000,000 | 131,000,000,000 |

Short-term financial investment represented term deposits at banks with original term to maturity of more than three months but less than twelve months from transaction dates. The term deposits were denominated in VND and earned interest at rates ranging from 4.8% to 6.8% per annum during the period (six-month period ended 31/12/2015: 5.75%).

At 31 December 2016, short-term financial investments with carrying amount of VND194 billion was pledged with banks as security for loans granted to the Group (1/7/2016: VND131 billion).

## 7. Accounts receivable from customers

### (a) Accounts receivable from customers detailed by significant customers

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Global Mind Commodities Trading Pte Ltd | 170,821,115,200 | 4,561,786,800 |
| Thanh Thanh Cong Investment Joint Stock Company | 11,198,760,296 | 8,534,465,784 |
| Thanh Thanh Cong Trading Joint Stock Company | 149,968,191,747 | 6,006,658 |
| FrieslandCampina Vietnam Company Limited | 51,368,912,700 | 61,562,172,000 |
| Thanh Thanh Cong Tay Ninh Joint Stock Company | 50,988,085,711 | 174,154,194,588 |
| Other customers | 224,878,460,526 | 283,695,457,764 |
| | 659,223,526,180 | 532,514,083,594 |

### (b) Accounts receivable from customers classified by payment term

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Short-term | 659,223,526,180 | 532,514,083,594 |

### (c) Accounts receivable from customers who are related parties

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Thanh Thanh Cong Trading Joint Stock Company | 149,968,191,747 | 6,006,658 |
| Thanh Thanh Cong Tay Ninh Joint Stock Company | 50,988,085,711 | 174,154,194,588 |
| Thanh Thanh Cong Investment Joint Stock Company | 11,198,760,296 | 8,534,465,784 |
| Loc Tho Joint Stock Company | 1,974,696,084 | - |
| Ben Tre Import and Export Joint Stock Company | 805,420,974 | - |
| Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company | 42,690,000 | - |
| Thuan Thien Investment Trading Joint Stock Company | 7,146,000 | 26,620,550 |

The trade related amounts due from related parties were unsecured, interest free and are receivable within 15 – 30 days from invoice dates.

At 31 December 2016, accounts receivable with carrying amount of VND501 billion (1/7/2016: VND491 billion) was pledged with banks as security for loans granted to the Group.

## 8. Prepayments to suppliers

### (a) Prepayments to suppliers detailed by significant suppliers

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Prepayments to sugar cane farmers | 363,911,248,940 | 251,132,103,444 |
| Son Tin Commodity Exchange Joint Stock Company | 126,824,800,000 | - |
| Others | 136,956,200,560 | 269,482,320,059 |
| | 627,692,249,500 | 520,614,423,503 |

### (b) Prepayments to suppliers classified by payment term

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Short-term | 590,288,875,082 | 500,867,125,679 |
| Long-term | 37,403,374,418 | 19,747,297,824 |
| | 627,692,249,500 | 520,614,423,503 |

### (c) Prepayments to suppliers who are related parties

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Son Tin Commodity Exchange Joint Stock Company | 126,824,800,000 | - |
| Thuan Thien Trading Investment Company Limited | 63,172,415,745 | 11,509,412,465 |
| Hai Vi Co., Ltd | 9,327,707,486 | - |
| Thanh Thanh Cong Tay Ninh Joint Stock Company | 1,214,000,000 | - |
| Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company | 940,019,470 | 112,668,750 |

The prepayments to related parties were unsecured and earned interest at rates ranging from 7.5% to 9.0% per annum during the period (six-month period ended 31/12/2015: from 7.5% to 8.5%).

The prepayments to sugar cane farmers were partially secured by the farmers' land use rights and earned interest at rates ranging from 0.8% to 0.9% per month during the period (six-month period ended 31/12/2015: 0.8%). The prepayments to sugar cane farmers are receivable within 1 to 4 years from drawdown dates.

During the period, the Group netted off purchase of sugar cane with total amount of VND77,848 million against prepayments to and interest receivables from sugar cane farmers (six-month period ended 31/12/2015: VND64,289 million).

## 9. Loans receivable

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Loans receivable from related parties: | | |
| Thanh Thanh Cong Investment Joint Stock Company | 487,350,000,000 | 317,500,000,000 |
| Ben Tre Import and Export Joint Stock Company | 75,000,000,000 | 75,000,000,000 |
| Thuan Thien Trading Investment Company Limited | - | 69,000,000,000 |
| Thanh Thanh Cong Trading Joint Stock Company | - | 80,000,000,000 |
| Loans receivable from third parties: | | |
| Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company | 2,000,000,000 | 48,000,000,000 |
| Others | 100,000,000 | 800,000,000 |
| | 564,450,000,000 | 590,300,000,000 |
| Short-term | 447,450,000,000 | 425,300,000,000 |
| Long-term | 117,000,000,000 | 165,000,000,000 |

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

## 10. Other receivables

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Short-term deposits (*) | 328,703,833,738 | 43,442,229,250 |
| Advances to employees | 19,718,366,406 | 14,008,153,506 |
| Interest income receivables from sugar cane farmers | 2,694,015,375 | 8,784,700,328 |
| Receivables from disposals of investments in Gia Lai Electricity Joint Stock Company shares | - | 101,430,000,000 |
| Others | 30,835,761,479 | 14,605,229,531 |
| | 381,951,976,998 | 182,270,312,615 |

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

## 11. 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 | | 10,676,252,069 | (7,013,910,188) | 3,662,341,881 | | 7,644,036,827 | (6,215,207,414) | 1,428,829,413 |
| | | 21,522,357,371 | (16,784,253,630) | 4,738,103,741 | | 19,441,510,758 | (16,901,235,171) | 2,540,275,587 |
| **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) | - | 4,933 | 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) | - |
| *Of which:* | | | | | | | | |
| Allowance for doubtful debts – short-term | | | (18,222,997,481) | | | | (18,339,979,022) | |

## 12. Inventories

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Goods in transit | 96,127,080,500 | 52,256,152 |
| Raw materials | 474,857,908,812 | 422,884,188,304 |
| Tools and supplies | 15,931,768,857 | 17,232,294,991 |
| Work in progress | 102,968,823,255 | 63,251,848,847 |
| Finished goods | 238,403,681,735 | 871,805,731,516 |
| Merchandise inventories | 17,903,779,611 | 26,167,258,588 |
| Goods on consignment | - | 10,851,319,367 |
| | 946,193,042,770 | 1,412,244,897,765 |

At 31 December 2016, inventories with carrying amount of VND701 billion (1/7/2016: VND989 billion) were pledged with banks as security for loans granted to the Group.

## 13. Prepaid expenses

### (a) Short-term prepaid expenses

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Prepaid expenses for the next production season | 84,054,872,175 | 21,047,003,529 |
| Maintenance of fixed assets | 34,384,713,141 | 3,540,076,234 |
| Others | 35,850,386,659 | 4,035,818,259 |
| | 154,289,971,975 | 28,622,898,022 |

### (b) Long-term prepaid expenses

| | Prepaid land cost VND | Tools and equipment VND | Total VND |
|---|---|---|---|
| Opening balance | 134,460,707,899 | 13,359,322,116 | 147,820,030,015 |
| Additions | 3,727,246,962 | 8,604,598,331 | 12,331,845,293 |
| Amortisation for the period | (2,436,766,531) | (8,244,284,297) | (10,681,050,828) |
| Closing balance | 135,751,188,330 | 13,719,636,150 | 149,470,824,480 |

At 31 December 2016, long-term prepaid expenses with carrying amount of VND126 billion (1/7/2016: VND128 billion) were pledged with banks as security for loans granted to the Group.

## 14. Tangible fixed assets

| | Buildings and structures VND | Machinery and equipment VND | Motor vehicles VND | Office equipment VND | Total VND |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Opening balance | 315,707,205,576 | 1,466,785,800,307 | 51,336,336,549 | 17,185,895,573 | 1,851,015,238,005 |
| Additions | 33,100,000 | 31,261,943,027 | 1,354,127,273 | 268,887,690 | 32,918,057,990 |
| Transfer from construction in progress | 1,164,767,563 | 18,564,472,580 | 829,342,560 | 609,531,728 | 21,168,114,431 |
| Reclassifications | (1,108,482,470) | 543,442,339 | - | 1,239,620,982 | 674,580,851 |
| Disposals | - | (5,197,037,442) | (3,590,467,930) | - | (8,787,505,372) |
| Decrease through disposal of a subsidiary | (814,116,029) | (555,550,266) | - | - | (1,369,666,295) |
| Closing balance | 314,982,474,640 | 1,511,403,070,545 | 49,929,338,452 | 19,303,935,973 | 1,895,618,819,610 |
| **Accumulated depreciation** | | | | | |
| Opening balance | 107,494,280,419 | 434,995,771,355 | 16,624,521,787 | 7,088,231,261 | 566,202,804,822 |
| Charge for the period | 9,253,165,290 | 60,533,025,428 | 3,212,234,963 | 1,189,965,690 | 74,188,391,371 |
| Reclassifications | (73,898,832) | 30,672,421 | - | 181,828,990 | 138,602,579 |
| Disposals | - | (600,983,749) | (1,376,346,036) | - | (1,977,329,785) |
| Decrease through disposal of a subsidiary | (565,571,188) | (555,550,266) | - | - | (1,121,121,454) |
| Closing balance | 116,107,975,689 | 494,402,935,189 | 18,460,410,714 | 8,460,025,941 | 637,431,347,533 |
| **Net book value** | | | | | |
| Opening balance | 208,212,925,157 | 1,031,790,028,952 | 34,711,814,762 | 10,097,664,312 | 1,284,812,433,183 |
| Closing balance | 198,874,498,951 | 1,017,000,135,356 | 31,468,927,738 | 10,843,910,032 | 1,258,187,472,077 |

Included in the cost of tangible fixed assets were assets costing VND214,785 million which were fully depreciated as of 31 December 2016 (1/7/2016: VND186,648 million), but which are still in active use.

At 31 December 2016, tangible fixed assets with net book value of VND785 billion were pledged with banks as security for loans granted to the Group (1/7/2016: VND869 billion).

## 15. Finance lease tangible fixed assets

| | Machinery and equipment VND |
|---|---|
| **Cost** | |
| Opening balance | 65,806,692,123 |
| Additions | 3,488,498,608 |
| Closing balance | 69,295,190,731 |
| **Accumulated depreciation** | |
| Opening balance | 2,114,382,345 |
| Charge for the period | 2,100,970,684 |
| Closing balance | 4,215,353,029 |
| **Net book value** | |
| Opening balance | 63,692,309,778 |
| Closing balance | 65,079,837,702 |

The Group leases production machinery and equipment under finance lease agreements. At the end of the lease the Group has the option to purchase the machinery and equipment at a beneficial price. The leased machinery and equipment secure the lease obligations (Note 27).

## 16. Intangible fixed assets

| | Land use rights VND | Development costs VND | Software VND | Total VND |
|---|---|---|---|---|
| **Cost** | | | | |
| Opening balance | 27,648,065,199 | 3,544,271,167 | 3,165,421,399 | 34,357,757,765 |
| Additions | 6,691,520,232 | - | - | 6,691,520,232 |
| Transfer from construction in progress | 1,495,518,000 | - | - | 1,495,518,000 |
| Reclassifications | - | - | (1,239,620,982) | (1,239,620,982) |
| Decrease through disposal of a subsidiary | (1,167,385,487) | (717,654,125) | - | (1,885,039,612) |
| Closing balance | 34,667,717,944 | 2,826,617,042 | 1,925,800,417 | 39,420,135,403 |
| **Accumulated amortisation** | | | | |
| Opening balance | 9,960,597,665 | 3,228,615,108 | 1,223,574,483 | 14,412,787,256 |
| Charge for the period | 607,536,618 | 22,669,554 | 316,476,431 | 946,682,603 |
| Reclassifications | - | - | (181,828,980) | (181,828,980) |
| Decrease through disposal of a subsidiary | (1,167,385,487) | (504,845,636) | - | (1,672,231,123) |
| Closing balance | 9,400,748,796 | 2,746,439,026 | 1,358,221,934 | 13,505,409,756 |
| **Net book value** | | | | |
| Opening balance | 17,687,467,534 | 315,656,059 | 1,941,846,916 | 19,944,970,509 |
| Closing balance | 25,266,969,148 | 80,178,016 | 567,578,483 | 25,914,725,647 |

Included in the cost of intangible fixed assets were assets costing VND10,233 million which were fully amortised as of 31 December 2016 (1/7/2016: VND9,752 million), but which are still in active use.

## 17. 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 VND58 billion (1/7/2016: VND59 billion) was pledged with banks as security for loans granted to the Group.

## 18. Construction in progress

| | From 1/7/2016 to 31/12/2016 VND | From 1/7/2015 to 31/12/2015 VND |
|---|---|---|
| Opening balance | 120,567,157,794 | 129,151,868,730 |
| Acquisitions of subsidiaries | - | 159,671,420,226 |
| Additions during the period | 69,780,135,302 | 160,560,663,912 |
| Transfer to tangible fixed assets | (21,168,114,431) | (45,443,465,810) |
| Transfer to intangible fixed assets | (1,495,518,000) | (1,762,423,500) |
| Transfer to finance lease tangible fixed assets | - | (5,335,745,620) |
| Transfer to prepaid expenses | - | (10,898,160,488) |
| Closing balance | 167,683,660,665 | 385,944,157,450 |

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 |
| Construction in progress at Head Office | 18,149,763,681 | 14,293,455,545 |
| Construction in progress at Thanh Long | 20,600,165,054 | 19,611,420,423 |
| Construction in progress at Tri An | 4,237,627,743 | 8,845,623,334 |
| Construction in progress at Ninh Hoa and Phan Rang | 49,539,529,064 | 7,807,357,706 |
| Construction in progress at Tay Ninh | 857,358,157 | 829,342,560 |
| Others | 11,104,434,304 | 5,985,175,564 |
| | 167,683,660,665 | 120,567,157,794 |

(*) 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 consolidated financial statements.

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

At 31 December 2016 constructions in progress with carrying amount of VND18 billion (1/7/2016: VND19 billion) were pledged with banks as security for loans granted to the Group.

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

## 19. Long-term financial investments

| | 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 associates:** | | | | | | | | | | |
| ▪ Thanh Thanh Cong Sugarcane Research and Application JSC | 1,140,000 | 38.00% | 10,752,229,734 | - | (*) | 1,140,000 | 38.00% | 11,306,092,064 | - | (*) |
| ▪ Tay Ninh Sugar JSC | 12,703,166 | 43.20% | 176,842,802,292 | - | (*) | 7,789,310 | 26.49% | 84,802,004,255 | - | (*) |
| | | | 187,595,032,026 | - | | | | 96,108,096,319 | - | |
| **Long-term equity investments in other entities:** | | | | | | | | | | |
| ▪ Son Duong Sugar JSC | 1,778,355 | 13.08% | 17,360,136,000 | - | (*) | 1,185,570 | 13.08% | 11,432,286,000 | - | (*) |
| ▪ Thanh Thanh Cong Tay Ninh JSC | 10,895,238 | 4.30% | 125,714,280,700 | - | 266,933,321,200 | 12,234,472 | 6.59% | 181,279,368,734 | - | 381,715,526,400 |
| ▪ Hai Vi Co., Ltd | | 1.00% | 220,000,000 | - | (*) | | - | - | - | |
| | | | 143,294,416,700 | - | | | | 192,711,654,734 | - | |
| **Other long-term investments:** | | | | | | | | | | |
| Term deposits | | | 40,000,000,000 | | | | | - | | |
| | | | 370,889,448,726 | - | | | | 288,819,751,053 | - | |

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

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 dates.

Movements of long-term financial investments in associates 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 | 96,108,096,319 | 7,133,049,000 |
| Acquisitions of subsidiaries | - | 4,200,000,000 |
| Additions | 80,095,852,800 | - |
| Change in the Group's share of net assets | - | (55,817,629) |
| Share of profit in associates | 11,391,082,907 | 76,266,905 |
| Closing balance | 187,595,032,026 | 11,353,498,276 |

Movements of long-term equity investments in other entities 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 | 192,711,654,734 | 77,704,479,384 |
| Acquisitions of subsidiaries | - | 283,939,586,400 |
| Additions | 6,147,850,000 | 7,198,106,000 |
| Transfer to investments in subsidiaries | - | (10,441,927,350) |
| Collections of long-term bank deposits | - | (49,000,000,000) |
| Dividend received which are attributable to the period before investment acquisition date | - | (5,866,665,700) |
| Disposal of investments in Thanh Thanh Cong Tay Ninh Joint Stock Company's shares (**) | (55,565,088,034) | - |
| Closing balance | 143,294,416,700 | 303,533,578,734 |

(**) During the period, the Group disposed 2.08% its equity interests in Thanh Thanh Cong Tay Ninh Joint Stock Company. The disposal was summarised as follows:

| | VND |
|---|---|
| Sale consideration | 114,218,310,000 |
| Investments cost at the date of disposal | (55,565,088,034) |
| Gain on disposal of investments | 58,653,221,966 |

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 |

At 31 December 2016, part of long-term financial investments in Thanh Thanh Cong Tay Ninh Joint Stock Company's shares with carrying amount of VND115 billion were pledged with banks as security for loans granted to the Group (1/7/2016: VND165 billion).

## 20. Deferred tax assets and liabilities

| | 31/12/2016 | | 1/7/2016 | |
|---|---|---|---|---|
| | Deferred tax assets VND | Deferred tax liabilities VND | Deferred tax assets VND | Deferred tax liabilities VND |
| Accruals and provisions | 1,928,703,378 | - | 1,928,703,378 | - |
| Unrealised profit | 3,396,898,347 | - | 2,632,811,532 | - |
| Equity investments in other entities | - | (3,352,380,800) | - | (3,352,380,800) |
| Total deferred tax assets/(liabilities) | 5,325,601,725 | (3,352,380,800) | 4,561,514,910 | (3,352,380,800) |

## 21. Goodwill

| | VND |
|---|---|
| **Cost** | |
| Opening balance | 62,176,075,966 |
| Decrease through disposal of a subsidiary | (21,813,192,278) |
| Closing balance | 40,362,883,688 |
| **Accumulated amortisation** | |
| Opening balance | 16,995,954,960 |
| Amortisation for the period | 3,175,377,066 |
| Decrease through disposal of a subsidiary | (14,087,686,681) |
| Closing balance | 6,083,645,345 |
| **Net book value** | |
| Opening balance | 45,180,121,006 |
| Closing balance | 34,279,238,343 |

## 22. 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 Commdities Trading Pte Ltd | 96,127,080,500 | - |
| Other suppliers | 107,919,680,998 | 375,919,715,308 |
| | 204,046,761,498 | 375,919,715,308 |

### (b) Accounts payable to suppliers classified by payment terms

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Short-term | 204,046,761,498 | 375,919,715,308 |

### (c) Accounts payable to suppliers who are related parties

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Thanh Thanh Cong Investment Joint Stock Company | 2,375,626,312 | 2,469,160,491 |
| Ben Tre Import and Export Joint Stock Company | 1,330,265,418 | 1,703,896,800 |
| Hai Vi Co., Ltd | 784,511,333 | - |
| Thanh Thanh Cong Tay Ninh Joint Stock Company | 239,543,697 | 220,671,267,055 |
| Thuan Thien Trading Investment Company Limited | 171,380,000 | 2,472,649,840 |
| Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company | 95,127,586 | - |
| Thanh Thanh Cong Trading Joint Stock Company | - | 133,070,769 |
| Tay Ninh Sugar Joint Stock Company | - | 10,000,000 |

The trade related amounts due to the related parties were unsecured, interest free and are payable within 30 days from invoices dates.

### (d) Overdue account payable

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

## 23. Advance from customers

Advances from customers included the following advances from related parties:

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Advances from related parties | 20,744,652,127 | 5,603,955,912 |

The advances from related parties were unsecured and interest free.

## 24. Taxes receivable from and payable to State Treasury

### (a) Taxes payable to State Treasury

| | 1/7/2016 VND | Disposal of a subsidiary VND | Incurred VND | Paid/Net-off/ Reclassified VND | 31/12/2016 VND |
|---|---|---|---|---|---|
| **Taxes** | | | | | |
| Corporate income tax | 12,291,140,705 | - | 23,600,365,528 | (22,343,668,313) | 13,547,837,920 |
| Value added tax | 1,755,497,642 | - | 138,652,857,445 | (124,575,494,445) | 15,832,860,642 |
| Value added tax on imported goods | - | - | 18,701,492,064 | (18,701,492,064) | - |
| Special consumption tax | - | - | 1,417,742 | (1,417,742) | - |
| Import-export tax | - | - | 20,379,214,299 | (20,379,214,299) | - |
| Personal income tax | 130,549,822 | - | 3,085,595,899 | (2,872,835,067) | 343,310,654 |
| Other taxes | 5,284,312 | (47,943,354) | 1,913,434,488 | (1,855,200,290) | 15,575,156 |
| | 14,182,472,481 | (47,943,354) | 206,334,377,465 | (190,729,322,220) | 29,739,584,372 |

### (b) Taxes receivable from State Treasury

| | 1/7/2016 VND | Disposal of a subsidiary VND | Incurred VND | Refunded/ Reclassified VND | 31/12/2016 VND |
|---|---|---|---|---|---|
| **Taxes refundable from State Treasury** | | | | | |
| Other taxes | 1,295,980,948 | (684,021,000) | 175,905,481 | (257,213,432) | 530,651,997 |

## 25. Accrued expenses

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Supports for sugar cane farmers | 10,366,861,811 | 18,810,928,781 |
| Interest expense | 8,606,048,929 | 7,778,194,519 |
| Sales support | 12,911,176,624 | 6,443,055,152 |
| Transportation expense | 15,698,554,187 | 1,224,310,226 |
| 13th salary | 5,449,651,379 | - |
| Others | 10,325,229,403 | 9,057,179,083 |
| | 63,357,522,333 | 43,313,667,761 |

## 26. 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 |
| Salary and perdiem for saleman | 5,709,316,069 | 2,112,986,157 |
| Dividends payables | 4,609,023,300 | 4,630,795,700 |
| Harvest and transportation deposits payables to sugar cane farmers | 4,155,168,903 | 326,439,185 |
| Short-term deposits and collaterals received | 2,542,246,107 | 1,395,961,625 |
| Payables to sugar cane farmers | 12,547,870 | 5,988,942,248 |
| Advance from Finance Department of Khanh Hoa Province | - | 20,000,000,000 |
| Bonus of Boards of Management, Directors and Supervisors | - | 3,917,392,948 |
| Boards of Management and Supervisors operation fund | - | 6,450,175,000 |
| Others | 14,716,436,690 | 5,928,242,396 |
| | 64,917,445,189 | 83,923,641,509 |

(*) Payables to Brightway Group Co., Ltd represented advance from Brightway Group Co., Ltd for the transfer of sugar factory manufacturing project in Cambodia (Note 18).

**Form B 09a – DN/HN**
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

## 27. Borrowings, bonds and finance lease liabilities

### (a) Short-term borrowings, bonds and finance lease liabilities

| | 1/7/2016 | | | | 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 | 2,330,822,426,279 | 2,330,822,426,279 | 3,002,595,518,868 | (2,874,762,496,405) | 2,458,655,448,742 | 2,458,655,448,742 |
| Current portion of long-term borrowings | 81,380,719,333 | 81,380,719,333 | 50,553,110,003 | (43,942,061,264) | 87,991,768,072 | 87,991,768,072 |
| Current portion of straight bonds | 100,000,000,000 | 100,000,000,000 | 3,800,000,000 | (3,800,000,000) | 100,000,000,000 | 100,000,000,000 |
| Current portion of finance lease principals | 12,481,232,654 | 12,481,232,654 | 18,829,176,468 | (7,890,959,454) | 23,419,449,668 | 23,419,449,668 |
| | 2,524,684,378,266 | 2,524,684,378,266 | 3,075,777,805,339 | (2,930,395,517,123) | 2,670,066,666,482 | 2,670,066,666,482 |

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 CTBC Commercial Bank – Ho Chi Minh City Branch (b) | VND | 7,921,576,083 | 32,618,212,959 |
| ▪ Loan 3 from ANZ Bank (Vietnam) Limited – Ho Chi Minh City Branch (c) | VND | 218,661,383,512 | 160,834,936,032 |
| ▪ Loan 4 from Vietnam International Commercial Joint Stock Bank – Dong Nai Branch (d) | VND | 113,538,000,131 | 99,448,669,652 |
| ▪ Loan 5 from Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch 1 (e) | VND | 268,863,890,875 | 279,698,206,982 |
| ▪ Loan 6 from Shinhan Bank Vietnam Limited – Bien Hoa Branch (f) | VND | 56,324,625,085 | 51,596,232,568 |
| ▪ Loan 7 from Military Commercial Joint Stock Bank – Ho Chi Minh City Branch (g) | VND | 144,938,762,001 | 141,184,013,449 |
| ▪ Loan 8 from Malayan Banking Berhard – Ho Chi Minh City Branch (h) | VND | 6,000,000,000 | 54,689,824,271 |
| ▪ Loan 9 from Malayan Banking Berhard – Ha Noi Branch (h) | VND | 25,500,000,000 | 44,955,011,263 |
| ▪ Loan 10 from BPCE IOM Bank – Ho Chi Minh City Branch (i) | VND | 96,009,712,613 | 1,051,148,343 |
| ▪ Loan 11 from The Hongkong and Shanghai Banking Corporation – Ho Chi Minh City Branch (j) | VND | 30,000,000,000 | 42,924,581,254 |
| ▪ Loan 12 from Military Commercial Joint Stock Bank – Khanh Hoa Branch (k) | VND | 15,850,310,297 | 119,917,376,019 |
| ▪ Loan 13 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Khanh Hoa Branch (l) | VND | 198,774,279,309 | 168,791,285,322 |
| ▪ Loan 14 from Bank for Investment and Development of Vietnam – Khanh Hoa Branch (m) | VND | 204,743,059,143 | 231,212,205,884 |
| ▪ Loan 15 from ANZ Bank (Vietnam) Limited – Ho Chi Minh City Branch (n) | VND | 21,547,898,000 | 110,000,000,000 |
| ▪ Loan 16 from Vietnam International Commercial Joint Stock Bank – Khanh Hoa Branch (o) | VND | 38,960,309,915 | 36,439,306,036 |

| | Currency | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|---|
| ▪ Loan 17 from Loan Bank for Investment and Development of Vietnam – Ninh Thuan Branch (p) | VND | 38,714,876,400 | 57,715,016,200 |
| ▪ Loan 18 from Joint Stock Commercial Bank for Investment and Development of Vietnam (q) | VND | 137,199,097,871 | - |
| ▪ Loan 19 from Bank SinoPac – Ho Chi Minh City Branch (r) | VND | 39,231,518,510 | - |
| ▪ Loan 20 from The Maritime Commercial Joint Stock Bank (s) | VND | 97,116,324,506 | - |
| ▪ Loan 21 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (a) | USD | 5,736,800,000 | - |
| ▪ Loan 22 from Malayan Banking Berhard – Ho Chi Minh City Branch (h) | USD | 146,998,400,000 | - |
| ▪ Loan 23 from HSBC Bank (Vietnam) Ltd – Ho Chi Minh City Branch (t) | USD | 82,984,800,000 | - |
| ▪ Loan 24 from Joint Stock Commercial Joint Stock Bank – Ninh Thuan Branch (u) | VND | 7,000,000,000 | - |
| ▪ Loan 25 from CTBC Commercial Bank | VND | - | 32,800,000,000 |
| ▪ Loan 26 from Vietnam Public Joint Stock Commercial Bank – Ho Chi Minh Branch | VND | - | 20,000,000,000 |
| | | 2,458,655,448,742 | 2,330,822,426,279 |

The loans in VND and USD bore interest at rates ranging from 5.1% to 8.2% per annum (six-month period ended 31/12/2015: from 5.1% to 6.3%) and 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 billion (1/7/2016: VND800 billion). This loan, together with the loan 2, loan 3 and loan 4 (Note 27(b)(i)), are secured by building and structures with net book value of VND37 billion, machinery and equipment with net book value of VND171 billion and construction in progress with carrying amount of VND18 billion as at 31 December 2016 (1/7/2016: building and structures with net book values of VND69 billion, machinery and equipment with net book value of VND197 billion and construction in progress with carrying amount of VND18 billion).

(b) This loan has a maximum facility of VND23 billion or USD1 million (1/7/2016: VND45 billion or USD2 million). This loan is secured by accounts receivable from customers with carrying amount as at 31 December 2016 of VND23 billion (1/7/2016: VND45 billion).

(c) This loan has a maximum facility of VND273 billion or USD12 million (1/7/2016: VND268 billion or USD12 million). This loan is secured by accounts receivable from customers and inventories with carrying value as at 31 December 2016 of VND170 billion (1/7/2016: VND168 billion) each.

(d) This loan has a maximum facility of VND120 billion (1/7/2016: VND120 billion). This loan is secured by inventories with carrying value as at 31 December 2016 of VND100 billion (1/7/2016: VND100 billion).

(e) This loan has a maximum facility of VND400 billion (1/7/2016: VND400 billion). This loan is secured by inventories and receivables with carrying value as at 31 December 2016 of VND85 billion and VND 130 billion, respectively (1/7/2016: VND130 billion and VND98 billion).

(f) This loan has a maximum facility of VND60 billion (1/7/2016: VND60 billion) and is unsecured.

(g) This loan has a maximum facility of VND150 billion (1/7/2016: VND150 billion) and is unsecured.

(h) This loan has a maximum facility of VND179 billion or USD8 million (1/7/2016: VND112 billion or USD5 million). This loan is secured by accounts receivable from customers with carrying value as at 31 December 2016 of VND50 billion (1/7/2016: VND50 billion).

(i) This loan has a maximum facility of VND103 billion or USD4.5 million (1/7/2016: VND101 billion or USD4.5 million). This loan is secured by inventories with carrying value as at 31 December 2016 of VND 103 billion (1/7/2016: accounts receivable from customers with carrying value of VND101 billion).

(j) This loan has a maximum facility of VND137 billion or USD6 million (1/7/2016: VND134 billion or USD6 million). This loan is guaranteed by the Company and secured by accounts receivable from customers and inventories with carrying amount of VND8 billion and VND5.7 billion, respectively as at 31 December 2016 (1/7/2016: accounts receivable from customers and inventories with carrying amount of VND39 billion and VND88 billion).

(k) This loan has a maximum facility of VND150 billion (1/7/2016: VND150 billion). This loan is secured by part of investment in Thanh Thanh Cong Tay Ninh Joint Stock Company with a carrying amount as at 31 December 2016 of VND115 billion (1/7/2016: VND109 billion).

(l) This loan has a maximum facility of VND200 billion (1/7/2016: VND200 billion). This loan is secured by motor vehicles with net book value of VND4.7 billion and term deposits at this bank of VND82 billion as at 31 December 2016 (1/7/2016: motor vehicles with net book value of VND7 billion and term deposits at this bank of VND82 billion).

(m) This loan has a maximum facility of VND300 billion (1/7/2016: VND300 billion). This loan is secured by inventories with carrying amount of VND39 billion and term deposits at this bank of VND49 billion as at 31 December 2016 (1/7/2016: inventories with carrying amount of VND300 billion and term deposits at this bank of VND49 billion).

(n) This loan has a maximum facility of VND112 billion or USD5 million (1/7/2016: VND112 billion or USD5 million). This loan is secured by accounts receivable from customers and inventories with carrying amount of VND5.7 billion and VND4.1 billion, respectively as at 31 December 2016 (1/7/2016: accounts receivable from customers and inventories with carrying amount of VND69 billion each).

(o) This loan has a maximum facility of VND100 billion (1/7/2016: VND100 billion). The loan is guaranteed by Thanh Thanh Cong Investment Joint Stock Company, a related party.

(p) This loan, together with loan 12, loan 13, loan 14 and loan 15 (Note 27(b)(i)), has total maximum facility of VND117 billion (1/7/2016: VND127 billion). These loans are sercured by tangible fixed assets with net book value of VND72.6 billion and cash at banks with carrying amount of VND2 billion as at 31 December 2016 (1/7/2016: tangible fixed assets with net book value of VND79 billion and cash at banks with carrying amount of VND2 billion).

(q) This loan has a maximum facility of VND400 billion. This loan is secured by inventories with the carrying amount as at 31 December 2016 of VND150 billion.

(r) This loan has a maximum facility of VND46 billion or USD2 million and is unsecured.

(s) This loan has a maximum facility of VND100 billion and is unsecured.

(t) This loan has a maximum facility of VND89 billion or USD3.9 million. This loan is secured by accounts receivable from customers with carrying value as at 31 December 2016 of VND136 billion.

(u) This loan, together with loan 11 (Note 27(b)(i)), has total maximum facility of VND22 billion (1/7/2016: VND10 billion). These loans are secured by tangible fixed assets with net book value of VND3 billion as at 31 December 2016 (1/7/2016: VND4 billion).

## (b) Long-term borrowings, bonds and finance lease liabilities

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Long-term borrowings (i) | 272,576,997,759 | 282,217,411,305 |
| Straight bonds (ii) | 496,643,333,331 | 500,000,000,000 |
| Finance lease liabilities (iii) | 63,297,865,703 | 47,557,863,293 |
| | 832,518,196,793 | 829,775,274,598 |
| Repayable within twelve months | (211,411,217,740) | (193,861,951,987) |
| Repayable after twelve months | 621,106,979,053 | 635,913,322,611 |

### (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 The Vietnam Development Bank – Tay Ninh Branch (a) | VND | 2020 | 6,236,512,800 | 7,242,998,200 |
| ▪ Loan 2 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (b) | VND | 2017 | 2,883,386,602 | 6,924,386,602 |
| ▪ Loan 3 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (c) | VND | 2018 | 4,910,120,640 | 6,138,120,640 |
| ▪ Loan 4 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (d) | VND | 2018 | 3,936,533,310 | 5,216,121,768 |
| ▪ Loan 5 from Orient Commercial Joint Stock Bank – Dak Lak Branch (e) | VND | 2022 | 13,305,219,322 | 14,519,689,322 |
| ▪ Loan 6 from Orient Commercial Joint Stock Bank – Dak Lak Branch (f) | VND | 2023 | 80,000,000,000 | 80,000,000,000 |
| ▪ Loan 7 from The Hongkong and Shanghai Banking Corporation – Ho Chi Minh City Branch (g) | VND | 2018 | 65,364,171,498 | 84,039,649,081 |
| ▪ Loan 8 from Orient Commercial Joint Stock Bank – Khanh Hoa Branch (h) | VND | 2021 | 57,154,000,000 | 45,900,000,000 |
| ▪ Loan 9 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (i) | VND | 2020 | 7,958,105,436 | - |
| ▪ Loan 10 from Vietnam Joint Stock Commercial Bank for Industry and Trade – Dong Nai Branch (j) | VND | 2019 | 13,590,360,000 | - |
| ▪ Loan 11 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ninh Thuan Branch (k) | VND | 2018 | 2,028,718,600 | 3,028,718,600 |
| ▪ Loan 12 from Bank for Investment and Development of Vietnam – Ninh Thuan Branch (l) | VND | 2018 | 8,323,750,000 | 11,891,500,000 |
| ▪ Loan 13 from Bank for Investment and Development of Vietnam – Ninh Thuan Branch (l) | VND | 2018 | 2,387,166,074 | 3,523,916,074 |

| | Currency | Year of maturity | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|---|---|
| ▪ Loan 14 from Bank for Investment and Development of Vietnam – Ninh Thuan Branch (l) | VND | 2020 | 1,917,756,550 | 2,335,756,550 |
| ▪ Loan 15 from Bank for Investment and Development of Vietnam – Ninh Thuan Branch (l) | VND | 2020 | 2,581,196,927 | - |
| ▪ Loan 16 from Bank for Investment and Development of Vietnam – Ninh Thuan Branch | VND | 2017 | - | 418,032,500 |
| ▪ Loan 17 from Vietnam Bank for Agriculture and Rural Development – Dong Nai Branch | VND | 2018 | - | 11,038,521,968 |
| | | | 272,576,997,759 | 282,217,411,305 |
| Repayable within 12 months | | | (87,991,768,072) | (81,380,719,339) |
| Repayable after 12 months | | | 184,585,229,687 | 200,836,691,966 |

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

(a) This loan has a maximum facility of VND30 billion (1/7/2016: VND30 billion) and is unsecured.

(b) This loan has a maximum facility of VND40 billion and is secured by the same collaterals with loan 1 (Note 27(a)), loan 3 and loan 4 (Note 27(b)(i)).

(c) This loan has a maximum facility of VND11 billion and is secured by the same collaterals with loan 1 (Note 27(a)), loan 2 and loan 4 (Note 27(b)(i)).

(d) This loan has a maximum facility of VND10 billion and is secured by the same collaterals with loan 1 (Note 27(a)), loan 2 and loan 3 (Note 27(b)(i)).

(e) This loan has a maximum facility of VND26 billion and is secured by machinery with net book value as at 31 December 2016 of VND23 billion (1/7/2016: by machinery with net book value of VND26 billion and construction in progress with carrying value of VND1 billion).

(f) This loan has a maximum facility of VND218 billion (1/7/2016: VND218 billion) and is secured by the land use right in long-term prepaid expenses with carrying value of VND119 billion as at 31 December 2016 (1/7/2016: VND121 billion).

(g) This loan has a maximum facility of VND273 billion or USD12 million (1/7/2016: VND268 billion or USD12 million). The loan is secured by land use rights in long-term prepaid expenses and its premises on the land in tangible fixed assets with net book value as at 31 December 2016 of VND6.9 billion and VND4.2 billion, respectively (1/7/2016: land use rights in long-term prepaid expenses and its premises on the land in tangible fixed assets with net book value of VND7 billion and VND5 billion, respectively). This loan is also secured by machinery and equipment with net book value as at 31 December 2016 of VND133 billion (1/7/2017: VND146 billion).

(h) This loan has a maximum facility of VND120 billion (1/7/2016: VND120 billion). The loan is secured by machinery and equipment with net book value as at 31 December 2016 of VND140 billion (1/7/2017: VND 148 billion).

(i) This loan has a maximum facility of VND13 billion and is secured by the same collaterals with loan 1 (Note 27(a)), loan 2, loan3 and loan 4 (Note 27(b)(i)).

(j) This loan has a maximum facility of VND14 billion and is secured by the value of future assets construction from the loan.

(k) This loan, together with loan 24 (Note 27(a)), have a total maximum facility of VND22 billion and are secured by the same collaterals with loan 24 (Note 27(a)).

(l) These loans, together with loan 17 (Note 27(a)), have a total maximum facility of VND117 billion and are secured by the same collaterals with loan 17 (Note 27(a)).

### *(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 Stock Bank – Ho Chi Minh City Branch | VND | Cost of fund + 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 investment with the carrying value of VND63 billion, investment property with net book value of VND58 billion and machinery and equipment with net book value of VND196 billion as at 31 December 2016 (1/7/2016: investment property with net book value of VND59 billion, machinery and equipment with net book value of VND193 billion). In addition, the bonds are also secured by part of the investment of the Company in Bien Hoa – Ninh Hoa One Member Limited Liability Company.

### (iii) *Financial lease liabilities*

| | Currency | Annual interest rate | Year of maturity | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|---|---|---|
| Liability from Asia Commercial Bank Leasing Company Limited | | | | | |
| Loan 1 | VND | 10% | 2020 | 30,558,409,294 | 36,418,926,144 |
| Liability from Vietnam International Leasing Company Limited | | | | | |
| Loan 1 | VND | 8.5% | 2018 | 2,986,689,430 | 3,758,856,191 |
| Loan 2 | VND | 8.5% | 2018 | 1,343,445,943 | 7,380,080,958 |
| Loan 3 | VND | 7.6% | 2019 | 4,778,359,170 | - |
| Loan 4 | VND | 7.6% | 2019 | 1,664,840,129 | - |
| Loan 5 | VND | 7.6% | 2020 | 20,845,225,500 | - |
| Loan 6 | VND | 8.3% | 2021 | 1,120,896,237 | - |
| | | | | 63,297,865,703 | 47,557,863,293 |

The future minimum lease payments under non-cancellable finance leases are:

| | Payments | 31/12/2016 VND Interest | Principal |
|---|---|---|---|
| Within one year | 28,004,747,712 | 4,585,298,044 | 23,419,449,668 |
| Within two to five years | 44,397,760,347 | 4,519,344,312 | 39,878,416,035 |
| | 72,402,508,059 | 9,104,642,356 | 63,297,865,703 |

The finance lease liabilities are secured by the lease assets (Note 15).

## 28. Bonus and welfare fund

Movements of bonus and welfare fund during the period were:

| | From 1/7/2016 to 31/12/2016 VND | From 1/7/2015 to 31/12/2015 VND |
|---|---|---|
| Opening balance | 33,705,618,044 | 5,995,875,091 |
| Acquisitions of subsidiaries | - | 9,254,700,719 |
| Appropriation from retained profits | 11,382,865,965 | 15,970,037,049 |
| Reclassification from Remuneration of Boards of Management, Directors and Supervisor | 3,917,392,948 | - |
| Utilisation | (9,788,012,630) | (9,474,689,836) |
| Disposal of a subsidiary | (5,118,100) | |
| Closing balance | 39,212,746,227 | 21,745,923,023 |

## 29. Changes in owners' equity

| | Share capital VND | Share premium VND | Investment and development fund VND | Foreign exchange difference VND | Other equity funds VND | Retained profits VND | Non-controlling interest VND | Total owners' equity VND |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 July 2015** | 629,949,180,000 | 39,817,240,000 | 144,497,938,660 | - | - | 99,427,217,215 | - | 913,691,575,875 |
| Shares issued | 603,490,800,000 | 421,962,560,000 | - | - | - | - | - | 1,025,453,360,000 |
| Net profit for the period | - | - | - | - | - | 102,628,898,599 | 14,911,992 | 102,643,810,591 |
| 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 | - | - | - | - | - | (15,970,037,049) | - | (15,970,037,049) |
| Bonus for exceeding budget | - | - | - | - | - | (1,000,000,000) | - | (1,000,000,000) |
| Appropriation to Boards of Management and Supervisors operation fund | - | - | - | - | - | (2,000,000,000) | - | (2,000,000,000) |
| Non-controlling interest at acquisition date | - | - | - | - | - | - | 5,808,567,130 | 5,808,567,130 |
| Effect of changes in Group's share of net assets in associates | - | - | - | - | - | (55,817,629) | - | (55,817,629) |
| **Balance as at 31 December 2015** | 1,233,439,980,000 | 461,779,800,000 | 154,291,915,117 | - | - | 111,564,285,679 | 5,823,479,122 | 1,966,899,459,918 |

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*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

| | Share capital VND | Share premium VND | Investment and development fund VND | Foreign exchange difference VND | Other equity funds VND | Retained profits VND | Non-controlling interest VND | Total owners' equity VND |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 July 2016** | 1,295,111,980,000 | 461,712,700,000 | 164,946,980,894 | 336,806,622 | - | 209,743,513,798 | 8,372,111,024 | 2,140,224,092,338 |
| Net profit for the period | - | - | - | - | - | 144,760,285,198 | 412,771,619 | 145,173,056,817 |
| Dividends (Note 31) | - | - | - | - | - | (444,733,200) | - | (444,733,200) |
| Appropriation to equity fund | - | - | 29,001,627,444 | - | 7,000,000,000 | (36,001,627,444) | - | - |
| Appropriation to bonus and welfare fund (Note 28) | - | - | - | - | - | (11,382,865,965) | - | (11,382,865,965) |
| Reclassification from Board of Management and Supervisor operation fund | - | - | - | - | 6,450,175,000 | - | - | 6,450,175,000 |
| Effect of additional investments in subsidiaries | - | - | - | - | - | (1,235,051,449) | (783,198,551) | (2,018,250,000) |
| Currency translation difference | - | - | - | 270,056,993 | - | - | - | 270,056,993 |
| Utilisation of funds | - | (24,750,000) | - | - | (400,000,000) | - | - | (424,750,000) |
| Transfer from share premium to other equity funds | - | (12,165,550,000) | - | - | 12,165,550,000 | - | - | - |
| **Balance as at 31 December 2016** | 1,295,111,980,000 | 449,522,400,000 | 193,948,608,338 | 606,863,615 | 25,215,725,000 | 305,439,520,938 | 8,001,684,092 | 2,277,846,781,983 |

## 30. Share capital

The Company's authorised and issued share capitals are:

| | 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 | - | - | 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 |

## 31. Dividends

On 14 Nov 2016, the Board of Management of the Company resolved to distribute dividends amounting to VND445 million (six-month period ended 31/12/2015: VND61,672 million).

## 32. Investment and development fund

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

## 33. Other equity funds

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

## 34. Off balance sheet items

### (a) Lease commitments

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

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Within one year | 4,956,130,466 | 4,507,437,145 |
| Within two to five years | 17,215,845,791 | 12,220,846,356 |
| More than five years | 58,957,483,303 | 59,938,106,161 |
| | 81,129,459,560 | 76,666,389,662 |

### (b) Capital expenditure commitments

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

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Approved and contracted | 366,093,040,709 | 124,882,484,274 |
| Approved but not contracted | 50,585,545,728 | 205,205,820,197 |
| | 416,678,586,437 | 330,088,304,471 |

### (c) Assets, materials and goods held for third parties

| | 31/12/2016 VND | 1/7/2016 VND |
|---|---|---|
| Materials, goods held for third parties | 478,711,853,228 | 12,380,131,533 |

## (d) Foreign currencies

| | 31/12/2016 | | 1/7/2016 | |
|---|---|---|---|---|
| | Original currency | VND equivalent | Original currency | VND equivalent |
| USD | 345,006 | 7,838,552,451 | 610,980 | 13,647,326,481 |
| EUR | 250 | 5,934,500 | 250 | 6,177,750 |
| | | 7,844,486,951 | | 13,653,504,231 |

## (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 customers | 2008 | 252,770,900 | 252,770,900 |
| Receivable from farmers | 2009 | 70,095,481 | 70,095,481 |
| Receivable from customers | 2011 | 164,641,794 | 164,641,794 |
| Receivable from farmers | 2012 | 7,709,663,485 | 7,881,573,485 |
| Receivable from customers | 2014 | 46,300,961 | 46,300,961 |
| Receivable from farmers | 2016 | 639,049,500 | 639,049,500 |
| Receivable from customers | 2016 | 87,015,060 | 87,015,060 |
| | | 10,965,900,482 | 11,137,810,482 |

## 35. 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 and special consumption 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 | 2,506,163,011,611 | 2,053,782,412,002 |
| ▪ Services | 2,175,459,289 | 7,263,007,346 |
| ▪ Electricity | - | 436,522,500 |
| | 2,508,338,470,900 | 2,061,481,941,848 |
| Less revenue deductions | | |
| ▪ Sales discounts | 13,046,899,282 | 6,556,796,825 |
| ▪ Sales returns | 306,370,726 | 230,745,429 |
| ▪ Sales allowances | - | 2,195,302,476 |
| | 13,353,270,008 | 8,982,844,730 |
| Net revenue | 2,494,985,200,892 | 2,052,499,097,118 |

## 36. 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: | | |
| ▪ Cost of goods sold | 2,167,910,788,916 | 1,793,632,913,508 |
| ▪ Services provided | 1,171,003,627 | 4,236,553,034 |
| ▪ Electricity | - | 62,506,904 |
| | 2,169,081,792,543 | 1,797,931,973,446 |

## 37. 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 | 4,813,130,913 | 1,282,131,834 |
| Interest income from prepayments to sugar cane farmers | 8,190,552,298 | 5,507,781,640 |
| Interest income from prepayments to suppliers and loans to other entities | 20,217,081,811 | 13,632,921,335 |
| Interest income from late payments of customers | 3,780,495,080 | 2,773,321,137 |
| Dividends income | 423,418,000 | 627,704,000 |
| Gain on disposals of investment in other entities | 66,185,644,510 | - |
| Foreign exchange gains | 1,828,968,044 | 859,929,310 |
| Financial income from business combinations | - | 2,169,648,650 |
| Others | 3,919,532,223 | |
| | 109,358,822,879 | 26,853,437,906 |

## 38. Financial expenses

| | From 1/7/2016 to 31/12/2016 VND | From 1/7/2015 to 31/12/2015 VND |
|---|---|---|
| Interest expense | 92,471,331,150 | 33,977,597,759 |
| Allowance for diminution in the value of long-term financial investments | - | 5,547,723,589 |
| Reversal of allowance for diminution in the value of other long-term investments | - | (10,922,058,834) |
| Foreign exchange losses | 1,896,616,852 | 8,734,431,056 |
| Others | 5,596,887,631 | 105,487,829 |
| | 99,964,835,633 | 37,443,181,399 |

## 39. Selling expenses

| | From 1/7/2016 to 31/12/2016 VND | From 1/7/2015 to 31/12/2015 VND |
|---|---|---|
| Staff cost | 37,675,521,621 | 15,462,603,389 |
| Tools and supplies | 2,209,212,431 | 517,686,140 |
| Depreciation and amortisation | 783,398,516 | 899,129,516 |
| Transportation expense | 28,571,087,050 | 15,336,570,856 |
| Sales discounts and support | 20,211,351,618 | 5,902,391,474 |
| Other expenses | 979,034,228 | 7,925,856,234 |
| | 90,429,605,464 | 46,044,237,609 |

## 40. General and admistration expenses

| | From 1/7/2016 to 31/12/2016 VND | From 1/7/2015 to 31/12/2015 VND |
|---|---|---|
| Staff cost | 42,603,730,249 | 34,102,048,463 |
| Tools and supplies | 1,445,380,470 | 1,918,997,412 |
| Stationery | 1,434,293,907 | 774,661,610 |
| Depreciation and amortisation | 5,552,344,813 | 2,530,791,115 |
| Taxes and fees | 478,173,357 | 428,014,473 |
| Allowance for bad debts | (313,827,691) | 2,570,708,080 |
| Outside services | 17,163,838,495 | 4,392,061,968 |
| Goodwill | 3,175,377,066 | 5,697,101,505 |
| Other expenses | 16,361,067,787 | 14,756,926,206 |
| | 87,900,378,453 | 67,171,310,832 |

## 41. 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 | 5,655,307,577 |
| Collections of doubtful debts written off | 162,516,173 | 319,019,886 |
| Compensation received | 38,301,293 | 62,106,215 |
| Others | 3,323,086,794 | 665,243,583 |
| | 3,662,170,828 | 6,701,677,261 |

## 42. 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 | 1,487,283,607,825 | 1,164,457,593,216 |
| Labour costs and staff costs | 129,299,138,665 | 75,916,361,541 |
| Depreciation and amortisation | 81,913,771,612 | 33,740,499,951 |
| Outside services | 55,157,245,283 | 38,035,997,945 |
| Other expenses | 49,103,149,245 | 30,071,224,870 |

## 43. Income tax

### (a) Recognised in the consolidated 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 | 24,510,329,676 | 25,818,449,602 |
| (Over)/under provision in prior periods | (909,964,148) | 1,737,199,730 |
| | 23,600,365,528 | 27,555,649,332 |
| **Deferred tax benefit** | | |
| Origination of temporary differences | (764,086,815) | 4,567,079,332 |
| Income tax expense | 22,836,278,713 | 32,122,728,664 |

### (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 | 168,009,335,530 | 134,766,539,255 |
| Tax at the Company's tax rate | 33,601,867,106 | 29,648,638,636 |
| Effect of different tax rates applied in subsidiaries | (11,411,802,118) | (551,640,485) |
| Effect of different tax rate applied to other income | 2,573,531,416 | - |
| Non-deductible expenses | 4,778,854,834 | 1,538,885,056 |
| Tax exempt income | (5,796,208,377) | (250,354,273) |
| (Over)/under provision in prior periods | (909,964,148) | 1,737,199,730 |
| | 22,836,278,713 | 32,122,728,664 |

**(c) Applicable tax rates**

***(i) Bien Hoa Sugar Joint Stock Company and Mien Trung Bovine Joint Stock Company***

Under the terms of Income Tax Law, the companies have an obligation to pay the corporate income tax at the rates 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.

Under the terms of Decree 12/2015/NĐ-CP issued by the Goverment on 12 February 2015, 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. This Decree was effective from 1 January 2015 and applied to the corporate income tax period from 2015 onwards.

***(ii) Bien Hoa – Phan Rang Sugar Joint Stock Company***

Under the terms of Income Tax Law, the company have an obligation to pay the corporate income tax at the rates 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.

Under the terms of Decree 12/2015/ND-CP issued by the Goverment on 12 February 2015, 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. This Decree was effective from 1 January 2015 and applied to the corporate income tax period from 2015 onwards.

Under the terms of Decree No. 118/2015/ND-CP issued by the Government on 12 November 2015, the enterprise that has incomes from farming activities and is located in the areas listed in Appendix II "List of areas eligible for investment incentives" is entiled to tax incentives. Accordingly, Bien Hoa – Phan Rang Sugar Joint Company is exempted from corporate income tax for entire operating period due to this company locates in the special difficult economic area. This Decree is effective from 27 December 2015 and applied to the corporate income tax period 2016 onwards.

***(iii) Bien Hoa Import Export Trading Joint Stock Company***

Under the terms of Income Tax Law, the companies have an obligation to pay the corporate income tax at the rates of 20% of taxable profits for the period from 1 January 2016 to 31 December 2016.

***(iv) Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company***

Under the terms of the Income Tax Law, the company has an obligation to pay the corporate income tax at the rate of 10% of taxable profits for the main operating activities. All the above tax exemption and reduction are not applicable to other income which is taxed at the rate of 22% for the period from 1 July 2015 to 31 December 2015 and 20% for the period from 1 January 2016 to 31 December 2016.

### *(v) Ninh Hoa Thermoelectricity One Member Limited Liability Company*

Under the current tax regulations, Ninh Hoa Thermoelectricity One Member Company Limited has an obligation to pay the government income tax at the rate of 10% of taxable profits for the period of its operation until 2028 and 22% for the succeeding years. In addition, company is allowed to be exempt from income tax for 4 years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the 9 succeeding years. All the above tax exemption and reduction are not applicable to other income which is taxed at the rate of 22% for the period from 1 July 2015 to 31 December 2015 and 20% for the period from 1 January 2016 to 31 December 2016.

### *(vi) Ninh Hoa Sugar Private Limited Company*

Ninh Hoa Sugar Private Limited Company has obligation to pay the corporate income tax at the rate of 17% of taxable profits. The current tax regulations entitles it to a 75% reduction in income tax for taxable income up to SGD10,000 and a 50% reduction in income tax for taxable income up to SGD290,000.

## 44. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 31 December 2016 was based on the profit attributable to ordinary shareholders, effective from 1 July 2015, after deducting the amounts appropriated to bonus and welfare funds, and a weighted average number of ordinary shares outstanding of 129,511,198 (six-month period ended 31/12/2015: 83,497,071), calculated as follows:

### *(i) Net profit attributable to ordinary shareholders*

| | From 1/7/2016 to 31/12/2016 VND | From 1/7/2015 to 31/12/2015 VND |
|---|---|---|
| Net profit for the period | 144,760,285,198 | 102,628,898,599 |
| Appropriation to bonus and welfare fund | (12,121,353,973) | (4,217,265,300) |
| Net profit attributable to ordinary shareholders | 132,638,931,225 | 98,411,633,299 |

### *(ii) Weighted average number of ordinary shares*

| | Number of shares | |
|---|---|---|
| | **From 1/7/2016 to 31/12/2016** | **From 1/7/2015 to 31/12/2015** |
| Issued ordinary shares at beginning of the period | 129,511,198 | 62,994,918 |
| Effect of shares issued to acquire a subsidiary during the period | - | 20,502,153 |
| Weighted average number of ordinary shares | 129,511,198 | 83,497,071 |

As at 31 December 2016, the Company did not have potentially dilutive share.

## 45. 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 | 7,455,152,447 | 5,734,178,675 |
| Amortisation expenses capitalised in construction in progress | 1,354,605,348 | - |
| Cost of fixed assets acquired but not yet paid | 21,183,149,157 | |
| Cost of fixed assets additions transferred from prepayments to suppliers | 13,045,148,909 | |
| Cost of fixed assets acquired under finance leases | 20,729,232,887 | |

## 46. Significant transactions with related parties

### Disposal of investments in a subsidiary

As at 16 September 2016, the Group disposed 99% of its equity interests in a subsidiary - Hai Vi Co., Ltd to a related party.

The disposal had the following effect on the Group's consolidated interim financial statements at the disposal date:

| | At disposal date VND |
|---|---|
| Cash | 342,742,275 |
| Accounts receivable from customers | 575,448,663 |
| Inventories | 4,910,119,150 |
| Other current assets | 965,060,130 |
| Tangible fixed assets – net (Note 14) | 248,544,841 |
| Intangible fixed assets – net (Note 16) | 212,808,489 |
| Goodwill – net (Note 21) | 7,725,505,597 |
| Accounts payable to suppliers | (444,590,235) |
| Other current liabilities | (288,061,454) |
| Net identifiable assets and liabilities disposed | 14,247,577,456 |
| Gains from disposal of investments in a subsidiary | 7,727,118,628 |
| Consideration received | 21,974,696,084 |
| Less: Cash and cash equivalents disposed | 342,742,275 |
| Net cash and cash equivalents inflow from the disposal | 21,631,953,809 |

In addition to related party balances disclosed in other notes to the consolidated interim financial statements, the Group 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 | 219,346,006,637 | 123,172,577,446 |
| Purchases of goods and services | 9,102,569,406 | 7,384,711,765 |
| Loans receivable | 273,000,000,000 | 313,000,000,000 |
| Interest income from loans | 14,853,499,177 | 3,633,475,002 |
| Interest expense | 862,415,313 | - |
| Dividends distribution | - | 17,048,494,000 |
| **Thanh Thanh Cong Tay Ninh Joint Stock Company** | | |
| Sales of goods and services | 48,214,481,850 | 135,163,839,574 |
| Purchases of goods and services | 88,508,317,034 | 342,077,682,772 |
| Dividends distribution | - | 10,465,910,000 |
| Proceeds from disposals of fixed assets | 4,714,367,401 | - |
| **Gia Lai Electricity Joint Stock Company** | | |
| Sales of goods and services | - | 3,549,142,858 |
| **Thuan Thien Trading Investment Company Limited** | | |
| Sales of goods and services | 16,530,500 | - |
| Purchases of goods and services | 9,640,941,573 | 7,081,367,655 |
| Dividends distribution | - | 5,042,686,000 |
| Purchases of shares | - | 18,888,889 |
| Interest income | 1,041,817,821 | - |
| **Other related parties** | | |
| **Thanh Thanh Cong Trading Joint Stock Company** | | |
| Sales of goods and services | 334,686,580,530 | 8,544,336,376 |
| 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 |
| **Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company** | | |
| Sales of goods and services | 30,940,695 | - |
| Purchases of goods and services | 667,572,895 | - |

| | Transaction value | |
|---|---|---|
| | From 1/7/2016 to 31/12/2016 VND | From 1/7/2015 to 31/12/2015 VND |
| **Ben Tre Import Export Joint Stock Company** | | |
| Sales of goods and services | 7,191,298,413 | - |
| Purchases of goods and services | 7,443,379,865 | 382,450,000 |
| Interest income | 1,054,166,666 | - |
| **Tay Ninh Sugar Joint Stock Company** | | |
| Purchases of goods and services | 46,187,142,858 | - |
| **Hai Vi Co., Ltd** | | |
| Sales of goods and services | 3,153,072,101 | - |
| **Son Tin Commodity Exchange JSC** | | |
| Sales of goods and services | 3,024,000,000 | - |
| Interest income | 1,072,500,000 | - |
| **Board of Directors and Board of Management** | | |
| Remuneration | 993,525,000 | 564,599,461 |
| Salary and compensation | 8,925,420,470 | 1,955,120,993 |

25 February 2017

Prepared by:

Do Thi Thuy Tien
*General Accountant*

Nguyen Minh Tin
*Chief Accountant*

Approved by:

CÔNG TY CỔ PHẦN ĐƯỜNG BIÊN HÒA

Tran Quoc Thao
*Standing Deputy General Director*