Thanh Thanh Cong Tay Ninh
Joint Stock Company and its subsidiary

Consolidated Financial Statements for
the six-month period ended 30 June 2014

Thanh Thanh Cong Tay Ninh Joint Stock Company
Corporate information

Investment Licence No.	1316/GP	15 July 1995
Investment Certificates No.	451031000014	23 March 2007
	The Investment Licence No.1316/GP was issued by Planning and Investment Department of Tay Ninh Province and is valid for 50 years.	
	The Company's Investment Certificate has been amended thirteen times, the most recent of which is Investment Certificates No. 451031000014 dated 2 December 2013. The Investment Certificates and its amendments were issued by the Planning and Investment Department of Tay Ninh Province and are valid for 50 years from the date of the Investment Licence.	

Board of Management	Ms. Dang Huynh Uc My	Chairwomen
	Mr. Le Van Dinh	Vice chairman
	Mr. Vo Tong Xuan	Member
	Mr. Pham Hong Duong	Member
	Mr. Thai Van Chuyen	Member
	Mr. Nguyen Ba Chu	Member (from 28 April 2014)
Board of Director	Mr. Nguyen Ba Chu	General Director
	Mr. Nguyen Hoang Tuan	Deputy General Director
	Ms. Truong Thi Hong	Deputy General Director
	Mr. Nguyen Van De	Deputy General Director
	Mr. Dinh Van Hiep	Deputy General Director
	Ms. Duong Thi To Chau	Commercial Director
	Mr. Nguyen Thanh Khiem	Factory Director
Supervisor Board	Ms. Nguyen Thuy Van	Chief Supervisor
	Mr. Pham Trung Kien	Member (from 28 April 2014)
	Mr. Le Nho Dinh	Member (until 28 April 2014)
	Mr. Le Van Hoa	Member

Thanh Thanh Cong Tay Ninh Joint Stock Company
Corporate information (continued)

Registered Office	Tan Hung Commune Tan Chau District, Tay Ninh Province Vietnam
Auditors	KPMG Limited Vietnam

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Statement of the Board of Management

The Board of Management and Board of Directors are responsible for the preparation and presentation of the consolidated financial statements of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company") and its subsidiary (collectively "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Management:

(a) The consolidated financial statements set out on pages 6 to 62 give a true and fair view of the consolidated financial position of the Group as at 30 June 2014, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period ended 30 June 2014 in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to 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 these consolidated financial statements for issue.

On behalf of the Board of Management

CÔ PHẦN
MÍA ĐƯỜNG
THÀNH THÀNH CÔNG
TÂY NINH

Dang Huynh Uc My
Chairwomen

Ho Chi Minh City, 28 August 2014

KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street
District 1, Ho Chi Minh City
The Socialist Republic of Vietnam

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Internet www.kpmg.com.vn

INDEPENDENT AUDITORS' REPORT

To the Shareholders
Thanh Thanh Cong Tay Ninh Joint Stock Company

We have audited the accompanying consolidated financial statements of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company") and its subsidiary (collectively "the Group"), which comprise the consolidated balance sheet as at 30 June 2014, the consolidated statements of income and cash flows for the six-month period ended 30 June 2014 and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 28 August 2014, as set out on pages 6 to 62.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary as at 30 June 2014 and of their consolidated results of operations and their consolidated cash flows for the six-month period ended 30 June 2014 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

Other Matter

We have not audited the consolidated statement of financial position of the Group as at 31 December 2013, the consolidated statements of income and cash flows for the year then ended, or any of the related notes and accordingly, we do not express an opinion on them.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Operating registration certificate No.: 4114000230
Audit Report No.: 14-01-323 (PL)

CHI NHÁNH CÔNG TY TRÁCH NHIỆM HỮU HẠN KPMG

Tran Dinh Vinh
Practicing Auditor Registration
Certificate No. 0339-2013-007-1
Deputy General Director

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2013-007-1

Ho Chi Minh City, 28 August 2014

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Consolidated balance sheet as at 30 June 2014

Form B 01 – DN/HN

	Code	Note	30/6/2014 VND	31/12/2013 VND (Unaudited)
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	**100**		**2,022,213,806,741**	**1,823,081,577,430**
Cash	**110**	**5**	**258,582,561,758**	**277,785,657,209**
Cash	111		258,582,561,758	277,785,657,209
Short-term investments	**120**	**6**	**96,016,483,079**	**144,711,983,034**
Short-term investments	121		122,188,965,070	171,464,251,319
Allowance for diminution in the value of short-term investments	129		(26,172,481,991)	(26,752,268,285)
Accounts receivable – short-term	**130**	7	**1,022,253,075,770**	**1,116,751,309,834**
Accounts receivable – trade	131		283,177,884,083	189,041,854,158
Prepayments to suppliers	132		610,114,801,259	881,212,336,447
Other receivables	135		160,743,216,447	68,842,727,529
Allowance for doubtful debts	139		(31,782,826,019)	(22,345,608,300)
Inventories	**140**	**8**	**613,061,630,838**	**230,951,775,462**
Inventories	141		613,304,187,725	231,194,332,349
Allowance for inventories	142		(242,556,887)	(242,556,887)
Other current assets	**150**		**32,300,055,296**	**52,880,851,891**
Short-term prepayments	151	9	28,955,488,757	51,687,227,891
Taxes and other receivables from State Treasury	154		1,536,386,539	-
Other current assets	158		1,808,180,000	1,193,624,000
Long-term assets (200 = 210 + 220 + 250 + 260)	**200**		**1,355,883,081,951**	**1,362,846,442,071**
Accounts receivable – long-term	**210**	7	**34,788,048,229**	**58,670,084,709**
Other long-term receivables	218		34,788,048,229	58,670,084,709
Fixed assets	**220**		**600,304,488,586**	**638,265,082,511**
Tangible fixed assets	221	10	515,883,717,417	537,483,957,859
Cost	222		1,703,505,216,002	1,686,163,287,464
Accumulated depreciation	223		(1,187,621,498,585)	(1,148,679,329,605)
Intangible fixed assets	227	11	40,836,847,665	41,461,660,259
Cost	228		51,108,741,971	51,108,741,971
Accumulated amortisation	229		(10,271,894,306)	(9,647,081,712)
Construction in progress	230	12	43,583,923,504	59,319,464,393

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

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Consolidated balance sheet as at 30 June 2014 (continued)

Form B 01 – DN/HN

	Code	Note	30/6/2014 VND	31/12/2013 VND (Unaudited)
Long-term investments	**250**	**13**	**694,377,230,823**	**658,272,954,778**
Investments in associates	252		618,760,451,526	582,582,675,481
Other long-term investments	258		75,685,862,384	75,762,012,204
Allowance for diminution in the value of long-term investments	259		(69,083,087)	(71,732,907)
Other long-term assets	**260**		**26,413,314,313**	**7,638,320,073**
Long-term prepayments	261	14	25,398,671,617	1,553,111,727
Deferred tax assets	262	15	1,014,642,696	6,085,208,346
TOTAL ASSETS (270 = 100 + 200)	**270**		**3,378,096,888,692**	**3,185,928,019,501**
RESOURCES				
LIABILITIES (300 = 310 + 330)	**300**		**1,644,050,764,039**	**1,409,325,905,709**
Current liabilities	**310**		**1,564,580,556,039**	**1,331,029,026,709**
Short-term borrowings	311	16	1,403,047,758,331	1,001,678,320,139
Accounts payable – trade	312	17	70,009,425,207	178,847,802,816
Advances from customers	313	18	48,363,947,151	61,691,947,079
Taxes payable to State Treasury	314	19	4,388,001,365	7,874,801,394
Payables to employees	315		2,205,023,120	4,822,806,760
Accrued expenses	316	20	10,146,426,957	51,936,591,686
Other payables	319	21	4,069,856,415	7,729,536,130
Bonus and welfare funds	323	22	22,350,117,493	16,447,220,705
Long-term borrowings	**330**		**79,470,208,000**	**78,296,879,000**
Long-term borrowings	334	23	79,470,208,000	78,296,879,000
EQUITY (400 = 410)	**400**		**1,734,046,124,653**	**1,776,602,113,792**
Owners' equity	**410**	**24**	**1,734,046,124,653**	**1,776,602,113,792**
Share capital	411	25	1,485,000,000,000	1,485,000,000,000
Share premium	412		14,732,000,010	14,732,000,010
Treasury shares	414	25	(61,577,199,043)	(61,577,199,043)
Investment and development funds	417		120,999,110,932	97,098,444,233
Financial reserves	418		99,511,076,572	87,560,743,223
Other reserves	419		(4,960,381,269)	(4,960,381,269)
Retained profits	420		80,341,517,451	158,748,506,638
TOTAL RESOURCES (440 = 300 + 400)	**440**		**3,378,096,888,692**	**3,185,928,019,501**

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

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Consolidated balance sheet as at 30 June 2014 (continued)

Form B 01 – DN/HN

OFF BALANCE SHEET ITEMS

	Note	30/6/2014	31/12/2013 (Unaudited)
Materials and goods held for third parties or held for processing (KG)		1,617,365	2,333,364
Bad debts written off (VND)		9,155,696,273	8,224,714,261
Foreign currencies (USD)		2,785	11,798
Foreign currencies (KHR)		-	47,000

28 August 2014

Prepared by:

Nguyen Thi Thuy Tien
Chief Accountant

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

Approved by:

Nguyen Ba Chu
General Director

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

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Consolidated statement of income for the six-month period ended 30 June 2014

Form B 02 – DN/HN

	Code	Note	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Total revenue	**01**	**28**	**1,005,042,904,664**	**2,222,417,882,389**
Less sale deductions	**02**	**28**	**1,386,144,246**	**2,377,648,307**
Net revenue (10 = 01 - 02)	**10**	**28**	**1,003,656,760,418**	**2,220,040,234,082**
Cost of sales	**11**	**29**	**898,537,013,981**	**1,939,058,966,926**
Gross profit (20 = 10 - 11)	**20**		**105,119,746,437**	**280,981,267,156**
Financial income	21	30	66,494,126,189	117,985,903,052
Financial expenses	22	31	58,507,966,044	80,914,529,347
In which: Interest expense	23		*47,857,981,696*	*95,727,748,245*
Selling expenses	24		27,206,160,888	48,587,602,597
General and administration expenses	25		28,746,459,695	64,476,689,490
Net operating profit {30 = 20 + (21 - 22) - (24 + 25)}	**30**		**57,153,285,999**	**204,988,348,774**
Other income	31		5,268,322,004	9,036,711,042
Other expenses	32		4,524,038,527	3,999,425,291
Results of other activities (40 = 31 - 32)	**40**		**744,283,477**	**5,037,285,751**
Share of profit in associates, net	**45**	**13**	**10,701,542,219**	**7,284,200,691**
Profit before tax (50 = 30 + 40 + 45)	**50**		**68,599,111,695**	**217,309,835,216**
Income tax expense – current	**51**	**32**	**15,877,464,175**	**37,297,591,303**
Income tax expense/(benefit) – deferred	**52**	**32**	**5,070,565,650**	**(811,455,324)**
Net profit after tax (60 = 50 - 51 - 52)	**60**		**47,651,081,870**	**180,823,699,237**

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

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Consolidated statement of income for the six-month period ended 30 June 2014 (continued)

Form B 02 – DN/HN

	Code	Note	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Attributable to:				
Minority interest	61		-	-
Equity holders of the Company	62		47,651,081,870	180,823,699,237
Earnings per share				
Basic earnings per share	70	33	332	1,319

28 August 2014

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

Prepared by:	Approved by:
Nguyen Thi Thuy Tien	Nguyen Ba Chu
Chief Accountant	*General Director*

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

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Consolidated statement of cash flows for the six-month period ended 30 June 2014
(Indirect method)

Form B 03 – DN/HN

	Code	Note	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**01**		**68,599,111,695**	**217,309,835,216**
Adjustments for				
Depreciation and amortisation	02		42,430,274,595	84,425,873,301
Allowances and provisions	03		9,789,477,210	(18,671,532,758)
Written off of construction in progress	05		812,137,653	1,120,024,605
Losses/(gains) on disposals of fixed assets	05		1,126,935,085	(2,165,879,938)
Share of profits in associates, net	05		(10,701,542,219)	(7,284,200,691)
Interest income from deposits and loans to related parties	05		(40,160,882,055)	(42,856,588,508)
Interest income from prepayments to sugar cane farmers	05		(26,114,113,012)	(64,810,450,331)
Dividend income	05		-	(9,954,903,000)
Interest expense	06		47,857,981,696	95,727,748,245
Operating profit before changes in working capital	**08**		**93,639,380,648**	**252,839,926,141**
Change in receivables	09		132,604,068,069	(348,403,851,934)
Change in inventories	10		(386,784,228,565)	108,436,512,557
Change in payables and other liabilities	11		(165,823,875,475)	139,719,650,565
Change in prepayments	12		9,538,787,396	(10,307,550,439)
			(316,825,867,927)	**142,284,686,890**
Interest paid	13		(47,773,478,358)	(95,544,143,103)
Income tax paid	14		(22,724,716,513)	(29,795,877,960)
Other payments for operating activities	15		(13,217,636,571)	(23,603,309,369)
Net cash flows from operating activities	**20**		**(400,541,699,369)**	**(6,658,643,542)**

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

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Consolidated statement of cash flows for the six-month period ended 30 June 2014
(Indirect method - continued)

Form B 03 – DN/HN

	Code	Note	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and long-term assets	21		(19,688,634,287)	(79,836,990,290)
Proceeds from disposals of fixed assets	22		2,627,272,727	3,015,896,814
Payments for loans granted to related parties	23		(250,000,000,000)	(160,000,000,000)
Collections of loans granted to related parties	24		310,000,000,000	325,652,791,317
Collections of other long-term investments	24		76,149,820	268,816,700
Payments for investments in other entities	25		(25,200,000,000)	(241,400,937,400)
Receipts of interest and dividends	27		33,201,767,291	52,788,213,626
Net cash flows from investing activities	**30**		**51,016,555,551**	**(99,512,209,233)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares capital issued	31		-	65,742,000,000
Proceeds from treasury shares re-issued	31		-	95,331,854,000
Proceeds from short-term and long-term borrowings	33		1,782,645,221,547	3,111,971,563,281
Payments to settle debts	34		(1,380,102,454,355)	(2,795,340,616,588)
Payments of dividends	36		(72,220,718,825)	(204,418,188,000)
Net cash flows from financing activities	**40**		**330,322,048,367**	**273,286,612,693**

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

Thanh Thanh Cong Tay Ninh Joint Stock Company and its subsidiary
Consolidated statement of cash flows for the six-month period ended 30 June 2014
(Indirect method - continued)

Form B 03 – DN/HN

	Code	Note	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Net cash flows during the period (50 = 20 + 30 + 40)	50		(19,203,095,451)	167,115,759,918
Cash at the beginning of the period	60		277,785,657,209	110,669,897,291
Cash at the end of the period (70 = 50 + 60)	70	5	258,582,561,758	277,785,657,209

28 August 2014

Prepared by:

Nguyen Thi Thuy Tien
Chief Accountant

Approved by:

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

Nguyen Ba Chu
General Director

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

Form B 09 – DN/HN

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

1. Reporting Entity

Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company") is a joint-stock company incorporated in Vietnam. The principal activities of the Company are producing sugar and electricity; planting sugar cane; producing and trading products using sugar or its by-products, waste products; producing and trading fertilizer, agricultural materials; constructing civil project; trading hotel and restaurant; constructing and trading industrial zone infrastructure; mechanical processing; consulting engineering, technology, and management in sugar's production industry; produce and trade alcohol products; trade real estates, rent houses and apartments and investing activities.

The Company's shares are listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 27/QD-SGDCKHCM issued by the Ho Chi Minh City Stock Exchange on 18 February 2008.

The Company's head office is located at Tan Hung Commune, Tan Chau District, Tay Ninh Province, Vietnam and its representation office is located at Floor 1, No. 62, Tran Huy Lieu Street, Ward 12, Phu Nhuan District, Ho Chi Minh City, Vietnam.

The consolidated financial statements of the Company for the six-month period ended 30 June 2014 comprise the Company and its subsidiary (together referred to as "the Group") and the Group's interest in associates.

Composition of the Group is as follows:

Company	Principal activities	Business License	Effective ownership interest 30/6/2014	Effective ownership interest 31/12/2013
Subsidiary of the Company				
Thanh Thanh Cong Alcohol Trading Production Joint Stock Company ("TTCE")	Manufacturing alcohol and related by-products; trading alcohol and related by-products (wholesale); manufacturing and trading electricity; manufacturing fertilizer and planting sugarcane.	Business License No. 3901183393 issued by the Planning and Investment Department of Tay Ninh Province on 28 March 2014.	90%	-

Company	Principal activities	Business License	Effective ownership interest 30/6/2014	Effective ownership interest 31/12/2013
Associates of the Company				
Thanh Thanh Cong Industrial Zone Joint Stock Company (formerly known as Bourbon An Hoa Joint Stock Company) ("TTCIZ")	Building industrial zone's infrastructure and leasing industrial zone.	Business License No. 3900471864 issued by the Department of Planning and Investment of Tay Ninh Province on 10 September 2008.	49.45%	49.45%
Bien Hoa Sugar Joint Stock Company ("Bien Hoa Sugar")	Producing and trading sugar, products using sugar or its by-products, waste products; trading machinery, equipment and supplies in sugar's production industry; installing and maintaining equipment in sugar industry; leasing out warehouse; constructing civil and industrial projects; trading, agent, consignment of agricultural products, technological foods, raw materials, supplies in sugar industry; transportation services; food services; producing and trading any types of wine; producing and trading alcohol; trading real estate and providing mechanical agriculture cultivation services.	Business License No. 4503000000501 issued by the Department of Planning and Investment of Dong Nai Province on 13 June 2001.	21.64%	21.64%
Nuoc Trong Sugar Joint Stock Company ("Nuoc Trong Sugar")	Producing sugar; planting sugar cane, wheat, rubber trees and agricultural products; processing agriculture products, food and alcoholic beverages; processing, manufacturing and installing food industry machineries; importing and exporting businesses.	Decision No. 299/QD-CT issued by the People Committee of Tay Ninh Province on 7 April 2005.	23.95%	23.95%

Company	Principal activities	Business License	Effective ownership interest 30/6/2014	Effective ownership interest 31/12/2013
La Nga Sugar Joint Stock Company ("La Nga Sugar")	Producing sugar, confectionery, alcohol; processing after sugar products, drinks with and without alcohol, cold drink; processing agriculture and forestry products; manufacturing synthetic organic fertilizer; processing animal feed; planting trees and raising cattle; producing and providing tree varieties; producing hygienic water, electricity; manufacturing, repairing, buying and selling mechanical products.	Business License No. 4703000006 issued by the Department of Planning and Investment of Dong Nai Province on 23 March 2000.	24.89%	24.89%
Gia Lai Cane Sugar Thermoelectricity Joint Stock Company ("Gia Lai Cane Sugar")	Manufacturing sugar and other by-products from sugar-cane for sales; plant sugar cane; manufacture electricity for sales; engineer the civil projects; process agricultural products; manufacture and trade in fertilizer; and invest in financial market.	Business License No. 5900421955 issued by the People Committee of Gia Lai Province on 21 July 2009.	23.69%	24.13%
Tay Ninh Chemical Industry Joint Stock Company ("Tay Ninh Chemical")	Producing starch and products related to starch; producing artificial condensed products, non-alcohol and mineral water, nitrogen compound; installing machinery and industrial equipments.	Business License No. 3900914957 issued by the People Committee of Tay Ninh Province on 29 January 2013.	26.32%	26.32%
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company ("Thanh Thanh Cong Sugarcane")	Performing research and develop sugar cane sprouts; to analysis cultivation and plant protection products; to produce and develop mechanic machineries for sugar canes production.	Business License No. 3901162964 issued by the Department of Planning and Investment of Tay Ninh Province on 21 March 2013.	24.00%	24.00%

As at 30 June 2014 the Group had 508 employees, in which there were 5 temporary employees (31/12/2013: 784 employees, in which there were 266 temporary employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

In previous years, the annual accounting period of the Group was from 1 January to 31 December. Effective from 1 January 2014, the Group changed its annual accounting period as follows:

- The first annual accounting period after being changed is from 1 January to 30 June 2014; and
- The succeeding annual accounting periods will be from 1 July to 30 June.

Accordingly, the corresponding figures for the consolidated statements of income and the consolidated statement of cash flows which represents the results of operations and cash flows from 1 January 2013 to 31 December 2013 (a twelve-month period) are not comparable with the current period figures.

(d) Accounting currency

The consolidated financial statements are prepared and presented in Vietnam Dong ("VND").

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) 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 (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, 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 an equity accounted investee, the carrying amount of that interest (including any long-term 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 investee.

(iii) Transactions eliminated on consolidation

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

(b) Foreign currency

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the period have been translated into VND at rates of exchange ruling at the transaction dates.

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

(c) Cash

Cash comprises cash balances and call deposits.

(d) Investments

Investments are carried at cost less allowance for diminution in value of investments, if necessary, in these consolidated financial statements. Allowance is made for reductions in investment values if the investee has suffered a loss or market value of the investment falls below cost in accordance with the guidance under Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 28 June 2013 which amended for Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Increases and decreases to the provision balance are recorded as finance expenses in the consolidated statement of income. The allowance is reversed if the recoverable amount is subsequently increased after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

Distributions from the operating results of the investments arising subsequent to the date of acquisition by the Group are recognised as income in the consolidated statement of income. Distributions from sources other than such operating results are considered as recovery of investment and are deducted to the cost of investments.

(e) Accounts receivable

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

(f) Prepayments to suppliers

Included in prepayments 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 inventories.

(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 repairs, maintenance and overhauls cost, is charged to the consolidated 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	5 – 30 years
▪ machinery and equipment	2 – 20 years
▪ motor vehicles	5 – 6 years
▪ office equipment	3 – 5 years
▪ others	4 – 15 years

(i) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use right 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 50 years.

(ii) Software

Cost of acquiring of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis from 2 to 6 years.

(j) Construction in progress

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

(k) Long-term prepayments

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of 10 years.

(ii) Other long-term prepayments

Other long-term prepayments mainly comprise tools, supplies and significant renewals and improvements which are initially stated at cost and amortised on a straight-line basis over 2 years.

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

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

In previous financial years, the Group accrued for certain expenses to be incurred during the following seasonal non-production period in accordance with Decision No. 15/2006/QD-BTC. These expenses include machinery maintenance expenses, labour expenses for machinery maintenance works and depreciation of machinery ("pre-season overhaul costs"), which were estimated and included in the production costs of the inventory being produced during the preceding production season.

From 1 January 2014, the Group changed its accounting policy to recognise these pre-season overhaul costs in short-term prepayments, which will be included in the production costs of the inventory being produced during the following production season. The management is of the view that the pre-season overhaul costs incurred during a seasonal non-production period contribute to the continuously operation of these assets throughout their following production season. The Group has no obligation to incur these costs after a production season, it is therefore not required to recognize accruals in advance. Therefore, the Group believes that the new accounting policy provides more reliable and relevant information on the Group's consolidated financial position and results of operation.

The effect of the change in accounting policy has no significant impact to the financial statements of the Group for the year ended 31 December 2013. No prior year adjustments have been adopted accordingly.

(n) Bonus and welfare funds

Allocations are made to bonus and welfare funds based on shareholders' resolutions. This fund is used exclusively to pay bonus and welfare to the Group's staff. Payments from bonus and welfare funds are not charged to the consolidated statement of income.

(o) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Group's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Group classifies its financial instruments as follow:

(i) Financial assets

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
  - acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group as financial assets at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Group has the positive intention and ability to hold to maturity, other than:

- those that the Group on initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Group intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Group on initial recognition designates as available-for-sale; or
- for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that is not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
  - acquired or incurred principally for the purpose of repurchasing it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).

- Upon initial recognition, it is designated by the Group as financial assets liability at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised costs.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(p) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

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 amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

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.

(q) Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(ii) Equity funds and reserves

Allocation was made to equity funds and reserves based on the shareholders decisions at their annual general meeting.

(r) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated statement of income when the 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.

(ii) Electricity

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) Interest income

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

(iv) Dividend income

Dividends are recognised as income when the right to receive the dividend is established.

(s) Operating lease payments

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

(t) 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 priod year of construction are capitalised as part of the cost of the assets concerned.

(u) 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 of the Company by the weighted average number of ordinary shares outstanding during the period. The Company does not have any potentially dilutive ordinary shares.

(v) 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.

(w) Related parties

Related parties include the shareholders, their ultimate parent companies and their subsidiaries and associates.

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

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Cash on hand	1,630,674,379	762,717,591
Cash in banks	256,951,887,379	277,022,939,618
Cash in the consolidated statement of cashflow	258,582,561,758	277,785,657,209

6. Short-term investments

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Loans to an associate, Thanh Thanh Cong Industrial Zone Joint Stock Company	122,188,965,070	171,464,251,319
Allowance for diminution in value of short-term investments	(26,172,481,991)	(26,752,268,285)
	96,016,483,079	144,711,983,034

These amounts were unsecured and earned interest at 12% per annum during the period (2013: 12%). During the period, the accumulated interest amounting to VND10,724,713,751 (2013: VND39,133,494,793) was converted to loans principal.

Movements of short-term investments during the period were as follows:

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	171,464,251,319	297,983,547,843
Increases in investments	260,724,713,751	39,133,494,793
Investment collections	(310,000,000,000)	(165,652,791,317)
Closing balance	122,188,965,070	171,464,251,319

Movements in the allowance for diminution in value of investments during the period were as follows:

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	26,752,268,285	48,287,858,994
Written back	(579,786,294)	(21,535,590,709)
Closing balance	26,172,481,991	26,752,268,285

7. Accounts receivable – short-term and long-term

Accounts receivable included the following amounts due from related parties:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Amounts due from shareholders		
Trade	61,881,972,000	17,549,324,747
Non-trade	102,988,056,975	114,679,167
Amounts due from other related parties		
Trade	291,664,130	5,006,120,324
Non-trade	6,787,840,584	1,825,163,039

The trade and non-trade amounts due from related parties were unsecured, interest free and are receivables on demand, except for VND102,583 million of non-trade receivables from Thanh Thanh Cong Investment Joint Stock Company ("TTC"). The non-trade amounts due from TTC were unsecured and bore interest at rate ranging from 8.2% to 9% per annum since 1 July 2014.

At 30 June 2014, accounts receivable with carrying value of VND197,500 million and VND equivalent to USD25.25 million (31/12/2013: VND82,700 million and VND equivalent to USD32.5 million) were pledged with banks as security for loans granted to the Group.

Prepayments to suppliers included following amounts prepaid to related parties:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Amounts prepaid to shareholders		
Trade	-	78,349,000,000
Amounts prepaid to other related parties		
Trade	165,580,800,000	249,653,895,750

The prepayments to related parties were unsecured and bore interest at rate ranging from 8.2% to 12% per annum during the period (2013: 11.5%).

Included in prepayments to suppliers and other long-term receivables were prepayments to sugar cane farmers, details as follows:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Short-term prepayments to sugar cane farmers	397,124,797,402	445,869,183,856
Long-term prepayments to sugar cane farmers	21,363,986,000	45,248,588,480
	418,488,783,402	491,117,772,336

During the period, the Group recorded prepayments to sugar cane farmers with an amount of VND89,449,605,900 in term of sales of sugar cane sprouts and fertilizers (2013: VND122,114,973,700) and netted off against prepayments to sugar cane farmers with purchases of sugar cane with an amount of VND241,035,829,594 (2013: VND279,058,113,666).

Prepayments to sugar cane farmers are partially secured by the farmers' land use rights and earned interest at rates ranging from 8% to 13% per annum during the period (2013: 8.4% to 16.5%). The prepayments are collected within 3 years from each drawdown.

Other short-term receivables comprised:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Account receivables from TTC	102,583,598,641	-
Interest receivables from sugar cane farmers	48,850,972,567	65,118,841,717
Interest receivables from Thanh Thanh Cong Industrial Zone Joint Stock Company ("TTCIZ"), an associate	6,787,840,584	1,825,163,039
Interest receivables from Thuan Thien Trading and Investment Limited Company, a shareholder	404,458,334	-
Interest receivables from TTC	-	114,679,167
Interest receivbles from Thanh Thanh Cong Packaging Joint Stock Company	475,001,368	253,591,656
Others	1,641,344,953	1,530,451,950
	160,743,216,447	68,842,727,529

Other long-term receivables comprised:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Long-term prepayments to sugar cane farmers	21,363,986,000	45,248,588,480
Receivables from Svayrieng projects in Cambodia	13,424,062,229	13,421,496,229
	34,788,048,229	58,670,084,709

Other long-term receivables includes an amount of VND13,424,062,229 (31/12/2013: VND13,421,496,229) for Business Co-operation Contract between the Group and Svayrieng Ltd Co., to develop a project to plant sugar canes in Cambodia in ten years. The Group owns 85% interest sharing from this project. The Group is committed to purchase all sugar canes harvested from this project.

8. Inventories

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Raw materials	96,273,123,996	38,893,215,873
Tools and supplies	160,652,368	148,558,835
Work in progress	13,829,296,766	32,561,949,710
Finished goods	487,576,719,523	148,754,394,232
Merchandise inventories	12,485,237	8,903,325
Goods on consignment	15,451,909,835	10,827,310,374
	613,304,187,725	231,194,332,349
Allowance for inventories	(242,556,887)	(242,556,887)
	613,061,630,838	230,951,775,462

There is no movement in allowance for inventories during the period.

At 30 June 2014, inventories with carrying value of VND380 million and VND equivalent to USD17.85 million (31/12/2013: VND361.4 million) were pledged with banks as security for loans granted to the Group. According to loan contracts, pledged inventories amounting to VND equivalent to USD14.85 million can be replaced by account receivables with the same amount.

9. Short-term prepayments

Included in short-term prepayments was an amount of VND26,970,131,669 to support sugar cane farmers to plant sugar canes for the coming production season (31/12/2013: VND51,637,527,893). The amount will be allocated to production costs for the coming production season.

Form B 09 – DN/HN

10. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
Opening balance – unaudited	278,913,870,254	1,318,975,793,395	24,897,037,661	4,971,255,624	58,405,330,530	1,686,163,287,464
Additions	58,870,602	574,636,900	2,864,589,623	-	-	3,498,097,125
Transfers from construction in progress	3,091,652,910	17,676,780,906	-	54,055,048	-	20,822,488,864
Disposals	-	(550,007,451)	(6,428,650,000)	-	-	(6,978,657,451)
Closing balance	282,064,393,766	1,336,677,203,750	21,332,977,284	5,025,310,672	58,405,330,530	1,703,505,216,002
Accumulated depreciation						
Opening balance – unaudited	146,075,321,737	927,782,233,824	12,447,290,081	4,038,195,985	58,336,287,978	1,148,679,329,605
Charge for the period	4,810,820,302	35,617,386,457	1,518,800,429	205,155,644	14,455,787	42,166,618,619
Disposals	-	(550,007,451)	(2,674,442,188)	-	-	(3,224,449,639)
Closing balance	150,886,142,039	962,849,612,830	11,291,648,322	4,243,351,629	58,350,743,765	1,187,621,498,585
Net book value						
Opening balance – unaudited	132,838,548,517	391,193,559,571	12,449,747,580	933,059,639	69,042,552	537,483,957,859
Closing balance	131,178,251,727	373,827,590,920	10,041,328,962	781,959,043	54,586,765	515,883,717,417

Included in the cost of tangible fixed assets were assets costing VND227,518 million which were fully depreciated as of 30 June 2014 (31/12/2013: VND226,436 million), but which are still in active use.

At 30 June 2014 tangible fixed assets with net book value of VND197,392 million (31/12/2013: VND216,196 million) were pledged with banks as security for loans granted to the Group.

11. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening (unaudited) and closing balance	47,483,754,819	3,624,987,152	51,108,741,971
Accumulated amortisation			
Opening balance – unaudited	6,650,764,703	2,996,317,009	9,647,081,712
Charge for the period	519,585,184	105,227,410	624,812,594
Closing balance	7,170,349,887	3,101,544,419	10,271,894,306
Net book value			
Opening balance – unaudited	40,832,990,116	628,670,143	41,461,660,259
Closing balance	40,313,404,932	523,442,733	40,836,847,665

Included in the cost of intangible fixed assets were assets costing VND4,360 million which were fully amortised as of 30 June 2014 (31/12/2013: VND4,008 million), but which are still in active use.

At 30 June 2014 intangible fixed assets with net book value of VND40,313 million (31/12/2013: VND40,832 million) were pledged with banks as security for loans granted to the Company.

12. Construction in progress

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	59,319,464,393	62,870,988,100
Additions during the period	16,551,693,780	62,613,532,430
Transfers to tangible fixed assets	(20,822,488,864)	(65,045,031,532)
Transfers to long-term prepayments	(602,442,524)	-
Transfers to short-term prepayments	(10,050,165,628)	-
Written off	(812,137,653)	(1,120,024,605)
Closing balance	43,583,923,504	59,319,464,393

Major constructions in progress are as follows:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Replacing old machinery and equipments	580,319,524	18,165,129,872
Project Espace Bourbon Tay Ninh	30,756,242,003	20,319,586,111
Others	12,247,361,977	20,834,748,410
	43,583,923,504	59,319,464,393

During the period, depreciation charged capitalised into construction in progress amounted to VND361,156,618 (2013: VND728,130,255).

13. Long-term investments

	30/6/2014 Quantity	30/6/2014 % of equity owned	30/6/2014 % of voting right	30/6/2014 VND	31/12/2013 Quantity	31/12/2013 % of equity owned	31/12/2013 % of voting right	31/12/2013 VND (Unaudited)
Long-term equity investments in associates:								
▪ Thanh Thanh Cong Industrial Zone Joint Stock Company	24,500,000	49.45%	49.45%	162,549,095,834	24,500,000	49.45%	49.45%	159,889,024,912
▪ Bien Hoa Sugar Joint Stock Company	13,630,296	21.64%	21.64%	195,453,847,206	13,630,296	21.64%	21.64%	186,245,266,584
▪ Gia Lai Cane Sugar Thermoelectricity Joint Stock Company	9,240,000	23.69%	23.69%	127,222,395,899	6,720,000	24.13%	24.13%	97,946,295,919
▪ La Nga Sugar Joint Stock Company	2,040,802	24.89%	24.89%	45,908,947,434	2,040,802	24.89%	24.89%	47,250,073,952
▪ Nuoc Trong Sugar Joint Stock Company	1,389,302	23.95%	23.95%	49,329,042,679	1,389,302	23.95%	23.95%	52,751,854,732
▪ Tay Ninh Chemical Industry Joint Stock Company	3,157,920	26.32%	26.32%	31,167,193,138	3,157,920	26.32%	26.32%	31,451,074,517
▪ Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	720,000	24.00%	24.00%	7,129,929,336	720,000	24.00%	24.00%	7,049,084,865
				618,760,451,526				582,582,675,481
Other long-term investments								
▪ Investments in securities				74,915,050,000				74,915,050,000
▪ Other long-term investments				770,812,384				846,962,204
				75,685,862,384				75,762,012,204
Allowance for diminution in value of long-term investments				(69,083,087)				(71,732,907)
				694,377,230,823				658,272,954,778

Investment in securities comprised of:

	30/6/2014 Number of share	30/6/2014 VND	31/12/2013 Number of share	31/12/2013 VND (Unaudited)
Ninh Hoa Sugar Joint Stock Company shares	5,993,204	74,915,050,000	5,993,204	74,915,050,000

As at 30 June 2014, 10,135,148 shares (31/12/2013: 6,815,148 shares) of Bien Hoa Sugar, 4,200,000 shares (31/12/2013: 4,200,000 shares) of Gia Lai Cane Sugar and 2,996,602 shares (31/12/2013: 2,996,602 shares) of Ninh Hoa Sugar Joint Stock Company with the carrying value of VND241,159 million (31/12/2013: VND198,524 million) were pledged with banks as security for loans granted to the Group.

As at 30 June 2014, the Group also pledged all TTCIZ shares as security with Orient Commercial Joint Stock Bank for bank loans granted to TTCIZ.

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

	Investment in associates From 1/1/2014 to 30/6/2014 VND	Investment in associates From 1/1/2013 to 31/12/2013 VND (Unaudited)	Other long-term investments From 1/1/2014 to 30/6/2014 VND	Other long-term investments From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	582,582,675,481	351,707,649,598	75,762,012,204	94,887,933,904
Increases in investments	25,200,000,000	185,896,667,400	-	55,504,270,000
Transfers from other long-term investments to investment in associates	-	74,361,375,000	-	(74,361,375,000)
Shares of profits in associates	20,929,294,899	16,048,957,082	-	-
Shares of appropriation of funds	(2,558,011,608)	(3,822,528,870)	-	-
Amortisation of goodwill	(2,995,367,883)	(4,942,227,521)	-	-
Dividends received	(1,389,302,000)	(20,898,664,400)	-	-
Unrealised profits	(3,008,837,363)	(15,768,552,808)	-	-
Investment collections	-	-	(76,149,820)	(268,816,700)
Closing balance	618,760,451,526	582,582,675,481	75,685,862,384	75,762,012,204

Movements in the allowance for diminution in value of investments during the period were as follows:

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	71,732,907	190,063,408
Written back	(2,649,820)	(118,330,501)
Closing balance	69,083,087	71,732,907

14. Long-term prepayments

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	1,553,111,727	7,843,741,131
Additions during the period	26,724,626,440	3,346,334,266
Transfers from tangible fixed assets – net	-	756,379,101
Transfers from construction in progress	602,442,524	-
Amortisation for the period	(3,481,509,074)	(10,393,342,771)
Closing balance	25,398,671,617	1,553,111,727

15. Deferred tax assets

Deferred tax assets are relating to temporary difference arising from accrued expenses.

16. Short-term borrowings

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Short-term borrowings	1,355,634,416,331	966,704,978,139
Current portion of long-term borrowings (Note 23)	47,413,342,000	34,973,342,000
	1,403,047,758,331	1,001,678,320,139

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

	Currency	Interest rate per annum	30/6/2014 VND	31/12/2013 VND (Unaudited)
• HSBC Bank (Vietnam) Ltd (i)	VND	4.25% - 7.87%	115,700,000,000	315,500,000,000
• Joint Stock Commercial Bank for Foreign Trade of Vietnam (ii)	VND	6.5% - 7.5%	241,900,000,000	157,805,501,232
• ANZ Bank (Vietnam) Ltd (iii)	VND	3.15%- 6.50%	210,261,706,000	39,723,329,710
• Vietnam International Joint Stock Commercial Bank (iv)	VND	6.5% - 7.0%	118,187,023,200	117,000,000,000
• Vietnam Joint Stock Commercial Bank for Industry and Trade (v)	VND	4.5% - 7.0%	227,823,633,121	170,739,147,197
• Chinatrust Commercial Bank Vietnam Ltd (vi)	VND	6.55% - 7.00%	60,000,000,000	63,000,000,000
• Shinhan Bank Vietnam Ltd (vii)	VND	6.1% - 6.5%	59,599,731,492	16,000,000,000
• Military Commercial Joint Stock Bank (viii)	VND	6.5% - 6.9%	94,200,000,000	64,367,000,000
• Vietnam Prosperity Joint Stock Commercial Bank (ix)	VND	4.0% - 4.5%	89,432,352,000	-
• Natixis Branch in Ho Chi Minh City (x)	VND	6.2% - 6.5%	62,976,000,000	-
• Hong Leong Bank Vietnam Ltd (xi)	VND	6.49% - 6.61%	57,533,970,518	-
• Unsecured loans from employees	VND	12%	18,020,000,000	19,170,000,000
• Unsecured loans from Tay Ninh Investment and Development Fund	VND	0%	-	3,400,000,000
			1,355,634,416,331	966,704,978,139

(i) This loan has a maximum facility of USD14 million (31/12/2013: USD14 million). The loan is secured by land use rights of Project Espace Bourbon Tay Ninh with net book value as at 30 June 2014 of VND32,652 million and receivables as at 30 June 2014 amounting to VND97,500 million and USD14 million (31/12/2013: VND33,012 million, VND82,700 million and USD10 million, respectively).

(ii) This loan has a maximum facility of VND250,000 million (31/12/2013: VND250,000 million). The loan is secured by buildings and land use rights located at Tan Hung Commune, Tan Chau District, Tay Ninh Province with net book value as at 30 June 2014 of VND125,001 million and VND7,661 million, respectively (31/12/2013: VND132,838 million and VND7,820 million, respectively). The loan is also secured by 1,000,000 shares (31/12/2013: 1,000,000 shares) of Bien Hoa Sugar Joint Stock Company and 2,996,602 shares (31/12/2013: 2,996,602 shares) of Ninh Hoa Sugar Joint Stock Company with the carrying value of VND51,961 million (31/12/2013: VND51,961 million).

(iii) This loan has a maximum facility of USD15 million (31/12/2013: USD15 million). The loan is secured by receivables and inventories as at 30 June 2014 amounting to USD11.25 million and USD11.25 million (31/12/2013: USD22.5 million and nil), respectively.

(iv) This loan has a maximum facility of VND200,000 million (31/12/2013: VND150,000 million). The loan is secured by inventories and receivables as at 30 June 2014 amounting to VND150,000 million and VND100,000 million (31/12/2013: VND155,000 million and nil), respectively.

(v) This loan has a maximum facility of VND400,000 million (31/12/2013: VND400,000 million). The loan is secured by machinery and equipment with net book value as at 30 June 2014 of VND72,391 million (31/12/2013: VND83,358 million).

(vi) This loan has a maximum facility of USD3.6 million (31/12/2013: USD3.6 million). The loan is secured by inventories as at 30 June 2014 amounting to USD3.6 million (31/12/2013: VND62,400 million).

(vii) This loan has a maximum facility of VND60,000 million (31/12/2013: VND60,000 million). The loan is unsecured.

(viii) This loan has a maximum facility of VND100,000 million (31/12/2013: VND100,000 million). The loan is secured by inventories as at 30 June 2014 amounting to VND144,000 million (31/12/2013: VND144,000 million).

(ix) This loan has a maximum facility of VND100,000 million. The loan is unsecured.

(x) This loan has a maximum facility of USD3 million. The loan is secured by inventories as at 30 June 2014 amounting to USD3 million.

(xi) This loan has a maximum facility of VND60,000 million. The loan is secured by inventories as at 30 June 2014 amounting to VND86,000 million.

17. Accounts payable – trade

Accounts payable – trade included the following amounts due to related parties:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Amounts due to shareholders	17,929,137,249	4,605,821,000

The trade related amounts due to shareholders were unsecured, interest free and payable on demand.

18. Advances from customers

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Advances from Sai Gon Thuong Tin Commercial Joint Stock Bank (*)	45,695,210,000	35,743,710,000
Advances from Bien Hoa Sugar Joint Stock Company, a related party for purchases of sugar	-	23,529,261,301
Advance from Thanh Thanh Cong Trading Joint Stock Company, a related party for purchases of molasses	120,400,000	4,059,200
Other advances from customers	2,548,337,151	2,414,916,578
	48,363,947,151	61,691,947,079

The advances from related companies were unsecured and interest free.

(*) This amount represented cash advance for Properties Transfer Agreement dated 25 November 2011 between the Group and Sai Gon Thuong Tin Commercial Joint Stock Bank. According to this Agreement, the Group agreed to transfer leased land use rights and buildings in Espace Bourbon Tay Ninh Project at No. 217-219, 30-4 Street, Ward 2, Tay Ninh Town, Tay Ninh Province to Sai Gon Thuong Tin Commercial Joint Stock Bank. The transaction is expected to be completed in 2014.

19. Taxes payable to State Treasury

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Value added tax	3,433,329,945	2,292,429,531
Corporate income tax	-	5,310,865,799
Personal income tax	954,671,420	271,506,064
	4,388,001,365	7,874,801,394

20. Accrued expenses

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Payment to farmers for sugar cane	-	45,656,504,002
Transportation and loading fee	5,055,191,305	1,748,569,468
Interest expense	2,699,097,912	2,614,594,574
Unpaid leaves	574,018,820	410,338,120
Others	1,818,118,920	1,506,585,522
	10,146,426,957	51,936,591,686

21. Other payables

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Harvest and transportation payables	1,576,076,357	4,167,709,757
Payables to Tay Ninh Sugar Company Ltd.	1,200,000,000	1,200,000,000
Dividends payables	408,948,935	1,543,130,110
Others	884,831,123	818,696,263
	4,069,856,415	7,729,536,130

Other payables included the following amounts due to related parties:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Non-trade amounts due to related parties	408,948,935	1,543,130,110

The other payables to related parties were unsecured, interest free and payable upon demand.

22. Bonus and welfare funds

Movements of bonus and welfare funds during the period as follows:

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	16,447,220,705	10,439,854,010
Additions during the period	19,120,533,359	29,610,676,064
Utilisations during the period	(13,217,636,571)	(23,603,309,369)
Closing balance	22,350,117,493	16,447,220,705

23. Long-term borrowings

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Long-term borrowings	126,883,550,000	113,270,221,000
Repayable within twelve months (Note 16)	(47,413,342,000)	(34,973,342,000)
Repayable after twelve months	79,470,208,000	78,296,879,000

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

	Currency	Interest rate per annum	Year of maturity	30/6/2014 VND	31/12/2013 VND (Unaudited)
Unsecured long-term borrowings:					
• Tay Ninh Sugar Company Ltd., (i)	VND	4.62%	2020	14,318,050,000	15,511,221,000
Secured long-term borrowings:					
• Tay Ninh Investment and Development Funds (ii)	VND	9.6%	2016	2,633,000,000	3,159,000,000
• Tay Ninh Investment and Development Funds (ii)	VND	9.6%	2016	4,750,000,000	5,700,000,000
• Asia Commercial Joint Stock Bank (iii)	VND	10.5% - 11.5%	2016	52,328,500,000	25,475,000,000
• Asia Commercial Joint Stock Bank (iii)	VND	10.50%	2016	52,854,000,000	63,425,000,000
				126,883,550,000	113,270,221,000

(i) This loan is unsecured and has a maximum facility of VND36,000 million (31/12/2013: VND36,000 million). Principal outstanding at 30 June 2014 is repayable in 12 equal semi-annually installments of VND1,193 million each. The final installment will be on 10 April 2020.

(ii) This loan has a maximum facility of VND10,700 million (31/12/2013: VND10,700 million). Principal outstanding of VND2,633,000,000 at 30 June 2014 is repayable in 9 quarterly installments of VND263 million each and a final installment of VND266 million on 31 December 2016. Principal outstanding of VND4,750,000,000 at 30 June 2014 is repayable in 10 quarterly installments of VND475 million each. The loan is secured by Letter of Credit issued by Vietnam Joint Stock Commercial Bank for Industry and Trade amounting to VND2,500 million (31/12/2013: VND2,500 million) and another Letter of Credit issued by Joint Stock Commercial Bank for Foreign Trade of Viet Nam amounting to VND2,850 million (31/12/2013: VND2,850 million).

(iii) This loan has a maximum facility of VND120,000 million (31/12/2013: VND120,000 million). Principal outstanding of VND52,328,500,000 at 30 June 2014 is repayable in 4 equal semi-annually installments of VND10,466 million each and a final installment of VND10,462 million on 20 November 2016. Principal outstanding of VND52,854,000,000 at 30 June 2014 is repayable in 4 equal semi-annually installments of VND10,571 million each and a final installment of VND10,570 million on 25 November 2016. The loan is secured by 4,200,000 shares (31/12/2013: 4,200,000 shares) of Gia Lai Cane Sugar Thermoelectricity Joint Stock Company and 9,135,148 shares (31/12/2013: 5,815,148 shares) of Bien Hoa Sugar Joint Stock Company with the carrying value of VND189,198 million (31/12/2013: VND146,563 million).

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24. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development funds VND	Financial reserves VND	Other reserves VND	Retained profits VND	Total VND
Balance as at 1 January 2013 - unaudited	1,419,258,000,000	7,594,294,697	(129,471,347,730)	60,085,099,152	69,054,070,682	(4,960,381,269)	268,258,991,087	1,689,818,726,619
Share capital issued	65,742,000,000	-	-	-	-	-	-	65,742,000,000
Re-issued treasury shares	-	7,137,705,313	67,894,148,687	-	-	-	-	75,031,854,000
Net profits for the year	-	-	-	-	-	-	180,823,699,237	180,823,699,237
Appropriations to funds	-	-	-	37,013,345,081	18,506,672,541	-	(85,130,693,686)	(29,610,676,064)
Dividends	-	-	-	-	-	-	(205,203,490,000)	(205,203,490,000)
Balance as at 1 January 2014 - unaudited	1,485,000,000,000	14,732,000,010	(61,577,199,043)	97,098,444,233	87,560,743,223	(4,960,381,269)	158,748,506,638	1,776,602,113,792
Net profits for the period	-	-	-	-	-	-	47,651,081,870	47,651,081,870
Appropriations to funds	-	-	-	23,900,666,699	11,950,333,349	-	(54,971,533,407)	(19,120,533,359)
Dividends (Note 26)	-	-	-	-	-	-	(71,086,537,650)	(71,086,537,650)
Balance as at 30 June 2014	1,485,000,000,000	14,732,000,010	(61,577,199,043)	120,999,110,932	99,511,076,572	(4,960,381,269)	80,341,517,451	1,734,046,124,653

25. Share capital

The Company's authorised and issued share capital are:

	30/6/2014		31/12/2013	
	Number of shares	VND	Number of shares	VND
			(Unaudited)	
Authorised and issued share capital - par value				
Ordinary shares	148,500,000	1,485,000,000,000	148,500,000	1,485,000,000,000
Treasury shares - par value				
Ordinary shares	(4,993,840)	(49,938,400,000)	(4,993,840)	(49,938,400,000)
Shares currently in circulation -par value				
Ordinary shares	143,506,160	1,435,061,600,000	143,506,160	1,435,061,600,000

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 dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Group's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Movements in share capital during the period were as follows:

	From 1/1/2014 to 30/6/2014		From 1/1/2013 to 31/12/2013	
	Number of shares	VND	Number of shares	VND
			(Unaudited)	
Balance at the beginning of the period	143,506,160	1,435,061,600,000	131,425,800	1,314,258,000,000
Shares issued during the period	-	-	6,574,200	65,742,000,000
Treasury shares re-issued during the period	-	-	5,506,160	55,061,600,000
Balance at the end of the period	143,506,160	1,435,061,600,000	143,506,160	1,435,061,600,000

Movements in treasury shares during the period were as follows:

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	61,577,199,043	129,471,347,730
Treasury shares re-issued during the period	-	(67,894,148,687)
Closing balance	61,577,199,043	61,577,199,043

26. Dividends

The Board of Management of the Company on 28 May 2014 resolved to distribute cash dividends amounting to VND500 per share (2013: cash dividends amounting to VND500 per share from 2012 profit and VND1,000 per share from 2013 profit).

27. Equity funds

(i) Investment and development funds

Investment and development funds were appropriated from retained profits in accordance with the resolution of General Meeting of Shareholders. These funds were established for the purpose of future business expansion.

(ii) Financial reserves

Financial reserves were appropriated from retained profits in accordance with the resolution of General Meeting of Shareholders. The reserves are established as resourse for the Group's future general business risks.

28. Total revenue

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

Net revenue comprised:

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Total revenue		
▪ Sales of sugar	832,043,415,624	1,982,660,499,695
▪ Sales of molasses	57,596,491,995	78,762,269,901
▪ Sales of electricity	26,875,760,400	38,959,477,600
▪ Sales of fertilizer	78,320,691,875	101,714,695,273
▪ Others	10,206,544,770	20,320,939,920
	1,005,042,904,664	2,222,417,882,389
Less sales deductions		
▪ Sales allowance	(1,386,144,246)	(2,377,648,307)
Net revenue	1,003,656,760,418	2,220,040,234,082

29. Cost of sales

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Cost of sugar	730,820,421,085	1,716,693,876,122
Cost of molasses	56,849,034,771	77,775,025,533
Cost of electricity	26,242,526,809	36,286,311,266
Cost of fertilizer	82,584,580,511	96,787,488,627
Others	2,040,450,805	11,516,265,378
	898,537,013,981	1,939,058,966,926

30. Financial income

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Interest income from prepayments to sugar cane farmers	26,114,113,012	64,810,450,331
Interest income from deposits from banks	160,371,896	585,214,064
Interest income from loans to related parties	40,000,510,159	42,271,374,444
Dividends income	-	9,954,903,000
Realised foreign exchange gains	219,131,122	363,961,213
	66,494,126,189	117,985,903,052

31. Financial expenses

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Interest expense	47,857,981,696	95,727,748,245
Reversal allowance for the diminution in the value of short-term and long-term investments	(582,436,114)	(21,653,921,210)
Allowance for doubtful debts	10,371,913,324	2,982,388,452
Realised foreign exchange losses	860,507,138	1,482,682,542
Others	-	2,375,631,318
	58,507,966,044	80,914,529,347

32. Income tax

(a) Recognised in the consolidated statement of income

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Current tax expense		
Current year	4,844,277,890	37,054,065,134
Under provision in prior years	11,033,186,285	243,526,169
	15,877,464,175	37,297,591,303
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	4,003,890,358	(811,455,324)
Deferred tax assets written off	1,066,675,292	-
	5,070,565,650	(811,455,324)
Income tax expense	20,948,029,825	36,486,135,979

(b) Reconciliation of effective tax rate

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Profit before tax	68,599,111,695	217,309,835,216
Tax at the Company's applicable tax rate	6,859,911,170	21,730,983,522
Effect of different tax rates applied to other income	2,421,852,374	16,040,910,189
Non-deductible expenses	26,848,478	365,811,174
Under provision in prior years	11,033,186,285	243,526,169
Deferred tax assets written off	1,066,675,292	-
Deferred tax liabilities not recognised	(460,443,774)	(1,895,095,075)
Income tax expense	20,948,029,825	36,486,135,979

(c) Applicable tax rates

Under the terms of its Investment Certificate, the Company has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits. The subsidiary has obligation to pay the govement corporate income tax at the rate of 22% of taxable profits.

All of the above tax exemption and reduction are not applicable to other income which is taxed at a rate of 22%. On 19 June 2013, the National Assembly approved the Law on amendments and supplements to a number of articles of the Corporate Income Tax Law. Accordingly, the highest income tax rate shall be reduced from 25% to 22% for 2014 and 2015, and to 20% from 2016 onwards.

33. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2014 was based on the profit attributable to ordinary shareholders of VND47,651 million (2013: VND180,823 million) and a weighted average number of ordinary shares outstanding of 143,506,160 (2013: 137,040,862), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Net profit attributable to ordinary shareholders	47,651,081,870	180,823,699,237

(ii) Weighted average number of ordinary shares

	From 1/1/2014 to 30/6/2014	From 1/1/2013 to 31/12/2013 (Unaudited)
Issued ordinary shares at the beginning of the period	143,506,160	131,425,800
Issued ordinary shares during the period	-	3,091,637
Effect of re-issuance of treasury shares during the period	-	2,523,425
Weighted average number of ordinary shares for the period	143,506,160	137,040,862

34. Financial instruments

(a) Financial risk management

(i) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Supervisory Board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

Exposure to credit risk

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	30/6/2014 VND	31/12/2013 VND (Unaudited)
Cash in banks	(*)	256,951,887,379	277,022,939,618
Short-term investments	(**)	96,016,483,079	144,711,983,034
Trade and other receivables	(***)	443,257,204,000	271,306,077,916
Prepayments to sugar cane farmers	(****)	400,793,916,142	468,772,164,036
		1,197,019,490,600	1,161,813,164,604

(*) ***Cash in banks***

Cash in banks of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

(**) ***Short-term investments***

Short-term investments represented loans to an associate. The Group expose to credit risk if the associate cannot repay the loans. The Group manage this risk by on going monitoring the financial performance and position of the associate.

Based on historic default rates, the Group believe that, apart from the amount provided, no further allowance for diminution in value of short-term investment is necessary in respect of the outstanding short-term investments balances as of 30 June 2014.

The ageing analysis of the short-term investments that were past due but not impaired is as follows:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Past due 0 – 180 days	8,899,550,712	16,610,121,414
Past due 181 – 365 days	18,104,214,644	100,867,584,400
Past due more than 365 days	69,012,717,723	27,234,277,220
	96,016,483,079	144,711,983,034

(***) *Trade and other receivables*

The Group's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer. In response to the risk, management of the Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. In addition, the Group asks for collateral from some customers for each sale order. Receivables are due within 30 days from the date of billing. Debtors with balances that are more than 30 days outstanding are requested to settle the balances before further credit is granted.

Trade and other receivables that are neither past due or impaired are mostly due from companies with good collection track records with the Group. Management believes that those receivables are of high credit quality.

The aging analysis of trade receivables and other receivables that were past due but not impaired is as follows:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Past due 0 – 30 days	25,238,516,053	26,223,666,499
Past due 31 – 180 days	50,001,046,737	18,225,892,510
Past due 181 – 365 days	10,926,711,926	16,336,146,191
Past due more than 365 days	549,742,421	73,394,510
	86,716,017,137	60,859,099,710

(****) ***Prepayments to sugar cane farmers***

The Group's exposure to credit risk in relation with the prepayments to sugar cane farmers is mainly influenced by the individual characteristics of each farmer. In response to the risk, management of the Group has established a loans policy under which each financial support request from each farmer is analysed individually for creditworthiness before the Group's standard drawdown and loans terms and conditions are offered. Certain sugar cane farmers are required to pledge their land use rights as the security for the prepayments. In addition, sugar cane farmers are also required to sell all of their sugar cane to the Group and this amount will be net off with the relevant prepayments. The prepayments are collected according to each drawdown and based on the schedule to be mutually agreed between the farmers and the Group. Farmers with balances that are overdue are requested to settle the balances before further credit is granted.

Based on historic default rates, the Group believe that, apart from the amount provided, no further allowance for diminution in value of prepayments to sugar cane farmers is necessary in respect of the outstanding prepayments balances as of 30 June 2014.

The ageing analysis of the prepayments that were past due but not impaired is as follows:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Past due 181 – 365 days	2,212,686,010	4,007,752,462
Past due more than 365 days	754,835,157	-
	2,967,521,167	4,007,752,462

The movements of allowances for doubtful debts during the period are as follows:

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Opening balance	22,345,608,300	23,042,374,241
Increase in allowance during the period	10,371,913,324	2,982,388,452
Utilised during the period	(934,695,605)	(3,679,154,393)
Closing balance	31,782,826,019	22,345,608,300

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

30 June 2014	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND	More than 5 years VND
Short-term borrowings and liabilities						
Short-term borrowings	1,355,634,416,331	1,381,906,561,814	1,381,906,561,814	-	-	-
Accounts payable – trade	70,009,425,207	70,009,425,207	70,009,425,207	-	-	-
Payables to employees	2,205,023,120	2,205,023,120	2,205,023,120	-	-	-
Accrued expenses	10,146,426,957	10,146,426,957	10,146,426,957	-	-	-
Other payables	4,069,856,415	4,069,856,415	4,069,856,415	-	-	-
Long-term borrowings						
Long-term borrowings	126,883,550,000	146,753,552,479	58,103,400,428	53,525,982,004	32,653,765,278	2,470,404,769
	1,568,948,698,030	1,615,090,845,992	1,526,440,693,941	53,525,982,004	32,653,765,278	2,470,404,769

31 December 2013 (unaudited)	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND	More than 5 years VND
Short-term borrowings and liabilities						
Short-term borrowings	966,704,978,139	990,259,141,088	990,259,141,088	-	-	-
Accounts payable – trade	178,847,802,816	178,847,802,816	178,847,802,816	-	-	-
Payables to employees	4,822,806,760	4,822,806,760	4,822,806,760	-	-	-
Accrued expenses	51,936,591,686	51,936,591,686	51,936,591,686	-	-	-
Other payables	7,729,536,130	7,729,536,130	7,729,536,130	-	-	-
Long-term borrowings						
Long-term borrowings	113,270,221,000	134,351,626,420	44,808,356,471	42,153,589,122	43,642,499,613	3,747,181,214
	1,323,311,936,531	1,367,947,504,900	1,278,404,234,951	42,153,589,122	43,642,499,613	3,747,181,214

The Group manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short-term investments and maintaining several bank facilities.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the accounting currency of the Group, which is the VND. The currencies in which these transactions primarily are denominated are in United States Dollars ("USD").

The Group's exposure to currency risk is managed by keeping the exposure to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term over-exposures.

Exposure to currency risk

At 30 June 2014, the Group had the following net monetary asset/(liability) position exposed to currency risk:

	30/6/2014 USD	31/12/2013 USD (Unaudited)
Cash	201	11,798
Accounts receivable	276,705	-
Trade payables	-	(6,841,972)
	276,906	(6,830,174)

The followings are the significant exchange rates applied by the Group:

	Exchange rate as at	
	30/6/2014 VND	31/12/2013 VND
USD1	21,300	21,085

Below is an analysis of the possible impact on the net profit of the Group after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 30 June 2014. The analysis assumes that all variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Effect to net profits VND
30/6/2014	
USD (1% strengthening)	54,127,670
31/12/2013 (unaudited)	
USD (1% weakening)	(1,681,261,333)

The opposite movement of the currency would have the equal but opposite effect to the net profit of the Group as at 30 June 2014.

(ii) Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount 30/6/2014 VND	Carrying amount 31/12/2013 VND (Unaudited)
Fixed rate instruments		
Short-term investments	96,016,483,079	144,711,983,034
Long-term borrowings	(21,701,050,000)	(24,370,221,000)
	74,315,433,079	120,341,762,034
Variable rate instruments		
Cash in banks	256,951,887,379	277,022,939,618
Short-term prepayments to sugar cane farmers	379,429,930,142	423,523,575,556
Long-term prepayments to sugar cane farmers	21,363,986,000	45,248,588,480
Short-term borrowings	(1,355,634,416,331)	(966,704,978,139)
Long-term borrowings	(105,182,500,000)	(88,900,000,000)
	(803,071,112,810)	(309,809,874,485)

No policy was in place pertaining to the mitigation of any potential volatility of the interest rate. An increase of 100 basis points in interest rates would have decreased the net profit of the Group by VND7,227 million (31/12/2013: VND2,788 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(e) Fair values

The carrying amounts of financial assets and liabilities shown in the balance sheet are as follows:

	Carrying amount	
	30/6/2014 VND	**31/12/2013 VND (Unaudited)**
Categorised as loans and receivables:		
- Cash	256,951,887,379	277,022,939,618
- Short-term investments	96,016,483,079	144,711,983,034
- Trade and other receivables	443,257,204,000	271,306,077,916
- Prepayments to suppliers	400,793,916,142	468,772,164,036
- Other long-term investments	770,812,384	846,962,204
Categorised as available-for-sale financial assets:		
- Investments in securities	74,915,050,000	74,915,050,000
Categorised as financial liabilities at amortised cost:		
- Trade and other payables	74,079,281,622	186,577,338,946
- Other short-term liabilities	12,351,450,077	56,759,398,446
- Borrowings	1,482,517,966,331	1,079,975,199,139

The following policies were used to estimate the fair value for each class of financial instrument:

Cash, short-term investments, trade and other receivables, trade and other payables, short-term prepayments to sugar cane farmers, short-term borrowings and other short-term liabilities:

The carrying amounts approximate their respective fair values due to the short-term maturity of these instruments.

Long-term borrowings, long-term prepayments to sugar cane farmers and other long-term investments:

The Group have not determined fair value of these financial instruments for disclosure in accordance with Article 28 of Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance because (i) quoted prices in active market are not available for these financial instruments; and (ii) Vietnamese Accounting Standards and the Vietnamese Accounting System do not provide guidance on measurement of fair values in the case where quoted prices in active market are not available. Fair value of these financial instruments may be different from their carrying values.

Investments in securities

	30/6/2014	
	Carrying amount VND	**Fair value VND (Unaudited)**
Ninh Hoa Sugar Joint Stock Company share	74,915,050,000	73,716,409,200

The fair value of investment in shares of Ninh Hoa Sugar Joint Stock Company is determined by reference to the market price on Ho Chi Minh City Stock Exchange as at 30 June 2014.

35. Non-cash investing and financing activities

	From 1/1/2014 to 30/6/2014 VND	**From 1/1/2013 to 31/12/2013 VND (Unaudited)**
Interest receivables converted into loans receivables from a related party	10,724,713,751	39,133,494,793
Interest receivables offset against trade payables	37,540,656,114	42,281,536,349

36. Significant transactions with related parties

In additions to balances with related parties disclosed in other notes to these consolidated financial statements, during the period there were the following significant transactions with related parties:

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Shareholders		
Thanh Thanh Cong Investment Joint Stock Company		
Sales of goods	65,695,731,423	108,313,592,768
Purchases of raw sugar	41,272,763,199	267,376,797,263
Lending	180,000,000,000	100,000,000,000
Advance payments for purchases of sugar and molasses	102,583,598,641	67,200,000,000
Dividend distribution	17,623,800,000	52,871,400,000
Interest income	13,517,758,274	8,755,418,606
Interest expense	-	1,062,639,417
Purchases of Nuoc Trong Sugar shares	-	53,765,987,400
Management expenses	-	5,855,960,710
Car rental income	-	36,000,000
Purchases of service	535,477,370	-
Thuan Thien Trading and Investment Limited Company		
Purchases of goods	71,478,013,333	1,696,210,477
Lending	70,000,000,000	60,000,000,000
Interest income	2,886,239,129	4,206,552,776
Dividend distribution	17,527,835,000	52,583,505,000
Related companies		
Thanh Thanh Cong Trading Joint Stock Company		
Sales of goods	1,356,319,046	3,138,579,924
Purchases of goods	210,951,314,963	641,464,046
Interest income	1,183,739,577	6,332,666,665
Tank rental income	130,909,092	229,090,911
Thanh Thanh Cong Industrial Zone Joint Stock Company		
Interest income from loans	10,664,773,696	37,109,703,671
Settlement of loans	60,000,000,000	165,652,791,317
Prepayments for purchases of land use right	-	165,580,800,000
Interest income from prepayments for purchase of land use right	11,772,322,666	-

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Bien Hoa Sugar Joint Stock Company		
Sales of goods	22,777,015,714	6,505,781,144
Purchases of goods	11,400,000	34,223,736,928
Processing fees	440,371,300	1,533,039,715
Warehouse storage fees	408,490,386	64,611,107
Dividend receipts	-	13,630,296,000
Contribution of share capital	-	68,151,480,000
La Nga Sugar Joint Stock Company		
Purchases of raw sugar	-	23,182,246,616
Dividend receipts	-	4,489,764,400
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company		
Purchases of sugar cane	1,006,534,000	129,931,000
Contribution of share capital	266,995,596	7,200,000,000
Land rental	240,000,000	240,000,000
Purchases of sugar cane sprouts	43,515,000	3,861,000
Analysis charged fees	-	69,615,000
Nuoc Trong Sugar Joint Stock Company		
Dividend receipts	1,389,302,000	2,778,604,000
Sales of cutting sugar cane	6,688,500	1,452,329,500
Purchases of raw sugar	-	13,333,333,000
Tay Ninh Chemical Industry Joint Stock Company		
Contribution of share capital	-	31,579,200,000
Gia Lai Cane Sugar Thermoelectricity Joint Stock Company		
Contribution of share capital	25,200,000,000	25,200,000,000
Purchases of sugar	63,571,428,571	-
Dividend receipts	-	5,460,000,000
Purchases of service	92,934,551	-
Sales of cutting sugar cane	15,032,000	-
Advance receipts for sales of fixed assets	100,000,000	-
Board of Management		
Remuneration and business allowances	2,204,594,444	4,933,922,508

37. Commitments

(a) Capital commitments

As at 30 June 2014, the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Approved but not contracted (*)	667,319,552,785	429,920,937,965
Approved and contracted	7,750,800,000	5,110,000,000
	675,070,352,785	435,030,937,965

(*) Major capital commitments approved but not contracted as at 30 June 2014 are as follows:

	30/6/2014 VND
Project Ethanol	454,451,036,785
Project Espace Bourbon Tay Ninh	193,315,000,000
Others	19,553,516,000
	667,319,552,785

(b) Leases

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

	30/6/2014 VND	31/12/2013 VND (Unaudited)
Within one year	852,231,908	471,719,767
Within two to five years	469,806,938	-
	1,322,038,846	471,719,767

38. Production and business costs by element

	From 1/1/2014 to 30/6/2014 VND	From 1/1/2013 to 31/12/2013 VND (Unaudited)
Raw material costs included in production costs	817,948,974,087	1,763,116,960,096
Labour costs and staff costs	47,052,907,628	90,334,346,843
Depreciation and amortisation	42,430,274,595	84,425,873,301
Outside services	32,953,567,797	74,771,085,695
Other expenses	14,103,910,457	39,474,993,078

28 August 2014

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