Thanh Thanh Cong Tay Ninh
Joint Stock Company

Separate Interim Financial Statements for the six-month period ended 31 December 2014

Thanh Thanh Cong Tay Ninh Joint Stock Company
Corporate information

Investment Licence No.	1316/GP	15 July 1995
Investment Certificate 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 Certificate No. 451031000014 dated 2 December 2013. The Investment Certificate 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
Board of Directors	Mr. Nguyen Thanh Ngu	General Director (from 1 November 2014)
	Mr. Nguyen Ba Chu	General Director (until 1 October 2014)
	Mr. Nguyen Hoang Tuan	Deputy General Director (until 31 December 2014)
	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	Deputy General Director (from 15 October 2014)
	Mr. Nguyen Thanh Khiem	Deputy General Director (until 31 December 2014)
	Mr. Nguyen Viet Hung	Agriculture Director
Supervisory Board	Ms. Nguyen Thuy Van	Chief Supervisor
	Mr. Pham Trung Kien	Member
	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
Statement of the Board of Management

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

(a) the separate interim financial statements set out on pages 5 to 58 give a true and fair view of the unconsolidated financial position of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company") as at 31 December 2014, and of its unconsolidated results of operations and its unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the relevant requirements of the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and

(b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

Dang Huynh Uc My
Chairwomen

Ho Chi Minh City, 26 February 2015

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

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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders
Thanh Thanh Cong Tay Ninh Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company"), which comprise the separate interim balance sheet as at 31 December 2014 and the related separate interim statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management and Board of Directors on 26 February 2015, as set out on pages 5 to 58. These separate interim financial statements are the responsibility of the Company's Board of Directors. Our responsibility is to issue a report on these separate interim financial statements based on our review.

We conducted our review in accordance with the Vietnamese Standard on Auditing 910 - Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the separate interim financial statements are free of material misstatements. A review primarily involves inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view of the unconsolidated financial positions of Thanh Thanh Cong Tay Ninh Joint Stock Company as at 31 December 2014 and of its unconsolidated results of operations and of its unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the relevant requirements of the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Operating registration certificate No.: 4114000230
Review Report No.: 15-01-104

CHI NHÁNH CÔNG TY TRÁCH NHIỆM HỮU HẠN KPMG

Lam Thi Ngoc Hao	Nguyen Thanh Nghi
Practicing Auditor Registration	Practicing Auditor Registration
Certificate No. 0866-2013-007-1	Certificate No. 0304-2013-007-1
Deputy General Director	

Ho Chi Minh City, 26 February 2015

Thanh Thanh Cong Tay Ninh Joint Stock Company
Separate interim balance sheet as at 31 December 2014

Form B 01a - DN

	Code	Note	31/12/2014 VND	30/6/2014 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	**100**		**1,835,478,966,390**	**2,001,285,227,715**
Cash and cash equivalents	**110**	5	**145,878,324,763**	**258,582,561,758**
Cash	111		20,878,324,763	258,582,561,758
Cash equivalents	112		125,000,000,000	-
Short-term investments	**120**	6	**5,967,014,352**	**70,413,530,864**
Short-term investments	121		6,574,723,341	122,188,965,070
Allowance for diminution in the value of short-term investments	129		(607,708,989)	(51,775,434,206)
Accounts receivable – short-term	**130**	7	**1,039,122,071,653**	**1,022,253,075,770**
Accounts receivable – trade	131		269,626,441,104	283,177,884,083
Prepayments to suppliers	132		647,842,546,028	610,114,801,259
Other receivables	135		150,508,303,216	160,743,216,447
Allowance for doubtful debts	139		(28,855,218,695)	(31,782,826,019)
Inventories	**140**	8	**576,399,141,682**	**617,736,004,027**
Inventories	141		576,641,698,569	617,978,560,914
Allowance for inventories	142		(242,556,887)	(242,556,887)
Other current assets	**150**		**68,112,413,940**	**32,300,055,296**
Short-term prepayments	151	9	51,822,017,893	28,955,488,757
Taxes receivables from State Treasury	154		12,663,541,152	1,536,386,539
Other current assets	158		3,626,854,895	1,808,180,000
Long-term assets (200 = 210 + 220 + 250 + 260)	**200**		**1,580,331,080,264**	**1,439,386,185,067**
Accounts receivable – long-term	**210**	7	**58,149,426,368**	**34,788,048,229**
Other long-term receivables	218		58,149,426,368	34,788,048,229
Fixed assets	**220**		**622,266,584,693**	**600,304,488,586**
Tangible fixed assets	221	10	483,510,230,814	515,883,717,417
Cost	222		1,712,486,267,236	1,703,505,216,002
Accumulated depreciation	223		(1,228,976,036,422)	(1,187,621,498,585)
Intangible fixed assets	227	11	40,444,574,009	40,836,847,665
Cost	228		51,358,251,971	51,108,741,971
Accumulated amortisation	229		(10,913,677,962)	(10,271,894,306)
Construction in progress	230	12	98,311,779,870	43,583,923,504

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

Form B 01a - DN

	Code	Note	31/12/2014 VND	30/6/2014 VND
Long-term investments	**250**	**13**	**859,016,716,978**	**777,880,333,939**
Investments in subsidiary	251		189,000,000,000	-
Investments in associates	252		596,451,464,523	721,212,839,523
Other long-term investments	258		75,685,112,384	75,685,862,384
Allowance for diminution in the value of long-term investments	259		(2,119,859,929)	(19,018,367,968)
Other long-term assets	**260**		**40,898,352,225**	**26,413,314,313**
Long-term prepayments	261	14	39,847,608,696	25,398,671,617
Deferred tax assets	262	15	1,050,743,529	1,014,642,696
TOTAL ASSETS (270 = 100 + 200)	**270**		**3,415,810,046,654**	**3,440,671,412,782**
RESOURCES				
LIABILITIES (300 = 310 + 330)	**300**		**1,516,943,566,111**	**1,644,050,764,039**
Current liabilities	**310**		**1,460,832,029,111**	**1,564,580,556,039**
Short-term borrowings	311	16	1,238,213,327,063	1,403,047,758,331
Accounts payable – trade	312	17	97,954,212,291	70,009,425,207
Advances from customers	313	18	69,331,851,508	48,363,947,151
Taxes payable to State Treasury	314	19	-	4,388,001,365
Payables to employees	315		-	2,205,023,120
Accrued expenses	316	20	14,045,235,740	10,146,426,957
Other payables	319	21	17,028,373,077	4,069,856,415
Bonus and welfare funds	323	22	24,259,029,432	22,350,117,493
Long-term borrowings	**330**		**56,111,537,000**	**79,470,208,000**
Long-term borrowings	334	23	56,111,537,000	79,470,208,000
EQUITY (400 = 410)	**400**		**1,898,866,480,543**	**1,796,620,648,743**
Owners' equity	**410**	**24**	**1,898,866,480,543**	**1,796,620,648,743**
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		125,609,421,786	120,999,110,932
Financial reserves	418		101,816,231,999	99,511,076,572
Retained profits	420		233,286,025,791	137,955,660,272
TOTAL RESOURCES (440 = 300 + 400)	**440**		**3,415,810,046,654**	**3,440,671,412,782**

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

Thanh Thanh Cong Tay Ninh Joint Stock Company
Separate interim balance sheet as at 31 December 2014 (continued)

Form B 01a - DN

OFF BALANCE SHEET ITEMS

	Note	31/12/2014	30/6/2014
Materials and goods held for third parties (KG)		1,567,000	1,617,365
Bad debts written off (VND)		16,244,589,615	9,155,696,273
Foreign currencies (USD)		496	2,785

26 February 2015

Prepared by:

Nguyen Thi Thuy Tien
Chief Accountant

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH
S.G.C.N: 4510310000014 - C.T.C.P - H. TÂN CHÂU - T. TÂY NINH

Approved by:

Nguyen Thanh Ngu
General Director

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

Thanh Thanh Cong Tay Ninh Joint Stock Company
Separate interim statement of income for the six-month period ended 31 December 2014

Form B 02a - DN

	Code	Note	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Total revenue	**01**	**27**	**957,447,351,728**	**1,309,246,393,497**
Less sale deductions	**02**	**27**	**2,512,902,788**	**1,605,556,369**
Net revenue (10 = 01 - 02)	**10**	**27**	**954,934,448,940**	**1,307,640,837,128**
Cost of sales	**11**	**28**	**857,332,217,323**	**1,149,246,926,740**
Gross profit (20 = 10 - 11)	**20**		**97,602,231,617**	**158,393,910,388**
Financial income	21	29	61,596,437,588	75,177,476,797
Financial expenses	22	30	(12,366,856,010)	1,138,673,373
In which: Interest expense	23		*44,204,174,291*	*46,700,913,704*
Selling expenses	24		30,679,921,364	30,272,491,983
General and administration expenses	25		28,889,448,299	32,503,631,177
Net operating profit {30 = 20 + (21 - 22) - (24 + 25)}	**30**		**111,996,155,552**	**169,656,590,652**
Other income	31		6,078,096,909	4,342,517,224
Other expenses	32		1,431,551,513	367,423,138
Results of other activities (40 = 31 - 32)	**40**		**4,646,545,396**	**3,975,094,086**
Profit before tax (50 = 30 + 40)	**50**		**116,642,700,948**	**173,631,684,738**
Income tax expense – current	**51**	**31**	**10,078,178,948**	**27,090,185,721**
Income tax benefit – deferred	**52**	**31**	**(36,100,833)**	**(3,479,078,396)**
Net profit after tax (60 = 50 - 51 - 52)	**60**		**106,600,622,833**	**150,020,577,413**
Earnings per share				
Basic earnings per share	70	32	743	1,065

26 February 2015

Prepared by: Approved by:

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH
S.G.C.N:4510310000014-C.T.C.P * H.TÂN CHÂU-T.TÂY NINH *

Nguyen Thi Thuy Tien
Chief Accountant

Nguyen Thanh Ngu
General Director

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

Thanh Thanh Cong Tay Ninh Joint Stock Company
Separate interim statement of cash flows for the six-month period ended 31 December 2014 (Indirect method)

Form B 03a – DN

	Code	Note	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**01**		**116,642,700,948**	**173,631,684,738**
Adjustments for				
Depreciation and amortisation	02		43,603,700,962	43,676,308,773
Allowances and provisions	03		(63,901,573,358)	(48,527,758,766)
Gains on disposals of fixed assets	05		(1,115,909,091)	(2,098,047,999)
Written off of construction in progress	05		-	100,000,000
Losses on sales of investments in an associate	05		6,494,375,000	-
Losses on sales of investments in securities	05		90,785,905	-
Interest income from bank deposits and loans to related parties	05		(28,690,114,253)	(29,772,982,509)
Interest income from prepayments to sugar cane farmers	05		(16,151,987,002)	(24,735,494,559)
Dividend income	05		(16,628,898,000)	(20,630,845,400)
Interest expense	06		44,204,174,291	46,700,913,704
Operating profit before changes in working capital	**08**		**84,547,255,402**	**138,343,777,982**
Change in receivables	09		(45,540,011,309)	(297,610,461,891)
Change in inventories	10		41,336,862,345	579,908,992,571
Change in payables and other liabilities	11		56,673,100,981	187,374,795,563
Change in prepayments	12		(16,794,542,427)	12,790,331,110
			120,222,664,992	**620,807,435,335**
Interest paid	13		(45,281,394,721)	(47,899,132,300)
Income tax paid	14		(14,000,000,000)	(10,000,000,000)
Other payments for operating activities	15		(1,779,336,744)	(4,069,303,497)
Net cash flows from operating activities	**20**		**59,161,933,527**	**558,838,999,538**

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

Form B 03a – DN

	Code	Note	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and long-term assets	21		(82,548,920,407)	(49,880,868,008)
Proceeds from disposals of fixed assets	22		1,115,909,091	2,186,829,407
Payments for loans granted to related parties	23		(110,000,000,000)	(160,000,000,000)
Collections of loans granted to related parties	24		238,960,577,469	325,652,791,317
Collections of other long-term investments	24		750,000	264,846,700
Payments for investments in other entities	25		(189,000,000,000)	(180,434,950,000)
Payments for investment in securities	25		(8,723,909,246)	-
Proceeds from sales of investments in securities	26		2,058,400,000	-
Proceeds from disposals investments in an associate	26		118,267,000,000	-
Receipts of interest and dividends	27		46,820,355,789	32,749,577,971
Net cash flows from investing activities	**30**		**16,950,162,696**	**(29,461,772,613)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares capital issued	31		-	65,742,000,000
Proceeds from treasury shares re-issued	31		-	64,144,982,000
Proceeds from short-term and long-term borrowings	33		1,474,156,264,668	1,128,131,987,469
Payments to settle debts	34		(1,662,349,366,936)	(1,474,490,684,548)
Payments of dividends	36		(623,230,950)	(70,782,521,400)
Net cash flows from financing activities	**40**		**(188,816,333,218)**	**(287,254,236,479)**

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

Thanh Thanh Cong Tay Ninh Joint Stock Company
Separate interim statement of cash flows for the six-month period ended 31 December 2014
(Indirect method - continued)

Form B 03a – DN

	Code	Note	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50		(112,704,236,995)	242,122,990,446
Cash and cash equivalents at the beginning of the period	60		258,582,561,758	35,662,666,763
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	5	145,878,324,763	277,785,657,209

26 February 2015

Prepared by:

Nguyen Thi Thuy Tien
Chief Accountant

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH
S.G.C.N: 4510310000 14 - C.T.C.P * H. TÂN CHÂU - T. TÂY NINH

Approved by:

Nguyen Thanh Ngu
General Director

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

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

In accordance with Resolution of General Shareholder Meeting dated 17 September 2014, shareholders approved the Company to acquire 100% Gia Lai Cane Sugar Thermoelectricity Joint Stock Company ("SEC") shares by issuing additional shares of the Company for SEC's current shareholders with conversion rate of 1:1.05. On 22 October 2014, the Board of Management of the Company approved to issue additional 37,142,739 shares for the above mentioned acquisition and the acquisition is expected to be completed by 30 June 2015.

As at 31 December 2014, the Company had 648 employees, in which there were 189 temporary employees (30/6/2014: 508 employees, in which there were 5 temporary employees).

2. Basis of preparation

(a) Statement of compliance

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standard 27 - *Interim Financial Reporting*, the relevant requirements of the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

These financial statements are separate interim financial statements in which subsidiary's financial statements are not consolidated in these financial statements. Investment in subsidiary is stated at cost less allowance for diminution in value of long-term investment, if necessary, in these financial statements. The Company has prepared its consolidated interim financial statements where the financial statements of the subsidiary are consolidated to the financial statements of the Company. The consolidated interim financial statements are issued separately.

(b) Basis of measurement

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

(c) Annual accounting period

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

- The first 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.

(d) Accounting currency

The separate interim 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 Company in the preparation of these separate interim financial statements.

(a) 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 separate interim statement of income.

(b) Cash and cash equivalents

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

(c) Investments

Investments are carried at cost less allowance for diminution in value of investments, if necessary, in these separate interim 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 separate interim 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 Company are recognised as income in the separate interim 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.

(d) Accounts receivable

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

(e) Prepayments to suppliers

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

(f) Inventories

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

The Company applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

▪ buildings	5 – 30 years
▪ machinery and equipment	2 – 20 years
▪ motor vehicles	5 – 6 years
▪ office equipment	3 – 5 years
▪ others	4 – 15 years

(h) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over 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 over period from 2 to 6 years.

(i) 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.

(j) 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 separate interim 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.

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provisions

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

Before 1 January 2014, the Company 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 Company 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 Company has no obligation to incur these costs after a production season, it is therefore not required to recognise accruals in advance. The Company believes that the new accounting policy provides more reliable and relevant information on the Company's financial position and results of operation.

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

(m) 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 Company's staff. Payments from bonus and welfare funds are not charged to the statement of income.

(n) Classification of financial instruments

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

(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 Company 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 Company has the positive intention and ability to hold to maturity, other than:

- those that the Company on initial recognition designates as at fair value through profit or loss;
- those that the Company 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 Company 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 Company on initial recognition designates as available-for-sale; or
- for which the Company 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 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 Company 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.

(o) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the separate interim 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 periods.

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

(p) 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

Allocations are made to equity funds and reserves based on the shareholders' resolutions.

(q) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the separate interim 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.

(r) Operating lease payments

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

(s) Borrowing costs

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

(t) Earnings per share

The Company 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.

(u) Segment reporting

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

(v) Related parties

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

4. Segment reporting

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

5. Cash and cash equivalents

	31/12/2014 VND	30/6/2014 VND
Cash on hand	4,210,649,453	1,630,674,379
Cash in banks	16,667,675,310	256,951,887,379
Cash equivalents	125,000,000,000	-
Cash and cash equivalents in the separate interim statement of cashflow	145,878,324,763	258,582,561,758

6. Short-term investments

	31/12/2014 VND	30/6/2014 VND
Short-term investments in shares	6,574,723,341	-
Loans to an associate, Thanh Thanh Cong Industrial Zone Joint Stock Company ("TTCIZ")	-	122,188,965,070
	6,574,723,341	122,188,965,070
Allowance for diminution in value of short-term investments	(607,708,989)	(51,775,434,206)
	5,967,014,352	70,413,530,864

Loans to TTCIZ were unsecured and earned interest at rate ranging from 10.5% to 12% per annum during the period (six-month period ended 31/12/2013: 12%). During the period, the accumulated interest amounting to VND6,771,612,399 (six-month period ended 31/12/2013: VND19,783,457,267) was converted to loans principal. TTCIZ had fully paid these loans during the period.

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

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	122,188,965,070	317,333,585,369
Additions	125,495,521,645	179,783,457,267
Disposals	(2,149,185,905)	-
Collections	(238,960,577,469)	(325,652,791,317)
Closing balance	6,574,723,341	171,464,251,319

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

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	51,775,434,206	95,524,943,609
Additions	607,708,989	-
Written back	(51,775,434,206)	(42,602,553,332)
Closing balance	607,708,989	52,922,390,277

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

Accounts receivable included the following amounts due from related parties:

	31/12/2014 VND	30/6/2014 VND
Amounts due from shareholders		
Trade	3,584,250,000	61,881,972,000
Non-trade	628,949,814	102,988,056,975
Amounts due from other related parties		
Trade	1,649,335,475	291,664,130
Non-trade	-	6,787,840,584

The trade and non-trade amounts due from related parties were unsecured, interest free and receivable as schedules agreed between parties.

At 31 December 2014, accounts receivable with carrying value of VND360,000 million and VND equivalent to USD11.25 million (30/6/2014: VND197,500 million and VND equivalent to USD25.25 million) were pledged with banks as security for loans granted to the Company.

Prepayments to suppliers included following amounts prepaid to related parties:

	31/12/2014 VND	30/6/2014 VND
Amounts prepaid to shareholders		
Trade	181,345,161,150	-
Amounts prepaid to other related parties		
Trade	64,736,903,850	165,580,800,000

The prepayments to shareholders were unsecured and earned interest at rate ranging from 8.2% to 9.0% per annum during the period (six-month period ended 31/12/2013: 11.5%). The prepayments to other related parties were unsecured and earned interest at rate of 8.5% per annum during the period (six-month period ended 31/12/2013: 11.5%).

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

	31/12/2014 VND	30/6/2014 VND
Short-term prepayments to sugar cane farmers	277,240,122,218	397,124,797,402
Long-term prepayments to sugar cane farmers	45,051,315,180	21,363,986,000
	322,291,437,398	418,488,783,402

During the period, the Company recorded prepayments to sugar cane farmers with an amount of VND10,556,161,398 in term of sales of sugar cane sprouts and fertilizers (six-month period ended 31/12/2013: VND24,392,961,800) and netted off against prepayments to sugar cane farmers with purchases of sugar cane with an amount of VND110,998,185,045 (six-month period ended 31/12/2013: VND91,768,117,291).

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 (six-month period ended 31/12/2013: 8.4% to 16.5%). The prepayments are collected within 3 years from each drawdown.

Other short-term receivables comprised:

	31/12/2014 VND	30/6/2014 VND
Taxes receivable related to imported goods for export	100,236,467,845	-
Interest receivables from sugar cane farmers	48,016,346,494	48,850,972,567
Interest receivables from Thanh Thanh Cong Packaging Joint Stock Company	878,049,999	475,001,368
Interest receivables from Thuan Thien Trading and Investment Limited Company, a shareholder	439,166,667	404,458,334
Interest receivables from Thanh Thanh Cong Trading Joint Stock Company	189,783,147	-
Interest receivables from other companies	43,263,889	-
Interest receivables from Thanh Thanh Cong Industrial Zone Joint Stock Company, an associate	-	6,787,840,584
Accounts receivable from Thanh Thanh Cong Investment Joint Stock Company	-	102,583,598,641
Others	705,225,175	1,641,344,953
	150,508,303,216	160,743,216,447

Other long-term receivables comprised:

	31/12/2014 VND	30/6/2014 VND
Long-term prepayments to sugar cane farmers	45,051,315,180	21,363,986,000
Receivables from Svayrieng projects in Cambodia	13,098,111,188	13,424,062,229
	58,149,426,368	34,788,048,229

Other long-term receivables included an amount of VND13,098,111,188 (30/6/2014: VND13,424,062,229) for Business Co-operation Contract between the Company and Svayrieng Ltd Co., to develop a project to plant sugar canes in Cambodia in ten years. The Company owns 85% interest sharing from this project. The Company is committed to purchase all sugar canes harvested from this project.

8. Inventories

	31/12/2014 VND	30/6/2014 VND
Raw materials	147,531,888,789	96,273,123,996
Tools and supplies	116,448,947	160,652,368
Work in progress	117,452,170,196	13,829,296,766
Finished goods	310,697,924,879	492,251,092,712
Merchandise inventories	14,066,322	12,485,237
Goods on consignment	829,199,436	15,451,909,835
	576,641,698,569	617,978,560,914
Allowance for inventories	(242,556,887)	(242,556,887)
	576,399,141,682	617,736,004,027

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

At 31 December 2014, inventories with carrying value of VND293,750 million and VND equivalent to USD14.85 million (30/6/2014: VND380,000 million and VND equivalent to USD17.85 million) were pledged with banks as security for loans granted to the Company. According to loan contracts, pledged inventories amounting to VND equivalent to USD11.25 million can be replaced by account receivables with the same amount.

9. Short-term prepayments

Short-term prepayments included an amount of VND28,383,831,237 for pre-season overhaul costs, which will be allocated to production costs of 2014 – 2015 production season (30/6/2014: nil) and an amount of VND23,367,586,658 to develop planting sugar cane, in which the amount of VND20,864,011,047 will be allocated to production costs for 2014 – 2015 production season and the amount of VND2,503,575,611 will be allocated to production costs for the coming production season (30/6/2014: VND26,970,131,669).

10. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
Opening 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
Additions	119,511,527	5,857,271,817	4,978,789,999	-	-	10,955,573,343
Disposals	-	-	(1,974,522,109)	-	-	(1,974,522,109)
Closing balance	282,183,905,293	1,342,534,475,567	24,337,245,174	5,025,310,672	58,405,330,530	1,712,486,267,236
Accumulated depreciation						
Opening 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
Charge for the period	5,069,041,125	36,733,453,672	1,309,760,166	202,109,602	14,695,381	43,329,059,946
Disposals	-	-	(1,974,522,109)	-	-	(1,974,522,109)
Closing balance	155,955,183,164	999,583,066,502	10,626,886,379	4,445,461,231	58,365,439,146	1,228,976,036,422
Net book value						
Opening balance	131,178,251,727	373,827,590,920	10,041,328,962	781,959,043	54,586,765	515,883,717,417
Closing balance	126,228,722,129	342,951,409,065	13,710,358,795	579,849,441	39,891,384	483,510,230,814

Included in the cost of tangible fixed assets were assets costing VND229,556 million which were fully depreciated as of 31 December 2014 (30/6/2014: VND227,518 million), but which are still in active use.

At 31 December 2014 tangible fixed assets with net book value of VND184,172 million (30/6/2014: VND197,392 million) were pledged with banks as security for loans granted to the Company.

11. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	47,483,754,819	3,624,987,152	51,108,741,971
Additions	-	249,510,000	249,510,000
Closing balance	47,483,754,819	3,874,497,152	51,358,251,971
Accumulated amortisation			
Opening balance	7,170,349,887	3,101,544,419	10,271,894,306
Charge for the period	528,197,094	113,586,562	641,783,656
Closing balance	7,698,546,981	3,215,130,981	10,913,677,962
Net book value			
Opening balance	40,313,404,932	523,442,733	40,836,847,665
Closing balance	39,785,207,838	659,366,171	40,444,574,009

Included in the cost of intangible fixed assets were assets costing VND4,361 million which were fully amortised as of 31 December 2014 (30/6/2014: VND4,360 million), but which are still in active use.

At 31 December 2014 intangible fixed assets with net book value of VND7,502 million (30/6/2014: VND40,313 million) were pledged with banks as security for loans granted to the Company.

12. Construction in progress

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	43,583,923,504	33,627,433,919
Additions during the period	75,248,780,154	39,252,437,104
Transfers to tangible fixed assets	-	(13,460,406,630)
Transfers to short-term prepayments	(20,520,923,788)	-
Written off	-	(100,000,000)
Closing balance	98,311,779,870	59,319,464,393

Major constructions in progress are as follows:

	31/12/2014 VND	30/6/2014 VND
Project Espace Bourbon Tay Ninh	64,354,946,081	30,756,242,003
Project Silo 2000 tons	14,021,720,230	-
Upgrading machinery and equipment	16,295,566,883	-
Others	3,639,546,676	12,827,681,501
	98,311,779,870	43,583,923,504

During the period, depreciation charged capitalised into construction in progress amounted to VND367,142,640 (six-month period ended 31/12/2013: VND367,142,640).

13. Long-term investments

	31/12/2014				30/6/2014			
	Quantity	% of equity owned	% of voting right	VND	Quantity	% of equity owned	% of voting right	VND
Long-term equity investment in subsidiary:								
▪ Thanh Thanh Cong Alcohol Trading Production Joint Stock Company (i)	189,000,000	90%	90%	189,000,000,000	189,000,000	90.00%	90.00%	-
Long-term equity investments in associates:								
▪ Thanh Thanh Cong Industrial Zone Joint Stock Company (ii)	24,500,000	49.00%	49.00%	245,000,000,000	24,500,000	49.45%	49.45%	245,000,000,000
▪ Bien Hoa Sugar Joint Stock Company (iii)	13,630,296	21.64%	21.64%	197,682,217,123	13,630,296	21.64%	21.64%	197,682,217,123
▪ La Nga Sugar Joint Stock Company (iv)	2,040,802	24.89%	24.89%	61,224,060,000	2,040,802	24.89%	24.89%	61,224,060,000
▪ Nuoc Trong Sugar Joint Stock Company (v)	1,389,302	23.95%	23.95%	53,765,987,400	1,389,302	23.95%	23.95%	53,765,987,400
▪ Tay Ninh Chemical Industry Joint Stock Company (vi)	3,157,920	27.85%	27.85%	31,579,200,000	3,157,920	26.32%	26.32%	31,579,200,000
▪ Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company (vii)	720,000	24.00%	24.00%	7,200,000,000	720,000	24.00%	24.00%	7,200,000,000
▪ Gia Lai Cane Sugar Thermoelectricity Joint Stock Company (viii)	-	-	-	-	9,240,000	23.69%	23.69%	124,761,375,000
				596,451,464,523				721,212,839,523

	31/12/2014				30/6/2014			
	Quantity	**% of equity owned**	**% of voting right**	**VND**	**Quantity**	**% of equity owned**	**% of voting right**	**VND**
Other long-term investments								
▪ Investments in securities (ix)				74,915,050,000				74,915,050,000
▪ Other long-term investments				770,062,384				770,812,384
				75,685,112,384				75,685,862,384
Allowance for diminution in value of long-term investments				(2,119,859,929)				(19,018,367,968)
				859,016,716,978				777,880,333,939

(i) Thanh Thanh Cong Alcohol Trading Production Joint Stock Company ("TTCE") was established in Vietnam in accordance with Business License No. 3901183393 issued by the Planning and Investment Department of Tay Ninh Province on 28 March 2014. The head office of TTCE is located at Tan Loi Hamlet, Tan Hung Commune,Tan Chau Distric, Tay Ninh Province, Vietnam. The principal activities of this company are manufacturing alcohol and related by-products; trading alcohol and related by-products (wholesale); manufacturing and trading electricity; manufacturing fertilizer and planting sugarcane.

(ii) Thanh Thanh Cong Industrial Zone Joint Stock Company ("TTCIZ") was established in Vietnam in accordance with Business License No. 3900471864 issued by the Department of Planning and Investment of Tay Ninh Province on 10 September 2008. The head office of TTCIZ is located at An Hoi Hamlet, An Hoa Commune, Trang Bang District, Tay Ninh Province, Vietnam. The principal activities of this company are building industrial zone's infrastructure and leasing industrial zone.

As at 31 December 2014 and 30 June 2014, the Company pledged all TTCIZ shares as security with Orient Commercial Joint Stock Bank for bank loans granted to TTCIZ.

(iii) Bien Hoa Sugar Joint Stock Company ("Bien Hoa Sugar") was established in Vietnam in accordance with Business License No. 450300000501 issued by the Department of Planning and Investment of Dong Nai Province on 13 June 2001. The head office of Bien Hoa Sugar is located at Bien Hoa Industrial Park I, An Binh Ward, Dong Nai Province, Vietnam. The principal activities of this company are 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.

As at 31 December 2014, all the shares (30/6/2014: 10,135,148 shares) of Bien Hoa Sugar with the carrying value of VND197,682 million (30/6/2014: VND146,992 million) were pledged with banks as security for loans granted to the Company.

(iv) La Nga Sugar Joint Stock Company ("La Nga Sugar") was established in Vietnam in accordance with Business License No. 4703000006 issued by the Department of Planning and Investment of Dong Nai Province on 23 March 2000. The head office of La Nga Sugar is located at Km35, Highstreet 20, La Nga Commune, Dinh Quan District, Dong Nai Province, Vietnam. The principal activities of this company are 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; constructing public, industry, traffic and irrigation projects; producing and providing tree varieties; producing hygienic water, electricity; manufacturing and trading in furniture and interior decoration materials; manufacturing, repairing, buying and selling mechanical products; buying and selling agriculture and industry materials.

(v) Nuoc Trong Sugar Joint Stock Company ("Nuoc Trong Sugar") was established in Vietnam in accordance with Decision No. 299/QD-CT issued by the People Committee of Tay Ninh Province on 7 April 2005. The head office of Nuoc Trong Sugar is located at Hoi An Village, Tan Hoi Commune, Tan Chau District, Tay Ninh Province, Vietnam. The principal activities of this company are 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.

(vi) Tay Ninh Chemical Industry Joint Stock Company ("Tay Ninh Chemical") was established in Vietnam in accordance with Business License No. 3900914957 issued by the People Committee of Tay Ninh Province on 29 January 2013. The head office of Tay Ninh Chemical is located at Hoi An Village, Tan Hoi Commune, Tan Chau District, Tay Ninh Province, Vietnam. The principal activities of this company are producing starch and products related to starch; producing artificial condensed products, non-alcohol and mineral water, nitrogen compound; installing machinery and industrial equipment.

(vii) Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company ("Thanh Thanh Cong Sugarcane") was established in Vietnam in accordance with Business License No. 3901162964 issued by the Department of Planning and Investment of Tay Ninh Province on 21 March 2013. The head office of Thanh Thanh Cong Sugarcane is located at Binh Hoa Village, Thai Binh Commune, Chau Thanh District, Dong Nai Province, Vietnam. The principal activities of this company are to perform research and develop sugar cane sprouts; to analysis cultivation and plant protection products; to produce and develop mechanic machineries for sugar canes production.

(viii) Gia Lai Cane Sugar Thermoelectricity Joint Stock Company ("Gia Lai Cane Sugar") was established in Vietnam in accordance with Business License No. 5900421955 issued by the People Committee of Gia Lai Province on 21 July 2009. The head office of Gia Lai Cane Sugar is located at Ayunpa Town, Gia Lai Province, Vietnam. The principle activity of this company are to manufacture 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.

During the period, the Company disposed all of its interests in Gia Lai Cane Sugar for a consideration of VND118,267 million.

(ix) Investment in securities comprised of:

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

As at 31 December 2014 and 30 June 2014, 2,996,602 shares of Ninh Hoa Sugar Joint Stock Company with the carrying value of VND37,457 million were pledged with banks as security for loans granted to the Company.

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

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	796,898,701,907	591,604,748,427
Additions	189,000,000,000	180,434,950,000
Disposals	(124,761,375,000)	-
Collections	(750,000)	(264,846,700)
Closing balance	861,136,576,907	771,774,851,727

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

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	19,018,367,968	29,785,217,369
Additions	481,757,166	-
Written back	(17,380,265,205)	(6,575,939,836)
Closing balance	2,119,859,929	23,209,277,533

14. Long-term prepayments

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	25,398,671,617	9,797,388,459
Additions during the period	18,054,305,708	1,013,274,082
Amortisation for the period	(3,605,368,629)	(9,257,550,814)
Closing balance	39,847,608,696	1,553,111,727

15. Deferred tax assets

Deferred tax assets are recognised on temporary difference arising from accrued expenses.

16. Short-term borrowings

	31/12/2014 VND	30/6/2014 VND
Short-term borrowings	1,190,627,985,063	1,355,634,416,331
Current portion of long-term borrowings (Note 23)	47,585,342,000	47,413,342,000
	1,238,213,327,063	1,403,047,758,331

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

	Currency	Interest rate per annum	31/12/2014 VND	30/6/2014 VND
• HSBC Bank (Vietnam) Ltd (i)	VND	4.5%	148,000,000,000	115,700,000,000
• Joint Stock Commercial Bank for Foreign Trade of Vietnam (ii)	VND	5.5% - 7.0%	216,927,216,206	241,900,000,000
• ANZ Bank (Vietnam) Ltd (iii)	VND	5.5% - 6.3%	140,945,196,906	210,261,706,000
• Vietnam International Commercial Joint Stock Bank (iv)	VND	5.9% - 7.0%	138,549,453,952	118,187,023,200
• Vietnam Joint Stock Commercial Bank for Industry and Trade (v)	VND	4.5% - 6.0%	212,706,069,183	227,823,633,121
• Vietnam Joint Stock Commercial Bank for Industry and Trade (v)	USD	3.0%	52,527,870,000	-
• Chinatrust Commercial Bank Vietnam Ltd (vi)	VND	5.5% - 6.4%	33,400,000,000	60,000,000,000
• Shinhan Bank Vietnam Ltd (vii)	VND	5.6% - 6.4%	59,982,178,816	59,599,731,492
• Military Commercial Joint Stock Bank (viii)	VND	5.5% - 6.6%	100,000,000,000	94,200,000,000
• Vietnam Prosperity Joint Stock Commercial Bank (ix)	VND	4.0% - 4.5%	20,000,000,000	89,432,352,000
• Asia Commercial Joint Stock Bank (x)	VND	5.5%	50,000,000,000	-
• Natixis Branch in Ho Chi Minh City	VND	6.0% - 6.5%	-	62,976,000,000
• Hong Leong Bank Vietnam Ltd	VND	6.5% - 6.6%	-	57,533,970,518
• Unsecured loans from employees	VND	8.5%	14,350,000,000	18,020,000,000
• Unsecured loans from Tay Ninh Investment and Development Fund	VND	0%	3,240,000,000	-
			1,190,627,985,063	1,355,634,416,331

(i) This loan has a maximum facility of USD7 million (30/6/2014: USD14 million). The loan is secured by receivables as at 31 December 2014 with carrying value of VND185,000 million (30/6/2014: 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 with carrying value of VND97,500 million and USD14 million, respectively).

(ii) This loan has a maximum facility of VND250,000 million (30/6/2014: 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 31 December 2014 of VND120,544 million and VND7,502 million, respectively (30/6/2014: VND125,001 million and VND7,661 million). The loan is also secured by 1,000,000 shares (30/6/2014: 1,000,000 shares) of Bien Hoa Sugar Joint Stock Company and 2,996,602 shares (30/6/2014: 2,996,602 shares) of Ninh Hoa Sugar Joint Stock Company with carrying value of VND51,961 million (30/6/2014: VND51,961 million).

(iii) This loan has a maximum facility of USD15 million (30/6/2014: USD15 million). The loan is secured by receivables and inventories as at 31 December 2014 with carrying value of USD11.25 million each (30/6/2014: USD11.25 million and USD11.25 million).

(iv) This loan has a maximum facility of VND200,000 million (30/6/2014: VND200,000 million). The loan is secured by inventories and receivables as at 31 December 2014 with carrying value of VND150,000 million and VND100,000 million (30/6/2014: VND150,000 million and VND100,000 million), respectively.

(v) This loan has a maximum facility of VND400,000 million (30/6/2014: VND400,000 million). The loan is secured by machinery and equipment with net book value as at 31 December 2014 of VND63,628 million (30/6/2014: VND72,391 million).

(vi) This loan has a maximum facility of USD3.6 million (30/6/2014: USD3.6 million). The loan is secured by inventories as at 31 December 2014 with carrying value of USD3.6 million (30/6/2014: USD3.6 million).

(vii) This loan has a maximum facility of VND60,000 million (30/6/2014: VND60,000 million). The loan is unsecured.

(viii) This loan has a maximum facility of VND100,000 million (30/6/2014: VND100,000 million). The loan is secured by inventories as at 31 December 2014 with carrying value of VND143,750 million (30/6/2014: VND144,000 million).

(ix) This loan has a maximum facility of VND100,000 million (30/6/2014: VND100,000 million). The loan is unsecured.

(x) This loan has a maximum facility of VND50,000 million. The loan is secured by receivables as at 31 December 2014 with carrying value of VND75,000 million.

17. Accounts payable – trade

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

	31/12/2014 VND	30/6/2014 VND
Amounts due to shareholders	1,995,149,674	17,929,137,249
Amounts due to other related parties	13,325,836,618	-

The trade related amounts due to shareholders and other related parties were unsecured, interest free and are payable as schedules agreed between parties.

18. Advances from customers

	31/12/2014 VND	30/6/2014 VND
Advances from Sai Gon Thuong Tin Commercial Joint Stock Bank (*)	61,920,710,000	45,695,210,000
Advance from Thanh Thanh Cong Trading Joint Stock Company, a related party for purchases of molasses	-	120,400,000
Other advances from customers	7,411,141,508	2,548,337,151
	69,331,851,508	48,363,947,151

The advances from related parties were unsecured and interest free.

(*) This amount represented cash advance for Properties Transfer Agreement dated 25 November 2011 between the Company and Sai Gon Thuong Tin Commercial Joint Stock Bank. According to this Agreement, the Company 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.

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19. Taxes payable to State Treasury

	31/12/2014 VND	30/6/2014 VND
Value added tax	-	3,433,329,945
Personal income tax	-	954,671,420
	-	4,388,001,365

20. Accrued expenses

	31/12/2014 VND	30/6/2014 VND
Transportation and loading fee	4,577,746,760	5,055,191,305
Construction costs	3,537,800,450	-
Interest expense	1,621,877,482	2,699,097,912
Unpaid leaves	572,265,930	574,018,820
Others	3,735,545,118	1,818,118,920
	14,045,235,740	10,146,426,957

21. Other payables

	31/12/2014 VND	30/6/2014 VND
Harvest and transportation payables	13,771,167,336	1,576,076,357
Payables to Tay Ninh Sugar Company Ltd.	1,200,000,000	1,200,000,000
Dividends payables	452,260,335	408,948,935
Others	1,604,945,406	884,831,123
	17,028,373,077	4,069,856,415

22. Bonus and welfare funds

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

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	22,350,117,493	20,516,524,202
Additions during the period	3,688,248,683	-
Utilisations during the period	(1,779,336,744)	(4,069,303,497)
Closing balance	24,259,029,432	16,447,220,705

23. Long-term borrowings

	31/12/2014 VND	30/6/2014 VND
Long-term borrowings	103,696,879,000	126,883,550,000
Repayable within twelve months (Note 16)	(47,585,342,000)	(47,413,342,000)
Repayable after twelve months	56,111,537,000	79,470,208,000

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

	Currency	Interest rate per annum	Year of maturity	31/12/2014 VND	30/6/2014 VND
Secured long-term borrowings:					
• Tay Ninh Investment and Development Funds (i)	VND	9.6%	2016	2,107,000,000	2,633,000,000
• Tay Ninh Investment and Development Funds (i)	VND	9.6%	2016	3,800,000,000	4,750,000,000
• Asia Commercial Joint Stock Bank (ii)	VND	9.5% - 10.5%	2016	41,862,000,000	52,328,500,000
• Asia Commercial Joint Stock Bank (ii)	VND	9.5% - 10.5%	2016	42,283,000,000	52,854,000,000
Unsecured long-term borrowings:					
• Tay Ninh Sugar Company Ltd., (iii)	VND	4.62%	2020	13,124,879,000	14,318,050,000
• Vietnam Joint Stock Commercial Bank for Industry and Trade (iv)	VND	0%	2017	520,000,000	-
				103,696,879,000	126,883,550,000

(i) This loan has a maximum facility of VND10,700 million (30/6/2014: VND10,700 million). Principal outstanding of VND2,107,000,000 at 31 December 2014 is repayable in 7 quarterly installments of VND263 million each and a final installment of VND266 million on 31 December 2016. Principal outstanding of VND3,800,000,000 at 31 December 2014 is repayable in 8 quarterly installments of VND475 million each. The loan is guaranteed by Letter of Credit issued by Vietnam Joint Stock Commercial Bank for Industry and Trade amounting to VND2,500 million (30/6/2014: 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 (30/6/2014: VND2,850 million).

(ii) This loan has a maximum facility of VND120,000 million (30/6/2014: VND120,000 million). Principal outstanding of VND41,862,000,000 at 31 December 2014 is repayable in 3 equal semi-annually installments of VND10,466 million each and a final installment of VND10,462 million on 20 November 2016. Principal outstanding of VND42,283,000,000 at 31 December 2014 is repayable in 3 equal semi-annually installments of VND10,571 million each and a final installment of VND10,570 million on 20 November 2016. The loan is secured by 12,630,296 shares of Bien Hoa Sugar Joint Stock Company (30/6/2014: 9,135,148 shares of Bien Hoa Sugar Joint Stock Company and 4,200,000 shares of Gia Lai Cane Sugar Thermoelectricity Joint Stock Company) with carrying value of VND183,179 million (30/6/2014: VND189,198 million).

(iii) This loan has a maximum facility of VND36,000 million (30/6/2014: VND36,000 million). Principal outstanding at 31 December 2014 is repayable in 11 equal semi-annually installments of VND1,193 million each. The final installment will be on 10 April 2020.

(iv) This loan has a maximum facility of VND520 million (30/6/2014: nil). Principal outstanding at 31 December 2014 is repayable in 11 equal quarterly installments of VND43 million each and a final installment of VND47 million on 14 November 2017.

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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	Retained profits VND	Total VND
Balance as at 1 July 2013	1,419,258,000,000	13,818,011,060	(104,508,192,093)	97,098,444,233	87,560,743,223	139,643,125,380	1,652,870,131,803
Share capital issued	65,742,000,000	-	-	-	-	-	65,742,000,000
Re-issued treasury shares	-	913,988,950	42,930,993,050	-	-	-	43,844,982,000
Net profits for the period	-	-	-	-	-	150,020,577,413	150,020,577,413
Dividends	-	-	-	-	-	(71,753,080,000)	(71,753,080,000)
Balance as at 1 January 2014	1,485,000,000,000	14,732,000,010	(61,577,199,043)	97,098,444,233	87,560,743,223	217,910,622,793	1,840,724,611,216
Net profits for the period	-	-	-	-	-	46,103,108,536	46,103,108,536
Appropriations to funds	-	-	-	23,900,666,699	11,950,333,349	(54,971,533,407)	(19,120,533,359)
Dividends	-	-	-	-	-	(71,086,537,650)	(71,086,537,650)
Balance as at 1 July 2014	1,485,000,000,000	14,732,000,010	(61,577,199,043)	120,999,110,932	99,511,076,572	137,955,660,272	1,796,620,648,743
Net profits for the period	-	-	-	-	-	106,600,622,833	106,600,622,833
Appropriations to funds	-	-	-	4,610,310,854	2,305,155,427	(10,603,714,964)	(3,688,248,683)
Dividends	-	-	-	-	-	(666,542,350)	(666,542,350)
Balance as at 31 December 2014	1,485,000,000,000	14,732,000,010	(61,577,199,043)	125,609,421,786	101,816,231,999	233,286,025,791	1,898,866,480,543

25. Share capital

The Company's authorised and issued share capital are:

	31/12/2014		30/6/2014	
	Number of shares	VND	Number of shares	VND
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 Company'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 1/7/2014 to 31/12/2014		From 1/7/2013 to 31/12/2013	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the period	143,506,160	1,435,061,600,000	133,450,410	1,334,504,100,000
Shares issued during the period	-	-	6,574,200	65,742,000,000
Treasury shares re-issued during the period	-	-	3,481,550	34,815,500,000
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 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	61,577,199,043	104,508,192,093
Treasury shares re-issued during the period	-	(42,930,993,050)
Closing balance	61,577,199,043	61,577,199,043

26. 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 resource for the Company's future general business risks.

27. Total revenue

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

Net revenue comprised:

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Total revenue		
▪ Sales of sugar	891,542,017,602	1,251,597,276,930
▪ Sales of molasses	40,252,337,896	18,312,241,523
▪ Sales of electricity	13,585,787,100	12,683,510,800
▪ Sales of fertilizer	9,032,485,059	19,099,619,299
▪ Others	3,034,724,071	7,553,744,945
	957,447,351,728	1,309,246,393,497
Less sales deductions		
▪ Sales allowance	2,512,902,788	1,605,556,369
Net revenue	954,934,448,940	1,307,640,837,128

28. Cost of sales

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Cost of sugar	792,759,764,128	1,097,587,780,542
Cost of molasses	39,940,884,736	17,372,795,810
Cost of electricity	13,554,411,548	11,593,270,271
Cost of fertilizer	9,132,129,350	18,091,981,507
Others	1,945,027,561	4,601,098,610
	857,332,217,323	1,149,246,926,740

29. Financial income

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Interest income from prepayments to sugar cane farmers	16,151,987,002	24,735,494,559
Interest income from deposits from banks	113,689,880	202,657,787
Interest income from loans to related parties	28,576,424,373	29,570,324,722
Dividends income	16,628,898,000	20,630,845,400
Foreign exchange gains	83,767,837	38,154,329
Gains from sales of investment in securities	41,670,496	-
	61,596,437,588	75,177,476,797

30. Financial expenses

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Interest expense	44,204,174,291	46,700,913,704
Reversal of allowance for the diminution in the value of short-term and long-term investments	(68,066,233,256)	(49,178,493,168)
Allowance for doubtful debts	4,164,659,898	650,734,402
Losses from disposals of investments in an associate	6,494,375,000	-
Losses from sales of investment in securities	132,456,401	-
Foreign exchange losses	517,181,156	1,032,619,768
Others	186,530,500	1,932,898,667
	(12,366,856,010)	1,138,673,373

31. Income tax

(a) Recognised in the separate interim statement of income

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Current tax expense		
Current period	10,078,178,948	27,090,185,721
Deferred tax benefit		
Origination and reversal of temporary differences	(36,100,833)	(3,479,078,396)
Income tax expense	10,042,078,115	23,611,107,325

(b) Reconciliation of effective tax rate

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Profit before tax	116,642,700,948	173,631,684,738
Tax at the Company's applicable tax rate	11,664,270,095	17,363,168,474
Effect of different tax rates applied to other income	-	11,405,650,201
Non-deductible expenses	40,697,820	-
Tax exempt income	(1,662,889,800)	(5,157,711,350)
Income tax expense	10,042,078,115	23,611,107,325

(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.

All of the above tax exemption and reduction are not applicable to other income which is taxed at a rate of 22%. The usual income tax rate applicable to enterprises before any incentives is 22% for 2014 and 2015, and will be reduced to 20% from 2016.

32. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 31 December 2014 was based on the profit attributable to ordinary shareholders of VND106,601 million (six-month period ended 31/12/2013: VND150,021 million) and a weighted average number of ordinary shares outstanding of 143,506,160 (six-month period ended 31/12/2013: 140,885,132), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Net profit attributable to ordinary shareholders	106,600,622,833	150,020,577,413

(ii) Weighted average number of ordinary shares

	From 1/7/2014 to 31/12/2014	From 1/7/2013 to 31/12/2013
Issued ordinary shares at the beginning of the period	143,506,160	133,450,410
Issued ordinary shares during the period	-	6,132,867
Effect of re-issuance of treasury shares during the period	-	1,301,855
Weighted average number of ordinary shares for the period	143,506,160	140,885,132

33. Financial instruments

(a) Financial risk management

(i) Overview

The Company 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 Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

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

(ii) *Risk management framework*

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, prepayments to sugar cane farmers 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	31/12/2014 VND	30/6/2014 VND
Cash and cash equivalents	(*)	141,667,675,310	256,951,887,379
Short-term investments		-	70,413,530,864
Trade and other receivables	(**)	410,265,745,753	443,257,204,000
Prepayments to sugar cane farmers	(***)	303,305,217,270	400,793,916,142
		855,238,638,333	1,171,416,538,385

(*) *Cash and cash equivalents*

Cash and cash equivalents of the Company 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 Company.

(**) *Trade and other receivables*

The Company'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 Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. In addition, the Company 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 Company. Management believes that those receivables are of high credit quality.

Based on historic default rates, the Company believes that, apart from the amount provided, no further allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables balances as of 31 December 2014.

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

	31/12/2014 VND	30/6/2014 VND
Past due 0 – 30 days	23,249,664,049	25,238,516,053
Past due 31 – 180 days	1,923,354,487	50,001,046,737
Past due 181 – 365 days	4,084,185,787	10,926,711,926
Past due more than 365 days	608,632,171	549,742,421
	29,865,836,494	86,716,017,137

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

The Company'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 Company has established a loans policy under which each financial support request from each farmer is analysed individually for creditworthiness before the Company'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 Company 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 Company. Farmers with balances that are overdue are requested to settle the balances before further credit is granted.

Based on historic default rates, the Company believes 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 31 December 2014.

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

	31/12/2014 VND	30/6/2014 VND
Past due 181 – 365 days	19,036,126,260	2,212,686,010
Past due more than 365 days	1,489,050,023	754,835,157
	20,525,176,283	2,967,521,167

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

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Opening balance	31,782,826,019	25,374,028,291
Increase in allowance during the period	4,164,659,898	650,734,402
Utilised during the period	(7,092,267,222)	(3,679,154,393)
Closing balance	28,855,218,695	22,345,608,300

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's reputation.

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

31 December 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	1,190,627,985,063	1,211,384,124,659	1,211,384,124,659	-	-	-
Accounts payable – trade	97,954,212,291	97,954,212,291	97,954,212,291	-	-	-
Accrued expenses	14,045,235,740	14,045,235,740	14,045,235,740	-	-	-
Other payables	17,028,373,077	17,028,373,077	17,028,373,077	-	-	-
Long-term borrowings						
Long-term borrowings	103,696,879,000	115,277,557,162	54,729,805,935	50,522,274,795	8,804,285,858	1,221,190,574
	1,423,352,685,171	1,455,689,502,929	1,395,141,751,702	50,522,274,795	8,804,285,858	1,221,190,574

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

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

The Company'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 31 December 2014, the Company had the following net monetary (liability)/asset position exposed to currency risk:

	31/12/2014 USD	30/6/2014 USD
Cash	496	201
Accounts receivable	2,449,945	276,705
Short-term borrowings	(2,454,000)	-
Trade payables	(23,025)	-
	(26,584)	276,906

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

	Exchange rate as at 31/12/2014 VND	Exchange rate as at 30/6/2014 VND
USD1	21,405	21,300

Below is an analysis of the possible impact on the net profit of the Company after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at reporting date. 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
31/12/2014	
USD (1% strengthening)	(5,121,275)
30/6/2014	
USD (1% strengthening)	54,127,670

The opposite movement of the currency would have the equal but opposite effect to the net profit of the Company as at 31 December 2014.

(ii) Interest rate risk

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

	Carrying amount	
	31/12/2014 VND	30/6/2014 VND
Fixed rate instruments		
Cash equivalents	125,000,000,000	-
Short-term investments	-	70,413,530,864
Long-term borrowings	(19,031,879,000)	(21,701,050,000)
	105,968,121,000	48,712,480,864
Variable rate instruments		
Cash in banks	16,667,675,310	256,951,887,379
Short-term prepayments to sugar cane farmers	258,253,902,090	379,429,930,142
Long-term prepayments to sugar cane farmers	45,051,315,180	21,363,986,000
Short-term borrowings	(1,190,627,985,063)	(1,355,634,416,331)
Long-term borrowings	(84,665,000,000)	(105,182,500,000)
	(955,320,092,483)	(803,071,112,810)

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 Company by VND8,598 million (30/6/2014: VND7,227 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	
	31/12/2014 VND	**30/6/2014 VND**
Categorised as loans and receivables:		
- Cash and cash equivalents	145,878,324,763	258,582,561,758
- Short-term investments	-	70,413,530,864
- Trade and other receivables	410,265,745,753	443,257,204,000
- Prepayments to sugar cane farmers	303,305,217,270	400,793,916,142
- Other long-term investments	770,062,384	770,812,384
Categorised as available-for-sale financial assets:		
- Short-term investments in securities	5,967,014,352	-
- Other long-term investments in securities	74,915,050,000	74,915,050,000
Categorised as financial liabilities at amortised cost:		
- Short-term borrowings	1,190,627,985,063	1,355,634,416,331
- Trade and other payables	114,982,585,368	74,079,281,622
- Other short-term liabilities	14,045,235,740	12,351,450,077
- Long-term borrowings	103,696,879,000	126,883,550,000

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

Cash and cash equivalents, short-term debt investments, trade and other short-term receivables, trade and other short-term 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 financial instruments.

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

The Company has not determined fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. There fair values of these financial instruments may differ from their carrying amounts.

Long-term and short-term investments in securities

The fair value of investments in securities is determined by reference to the market price on Stock Exchange as at 31 December 2014. Fair value of short-term and long-term investments in securities as at 31 December 2014 was VND5,967,014,352 and VND74,915,050,000, respectively (30 June 2014: nil and VND73,716,409,200).

34. Significant transactions with related parties

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

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Shareholders		
Thanh Thanh Cong Investment Joint Stock Company		
Sales of goods	62,067,512,370	53,943,464,009
Lending	50,000,000,000	100,000,000,000
Advances received for purchase sugar and molasses	121,600,000,000	67,200,000,000
Dividend distribution	-	52,871,400,000
Interest income	6,185,724,934	4,690,454,736
Interest expense	-	1,062,639,417
Management expenses	4,332,061,622	5,855,960,710
Thuan Thien Trading and Investment Limited Company		
Purchases of goods	7,807,991,922	1,696,210,477
Advances paid for purchase goods	60,098,000,000	-
Sales of shares	23,125,000,000	-
Lending	-	60,000,000,000
Interest income	1,452,791,668	-
Dividend distribution	-	52,583,505,000
Other related parties		
Thanh Thanh Cong Trading Joint Stock Company		
Sales of goods and services	885,790,247	1,220,398,968
Purchases of goods	73,074,117,285	641,464,046
Interest income	917,184,943	4,937,333,332
Tank rental income	98,181,819	98,181,819
Thanh Thanh Cong Industrial Zone Joint Stock Company		
Interest income	13,748,311,820	18,435,284,453
Settlement of loans	128,960,577,469	165,652,791,317
Bien Hoa Sugar Joint Stock Company		
Sales of goods	-	6,505,781,144
Purchases of goods	70,050,227,853	34,204,323,292
Processing fees	1,113,000,000	852,859,495
Warehouse storage fees	34,403,748	23,494,948
Dividends receipts	13,630,296,000	3,407,574,000
Contribution of share capital	-	68,151,480,000
La Nga Sugar Joint Stock Company		
Purchases of raw sugar	-	8,233,333
Dividend receipts	-	4,489,764,400

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company		
Purchases of sugar cane	789,966,000	3,861,000
Land rental	-	240,000,000
Purchases of sugar cane sprouts	45,727,500	-
Analysis charged fees	295,000,000	69,615,000
Sales of goods	75,990,000	-
Nuoc Trong Sugar Joint Stock Company		
Dividend receipts	-	2,778,604,000
Sales of cutting sugar cane	1,301,860,000	1,452,329,500
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
Dividend receipts	-	5,460,000,000
Lending	10,000,000,000	-
Sales of goods	720,627,064	-
Interest income	406,666,667	-
Purchases of service	368,237,066	-
Sale of tools and supplies	153,797,394	-
Thanh Thanh Cong Alcohol Trading Production Joint Stock Company		
Contribution of share capital	189,000,000,000	-
Board of Management		
Remuneration and business allowances	1,813,200,852	1,970,787,996

35. Non-cash investing and financing activities

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Interest receivables converted into loans receivables	6,771,612,399	19,783,457,267
Interest receivables offset against trade payables	14,830,693,724	11,261,855,655
Acquisition of construction in progress but not yet paid	3,537,800,450	-

36. Commitments

(a) Capital commitments

As at 31 December 2014, the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2014 VND	30/6/2014 VND
Approved but not contracted (*)	208,309,464,242	401,868,516,000
Approved and contracted	98,201,723,664	7,750,800,000
	306,511,187,906	409,619,316,000

(*) Major capital commitments approved but not contracted as at 31 December 2014 are as follows:

	31/12/2014 VND
Project Espace Bourbon Tay Ninh	203,131,448,518
Project Silo 2000 tons	478,015,725
Others	4,700,000,000
	208,309,464,243

(b) Leases

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

	31/12/2014 VND	30/6/2014 VND
Within one year	553,021,372	852,231,908
Within two to five years	314,051,124	469,806,938
	867,072,496	1,322,038,846

37. Production and business costs by element

	From 1/7/2014 to 31/12/2014 VND	From 1/7/2013 to 31/12/2013 VND
Raw material costs included in production costs	660,591,621,808	1,051,336,715,431
Labour costs and staff costs	38,301,843,019	43,933,656,131
Depreciation and amortisation	43,603,700,962	43,676,308,773
Outside services	37,684,588,467	37,385,542,848
Other expenses	37,363,160,718	36,057,969,357

26 February 2015

Prepared by:

Nguyen Thi Thuy Tien
Chief Accountant

Approved by:

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

Nguyen Thanh Ngu
General Director