Thanh Thanh Cong – Bien Hoa Joint Stock Company

Consolidated financial statements

For the year ended 30 June 2020

Thanh Thanh Cong - Bien Hoa Joint Stock Company

CONTENTS

Thanh Thanh Cong - Bien Hoa Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment License No. 1316/GP issued by the Ministry of Planning and Investment on 15 July 1995 and subsequent amended Investment Licenses/Investment Certificates/Enterprise Registration Certificates, with the latest being 9th amended Enterprise Registration Certificate dated 28 October 2019.

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

The current 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; producing and trading alcohol products; trading real estates, rent houses and apartments and investing activities.

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 No. 253, Hoang Van Thu Street, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Ms Huynh Bich Ngoc	Chairwoman	appointed on 28 October 2019
Mr Pham Hong Duong	Chairman	resigned on 28 October 2019
	Permanent Deputy Chairman	appointed on 28 October 2019
Ms Dang Huynh Uc My	Deputy Chairman	appointed on 28 October 2019
Mr Henry Chung	Independent member	
Mr Vo Tong Xuan	Member	appointed on 14 October 2019
Ms Vo Thuy Anh	Independent member	appointed on 9 September 2019
Mr Hoang Manh Tien	Member	appointed on 1 July 2019
Ms Nguyen Thuy Van	Member	resigned on 3 September 2019
Mr Le Ngoc Thong	Member	resigned on 1 July 2019
Mr See Beow Tean	Member	resigned on 1 July 2019

INTERNAL AUDIT FUNCTION UNDER THE BOARD OF DIRECTORS

Members of the Internal Audit Function under the Board of Directors during the year and at the date of this report are:

Mr Hoang Manh Tien	Head	appointed on 9 October 2019
Ms Nguyen Thuy Van	Head	resigned on 9 October 2019
Ms Huynh Bich Ngoc	Member	appointed on 9 October 2019
Mr Henry Chung	Member	
Mr See Beow Tean	Member	resigned on 1 July 2019

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Nguyen Thanh Ngu	General Director	
Ms Doan Vu Uyen Duyen	Permanent Deputy General Director	appointed on 6 August 2020
Ms Duong Thi To Chau	Deputy General Director	
Mr Tran Quoc Thao	Deputy General Director	resigned on 3 February 2020
Mr Le Quang Hai	Deputy General Director	resigned on 16 July 2020
Mr Nguyen Quoc Viet	Deputy General Director	resigned on 22 July 2019
Mr Le Duc Ton	Acting Branch Director	
Mr Le Huy Thanh	Agricultural Director cum acting Material Development Director – Zone 1	resigned on 10 April 2020
Ms Truong Thi Kim Phuong	Business Director	resigned on 11 February 2020
Mr Tran Huy Hao	Director of Commercial Center TTC Plaza Tay Ninh	resigned on 26 March 2020
Mr Huynh Van Phap	Business Director	
Mr Trang Thanh Truc	Public Relationship Director	
Ms Nguyen Thi Phuong Thao	Chief Finance Director	appointed on 6 August 2020
Mr Luu Anh Kiet	Supply Director	resigned on 1 July 2019
Ms Le Ha Thi Mai Thao	Human Resources Director	resigned on 26 December 2019
Mr Nguyen Ba Chu	Development Director	resigned on 26 December 2019

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report are:

Ms Huynh Bich Ngoc	appointed on 28 October 2019
Mr Pham Hong Duong	resigned on 27 October 2019

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Thanh Thanh Cong - Bien Hoa Joint Stock Company

REPORT OF THE MANAGEMENT AND APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors and the Management of Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") are pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2020.

THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors does hereby approve the accompanying consolidated financial statements. Those consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of the consolidated results of its operations and its consolidated cash flows for the year ended 30 June 2020 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the Board of Directors:

M.S.D.N: 3900244389 - C.T.C.P
CÔNG TY CỔ PHẦN THÀNH THÀNH CÔNG - BIÊN HÒA
H. TÂN CHÂU - T. TÂY NINH

Huynh Bich Ngoc
Chairwoman

Ho Chi Minh City, Vietnam

28 September 2020

Building a better working world

Ernst & Young Vietnam Limited
20th Floor, Bitexco Financial Tower
2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

Tel: +84 28 3824 5252
Fax: +84 28 3824 5250
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Reference: 612428750/21481888/HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Thanh Thanh Cong - Bien Hoa Joint Stock Company

We have audited the accompanying consolidated financial statements of Thanh Thanh Cong – Bien Hoa Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 28 September 2020 and set out on pages 6 to 78 which comprise the consolidated balance sheet as at 30 June 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

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Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 30 June 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited

Pham Thi Cam Tu	Tran Thanh Thuy
Deputy General Director	Auditor
Audit Practicing Registration Certificate	Audit Practicing Registration Certificate
No. 2266-2018-004-1	No. 3076-2019-004-1

Ho Chi Minh City, Vietnam

28 September 2020

Thanh Thanh Cong - Bien Hoa Joint Stock Company

B01-DN/HN

CONSOLIDATED BALANCE SHEET
as at 30 June 2020

VND

Code	*ASSETS*	*Notes*	*Ending balance*	*Beginning balance*
100	**A. CURRENT ASSETS**		**10,030,796,116,425**	**9,794,108,835,254**
110	***I. Cash and cash equivalents***	***5***	***999,620,661,512***	***1,004,775,238,727***
111	1. Cash		799,320,661,512	916,275,238,727
112	2. Cash equivalents		200,300,000,000	88,500,000,000
120	***II. Short-term investments***		***899,284,845,919***	***767,786,825,451***
121	1. Held-for-trading securities	6	403,156,950,516	165,370,489,390
122	2. Provision for held-for-trading securities	6	(43,067,104,597)	(808,663,939)
123	3. Held-to-maturity investments	7	539,195,000,000	603,225,000,000
130	***III. Current accounts receivable***		***5,447,159,078,206***	***5,036,419,501,120***
131	1. Short-term trade receivables	8.1	1,026,526,902,684	1,697,027,535,241
132	2. Short-term advances to suppliers	8.2	2,522,123,757,499	1,946,736,551,586
135	3. Short-term loan receivables	9	673,291,034	15,000,000,000
136	4. Other short-term receivables	10	1,937,434,918,704	1,425,093,673,613
137	5. Provision for doubtful short-term receivables	8, 10	(39,599,791,715)	(47,438,259,320)
140	***IV. Inventories***	***11***	***2,529,346,657,059***	***2,781,398,584,531***
141	1. Inventories		2,541,154,800,749	2,803,564,311,503
149	2. Provision for obsolete inventories		(11,808,143,690)	(22,165,726,972)
150	***V. Other current assets***		***155,384,873,729***	***203,728,685,425***
151	1. Short-term prepaid expenses	12	48,619,538,175	140,253,036,651
152	2. Value-added tax deductible	22	92,081,678,271	51,414,140,996
153	3. Tax and other receivables from the State	22	14,683,657,283	12,061,507,778

CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	**B. NON-CURRENT ASSETS**		**7,924,922,667,487**	**6,949,187,500,459**
210	***I. Long-term receivables***		***101,806,889,451***	***146,094,934,345***
212	1. Long-term advances to suppliers	8.2	92,623,661,450	109,158,380,150
216	2. Other long-term receivables	10	9,183,228,001	36,936,554,195
220	***II. Fixed assets***		***4,179,804,562,879***	***4,352,308,080,526***
221	1. Tangible fixed assets	13	3,844,903,217,562	4,135,227,110,484
222	Cost		8,484,840,315,880	8,458,357,225,032
223	Accumulated depreciation		(4,639,937,098,318)	(4,323,130,114,548)
224	2. Finance leases	14	108,160,541,664	102,937,566,560
225	Cost		140,481,291,500	142,678,391,405
226	Accumulated depreciation		(32,320,749,836)	(39,740,824,845)
227	3. Intangible fixed assets	15	226,740,803,653	114,143,403,482
228	Cost		284,497,398,107	157,580,686,655
229	Accumulated amortisation		(57,756,594,454)	(43,437,283,173)
230	***III. Investment properties***	***16***	***592,437,897,729***	***157,234,743,426***
231	1. Cost		638,075,095,511	179,231,206,174
232	2. Accumulated depreciation		(45,637,197,782)	(21,996,462,748)
240	***IV. Long-term asset in progress***		***341,526,808,768***	***678,948,939,496***
242	1. Construction in progress	17	341,526,808,768	678,948,939,496
250	***V. Long-term investments***	***18***	***1,245,605,087,900***	***124,931,823,163***
252	1. Investments in associates	18.1	381,424,975,548	105,631,208,868
253	2. Investments in other entities	18.2	767,001,478,655	20,041,830,629
254	3. Provision for long-term investments		(2,001,366,303)	(741,216,334)
255	4. Held-to-maturity investments		99,180,000,000	-
260	***VI. Other long-term assets***		***1,463,741,420,760***	***1,489,668,979,503***
261	1. Long-term prepaid expenses	12	1,319,693,751,650	1,332,920,724,205
262	2. Deferred tax assets	35.3	10,072,275,631	8,941,089,965
269	3. Goodwill	19	133,975,393,479	147,807,165,333
270	**TOTAL ASSETS**		**17,955,718,783,912**	**16,743,296,335,713**

CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**10,313,417,423,502**	**10,924,103,440,168**
310	***I. Current liabilities***		***8,807,443,159,566***	***8,966,033,051,411***
311	1. Short-term trade payables	20	585,381,760,110	503,771,032,003
312	2. Short-term advances from customers	21	145,426,604,808	147,197,520,262
313	3. Statutory obligations	22	178,370,150,839	193,431,046,035
314	4. Payables to employees		16,613,110,146	21,063,605,678
315	5. Short-term accrued expenses	23	361,548,318,820	366,675,617,145
318	6. Short-term unearned revenues	27	6,317,162,616	13,697,420,559
319	7. Short-term other payables	24	394,675,252,848	284,522,703,568
320	8. Short-term loans and finance lease obligations	25	6,989,555,523,295	7,284,286,378,356
321	9. Short-term provisions		363,858,167	1,922,008,250
322	10. Bonus and welfare fund	3.16	129,191,417,917	149,465,719,555
330	***II. Non-current liabilities***		***1,505,974,263,936***	***1,958,070,388,757***
336	1. Long-term unearned revenues	26	5,575,597,730	12,202,129,425
337	2. Other long-term liabilities	24	6,310,971,782	6,718,381,960
338	3. Long-term loans and finance lease obligations	25	1,221,069,938,518	1,848,530,201,711
339	4. Convertible bonds	26	152,294,181,382	-
341	5. Deferred tax liabilities	35.3	118,723,574,524	87,850,408,862
342	6. Long-term provision		-	769,266,799
343	7. Scientific and technological development fund	3.16	2,000,000,000	2,000,000,000

Thanh Thanh Cong - Bien Hoa Joint Stock Company B01-DN/HN

CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	**D. OWNERS' EQUITY**		**7,642,301,360,410**	**5,819,192,895,545**
410	***I. Capital***	***28.1***	***7,642,312,996,647***	***5,818,592,161,948***
411	1. Share capital		6,083,518,850,000	5,867,405,520,000
411a	*- Shares with voting rights*		*5,867,405,520,000*	*5,867,405,520,000*
411b	*- Preference shares*		*216,113,330,000*	-
412	2. Share premium		6,712,852,344,539	6,243,045,915,565
413	3. Convertible bond - options	26	13,666,133,635	-
414	4. Other fund's belonging to owner's equity		(5,502,116,030,924)	(5,502,116,030,924)
415	5. Treasury shares		-	(1,099,985,561,092)
417	6. Foreign exchange differences reserve		(127,041,441,949)	(44,001,327,529)
418	7. Investment and development fund		17,202,026,560	124,701,077,143
421	8. Undistributed earnings		281,924,507,850	181,120,487,767
421a	*- Accumulated loss by the end of prior year*		*(38,044,364,281)*	*(50,928,020,415)*
421b	*- Undistributed earnings of current year*		*319,968,872,131*	*232,048,508,182*
429	9. Non-controlling interests		162,306,606,936	48,422,081,018
430	***II. Other fund***		***(11,636,237)***	***600,733,597***
431	1. Subsidised fund		(11,636,237)	600,733,597
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**17,955,718,783,912**	**16,743,296,335,713**

CÔNG TY CỔ PHẦN THÀNH THÀNH CÔNG - BIÊN HÒA
M.S.D.N: 3900244389 - C.T.C.P

Nguyen Thuy Trang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

Thanh Thanh Cong - Bien Hoa Joint Stock Company

B02-DN/HN

CONSOLIDATED INCOME STATEMENT
for the year ended 30 June 2020

VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
01	**1. Revenues from sale of goods and rendering of services**	**29.1**	**12,923,457,051,438**	**10,884,713,247,355**
02	**2. Deductions**	**29.1**	**(34,774,449,661)**	**(28,100,847,211)**
10	**3. Net revenues from sale of goods and rendering of services**	**29.1**	**12,888,682,601,777**	**10,856,612,400,144**
11	**4. Cost of goods sold and services rendered**	**30**	**(11,434,141,815,578)**	**(9,984,924,715,250)**
20	**5. Gross profit from sale of goods and rendering of services**		**1,454,540,786,199**	**871,687,684,894**
21	**6. Finance income**	**29.2**	**730,201,665,535**	**1,110,636,362,737**
22	**7. Finance expenses**	**31**	**(853,865,883,976)**	**(823,392,731,847)**
23	*In which: Interest expense*		*(685,620,883,846)*	*(705,491,023,191)*
24	**8. Shares of profit from associates**	**18.2**	**18,736,282,164**	**7,221,968,308**
25	**9. Selling expenses**	**32**	**(446,086,303,998)**	**(400,439,326,380)**
26	**10. General and administrative expenses**	**32**	**(381,565,980,379)**	**(447,127,107,682)**
30	**11. Operating profit**		**521,960,565,545**	**318,586,850,030**
31	**12. Other income**	**34**	**48,566,222,616**	**143,368,375,466**
32	**13. Other expenses**	**34**	**(58,167,071,012)**	**(40,171,279,603)**
40	**14. Other (loss) profit**	**34**	**(9,600,848,396)**	**103,197,095,863**
50	**15. Accounting profit before tax**		**512,359,717,149**	**421,783,945,893**
51	**16. Current corporate income tax expense**	**35.1**	**(136,720,597,833)**	**(158,028,686,431)**
52	**17. Deferred tax expense**	**35.4**	**(12,719,302,684)**	**(4,462,592,400)**
60	**18. Net profit after tax**		**362,919,816,632**	**259,292,667,062**
61	**19. Net profit after tax attributable to shareholders of the parent**		**364,259,001,778**	**268,425,858,779**
62	**20. Net loss after tax attributable to non-controlling interests**		**(1,339,185,146)**	**(9,133,191,717)**
70	**21. Basic earnings per share**	**28.5**	**595**	**511**
71	**22. Diluted earnings per share**	**28.5**	**581**	**511**

M.S.D.N: 3900244389 - C.T.C.P
CÔNG TY CỔ PHẦN THÀNH THANH CÔNG - BIÊN HÒA

Nguyen Thuy Trang Preparer	Le Phat Tin Chief Accountant	Nguyen Thanh Ngu General Director

28 September 2020

Thanh Thanh Cong - Bien Hoa Joint Stock Company B03-DN/HN

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2020

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**512,359,717,149**	**421,783,945,893**
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	13, 14, 15, 16, 19	465,220,919,767	492,028,403,104
03	Provision (reversal of provision)		22,995,122,858	(53,017,800,801)
04	Foreign exchange losses (gains) arisen from revaluation of monetary accounts denominated in foreign currencies		4,219,939,424	(5,972,608,468)
05	Profit from investing activities		(569,619,315,855)	(1,096,605,388,453)
06	Interest expenses	30	685,620,883,846	705,491,023,191
08	**Operating profit before changes in working capital**		**1,120,797,267,189**	**463,707,574,466**
09	(Increase) decrease in receivables		(212,748,255,201)	852,574,883,928
10	Decrease in inventories		262,409,510,754	1,205,812,973,889
11	Increase (decrease) in payables		139,170,653,422	(411,478,118,795)
12	Decrease in prepaid expenses		105,077,139,617	153,976,270,202
13	(Increase) decrease in held-for-trading securities		(374,906,621,884)	75,434,980,880
14	Interest paid		(723,688,515,355)	(714,368,155,580)
15	Corporate income tax paid	22	(169,105,854,417)	(117,747,598,634)
17	Other cash outflows for operating activities		(48,669,289,840)	(72,445,157,401)
20	**Net cash flows from operating activities**		**98,336,034,285**	**1,435,467,652,955**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(302,947,407,068)	(1,303,763,127,960)
22	Proceeds from disposals of fixed assets		17,786,059,812	98,379,571,024
23	Loans to other entities		(636,221,882,031)	(686,735,166,667)
24	Collections from borrowers and term deposits		733,760,000,000	534,742,753,646
25	Payments for investments in other entities		(1,885,112,291,193)	(8,662,795,800)
26	Proceeds from sale of investments in other entities		1,257,549,634,970	1,756,807,803,729
27	Interest and dividends received		103,412,233,274	168,522,351,212
30	**Net cash flows (used in) from investing activities**		**(711,773,652,236)**	**559,291,389,184**

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 30 June 2020

VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution	28	685,919,758,974	-
32	Capital redemption	28	1,099,985,561,092	-
33	Drawdown of borrowings	25	14,093,156,883,631	13,658,599,528,090
34	Repayment of borrowings	25	(15,023,192,054,123)	(14,752,764,526,999)
35	Finance lease principal paid	25	(33,834,401,342)	(28,092,150,657)
36	Dividends paid	28.2	(214,065,647,645)	(192,683,748,041)
40	**Net cash flows from (used in) financing activities**		**607,970,100,587**	**(1,314,940,897,607)**
50	**Net (decrease) increase in cash and cash equivalents for the year**		**(5,467,517,364)**	**679,818,144,532**
60	**Cash and cash equivalent at beginning of year**		**1,004,775,238,727**	**324,968,354,928**
61	Impact of exchange rate fluctuation		312,940,149	(11,260,733)
70	**Cash and cash equivalents at end of year**	**5**	**999,620,661,512**	**1,004,775,238,727**

M.S.D.N: 3900244389 - C.T.C.P
CÔNG TY CỔ PHẦN THÀNH THÀNH CÔNG - BIÊN HÒA

Nguyen Thuy Trang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

28 September 2020

1. CORPORATE INFORMATION

Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment License No. 1316/GP issued by the Ministry of Planning and Investment on 15 July 1995 and subsequent amended Investment Licenses/Investment Certificates/Enterprise Registration Certificates, with the latest 9th amended Enterprise Registration Certificate dated 28 October 2019.

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

The current principal activities of the Company and its subsidiaries ("the Group") 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; producing and trading alcohol products; trading real estates, rent houses and apartments and investing activities.

The Company's normal course of business cycle is 12 months.

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 No. 253, Hoang Van Thu Street, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 30 June 2020 was 2,868 persons (30 June 2019: 3,759 persons).

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 30 June 2020, the Group includes 7 direct subsidiaries and 12 indirect subsidiaries, as follows:

No	*Name of subsidiaries*	*Head office*	*Principal activities*	*Equity interest and voting right (*)* *%*
I	***Direct subsidiaries***			
1	Thanh Thanh Cong Agricultural Development Joint Stock Company	Tan Chau District, Tay Ninh Province	Manufacturing and trading alcohol and related by-products; manufacturing and trading electricity; manufacturing fertilizer and planting sugarcane	90.00
2	Thanh Thanh Cong Gia Lai Company Limited ("TTC Gia Lai")	Ayunpa District, Gia Lai Province	Manufacturing sugar and other by-products from sugar-cane for sales; manufacturing electricity for sales; manufacturing and trading in fertilizer	100.00
3	TSU Investment Private Limited Company	Singapore	Trading and apart of manufacturing and packaging raw and refined sugar to sell in Singapore and export to region	100.00
4	TTC Bien Hoa - Dong Nai Sugar One Member Limited Company ("BHS")	Bien Hoa City, Dong Nai Province	Produce sugars, plant sugar cane, produce and trading products and by-products from sugar, producing and trading in fertilizers and agricultural materials; produce and sale of electricity; and technical and management consultancy in the sugar industry	100.00
5	Miaqua Water One Member Company Limited	Tan Chau District, Tay Ninh Province	Manufacturing non-alcoholic beverages, mineral water; manufacturing and processing soft drinks, fruit juice and soy milk; manufacturing bottled water	100.00
6	Hai Vi Limited Company	Chau Thanh District, Tay Ninh Province	Plant sugarcane; provide services of planting and technical advisory and trade fertilizers, agricultural products, agricultural machines and tools	100.00
7	TTC An Hoa Production – Trading – Service One Member Limited Liability Company	Trang Bang District, Tay Ninh Province	Packaging service; producing sugar; trading food; warehousing and storage of goods; producing electricity; transmission and distribution of electricity; installation of electrical systems; trading real estate	100.00

(*) Comprising direct and indirect voting right by the Group

1. **CORPORATE INFORMATION** (continued)

Corporate structure (continued)

As at 30 June 2020, the Group includes 7 direct subsidiaries and 12 indirect subsidiaries, as follows: (continued)

No	*Name of subsidiaries*	*Head office*	*Principal activities*	*Equity interest and voting right (*)*
				%
II	***Indirect subsidiaries***			
1	Bien Hoa – Ninh Hoa Sugar One Member Limited Liability Company ("NHS")	Ninh Hoa District, Khanh Hoa Province	Produce sugar and by-products from sugar cane; manufacture electricity; trade agricultural materials; produce and trade fertilizer; and provide storage services	100.00
2	Ninh Hoa Thermoelectricity One Member Limited Liability Company ("NHE")	Ninh Hoa District, Khanh Hoa Province	Manufacture and sell electricity; and provide electricity system installation service	100.00
3	Nuoc Trong Sugar Joint Stock Company	Tan Chau District, Tay Ninh Province	Produce sugar; plant sugar cane and wheat trees; install food industry machineries and equipment; and wholesale commercial goods	50.58
4	Gia Lai Thermoelectricity One Member Company Limited	Ayunpa District, Gia Lai Province	Manufacture, transmit and distribute electricity	100.00
5	Bien Hoa – Phan Rang Sugar Joint Stock Company	Phan Rang - Thap Cham City, Ninh Thuan Province	Produce and trade sugar, by-products from sugar, produce and trade organic fertilizer and feed alcohol; and trade oil and gas	95.79
6	Bien Hoa - Thanh Long Joint Stock Company	Chau Thanh District, Tay Ninh Province	Plant sugar cane; produce and trade fertilizer and agricultural materials	98.00
7	Bien Hoa Import Export Trading Joint Stock Company	Phu Nhuan District, Ho Chi Minh City	Trade sugar and products using sugar as material; trade foods and beverages	100.00

(*) Comprising direct and indirect voting right by the Group

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

As at 30 June 2020, the Group includes 7 direct subsidiaries and 12 indirect subsidiaries, as follows: (continued)

No	*Name of subsidiaries*	*Head office*	*Principal activities*	*Equity interest and Voting right (*)* %
II	***Indirect subsidiaries*** (continued)			
8	TTC Attapeu Cane Sugar Limited Company	Gia Lai Province	Trade sugar and other by-products from sugar cane	100.00
9	TTC Attapeu Sugar Cane Sole Co., Ltd.	Attapeu Province, Laos	Plant sugar cane; produce and trade sugar and other by-products from sugar cane	100.00
10	Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Chau Thanh District, Tay Ninh Province	Researching and developing sugar cane sprouts; analysing cultivation and planting protection products; producing and developing mechanic machineries for sugar canes production	100.00
11	Mien Trung Bovine Breeding Joint Stock Company	Ninh Hoa District, Khanh Hoa Province	Breed cows; plant sugar cane and other industrial crops	92.04
12	Global Mind Commodities Trading Pte. Ltd	Singapore	Trading commodities, derivatives and rendering services	83.00

(*) Comprising direct and indirect voting right by the Group

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Group expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and the consolidated results of its operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Group's applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 July and ends on 30 June.

2.4 *Accounting currency*

The consolidated financial statements are prepared in VND which is also the Company's accounting currency.

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 30 June 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from the Company shareholders' equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, merchandise	-	cost of purchase on a weighted average basis.
Finished goods and work-in-process	-	cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.3 *Receivables*

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Assets held under finance leases are capitalised in the consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's fixed assets in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land use rights

Land use right is recorded as intangible fixed asset on the consolidated balance sheet when the Company obtained the land use right certificate. The costs of a land use right comprise all directly attributable costs of bringing the land lot to the condition available for its intended use.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Depreciation and amortisation*

Depreciation of tangible fixed assets and finance lease assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land use rights	50 years
Buildings and structures	5 - 50 years
Machineries and equipment	5 - 25 years
Office equipment	3 - 10 years
Computer software	2 - 6 years
Means of transportation	8 - 15 years
Others	12 - 25 years

3.8 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

	Current year	*Previous year*
Land use rights	50 years	50 years
Buildings and structures	20 - 25 years	6 - 25 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.9 *Investments*

Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investments* (continued)

Investment in associates (continued)

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associates.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received or receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Provision for investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expenses in the consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the consolidated income statement and deducted against the value of such investments.

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Deferred sugar cane crop costs and sugarcane farming cost are calculated and amortised to production costs based on the volume of sugar produced and sugarcane harvested during the period.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with farmers for a period of 44 - 50 years. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the income statement over the remaining lease period according to Circular 45.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

No new goodwill is recorded as for a business combination involving entities under common control, which is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. An entity may be controlled by an individual or by a group of individuals acting together under a contractual arrangement. The difference between the acquirer's cost of investment and the acquiree's net assets is presented as a separate reserve within equity section and recognised in "Other fund's belonging to owner's equity" in the consolidated balance sheet.

Business combinations involving entities under common control are accounted for as follows:

- The assets and liabilities of the combined entities are consolidated at their carrying amounts on the date of business combination;
- No goodwill is recognised as a result of the business combination;
- The consolidated income statement reflects the results of the combined entities for the full year, irrespective of when the combination took place.

3.12 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.13 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rate at the balance sheet dates which are determined as follow:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

Conversion of the financial statements of foreign operation

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operation are translated into VND using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in the "foreign exchange difference reserve" account in the equity section of the consolidated balance sheet (attributed to non-controlling interests as appropriate).

3.15 *Convertible bond*

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or other financial assets) and equity instrument (a call option granting the holder the right, for a specified period of time) based on the terms of the contract.

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are amortised during the lifetime of the bond. At initial recognition, issuance costs are deducted from the liability component of the bond.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, re-issue or cancellation of the Group's own equity instruments.

3.17 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval in the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

- *Investment and development fund*

  This fund is set aside for use in the Group's expansion of its operation or of in-depth investment.

- *Bonus and welfare fund*

  This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

- *Scientific and technological development fund*

  This fund is set aside in accordance with the Decree No. 95/2014/ND-CP dated 17 October 2014 for use in the Group's scientific and technological development in Vietnam.

3.18 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss after tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.19 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Sale of electricity

Revenue is recognized based on the actual electricity sold and transferred to the grid at the pre-agreed tariff.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Revenue recognition

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the lease term.

Rendering of services

Revenues are recognised upon completion of the services provided.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

3.20 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Taxation* (continued)

Deferred tax (continued)

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.21 *Related parties*

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. These related parties can be enterprise or individual, including their close family members.

3.22 *Segment information*

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Group's business segment is derived mainly from production and trading sugar and sugar related by-products. Management defines the Group's geographical segments to be based on the location of the Group's assets.

4. SIGNIFICANT TRANSACTION DURING THE YEAR

Acquisition of Global Mind Commodities Trading Pte. Ltd ("GMC"), a new subisdiary

On 2 September 2019, the Group completed the acquisition of 11,340,000 shares of GMC, equivalent to 45% equity interest in GMC from its existing shareholders for a consideration of VND 259,965,000,000. Accordingly, GMC became the Group's associate. Subsequently, on 2 January 2020, in accordance with agreement memorandum among shareholders, the Group gains control over GMC and therefore GMC became the Group's subsidiary since that date.

4. SIGNIFICANT DISPOSAL DURING THE YEAR (continued)

Acquisition of Global Mind Commodities Trading Pte. Ltd ("GMC"), a new subisdiary (continued)

As at 30 June 2020, the fair value of the identifiable assets and liabilities of GMC as at the date of acquisition were follows:

	VND *Fair value recognised on acquisition*
Assets	
Cash and cash equivalent	346,936,037,936
Short-term trade receivables – net	208,886,942,645
Short-term advances to suppliers	14,857,903,384
Other short-term trade receivables – net	76,034,305,852
Short-term loan receivables	274,445,659
Tangible fixed assets *(Note 13)*	58,463,216,892
Investment properties *(Note 16)*	223,062,383,155
Long-term investment	98,901,203,912
Other assets	6,445,817,772
	1,033,862,257,207
Liabilities	
Short-term trade payables	221,208,750,344
Short-term advances from customers	33,915,805,280
Short-term accrued expenses	19,171,267,458
Short-term other payables	670,909,750
Deferred tax liabilities on fair value surplus *(Note 35.4)*	17,022,677,312
Long-term loan *(Note 25)*	171,710,810,452
Others	8,274,622,916
	471,974,843,512
Total identifiable net assets at fair value	**561,887,413,695**
Non-controlling interests	(309,038,077,532)
Goodwill	7,115,663,837
Total purchase consideration	**259,965,000,000**
In which:	
Fair value of the 38% investment in GMC at the acquisition date	*213,517,217,204*
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	346,936,037,936
Net cash paid for acquiring the subsidiary up to 30 June 2020	(259,965,000,000)
Net cash inflow from acquisition	**86,971,037,936**

Additionally, on 2 February 2020, the Group acquired an additional 38% shares in GMC from individuals with total consideration of VND 219,333,000,000. Thereby, the Group increased its equity interest GMC to 83%.

5. CASH AND CASH EQUIVALENTS

VND

	Ending balance	*Beginning balance*
Cash on hand	3,854,737,237	3,316,465,385
Cash in banks	795,465,924,275	912,958,773,342
Cash equivalents *(*)*	200,300,000,000	88,500,000,000
TOTAL	**999,620,661,512**	**1,004,775,238,727**

(*) Cash equivalents as at 30 June 2020 represent bank deposits with an original term of less than three (3) months in VND at commercial banks which earn interest from 5.0% to 5.5% per annum.

6. HELD-FOR-TRADING SECURITIES

VND

	Ending balance			*Beginning balance*		
	Cost	*Fair value*	*Provision*	*Cost*	*Fair value*	*Provision*
		VND			*VND*	
Listed shares						
- Gia Lai Electricity Joint Stock Company ("GEG")	339,978,654,175	305,954,000,005	(34,024,654,170)	137,120,422,575	142,049,358,700	-
- Thanh Thanh Cong Tourist Joint Stock Company ("VNG")	34,051,000,000	28,390,000,000	(5,661,000,000)	-	-	-
- Tan Tao Investment and Industry Corporation ("ITA")	8,470,939,579	6,372,899,999	(2,098,039,580)	-	-	-
- Viet Capital Securities Joint Stock Company ("VCI")	6,747,003,347	5,470,015,000	(1,276,988,347)	-	-	-
- Sai Gon – Nghe Tinh Beer Joint Stock Company ("SB1")	15,022,500	8,600,000	(6,422,500)	15,022,500	12,800,000	(2,222,500)
Other investments	13,894,330,915	13,894,330,915	-	28,235,044,315	27,428,602,876	(806,441,439)
TOTAL	**403,156,950,516**	**360,089,845,919**	**(43,067,104,597)**	**165,370,489,390**	**169,490,761,576**	**(808,663,939)**

7. HELD-TO-MATURITY INVESTMENTS

This balance represents bank deposits in VND with maturity of twelve (12) months and earns interest at the rates ranging from 4.0% to 7.1% per annum. As at 30 June 2020, a part of bank deposits was pledged as collaterals for the short-term loans obtained from commercial banks *(Note 25.1)*.

8. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

8.1 Short-term trade receivables

VND

	Ending balance	*Beginning balance*
Due from other parties	942,977,117,672	849,764,765,504
In which:		
- *Tu Vinh Services and Trading Company Limited*	*213,479,110,000*	-
- *Lien Loc Phat Services Trading Joint Stock Company*	*108,091,410,500*	-
- *Suntory PepsiCo Vietnam Beverage Limited Company*	*2,344,779,150*	*131,745,022,500*
- *Ms Chau Nhu Phuong*	-	*144,366,740,000*
- *Others*	*619,061,818,022*	*573,653,003,004*
Due from related parties *(Note 36)*	83,549,785,012	847,262,769,737
TOTAL	**1,026,526,902,684**	**1,697,027,535,241**
Provision for doubtful receivables	(2,355,871,658)	(3,457,073,421)
NET	**1,024,171,031,026**	**1,693,570,461,820**

As at 30 June 2020, a part of short-term trade receivables was pledged as collaterals for the short-term loans obtained from commercial banks *(Note 25.1)*.

Details of movements of provision for doubtful short-term trade receivables:

VND

	Current year	*Previous year*
Beginning balance	3,457,073,421	3,095,617,778
Provisions made during the year	5,522,798,990	955,766,394
Reversal of provisions during the year	(6,624,000,753)	(594,310,751)
Ending balance	2,355,871,658	3,457,073,421

8. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

8.2 *Advances to suppliers*

	Ending balance	*Beginning balance*
		VND
Short-term	**2,522,123,757,499**	**1,946,736,551,586**
Advances to related parties *(Note 36)*	592,142,205,877	1,088,360,866,098
Advances to farmers *(*)*	379,735,552,751	310,127,756,881
Advances to other parties	1,550,245,998,871	548,247,928,607
In which:		
- Tu Vinh Services and Trading Company Limited	*499,078,665,783*	-
- Son Tin Commodities Exchange JSC	*349,900,000,000*	-
- Lien Loc Phat Service Trading Joint Stock Company	*301,362,125,734*	*50,000,000,000*
- Hong Minh Huy Import Export Services Trading Joint Stock Company	*200,000,000,000*	-
- Hoang Tuyet Service Company Limited	-	*249,976,000,000*
- Others	*199,905,207,354*	*248,271,928,607*
Long-term	**92,623,661,450**	**109,158,380,150**
Advances to farmers *(*)*	92,623,661,450	109,158,380,150
TOTAL	**2,614,747,418,949**	**2,055,894,931,736**
Provision for doubtful short-term advances to suppliers	(31,703,663,469)	(43,354,882,201)
NET	**2,583,043,755,480**	**2,012,540,049,535**

(*) Advances to sugar cane farmers are partially secured by the farmers' land use rights and earned applicable interest.

Details of movements of provision for doubtful short-term advances to suppliers:

	Current year	*Previous year*
		VND
Beginning balance	43,354,882,201	58,036,481,816
Provisions made during the year	11,103,142,912	16,194,355,014
Reversal of provisions during the year	(22,754,361,644)	(30,875,954,629)
Ending balance	31,703,663,469	43,354,882,201

9. SHORT-TERM LOAN RECEIVABLES

	Ending balance	*Beginning balance*
		VND
Due from related parties	398,706,816	15,000,000,000
Due from other parties *(*)*	274,584,218	-
TOTAL	**673,291,034**	**15,000,000,000**

(*) These represent unsecured short-term loan receivables with the term of 12 months and earn interest at from 6.0% to 8.5% per annum.

10. OTHER RECEIVABLES

VND

	Ending balance	*Beginning balance*
Short-term	**1,937,434,918,704**	**1,425,093,673,613**
Deposits and deposit for land rentals *(*)*	1,198,218,256,726	1,204,178,761,999
Deposits for future contracts	546,772,649,476	-
Interest receivables	106,961,636,993	132,531,071,829
Advances to employees	15,139,431,243	42,222,321,893
Others	70,342,944,266	46,161,517,892
Long-term	**9,183,228,001**	**36,936,554,195**
Deposits for land rentals	9,029,459,533	-
Others	153,768,468	36,936,554,195
TOTAL	**1,946,618,146,705**	**1,462,030,227,808**
Provision for doubtful other short-term receivables	(5,540,256,588)	(626,303,698)
NET	**1,941,077,890,117**	**1,461,403,924,110**
In which:		
Other receivables from related parties (Note 36)	*1,218,995,305,217*	*1,221,948,087,129*
Other receivables from other parties	*722,082,584,900*	*239,455,836,981*

(*) Mainly comprise of:

(i) Deposits amounting to VND 673 billion in accordance with Deposit Contracts dated 21 June 2019 and 26 June 2019 and Amendment No. 3 dated 30 October 2019 between the Group and Toan Hai Van Joint Stock Company with the total contract value of VND 1,440 billion to lease land lots with total area of 218,238.06 m^2 located in Vinh Dam Complex Project, Phu Quoc District, Kien Giang Province in 40 years; and

(ii) Deposits amounting to VND 522 billion in accordance with Memorandums dated 24 June 2019 and 25 December 2019 and Amendment No. 7 dated 12 March 2020 between the Group and Thanh Thanh Cong Industrial Zone Joint Stock Company with total value of VND 634 billion to lease land lots with total area of 456,655.3 m^2 located at Thanh Thanh Cong Industrial Zone, An Hoi Hamlet, An Hoa Commune, Trang Bang District, Tay Ninh Province in 38 years.

Details of movements of provision for doubtful other short-term receivables:

VND

	Current year	*Previous year*
Beginning balance	626,303,698	14,285,119,008
Provisions made during the year	5,183,437,086	402,910,848
Reversal of provisions during the year	(269,484,196)	(14,061,726,158)
Ending balance	5,540,256,588	626,303,698

11. INVENTORIES

VND

	Ending balance		*Beginning balance*	
	Cost	*Provision*	*Cost*	*Provision*
Finished goods	1,051,092,338,189	(3,945,634,726)	941,734,766,976	(2,389,182,020)
Merchandise goods	507,351,475,633	(6,663,039,137)	936,411,956,323	(17,728,811,195)
Work in progress	444,169,101,425	-	382,244,481,692	-
Raw materials	440,174,810,698	-	424,942,250,381	(956,559,197)
Tools and supplies	63,390,339,421	(1,199,469,827)	40,500,114,566	(1,091,174,560)
Goods on consignment	34,976,735,383	-	11,858,338,161	-
Goods in transit	-	-	65,872,403,404	-
TOTAL	**2,541,154,800,749**	**(11,808,143,690)**	**2,803,564,311,503**	**(22,165,726,972)**

As at 30 June 2020, a part of inventories was pledged as collaterals for the short-term loans obtained from commercial banks *(Note 25.1)*.

Details of movements of provision for obsolete inventories:

VND

	Current year	*Previous year*
Beginning balance	22,165,726,972	37,654,315,402
Provisions made during the year	21,652,663,544	33,047,490,288
Reversal of provisions during the year	(31,304,903,466)	(48,125,714,370)
Foreign exchange	(705,343,360)	(410,364,348)
Ending balance	11,808,143,690	22,165,726,972

12. PREPAID EXPENSES

VND

	Ending balance	*Beginning balance*
Short-term	**48,619,538,175**	**140,253,036,651**
Sugarcane farming costs	6,602,348,452	27,552,798,819
Deferred sugar cane crop costs	11,500,067,583	68,633,490,722
Prepaid land rental	3,445,559,523	2,689,920,000
Others	27,071,562,617	41,376,827,110
Long-term	**1,319,693,751,650**	**1,332,920,724,205**
Sugar cane farming cost and tree on land *(*)*	969,765,486,374	1,052,902,380,707
Young sugarcane expense	60,697,528,550	45,406,351,260
Prepaid land rental *(**)*	232,864,843,891	190,204,382,696
Tools and supplies	23,843,656,742	11,569,156,210
Others	32,522,236,093	32,838,453,332
TOTAL	**1,368,313,289,825**	**1,473,173,760,856**

(*) Sugar cane farming costs mainly represented land costs and expenses for developing of sugar cane farm of the Group with the amount of VND 808 billion, located at Attapeu Province, Lao People's Democratic Republic, and the fair value surplus adjustments in accordance with Appraisal Letter No. 177/017/CT/TDGSG dated 15 August 2017 and be allocated during land rental duration of 44 years from 1 July 2017.

(**) A part of prepaid land rental as at 30 June 2020 were pledged as collateral for the short-term loans obtained from commercial banks *(Note 25.1)*.

13. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	*Machinery and equipment*	*Means of transportation*	*Office equipment*	*Other assets*	*Total*
Cost:						
Beginning balance	1,693,141,906,315	6,342,165,370,814	276,579,448,499	52,269,547,606	94,200,951,798	8,458,357,225,032
New purchase	17,524,791,440	88,207,853,008	16,847,816,383	21,312,436,529	1,591,516,574	145,484,413,934
Transfer from construction in progress	18,772,142,754	77,822,554,048	-	1,890,380,931	167,616,267	98,652,694,000
Increase from business combination *(Note 4)*	53,867,376,671	-	6,946,778,639	9,345,153,965	-	70,159,309,275
Reclassification	(97,525,131,879)	165,946,400,789	-	-	-	68,421,268,910
Disposal	(9,021,642,700)	(107,665,314,423)	(24,665,199,187)	(20,717,463,324)	(126,571,000)	(162,196,190,634)
Impact from foreign exchange difference	(75,852,930,091)	(99,304,212,848)	(16,696,845,348)	(367,929,964)	(1,816,486,386)	(194,038,404,637)
Ending balance	1,600,906,512,510	6,467,172,651,388	259,011,998,986	63,732,125,743	94,017,027,253	8,484,840,315,880
In which:						
Fully depreciated	*113,035,843,049*	*1,616,870,814,263*	*27,621,826,026*	*13,131,511,313*	*59,107,403,537*	*1,829,767,398,188*
Accumulated depreciation:						
Beginning balance	754,193,874,441	3,336,777,806,094	131,878,707,103	30,914,836,963	69,364,889,947	4,323,130,114,548
Increase from business combination *(Note 4)*	4,630,703,874	-	2,153,923,590	4,910,620,430	-	11,695,247,894
Depreciation for the year	67,501,886,558	308,457,175,153	16,485,487,597	4,235,397,234	2,394,710,476	399,074,657,018
Reclassification	4,571,120,504	17,382,559,731	-	-	-	21,953,680,235
Disposal	(2,344,164,453)	(28,352,659,032)	(14,190,272,514)	(231,924,048)	(72,952,888)	(45,191,972,935)
Impact from foreign exchange difference	(20,480,412,228)	(42,241,597,898)	(7,479,902,524)	(106,721,756)	(415,994,036)	(70,724,628,442)
Ending balance	808,073,008,696	3,592,023,284,048	128,847,943,252	39,722,208,823	71,270,653,499	4,639,937,098,318
Net carrying amount:						
Beginning balance	938,948,031,874	3,005,387,564,720	144,700,741,396	21,354,710,643	24,836,061,851	4,135,227,110,484
Ending balance	792,833,503,814	2,875,149,367,340	130,164,055,734	24,009,916,920	22,746,373,754	3,844,903,217,562
In which:						
Pledged as loan security (Note 25)	*741,054,552,636*	*2,157,006,483,380*	*139,025,438,972*	*6,796,950,414*	*7,497,112,878*	*3,051,380,538,280*

14. FINANCE LEASES

	VND *Machineries and equipment*
Cost:	
Beginning balance	142,678,391,405
Additions	61,374,210,459
Repurchase	(63,571,310,364)
Ending balance	140,481,291,500
Accumulated depreciation:	
Beginning balance	39,740,824,845
Depreciation for the year	10,817,072,773
Repurchase	(18,237,147,782)
Ending balance	32,320,749,836
Net carrying amount:	
Beginning balance	102,937,566,560
Ending balance	108,160,541,664

15. INTANGIBLE FIXED ASSETS

VND

	Land use rights	*Computer software*	*Others*	*Total*
Cost:				
Beginning balance	131,094,126,023	26,450,180,698	36,379,934	157,580,686,655
New purchase	119,366,036,410	8,099,320,596	-	127,465,357,006
Transfer from construction in progress	-	12,328,631,113	-	12,328,631,113
Disposal	(11,543,288,384)	-	-	(11,543,288,384)
Disposal of investments in subsidiaries	-	(1,167,385,487)	-	(1,167,385,487)
Foreign exchange differences	-	(166,602,796)	-	(166,602,796)
Ending balance	238,916,874,049	45,544,144,124	36,379,934	284,497,398,107
In which:				
Fully amortised	*7,365,828,923*	*6,964,002,048*	*36,379,934*	*14,366,210,905*
Accumulated amortisation:				
Beginning balance	28,279,955,232	15,120,948,007	36,379,934	43,437,283,173
Amortisation for the year	10,852,725,554	5,223,229,419	-	16,075,954,973
Disposal of investments in subsidiaries	-	(1,167,385,487)	-	(1,167,385,487)
Disposal	(533,246,846)	-	-	(533,246,846)
Foreign exchange differences	-	(56,011,359)	-	(56,011,359)
Ending balance	38,599,433,940	19,120,780,580	36,379,934	57,756,594,454
Net carrying amount:				
Beginning balance	102,814,170,791	11,329,232,691	-	114,143,403,482
Ending balance	200,317,440,109	26,423,363,544	-	226,740,803,653
In which:				
Pledged as loan security (Note 25)	*5,199,519,344*	-	-	*5,199,519,344*

16. INVESTMENT PROPERTIES

VND

	Land use rights	*Buildings and structures*	*Total*
Cost:			
Beginning and ending balance	29,296,423,000	149,934,783,174	179,231,206,174
Increase from business combination *(Note 4)*	-	243,907,302,995	243,907,302,995
Transfer from construction in progress	210,392,416,100	-	210,392,416,100
New purchase	-	32,000,960,916	32,000,960,916
Transfer to tangible fixed asset	-	(11,239,464,908)	(11,239,464,908)
Disposal	(16,328,127,682)	-	(16,328,127,682)
Foreign exchange differences	-	110,801,916	110,801,916
Ending balance	223,360,711,418	414,714,384,093	638,075,095,511
Accumulated depreciation and amortisation:			
Beginning balance	5,955,601,609	16,040,861,139	21,996,462,748
Increase from business combination *(Note 4)*	-	20,842,056,795	20,842,056,795
Depreciation and amortisation for the year	566,392,750	6,816,620,811	7,383,013,561
Transfer to tangible fixed asset	-	(4,571,120,504)	(4,571,120,504)
Foreign exchange differences	-	(13,214,818)	(13,214,818)
Ending balance	6,521,994,359	39,115,203,423	45,637,197,782
Net carrying amount:			
Beginning balance	23,340,821,391	133,893,922,035	157,234,743,426
Ending balance	216,838,717,059	375,599,180,670	592,437,897,729
In which:			
Pledged as loan security (Note 25.1)	*22,774,428,641*	*335,143,055,679*	*357,917,484,320*

The fair values of the investment properties as at 30 June 2020 had not yet been formally assessed and determined, but Management believed that it was much higher than the property's carrying values considering that the investment properties has been almost fully rented out as at the balance sheet date.

Revenue and expense relating to investment properties

VND

	Current year	*Previous year*
Rental income from investment properties	30,213,621,672	24,041,879,003
Direct operating expenses of investment properties that generated rental income during the year	(16,566,455,776)	(18,414,797,301)

17. CONSTRUCTION IN PROGRESS

		VND
	Ending balance	*Beginning balance*
Construction and machineries for		
Solar power projects	237,601,325,244	335,246,983,270
Drying bagasse project	40,095,293,483	31,182,337,499
Machineries and equipment under installation	27,208,126,436	41,323,481,783
Land transfer cost at Tay Ninh	-	210,392,416,100
Machinery and equipment for sugar production	-	14,331,497,957
Factories and offices renovation	-	2,119,149,379
Others	36,622,063,605	44,353,073,508
TOTAL	**341,526,808,768**	**678,948,939,496**

18. LONG-TERM INVESTMENTS

		VND
	Ending balance	*Beginning balance*
Investments in associates *(Note 18.1)*	381,424,975,548	105,631,208,868
Investments in other entities *(Note 18.2)*	767,001,478,655	20,041,830,629
Held-to-maturity investments *(*)*	99,180,000,000	-
TOTAL	**1,247,606,454,203**	**125,673,039,497**
Provision for long-term investments	(2,001,366,303)	(741,216,334)
NET	**1,245,605,087,900**	**124,931,823,163**

(*) It represents long term bonds with the terms from 3 years to 10 years at commercial banks which earn interest ranging from 6.5% to 8.3% per annum. A part of long-term bonds as at 30 June 2020 were pledged as collateral for loans obtained from commercial banks *(Note 25.1)*.

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in associates

Details of these investments in associates were as follows:

Name of associates	*Location*	*Business activities*	*Status*	*Ending balance* Quantity (share)	*Ending balance* Carrying amount (VND)	*Ending balance* % of interest (%)	*Beginning balance* Quantity (share)	*Beginning balance* Carrying amount (VND)	*Beginning balance* % of interest (%)
Tan Dinh Import Export Joint Stock Company (*)	Vietnam	Leasing office building	Operating	2,082,900	351,065,814,753	41.65	-	-	-
Tay Ninh Chemical Industry Joint Stock Company	Vietnam	Producing starch and products related to starch; producing artificial condensed products, non-alcohol and mineral water, nitrogen compound; installing machinery and industrial equipment	Operating	3,157,920	30,359,160,795	19.13	3,157,920	30,359,160,795	19.13
Tay Ninh Sugar Joint Stock Company	Vietnam	Planting sugarcane, producing and trading in sugar, cassava and rubber	Operating		-		6,370,806	75,272,048,073	21.67
TOTAL					**381,424,975,548**			**105,631,208,868**	

(*) On 28 October 2019, the Group completed the purchase of 2,082,900 shares in Tan Dinh Import and Export Joint Stock Company ("Tadimex") from related parties with total consideration of VND 360,341,700,000. Accordingly, the Group retained 41.65% voting right in Tadimex and this company became the Group's associate since this date.

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in associates (continued)

Details of these investments in associates were as follows (continued):

	VND
Cost of investment:	
Beginning balance	100,546,056,133
Additional investments during the year	693,096,900,000
Convert to subsidiary - GMC *(Note 4)*	(332,755,200,000)
Disposal	(68,966,856,133)
Ending balance	391,920,900,000
Accumulated share in post-acquisition profit (loss) of the associates:	
Beginning balance	5,085,152,735
Share in post-acquisition profit of the associates for the year	18,736,282,164
Dividend received	(16,664,000,000)
Convert to subsidiary - GMC *(Note 4)*	(11,348,167,411)
Disposal	(6,305,191,940)
Ending balance	(10,495,924,452)
Net carrying amount:	
Beginning balance	105,631,208,868
Ending balance	381,424,975,548

18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in other entities

		Ending balance		Beginning balance	
	Business activities	*Cost of investment*	*% of interest*	*Cost of investment*	*% of interest*
		(VND)	*(%)*	*(VND)*	*(%)*
Toan Hai Van Joint Stock Company	Operating real estate, port, warehouse	591,654,980,000	18.12	-	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Leasing industrial zone	112,700,000,000	10.89	-	-
Tay Ninh Sugar Joint Stock Company *(*)*	Planting sugarcane, producing and trading in sugar, cassava and rubber	59,051,540,000	6.93	-	-
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company	Trading real estates, land use rights belonging to the Company or from leasing activities	1,940,478,185	6.74	1,940,478,185	6.74
Son Duong Sugar Joint Stock Company	Processing molasses and sugar products	-	-	17,360,136,000	13.08
Other long-term investments		1,654,480,467		741,216,444	
TOTAL		**767,001,478,652**		**20,041,830,629**	
Provision for diminution in value of long-term investment		(2,001,366,303)		(741,216,334)	
NET		**765,000,112,349**		**19,300,614,295**	

(*) During the year, the Group completed the transfer of 4,334,546 shares or 14.74% voting right in Tay Ninh Sugar Joint Stock Company with total amount of VND 125,701,834,000. Accordingly, the Group's direct onwnership decreased from 21.67% to 6.93%. As at transactional date, this other long term investment was recorded at fair value and considered as fair value (cost of investment) at initial measurement. The difference between the fair value of retained interest, proceed received from the transfer of 4,334,546 shares and the carrying amount of the invesment at the date the equity method was discontinued amounting to VND 33,844,721,573 was recognised to finance income *(Note 29.2)*.

19. GOODWILL

	VND
Cost:	
Beginning balance	189,832,404,093
Increase due to business combination *(Note 4)*	7,115,663,837
Adjustment due to the disposal of a subsidiary	(772,462,143)
Ending balance	196,175,605,787
Accumulated amortisation:	
Beginning balance	42,025,238,760
Amortisation for the year	20,174,973,548
Ending balance	62,200,212,308
Net carrying amount:	
Beginning balance	147,807,165,333
Ending balance	133,975,393,479

20. SHORT-TERM TRADE PAYABLES

		VND
	Ending balance	*Beginning balance*
Due to related parties *(Note 36)*	107,563,620,963	119,253,087,037
Due to other parties	477,818,139,147	384,517,944,966
In which:		
- *Czarnikow Group Limited*	*78,448,807,979*	-
- *Farmers*	*66,485,218,314*	*42,816,328,627*
- *ED&F MAN Sugar Limited*	*40,078,975,876*	-
- *Sharp Solar Solution Asia Company Limited*	-	*183,669,534,777*
- *Vietnam Dairy Products Joint Stock Company*	-	*18,480,886,512*
- *Others*	*292,805,136,978*	*139,551,195,050*
TOTAL	**585,381,760,110**	**503,771,032,003**

21. SHORT-TERM ADVANCES FROM CUSTOMERS

		VND
	Ending balance	*Beginning balance*
Due to related parties *(Note 36)*	45,161,183,576	108,087,627,478
Due to other parties	100,265,421,232	39,109,892,784
In which:		
- *XinYuan Trading (Thailand) Co., Ltd.*	*36,487,098,670*	-
- *Xiamen Hehuijia Trading co., ltd*	*29,528,430,500*	-
- *Kingwell Co., Ltd.*	*17,729,459,300*	-
- *Pham Nguyen Confectionery Corporation*	*12,343,731,250*	-
- *Others*	*4,176,701,512*	*39,109,892,784*
TOTAL	**145,426,604,808**	**147,197,520,262**

22. STATUTORY OBLIGATIONS

VND

	Beginning balance	*Increase during the year*	*Decrease during the year*	*Ending balance*
Payables				
Corporate income tax	123,521,173,696	136,720,597,833	(169,105,854,417)	91,135,917,112
Value-added tax	36,134,813,872	638,960,427,529	(627,274,249,998)	47,820,991,403
Personal income tax	6,546,209,954	14,449,316,804	(12,242,682,004)	8,752,844,754
Others	27,228,848,513	164,662,263,723	(161,230,714,666)	30,660,397,570
TOTAL	**193,431,046,035**	**954,792,605,889**	**(969,853,501,085)**	**178,370,150,839**

VND

	Beginning balance	*Increase during the year*	*Decrease during the year*	*Ending balance*
Receivables				
Value-added tax deductible	51,414,140,996	263,562,591,226	(218,146,032,871)	96,830,699,351
Corporate income tax	5,942,855,586	214,694,656	(236,880,272)	5,920,669,970
Personal income tax	320,321,667	617,902,851	(515,497,304)	422,727,214
Other	5,798,330,525	11,960,109	(2,219,051,615)	3,591,239,019
TOTAL	**63,475,648,774**	**264,407,148,842**	**(221,117,462,062)**	**106,765,335,554**

23. SHORT-TERM ACCRUED EXPENSES

VND

	Ending balance	*Beginning balance*
Interest expense	118,284,120,243	156,294,765,451
Purchase of sugarcane	86,865,960,582	56,712,015,167
Transportation and loading fees	35,210,471,142	29,367,976,840
Bonus and support fees for agencies	19,336,490,902	16,402,966,537
Foreign contractor tax	18,526,087,020	18,952,066,476
External services expense	14,696,825,525	9,461,816,151
Import and export tax	718,325,850	24,833,182,360
Others	67,910,037,556	54,650,828,163
TOTAL	**361,548,318,820**	**366,675,617,145**

24. OTHER PAYABLES

VND

	Ending balance	*Beginning balance*
Short-term	**394,675,252,848**	**284,522,703,568**
Dividends	324,120,209,282	217,905,972,826
Reimbursement of expenses	15,773,749,677	15,777,116,532
Rental equipment	3,900,000,000	5,460,000,000
Deposits	11,978,374,983	5,047,181,408
Others	38,902,918,906	40,332,432,802
Long-term		
Deposits	6,310,971,782	6,718,381,960
TOTAL	**400,986,224,630**	**291,241,085,528**
In which:		
Other parties	*379,104,033,788*	*214,788,579,780*
Related parties (Note 36)	*21,882,190,842*	*76,452,505,748*

25. LOANS AND FINANCE LEASE OBLIGATIONS

VND

	Opening balance	*Movement during the year*					*Ending balance*
		Increase due to business combination	*Drawdown*	*Repayment*	*Reclassification*	*Foreign exchange difference*	
Short-term	**7,284,286,378,356**	**7,286,716,080**	**13,776,991,386,902**	**(14,660,827,342,018)**	**589,816,506,474**	**(7,998,122,499)**	**6,989,555,523,295**
Loans from banks *(Note 25.1)*	6,071,039,794,718	-	13,266,423,487,356	(12,973,501,381,680)	-	(1,596,893,380)	6,362,365,007,014
Loans from other party *(Note 25.2)*	-	-	465,067,899,546	(459,879,917,503)	-	(5,338,345)	5,182,643,698
Loans from related parties *(Note 36)*	6,000,000,000	-	45,500,000,000	(27,400,000,000)	14,900,000,000	-	39,000,000,000
Short-term bonds	485,883,333,333	-	-	(485,883,333,333)	-	-	-
Current portion of long-term loans from banks *(Note 25.3)*	241,050,061,082	7,286,716,080	-	(233,849,520,279)	247,089,265,089	(6,395,890,774)	255,180,631,198
Current portion of long-term loan from another entity	970,000,000	-	-	(970,000,000)	-	-	-
Current portion of long-term loan from related parties *(Note 36)*	3,449,020,000	-	-	(3,449,020,000)	-	-	-
Current portion of long-term bonds *(Note 25.4)*	452,850,466,660	-	-	(452,850,466,660)	309,180,571,649	-	309,180,571,649
Current portion of finance leases *(Note 25.5)*	23,043,702,563	-	-	(23,043,702,563)	18,646,669,736	-	18,646,669,736
Long – term	**1,848,530,201,711**	**164,424,094,372**	**214,485,596,977**	**(411,401,627,510)**	**(589,816,506,474)**	**(5,151,820,558)**	**1,221,069,938,518**
Loans from banks *(Note 25.3)*	623,648,397,718	164,424,094,372	87,254,643,385	(83,012,694,652)	(247,089,265,089)	(5,151,820,558)	540,073,355,176
Loan from related parties *(Note 36)*	14,900,000,000	-	60,855,404,999	(60,855,404,999)	(14,900,000,000)	-	-
Long-term bonds *(Note 25.4)*	1,189,254,200,010	-	2,095,133,328	(247,580,000,000)	(309,180,571,649)	-	634,588,761,689
Long-term finance leases *(Note 25.5)*	20,727,603,983	-	64,280,415,265	(19,953,527,859)	(18,646,669,736)	-	46,407,821,653
TOTAL	**9,132,816,580,067**	**171,710,810,452**	**13,991,476,983,879**	**(15,072,228,969,528)**	**-**	**(13,149,943,057)**	**8,210,625,461,813**

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.1 *Short-term loans from banks*

Banks	*Ending balance VND*	*Principal repayment term*	*Descriptions of collaterals*
Vietnam Maritime Commercial Stock Bank – Ho Chi Minh city Branch	913,425,687,122	From 10 July 2020 to 15 November 2020	Deposit of VND 100 billion; 10 million shares of the Company owned by Ms Huynh Bich Ngoc; machineries and equipment of VND 163 billion at NHE and land use right of land lot No. 8 located at Thai Binh Commune, Chau Thanh District, Tay Ninh Province
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch	723,059,790,715	From 9 July 2020 to 25 December 2020	Receivables of VND 150 billion, inventories of VND 130 billion; BHS's deposit of VND 3.5 billion; bonds from Vietinbank of Ms Huynh Bich Ngoc of VND 46.5 billion; real estate belong to Thanh Thanh Cong Tourist JSC of VND 122 billion; machineries of VND 278 billion in NHS and land use right of VND159 billion in accordance with valuation report dated February 2020 in NHS
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Dinh Branch	643,314,040,329	From 21 July 2020 to 30 December 2020	Land use rights of 329.44 ha at Ben Cau District; capital contribution at Thanh Thanh Cong Gia Lai amounting to VND 339,998,760,000 and deposit amounting to VND 45 billion.
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ho Chi Minh City Branch	437,081,693,818	From 15 July 2020 to 30 December 2020	Inventories with the value of VND 150 billion; and term deposit of VND 164 billion; BHS's BIDV bonds with the amount of VND 5 billion and receivables with minimum value of 120% total loans incurred; land use right of 144,.51 ha at Suoi Ngo District, Tay Ninh Province
Joint Stock Commercial Bank for Investment and Development of Vietnam – Khanh Hoa Branch	341,622,870,866	From 7 August 2020 to 12 December 2020	Term deposit with carrying value of VND 76 billion; inventories with amount VND 350 billion and bonds of VND 44 billion

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.1 *Short-term loans from banks* (continued)

Banks	*Ending balance* *VND*	*Principal repayment term*	*Descriptions of collaterals*
Orient Commercial Joint Stock Bank – Dak Lak Branch	340,159,044,510	From 6 July 2020 to 27 November 2020	All inventories with the maximized value of VND 286 billion and contributed capital of Bien Hoa – Ninh Hoa Sugar One Member Company Limited to NHSS Private Limited Company with the value of VND 174 billion and 2,190,000 shares of the Company
Joint Stock Commercial Bank for Foreign Trade of Vietnam – North Sai Gon Branch	334,464,797,202	From 23 May 2020 to 16 December 2020	Land use rights of land lot No. 49 located at Ward 2, Tay Ninh City, Tay Ninh Province and associates assets on the land
Vietnam Prosperity Joint Stock Commercial Bank – Ho Chi Minh City Branch	250,000,000,000	From 3 July 2020 to 9 August 2020	Inventories with the value of VND 200 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade – Tay Ninh Branch	247,603,192,057	From 21 July 2020 to 26 December 2020	Land use rights of 156.2 ha at Tay Ninh Province
Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch	200,000,000,000	From 16 September 2020 to 30 September 2020	Land use right and assets on land, right of debts claim, right of receivables, assets incurred from loans, properties right incurred from electricity sale contract with Central Power Corporation
Saigon Thuong Tin Commercial Joint Stock Bank	200,000,000,000	30 September 2020	Interest from business operation; land use right and assets on land guaranteed by Tan Dinh Import Export Joint Stock Company
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Khanh Hoa Branch	199,970,073,037	From 16 September 2020 to 22 November 2020	Deposit of VND 86,225,000,000; means of transportation with the value of VND 1,550,000,000; and inventory with minimum value of VND 243 billion

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.1 Short-term loans from banks (continued)

Banks	*Ending balance VND*	*Principal repayment term*	*Descriptions of collaterals*
Malayan Banking Berhard – Ho Chi Minh Branch	179,648,302,705	From 13 July 2020 to 13 October 2020	Receivables and inventories with the value of USD 15.5 million
Malayan Banking Berhard – Ha Noi Branch	140,357,415,683	From 22 July 2020 to 13 October 2020	
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Lai Branch	161,621,124,923	From 8 July 2020 to 9 September 2020	Inventories; 4.9 million shares of Thanh Thanh Cong Joint Stock Company - Bien Hoa and 7.3 million shares of Thanh Thanh Cong Tourist Joint Stock Company
BPCE International et Outre-mer SA – Ho Chi Minh Branch	148,251,857,501	From 4 September 2020 to 4 December 2020	Receivables and inventories with maximized value of USD 10,100,000; and inventories with carrying value of VND 60 billion
Ho Chi Minh City Development Joint Stock Commercial Bank – Nguyen Dinh Chieu Branch	145,307,942,191	From 16 October 2020 to 19 November 2020	Inventories with the value of VND 70,000,000,000
Orient Commercial Joint Stock Bank – Gia Lai branch	100,000,000,000	From 17 September 2020 to 29 November 2020	All the receivables, land use right which are funded from loan
Vietnam International and Commercial Joint Stock Bank	99,831,859,256	From 26 July 2020 to 9 August 2020	Inventory with the minimum value of 200 billion VND

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.1 *Short-term loans from banks* (continued)

Banks	*Ending balance* *VND*	*Principal repayment term*	*Descriptions of collaterals*
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch	97,089,250,266	From 25 October 2020 to 1 December 2020	Construction, machine and equipment at Bien Hoa 1 Industrial zone, Dong Nai province, land use right at Chau Thanh Ward, Tay Ninh province
Military Commercial Joint Stock Bank – Ho Chi Minh Branch	66,640,337,731	From 16 July 2020 to 12 November 2020	Receivables, 1,640,000 share of GEC, and land use right of 63.15 ha at Thanh Long Ward, Tay Ninh province
Military Commercial Joint Stock Bank - Khanh Hoa Branch	63,923,934,999	From 27 September 2020 to 4 November 2020	Deposit of 4 billion VND, inventory and receivables with total value of 250 billion VND
Bank SinoPac – Ho Chi Minh Branch	57,887,004,157	From 5 September 2020 to 4 October 2020	Unsecured
Vietnam Prosperity Joint Stock Commercial Bank	50,500,000,000	From 6 July 2020 to 28 August 2020	Inventories with the value of VND 200 billion; and 8,849,000 shares of the Thanh Thanh Cong Joint Stock Company - Bien Hoa; 6,267,000 shares of Gia Lai Electricity Joint Stock Company; saving account.
United Oversea Bank Limited - Ho Chi Minh Branch	49,995,739,500	18 August 2020	Receivables and inventories with the value of USD 6,000,000
Shinhan Bank Vietnam – Ho Chi Minh Branch	47,802,393,171	From 11 September 2020 to 19 November 2020	Unsecured

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.1 *Short-term loans from banks* (continued)

Banks	*Ending balance* *VND*	*Principal repayment term*	*Descriptions of collaterals*
Maybank Vietnam – Ho Chi Minh City	41,549,092,000	From 9 October 2020 to 16 October 2020	Merchandises, finished goods, work in progress and raw material with the minimum value of USD 3,000,000, receivables with the minimum value of USD 3,000,000 right to claim future debt
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ninh Thuan Branch	41,114,508,062	From 10 July 2020 to 31 December 2020	Machinery and equipment with the value of VND 41.4 billion
Lao Viet Joint Venture Bank - Attapeu Branch	40,143,055,213	17 August 2017	Hoang Anh Gia Lai Attapeu hotel owned by Hoang Anh Attapeu Agricultural Company Limited; inventories, machines and 3,441.3 ha of planting sugarcane
TOTAL	**6,362,365,007,014**		
In which:			
in VND	*6,104,483,586,245*		
in USD	*8,739,109,94*		

Those short-term loans from banks charged at market interest rate for financing its working capital requirements.

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.2 *Loan from other party*

Lender	*Ending balance*		*Principal repayment term*	*Purpose*	*Descriptions of collaterals*
	VND	*USD*			
Macquarie	5,182,643,698	222,431.06	On demand	financing its working capital requirements	Unsecured

25.3 *Long-term loans from banks*

Banks	*Ending balance*	*Principal repayment term*	*Purpose*	*Descriptions of collaterals*
	VND			
Bank for Investment and Development of Vietnam Joint Stock Company – Binh Dinh Branch	344,705,300,097	From 30 September 2020 to 21 April 2023	Purchase and construction of fixed assets	All the construction and equipment of sugar plant and thermoelectric plant funded from the loan
Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch	133,965,686,900	From 4 July 2020 to 9 October 2022	Purchase and construction of fixed assets	Receivables, land use rights, assets funded from the loan, rights emerged from trading electricity contract with Central Power Corporation, entire Gia Lai thermoelectricity factory with the value of VND 262,082,986,000
Military Commercial Joint Stock Bank – East Sai Gon Branch	50,092,341,500	From 25 August 2020 to 17 November 2022	Purchase and construction of fixed assets	Machinery and equipment funded from the loan
Joint Stock Commercial Bank for Foreign Trade of Vietnam – North Saigon Branch	44,413,478,042	From 31 December 2020 to 13 September 2024	Purchase and construction of fixed assets	Assets funded from the loan with the value of VND 186 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade – Tay Ninh Branch	13,063,000,000	From 25 July 2020 to 21 August 2021	Purchase and construction of fixed assets	Land use rights of land lot No. 513 located at Thanh Tay Commune, Tan Bien District, Tay Ninh Province, machineries funded from the loan
Orient Commercial Joint Stock Bank – Dak Lak Branch	26,467,254,655	From 23 September 2020 to 10 September 2023	Purchase and construction of fixed assets	Machinery funded from the loan with the value of VND 25.8 billion

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.3 *Long-term loans from banks* (continued)

Banks	*Ending balance* *VND*	*Principal repayment term*	*Purpose*	*Descriptions of collaterals*
Oversea Chinese Banking Corporation Limited	100,734,463,216	From 30 September 2020 to 31 March 2041	Purchasing export bill and refinancing existing property loan	Investment property at Techpark Singapore Industrial zone guarantee letter from TSU, chairwoman and Mr Lovia Huang
Malayan Banking Berhad Bank – Malaysian Branch	65,009,083,253	From 31 December 2020 to 31 December 2040	Purchasing export bill and property	Investment property held by the Company, guarantee letter from management
Vietnam Bank for Agriculture and Rural Development – Gia Lai Branch	8,600,978,711	From 20 April 2021 to 15 February 2022	Purchase and construction of fixed assets	Machinery and equipment funded from the loan
Ho Chi Minh City Development Joint Stock Commercial Bank	7,901,300,000	From 24 August 2020 to 24 February 2027	Purchase and construction of fixed assets	Unsecured
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ninh Thuan Branch	301,100,000	From 30 June 2020 to 9 October 2022	Purchase and construction of fixed assets	Machinery and equipment funded from the loan and receivables
TOTAL	**795,253,986,374**			
In which:				
Current-portion	*255,180,631,198*			
Non-current portion	*540,073,355,176*			
VND	*284,805,139,808*			
USD	*22,785,692*			

The Group obtained long-term loans from banks at the market interest rate for the purpose of financing its working capital.

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.4 *Long-term bonds*

Details of bonds are as follows:

	Ending balance VND	*Principal repayment term*	*Interest (%/year)*	*Purpose*
Issued at par value				
Joint Stock Commercial Bank for Investment and Development of Vietnam – Binh Dinh Branch *(i)*	510,720,000,000	From 15 July 2020 to 21 February 2026	9.95	Investing in project to develop sugar industrial zone and material plating area located at Attapeu Province, The Lao People's Democratic Republic through the acquisition of shares in TTC Attapeu Cane Sugar Limited Company
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Dinh Branch *(i)*	340,480,000,000	From 23 June 2021 to 23 June 2023	10.13	
Orient Commercial Joint Stock Bank – Ho Chi Minh Branch *(ii)*	100,000,000,000	27 May 2021	8.5	Loan restructuring and financing for working capital
Issuance fee	(7,430,666,662)			
	943,769,333,338			
In which:				
Current portion	*309,180,571,649*			
Non-current portion	*634,588,761,689*			

(i) *Collaterals*

- Land lease rights under contracts between TTC Attapeu Sugar Cane Sole Co., Ltd. and The Lao People's Democratic Republic for 2,790.9 hectare land area located at Phu Vong District, Attapeu Province, Laos and associated assets, real estates and all rights and obligations emerging from those assets owned by TTC Attapeu Sugar Cane Sole Co., Ltd.; construction, machineries in use at farm sites, sugar manufacturing plan, thermal power plant and microbiological fertilizer manufacturing plant; and ownership and entitlement to indemnity for incidents arising under insurance policies for those assets; and
- Capital contributed by the Company and BHS to TTC Attapeu Cane Sugar Limited Company with value of VND 2,230,109,999,975.

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.3 *Bonds issued* (continued)

Details of bonds are as follows: (continued)

(ii) *Collateral*

- All buildings, equipment and machineries within Bien Hoa - Tri An Sugar Factory located at land lot No.9, Hamlet 1, Tri An Commune, Vinh Cuu District, Dong Nai Province which belongs to BHS;
- Real estate located at land lot No. 329, Thanh Binh Ward, Bien Hoa City, Dong Nai Province which belongs to BHS; and
- Capital contributed by BHS to Bien Hoa - Ninh Hoa Sugar One Member Company Limited with value of VND 1,030,726,951,350.

25.4 *Finance leases*

The Group currently has leased machineries and equipment under finance lease agreements with Asia Commercial Bank Leasing Company Limited and Vietnam International Leasing Company. Future obligations due under finance lease agreements as at the balance sheet dates were as follows:

VND

	Ending balance			*Beginning balance*		
	Total minimum lease payments	*Finance charges*	*Lease liabilities*	*Total minimum lease payments*	*Finance charges*	*Lease liabilities*
Current liabilities						
Less than 1 year	23,704,618,103	5,057,948,367	18,646,669,736	25,718,702,591	2,675,000,028	23,043,702,563
Non-current liabilities						
From 1 - 5 years	52,236,577,937	10,054,589,602	42,181,988,335	21,965,435,303	1,237,831,320	20,727,603,983
More than 5 years	4,370,361,114	144,527,796	4,225,833,318	-	-	-
TOTAL	**80,311,557,154**	**15,257,065,765**	**65,054,491,389**	**47,684,137,894**	**3,912,831,348**	**43,771,306,546**

26. CONVERTIBLE BONDS

On 29 June 2020, the Company completed the issuance of 172 convertible bonds with par value of 1 billion VND per bond to Cape Yeollim Coretrend Global Fund with total amount of VND 172 billion, in accordance with the Resolution approved by the Board of Directors No. 28/2020/NQ-HDQT dated 17 June 2020.

Main terms and conditions of the convertible bonds are as follows:

- Convertible bond held term of three (3) years.
- Convertible bond shall be entitled at any time after one (1) year since the issuance date to convert into fully paid ordinary shares based on the agreed conversion price, but meet the yield-to-maturity rate of 6.5% per annum.
- The Company has obligations to pay interest expense at rate of 3.5% per annum each six months.

Details of the convertible bond are as follows:

	VND
	Current year
Value of convertible bond	172,000,000,000
Issuance fee	(6,039,684,983)
Equity component *(Note 28.1)*	(13,666,133,635)
Liability component at initial recognition	152,294,181,382
Liability component at end of year	152,294,181,382

27. UNEARNED REVENUE

Unearned revenue represents one-time payment received from customers for leasing the premises in TTC Plaza Tay Ninh located at No. 217 – 219, 30/04 Street, Tay Ninh City, Tay Ninh Province, Vietnam and related services.

28. OWNERS' EQUITY

28.1 *Increase and decrease in owners' equity*

VND

	Issued share capital	*Share premium*	*Other funds belonging to owner's equity (i)*	*Treasury shares*	*Foreign exchange difference reserve*	*Investment and development fund*	*Undistributed earnings*	*Non – controlling interest*	*Total*
Previous year									
Beginning balance	5,570,186,730,000	6,243,045,915,565	(5,534,410,411,336)	(1,099,985,561,092)	(60,609,170,380)	69,863,681,464	856,496,451,341	52,772,298,854	6,097,359,934,316
Dividend in share *(Note 28.2)*	297,218,790,000	-	-	-	-	-	(297,218,790,000)	-	-
Dividend in cash *(Note 28.2)*	-	-	-	-	-	-	(408,224,244,952)	-	(408,224,244,952)
Disposal of subsidiaries	-	-	32,294,380,412	-	3,417,408,916	-	(37,789,403,995)	(28,519,506,114)	(30,597,120,781)
Net profit for the year	-	-	-	-	-	-	268,425,858,779	(9,133,191,717)	259,292,667,062
Purchase of non-controlling interest	-	-	-	-	-	-	(33,709,509,644)	33,709,509,644	-
Conversion of financial statements to VND	-	-	-	-	13,190,433,935	-	-	-	13,190,433,935
Profit appropriation	-	-	-	-	-	54,837,395,679	(54,837,395,679)	-	-
Transfer to bonus and welfare fund	-	-	-	-	-	-	(112,022,477,983)	(407,029,649)	(112,429,507,632)
Ending balance	5,867,405,520,000	6,243,045,915,565	(5,502,116,030,924)	(1,099,985,561,092)	(44,001,327,529)	124,701,077,143	181,120,487,767	48,422,081,018	5,818,592,161,948

(i) This is a reserve within equity incurred from business combination transactions of under common control companies *(Note 3.11)*.

28. OWNERS' EQUITY (continued)

28.1 *Increase and decrease in owners' equity* (continued)

VND

	Share capital										
	Common shares	*Preference shares*	*Share premium*	*Convertible bond options*	*Other funds belonging to owner's equity (i)*	*Treasury shares*	*Foreign exchange difference reserve*	*Investment and development fund*	*Undistributed earnings*	*Non – controlling interest*	*Total*
Current year											
Beginning balance	5,867,405,520,000	-	6,243,045,915,565	-	(5,502,116,030,924)	(1,099,985,561,092)	(44,001,327,529)	124,701,077,143	181,120,487,767	48,422,081,018	5,818,592,161,948
Issuance of shares *(i)*	-	216,113,330,000	432,226,670,000	-	-	-	-	-	-	-	648,340,000,000
Re-issuance of treasury shares *(ii)*	-	-	37,579,758,974	-	-	1,099,985,561,092	-	-	-	-	1,137,565,320,066
Issuance of convertible bonds *(Note 26)*	-	-	-	13,666,133,635	-	-	-	-	-	-	13,666,133,635
Impact from business combination	-	-	-	-	-	-	-	-	(25,670,456,209)	115,375,533,741	89,705,077,532
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	(151,822,677)	(151,822,677)
Net profit for the year	-	-	-	-	-	-	-	-	364,259,001,778	(1,339,185,146)	362,919,816,632
Conversion of financial statements of foreign opeartion	-	-	-	-	-	-	(83,040,114,420)	-	-	-	(83,040,114,420)
Transfer to bonus and welfare fund	-	-	-	-	-	-	-	-	(27,782,618,368)	-	(27,782,618,368)
Profit appropriation	-	-	-	-	-	-	-	17,202,026,560	(17,202,026,560)	-	-
Dividend	-	-	-	-	-	-	-	(124,701,077,143)	(192,799,880,558)	-	(317,500,957,701)
Ending balance	5,867,405,520,000	216,113,330,000	6,712,852,344,539	13,666,133,635	(5,502,116,030,924)	-	(127,041,441,949)	17,202,026,560	281,924,507,850	162,306,606,936	7,642,312,996,647

(i) This is a reserve within equity incurred from business combination transactions of under common control companies *(Note 3.11)*.

28. OWNERS' EQUITY (continued)

28.1 *Increase and decrease in owners' equity* (continued)

(*) On 23 September 2019, the Group completed the issuance of 21,611,333 convertible dividend preference shares at VND 30,000 per share, in accordance with Shareholders' Resolution No. 01/2018/NQ-DHDCD dated 17 October 2018. On 28 October 2019, the Group received the ninth amendment of BRC from the Planning and Investment Department of Tay Ninh Province approving the increase of share capital to VND 6,083,518,850,000.

Main terms and conditions of the convertible dividend preference shares ("preference shares") are as follows:

- Preference shares will not carry any voting rights.
- Preference dividend period and preference dividend rate are on negotiation, and must be paid prior to declaration of dividend or distribution in respect of ordinary shares.
- Each holder of preference shares shall be entitled at any time to convert all or any of the preference shares into fully paid ordinary shares based on the agreed conversion price, but not higher than VND 38,000 per share.

(**) On 4 October 2019, the Group completed the re-issuance of 61,600,900 treasury shares with average price of VND 18,500, in accordance with Resolution by the Board of Directors No. 22/2019/NQ-HĐQT dated 12 August 2019.

28. OWNERS' EQUITY (continued)

28.2 Capital transactions with owners and distribution of dividends

VND

	Current year	*Previous year*
Issued contributed share capital		
Beginning balance	5,867,405,520,000	5,570,186,730,000
Increase during the year	216,113,330,000	297,218,790,000
Ending balance	**6,083,518,850,000**	**5,867,405,520,000**
Dividends declared (*)	***317,500,957,701***	***705,474,908,750***
Dividends on ordinary shares		
Dividends declared in shares	-	297,250,663,800
Dividends declared in cash	293,370,276,000	408,224,244,950
Dividends on preference shares	*24,130,681,701*	-
Dividends paid in cash	***214,065,647,645***	***192,683,748,039***
Dividends on ordinary shares	*204,003,055,590*	*192,683,748,039*
Dividends on preference shares	*10,062,592,055*	-

(*) In accordance with Annual Shareholders' Resolution No. 03/2019/NQ-DHDCD dated 14 October 2019, the Company declared dividends in cash or/and shares with total value of VND 293,370,276,000 from undistributed earnings, investment and development fund and share premium as at 30 June 2019. Then, in accordance with Resolution by the Board of Directors No. 27a/2020/NQ-HDQT dated 15 June 2020, the Company declared dividends in cash with total value of VND 293,370,276,000 from undistributed earnings and investment and development fund.

The Company declared preference dividend with total value of VND 24,130,681,701, in which an amount of VND 10,062,592,055 has been paid in accordance with the Resolution approved by the Board of Directors No. 41/2019/NQ.HDQT dated 16 December 2019.

28.3 Shareholders

	Ending balance			*Beginning balance*		
	Ordinary shares	*Preference shares*	*% interest*	*Ordinary shares*	*Preference shares*	*% interest*
Thanh Thanh Cong Investment Joint Stock Company	168,021,963	-	27.62	168,021,963	-	28.64
Deutsche Investitions-und Entwicklungsgesellschaft (DEG)	-	21,611,333	3.55	-	-	-
Others	418,718,589	-	68.83	418,718,589	-	71.36
TOTAL	**586,740,552**	**21,611,333**	**100**	**586,740,552**	**-**	**100**

28. OWNERS' EQUITY (continued)

28.4 Shares

	Number of shares	
	Ending balance	*Beginning balance*
Authorised shares	608,351,885	586,740,552
Shares issued and fully paid		
Ordinary shares	*586,740,552*	*586,740,552*
Preference shares	*21,611,333*	-
Treasury shares		
Ordinary shares	-	*(61,600,900)*
Preference shares	-	-
Shares in circulation		
Ordinary shares	*586,740,552*	*525,139,652*
Preference shares	*21,611,333*	-

The par value of each outstanding share: VND 10,000/share (as at 30 June 2019: VND 10,000/share).

28.5 Earnings per share

	Current year	*Previous year (Restated)*
Net profit for the period attributable to the Company's shareholders *(VND)*	364,259,001,778	268,425,858,779
Distribution to bonus and welfare fund *(*)*	-	-
Net profit (loss) after tax attributable to ordinary shareholders for basic earnings	364,259,001,778	268,425,858,779
Dividend of convertible preference shares	(24,130,681,701)	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	**340,128,320,077**	**268,425,858,779**
Weighted average number of ordinary shares for basis earnings per share	571,829,119	525,142,839
Increase of weight average number of shares due to effect of dilution caused by potential convertible preference shares *(Note 26)*	13,565,699	-
Weighted average number of ordinary shares adjusted for the effect of dilution	585,394,818	525,142,839
Basic earnings per share *(VND/share)*	**595**	**511**
Diluted earnings per share *(VND/share)*	**581**	**511**

(*) Net profit used to compute earnings per share for the year ended 30 June 2019 was restated following the actual distribution to Bonus and welfare funds appropriated from fiscal year ended 2019's undistributed earnings as approved in the Resolution of Annual Shareholders Meeting No. 03/2019/NQ-DHDCD dated 14 October 2019 and Resolution of Board of Directors No. 27a/2020/NQ-HDQT dated 25 June 2020.

28. OWNERS' EQUITY (continued)

28.5 *Earnings per share*

Net profit used to compute earnings per share for the year ended 30 June 2020 has not been adjusted for the allocation to bonus and welfare funds from profit of current fiscal year undistributed earnings as the Resolution of Annual Shareholders Meeting on the distribution of the profit after tax of the current year is not yet available.

29. REVENUES

29.1 *Revenues from sale of goods and rendering of services*

VND

	Current year	*Previous year*
Gross revenue	**12,923,457,051,438**	**10,884,713,247,355**
In which:		
Sale of sugar	*12,025,739,829,084*	*9,499,260,144,181*
Sale of molasses	*311,464,944,384*	*301,548,502,704*
Sale of electricity	*167,044,939,026*	*180,874,229,036*
Sale of milk	*104,300,842,491*	*239,148,590,437*
Sale of fertilizer	*66,621,313,725*	*179,170,758,732*
Sale of beer	*61,321,704,612*	*109,816,050,005*
Rendering of rental services (Note 16)	*30,213,621,672*	*24,041,879,003*
Sale of products from rubber	-	*300,223,315,709*
Other	*156,749,856,444*	*50,629,777,548*
Less	**(34,774,449,661)**	**(28,100,847,211)**
Sales allowances	(18,488,866,776)	*(650,428,352)*
Trade discounts	*(9,295,490,818)*	*(20,935,297,004)*
Sales returns	*(6,990,092,067)*	*(6,515,121,855)*
Net revenues	**12,888,682,601,777**	**10,856,612,400,144**
In which:		
Sale of sugar	12,002,669,165,517	*9,471,159,296,970*
Sale of molasses	311,464,944,384	*301,548,502,704*
Sale of electricity	*167,044,939,026*	*180,874,229,036*
Sale of milk	*104,300,842,491*	*239,148,590,437*
Sale of fertilizer	*66,321,313,725*	*179,170,758,732*
Sale of beer	*61,321,704,612*	*109,816,050,005*
Rendering of rental services (Note 16)	*30,213,621,672*	*24,041,879,003*
Sale of products from rubber	-	*300,223,315,709*
Other	*145,346,070,351*	*50,629,777,548*
In which:		
Sales to other parties	*11,740,174,658,094*	*9,061,543,976,357*
Sales to related parties	*1,148,507,943,683*	*1,795,068,423,787*

29. REVENUES (continued)

29.2 Finance income

	Current year	*VND* *Previous year*
Gains from transfer shares purchasing rights	269,800,000,000	-
Interest income from bank deposit, lending and advance to suppliers	213,709,910,660	225,735,348,191
Gains from disposal of investments	139,409,184,262	833,413,611,053
Income from increase in fair value of other long-term investment *(Note 18.2)*	33,844,721,573	-
Gains from transfer of trading securities	28,901,351,795	25,442,276,545
Foreign exchange gains	9,802,111,661	18,510,907,742
Dividends income	1,039,573,565	2,921,948,401
Others	33,694,812,019	4,612,270,805
TOTAL	**730,201,665,535**	**1,110,636,362,737**
In which:		
Sales to related parties	*618,302,882,606*	*520,837,095,865*
Sales to other parties	*111,898,782,929*	*589,799,266,872*

30. COST OF GOODS SOLD AND SERVICES RENDERED

	Current year	*VND* *Previous year*
Cost of sugar	10,663,152,692,920	8,622,131,810,976
Cost of molasses	273,126,755,215	315,239,534,885
Cost of electricity	151,801,009,825	171,963,910,883
Cost of milk	99,506,609,727	229,234,998,877
Cost of fertilizer	56,674,950,234	170,132,786,390
Cost of beer	58,520,127,031	108,433,036,004
Cost of rental services	16,566,455,776	18,414,797,301
Cost of products from rubber	-	293,471,599,578
Others	114,793,214,850	55,902,240,356
TOTAL	**11,434,141,815,578**	**9,984,924,715,250**

31. FINANCE EXPENSES

	Current year	*VND* *Previous year*
Interest expense and share issuance fee	685,620,883,846	705,491,023,191
Foreign exchange losses	78,639,371,507	19,476,463,838
Provision (reversal of provision) for diminution in investments	44,273,444,227	(256,686,600)
Losses from decrease in fair value of the investment *(Note 4)*	18,463,831,249	-
Trade discount and advanced interest	2,064,059,832	86,201,558,627
Loss from disposal of investments	-	631,821,687
Others	24,804,293,315	11,848,551,104
TOTAL	**853,865,883,976**	**823,392,731,847**

32. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

		VND
	Current year	*Previous year*
Selling expenses		
Expenses for external services	175,563,959,584	149,053,046,065
Transportation expense	110,629,430,355	100,397,236,894
Labour cost	68,377,867,633	82,596,488,479
Sales supporting fee	65,089,742,479	47,526,237,399
Depreciation and amortisation	5,944,527,846	6,570,182,394
Others	20,873,152,511	14,296,135,149
	446,086,303,998	**400,439,326,380**
General and administrative expenses		
Labour costs	215,524,076,235	190,416,769,098
Expenses for external services	112,638,873,942	116,124,198,046
Depreciation and amortisation	21,998,736,882	48,812,339,418
Goodwill *(Note 19)*	20,174,973,548	19,896,436,574
Reversal of provision	(7,286,532,703)	(28,167,042,823)
Other expenses	18,515,852,475	100,044,407,369
TOTAL	**381,565,980,379**	**447,127,107,682**

33. PRODUCTION AND OPERATING COSTS

		VND
	Current year	*Previous year*
Raw materials and merchandise goods	9,869,635,823,750	9,412,141,271,632
Expenses for external services	842,524,470,761	470,309,760,868
Labour costs	624,009,110,280	441,885,539,776
Depreciation and amortisation	465,220,919,767	346,934,495,313
Other expenses	461,131,716,940	281,486,856,167
TOTAL	**12,262,522,041,498**	**10,952,757,923,756**

34. OTHER INCOME AND EXPENSES

		VND
	Current year	*Previous year*
Other income	**48,566,222,616**	**143,368,375,466**
Gains from disposal of fixed assets	17,786,059,812	118,044,085,801
Income from leasing activities	14,112,618,863	16,201,127,183
Penalties received	3,958,467,252	2,308,180,176
Others	12,709,076,689	6,814,982,306
Other expenses	**58,167,071,012**	**40,171,279,603**
Depreciation of idle assets	33,261,254,275	-
Depreciation of leased assets	5,431,107,833	18,414,797,301
Write off project	3,945,931,296	-
Penalties	2,366,375,202	8,942,395,015
Others	13,162,402,406	12,814,087,287
OTHER (LOSS) PROFIT	**(9,600,848,396)**	**103,197,095,863**

35. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 10% of taxable profits. The Company is entitled to an exemption from CIT in regards to taxable profits generated from manufacturing sugar from sugar-cane commencing from 1 January 2015 in accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance dated 22 June 2015.

The Company's subsidiaries have the obligations to pay CIT at the rates ranging from 10% to the normal applicable rate of their respective taxable profits their respective taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective business registration certificates and applicable tax regulations

The tax returns filed by Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

35.1 CIT expense

		VND
	Current year	*Previous year*
Current CIT expense	176,553,224,617	157,953,526,009
Adjustment for (over) under accrual of tax from prior years *(*)*	(39,832,626,784)	75,160,422
	136,720,597,833	158,028,686,431
Deferred tax expenses	12,719,302,684	4,462,592,400
TOTAL	**149,439,900,517**	**162,491,278,831**

(*) This is mainly represented a decrease adjustment due to the change in the calculation of deductible interest expenses in accordance with the Decree No. 68/2020/ND-CP dated 24 June 2020 providing amendments to clause 3 article 8 of the Government's Decree No. 20/2017/ND-CP dated 24 February 2017.

35. CORPORATE INCOME TAX (continued)

35.1 *CIT expense* (continued)

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	Current year	*VND* *Previous year*
Accounting profit before tax	**512,359,717,149**	**421,783,945,893**
At applicable CIT rates	95,087,294,944	60,691,110,796
Adjustments:		
Non-deductible expenses	17,696,480,769	57,777,865,096
Consolidation adjustments	8,579,073,131	11,618,318,773
Amortisation of goodwill	4,034,994,710	3,979,287,316
Adjustment for over accrual of tax from prior years	(12,919,883,217)	(842,506,415)
Unrecognised deferred tax for tax loss	43,101,174,904	32,041,508,338
Change of gains of change in ownership interest of investments	6,768,944,315	-
Dividends income	3,124,885,287	(54,145,256)
Share of profit in associates	(3,747,256,433)	(1,444,393,662)
Tax exemption	(12,285,807,893)	(1,195,123,165)
CIT expenses	**149,439,900,517**	**162,491,278,831**

35.2 *Current CIT*

The current tax payable is based on taxable income for the current year. The taxable income of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

35. CORPORATE INCOME TAX (continued)

35.3 Deferred tax

The following is the deferred tax asset recognised by the Group, and the movement thereon, during the current and previous year:

VND

	Consolidated balance sheet		*Consolidated income statement*	
	Ending balance	*Beginning balance*	*Current year*	*Previous year*
Deferred tax asset				
Unrealised profits	5,398,717,540	1,540,142,687	3,858,574,853	(4,488,788,858)
Accrued expenses	3,928,835,639	7,400,947,278	(3,472,111,639)	543,221,230
Provision for obsolete inventories	744,722,452	-	744,722,452	(2,967,049,423)
TOTAL	**10,072,275,631**	**8,941,089,965**		
Deferred tax liabilities				
Surplus fair value of net assets in business combination	85,029,392,108	87,109,192,528	2,079,800,420	1,944,201,132
Surplus fair value of investment in subsidiary at acquisition date *(Note 4)*	17,022,677,312	-	-	-
Gains of change in ownership interest of investments	7,656,337,600	-	(7,656,337,600)	-
Provisions for long-term investments	7,196,958,856	741,216,334	(6,455,742,522)	505,823,519
Provisions for doubtful receivables	1,818,208,648	-	(1,818,208,648)	-
TOTAL	**118,723,574,524**	**87,850,408,862**		
Deferred tax expenses			***(12,719,302,684)***	***(4,462,592,400)***

36. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties including entities within Thanh Thanh Cong Group ("affiliates") and other related parties during the current and previous year were as follows:

VND

Related parties	*Relationship*	*Transactions*	*Current year*	*Previous year*
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Sale of goods	324,763,879,636	616,427,136,275
		Purchase of goods	170,489,979,071	319,127,548,796
		Interest income	17,832,584,470	36,340,753,189
		Purchase of services	13,496,149,845	24,343,706,697
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Sale of goods	194,956,690,775	78,942,513,696
		Purchase of goods	74,533,169,087	417,508,047,496
		Purchase of services	63,705,337,782	86,870,291,693
		Interest income	28,440,810,763	55,428,067,091
		Sale of service	-	16,208,443,771
Mrs Huynh Bich Ngoc	Chairwoman	Purchase of shares	350,910,400,000	-
		Deposit of share	199,999,980,000	-
Ben Tre Import Export Joint Stock Company	Shareholder	Sale of goods	248,547,553,638	2,344,246,849
		Purchasing share	150,000,000,000	
		Dividend income	1,031,188,565	10,015,092,202
		Purchase of goods	5,316,019,238	100,940,649,046
		Purchase of materials	-	58,668,080,004
Ms. Huynh Thao Linh	Chairwoman of Associate	Sales of shares	166,675,325,000	-
		Interest income from transferring share	48,000,000,000	-

36. TRANSACTIONS WITH RELATED PATIES (continued)

Significant transactions with affiliates and other related parties during the current and previous year were as follows: (continued)

Related parties	*Relationship*	*Transactions*	*Current year*	*VND* *Previous year*
Mr Dang Van Thanh	Related party with chairwoman	Purchase of shares	151,911,300,000	-
Thanh Thanh Cong Packing - Trading - Production Joint Stock Company	Affiliate	Purchase of merchandises	26,308,068,790	151,300,000
		Purchase of materials	28,463,521,816	34,245,606,161
Gia Lai Electricity Joint Stock Company	Affiliate	Interest income	28,901,351,795	-
Son Tin Commodities Exchange Joint Stock Company	Affiliate	Interest income	14,339,929,606	18,653,363,970
		Interest expense	2,555,864,486	-
		Purchase of goods	-	314,593,186,239
		Sale of goods	-	143,289,950,473
		Purchase of shares	-	58,500,000,000
Thanh Thanh Cong Tourist Joint Stock Company.	Common owner	Purchase of services	4,043,175,414	10,651,954,125
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Purchase of service	2,669,750,322	-
		Sale of good	258,937,926	77,213,715,808
		Purchase of merchandises	-	26,415,000,000
		Sale of fixed asset	-	52,090,909,091
Global Mind Commodities Trading Pte., Ltd. *(*)*	Associate	Purchase of materials	1,077,114,695,499	456,319,898,239
		Sale of good	90,944,117,259	301,858,688,142
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of materials	-	91,491,143,013

(*) This Company became subsidiary since 2 January 2020 *(Note 4)*

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with affiliates and other related parties during the current and previous year were as follows: (continued)

Related parties	*Relationship*	*Transactions*	*Current year*	*VND Previous year*
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Sale of good	-	439,318,653,333
		Purchase of good	-	213,483,040,000
		Interest income	-	16,319,855,596
Thanh Thanh Cong Industrial Zones Joint Stock Company	Affiliate	Sale of shares	-	717,000,000,000
		Deposit for land rental	-	700,000,000,000
Deutsche Investitions-und Entwicklungsgesellschaft (DEG)	Shareholder	Declared dividend	24,212,498,159	-
		Dividend paid	10,062,592,055	-

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances as at balance sheet date are unsecured. For the fiscal year ended 30 June 2020, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (30 June 2019: 0). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Transactions with other related parties

Remuneration to members of the Board of Directors and Management

	Current year	*VND Previous year*
Salaries and bonus	9,783,121,638	10,761,433,802

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows:

VND

Related parties	*Relationship*	*Transactions*	*Ending balance*	*Beginning balance*
Short-term trade receivables				
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Sale of goods	57,330,474,358	462,832,902,215
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Sale of goods	24,369,171,300	3,493,114,450
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Sale of asset	370,253,510	65,368,446,508
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Sale of goods	-	296,012,843,500
Son Tin Commodities Exchange JSC [1]	Affiliate	Sale of goods	-	6,172,500,000
Other related parties			1,479,885,844	13,382,963,064
TOTAL			**83,549,785,012**	**847,262,769,737**
Short-term advances to suppliers				
Thanh Thanh Cong Trading Joint Stock Company *(*)*	Common owner	Purchase of goods	315,703,360,000	433,576,050,183
Thanh Thanh Cong Industrial Zones Joint Stock Company	Affiliate	Land rental	110,261,990,683	-
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Purchase of goods	96,439,737,590	4,605,136,626
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of material	63,126,543,196	70,137,489,034
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Affiliate	Purchase of materials	2,859,351,385	1,071,151,790
Ben Tre Import and Export Joint Stock Company	Affiliate	Purchase of goods	1,218,816,223	242,585,600

[1] These companies were no longer related parties of the Group since 1 July 2019.

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows: (continued)

VND

Related parties	*Relationship*	*Transactions*	*Ending balance*	*Beginning balance*
Short-term advances to suppliers				
Son Tin Commodities Exchange JSC [1]	Affiliate	Purchase of goods	-	307,453,353,986
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Purchase of goods	-	258,250,050,000
Thanh Thanh Cong Tourist Joint Stock Company	Common owner	Purchase of services	160,710,000	160,710,200
Other related parties			2,371,696,800	12,864,338,679
TOTAL			**592,142,205,877**	**1,088,360,866,098**
Other short-term receivables				
Toan Hai Van Joint Stock Company	Affiliate	Deposit for land rental	673,000,000,000	418,000,000,000
Thanh Thanh Cong Industrial Zones Joint Stock Company	Affiliate	Deposit for land rental	522,000,000,000	700,000,000,000
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Interest income	15,861,211,951	10,173,025,769
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Interest income	4,237,882,945	32,726,208,580
Son Tin Commodities Exchange JSC [1]	Affiliate	Interest income	-	40,111,954,726
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Interest income	-	19,339,778,428
Other related parties			3,896,210,321	1,139,411,626
TOTAL			**1,218,995,305,217**	**1,221,490,379,129**

(*) Short-term advances to related parties earn interest at the rates ranging from 8.0% to 9.5% per annum.

[1] These companies were no longer related parties of the Group since 1 July 2019.

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows: (continued)

VND

Related parties	*Relationship*	*Transactions*	Ending balance	Beginning balance
Short-term trade payables				
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Purchase of services	100,343,608,911	70,025,072,550
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Purchase of goods	3,953,924,624	10,854,842,398
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Affiliate	Purchase of materials	2,677,389,714	-
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of goods	172,264,536	18,289,801,639
Ben Tre Import and Export Joint Stock Company	Affiliate	Purchase of goods	25,200,001	6,237,636,733
Tam Binh An Manufacturing Trading Joint Stock Company [1]	Affiliate	Purchase of goods	-	10,024,942,000
Other related parties		Purchase of goods	391,233,177	3,820,791,717
TOTAL			**107,563,620,963**	**119,253,087,037**
Short-term advances from customers				
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Sale of goods	29,354,185,348	23,327,583,343
Tay Ninh Sugar Joint Stock Company	Affiliate	Sale of goods	15,800,000,000	15,800,000,000
Son Tin Commodities Exchange JSC [1]	Affiliate	Sale of goods	-	68,446,631,907
Other related parties		Sale of goods	6,998,228	513,412,228
TOTAL			**45,161,183,576**	**108,087,627,478**

[1] These companies were no longer related parties of the Group since 1 July 2019.

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows: (continued)

VND

Related parties	*Relationship*	*Transactions*	*Ending balance*	*Beginning balance*
Other short-term payables				
Deutsche Investitions-und Entwicklungsgesellschaft (DEG)	Shareholder	Dividend payable	14,068,089,646	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Dividend payable	-	8,000,000,000
		Purchase of services	145,473,370	
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Dividend payable	4,061,876,978	67,208,785,200
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Purchase of services	2,432,682,353	-
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company	Affiliate	Interest expense	1,159,068,495	-
Other related parties			15,000,000	1,243,720,548
TỔNG CỘNG			**21,882,190,842**	**76,452,505,748**
Short-term loans				
TTC Energy Joint Stock Company	Affiliate	Loan	33,000,000,000	-
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company *(*)*	Affiliate	Loan	6,000,000,000	6,000,000,000
TOTAL			**39,000,000,000**	**6,000,000,000**

(*) This represented unsecured short-term loans with the interest rate ranging from 6.5% per annum for financing its working capital requirements.

1 These companies were no longer related parties of the Group since 1 July 2019.

37. COMMITMENTS

Operating lease commitment

The Group leases office and warehouses under operating lease arrangements. The future minimum lease commitment as at the balance sheet dates under the operating lease agreements is as follows:

VND

	Ending balance	*Beginning balance*
Less than 1 year	31,319,372,040	25,597,958,373
From 1 – 5 years	72,850,102,018	128,521,028,740
More than 5 years	360,655,795,159	492,609,733,116
TOTAL	**464,825,269,217**	**646,728,720,229**

38. SEGMENT INFORMATION

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

38. SEGMENT INFORMATION (continued)

The following tables present revenue, expenditure and certain asset information regarding the Group's geographical segments:

	Domestic	*Foreign territories*	*Elimination*	*VND* *Total*
For the fiscal year ended 30 June 2020				
Revenue				
Sales to external customers	11,439,218,367,116	1,449,464,234,661	-	12,888,682,601,777
Inter-segment sales	4,607,058,625,066	2,588,267,159,850	(7,195,325,784,916)	-
Net revenue	**15,891,130,396,973**	**4,192,877,989,720**	**(7,195,325,784,916)**	**12,888,682,601,777**
Consolidation income statement				
Segment result				1,450,679,138,934
Unallocated expenses	(732,078,169,939)	(95,574,114,438)		(827,652,284,377)
Finance income	862,719,990,024	23,529,726,072	(156,048,050,561)	730,201,665,535
Finance expese	(834,975,860,305)	(168,584,365,695)	149,694,342,024	(853,865,883,976)
Share profit from associates				18,736,282,164
Other loss				(9,600,848,396)
Operating profit				512,359,717,149
Current corporate income tax expense				(136,720,597,833)
Deferred tax expense				(12,719,302,684)
Net profit after tax				**362,919,816,632**

38. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment:

VND

	Domestic	*Foreign territories*	*Elimination*	*Total*
As at 30 June 2020				
Segment's assets				
Cash and cash equivalents	766,857,430,069	232,763,231,443	-	999,620,661,512
Short-term investments	885,390,515,004	13,894,330,915	-	899,284,845,919
Current accounts receivable	7,123,699,700,430	903,829,489,641	(2,580,370,111,865)	5,447,159,078,206
Inventories	2,087,554,256,134	485,348,738,418	(43,556,337,493)	2,529,346,657,059
Other current assets	140,469,109,784	14,915,763,945	-	155,384,873,729
Long-term receivables	101,806,889,451	-	-	101,806,889,451
Fixed assets				4,179,804,562,879
Investment properties	396,402,966,195	196,034,931,534	-	592,437,897,729
Construction in progress	341,526,808,768	-	-	341,526,808,768
Long-term investments	1,146,703,883,985	98,901,203,915	-	1,245,605,087,900
Other long-term assets				1,463,741,420,760
Total assets				**17,955,718,783,912**
Segment's liabilities				
Short-term trade payables	1,246,372,342,440	535,012,127,366	(1,196,002,709,696)	585,381,760,110
Short-term loans and finance lease obligations	7,309,673,574,901	278,218,706,847	(598,336,758,453)	6,992,245,281,748
Long-term loans and finance lease obligations	1,247,321,341,435	390,882,597,083	(417,134,000,000)	1,221,069,938,518
Unallocated liabilities				1,519,150,169,158
Total liabilities				**10,313,417,423,502**

39. OFF BALANCE SHEET ITEMS

	Ending balance	*Beginning balance*
Goods held on consignment		
- *Sugar finished goods (tonne)*	*30,763*	*52,885*
- *Molasses (tonne)*	*14,675*	-
Foreign currencies		
- *LAK*	*1,664,336,467*	*8,127,315,813*
- *USD*	*10,205,815*	*556,416*
- *INR*	*18,140*	*18,140*
- *AUD*	*950*	*950*
- *GBP*	*630*	*630*
- *EUR*	*250*	*250*

40. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.

CÔNG TY CỔ PHẦN THÀNH THÀNH CÔNG BIÊN HÒA

Nguyen Thuy Trang	Le Phat Tin	Nguyen Thanh Ngu
Preparer	Chief Accountant	General Director

28 September 2020