Thanh Thanh Cong Tay Ninh Joint Stock Company

Consolidated financial statements

30 June 2016

Thanh Thanh Cong Tay Ninh Joint Stock Company

CONTENTS

THE COMPANY

Thanh Thanh Cong Tay Ninh 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 as amended.

The Company was 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 registered 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 Floor 1, No. 62, Tran Huy Lieu Street, Ward 12, Phu Nhuan 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:

Mr Pham Hong Duong	Chairman	
Mr Le Van Dinh	Vice Chairman	
Ms Dang Huynh Uc My	Member	
Mr Nguyen Quoc Viet	Member	appointed on 19 December 2015
Mr Pham Thi Thu Trang	Member	appointed on 19 December 2015
Mr Nguyen Ba Chu	Member	resigned on 14 September 2015
Mr Le Ngoc Thong	Member	resigned on 19 December 2015
Mr Le Quang Hai	Member	resigned on 19 December 2015
Mr Vo Tong Xuan	Member	resigned on 19 September 2015

BOARD OF SUPERVISION

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

Ms Nguyen Thuy Van	Head	
Mr Huynh Thanh Nhan	Member	appointed on 19 December 2015
Mr Nguyen Xuan Thanh	Member	appointed on 19 December 2015
Mr Pham Trung Kien	Member	resigned on 19 December 2015
Mr Le Van Hoa	Member	resigned on 19 December 2015

MANAGEMENT

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

Mr Nguyen Thanh Ngu	General Director	
Mr Nguyen Van De	Deputy General Director	
Ms Ho Nguyen Duy Khuong	Deputy General Director	appointed on 15 July 2015 resigned on 01 June 2016
Mr Nguyen Viet Hung	Deputy General Director	appointed on 15 November 2015
Ms Duong Thi To Chau	Deputy General Director	
Ms Truong Thi Hong	Deputy General Director	resigned on 10 July 2015
Mr Le Quang Hai	Deputy General Director	resigned on 19 December 2015
Mr Le Duc Ton	Factory Director	
Ms Nguyen Thi Thuy Tien	Finance Director	
Mr Trang Thanh Truc	Publicity Director	
Mr Huynh Van Phap	Business Director	
Mr Thai Ba Hoa	Materiality Director	
Ms Le Ha Mai Thao	Human Resources Director	resigned on 31 August 2015
Ms Nguyen Thi Thu Trang	Supporting Director	appointed on 18 April 2016

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Nguyen Thanh Ngu.

AUDITORS

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

REPORT OF BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors and Management of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2016.

BOARD OF DIRECTORS AND MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Board of Directors and Management are 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, Board of Directors and Management are 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.

Board of Directors and Management are 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. They are 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.

Board of Directors and Management confirmed that they have complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors and Management do hereby state that, in their opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2016, and of the consolidated results of its operations and its consolidated cash flows for the year ended 30 June 2016 then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements.

For and on behalf of Board of Directors and Management:

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

Pham Hong Duong
Chairman

23 September 2016

Ernst & Young Vietnam Limited
28th Floor, Bitexco Financial Tower
2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

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ey.com

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Reference: 61248763/18259903-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Thanh Thanh Cong Tay Ninh Joint Stock Company

We have audited the accompanying consolidated financial statements of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 28 September 2016 and set out on pages 6 to 57 which comprise the consolidated balance sheet as at 30 June 2016, 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 preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of 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 the 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 auditor's 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 auditor considers 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 2016, 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 preparation and presentation of consolidated financial statements.

Other matter

The consolidated financial statements of the Group for the year ended 30 June 2015 were audited by another audit firm which expressed an unmodified opinion on those consolidated financial statements on 28 September 2015.

Ernst & Young Vietnam Limited

M.S.D.N: 0300811802-C.T.N.H.H
CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM
QUẬN 1-TP. HỒ CHÍ MINH

Le Quang Minh	Luong Kim Dien An
Deputy General Director	Auditor
Audit Practicing Registration Certificate	Audit Practicing Registration Certificate
No. 0426-2013-004-1	No. 2736-2014-004-1

Ho Chi Minh City, Vietnam

28 September 2016

CONSOLIDATED BALANCE SHEET
as at 30 June 2016

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**4,216,029,016,581**	**1,891,271,281,331**
110	***I. Cash and cash equivalents***	***5***	***855,375,120,630***	***138,062,494,402***
111	1. Cash		431,443,246,481	138,062,494,402
112	2. Cash equivalents		423,931,874,149	-
120	***II. Short-term investments***	***6***	***46,424,094,687***	***7,021,531,368***
121	1. Held-for-trading securities		54,116,600,867	8,124,761,428
122	2. Provision for held-for-trading securities		(7,692,506,180)	(1,103,230,060)
130	***III. Current accounts receivable***		***1,930,581,676,173***	***960,916,527,685***
131	1. Short-term trade receivables	7	822,334,756,561	268,961,211,094
132	2. Short-term advances to suppliers	8	938,582,888,061	474,876,118,998
135	3. Short-term loan receivables	32	133,500,000,000	179,000,000,000
136	4. Other short-term receivables	9	70,882,923,265	61,366,473,143
137	5. Provision for short-term doubtful receivables	8	(34,718,891,714)	(23,287,275,550)
140	***IV. Inventories***	***10***	***1,333,276,780,107***	***749,235,990,504***
141	1. Inventories		1,334,096,271,683	750,055,482,080
149	2. Provision for obsolete inventories		(819,491,576)	(819,491,576)
150	***V. Other current assets***		***50,371,344,984***	***36,034,737,372***
151	1. Short-term prepaid expenses	11	40,887,927,016	33,159,799,557
152	2. Value added tax deductible		9,102,232,099	30,385,635
153	3. Tax and other receivables from the State		381,185,869	2,844,552,180

CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2016

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	**B. NON-CURRENT ASSETS**		**2,620,667,782,014**	**1,405,314,238,745**
210	***I. Long-term receivables***		***194,048,412,209***	***48,611,724,058***
212	1. Long-term advances to suppliers	8	58,769,761,197	35,904,299,058
216	2. Other long-term receivables	9	135,278,651,012	12,707,425,000
220	***II. Fixed assets***		***1,555,356,440,558***	***533,411,049,727***
221	1. Tangible fixed assets	12	1,305,729,123,707	476,155,185,794
222	Cost		3,051,892,253,773	1,747,107,486,692
223	Accumulated depreciation		(1,746,163,130,066)	(1,270,952,300,898)
224	2. Finance leases	13	67,610,055,686	-
225	Cost		73,767,448,385	-
226	Accumulated depreciation		(6,157,392,699)	-
227	3. Intangible assets	14	182,017,261,165	57,255,863,933
228	Cost		197,891,271,547	68,915,328,391
229	Accumulated amortisation		(15,874,010,382)	(11,659,464,458)
240	***III. Long-term asset in progress***		***124,818,704,027***	***170,548,334,250***
242	1. Construction in progress	15	124,818,704,027	170,548,334,250
250	***IV. Long-term investments***	***16***	***686,067,887,183***	***612,260,559,873***
252	1. Investments in associates	16.1	398,984,110,671	517,891,777,476
253	2. Investments in other entities	16.2	287,922,171,983	94,437,115,484
254	3. Provision for long-term investments		(838,395,471)	(68,333,087)
260	***V. Other long-term assets***		***60,376,338,037***	***40,482,570,837***
261	1. Long-term prepaid expenses	11	41,619,031,610	40,482,570,837
262	2. Deferred tax asset	31.3	851,395,319	-
269	3. Goodwill	17	17,905,911,108	-
270	**TOTAL ASSETS**		**6,836,696,798,595**	**3,296,585,520,076**

CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2016

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**4,134,301,056,939**	**1,375,001,591,370**
310	***I. Current liabilities***		***2,774,320,638,118***	***866,292,962,370***
311	1. Short-term trade payables	18	46,117,978,053	82,666,961,595
312	2. Short-term advances from customers	19	85,044,977,543	81,251,627,841
313	3. Statutory obligations	20	12,205,553,830	840,996,228
314	4. Payables to employees		10,133,880,337	4,512,096,380
315	5. Short-term accrued expenses	21	58,769,362,740	10,819,139,091
319	6. Short-term other payables	22	24,174,187,980	5,138,453,729
320	7. Short-term loans and finance lease obligations	23	2,520,380,695,895	667,877,287,507
322	8. Bonus and welfare fund		17,494,001,740	13,186,399,999
330	***II. Non-current liabilities***		***1,359,980,418,821***	***508,708,629,000***
337	1. Other long-term liability		185,500,000	96,300,000
338	2. Long-term loans and finance lease obligations	23	1,359,794,918,821	508,612,329,000
400	**D. OWNERS' EQUITY**		**2,702,395,741,656**	**1,921,583,928,706**
410	***I. Capital***		***2,702,395,741,656***	***1,921,583,928,706***
411	1. Share capital	24.1	1,947,610,330,000	1,485,000,000,000
411a	- *Shares with voting rights*		*1,947,610,330,000*	*1,485,000,000,000*
412	2. Share premium	24.1	155,174,403,823	14,732,000,010
415	3. Treasury shares	24.1	(40,306,862,293)	(61,577,199,043)
417	4. Foreign exchange differences reverse	24.1	(2,165,210,735)	-
418	5. Investment and development fund	24.1	243,709,260,201	227,425,653,785
420	6. Other funds belonging to owners' equity	24.1	-	(2,040,858,039)
421	7. Undistributed earnings	24.1	386,137,417,421	257,408,414,403
421a	- *Undistributed earnings up to the end of prior year*		*93,923,017,688*	*69,071,260,137*
421b	- *Undistributed earnings of current year*		*292,214,399,733*	*188,337,154,266*
429	8. Non-controlling interests	25	12,236,403,239	635,917,590
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**6,836,696,798,595**	**3,296,585,520,076**

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

Nguyen Ngoc Han Preparer	Le Phat Tin Chief Accountant	Nguyen Thanh Ngu General Director

28 September 2016

CONSOLIDATED INCOME STATEMENT
for the year ended 30 June 2016

VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
01	**1. Revenues from sale of goods and rendering of services**	**26.1**	**4,042,892,882,215**	**2,071,667,869,305**
02	**2. Deductions**	**26.1**	**(15,660,161,470)**	**(4,767,867,003)**
10	**3. Net revenues from sale of goods and rendering of services**	**26.1**	**4,027,232,720,745**	**2,066,900,002,302**
11	**4. Cost of goods sold and services rendered**	**27**	**(3,422,230,144,928)**	**(1,808,239,601,251)**
20	**5. Gross profit from sale of goods and rendering of services**		**605,002,575,817**	**258,660,401,051**
21	**6. Finance income**	**26.2**	**141,667,851,402**	**83,791,881,419**
22	**7. Finance expenses**	**28**	**(216,332,843,184)**	**(68,270,246,238)**
23	*In which: Interest expense*		*(152,781,586,342)*	*(80,244,824,475)*
24	**8. Shares of profit of associates**		**12,549,340,671**	**59,890,974,620**
25	**9. Selling expenses**	**29**	**(95,464,461,360)**	**(68,364,786,581)**
26	**10. General and administrative expenses**	**29**	**(143,593,766,960)**	**(65,542,929,101)**
30	**11. Operating profit**		**303,828,696,386**	**200,165,295,170**
31	**12. Other income**		**11,750,741,251**	**10,601,095,001**
32	**13. Other expenses**		**(5,503,138,451)**	**(2,460,757,230)**
40	**14. Other profit**		**6,247,602,800**	**8,140,337,771**
50	**15. Accounting profit before tax**		**310,076,299,186**	**208,305,632,941**
51	**16. Current corporate income tax expense**	**31.2**	**(16,761,373,041)**	**(18,317,918,389)**
52	**17. Deferred tax income (expense)**	**31.3**	**851,395,319**	**(1,014,642,696)**
60	**18. Net profit after tax**		**294,166,321,464**	**188,973,071,856**
61	**19. Net profit after tax attributable to shareholders of the parent**		**293,814,330,822**	**188,337,154,266**
62	**20. Net profit after tax attributable to non-controlling interests**		**351,990,642**	**635,917,590**
70	**21. Basic earnings per share**	**24.4**	**1,493**	**1,155**
71	**22. Diluted earnings per share**	**24.4**	**1,493**	**1,155**

M.S.D.N: 3900244389
CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH
H. TÂN CHÂU - T. TÂY NINH

Nguyen Ngoc Han Preparer	Le Phat Tin Chief Accountant	Nguyen Thanh Ngu General Director

28 February 2016

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2016

VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**310,076,299,186**	**208,305,632,941**
	Adjustments for:			
02	Depreciation and amortisation of fixed assets	12, 13, 14	162,019,427,999	88,574,404,824
03	Provisions (reversals of provision)		18,509,923,228	(25,896,350,489)
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(189,260,438)	-
05	Profit from investing activities		(109,948,071,965)	(142,590,801,284)
06	Interest expense	28	152,781,586,342	80,244,824,475
08	**Operating profit before changes in working capital**		**533,249,904,352**	**208,637,710,467**
09	(Increase) decrease in receivables		(531,993,919,431)	250,275,743,016
10	Increase in inventories		(483,522,758,961)	(132,076,921,166)
11	Increase in payables		4,438,314,140	43,461,243,110
12	Decrease (increase) in prepaid expenses		41,687,725,284	(19,157,570,020)
13	Increase in held-for-trading securities		(45,991,839,439)	(8,124,761,428)
14	Interest paid		(130,730,947,864)	(80,406,099,977)
15	Corporate income tax paid	31.2	(11,656,363,496)	(18,060,522,444)
17	Other cash outflows from operating activities		(19,941,428,130)	(12,851,966,177)
20	**Net cash flows (used in) from operating activities**		**(644,461,313,545)**	**231,696,855,381**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(429,473,441,007)	(207,041,728,947)
22	Proceeds from disposals of fixed assets		2,482,912,604	9,134,090,637
23	Loans to other entities		(245,313,284,423)	(359,000,000,000)
24	Collections from borrowers		293,000,000,000	308,961,327,469
25	Payments for investments in other entities		(285,996,689,279)	(44,792,083,885)
26	Proceeds from sale of investments in other entities		151,110,955,658	172,452,712,934
27	Interest and dividends received		63,346,523,587	74,731,412,079
30	**Net cash flows used in investing activities**		**(450,843,022,860)**	**(45,554,269,713)**

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 30 June 2016

VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		115,472,765,963	-
33	Drawdown of borrowings		6,713,690,612,483	3,401,281,174,602
34	Repayment of borrowings		(4,882,110,827,299)	(3,707,309,524,426)
35	Finance lease principal paid		(6,872,121,810)	-
36	Dividends paid	24.2	(127,607,494,420)	(634,303,200)
40	**Net cash flows from (used in) financing activities**		**1,812,572,934,917**	**(306,662,653,024)**
50	**Net increase (decrease) in cash for the year**		**717,268,598,512**	**(120,520,067,356)**
60	**Cash at beginning of year**		**138,062,494,402**	**258,582,561,758**
61	**Impact of exchange rate fluctuation**		**44,027,716**	**-**
70	**Cash and cash equivalents at end of year**	**5**	**855,375,120,630**	**138,062,494,402**

Nguyen Ngoc Han
Preparer

Le Phat Tin
Chief Accountant

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

Nguyen Thanh Ngu
General Director

28 September 2016

1. CORPORATE INFORMATION

Thanh Thanh Cong Tay Ninh 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 as amended.

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

The number of the Group's employees as at 30 June 2016 was 1,056 (30 June 2015: 524).

1. CORPORATE INFORMATION (continued)

Corporate structure

As at the balance sheet date, the Group's corporate structure includes 5 subsidiaries, as follows:

	Name of subsidiaries	*Head office*	*Business activities*	*Status of operation*	*% ownership interest*	
					30 June 2016	*30 June 2015*
(1)	Thanh Thanh Cong Alcohol Trading Production 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	Operating	90	90
(2)	Thanh Thanh Cong Gia Lai Co., Ltd	Ayunpa Town, Gia Lai Province	Manufacturing sugar and other by-products from sugar-cane for sales; manufacturing electricity for sales; manufacturing and trading in fertilizer	Operating	100	-
(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	Operating	100	-
(4)	Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Tan Chau 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	Operating	62	48
(5)	Gia Lai Thermoelectricity One Member Company Limited	Ayunpa Town, Gia Lai Province	Manufacturing, transmitting and distributing electricity	Operating	100	-

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 financial position and the results of its operations and 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 Company'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 Group'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 2016.

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 result 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 Changes in accounting policies and disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2015, except for the changes in the accounting policies in relation to the following.

3.1.1 Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QD-BTC dated 20 March 2006 ("Decision 15") and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance ("Circular 244"). Circular 200 will be effective for financial years starting on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group are applied on a prospective basis as Circular 200 does not require retrospective application. The Group also reclassifies certain corresponding figures of prior year following the presentation of the current year's consolidated financial statements in accordance with Circular 200 as disclosed in Note 34.

3.1.2 Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements

On 22 December 2014, the Ministry of Finance issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on a prospective as this Circular does not require for retrospective application.

3.2 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 less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Inventories

Inventory properties

Inventory properties, comprising mainly real estate properties, acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes:

- Land use rights;
- Construction and development costs; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Inventories* (continued)

Inventory properties (continued)

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory recognized in the consolidated income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Other 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.

3.4 *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.

3.5 *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 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)

3.6 *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.

3.7 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible 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 asset on the consolidated balance sheet when the Company obtained the land use right certificate. The costs of a land use right comprises all directly attributable costs of bringing the land lot to the condition available for its intended use.

3.8 *Depreciation and amortisation*

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

Land use rights	44 - 50 years
Buildings and structures	5 - 30 years
Machinery and equipment	2 - 20 years
Office equipment	3 - 5 years
Computer software	2 - 6 years
Means of transportation	5 - 6 years
Others	4 - 15 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 amortized 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 is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the balance sheet date in accordance with the guidance under the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

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.

The prepaid land rental represents the unamortised balance of advance payment. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the consolidated income statement over the remaining lease period according to Circular 45.

Pre-season overhaul costs are calculated and amortised to production costs based on the actual volume of sugar produced during the year.

3.11 *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 capitalized 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 capitalized as part of the cost of the respective asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 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 of 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 a maximum period of 10 years on a straight-line basis. The 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.

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.

3.14 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; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

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

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign subsidiary 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 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, issue or cancellation of the Group's own equity instruments.

3.16 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.

3.17 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit 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 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.

3.18 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)

3.18 ***Revenue recognition*** (continued)

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.

3.19 ***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 income 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 income tax asset to be utilised. Previously unrecognised deferred income 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Taxation (continued)

Deferred income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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.

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 year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.20 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. As the Group's revenue and profit are derived mainly from production and trading sugar and sugar related by-products in Vietnam while other sources of revenue are not material as a whole, the management accordingly believed that the Group operates in a sole business segment of production and trading sugar and sugar related by-products. Geographical segment of the Group is in Vietnam only.

4. ACQUISITION TRANSACTIONS

On 30 September 2015, the Company completed the issuance of 37,142,358 new shares at price of VND 13,700 per share to swap all shares of Gia Lai Cane Sugar Thermoelectricity Joint Stock Company ("Gia Lai Cane Sugar") which was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the 2nd amended BRC dated 22 October 2015. Accordingly, the Company owns 100% ownership interest in this company. This transaction generated a goodwill of VND 18,416,799,225 for the Group *(Note 17)*.

4. ACQUISITION TRANSACTIONS (continued)

Goodwill arising from the additional acquisition of interests in Gia Lai Cane Sugar is detailed as below:

	VND
	Fair value recognized on acquisition
Gia Lai Cane Sugar's net assets as at acquisition date	
Cash and cash equivalents	*59,812,532,442*
Accounts receivable, net	*299,767,098,570*
Inventories	*51,286,980,747*
Fixed assets	*644,732,440,993*
Other assets	*187,143,691,787*
Liabilities	*(752,309,239,164)*
Total Gia Lai Cane Sugar's identifiable net assets at acquisition date	**490,433,505,375**
Goodwill	**18,416,799,225**
Purchase consideration transferred	**508,850,304,600**

In addition, this transaction increases the Company's ownership in Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company ("Thanh Thanh Cong Sugarcane") from 48% to 62%. Thanh Thanh Cong Sugarcane, therefore, became a subsidiary of the Company. This transaction generated a goodwill of VND 940,942,513 for the Group *(Note 17)*.

5. CASH AND CASH EQUIVALENTS

		VND
	Ending balance	*Beginning balance*
Cash on hand	1,006,576,157	1,033,535,614
Cash in banks *(*)*	430,436,670,324	137,028,958,788
Cash equivalents *(**)*	423,931,874,149	-
TOTAL	**855,375,120,630**	**138,062,494,402**

(*) Cash in banks amounting to VND 55,950,823,598 were pledged as collateral for short-term loan obtained from a commercial bank *(Note 23)*.

(**) Cash equivalents represent one-month term deposits at commercial banks which earn interest at the rates ranging from 0.8% to 5.5% per annum.

Additional information regarding the cash flow statement:

		VND
	Current year	*Previous year*
Significant non-cash transactions that are excluded from the cash flow statement in the future:		
Acquisition of a subsidiary by swapping new issued shares	508,850,304,600	-

6. HELD-FOR-TRADING SECURITIES

	Ending balance		*Beginning balance*	
	Share	*Value*	*Share*	*Value*
		VND		*VND*
Listed shares				
- PetroVietnam Drilling and Well Services Joint Stock Company("PVD")	-	-	48,300	2,864,461,119
- Saigon Securities Incorporation ("SSI")	-	-	35,640	753,927,572
- Kinhbac City Development Holding Corporation ("KBC")	-	-	18,500	312,818,526
- PetroVietnam Technical Services Corporation ("PVS")	-	-	10,000	241,762,100
- KIDO Corporation ("KDC")	-	-	50,420	2,565,391,502
- Vietnam Dairy Products Joint Stock Company ("VNM")	-	-	5,500	570,354,250
- Thanh Cong Textile Garment Investment Trading Joint Stock Company ("TCM")	-	-	13,000	453,584,914
- Vietnam Container Shipping Joint Stock Company ("VSC")	-	-	6,000	261,291,350
- Dat Xanh Real Estate Service And Constructions Corporation ("DXG")	-	-	8,239	101,170,095
Other investments		54,116,600,867		-
TOTAL		**54,116,600,867**		**8,124,761,428**
Provision for held-for-trading securities		(7,692,506,180)		(1,103,230,060)
NET		**46,424,094,687**		**7,021,531,368**

7. SHORT-TERM TRADE RECEIVABLES

	Ending balance	*VND* *Beginning balance*
Trade receivables from other parties	373,204,624,751	264,446,793,194
In which:		
- *Suntory PepsiCo Vietnam Beverage Limited Company*	*147,570,149,989*	*136,502,925,302*
- *Others*	*225,634,474,762*	*127,943,867,892*
Trade receivables from related parties *(Note 32)*	449,130,131,810	4,514,417,900
TOTAL	**822,334,756,561**	**268,961,211,094**

Short-term trade receivables amounting to VND 753,980,547,842 were pledged as collateral for the short-term loans obtained from commercial banks *(Note 23)*.

8. ADVANCES TO SUPPLIERS

	Ending balance	*VND* *Beginning balance*
Short-term	**938,582,888,061**	**474,876,118,998**
Advances to other parties	765,550,818,894	361,172,283,271
In which:		
- *Global Mind Commodities Trading Pte. Ltd*	*274,868,447,816*	*20,507,601,907*
- *Farmers (*)*	*353,028,961,685*	*248,245,458,985*
- *Others*	*137,653,409,393*	*92,419,222,379*
Advances to related parties *(Note 32)*	173,032,069,167	113,703,835,727
Long-term	**58,769,761,197**	**35,904,299,058**
Advances to farmers *(*)*	58,769,761,197	35,904,299,058
TOTAL	**997,352,649,258**	**510,780,418,056**
Provision for doubtful short-term advances to suppliers	(34,718,891,714)	(23,287,275,550)
NET	**962,633,757,544**	**487,493,142,506**

(*) Advances to sugar cane farmers are partially secured by the farmers' land use rights and earned interest at rate ranging from 7.0% to 10.8% per annum.

8. ADVANCES TO SUPPLIERS (continued)

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

		VND
	Current year	*Previous year*
Beginning balance	23,287,275,550	31,782,826,019
Provision made during the year	18,524,980,054	4,164,659,898
Reversal during the year	(7,093,363,890)	(12,660,210,367)
Ending balance	34,718,891,714	23,287,275,550

9. OTHER RECEIVABLES

		VND
	Ending balance	*Beginning balance*
Short-term	**70,882,923,265**	**61,366,473,143**
Interest receivables	46,527,536,973	41,418,506,655
Advances to employees	20,096,157,272	12,157,955,500
Others	4,259,229,020	7,790,010,988
Long-term	**135,278,651,012**	**12,707,425,000**
Deposits for land rental	122,571,226,012	-
Receivables from Svayrieng projects in Cambodia *(*)*	12,707,425,000	12,707,425,000
TOTAL	**206,161,574,277**	**74,073,898,143**
In which:		
Other receivables from related parties (Note 32)	*24,505,351,680*	*18,553,709,115*
Other receivables from other parties	*181,656,222,597*	*55,520,189,028*

(*) Other long-term receivables included an amount of VND 12,707,425,000 (30 June 2015: VND 12,707,425,000) contributed for Business Co-operation Contract between the Group and Svayrieng Sugar and Cane Company Litmited to develop a project to plant sugar canes in Cambodia with the duration of 10 (ten) years. The Group owns 85% interest sharing from this project. The Group is committed to purchase all sugar canes harvested from this project.

10. INVENTORIES

	Ending balance	*Beginning balance*
		VND
Finished goods	1,062,686,165,328	658,135,893,261
Raw materials	98,843,087,846	33,796,888,944
Merchandise goods	86,807,366,465	30,434,144,508
Real estate properties	49,231,049,895	-
Work-in-process	30,573,298,646	25,479,310,297
Tools and supplies	1,866,121,009	771,473,815
Goods on consignment	4,089,182,494	1,437,771,255
TOTAL	**1,334,096,271,683**	**750,055,482,080**
Provision for obsolete inventories	(819,491,576)	(819,491,576)
NET	**1,333,276,780,107**	**749,235,990,504**

Inventories amounting to VND 868,139,500,000 were pledged as collateral for the short-term loans obtained from commercial banks *(Note 23)*.

11. PREPAID EXPENSES

	Ending balance	*Beginning balance*
		VND
Short-term	**40,887,927,016**	**33,159,799,557**
Pre-season overhaul costs	33,790,645,815	24,920,492,027
Others	7,097,281,201	8,239,307,530
Long-term	**41,619,031,610**	**40,482,570,837**
Prepaid land rental *(*)*	34,708,429,061	37,689,602,004
Tools and supplies	2,996,060,400	-
Others	3,914,542,149	2,792,968,833
TOTAL	**82,506,958,626**	**73,642,370,394**

(*) Land use right amounting to VND 1,113,312,930 was pledged as collateral for the loans obtained from a commercial bank (*Note 23)*.

12. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	*Machinery and equipment*	*Means of transportation*	*Office equipment*	*Other assets*	*Total*
Cost:						
Beginning balance	284,075,223,111	1,373,736,050,033	24,824,775,446	6,066,107,572	58,405,330,530	1,747,107,486,692
Increase due to business combination	154,480,248,985	996,212,174,949	9,133,145,094	2,036,168,973	1,707,723,484	1,163,569,461,485
New purchase	1,493,053,137	3,254,307,016	9,114,910,468	988,372,273	57,000,000	14,907,642,894
Transfer from construction in progress	24,351,170,450	107,591,233,829	-	1,760,274,788	-	133,702,679,067
Disposal	-	(5,775,918,910)	(1,619,097,455)	-	-	(7,395,016,365)
Ending balance	464,399,695,683	2,475,017,846,917	41,453,733,553	10,850,923,606	60,170,054,014	3,051,892,253,773
In which:						
Fully depreciated	*23,122,876,462*	*260,008,205,444*	*4,279,763,884*	*4,979,766,600*	*58,274,772,348*	*350,665,384,738*
Accumulated depreciation:						
Beginning balance	161,015,685,619	1,035,222,744,018	11,724,125,548	4,612,468,588	58,377,277,125	1,270,952,300,898
Increase due to business combination	52,688,372,515	267,374,106,690	3,497,784,603	1,496,005,130	191,744,036	325,248,012,974
Depreciation for the year	17,993,830,550	131,565,376,327	4,114,183,847	943,797,953	88,402,906	154,705,591,583
Disposal	-	(3,825,634,659)	(917,140,730)	-	-	(4,742,775,389)
Ending balance	231,697,888,684	1,430,336,592,376	18,418,953,268	7,052,271,671	58,657,424,067	1,746,163,130,066
Net carrying amount:						
Beginning balance	123,059,537,492	338,513,306,015	13,100,649,898	1,453,638,984	28,053,405	476,155,185,794
Ending balance	232,701,806,999	1,044,681,254,541	23,034,780,285	3,798,651,935	1,512,629,947	1,305,729,123,707
In which:						
Pledged as loan security (Note 23)	*38,567,104,215*	*558,937,860,726*	-	*222,686,077*	-	*597,727,651,018*

13. FINANCE LEASES

	VND
	Machineries and equipment
Cost:	
Beginning balance	-
Increase due to business combination	73,767,448,385
Ending balance	73,767,448,385
Accumulated depreciation:	
Beginning balance	-
Increase due to business combination	2,468,200,611
Depreciation for the year	3,689,192,088
Ending balance	6,157,392,699
Net carrying amount:	
Beginning balance	-
Ending balance	67,610,055,686

14. INTANGIBLE FIXED ASSETS

			VND
	Land use rights	*Computer software*	*Total*
Cost:			
Beginning balance	57,966,954,819	10,948,373,572	68,915,328,391
Increase due to business combination	-	632,686,516	632,686,516
New purchase	135,413,796,640	48,000,000	135,461,796,640
Other decrease	(7,118,540,000)	-	(7,118,540,000)
Ending balance	186,262,211,459	11,629,060,088	197,891,271,547
In which:			
Fully amortised	-	*589,186,516*	*589,186,516*
Accumulated amortisation:			
Beginning balance	8,218,132,165	3,441,332,293	11,659,464,458
Increase due to business combination	-	589,901,596	589,901,596
Amortisation for the year	2,551,981,179	1,215,263,070	3,767,244,249
Other decrease	(142,599,921)	-	(142,599,921)
Ending balance	10,627,513,423	5,246,496,959	15,874,010,382
Net carrying amount:			
Beginning balance	49,748,822,654	7,507,041,279	57,255,863,933
Ending balance	175,634,698,036	6,382,563,129	182,017,261,165
In which:			
Pledged as loan security (Note 23)	*162,905,635,150*	-	*162,905,635,150*

15. CONSTRUCTION IN PROGRESS

VND

	Ending balance	*Beginning balance*
Espace Bourbon Tay Ninh project	93,957,120,070	92,700,623,082
Installing machinery and equipment	17,698,066,904	1,984,343,489
Warehouse project	-	67,491,898,320
Others	13,163,517,053	8,371,469,359
TOTAL	**124,818,704,027**	**170,548,334,250**

Constructions in progress amounting to VND 93,957,120,070 were pledged as collateral for the long-term loans obtained from commercial banks *(Note 23)*.

During the year, the Group capitalized borrowing costs amounting to VND 6,067,203,678 (for the year ended 30 June 2015: VND 728,299,260) to Espace Bourbon Tay Ninh project.

16. LONG-TERM INVESTMENTS

VND

	Ending balance	*Beginning balance*
Investments in associates *(Note 16.1)*	398,984,110,671	517,891,777,476
Investments in other entities *(Note 16.2)*	287,922,171,983	94,437,115,484
TOTAL	**686,906,282,654**	**612,328,892,960**
Provision for long-term investments	(838,395,471)	(68,333,087)
NET	**686,067,887,183**	**612,260,559,873**

16.1 Investments in associates

Details of these investments in associates were as follows:

	Ending balance		*Beginning balance*	
	Carrying amount (VND)	*% of interest*	*Carrying amount (VND)*	*% of interest*
Thanh Thanh Cong Industrial Zone Joint Stock Company *(i)*	191,055,714,436	49.00	205,795,566,787	49.00
Tay Ninh Sugar Joint Stock Company *(ii)*	115,952,253,112	39.23	-	-
Nuoc Trong Sugar Joint Stock Company *(iii)*	59,863,471,423	30.54	48,572,622,899	23.95
Tay Ninh Chemical Industry Joint Stock Company *(iv)*	32,112,671,700	26.32	30,519,267,021	26.32
Bien Hoa Sugar Joint Stock Company *(v)*	-	-	217,948,152,104	23.71
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	-	-	15,056,168,665	48.00
TOTAL	**398,984,110,671**		**517,891,777,476**	

16. LONG-TERM INVESTMENTS (continued)

16.1 Investments in associates (continued)

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

(ii) Tay Ninh Sugar Joint Stock Company – formerly known as Tay Ninh Sugar Co., Ltd ("Tay Ninh Sugar") was established in Vietnam in accordance with BRC No. 3900243272 issued by the Planning and Investment Department of Tay Ninh Province on 23 May 2007, as amended. The head office of Tay Ninh Sugar is located at No. 19, Vo Thi Sau Street, Ward 3, Tay Ninh City. The principal activities of this company are planting sugarcane; producing and trading sugar and its by-products.

(iii) Nuoc Trong Sugar Joint Stock Company ("Nuoc Trong Sugar") was established in Vietnam in accordance with Decision No. 299/QD-CT issued by the People Committee of Tay Ninh Province on 7 April 2005, as amended. The head office of Nuoc Trong Sugar is located at Hoi An Village, Tan Hoi Commune, Tan Chau District, Tay Ninh Province, Vietnam. The principal activities of this company are producing sugar; planting sugar cane, wheat, rubber trees and agricultural products; processing agriculture products, food and alcoholic beverages; processing, manufacturing and installing food industry machineries; importing and exporting businesses.

(iv) Tay Ninh Chemical Industry Joint Stock Company ("Tay Ninh Chemical") was established in Vietnam in accordance with BRC No. 45121000238 issued by the Planning and Investment Department of Tay Ninh Province on 18 August 2010, as amended. The head office of Tay Ninh Chemical is located at Hoi An Village, Tan Hoi Commune, Tan Chau District, Tay Ninh Province, Vietnam. The principal activities of this company are producing starch and products related to starch; producing artificial condensed products, non-alcohol and mineral water, nitrogen compound; installing machinery and industrial equipment.

(v) Bien Hoa Sugar Joint Stock Company ("Bien Hoa Sugar") was established in Vietnam in accordance with BRC No. 450300000501 issued by the Department of Planning and Investment of Dong Nai Province on 13 June 2001, as amended. The head office of Bien Hoa Sugar is located at Bien Hoa Industrial Park I, An Binh Ward, Dong Nai Province, Vietnam. The principal activities of this company are producing and trading sugar, products using sugar or its by-products, waste products. During the year, Bien Hoa Sugar completed the merger of Ninh Hoa Sugar Joint Stock Company. Accordingly, the Group's ownership interest decreased from 23.71% to 16.97% and Bien Hoa Sugar was not the Group's associate.

16. LONG-TERM INVESTMENTS (continued)

16.1 *Investments in associates* (continued)

Details of these investments in associates were as follows:

	VND
Cost of investment:	
Beginning balance	557,902,848,539
Increase due to new investment	117,669,852,000
Increase due to business combination	16,415,872,000
Decrease	(231,757,661,139)
Ending balance	460,230,911,400
Accumulated share in post-acquisition profit (loss) of the associates:	
Beginning balance	(40,011,071,063)
Share in post-acquisition profit of the associates for the year	12,549,340,671
Dividends received	(14,320,911,000)
Disposal of investment	(19,464,159,337)
Ending balance	(61,246,800,729)
Net carrying amount:	
Beginning balance	517,891,777,476
Ending balance	398,984,110,671

16.2 *Investments in other entities*

Details of the these investments in other entities were as follows:

	Ending balance		*Beginning balance*	
	Cost of investment (VND)	*% of interest*	*Cost of investment (VND)*	*% of interest*
Bien Hoa Sugar Joint Stock Company	201,395,138,816	9.75	-	-
Ninh Hoa Sugar Joint Stock Company	-	-	74,915,050,000	9.87
Phuoc Hoa Rubber Joint Stock Company	67,004,967,683	4.73	-	-
Can Tho Sugar Joint Stock Company	18,752,003,100	6.43	18,752,003,100	6.43
Other long-term investment	770,062,384		770,062,384	
TOTAL	**287,922,171,983**		**94,437,115,484**	
Provision for diminution in value of long-term investment	(838,395,471)		(68,333,087)	
NET	**287,083,776,512**		**94,368,782,397**	

8,301,524 shares of long-term investments in Bien Hoa Sugar Joint Stock Company were pledged as collateral for the short-term loan obtained from a commercial bank *(Note 23)*.

17. GOODWILL

	VND
Cost:	
Beginning balance	-
Increase in year *(Note 4)*	19,357,741,738
Ending balance	19,357,741,738
Accumulated amortisation:	
Beginning balance	-
Amortization for the year	1,451,830,630
Ending balance	1,451,830,630
Net carrying amount:	
Beginning balance	-
Ending balance	17,905,911,108

18. SHORT-TERM TRADE PAYABLES

	Ending balance	VND *Beginning balance*
Due to other parties	39,496,572,626	77,502,317,236
In which:		
- *Toan Thinh Phat Investment Architecture Construction Joint Stock Company*	*6,406,775,946*	*11,798,029,776*
- *Others*	*33,089,796,680*	*65,704,287,460*
Due to related parties *(Note 32)*	6,621,405,427	5,164,644,359
TOTAL	**46,117,978,053**	**82,666,961,595**

19. SHORT-TERM ADVANCES FROM CUSTOMERS

	Ending balance	*VND* *Beginning balance*
Due to other parties	69,891,457,883	72,553,893,841
In which:		
- *Saigon Thuong Tin Commercial Joint Stock Bank (*)*	*68,570,710,000*	*66,731,910,000*
- *Others*	*1,320,747,883*	*5,821,983,841*
Due to related parties *(Note 32)*	15,153,519,660	8,697,734,000
TOTAL	**85,044,977,543**	**81,251,627,841**

(*) This amount represented cash advance for Properties Transfer Agreement dated 25 November 2011 regarding transferring leased land use rights and buildings in Espace Bourbon Tay Ninh Project at No. 217-219, 30-4 Street, Ward 2, Tay Ninh Town, Tay Ninh Province.

20. STATUTORY OBLIGATIONS

		VND
	Ending balance	*Beginning balance*
Corporate income tax *(Note 31.2)*	7,849,822,920	822,585,234
Value-added tax	4,194,768,372	-
Personal income tax	160,828,778	18,410,994
Other	133,760	-
TOTAL	**12,205,553,830**	**840,996,228**

21. SHORT-TERM ACCRUED EXPENSES

		VND
	Ending balance	*Beginning balance*
Interest expense	22,050,638,478	2,537,822,410
Purchase of refined sugar	8,564,877,909	-
Transportation and loading fees	4,593,855,727	5,260,591,500
13th month salary	4,467,090,266	-
Others	19,092,900,360	3,020,725,181
TOTAL	**58,769,362,740**	**10,819,139,091**

22. OTHER SHORT-TERM PAYABLES

		VND
	Ending balance	*Beginning balance*
Lending of materials	15,648,984,731	-
Harvest and transportation payables	1,299,155,796	2,570,109,649
Others	7,226,047,453	2,568,344,080
TOTAL	**24,174,187,980**	**5,138,453,729**
In which:		
Related parties (Note 32)	*18,449,779,314*	*1,200,000,000*
Other parties	*5,724,408,666*	*3,938,453,729*

23. LOANS

	Ending balance	*VND* Beginning balance
Short-term	**2,520,380,695,895**	**667,877,287,507**
Loans from banks *(Note 23.1)*	2,319,948,696,309	555,558,945,507
Current portion of long-term loans from banks *(Note 23.2)*	89,758,828,500	112,318,342,000
Current portion of long-term loan from another entity *(Note 23.3)*	1,720,000,000	-
Current portion of long-term loan from a related party *(Note 23.4)*	2,386,342,000	-
Current portion of long-term bonds *(Note 23.5)*	97,404,000,000	-
Current portion of finance leases *(Note 23.6)*	9,162,829,086	-
Long-term	**1,359,794,918,821**	**508,612,329,000**
Loans from banks *(Note 23.2)*	415,086,456,668	496,680,621,000
Loan from another entity *(Note 23.3)*	4,410,000,000	-
Loan from a related party *(Note 23.4)*	7,159,024,000	11,931,708,000
Bonds *(Note 23.5)*	889,616,000,000	-
Long-term finance leases *(Note 23.6)*	43,523,438,153	-
TOTAL	**3,880,175,614,716**	**1,176,489,616,507**

The Group obtained these loans at the market interest rate for the purpose of financing its working capital requirements.

23. LOANS (continued)

23.1 Short-term loans from banks

Details of the short-term loans from banks are as follows:

Bank	*Ending balance*		*Principal repayment term*	*Description of collateral*
	VND	*Original currency (USD)*		
ANZ Bank (Vietnam) Ltd - Ho Chi Minh Branch	427,746,582,087	-	From 4 July 2016 to 23 December 2016	All of receivables, inventory with the carrying value of USD 18,750,000
	11,000,000,000	-	27 July 2016	All of inventories with the carrying value of USD 6,250,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Gia Lai Branch	370,770,333,170	-	From 5 July 2016 to 30 November 2016	Trade receivables, land use right, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation
Military Commercial Joint Stock Bank - South Sai Gon Branch	193,400,000,000	-	From 19 July 2016 to 13 December 2016	All of inventories with the carrying value of VND 143,500,000,000 and the Company's current account at the bank
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	169,999,426,573	-	From 26 July 2016 to 6 October 2016	Land use right of land lot 3105 located at Tan Kim Commune, Can Giuoc District, Long An Province and assets funded from the loan amounting to VND 170,000,000,000
Vietnam International Commercial Joint Stock Bank - Dong Nai Branch	159,774,939,311	-	From 5 July 2016 to 17 November 2016	All of receivables, inventory with the carrying value of VND 200,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam - Gia Lai Branch	126,000,000,000	-	From 1 July 2016 to 21 October 2016	All finished goods for commercial contracts with the carrying value of VND 126,000,000,000

23. LOANS (continued)

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

Details of the short-term loans from banks are as follows: (continued)

Bank	*Ending balance*		*Principal repayment term*	*Description of collateral*
	VND	*Original currency (USD)*		
HSBC Bank (Vietnam) Ltd	111,275,300,000	-	From 5 September 2016 to 14 November 2016	All of receivables, inventories with the minimum carrying value equal to the amount of VND 120,000,000,000
Asia Commercial Joint Stock Bank - Tan Thuan Branch	104,954,389,848	-	From 29 August 2016 to 11 September 2016	Land use right of land lot 37 located at Ward 2, Tay Ninh Commune, associated assets funded from the loan and 100% of receivables from Espace Bourbon Tay Ninh project and receivables with the carrying value of VND 75,000,000,000
Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	100,000,000,000	-	9 December 2016	All of receivables with the carrying value of VND 100,000,000,000
Malayan Banking Berhad - Hanoi Branch	55,890,000,000	2,500,000	22 July 2016	All of receivables, inventories with the carrying value of USD 5,000,000
	54,100,000,000	-	From 27 October 2016 to 3 December 2016	All of receivables, inventories with the carrying value of USD 5,000,000
	48,000,000,000	-	From 8 July 2016 to 15 July 2016	All of receivables, inventories with the carrying value of USD 2,500,000
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Dinh Branch	98,836,953,174	-	From 25 September 2016 to 9 November 2016	Unsecured

23. LOANS (continued)

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

Details of the short-term loans from banks are as follows: (continued)

Bank	*Ending balance*		*Principal repayment term*	*Description of collateral*
	VND	*Original currency (USD)*		
Natixis Bank - Ho Chi Minh Branch	97,147,441,339	-	From 3 September 2016 to 30 December 2016	All of receivables, inventories with the carrying value of USD 4,510,000
Orient Commercial Joint Stock Bank - Daklak Branch	60,446,524,307	-	From 10 September 2016 to 12 September 2016	8,301,524 shares of Bien Hoa Sugar Joint Stock Company
Shinhan Vietnam Bank Ltd - Ho Chi Minh Branch	60,000,000,000	-	From 30 November 2016 to 28 December 2016	Unsecured
CTBC Bank Co., Ltd - Ho Chi Minh Branch	43,600,000,000	-	From 2 December 2016 to 9 December 2016	All of receivables, inventory with the carrying value of USD 2,000,000
Vietnam Bank for Agriculture and Rural Development - Gia Lai Branch	16,006,806,500	-	From 15 May 2017 to 30 May 2017	Unsecured
Malayan Banking Berhad - Ho Chi Minh Branch	11,000,000,000	-	21 September 2016	All of receivables, inventories with the carrying value of USD 2,500,000
TOTAL	**2,319,948,696,309**	**2,500,000**		

23. LOANS (continued)

23.2 *Long-term loans from banks*

Details of the long-term loans from banks are as follows:

Bank	*Ending balance*	*Principal repayment term*	*Description of collateral*
	VND		
Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch	155,628,400,000	From 1 July 2016 to 1 October 2021	Machinery and equipment funded from the loan
	233,040,647,943	From 9 July 2016 to 9 October 2022	Trade receivables, land use right, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation
	16,732,218,602	From 18 August 2016 to 13 February 2022	Trade receivables, land use right, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation
Asia Commercial Joint Stock Bank – Tan Thuan, Ho Chi Minh Branch	80,602,963,000	From 15 August 2016 to 15 May 2022	Land use right of land lot 37 located at Ward 2, Tay Ninh Commune, associated assets funded from the loan and 100% of receivables from Espace Bourbon Tay Ninh project and receivables with the carrying value of VND 75,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	11,191,000,000	From 14 November 2017 to 20 April 2019	Land use right of land lot 513 located at Thanh Tay Commune, Tan Bien District, Tay Ninh Province and machinery funded from the loan
Vietnam Bank for Agriculture and Rural Development - Gia Lai Branch	7,650,055,623	From 20 June 2017 to 20 April 2021	Machinery and equipment funded from the loan
TOTAL	**504,845,285,168**		
In which:			
Current portion	*89,758,828,500*		
Non-current portion	*415,086,456,668*		

23. LOANS (continued)

23.3 Long-term loan from another entity

Details of the long-term loan from another entity is as follows:

Lender	*Ending balance VND*	*Principal repayment term*	*Description of collateral*
Vietnam Environment Protection Fund	6,130,000,000	From 25 September 2016 to 25 March 2020	Bank guarantee from Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch
In which:			
Current portion	*1,720,000,000*		
Non-current portion	*4,410,000,000*		

23.4 Long-term loan from a related party

Details of the long-term loan from a related party is as follows:

Lender	*Ending balance VND*	*Principal repayment term*	*Description of collateral*
Tay Ninh Sugar Joint Stock Company	9,545,366,000	From 10 October 2017 to 10 April 2020	Unsecured
In which:			
Current portion	*2,386,342,000*		
Non-current portion	*7,159,024,000*		

23. LOANS (continued)

23.5 *Bonds issued*

Details of bonds are as follows:

	Ending balance	*Principal repayment term*	*Purpose*	*Description of collateral*
	VND			
Issued at par value				
Tien Phong Commercial Joint Stock Bank – Contract No. 01.2016/PL/TPBANK-SBT dated 30 May 2016	592,212,000,000	From 30 May 2017 to 30 May 2021	Loan restructuring and financing for working capital	Land use right of land lot 97 located at Tan Hung Commune, Tan Chau District, Tay Ninh Province and associated assets owned by the Company, machinery and equipment and 51% capital contribution by the Company in Thanh Thanh Cong Gia Lai Co., Ltd.
Vietnam International Commercial Joint Stock Bank – Contract No. 06 – TP/2016/VIB – TTCS dated 30 May 2016	394,808,000,000	From 30 May 2017 to 30 May 2021	Loan restructuring and financing for working capital	
	987,020,000,000			
In which:				
Current portion	*97,404,000,000*			
Non-current portion	*889,616,000,000*			

These bonds bear an interest rate of 8.5% for the first year and the average of interest rate of individual saving deposit in VND with the term of twelve (12) months announced by four (4) commercial banks including Tien Phong Commercial Joint Stock Bank, Vietnam International Commercial Joint Stock Bank, Joint Stock Bank for Foreign Trade of Vietnam and Vietnam Joint Stock Commercial Bank for Industry and Trade plus margin 2.6% per annum for subsequent periods.

23. LOANS (continued)

23.6 *Finance leases*

The Group currently has leased machinery and equipment under finance lease agreements with Asia Commercial Bank Leasing Company Limited. Future obligations due under finance lease agreements as at the balance sheet date 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	13,588,475,534	4,425,646,448	9,162,829,086	-	-	-
Non-current liabilities						
From 1 – 5 years	45,997,402,004	9,346,085,666	36,651,316,338	-	-	-
More than 5 years	7,134,980,474	262,858,659	6,872,121,815	-	-	-
TOTAL	**66,720,858,012**	**14,034,590,773**	**52,686,267,239**	**-**	**-**	**-**

24. OWNERS' EQUITY

24.1 Increase and decrease in owners' equity

VND

	Issued share capital	*Share premium*	*Treasury shares*	*Foreign exchange difference reserve*	*Investment and development fund*	*Financial reserve fund*	*Other fund belonging to owners' equity*	*Undistributed earnings*	*Total*
Previous year									
Beginning balance	1,485,000,000,000	14,732,000,010	(61,577,199,043)	-	120,999,110,932	99,511,076,572	(4,960,381,269)	80,341,517,451	1,734,046,124,653
Net profit for the year	-	-	-	-	-	-	-	188,337,154,266	188,337,154,266
Dividends declared	-	-	-	-	-	-	-	(666,542,350)	(666,542,350)
Profit appropriation	-	-	-	-	4,610,310,854	2,305,155,427	-	(10,603,714,964)	(3,688,248,683)
Other decrease	-	-	-	-	-	-	2,919,523,230	-	2,919,523,230
Ending balance	1,485,000,000,000	14,732,000,010	(61,577,199,043)	-	125,609,421,786	101,816,231,999	(2,040,858,039)	257,408,414,403	1,920,948,011,116
Current year									
Beginning balance *(reclassified – Note 34)*	1,485,000,000,000	14,732,000,010	(61,577,199,043)	-	227,425,653,785	-	(2,040,858,039)	257,408,414,403	1,920,948,011,116
Increase in capital (*)	462,610,330,000	137,426,724,600	-	-	-	-	-	-	600,037,054,600
Reissuance of treasury shares	-	3,015,679,213	21,270,336,750	-	-	-	-	-	24,286,015,963
Net profit for the year	-	-	-	-	-	-	-	293,814,330,822	293,814,330,822
Foreign exchange differences arisen from conversion from USD to VND for the year	-	-	-	(2,165,210,735)	-	-	-	-	(2,165,210,735)
Profit appropriation	-	-	-	-	16,283,606,416	-	-	(16,283,606,416)	-
Transfer to bonus and welfare fund	-	-	-	-	-	-	-	(21,140,258,788)	(21,140,258,788)
Dividends declared	-	-	-	-	-	-	-	(127,661,462,600)	(127,661,462,600)
Other increase	-	-	-	-	-	-	2,040,858,039	-	2,040,858,039
Ending balance	1,947,610,330,000	155,174,403,823	(40,306,862,293)	(2,165,210,735)	243,709,260,201	-	-	386,137,417,421	2,690,159,338,417

24. OWNERS' EQUITY (continued)

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

(*) On 30 September 2015, the Company completed the issuance of 37,142,358 new ordinary shares at price of VND 13,700 per share to swap all shares of Gia Lai Cane Sugar Thermoelectricity Joint Stock Company, which was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the second amended BRC dated 22 October 2015.

On 17 June 2016, the Company completed the issuance of 9,118,675 new ordinary shares to its employees under the Employee Stock Ownership Plan program, which was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the third amended BRC dated 18 July 2016.

24.2 *Capital transactions with owners and distribution of dividends*

		VND
	Current year	*Previous year*
Issued share capital		
Beginning balance	1,485,000,000,000	1,485,000,000,000
Increase during the year	462,610,330,000	-
Ending balance	**1,947,610,330,000**	**1,485,000,000,000**
Dividends declared	*127,661,462,600*	*666,542,350*
Dividends paid	*(127,607,494,420)*	*(634,303,200)*

24.3 *Shares*

	Number of shares	
	Ending balance (shares)	*Beginning balance (shares)*
Authorised shares	194,761,033	148,500,000
Shares issued and fully paid		
Ordinary shares	*194,761,033*	*148,500,000*
Treasury shares		
Ordinary shares	*(3,268,840)*	*(4,993,840)*
Shares in circulation		
Ordinary shares	*191,492,193*	*143,506,160*

24. OWNERS' EQUITY (continued)

24.4 Earnings per share

	Current year	*Previous year (restated)*
Net profit for the year attributable to the Company's shareholders *(VND)*	293,814,330,822	188,337,154,266
Appropriation to bonus and welfare fund (*)	(35,257,719,699)	(22,600,458,512)
Net profit attributable to ordinary holders of the Company's shareholders adjusted for appropriation to bonus and welfare fund	**258,556,611,123**	**165,736,695,754**
Weighted average number of ordinary shares in circulation *(shares)*	173,159,938	143,506,160
Basic and diluted earnings per share *(VND/share)*	**1,493**	**1,155**

(*) Net profit used to compute earnings per share for the year ended 30 June 2015 was restated following the actual distribution to Bonus and welfare funds from 2015 retained earnings as approved in the Resolution of Annual Shareholders Meeting No. 02/NQ/DHDCD dated 18 December 2015.

Current year's bonus and welfare fund is intended to be accrued in accordance with the Resolution of Annual Shareholders Meeting No. 02/NQ/DHDCD dated 18 December 2015.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

25. NON-CONTROLLING INTERESTS

	VND
	Amount
Beginning balance	635,917,590
Increase due to the acquisition of a new subsidiary	11,248,495,007
Net profit for the year	351,990,642
Ending balance	**12,236,403,239**

26. REVENUES

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

		VND
	Current year	*Previous year*
Gross revenue	**4,042,892,882,215**	**2,071,667,869,305**
Of which:		
Sales of sugar	*3,668,742,052,016*	*1,856,723,222,826*
Sales of molasses	*147,824,094,685*	*110,143,954,086*
Sales of fertilizer	*92,273,215,003*	*50,853,743,786*
Sales of electricity	*80,766,375,106*	*37,339,285,513*
Other	*53,287,145,405*	*16,607,663,094*
Less	**(15,660,161,470)**	**(4,767,867,003)**
Sale returns	*(9,809,063,773)*	*(3,221,861,315)*
Sale allowances	*(5,851,097,697)*	*(1,546,005,688)*
Net revenues	**4,027,232,720,745**	**2,066,900,002,302**
Of which:		
Sales of sugar	*3,653,102,237,820*	*1,851,955,355,823*
Sales of molasses	*147,824,094,685*	*110,143,954,086*
Sales of fertilizer	*92,273,215,003*	*50,853,743,786*
Sales of electricity	*80,766,375,106*	*37,339,285,513*
Other	*53,266,798,131*	*16,607,663,094*
Of which:		
Sales to other parties	*3,558,233,286,826*	*1,934,583,347,582*
Sales to related parties	*468,999,433,919*	*132,316,654,720*

26.2 *Finance income*

		VND
	Current year	*Previous year*
Interest income	92,244,471,783	79,209,358,798
Income from change in ownership interest of investment	24,842,024,273	-
Gains from disposal of investments	13,593,010,093	43,141,297
Dividends income	7,611,466,400	3,019,902,000
Foreign exchange gains	3,375,908,252	1,493,954,916
Others	970,601	25,524,408
TOTAL	**141,667,851,402**	**83,791,881,419**

27. COST OF GOODS SOLD AND SERVICES RENDERED

	Current year	*VND* *Previous year*
Cost of sugar	3,064,044,572,444	1,602,003,973,065
Cost of molasses	139,977,576,019	110,584,361,555
Cost of fertilizer	89,830,881,251	48,506,318,581
Cost of electricity	83,054,088,022	33,470,324,847
Others	45,323,027,192	13,674,623,203
TOTAL	**3,422,230,144,928**	**1,808,239,601,251**

28. FINANCE EXPENSES

	Current year	*VND* *Previous year*
Interest expense	152,781,586,342	80,244,824,475
Foreign exchange losses	42,346,316,435	3,696,995,640
Reversal of provision	(340,294,354)	(25,070,001,931)
Loss from disposal of investments	2,937,679,680	1,671,484,804
Others	18,607,555,081	7,726,943,250
TOTAL	**216,332,843,184**	**68,270,246,238**

29. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	Current year	*VND* *Previous year*
Selling expenses		
Expenses for external services	67,561,967,987	55,982,017,408
Labour cost	12,323,635,178	5,203,459,952
Depreciation	2,699,773,694	-
Other expenses	12,879,084,501	7,179,309,221
TOTAL	**95,464,461,360**	**68,364,786,581**
General and administrative expenses		
Labour costs	52,473,712,022	29,120,099,452
Expenses for external services	28,448,944,596	10,193,168,518
Provision expenses	16,418,117,070	-
Depreciation and amortisation	7,991,952,353	3,403,731,557
Other expenses	38,261,040,919	22,825,929,574
TOTAL	**143,593,766,960**	**65,542,929,101**

30. PRODUCTION AND OPERATING COSTS

		VND
	Current year	*Previous year*
Raw materials and merchandise goods	3,136,881,170,408	1,605,220,025,182
Depreciation and amortisation *(Notes 12, 13 and 14)*	162,019,427,999	88,574,404,824
Labour costs	152,267,920,385	88,162,865,829
Expenses for external services	127,955,074,112	84,528,186,253
Other expenses	82,164,780,344	75,661,834,845
TOTAL	**3,661,288,373,248**	**1,942,147,316,933**

31. 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 be changed at a later date upon final determination by the tax authorities.

31.1 CIT expense

		VND
	Current year	*Previous year*
Current CIT expense	21,026,046,712	18,317,918,389
Adjustment for over accrual of tax from prior years	(4,264,673,671)	-
Deferred tax (income) expense	(851,395,319)	1,014,642,696
TOTAL	**15,909,977,722**	**19,332,561,085**

31.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit 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.

31. CORPORATE INCOME TAX (continued)

31.2 *Current CIT* (continued)

A reconciliation between the accounting profit before tax and estimated taxable profit is presented below:

VND

	Current year	*Previous year*
Accounting profit before tax	**310,076,299,186**	**208,305,632,941**
Adjustments:		
Change of provisions for long-term investments	7,126,677	44,418,335,096
Share of profit in associates	(12,549,340,671)	(59,890,974,620)
Gains from change in ownership interest of investments	(24,842,024,273)	(15,026,900,196)
Gains from disposal of investments	17,103,494,817	-
Unrealized profits	8,513,953,189	(2,908,588,077)
Non-deductible expenses	2,058,554,553	644,861,974
Amortization of goodwill	1,451,830,630	-
Dividends income	(7,611,466,400)	(3,019,902,000)
Estimated current taxable profit	**294,208,427,708**	**172,522,465,118**
In which:		
Sugar produced from sugar cane activity	*134,408,208,577*	*106,604,974,493*
Others	*159,800,219,131*	*65,917,490,625*
Estimated current CIT expense	**21,026,046,712**	**18,317,918,389**
Over-accrued CIT from previous years	(4,264,673,671)	-
Current CIT expense	**16,761,373,041**	**18,317,918,389**
CIT overpaid at beginning of year	(1,278,990,594)	(1,536,386,539)
Offsetting with VAT payables	3,999,310,886	-
Increase due to business combination	(50,638,595)	-
CIT paid during the year	(11,656,363,496)	(18,060,522,444)
CIT payable (overpaid) at end of year	**7,774,691,242**	**(1,278,990,594)**
In which:		
CIT payable	*7,849,822,920*	*822,397,891*
CIT overpaid	*(75,131,678)*	*(2,101,388,485)*

31.3 *Deferred tax*

The following is the deferred tax asset recognized 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*
Unrealized profit	851,395,319	-	851,395,319	-
Change in short-term accrued expenses	-	-	-	(1,014,642,696)
Deferred tax asset	***851,395,319***	-		
Deferred tax income (expense)			***851,395,319***	***(1,014,642,696)***

32. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the year were as follows:

VND

Related parties	*Relationship*	*Transactions*	*Current year*	*Previous year*
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of goods	292,260,639,908	129,196,707,607
		Purchase of service	15,159,353,947	11,583,767,151
		Interest income	7,583,979,359	17,050,557,748
		Lending	1,000,000,000	-
		Purchase of goods	971,622,886	-
		Service rendered	771,309,661	40,909,091
		Payment on behalf	155,920,000	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Purchase of goods	141,741,761,971	196,821,222,523
		Lending	214,000,000,000	80,000,000,000
		Sale of goods	115,703,484,343	1,187,618,116
		Interest income	18,014,550,229	2,355,680,555
		Purchase of service	7,251,712,022	2,734,839,036
		Service rendered	229,090,911	229,090,910
Thuan Thien Trading and Investment Limited Company	Affiliate	Sale of goods	147,617,738,785	-
		Purchase of goods	73,497,078,759	44,391,388,825
		Lending	18,000,000,000	-
		Purchase of materials	1,584,354,874	-
		Interest income	1,584,429,819	3,852,917,347
Nuoc Trong Sugar Joint Stock Company	Associate	Dividends	3,473,255,000	-
		Purchase of materials	2,611,878,826	-
		Sale of goods	1,232,684,000	1,517,060,000
		Purchase of service	949,970,222	-
		Interest income	23,333,333	-

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the year were as follows: (continued)

Related parties	*Relationship*	*Transactions*	*Current year*	*VND* *Previous year*
Tay Ninh Sugar Joint Stock Company	Associate	Lending	14,500,000,000	-
		Service rendered	381,818,182	-
		Interest income	381,222,220	-
		Interest expenses	352,949,858	-
		Purchase of goods	292,000,000	-
Bien Hoa Sugar Joint Stock Company	Affiliate	Purchase of materials	609,764,174,914	-
		Sale of materials	384,201,411,514	-
		Sale of goods	99,603,355,639	1,603,214,378
		Dividends	10,465,910,000	13,630,296,000
		Purchase of goods	7,497,706,782	70,605,510,379
		Sale of fixed assets	1,480,000,000	-
		Purchase of service	611,685,911	1,036,116,057
		Service rendered	130,230,303	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Land rental	67,491,898,320	67,491,898,320
		Purchase of service	2,010,338,018	651,265,000
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Purchase of goods	117,265,955,634	-
		Sale of goods	115,783,891,785	-
		Interest income	7,251,913,101	-
Svayrieng Sugar and Cane Company Litmited	Affiliate	Purchase of materials	47,856,405,042	-
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Affiliate	Sale of goods	186,791,428,571	-
		Purchase of goods	51,981,452,387	-
		Sales of fixed assets	529,637,837	-
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Sale of goods	195,714,285,717	-
		Purchase of goods	144,300,952,381	-
		Interest income	12,674,082,003	-

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the year were as follows: (continued)

Transactions with other related parties

Details of remuneration of the Board of Directors, Board of Management and Board of Supervision during the year are as follows:

	Current year	*VND* *Previous year*
Salaries, bonus and related expenses	8,659,515,086	7,939,480,663

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

Related parties	*Relationship*	*Transactions*	*Ending balance*	*VND* *Beginning balance*
Short-term trade receivables				
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Sale of goods	170,234,000,000	-
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Affiliate	Sale of goods	112,847,096,621	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of goods	73,238,930,627	3,584,250,000
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Sale of goods	70,643,555,625	-
Bien Hoa Sugar Joint Stock Company	Affiliate	Sale of goods	16,055,201,714	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Sale of goods Service rendered	5,764,013,889 24,000,000	- -
Tay Ninh Sugar Joint Stock Company	Associate	Service rendered	323,333,334	-
Nuoc Trong Sugar Joint Stock Company	Associate	Sale of goods	-	930,167,900
			449,130,131,810	**4,514,417,900**

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	*Relationship*	*Transactions*	*Ending balance*	*VND* *Beginning balance*
Short-term advance to suppliers				
Thuan Thien Trading and Investment Limited Company	Affiliate	Purchase of materials	107,533,442,140	-
Nuoc Trong Sugar Joint Stock Company	Associate	Purchase of goods	15,000,000,000	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Purchase of materials	14,011,549,910	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Purchase of goods	-	30,400,000
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Purchase of goods	-	100,000,000,000
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Associate before 1 October 2015	Purchase of materials	-	112,840,138
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of materials	36,487,077,117	13,560,595,589
			173,032,069,167	**113,703,835,727**
Other short-term receivables				
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Interest income	4,483,602,557	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Interest income	1,978,780,938	271,244,461
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Interest income	800,877,048	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Interest income	713,263,264	1,304,953,646
Thuan Thien Trading and Investment Limited Company	Affiliate	Interest income	710,136,810	328,877,705
Tay Ninh Sugar Joint Stock Company	Associate	Interest income	193,333,332	-
Nuoc Trong Sugar Joint Stock Company	Associate	Interest income	23,333,333	-
Svayrieng Sugar and Cane Company Limited	Affiliate	Interest income	2,894,599,398	3,941,208,303
			11,797,926,680	**5,846,284,115**

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

VND

Related parties	*Relationship*	*Transactions*	*Ending balance*	*Beginning balance*
Short-term loan receivables (*)				
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Lending	100,000,000,000	179,000,000,000
Tay Ninh Sugar Joint Stock Company	Associate	Lending	14,500,000,000	-
Thuan Thien Trading and Investment Limited Company	Affiliate	Lending	18,000,000,000	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Lending	1,000,000,000	-
			133,500,000,000	**179,000,000,000**
Other long-term receivable				
Svayrieng Sugar and Cane Company Limited	Affiliate	Business Co-operation Contract	12,707,425,000	12,707,425,000
Loan				
Tay Ninh Sugar Joint Stock Company	Associate	Loan	9,545,366,000	-
Short-term trade payables				
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Purchase of service	3,413,845,227	1,642,310,824
Thuan Thien Trading and Investment Limited Company	Affiliate	Purchase of materials	3,207,560,200	3,522,333,535
			6,621,405,427	**5,164,644,359**

(*) This represent the short-term loan receivables with the term of six months and earns interest at the rate ranging from 8.0% to 9.5% per annum.

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

VND

Related parties	*Relationship*	*Transactions*	*Ending balance*	*Beginning balance*
Short-term advances from customers				
Bien Hoa Sugar Joint Stock Company	Affiliate	Sale of goods	11,906,304,482	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Sale of materials	1,588,600,160	-
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Affiliate	Service rendered	1,214,000,000	-
Nuoc Trong Sugar Joint Stock Company	Associate	Sale of materials	371,692,100	-
Thuan Thien Trading and Investment Limited Company	Affiliate	Sale of materials	72,922,918	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of materials	-	8,697,734,000
			15,153,519,660	**8,697,734,000**
Other short-term payables				
Bien Hoa Sugar Joint Stock Company	Affiliate	Lending of materials	15,648,984,731	-
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Interest expense	1,500,345,515	-
Tay Ninh Sugar Joint Stock Company	Associate	Business Co-operation Contract	1,200,000,000	1,200,000,000
		Interest expense	100,449,068	-
			18,449,779,314	**1,200,000,000**

33. COMMITMENTS

Operating lease commitment

The Group leases lands under operating lease arrangements. The future minimum lease commitment as at the balance sheet date under the operating lease agreements is as follows:

		VND
	Ending balance	*Beginning balance*
Less than 1 year	361,607,368	884,237,386

Capital expenditure commitments

At 30 June 2016, the Group has a commitment of VND 42,473,797,613 (30 June 2015: VND 58,651,577,936) principally related to construction of Project Espace Bourbon Tay Ninh.

34. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated financial statements for the year ended 30 June 2015 have been reclassified to reflect the presentation of the current year's consolidated financial statements in accordance with Circular 200. Details are as follows:

			VND
	Beginning balance (previously presented)	*Reclassification*	*Beginning balance (reclassified)*
CONSOLIDATED BALANCE SHEET			
Short-term investments	187,124,761,428	(187,124,761,428)	-
Held-for-trading securities	-	8,124,761,428	8,124,761,428
Short-term loan receivables	-	179,000,000,000	179,000,000,000
Other short-term receivables	49,186,917,643	12,179,555,500	61,366,473,143
Other current assets	12,162,955,500	(12,162,955,500)	-
Long-term advances to suppliers	-	35,904,299,058	35,904,299,058
Other long-term receivables	48,611,724,058	(35,904,299,058)	12,707,425,000
Other long-term assets	16,600,000	(16,600,000)	-
Financial reserve fund	101,816,231,999	(101,816,231,999)	-
Investment and development fund	125,609,421,786	101,816,231,999	227,425,653,785

34. RECLASSIFICATION OF CORRESPONDING FIGURES (continued)

VND

	Previous year (previously presented)	*Reclassification*	*Previous year (reclassified)*
CONSOLIDATED INCOME STATEMENT			
Other income	17,394,161,133	(6,793,066,132)	10,601,095,001
Other expenses	(9,253,823,362)	6,793,066,132	(2,460,757,230)
CONSOLIDATED CASH FLOW STATEMENT			
Increase in held-for-trading securities	-	(8,124,761,428)	(8,124,761,428)
Payment for investments in other entities	(52,916,845,313)	8,124,761,428	(44,792,083,885)

35. EVENTS AFTER THE BALANCE SHEET DATE

On 12 July 2016, the Group completed the acquisition of 20,124,764 shares equivalent to 48.99% ownership interest of Ben Tre Import and Export Joint Stock Corporation from individual shareholders.

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

Nguyen Ngoc Han Preparer	Le Phat Tin Chief Accountant	Nguyen Thanh Ngu General Director

28 September 2016