Thanh Thanh Cong Tay Ninh Joint Stock Company

Separate financial statements

30 June 2016

Thanh Thanh Cong Tay Ninh Joint Stock Company

CONTENTS

Thanh Thanh Cong Tay Ninh Joint Stock Company

GENERAL INFORMATION

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.

SIGNIFICANT EVENTS

On 30 September 2015, the Company completed the issuance of 37,142,358 shares at price of 13,700 VND 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 Business Registration Certificate dated 22 October 2015.

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	Material 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.

Thanh Thanh Cong Tay Ninh Joint Stock Company

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 separate financial statements of the Company for the year ended 30 June 2016

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

Board of Directors and Management are responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate 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 separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. They are also responsible for safeguarding the assets of the Company 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 separate financial statements.

STATEMENT BY BOARD OF DIRECTORS MANAGEMENT

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

The company has subsidiaries as disclosed in Note 14. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company is also in the process of preparation of the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2016.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

For and on behalf of Board of Directors and Management:

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

Pham Hong Duong
Chairman

23 September 2016

Building a better
working world

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

Tel: +84 8 3824 5252
Fax: +84 8 3824 5250
ey.com

Reference: 61248763/18259903

INDEPENDENT AUDITORS' REPORT

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

We have audited the separate financial statements of Thanh Thanh Cong Tay Ninh Joint Stock Company ("the Company"), as prepared on 27 September 2016 and set out on pages 6 to 50 which comprise the separate balance sheet as at 30 June 2016, the separate income statement and the separate 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 separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control system as management determines is necessary to enable the preparation and presentation of separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control system relevant to the Company's preparation and fair presentation of the separate 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 Company's internal control system. 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 separate financial statements.

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

Building a better
working world

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 30 June 2016, and of the separate results of its operations and its separate 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 the separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the separate financial statements. The Company is in the process of preparation of the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. Users of the accompanying separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

Our opinion on the separate financial statements is not modified in respect of this matter.

Other matter

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

Ernst & Young Vietnam Limited

0300811802-C.T.N.H.H
CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM
M.S.D.N.
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

27 September 2016

SEPARATE BALANCE SHEET
as at 30 June 2016

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**3,214,288,087,867**	**1,706,708,265,252**
110	***I. Cash and cash equivalents***	***4***	***558,391,859,290***	***135,966,594,558***
111	1. Cash		292,891,859,290	135,966,594,558
112	2. Cash equivalents		265,500,000,000	-
120	***II. Short-term investments***	***5***	-	***7,021,531,368***
121	1. Held-for-trading securities		-	8,124,761,428
122	2. Provision for held-for-trading securities		-	(1,103,230,060)
130	***III. Current accounts receivable***		***1,504,662,661,343***	***778,479,797,085***
131	1. Short-term trade receivables	6	516,463,033,554	268,477,050,494
132	2. Short-term advances to suppliers	7	843,053,047,468	474,876,118,998
135	3. Short-term loan receivables	28	114,500,000,000	-
136	4. Other short-term receivables	8	65,365,472,035	58,413,903,143
137	5. Provision for doubtful short-term receivables	7	(34,718,891,714)	(23,287,275,550)
140	***IV. Inventories***	***9***	***1,108,606,261,843***	***749,235,990,504***
141	1. Inventories		1,109,425,753,419	750,055,482,080
149	2. Provision for obsolete inventories		(819,491,576)	(819,491,576)
150	***V. Other current assets***		***42,627,305,391***	***36,004,351,737***
151	1. Short-term prepaid expenses	10	35,374,193,564	33,159,799,557
152	2. Value-added tax deductible		6,971,039,820	743,163,695
153	3. Tax and other receivables from the State	17	282,072,007	2,101,388,485

SEPARATE BALANCE SHEET (continued)
as at 30 June 2016

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	**B. NON-CURRENT ASSETS**		**2,605,401,883,150**	**1,622,060,040,137**
210	***I. Long-term receivables***		***147,239,518,224***	***48,611,724,058***
212	1. Long-term advances to suppliers	7	11,969,867,212	35,904,299,058
216	2. Other long-term receivables	8	135,269,651,012	12,707,425,000
220	***II. Fixed assets***		***616,228,639,654***	***522,927,849,727***
221	1. Tangible fixed assets	11	445,207,701,402	476,155,185,794
222	Cost		1,805,724,700,946	1,747,107,486,692
223	Accumulated depreciation		(1,360,516,999,544)	(1,270,952,300,898)
227	2. Intangible assets	12	171,020,938,252	46,772,663,933
228	Cost		186,297,385,031	58,432,128,391
229	Accumulated amortisation		(15,276,446,779)	(11,659,464,458)
240	***III. Long-term asset in progress***		***117,580,128,491***	***168,922,294,355***
242	1. Construction in progress	13	117,580,128,491	168,922,294,355
250	***IV. Long-term investments***	***14***	***1,689,736,468,512***	***841,137,728,936***
251	1. Investments in subsidiaries	14.1	967,629,504,600	189,000,000,000
252	2. Investments in associates	14.2	463,135,039,400	557,902,848,539
253	3. Investments in other entities	14.3	259,937,095,306	94,437,115,484
254	4. Provision for diminution in value of long-term investments		(965,170,794)	(202,235,087)
260	***V. Other long-term assets***		***34,617,128,269***	***40,460,443,061***
261	1. Long-term prepaid expenses	10	33,760,640,478	40,460,443,061
262	2. Deferred tax asset	27.3	856,487,791	-
270	**TOTAL ASSETS**		**5,819,689,971,017**	**3,328,768,305,389**

SEPARATE BALANCE SHEET (continued)
as at 30 June 2016

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**3,118,083,369,740**	**1,373,666,383,524**
310	***I. Current liabilities***		***2,147,503,211,240***	***864,957,754,524***
311	1. Short-term trade payables	15	41,308,852,036	82,665,635,893
312	2. Short-term advances from customers	16	84,757,124,609	81,251,627,841
313	3. Statutory obligations	17	7,849,822,920	18,410,994
314	4. Payables to employees		1,791,569,503	4,031,410,380
315	5. Short-term accrued expenses	18	44,868,883,633	10,819,139,091
319	6. Other short-term payables	19	24,235,708,721	5,107,842,819
320	7. Short-term loans	20	1,925,675,427,139	667,877,287,507
322	8. Bonus and welfare fund		17,015,822,679	13,186,399,999
330	***II. Non-current liabilities***		***970,580,158,500***	***508,708,629,000***
337	1. Other long-term liability	19	-	96,300,000
338	2. Long-term loans	20	970,580,158,500	508,612,329,000
400	**D. OWNERS' EQUITY**		**2,701,606,601,277**	**1,955,101,921,865**
410	***I. Capital***	***21***	***2,701,606,601,277***	***1,955,101,921,865***
411	1. Share capital		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		155,174,403,823	14,732,000,010
415	3. Treasury shares		(40,306,862,293)	(61,577,199,043)
418	4. Investment and development fund		243,709,260,201	227,425,653,785
421	5. Undistributed earnings		395,419,469,546	289,521,467,113
421a	- *Undistributed earnings up to the end of prior year*		*126,036,070,398*	*127,351,945,308*
421b	- *Undistributed earnings of current year*		*269,383,399,148*	*162,169,521,805*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**5,819,689,971,017**	**3,328,768,305,389**

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

Dang Thi Diem Trinh	Le Phat Tin	Nguyen Thanh Ngu
Preparer	Chief Accountant	General Director

27 September 2016

SEPARATE 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**	**22.1**	**3,267,976,748,857**	**2,071,667,869,305**
02	**2. Deductions**	**22.1**	**(8,614,674,097)**	**(4,767,867,003)**
10	**3. Net revenues from sale of goods and rendering of services**	**22.1**	**3,259,362,074,760**	**2,066,900,002,302**
11	**4. Cost of goods sold and services rendered**	**23**	**(2,761,817,977,289)**	**(1,808,239,601,251)**
20	**5. Gross profit from sale of goods and rendering of services**		**497,544,097,471**	**258,660,401,051**
21	**6. Finance income**	**22.2**	**121,602,986,049**	**86,347,371,056**
22	**7. Finance expenses**	**24**	**(150,174,417,116)**	**(38,878,811,338)**
23	*In which: Interest expense*		*(94,342,654,614)*	*(80,244,824,475)*
25	**8. Selling expenses**	**25**	**(76,826,454,280)**	**(68,364,786,581)**
26	**9. General and administrative expenses**	**25**	**(110,103,463,012)**	**(65,532,255,320)**
30	**10. Operating profit**		**282,042,749,112**	**172,231,918,868**
31	**11. Other income**		**8,049,355,617**	**10,160,949,001**
32	**12. Other expenses**		**(2,066,477,737)**	**(2,018,211,230)**
40	**13. Other profit**		**5,982,877,880**	**8,142,737,771**
50	**14. Accounting profit before tax**		**288,025,626,992**	**180,374,656,639**
51	**15. Current corporate income tax expense**	**27.2**	**(19,498,715,635)**	**(16,523,949,788)**
52	**16. Deferred tax income (expense)**	**27.3**	**856,487,791**	**(1,014,642,696)**
60	**17. Net profit after tax**		**269,383,399,148**	**162,836,064,155**

3900244389 - C.T.C. CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

Dang Thi Diem Trinh	Le Phat Tin	Nguyen Thanh Ngu
Preparer	Chief Accountant	General Director

27 September 2016

SEPARATE 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**		**288,025,626,992**	**180,374,656,639**
	Adjustments for:			
02	Depreciation of fixed assets and amortisation of intangible assets	11, 12	95,789,802,625	88,574,404,824
03	Provisions (reversals)		11,091,321,811	(70,314,685,585)
04	Foreign exchange losses arisen from revaluation of monetary accounts		478,613,333	-
05	Profit from investing activities		(118,728,703,238)	(70,229,557,877)
06	Interest expense	24	94,342,654,614	80,244,824,475
08	**Operating profit before changes in working capital**		**370,999,316,137**	**208,649,642,476**
09	(Increase) decrease in receivables		(501,234,139,914)	252,510,359,251
10	Increase in inventories		(355,281,088,845)	(132,076,921,166)
11	Increase in payables		73,347,393,297	42,948,433,155
12	Decrease (increase) in prepaid expenses		4,485,408,576	(19,135,442,244)
13	Decrease in held-for-trading securities		8,124,761,428	(8,124,761,428)
14	Interest paid		(87,034,656,680)	(80,406,099,977)
15	Corporate income tax paid		(9,547,504,230)	(17,088,951,734)
17	Other cash outflows from operating activities		(15,710,905,019)	(12,851,966,177)
20	**Net cash flows (used in) from operating activities**		**(511,851,415,250)**	**234,424,292,156**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(308,233,957,729)	(194,932,489,052)
22	Proceeds from disposals of fixed assets		463,821,700	9,134,090,637
23	Loans to other entities		(228,500,000,000)	(180,000,000,000)
24	Collections from borrowers		114,000,000,000	308,961,327,469
25	Payments for investments in other entities		(554,454,019,683)	(233,792,083,885)
26	Proceeds from sale of investments in other entities		145,923,873,910	172,452,712,934
27	Interest and dividends received		58,155,451,695	67,798,835,565
30	**Net cash flows used in investing activities**		**(772,644,830,107)**	**(50,377,606,332)**

SEPARATE 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	21.1	115,472,765,963	-
33	Drawdown of borrowings		5,353,114,134,857	3,401,281,174,602
34	Repayment of borrowings		(3,633,450,665,725)	(3,707,309,524,426)
36	Dividends paid	21.2	(127,607,494,420)	(634,303,200)
40	**Net cash flows from (used in) financing activities**		**1,707,528,740,675**	**(306,662,653,024)**
50	**Net increase (decrease) in cash and cash equivalents**		**423,032,495,318**	**(122,615,967,200)**
60	**Cash at beginning of year**		**135,966,594,558**	**258,582,561,758**
61	**Impact of exchange rate fluctuation**		**(607,230,586)**	**-**
70	**Cash and cash equivalents at end of year**	**4**	**558,391,859,290**	**135,966,594,558**

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

Dang Thi Diem Trinh	Le Phat Tin	Nguyen Thanh Ngu
Preparer	Chief Accountant	General Director

27 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 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 Company's employees as at 30 June 2016 was 542 (30 June 2015: 488).

2. BASIS OF PREPARATION

2.1 Purpose of preparing the separate financial statements

The company has subsidiaries as disclosed in Note 14. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company is also in the process of preparation of the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2016.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

2.2 Accounting standards and system

The separate financial statements of the Company 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).

2. BASIS OF PREPARATION (continued)

2.2 *Accounting standards and system* (continued)

Accordingly, the accompanying separate 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.

2.3 *Applied accounting documentation system*

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

2.4 *Fiscal year*

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

2.5 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies and disclosures*

The accounting policies adopted by the Company in preparation of the separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended 30 June 2015, except for the changes in the accounting policies in relation to the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system issued by the Ministry of Finance dated on 22 December 2014 ("Circular 200").

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system replacing the 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 Company are applied on a prospective basis as Circular 200 does not require restropective application. The Company also reclassifies certain corresponding figures of prior year following the presentation of the current year's separate financial statements in accordance with Circular 200 as disclosed in Note 30.

3.2 *Cash and cash equivalents*

Cash and cash equivalents comprises cash on hand, cash in banks and short-term, highly liquid investment 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 changes in value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 separate 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 Company, based on appropriate evidence of impairment available at the balance sheet date.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Receivables*

Receivables are presented in the separate 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 separate 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 separate 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 separate income statement.

3.6 *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 separate 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 separate income statement.

Land use rights

Land use right is recorded as intangible asset on the separate 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.

3.7 *Depreciation and amortisation*

Depreciation of tangible fixed assets 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	1 - 30 years
Machinery and equipment	1 - 20 years
Office equipment	3 - 7 years
Computer software	2 - 8 years
Means of transportation	4 - 8 years
Others	4 - 15 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investments*

Investments in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted from the cost of the investment.

Investments in associates

Investments in associates over which the Company has significant influence are carried at cost.

Distributions from the accumulated net profits of the associates arising subsequent to the date of acquisition by the Company are recognised as income in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted from the cost of the investment.

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 diminution in value of 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 Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the separate income statement.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate 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 separate 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.

3.10 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity 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.

3.11 *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 Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Foreign currency transactions*

Transactions in currencies other than the Company'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 Company conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conduct transactions regularly.

All 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 separate income statement.

3.13 *Appropriation of net profits*

Net profit after tax 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 Company maintains the following reserve funds which are appropriated from the Company'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 Company'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 separate balance sheet.

3.14 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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)

3.14 *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 Company's entitlement as an investor to receive the dividend is established.

3.15 *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 separate 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 Company to offset current tax assets against current tax liabilities and when the Company 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.

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 separate 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Taxation* (continued)

Deferred income tax (continued))

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company 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 Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CASH AND CASH EQUIVALENTS

		VND
	Ending balance	*Beginning balance*
Cash on hand	821,440,675	1,021,327,394
Cash in banks *(*)*	292,070,418,615	134,945,267,164
Cash equivalents *(**)*	265,500,000,000	-
TOTAL	**558,391,859,290**	**135,966,594,558**

(*) Cash in banks amounting to VND 55,950,823,598 were pledged as collateral for short-term loan obtained from a commercial bank *(Note 20)*.

(**) Cash equivalents represent one-month term deposits at commercial banks which earn interest at the rates ranging from 5.0% 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	-

5. HELD-FOR-TRADING SECURITIES

	Ending balance		*Beginning balance*	
	Share	*Value (VND)*	*Share*	*Value (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
TOTAL		-		**8,124,761,428**
Provision for held-for-trading securities		-		(1,103,230,060)
NET		-		**7,021,531,368**

6. SHORT-TERM TRADE RECEIVABLES

		VND
	Ending balance	*Beginning balance*
Trade receivables from other parties	372,424,911,831	263,962,632,594
In which:		
- *Suntory PepsiCo Vietnam Beverage Limited Company*	*147,570,149,989*	*136,502,925,302*
- *Global Mind Commodities Trading Pte., Ltd*	*50,498,783,775*	*435,782,000*
- *Others*	*174,355,978,067*	*127,023,925,292*
Trade receivables from related parties *(Note 28)*	144,038,121,723	4,514,417,900
TOTAL	**516,463,033,554**	**268,477,050,494**

Short-term trade receivables amounting to VND 447,520,750,000 were pledged as collateral for the short-term loans obtained from commercial banks *(Note 20)*.

7. ADVANCES TO SUPPLIERS

		VND
	Ending balance	*Beginning balance*
Short-term	**843,053,047,468**	**474,876,118,998**
Advances to other parties	669,437,843,163	361,172,283,271
In which:		
- *Global Mind Commodities Trading* - *Pte., Ltd*	274,868,447,816	*20,507,601,907*
- *Farmers (*)*	*263,443,834,004*	*248,245,458,985*
- *Others*	*131,125,561,343*	*92,419,222,379*
Advances to related parties *(Note 28)*	173,615,204,305	113,703,835,727
Long-term	**11,969,867,212**	**35,904,299,058**
Advances to farmers *(*)*	11,969,867,212	35,904,299,058
TOTAL	**855,022,914,680**	**510,780,418,056**
Provision for doubtful short-term advances to suppliers	(34,718,891,714)	(23,287,275,550)
NET	**820,304,022,966**	**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 9.6% to 10.8% per annum.

7. 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
Add: Provision made during the year	18,524,980,054	4,164,659,898
Less: Reversal during the year	(7,093,363,890)	(12,660,210,367)
Ending balance	34,718,891,714	23,287,275,550

8. OTHER RECEIVABLES

		VND
	Ending balance	*Beginning balance*
Short-term	**65,365,472,035**	**58,413,903,143**
Interest receivables	44,316,113,407	41,418,506,655
Staff advances	17,856,943,497	12,157,955,500
Others	3,192,415,131	4,837,440,988
Long-term	**135,269,651,012**	**12,707,425,000**
Deposits for land rental	122,562,226,012	-
Receivables from Svayrieng projects in Cambodia *(*)*	12,707,425,000	12,707,425,000
TOTAL	**200,635,123,047**	**71,121,328,143**
In which:		
Related parties (Note 28)	*22,293,928,114*	*18,553,709,115*
Other parties	*178,341,194,933*	*52,567,619,028*

(*) 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 Company and Svayrieng Sugar and Cane Company Limited to develop a project to plant sugar canes in Cambodia with the duration of 10 (ten) years. The Company owns 85% interest sharing from this project. The Company is committed to purchase all sugarcanes harvested from this project.

9. INVENTORIES

	Ending balance	*VND* *Beginning balance*
Finished goods	862,584,069,217	658,135,893,261
Merchandise goods	85,092,056,316	30,434,144,508
Raw materials	77,181,749,394	33,796,888,944
Real estate properties	49,231,049,895	-
Work in process	30,573,298,646	25,479,310,297
Tools and supplies	674,347,457	771,473,815
Goods on consignment	4,089,182,494	1,437,771,255
TOTAL	**1,109,425,753,419**	**750,055,482,080**
Provision for obsolete inventories	(819,491,576)	(819,491,576)
NET	**1,108,606,261,843**	**749,235,990,504**

Inventories amounting to VND 630,520,750,000 were pledged as collateral for the short-term loans obtained from commercial banks *(Note 20)*.

10. PREPAID EXPENSES

	Ending balance	*VND* *Beginning balance*
Short-term	**35,374,193,564**	**33,159,799,557**
Pre-season overhaul costs	29,899,393,335	24,920,492,027
Others	5,474,800,229	8,239,307,530
Long-term	**33,760,640,478**	**40,460,443,061**
Prepaid land rental	31,194,241,064	37,689,602,004
Others	2,566,399,414	2,770,841,057
TOTAL	**69,134,834,042**	**73,620,242,618**

11. 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
New purchase	-	-	724,690,909	638,395,000	57,000,000	1,420,085,909
Transfer from construction in progress	20,221,862,014	40,250,275,164	-	-	-	60,472,137,178
Disposal	-	(1,609,812,924)	(1,665,195,909)	-	-	(3,275,008,833)
Ending balance	304,297,085,125	1,412,376,512,273	23,884,270,446	6,704,502,572	58,462,330,530	1,805,724,700,946
In which:						
Fully depreciated	*21,453,937,846*	*152,143,965,805*	*3,773,763,884*	*4,082,675,597*	*58,274,772,348*	*239,729,115,480*
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
Depreciation for the year	10,970,491,109	77,967,665,591	2,690,393,244	524,425,468	19,844,892	92,172,820,304
Disposal	-	(1,336,794,008)	(1,271,327,650)	-	-	(2,608,121,658)
Ending balance	171,986,176,728	1,111,853,615,601	13,143,191,142	5,136,894,056	58,397,122,017	1,360,516,999,544
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	132,310,908,397	300,522,896,672	10,741,079,304	1,567,608,516	65,208,513	445,207,701,402
In which:						
Pledged as loan security (Note 20)	*651,577,768*	*220,204,752,546*	-	*186,809,799*	-	*221,043,140,113*

12. INTANGIBLE FIXED ASSETS

VND

	Land use rights	*Computer software*	*Total*
Cost:			
Beginning balance	47,483,754,819	10,948,373,572	58,432,128,391
New purchase	134,983,796,640	-	134,983,796,640
Other decrease	(7,118,540,000)	-	(7,118,540,000)
Ending balance	175,349,011,459	10,948,373,572	186,297,385,031
Accumulated amortisation:			
Beginning balance	8,218,132,165	3,441,332,293	11,659,464,458
Amortisation for the year	2,551,981,179	1,207,601,063	3,759,582,242
Other decrease	(142,599,921)	-	(142,599,921)
Ending balance	10,627,513,423	4,648,933,356	15,276,446,779
Net carrying amount:			
Beginning balance	39,265,622,654	7,507,041,279	46,772,663,933
Ending balance	164,721,498,036	6,299,440,216	171,020,938,252
In which:			
Pledged as loan security (Note 20)	*162,905,635,150*	-	*162,905,635,150*

13. 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	5,924,941,517	6,745,429,464
TOTAL	**117,580,128,491**	**168,922,294,355**

Constructions in progress amounting to VND 93,957,120,070 were pledged as collateral for the loans obtained from a commercial bank *(Note 20).*

During the year, the Company 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.

14. LONG-TERM INVESTMENTS

		VND
	Ending balance	*Beginning balance*
Investments in subsidiaries *(Note 14.1)*	967,629,504,600	189,000,000,000
Investments in associates *(Note 14.2)*	463,135,039,400	557,902,848,539
Investments in other entities *(Note 14.3)*	259,937,095,306	94,437,115,484
Provision for diminution in value of long-term investments	(965,170,794)	(202,235,087)
TOTAL	**1,689,736,468,512**	**841,137,728,936**

14.1 *Investments in subsidiaries*

Details of the Company's investments in subsidiaries were as follows:

	Ending balance		*Beginning balance*	
	Cost of investment (VND)	*% of interest*	*Cost of investment (VND)*	*% of interest*
Thanh Thanh Cong Alcohol Trading Production Joint Stock Company *(i)*	189,000,000,000	90.00	189,000,000,000	90.00
Thanh Thanh Cong Gia Lai Company Limited *(ii)*	508,850,304,600	100.00	-	-
TSU Investment Private Limited Company *(iii)*	269,779,200,000	94.94	-	-
TOTAL	**967,629,504,600**		**189,000,000,000**	

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

(ii) Thanh Thanh Cong Gia Lai Co., Ltd – formerly known as Gia Lai Cane Sugar Thermoelectricity Joint Stock Company ("Gia Lai Cane Sugar") was established in Vietnam in accordance with BRC No. 5900421955 issued by the Planning and Investment Department of Gia Lai Province on 21 July 2009, as amended. The head office of Gia Lai Cane Sugar is located at Ayunpa Town, Gia Lai Province, Vietnam. The principle activities of Gia Lai Cane Sugar are manufacturing sugar and other by-products from sugar-cane for sales; plant sugar cane; manufacturing electricity for sales; engineering the civil projects; processing agricultural products; manufacturing and trading in fertilizer; and investing in financial market.

(iii) TSU Investment Private Limited Company ("TSU") was established in Singapore in accordance with Investment License No. 844/BKHDT-DTRNN issued by Ministry of Planning and Investment dated 30 June 2015. The principal activities of TSU are trading; apart of manufacturing and packaging raw and refined sugar to sell in Singapore and export to region. As at the date of the separate financial statements, the Company has prepared its application forms to submit to the Ministry of Planning and Investment for approval of increase in TSU's charter capital from USD 12,000,000 to USD 12,640,000.

14. LONG-TERM INVESTMENTS (continued)

14.2 Investments in associates

Details of the Company's investments in associates were as follows:

	Ending balance		*Beginning balance*	
	Cost of investment (VND)	*% of interest*	*Cost of investment (VND)*	*% of interest*
Thanh Thanh Cong Industrial Zone Joint Stock Company *(i)*	245,000,000,000	49.00	245,000,000,000	49.00
Bien Hoa Sugar Joint Stock Company *(ii)*	-	-	212,437,661,139	23.71
Nuoc Trong Sugar Joint Stock Company *(iii)*	53,765,987,400	23.95	53,765,987,400	23.95
Tay Ninh Chemical Industry Joint Stock Company *(iv)*	31,579,200,000	21.96	31,579,200,000	26.32
Tay Ninh Sugar Joint Stock Company *(v)*	117,669,852,000	39.23	-	-
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company *(vi)*	15,120,000,000	48.00	15,120,000,000	48.00
TOTAL	**463,135,039,400**		**557,902,848,539**	
Provision for diminution in value of long-term investments	(126,775,323)		(133,902,000)	
NET	**463,008,264,077**		**557,768,946,539**	

(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 Village, An Hoa Commune, Trang Bang District, Tay Ninh Province, Vietnam. The principal activities of TTCIZ are building industrial zone's infrastructure and leasing industrial zone.

(ii) 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 Bien Hoa Sugar 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 Company's ownership interest decreased from 23.71% to 16.97% and Bien Hoa Sugar was not the Company's associate.

(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 Nuoc Trong Sugar 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.

14. LONG-TERM INVESTMENTS (continued)

14.2 *Investments in associates* (continued)

(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 Tay Ninh Chemical 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) 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 Tay Ninh Sugar are planting sugarcane; producing and trading sugar and its by-products.

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

14.3 *Investments in other entities*

Details of the Company's 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	173,410,062,139	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 investments	770,062,384		770,062,384	
TOTAL	**259,937,095,306**		**94,437,115,484**	
Provision for diminution in value of long-term investment	(838,395,471)		(68,333,087)	
NET	**259,098,699,835**		**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 20)*.

15. SHORT-TERM TRADE PAYABLES

VND

	Ending balance	*Beginning balance*
Due to other parties	27,732,468,985	77,500,991,534
In which:		
- *Toan Thinh Phat Investment Architecture Construction Joint Stock Company*	*6,406,775,946*	*11,798,029,776*
- *Hung Diep Private Enterprise*	*3,970,445,000*	*1,277,886,000*
- *Others*	*17,355,248,039*	*64,425,075,758*
Due to related parties *(Note 28)*	13,576,383,051	5,164,644,359
TOTAL	**41,308,852,036**	**82,665,635,893**

16. SHORT-TERM ADVANCES FROM CUSTOMERS

VND

	Ending balance	*Beginning balance*
Due to other parties	69,603,604,949	72,553,893,841
In which:		
- *Sai Gon Thuong Tin Commercial Joint Stock Bank (*)*	*68,570,710,000*	*66,731,910,000*
- *Other*	*1,032,894,949*	*5,821,983,841*
Due to related parties *(Note 28)*	15,153,519,660	8,697,734,000
TOTAL	**84,757,124,609**	**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 City.

17. STATUTORY OBLIGATIONS

VND

	Beginning balance	*Increase*	*Decrease*	*Ending balance*
Payables				
Corporate income tax (*Note 27.2*)	-	19,498,715,635	(11,648,892,715)	7,849,822,920
Personal income tax	18,410,994	-	(18,410,994)	-
TOTAL	**18,410,994**	**19,498,715,635**	**(11,667,303,709)**	**7,849,822,920**
Receivables				
Corporate income tax (*Note 27.2*)	2,101,388,485	-	(2,101,388,485)	-
Personal income tax	-	6,136,263,036	(5,854,191,029)	282,072,007
TOTAL	**2,101,388,485**	**6,136,263,036**	**(7,955,579,514)**	**282,072,007**

18. SHORT-TERM ACCRUED EXPENSES

VND

	Ending balance	*Beginning balance*
Interest expense	9,845,820,344	2,537,822,410
Purchase of refined sugar	8,564,877,909	-
13th month salary	4,467,090,266	-
Transportation and loading fees	3,511,502,140	5,260,591,500
Others	18,479,592,974	3,020,725,181
TOTAL	**44,868,883,633**	**10,819,139,091**

19. OTHER PAYABLES

VND

	Ending balance	*Beginning balance*
Short-term	**24,235,708,721**	**5,107,842,819**
Lending of materials	15,648,984,731	-
Harvest and transportation payables	1,299,155,796	2,570,106,649
Others	7,287,568,194	2,537,736,170
Long-term	-	**96,300,000**
Deposits	-	96,300,000
TOTAL	**24,235,708,721**	**5,204,142,819**
In which:		
Related parties (Note 28)	*20,940,158,314*	*1,200,000,000*
Other parties	*3,295,550,407*	*4,004,142,819*

20. LOANS

VND

	Beginning balance	*Increase*	*Decrease*	*Impact from foreign exchange difference*	*Ending balance*
Short-term	**667,877,287,507**	**4,891,146,305,357**	**(3,633,450,665,725)**	**102,500,000**	**1,925,675,427,139**
Loans from banks *(Note 20.1)*	555,558,945,507	3,998,074,984,857	(2,927,840,173,725)	102,500,000	1,625,896,256,639
Loans from a related party *(Note 28)*	-	322,000,000,000	(140,000,000,000)	-	182,000,000,000
Current portion of long-term loans from banks *(Note 20.2)*	112,318,342,000	468,894,636,500	(563,224,150,000)	-	17,988,828,500
Current portion of long-term loan from a related party *(Note 20.3)*	-	4,772,684,000	(2,386,342,000)	-	2,386,342,000
Current portion of long-term bonds *(Note 20.4)*	-	97,404,000,000	-	-	97,404,000,000
Long-term	**508,612,329,000**	**1,033,039,150,000**	**(571,071,320,500)**	-	**970,580,158,500**
Loans from banks *(Note 20.2)*	496,680,621,000	46,019,150,000	(468,894,636,500)	-	73,805,134,500
Loan from a related party *(Note 20.3)*	11,931,708,000	-	(4,772,684,000)	-	7,159,024,000
Bonds *(Note 20.4)*	-	987,020,000,000	(97,404,000,000)	-	889,616,000,000
TOTAL	**1,176,489,616,507**	**5,924,185,455,357**	**(4,204,521,986,225)**	**102,500,000**	**2,896,255,585,639**

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

20. LOANS (continued)

20.1 *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, inventories with the carrying value of USD 18,750,000
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, inventories with the carrying value of VND 200,000,000,000
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, 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

20. LOANS (continued)

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

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

Bank	*Ending balance* *VND*	*Ending balance* *Original currency (USD)*	*Principal repayment term*	*Description of collateral*
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
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
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 Commerciai Joint Stock Bank – Dak Lak 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
China Trust Commercial Bank Ltd - Ho Chi Minh Branch	43,600,000,000	-	From 2 December 2016 to 9 December 2016	All of receivables, inventories with the carrying value of USD 2,000,000
TOTAL	**1,625,896,256,639**	**2,500,000**		

20. LOANS (continued)

20.2 *Long-term loans from banks*

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

Bank	*Ending balance VND*	*Principal repayment term*	*Description of collateral*
Asia Commercial Joint Stock Bank - Tan Thuan 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
TOTAL	**91,793,963,000**		
In which:			
Current portion	*17,988,828,500*		
Non-current portion	*73,805,134,500*		

20.3 *Long-term loans 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*		

20. LOANS (continued)

20.4 *Bonds issued*

Details of bonds are as follows:

	Ending balance VND	*Principal repayment term*	*Purpose*	*Description of collateral*
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.

21. OWNERS' EQUITY

21.1 *Increase and decrease in owners' equity*

VND

	Share capital	*Share premium*	*Treasury shares*	*Investment and development fund*	*Financial reserve fund*	*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	137,955,660,272	1,796,620,648,743
Net profit for the year	-	-	-	-	-	162,836,064,155	162,836,064,155
Profit appropriation	-	-	-	4,610,310,854	2,305,155,427	(6,915,466,281)	-
Bonus and welfare fund	-	-	-	-	-	(3,688,248,683)	(3,688,248,683)
Dividends declared	-	-	-	-	-	(666,542,350)	(666,542,350)
Ending balance	1,485,000,000,000	14,732,000,010	(61,577,199,043)	125,609,421,786	101,816,231,999	289,521,467,113	1,955,101,921,865
Current year							
Beginning balance (*reclassified – Note 30*)	1,485,000,000,000	14,732,000,010	(61,577,199,043)	227,425,653,785	-	289,521,467,113	1,955,101,921,865
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	-	-	-	-	-	269,383,399,148	269,383,399,148
Profit appropriation	-	-	-	16,283,606,416	-	(16,283,606,416)	-
Bonus and welfare fund	-	-	-	-	-	(19,540,327,699)	(19,540,327,699)
Dividends declared	-	-	-	-	-	(127,661,462,600)	(127,661,462,600)
Ending balance	1,947,610,330,000	155,174,403,823	(40,306,862,293)	243,709,260,201	-	395,419,469,546	2,701,606,601,277

21. OWNERS' EQUITY (continued)

21.1 *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 13,700 VND 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.

21.2 *Capital transactions with shareholders and distribution of dividends*

VND

	Current year	*Previous year*
Issued contributed 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)*

21.3 *Shares*

	Number of shares	
	Ending balance (share)	*Beginning balance (share)*
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*

22. REVENUES

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

	Current year	VND Previous year
Gross revenue	**3,267,976,748,857**	**2,071,667,869,305**
Of which:		
Sales of sugar	3,053,922,247,016	1,856,723,222,826
Sales of molasses	84,784,111,415	110,143,954,086
Sales of electricity	48,343,751,912	37,339,285,513
Sales of fertilizer	51,636,357,026	50,853,743,786
Others	29,290,281,488	16,607,663,094
Less		
Sale allowances	(2,783,923,674)	(3,221,861,315)
Sale returns	(5,830,750,423)	(1,546,005,688)
Net revenues	**3,259,362,074,760**	**2,066,900,002,302**
Of which:		
Sales of sugar	3,045,307,572,919	1,851,955,355,823
Sales of molasses	84,784,111,415	110,143,954,086
Sales of electricity	48,343,751,912	37,339,285,513
Sales of fertilizer	51,636,357,026	50,853,743,786
Other	29,290,281,488	16,607,663,094
Of which:		
Sales to other parties	*2,759,874,010,688*	*1,934,583,347,582*
Sales to related parties	*499,488,064,072*	*132,316,654,720*

22.2 *Finance income*

	Current year	VND Previous year
Interest income	65,399,912,403	68,135,694,207
Dividends income	21,550,631,400	16,650,198,000
Foreign exchange gains	2,671,217,336	1,492,813,144
Gains from disposal of investments	31,981,224,910	-
Others	-	68,665,705
TOTAL	**121,602,986,049**	**86,347,371,056**

23. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	*Previous year*
Cost of sugar	2,552,499,540,454	1,602,003,973,065
Cost of molasses	79,791,624,000	110,584,361,555
Cost of electricity	56,291,260,107	33,470,324,847
Cost of fertilizer	49,574,609,657	48,506,318,581
Others	23,660,943,071	13,674,623,203
TOTAL	**2,761,817,977,289**	**1,808,239,601,251**

24. FINANCE EXPENSES

VND

	Current year	*Previous year*
Interest expense	94,342,654,614	80,244,824,475
Foreign exchange losses	42,346,316,435	3,696,995,640
Reversal of provision	(340,294,354)	(69,488,337,027)
Loss from disposal of investments	2,937,679,680	16,698,385,000
Others	10,888,060,741	7,726,943,250
TOTAL	**150,174,417,116**	**38,878,811,338**

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	Current year	*Previous year*
Selling expenses		
Labor cost	11,304,608,063	5,203,459,952
Expenses for external services	54,129,052,283	55,982,017,408
Other expenses	11,392,793,934	7,179,309,221
TOTAL	**76,826,454,280**	**68,364,786,581**
General and administrative expenses		
Labor cost	38,136,218,651	29,120,099,452
Depreciation and amortization	6,584,700,076	3,403,731,557
Expenses for external services	17,917,641,430	10,193,168,518
Provision expenses	16,418,117,070	-
Other expenses	31,046,785,785	22,815,255,793
TOTAL	**110,103,463,012**	**65,532,255,320**

26. PRODUCTION AND OPERATING COSTS

VND

	Current year	*Previous year*
Material cost	2,570,697,414,632	1,605,220,025,182
Labor cost	116,775,790,339	88,162,865,829
Depreciation and amortization *(Notes 11 and 12)*	95,789,802,625	88,574,404,824
Expenses for external services	89,540,967,133	84,528,186,253
Other expenses	75,943,919,852	75,651,161,064
TOTAL	**2,948,747,894,581**	**1,942,136,643,152**

27. 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 tax returns filed by Company 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 separate financial statements could be changed at a later date upon final determination by the tax authorities.

27.1 CIT expense

VND

	Current year	*Previous year*
Current CIT expense	20,116,265,660	16,523,949,788
Adjustment for over accrual of tax from prior years	(617,550,025)	-
Deferred tax (income) expense	(856,487,791)	1,014,642,696
TOTAL	**18,642,227,844**	**17,538,592,484**

27.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from profit as reported in the separate 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 Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

27. CORPORATE INCOME TAX (continued)

27.2 *Current CIT* (continued)

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

	Current year	*VND* *Previous year*
Accounting profit before tax	**287,528,671,796**	**180,374,656,639**
Adjustments:		
Dividends income	(21,550,631,400)	(16,650,198,000)
Unrealized profit	8,564,877,909	-
Non-deductible expenses	695,728,487	643,603,747
Estimated current taxable profit	**275,238,646,792**	**164,368,062,386**
In which:		
Sugar produced from sugar cane activity	*103,034,082,339*	*106,604,974,493*
Others	*172,204,564,453*	*57,763,087,893*
Estimated current CIT expense	**20,116,265,660**	**16,523,949,788**
Over-accrued CIT from previous years	(617,550,025)	-
Current CIT expense	**19,498,715,635**	**16,523,949,788**
CIT overpaid at beginning of year	(2,101,388,485)	(1,536,386,539)
CIT paid during the year	(9,547,504,230)	(17,088,951,734)
CIT payable (overpaid) at end of year	**7,849,822,920**	**(2,101,388,485)**

27.3 *Deferred tax*

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

	Separate balance sheet		*Separate income statement*	*VND*
	Ending balance	*Beginning balance*	*Current year*	*Previous year*
Unrealized profit	856,487,791	-	856,487,791	-
Change in short-term accrued expenses	-	-	-	(1,014,642,696)
Deferred tax asset	***856,487,791***	-		
Deferred tax income (expense)			***856,487,791***	***(1,014,642,696)***

28. 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 Alcohol Trading Production Joint Stock Company	Subsidiary	Loan	182,000,000,000	189,000,000,000
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of goods	189,665,401,876	129,196,707,607
		Purchase of service	9,621,356,702	11,583,767,151
		Interest income	2,755,853,664	9,650,127,191
		Purchase of goods	718,939,786	-
		Service rendered	771,309,661	40,909,091
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
		Interest income	17,354,088,654	2,355,680,555
		Purchase of service	7,103,162,326	2,734,839,036
		Sale of goods	3,044,453,390	1,187,618,116
		Service rendered	229,090,911	229,090,910
Thuan Thien Trading and Investment Limited Company	Affiliate	Purchase of materials	147,617,738,785	44,391,388,825
		Sale of goods	32,586,144,759	-
		Interest income	1,584,429,819	3,852,917,347
Nuoc Trong Sugar Joint Stock Company	Associate	Dividend	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	-
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	-

28. 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*
Bien Hoa Sugar Joint Stock Company	Affiliate	Purchase of materials	609,674,882,515	-
		Sale of materials	384,375,558,119	-
		Sale of goods	99,429,209,068	1,603,214,378
		Dividend	10,465,910,000	13,630,296,000
		Purchase of goods	7,475,018,201	70,605,510,379
		Purchase of service	611,685,911	1,036,116,057
		Sale of fixed asset	480,000,000	-
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Purchase of goods	117,265,955,634	-
		Sale of goods	41,924,367,976	-
		Interest income	5,402,809,905	-
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of materials	47,856,405,042	-
Bien Hoa – Ninh Hoa Sugar One Member Company Limited	Affiliate	Sale of goods	134,828,571,429	-
		Purchase of goods	51,981,452,387	-
		Sale of fixed assets	529,637,837	-
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Associate	Purchase of service	820,900,000	308,000,000
		Purchase of goods	505,800,000	1,078,308,000
		Sale of goods	327,895,486	170,602,929
		Service rendered	240,000,000	240,000,000
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Purchase of goods	144,300,952,381	-
		Sale of goods	48,119,047,621	-
		Interest income	11,833,868,336	-

28. TRANSACTIONS WITH RELATED PARTIES (continued)

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

				VND
Related parties	*Relationship*	*Transactions*	*Current year*	*Previous year*
Thanh Thanh Cong Gia Lai Co., Ltd	Subsidiary	Purchase of goods	92,767,561,670	50,931,942,844
		Service rendered	4,427,698,995	634,093,523
		Sale of goods	1,797,440,456	158,511,690
		Interest income	1,707,779,833	293,333,334
		Interest expense	883,347,221	-
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
		Sale of goods	10,046,666	-

Transactions with other related parties

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

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

28. TRANSACTIONS WITH RELATED PARTIES (continued)

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

VND

Related parties	*Relationship*	*Transactions*	*Ending balance*	*Beginning balance*
Short-term trade receivables				
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Affiliate	Sale of goods	59,646,196,621	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of goods	30,613,930,627	3,584,250,000
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Sale of goods	20,891,055,625	-
Bien Hoa Sugar Joint Stock Company	Affiliate	Sale of goods	15,911,948,381	-
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Sale of goods	15,259,000,000	-
Thanh Thanh Cong Gia Lai Co., Ltd	Subsidiary	Sale of goods	582,601,621	-
		Service rendered	324,562,125	-
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Associate	Service rendered	247,479,500	-
Tay Ninh Sugar Joint Stock Company	Associate	Service rendered	323,333,334	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Sale of goods	214,013,889	-
		Service rendered	24,000,000	
Nuoc Trong Sugar Joint Stock Company	Associate	Sale of goods	-	930,167,900
			144,038,121,723	**4,514,417,900**

28. 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 advances to suppliers				
Thuan Thien Trading and Investment Limited Company	Affiliate	Purchase of materials	107,533,442,140	-
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of materials	36,487,077,117	13,560,595,589
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 Sugarcane Research and Application Joint Stock Company	Associate	Purchase of goods	583,135,138	112,840,138
Ben Tre Import and Export Joint Stock Corporation	Affiliate	Purchase of goods	-	100,000,000,000
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Purchase of goods	-	30,400,000
			173,615,204,305	**113,703,835,727**
Other short-term receivables				
Son Tin Commodity Exchange Joint Stock Company	Affiliate	Interest income	3,643,388,890	-
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Interest income	1,829,645,056	271,244,461
Svayrieng Sugar and Cane Company Limited	Affiliate	Interest income Payment on behalf	1,578,869,885 1,315,729,513	- 3,941,208,303
Thuan Thien Trading and Investment Limited Company	Affiliate	Interest income	625,307,897	328,877,705
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Interest income	376,895,208	1,304,953,646
Tay Ninh Sugar Joint Stock Company	Associate	Interest income	193,333,332	-
Nuoc Trong Sugar Joint Stock Company	Associate	Interest income	23,333,333	-
			9,586,503,114	**5,846,284,115**

28. 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*
Other long-term receivable				
Svayrieng Sugar and Cane Company Limited	Affiliate	Business Co-operation Contract	12,707,425,000	12,707,425,000
Short-term loan receivables (*)				
Thanh Thanh Cong Trading Joint Stock Company	Affiliate	Lending	100,000,000,000	-
Tay Ninh Sugar Joint Stock Company	Associate	Lending	14,500,000,000	-
			114,500,000,000	**-**
Short-term trade payables				
Thanh Thanh Cong Gia Lai Co., Ltd	Subsidiary	Purchase of goods	7,787,217,922	-
Thuan Thien Trading and Investment Limited Company	Affiliate	Purchase of materials	3,207,560,200	3,522,333,535
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Purchase of service	2,581,604,929	1,642,310,824
			13,576,383,051	**5,164,644,359**
Loans				
Thanh Thanh Cong Alcohol Trading Production Joint Stock Company	Subsidiary	Loan	182,000,000,000	-
Tay Ninh Sugar Joint Stock Company	Associate	Loan	9,545,366,000	-
			191,545,366,000	**-**

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

28. 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 goods	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 goods	371,692,100	-
Thuan Thien Trading and Investment Limited Company	Affiliate	Sale of goods	72,922,918	-
Thanh Thanh Cong Investment Joint Stock Company	Affiliate	Sale of goods	-	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	-
Thanh Thanh Cong Alcohol Trading Production Joint Stock Company	Subsidiary	Payment on behalf	2,490,379,000	-
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	-
			20,940,158,314	**1,200,000,000**

29. COMMITMENTS

Operating lease commitment

The Company 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:

	Ending balance	*Beginning balance*
		VND
Less than 1 year	217,672,448	884,237,386

Capital expenditure commitment

At 30 June 2016, the Company 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.

30. RECLASSIFICATION OF CORRESPONDING FIGURES

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

	Beginning balance (previously presented)	*Reclassification*	*Beginning balance (reclassified)*
			VND
SEPARATE BALANCE SHEET			
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
Other short-term receivables	46,239,347,643	12,174,555,500	58,413,903,143
Other current assets	12,157,955,500	(12,157,955,500)	-
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)	-

	Previous year (previously presented)	*Reclassification*	*Previous year (reclassified)*
			VND
SEPARATE INCOME STATEMENT			
Other income	16,954,015,133	(6,793,066,132)	10,160,949,001
Other expenses	(8,811,277,362)	6,793,066,132	(2,018,211,230)
SEPARATE CASH FLOW STATEMENT			
Increase in held-for-trading securities	-	(8,124,761,428)	(8,124,761,428)
Payments for investments in other entities	(241,916,845,313)	8,124,761,428	(233,792,083,885)

31. EVENTS AFTER THE BALANCE SHEET DATE

On 12 July 2016, the Company 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 separate financial statements of the Company.

Dang Thi Diem Trinh Preparer	Le Phat Tin Chief Accountant	Nguyen Thanh Ngu General Director

CÔNG TY CỔ PHẦN MÍA ĐƯỜNG THÀNH THÀNH CÔNG TÂY NINH

27 September 2016