

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31 MARCH 2017

KCP VIETNAM INDUSTRIES LIMITED

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VIET DUC AUDITING COMPANY LIMITED

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No. 3204/VĐ-BCKT/17

INDEPENDENT AUDITOR'S REPORT

To: Board of Management and General Director of KCP Vietnam Industries Limited

We have audited the accompanying financial statements for the fiscal year ended 31 March 2017 prepared on 12 April 2017 on pages from 03 to 23 including Balance Sheet, Income statement and Notes to the Financial Statements of your Company attached with hereafter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese accounting standards and systems and statutory regulations relevant to preparation and presentation of financial statements; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

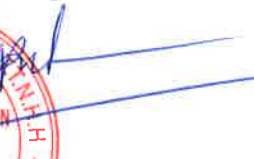
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinions

In our opinion, in the all material respects, these financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of the results of its operations for the year then ended in accordance with Vietnamese accounting standards and systems and statutory regulations relevant to preparation and presentation of financial statements. The format and expression in this financial statement may differ from those generally accepted in countries other than Vietnam.

Viet Duc Auditing Co., Ltd.




Nguyễn Văn Bình – Director
Audit Practicing Registration
Certificate No. 0843-2013-185-1
Ho Chi Minh City, 12 April 2017


Lam Vi Hung – Auditor
Audit Practicing Registration
Certificate No. 1593-2013-185-1

KCP VIETNAM INDUSTRIES LTD
(A 100% foreign invested company licensed and incorporated in S.R.Vietnam)
FINANCIAL STATEMENTS
From 01st April 2016 to 31st March 2017.

BALANCE SHEET

As on 31.03.17

Unit: 1,000 dong

Items	Code	Notes	As on 31/03/2017	As on 31/03/2016
1	2	3	4	5
ASSETS				
A. CURRENT ASSETS	100		1,191,020,292	919,913,630
I Cash and cash equivalents	110		62,837,499	74,781,524
1 Cash	111	V.1	62,837,499	74,781,524
2 Cash equivalents	112		-	-
II. Short-term investments	120		144,000,000	-
1 Short term investments	121	V.2	144,000,000	-
2 Provision for the diminution in value of short term inves	122		-	-
3 Investment held for maturity	123		-	-
III. Accounts receivable	130		426,874,873	521,288,429
1 Short-term trade receivables	131	V.3	178,848,844	297,790,469
2 Short-term advances to suppliers	132	V.3	83,745,093	63,904,599
3 Short-term internal receivables	133		-	-
4 Construction contract in progress receivables	134		-	-
5 Short-term loans receivables	135		-	-
6 Other short-term receivables	136	V.3	164,280,936	159,593,361
7 Provision for doubtful debts	137		-	-
8 Shortage of assets awaiting resolution	139		-	-
IV. Inventories	140		545,669,340	323,417,679
1 Inventories	141	V.4	545,669,340	323,417,679
2 Provisions for devaluation of inventories	149		-	-
V. Other current assets	150		11,638,580	425,999
1 Short-term prepaid expenses	151	V.5	494,601	354,188
2 Value added tax deductible	152	V.5	11,042,469	71,811
3 Taxes and other accounts receivable from the State	153	V.5	101,509	-
4 Trading Government bonds	154		-	-
5 Other current assets	155		-	-
B LONG-TERM ASSETS	200		895,447,454	862,701,252
I. Long-term accounts receivable	210		-	-
1 Long-term trade receivables	211		-	-
2 Long-term advances to suppliers	212		-	-
3 Investment in Equity of subsidiaries	213		-	-
4 Long-term inter-company receivables	214		-	-
5 Long-term receivable loans	215		-	-
6 Other long-term receivables	216		-	-
7 Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		895,447,454	860,602,467
1 Tangible fixed assets	221	V.6	667,158,496	490,715,753
-Historical Cost	222		1,148,914,730	979,030,212
-Accumulated depreciation	223		(481,756,235)	(488,314,459)

KCP VIETNAM INDUSTRIES LTD(A 100% foreign invested company licensed and incorporated in S.R.Vietnam)
FINANCIAL STATEMENTSFrom 01st April 2016 to 31st March 2017.

Items	Code	Notes	As on 31/03/2017	As on 31/03/2016
2 Finance lease assets	224		-	-
-Historical Cost	225		-	-
-Accumulated depreciation	226		-	-
3 Intangible fixed assets	227		-	-
-Historical Cost	228	V.6	456,190	456,190
-Accumulated Amortization	229		(456,190)	(456,190)
III. Investment Property	230			
IV. Long-term assets in progress	240		228,288,958	369,886,715
1 Long-term work in progress	241		-	-
2 Construction in progress	242	V.7	228,288,958	369,886,715
V. Long term investments	250			
1 Investments in subsidiaries	251		-	-
2 Investments in associates	252		-	-
3 Investments in other entities	253		-	-
4 Provisions for long-term investments	254		-	-
5 Investments held to maturity	255		-	-
VI. Other long-term assets	260			2,098,784
1 Long-term prepaid expenses	261	V.8	-	2,098,784
2 Deferred income tax assets	262		-	-
3 Long-term equipments, spare-parts	263		-	-
4 Other long-term assets	268		-	-
TOTAL ASSETS(A+B)	270		2,086,467,746	1,782,614,882
LIABILITIES AND OWNER'S EQUITY				
C. LIABILITIES	300		634,663,669	558,743,553
I. Current liabilities	310		303,460,454	197,480,487
1 Short-term trade payables	311	V.9	89,537,018	119,397,147
2 Short-term advance from customers	312	V.9	6,715,655	15,624,137
3 Taxes and amount payable to state budget	313	V.10	15,682	5,945,199
4 Payable to employees	314	V.11	8,738,511	7,514,960
5 Short-term accrued expenses	315	V.12	55,037,941	44,097,929
6 Short-term internal payables	316		-	-
7 Construction contract in progress payable	317		-	-
8 Short-term unearned revenues	318		-	-
9 Other short-term payables	319	V.13	7,946,647	4,901,116
10 Short-term loan and financial lease	320	V.14	135,469,000	-
11 Short-term provision payables	321		-	-
12 Bonus and welfare funds	322		-	-
13 Price stability funds	323		-	-
14 Trading Government bonds	324		-	-
II. Long-term liabilities	330		331,203,215	361,263,065
1 Long-term trade payables	331		-	-
2 Long-term advance from customers	332		-	-
3 Long-term accrued expenses	333		-	-
4 Internal payables in working capital	334		-	-
5 Long-term inter-company payables	335		-	-

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KCP VIETNAM INDUSTRIES LTD

(A 100% foreign invested company licensed and incorporated in S.R.Vietnam)
FINANCIAL STATEMENTS

From 01st April 2016 to 31st March 2017.

Items	Code	Notes	As on 31/03/2017	As on 31/03/2016
6 Long-term deferred income	336		-	-
7 Other long-term payables	337		-	-
8 Long-term loan and financial lease	338	V.15	222,376,413	269,519,213
9 Convertible bonds	339		-	-
10 Preferred stocks	340		-	-
11 Deferred income tax liabilities	341		-	-
12 Provision for long-term payables	342		-	-
13 Science and technology development funds	343	V.16	108,826,802	91,743,852
D. OWNER'S EQUITY	400		1,451,804,077	1,223,871,329
I. Owner's equity	410		1,451,804,077	1,223,871,329
1 Paid-in capital	411	V.17	545,856,275	545,856,275
2 Share premium	412		-	-
3 Option for bond convertible	413		-	-
4 Other capitals	414		-	-
5 Treasury stocks	415		-	-
6 Differences upon asset revaluation	416		-	-
7 Foreign exchange differences	417		-	-
8 Investment and development funds	418		-	-
9 Financial reserve funds	419		-	-
10 Other funds belonging to owners' equity	420		-	-
11 Undistributed earnings	421	V.17	905,947,802	678,015,054
- Undistributed earnings up to prior year-end	421a		678,015,054	439,768,353
- Net profit after tax this period	421b		227,932,748	238,246,701
12 Construction capital sources	422		-	-
II. Other sources and funds	430		-	-
1 Sources of expenditure	431		-	-
2 Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		2,086,467,746	1,782,614,882



Date: 12th April 2017

D. Srinivas Rao

D.Srinivas Rao
Manager (Accounts)

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KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

FINANCIAL STATEMENTS

For the fiscal year ended 31st March 2017

NOTES TO THE FINANCIAL STATEMENTS

For the period 01st April 2016 to 31st March 2017

These notes are integral part of and should be read in conjunction with the financial statements from 01st April 2016 to 31st March 2017 of KCP VIETNAM INDUSTRIES LTD, VIETNAM ("the Company").

I. OPERATION FEATURES

1. **Investment form** : A 100% foreign-owned company.
2. **Operating field** : Production and processing.
3. **Main operations** : Production of sugar and sugar by-products

II. FISCAL YEAR AND STANDARD CURRENCY USED IN ACCOUNTING

1. **Fiscal year**
The fiscal years of the company are from 01st April to 31st March annually.
2. **Standard currency unit**
The standard currency unit used is Vietnam Dong (VND).

III. ACCOUNTING SYSTEM AND STANDARDS

1. **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 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial year beginning on or after 1 January 2015.
2. **Statement on the compliance with the accounting system and standards**
The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and Standards in the preparation of these financial statements.
3. **Accounting form**
The company has applied the general journal recording form.

IV. ACCOUNTING POLICIES

1. **Accounting convention**
All the financial statements are prepared in accordance with the historical cost convention.
2. **Cash and cash equivalents**
Cash and cash equivalents include cash on hand, cash in bank and cash in transit and short-term Investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy and which do not have a lot of risks in the conversion into cash.

KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

FINANCIAL STATEMENTS

For the fiscal year ended 31st March 2017

Notes to the financial statements (cont.)

3. Inventories

Inventories are recorded at their original costs. Costs include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Costs of inventories are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values. Net realizable values are the estimated selling prices of inventories less the estimated expenses on product completion and other necessary expenses on product consumption.

4. Trade receivable and other receivable

Trade receivable and other receivable are recognized at the values on supporting documents and invoices.

5. Tangible fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the company to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the period.

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

6. Borrowing costs

Borrowing costs are included into expenses during the period. In case the borrowing costs are directly related to the construction or the production of an asset in progress, which has taken a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be capitalized.

In the event of general borrowings which are partly used for acquiring, constructing or producing an asset in progress, the costs eligible for capitalization will be determined according to the capitalization rates applied to average accumulated expenditure on that asset. The capitalization rates are computed at the average interest rates on the borrowings not yet paid during the period, except for particular borrowings serving the purpose of obtaining a specific asset.

7. Long-term prepaid expenses

Tools

Expenses on tools being put into use are allocated into expenses during the period in accordance with the straight-line method for the maximum period of 03 years.

Other expenses are allocated over their useful times.

8. Corporate income tax

In accordance with Investment License No. 1969/GPDC3 dated 19.05.2000 and 1969/GCND6/36/1 dated 02.10.2007 and Circular No.134/2007/TTBTC dated 23.11.2007, the tax company has to pay to the state budget:

Corporate Income Tax equal to 10% of yearly profit. The company is exempted from Corporate Income Tax for 4 years from the year when the company starts to earn profit and granted a 50% reduction for the 4 subsequent years for 3000 TCD project and Tax exemption for 04 years and a 50% reduction of the



KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

FINANCIAL STATEMENTS

For the fiscal year ended 31st March 2017

Notes to the financial statements (cont.)

payable tax amount for subsequent 07 years for expansion of sugar refinery project from 3000 TCD to 5000 TCD.

In accordance with Investment License No.361 023 000 028 dated 13.05.2015 and Decree No.218/ND9-CP dated 26/12/2013: The company may choose to enjoy CIT incentives for their operating projects for the remaining duration for sugar refinery project to 10,000 TCD.

In accordance with Decree No.12/2015/ND-CP dated 12/02/2015 and Circular No.96/2015/TT-BTC dated 22/06/2015, the company is exempted from Corporate Income Tax.

Corporate income tax during the period includes current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the company.

9. Foreign currency translation

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual exchange rates ruling at the date of the transaction.

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

- 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 conducts transactions regularly.

All realized and unrealized foreign exchange differences are taken to the income statement.

The exchange rates used as at 31/03/2017:

Selling rate : VND 22,720 /USD

Selling rate : VND 350.03 /INR

KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017**Notes to the financial statements (cont.)****10. Recognition of sales**

Sales of finished goods are recognized when most of risks and benefits associated with the goods ownership are transferred to customers and there are no uncertain factors related to payments, additional costs or sales returns.

Sales of service provision are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

Unit: 1,000 dongs

1. Cash and cash equivalents:

	<u>2017</u>	<u>2016</u>
Cash on hand	310,504	369,318
Cash in bank	62,526,995	74,412,206
Total	<u>62,837,499</u>	<u>74,781,524</u>

2. Short-term Investments:

	<u>2017</u>	<u>2016</u>
Bank for Investment Development of Vietnam, Binh Dinh	110,000,000	-
Vietcom Bank	22,000,000	-
Vietin Bank	12,000,000	-
Total	<u>144,000,000</u>	<u>-</u>

3. Accounts receivable:

	<u>2017</u>	<u>2016</u>
Trade Accounts Receivable	178,848,844	297,790,469
Prepayment to suppliers	83,745,093	63,904,599
Other receivable	164,280,936	159,593,361
Total	<u>426,874,873</u>	<u>521,288,429</u>

Details of accounts receivable: please see attachment.

4. Inventories:

	<u>2017</u>	<u>2016</u>
Tools and supplies	56,991,247	40,311,481
Work in process	-	5,451,579
Finished goods	488,678,093	277,654,619
Total	<u>545,669,340</u>	<u>323,417,679</u>

KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017**Notes to the financial statements (cont.)****5. Other current assets**

	<u>2017</u>	<u>2016</u>
Prepaid Insurance Expenses	494,601	354,188
Value added tax deductible	11,042,469	71,811
Land and Housing Tax	101,509	-
Total	<u>11,638,580</u>	<u>425,999</u>

6. Tangible & Intangible fixed assets:

Please see attachment

7. Construction-in-progress

	<u>Beginning Balance 2016</u>	<u>Increases During the year</u>	<u>Transfer to fixed assets</u>	<u>Ending Balance 2017</u>
Plant & Machinery	311,145,584	59,525,344	232,136,880	138,534,048
Bio-Compost Plant	6,267,396	2,100	-	6,269,496
Co-gen	29,733,546	40,725,032	192,860	70,265,719
Pre-operative expenses- Son Hoa	18,068,379	3,184,533	12,708,326	8,544,586
Ethanol Plant	4,671,809	3,300	-	4,675,109
Total	<u>369,886,715</u>	<u>103,440,309</u>	<u>245,038,066</u>	<u>228,288,958</u>

8. Long-term prepaid expenses

	<u>Beginning balance 2016</u>	<u>Increases during the year</u>	<u>Allocation during the year</u>	<u>Ending balance 2017</u>
Tools	2,098,784	-	2,098,784	-
Total	<u>2,098,784</u>	<u>-</u>	<u>2,098,784</u>	<u>-</u>

9. Payable to suppliers & Advances from Customers:

	<u>2017</u>	<u>2016</u>
Trade Accounts Payable	89,537,018	119,397,147
Advances from Customers	6,715,655	15,624,137
Total	<u>96,252,673</u>	<u>135,021,284</u>

Details of accounts payable and advances from customers: please see attachment.

KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017

Notes to the financial statements (cont.)

10. Taxes and other obligations to the State Budget

	<u>2017</u>	<u>2016</u>
VAT	-	5,937,424
Natural resource tax	15,682	7,775
Total	<u>15,682</u>	<u>5,945,199</u>

11. Payable to employees

	<u>2017</u>	<u>2016</u>
Payable to employees	8,738,511	7,514,960
Total	<u>8,738,511</u>	<u>7,514,960</u>

12. Accrued expenses and other provisions

	<u>2017</u>	<u>2016</u>
Accrued expenses	55,037,941	44,097,929
Total	<u>55,037,941</u>	<u>44,097,929</u>

13. Other payable

	<u>2017</u>	<u>2016</u>
Social insurance	26,772	558,740
Health insurance	-	96,705
Unemployment Insurance	-	42,980
Trade Union expenditure	359,358	321,706
GPS Devise Security deposit payable	1,414,000	-
Staff Income Tax payable	-	186,042
Retention money	4,058,706	1,079,868
Security deposit	7,200	32,400
Other Payables	2,080,611	2,582,675
Total	<u>7,946,647</u>	<u>4,901,116</u>

14. Short-term loan and financial lease

	<u>2017</u>	<u>2016</u>
Vietcom Bank Phu Yen	50,000,000	-
BIDV	85,469,000	-
Total	<u>135,469,000</u>	<u>-</u>

15. Long-term loan and financial lease (Vietnam Development Bank)

	<u>2017</u>	<u>2016</u>
Opening balance	269,519,213	-
Loan taken during the year	-	269,519,213
Loan repayment during the year	47,142,800	-
Total	<u>222,376,413</u>	<u>269,519,213</u>

*Loan contract No.02/2015/HĐTDĐT-NHPT, Mortgage contracts No.01/2015/HĐTCTS-NHPT
The value of collateral is 1,016,249 MVND*

KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017**Notes to the financial statements (cont.)****16. Scientific and technological development fund****16.1 Scientific and technological development fund**

	<u>2017</u>	<u>2016</u>
Opening balance	-	66,542,623
Increase during the year	25,000,000	28,500,000
Utilizing Fund	-	(95,042,623)
Closing balance	<u>25,000,000</u>	<u>-</u>

16.2 Scientific and technological development fund that forms fixed assets

	<u>2017</u>	<u>2016</u>
Opening balance	91,743,852	-
Increase during the year	-	95,042,623
Utilizing Fund (depreciation expenses)	(7,917,050)	(3,298,771)
Closing balance	<u>83,826,802</u>	<u>91,743,852</u>

17. Owner's equity**Owners invested equity as follows**

	<u>As in the company's charter</u>		<u>Legal capital already invested</u>
	<u>USD</u>	<u>Rate (%)</u>	<u>(USD)</u>
The KCP Ltd	20,323,332	66.667	20,323,332
The G V Reddy Irrevocable Trust	4,996,152	16.389	4,996,152
Morisot Investment SA	4,742,111	15.556	4,742,111
Subba Rao Vallabhaneni	84,681	0.278	84,681
Uma Subba Rao Vallabhaneni	84,681	0.278	84,681
Devasena Vallabhaneni	84,681	0.278	84,681
Krishna Prasad Vallabhaneni	84,681	0.278	84,681
Raghuvveer Vallabhaneni	84,681	0.278	84,681
Total	<u>30,485,000</u>	<u>100%</u>	<u>30,485,000</u>

Statement of fluctuations in owner's equity

	<u>Capital</u>	<u>Retained earnings</u>	<u>Total</u>
Opening balance of the previous year	545,856,275	439,768,353	985,624,628
Capital increased in the previous year	-	-	-
Profit of the previous year	-	238,246,701	238,246,701
Profit distribution of the previous year	-	-	-
Closing balance of the previous year	<u>545,856,275</u>	<u>678,015,054</u>	<u>1,223,871,329</u>
Opening balance of the current year	545,856,275	678,015,054	1,223,871,329
Capital increased in the year	-	-	-
Profit of the current year	-	227,932,748	227,932,748
Profit distribution of the current year	-	-	-
Closing balance of the current year	<u>545,856,275</u>	<u>905,947,802</u>	<u>1,451,804,077</u>

KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017

Notes to the financial statements (cont.)

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

Unit: 1,000 dongs

	2017	2016
1. Sales		
Gross sales	1,412,996,588	1,565,946,339
<i>Sales of goods</i>	<i>1,412,996,588</i>	<i>1,565,946,339</i>
Deductions:	6,414,117	6,723,399
<i>Sales allowances</i>	-	-
Net sales	1,406,582,471	1,559,222,940
2. Costs of goods sold		
	2017	2016
Direct materials	1,150,260,327	1,084,080,346
Direct labor	27,339,228	31,261,767
General manufacturing expenses	87,840,255	89,768,730
Total manufacturing expenses	1,265,439,810	1,205,110,844
Differences on work-in-process	-	(1,781,840)
Total costs of goods manufactured	1,265,439,810	1,203,329,004
Differences on finished goods	(205,571,894)	(28,584,597)
Costs of finished goods already provided	1,059,867,916	1,174,744,407
3. Financial income		
	2017	2016
Interest received from banks and farmers	1,501,507	5,309,083
Total	1,501,507	5,309,083
4. Financial expenses		
	2017	2016
Interest on Long term and working capital Loan	6,016,158	8,952,464
Loss on unrealised foreign exchange	3,121,196	11,888,769
Total	9,137,354	20,841,233
5. Selling expenses		
	2017	2016
Packing Materials	14,670,686	9,903,986
Freight – outward	30,529,157	46,151,936
Other expenses	5,832,313	9,165,782
Total	51,032,156	65,221,704
6. Administrative overheads		

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FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017**Notes to the financial statements (cont.)**

	<u>2017</u>	<u>2016</u>
Expenses for employees	36,371,872	28,299,032
Depreciation of fixed assets	1,112,351	136,421
Provision for Science & Technology Fund	25,000,000	28,500,000
Other Administrative overheads	7,510,596	8,573,565
Total	<u>69,994,819</u>	<u>65,509,018</u>
7. Other income		
	<u>2017</u>	<u>2016</u>
Miscellaneous receipts	-	31,039
Gain from liquidation of fixed assets	31,006,004	-
Total	<u>31,006,004</u>	<u>31,039</u>
8. Other expenses		
	<u>2017</u>	<u>2016</u>
Other expenses	5,380	-
Net book values and expenses of liquidated assets	18,648,010	-
Total	<u>18,653,390</u>	<u>-</u>

KCP VIETNAM INDUSTRIES LIMITED


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FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017**Notes to the financial statements (cont.)****VII - Other Information**

Some items of overall evaluation of the operating and finance performance of the business:

FINANCIAL INDICATORS OF THE BUSINESS

	As on 31.03.2017	As on 31.03.2016
1. Asset and equity structure		
1.1 Asset structure		
- Long-term assets/Total assets (%)	42.92	48.28
- Current assets/Total assets (%)	57.08	51.60
1.2 Equity structure		
- Total liabilities/Total resources (%)	30.42	31.34
- Owners' equity/Total resources (%)	69.58	68.66
2. Liquidity		
2.1 Current ratio (times)	3.92	4.66
2.2 Quick ratio (times)	0.21	0.38
3. Profitability		
3.1 Profit margin		
- Net profit before tax/Revenue (%)	16.31	15.21
- Net profit after tax/Revenue (%)	16.13	15.21
3.2 Return on assets		
- Net profit before tax/Total assets (%)	11.04	13.37
- Net profit after tax/Total assets (%)	10.92	13.37
3.3 Return on equity		
- Net profit after tax/Owners' equity (%)	15.70	19.47



K.V.S.R.Subbaiah
General Director

D Srinivas Rao
Manager (Accounts)**Date: 12.04.2017**

KCP VIET NAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R.Vietnam)

FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017**AMOUNT RECEIVABLE FROM CUSTOMERS
ACCOUNT CODE : 131 (DR)***Unit: 1,000 dong*

Sl.No.	Name of the Customer	Amount
1	Acecook Viet Nam Joint Stock Co.	5,613,909
2	Branch Acecook Vietnam JSC - Binh Duong	288,792
3	Cholimex Food Jointstock Co.	6,245,029
4	Phu Yen Food Technology. Jointstock Co.	180,600
5	Tan Hlep Phat Trad & Ser. Co. Ltd	14,868,158
6	Khanh Hoa Salanganes Nest Soft Drink JSC.	1,683,486
7	URC Viet Nam Co. Ltd	29,675,604
8	Viet Nam Spirits and Wine Co. Ltd	1,201,662
9	Bac Ninh Comercial Asia Foodstuff One Member	600,485
10	Binh Dinh Pharmaceutical and Medical Equipment JSC	352,250
11	Branch Acecook Vietnam JSC - Hung Yen	945,693
12	Branch Acecook VN JSC -Vinh Long	291,984
13	Sai Gon - Phu Yen Trading & Ser. One Member Co. Ltd	75,200
14	Acecook Vietnam JSC - Danang Branch	346,731
15	Quy Nhon Mineral Water JointStock Co.	1,261,409
16	Nguyen Dang Viet	6,493,573
17	FrieslandCampina Vietnam Co.Ltd	37,035,928
18	Red Bull (Viet Nam) Company Limited	7,833,263
19	Asia Foodstuff Industry Co.,Ltd	849,744
20	Branch Acecook Vietnam JSC - Bac Ninh	315,231
21	Vinh Hao Mineral Water Jointstock Co.	3,492,720
22	Number One Chu Lai Co.Ltd	1,806,000
23	Vietnam Taisho Company	2,220,400
24	Suntory Pepsico Viet Nam Beverages Co. Ltd	15,454,535
25	Vinacafe Bien Hoa Jointstock Co.	21,538,440
26	Pepsico Viet Nam Food Co. Ltd	182,070
27	Pepsico Viet Nam - Dong Nai Branch	17,995,950
	TOTAL	178,848,844

ADVANCE TO SUPPLIERS
A/C CODE : 132 (DR)

Unit: 1,000 VND

Sl.No.	Name of the Supplier	Amount
1	NGUYEN THANH DUNG	304,812
2	LAP PHAT LIMITED	1,121,200
3	Nghinh Phuc Design Consultancy Ltd (NP)	88,000
4	S& P Construction & Consultancy	15,000
5	Land development center of Phu Hoa	48,000
6	Industrial consultancy Center PY	195,455
7	PATLON INTERLOCKS INDIA PVT. LTD	2,549
8	PHU YEN DESIGN & CONSTRUCTION CONSULTANCY J.S.C	108,182
9	Phu Yen Electricity Design Survey Consultancy Ltd	70,000
10	HO THI KIM TIEN PRIVATE ENTERPRISE	1,380,000
11	MINH TAM INDUSTRIAL FOODSTUFFS COMPANY	37,494,679
12	DAI HAN MECHANICAL & ERECTION J.S.C	287,702
13	FIVES CAIL - KCP LIMITED	1,420,762
14	SOUTHERN INFORMATION & VALUATION CORPORATION (SIVC)	45,000
15	Kim Ha Viet Co.,Ltd	24,108,205
16	CENTRAL LOAD DISPATCH CENTER	286,916
17	C.D.A.C DESIGN CONSULTANCY & CONSTRUCTION ARCHITECTURE	247,500
18	ENERGY SOLUTIONS & MANAGEMENT JSC	528,894
19	FIVES CAIL - KCP LIMITED	2,879,516
20	NK ENGINEERING COMPANY LIMITED	240,648
21	KWALITY MACHINERY CORPORATION	3,537
22	1/5 COMPANY LIMITED	2,044,917
23	METHODA RESOURCES	114,017
24	OFFICE OF REGISTERING LAND USING RIGHT-PYEN	30,969
25	TECHCONS CONSTRUCTION & TRADING CO.LTD	127,000
26	AN BAO PRODUCTION TRADING SERVICE JOINT STOCK COMPANY	1,237,197
27	MINH QUAN TRADING & TECHNICAL CO.,LTD	4,704
28	PHUC DAI LOC TRADING-PRODUCTION CO.,LTD	3,091,841
29	Song Hoa Power Joint Stock Company	99,778
30	Thanh My Phat Trad & Ser. Co. Ltd	148,630
31	REGION ELECTRICITY CO. LTD	4,077,076
32	Kim Ngoc Khanh enterprise private	795,000
33	Thanh Long environment Co.Ltd	140,145
34	VIETGATE COMMERCIAL AND CONSTRUCTION CO.	930,663
35	PHUYEN ENVIRONMENT ANALYSE CENTER	26,600
	Total	83,745,093

KCP VIET NAM INDUSTRIES LIMITED

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FINANCIAL STATEMENTSFor the fiscal year ended 31st March 2017**OTHER SHORT TERM RECEIVABLES****ACCOUNT CODE : 136***Unit: 1,000 dong*

Sl.No.	Name	Amount
1	Purchase Advance To Staff	19,263
2	Salary Advance	26,295
3	Miscellaneous Deposit	10,000
4	Advance To Ho Chi Minh City Office	66,198
5	Cash Loan To Farmers	68,069,090
6	ROAD DEVELOPMENT LOAN TO FARMERS	33,400
7	ADVANCE TO QUANG NAM SUGAR FACTORY	3,758
8	SEED LOAN TO FARMERS - 2012	68,144
9	FERTILIZER LOAN TO FARMERS - 2012	52,014
10	FERTILIZER LOAN TO FARMERS - 2013	53,204
11	DEPOSIT - DISTILLERY PROJECT	2,000,000
12	DETRASH CASH INVESTMENT	109,770
13	CASH LOAN TO FARMERS (IMPLEMENTS)	12,757,880
14	ADDITIONAL CASH LOAN	8,488,369
15	FERTILIZER LOAN TO FARMERS - 2014	46,381
16	SEED LOAN TO FARMERS - 2014	849,544
17	CASH INVESTMENT FOR PLANTATION	6,158,924
18	FERTILIZER LOAN TO FARMERS 2015	23,148
19	SEED LOAN TO FARMERS 2015	94,126
20	SEED LOAN TO FARMERS 2016	10,645,508
21	FERTILIZER LOAN TO FARMERS 2016	28,133,188
22	FILTER CAKE LOAN TO FARMERS 2016	187,326
23	SEED LOAN TO FARMERS 2017	11,683,734
24	FERTILIZER LOAN TO FARMERS 2017	14,653,852
25	ADVANCE PEOPLE COURT SON HOA DIST	13,223
26	Staff Income Tax Payable	10,601
27	Health Insurance Payable	23,997
	TOTAL	164,280,936

AMOUNT PAYABLE TO SUPPLIERS
ACCOUNT CODE : 331 (CR)

Unit: 1,000 VND

Sl.No.	Name of the Supplier	Amount (VND)
1	Dong Bac Viet Co.Ltd	104,077
2	H88 VIETNAM INSTALLATION J.S.C (H88VNC)	79,151
3	Tan Minh Construction and Thermal Mechanic Ltd	1,731,539
4	TRUC VANG COMPANY LIMITED	750,985
5	BLACKSTONE GROUP TECHNOLOGIES PVT.LTD	96,672
6	HIEP THANH INDUSTRY CORPORATION	900,652
7	Minh Dai Phat Trade Production Ltd (MDP)	62,469
8	DAI HAN MECHANICAL & ERECTION J.S.C	483,186
9	HOI PHAT INVESTMENT & CONSTRUCTION LTD	4,830,277
10	LE TRANG LIMITED (LT)	176,366
11	TRUNG TRUNG BO CONSTRUCTION J.S.C	8,154
12	VIETNAM TECHNICAL SERVICE CO. LTD	149,509
13	Phu Yen Road & Bridge Consultancy LTD	38,090
14	C.A.T.E.C AUTOMATION TECHNOLOGY COMPANY LTD (CATEC)	1,600,660
15	KIM NGOC KHANH ENTERPRISE	2,442,462
16	NHAT QUANG TRADING SERVICES & PRODUCING CO. LTD	115,569
17	HOP NHAT THANH COMPANY LIMITED	3,040,821
18	CHEMICAL CONSTRUCTION INSTALLATION LIMITED - HA BAC BRA	1,668,695
19	MINH ANH TRADING LIMITED	40,058
20	ILILAMA 45.3 JSC	7,518,923
21	Kim Ngoc Khanh enterprise private	559,180
22	Thanh Long environment Co.Ltd	841,034
23	Truong Phat T.P Mechanical Co., Ltd	720,029
24	Bao Minh Phu Yen Co.	33,791
25	KCPVIL/NTX/1159 dt:01/01/2017	2,455
26	CONTRACT SLINGS(Le Van Truyen)	47,728
27	RX TRANSPORT-SERVICE-TRADING CO.,LTD	46,002
28	CROMPTON GREAVES LTD	365,614
29	Huong Shop	19,305
30	NGUYEN XUAN HUNG	10,776
31	Business Center VNPT - Phu Yen	2,698
32	Y Hong Nga Enterprise	800
33	HUYNH QUANG SU/FILTER CAKE 16-17	128,640
34	THAI MINH TRADING & INFORMATICS CO,LTD	1,190
35	Hoa Nhi Enterprise	73,150
36	VIETTEL PHU YEN - BRANCH OF ARMY TELECOM CORPORATION	616,000
37	Thai Binh Duong Internationl Marine	49,658
38	KHAI NGUYEN TRADING COMPANY., LTD	539
39	PETRO VIETNAM INSURANCE	39,301
40	TANDUYLINH ELECTRONIC & INFORMATION	38,753
41	Hai Son product enterprise	575,837
42	The K.C.P.Limited	27,875
43	M/S PAHARPUR COOLING TOWERS LTD	396,185
44	TUY HOA INDUSTRIAL GAS JSC (TUYGASCO)	10,910
45	HUYNH THI TUY	1,100
46	KIM NGUYEN SHOP	334
47	TAN HUNG THAI COMPANY LIMITED	55,154
48	Kim Thuong Transport Trade Service Co	34,000
49	Dong Thuan Trading & Transpost Co.,Ltd	28,942
50	TAMATRA CO., LTD	1,469,061
51	GE TRIVENI LIMITED	6,757,996
52	FIVES CAIL - KCP LIMITED	3,497,996
53	NGUYEN XUAN HUNG	9,816
54	VO NGOC THANH	4,392

AMOUNT PAYABLE TO SUPPLIERS
ACCOUNT CODE : 331 (CR)

Unit: 1,000 VND

Sl.No.	Name of the Supplier	Amount (VND)
55	JAPAN VIETNAM FERTILIZER CO., (JVF)	6,514,287
56	SOURCE ENERGY COMPANY LIMITED	583,625
57	VEDAN VIETNAM JOINT STOCK COMPANY	148,062
58	Bao Viet Insurance Coporation -Bao Viet Phu Yen	128,601
59	QUAN QUAN COMPANY LIMITED	138,470
60	Tai Dung Transport Enterprise	32,900
61	Ty Linh Trade & Transport Enterprise	11,200
62	MINH DANG TRADING-TECHNICAL COMPANY LIMITED	6,292
63	SON HA INTERNATIONAL INVESTMENT DEVELOPMENT CO., LTD	79,478
64	TURBO CRAFT	59,942
65	HOANG KIM CHAU	4,500
66	NGUYEN HUNG VINH CO., LTD	2,475
67	NGUYEN NGOC SANH	2,090
68	Vien Thong P.H Trade & Service Co.,Ltd	11,560
69	HOA TAN COMPANY LIMITED	63,250
70	NHAT KIEN TECHNICAL TRADING ONE MEMBER CO.,LTD	284,240
71	M/s. METHODS (INDIA) PRIVATE LIMITED	5,700,557
72	NHAT QUANG TRADING-SERVICE-PRO. CO.,LTD	140,993
73	VAN MINH COMPANY LIMITED	440,440
74	E & C TECHNICAL DEVELOPMENT COMPANY LTD	3,009
75	NGUYEN VAN LOC	19,308
76	Phong Phu Transport Enterprise	19,140
77	TUY HOA INDUSTRIAL GAS JSC (TUYGASCO)	1,091
78	Mien Dong Electric Equipment Co. Ltd	694
79	TAN HUNG THAI COMPANY LIMITED	26,730
80	VEDAN VIETNAM JOINT STOCK COMPANY	106,665
81	SON HA INTERNATIONAL INVESTMENT DEVELOPMENT CO., LTD	47,913
82	Pham Thinh (Kieu Nga)	500
83	Cane Transportation Charges Payable	3,799
84	Transportation Retention Payable	1,687,680
85	Cane Suppliers Payable - Phu Yen	5,721,419
86	Cane Transportation Charges Payable-Provisional	11,823,857
87	Seed Cane Creditors	360,547
88	Cane Suppliers Payable - Dong Xuan Sugar Unit	931,000
89	CANE SUPPLIERS BALANCE PAYABLE	2,189
90	CANE TRANSPORT PAYABLE (NEW) DONG XUANN	1
91	PENALTIES RECOVERED FROM FARMERS BUT DUE	158,796
92	AMOUNT PAYABLE TO FARMERS - INTEREST	11,963,126
93	SUGARCANE HARVESTING CHARGES PAYABLE	2,037
		89,537,018

AMOUNT RECEIVABLE FROM CUSTOMERS
ACCOUNT CODE : 131 (CR)

Unit: 1,000 VND

Sl.No.	Name of the Supplier	Amount (VND)
1	Huynh Cong Hoa	356
2	Pham Thanh Hang	1,938
3	HUY HOANG TRANS.& TRADING ENTERPRISE	15,792
4	Tri Thanh Co., Ltd	1,436
5	Van Canh Biology Energy Co.Ltd	186,546
6	Phuc Quang Private Enterprise	132,810
7	Alphabe Trade - Ser. Co. Ltd	1,154,403
8	Dac My Phat Trade Enterprise	22,697
9	Chu Dinh Khanh	5,614
10	Son Hoa Green Energy Co.Ltd	77,412
11	QUOC HUNG TRADING ENTERPRISE	1,750
12	Quinhon Agro- Products Shop	1,192
13	HUNG THINH CO. LTD	542,999
14	Song Lam Co. Ltd	12,643
15	Vo Van Sy	763
16	Kim Ha Viet Co.,Ltd	1,368,441
17	Minh Tam Industrial Foodstuff Co., Ltd	1,080,000
18	An Tien Phat Co.Ltd	3,367
19	Duc Nhu Viet Private Enterprise	831,702
20	Dong Loi Agriculture Company Limited	10,091
21	Nguyen Cong Chinh	266
22	DANG QUANG DANG	2,624
23	HUYNH THI THUY	1,749
24	Tran Minh Hao	32,493
25	Nguyen Hong Son	35,000
26	Minh Khang Trade -Import & Export Co.Ltd	34,317
27	Ngoc Mai Trading & Pro.Ser. Co. Ltd	31,921
28	Nhat Son Tech. Ser. JSC	56,098
29	Hoang Anh Duy Trade & Import Export Co. Ltd	31
30	Dai Long Tin Company Ltd;'	18,506
31	Branch of Coca Cola Beverages VietNam Co.Ltd in DaNang City	1,382
32	Thuan Tin Thanh Company Limited	4,824
33	Vinh Loi Trading Private Enterprise	18,747
34	Vo Thi Nguyet	102
35	Tran Ngoc Phien	95,045
36	Thanh My Phat Trad & Ser. Co. Ltd	309,393
37	Son Nguyen Buying & Selling Agricultural Products Co.Ltd	455,160
38	BICH NGOC ENTERPRISE	858
39	Kim Ngoc Khanh enterprise private	11,690
40	Le Gia Trading & Pro.Co. Ltd	41,320
41	Phuc Dai Loc Trading -Production Co.,Ltd	16,346
42	QUANG THINH JOINTSTOCK CO.	45,831
43	Trang Son Trad. Co. Ltd	50,000
	TOTAL	6,715,655

KCP VIET NAM INDUSTRIES LIMITED
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FINANCIAL STATEMENTS

For the Fiscal year ended 31st March 2017

INCREASE AND DECREASE OF FIXED ASSETS AS AT 31.03.2017

Unit : 1000 dong

Item	Buildings	Plant & Machinery	Intangible Assets	Means of Transportation	Office Equipment and Others	Dong Xuan Assets	Total
1/Original price	137,405,495	830,503,255	456,190	5,790,682	3,208,288	2,122,492	979,486,402
.+ At 01/04/2016							
.+ Increase during the year	73,380,334	170,189,481	-	-	675,031	-	244,244,847
.+Decrease during the year	-	74,360,328	-	-	-	-	74,360,328
+ At 31/03/2017	210,785,829	926,332,408	456,190	5,790,682	3,883,319	2,122,492	1,149,370,920
<i>In which, fully depreciated assets still in use</i>		214,346,369	456,190	3,009,006	2,570,782	2,122,492	222,504,839
2/Depreciation							
.+ At 01/04/2016	32,169,088	447,280,235	456,190	4,283,879	2,591,631	1,989,627	488,770,649
.+ Increase during the year	7,472,968	39,042,831	-	473,461	506,025	132,865	47,628,151
.- Decrease during the year	-	62,103,426	-	-	-	-	62,103,426
2.1 Depreciation - Sci & Tech							
.+ Increase during the year	-	7,917,050	-	-	-	-	7,917,050
+ At 31/03/2017	39,642,056	432,136,691	456,190	4,757,340	3,097,656	2,122,492	482,212,425
3/ Net book value							
.+ At 01/04/2016	105,236,407	383,223,020	-	1,506,803	616,657	132,865	490,715,753
+ At 31/03/2017	171,143,773	494,195,718	-	1,033,343	785,663	-	667,158,496

Power Turbine 3MW No.3 is damaged in January 2015 cost 8,6 Bvnd
Fixed Assets acquired from Science & Technology development fund VND 95.042 Billion in 2015 Year
Sale of Old Assets Historical cost of VND 74.36 Billion