

Kinh Do Corporation

Consolidated financial statements

31 December 2014

Kinh Do Corporation

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Kinh Do Corporation

GENERAL INFORMATION

THE COMPANY

Kinh Do Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate (“BRC”) No. 4103001184 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City on 6 September 2002 and the following amended BRC:

Amended BRC:

Date:

No. 4103001184

The first amendment	26 November 2002
The second amendment	22 September 2003
The third amendment	11 December 2003
The fourth amendment	3 August 2004
The fifth amendment	7 October 2004
The sixth amendment	11 May 2005
The seventh amendment	18 May 2006
The eighth amendment	6 July 2006
The ninth amendment	6 November 2007
The tenth amendment	10 October 2008

No. 0302705302

The eleventh amendment	21 January 2010
The twelfth amendment	1 November 2010
The thirteenth amendment	26 March 2011
The fourteenth amendment	2 March 2012
The fifteenth amendment	23 November 2012
The sixteenth amendment	21 March 2013
The seventeenth amendment	2 April 2013
The eighteenth amendment	18 November 2013
The nineteenth amendment	26 February 2015

The Company’s shares were listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 39/UBCK-GPNY issued by the State Securities Commission on 18 November 2005.

The principal activities of the Company are to process agricultural products and foods; produce confectionery, purified water, and fruit juice; and sell and purchase agricultural products and foods, industrial products, and fabric; to produce and trade all kinds of food and drink products such as ice, ice cream, milk and other dairy products; to operate in real estate industry.

The registered head office of the Company is located at 138 - 142 Hai Ba Trung, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr Tran Kim Thanh	Chairman
Mr Tran Le Nguyen	Vice Chairman
Mr Wang Ching Hua	Member
Ms Vuong Buu Linh	Member
Ms Vuong Ngoc Xiem	Member
Mr Tran Quoc Nguyen	Member
Mr Nguyen Van Thuan	Member
Mr Nguyen Gia Huy Chuong	Member
Mr Nguyen Duc Tri	Member

Kinh Do Corporation

GENERAL INFORMATION (continued)

BOARD OF SUPERVISION

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

Mr Le Cao Thuan	Head
Ms Luong My Duyen	Member
Mr Vo Long Nguyen	Member

MANAGEMENT

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

Mr Tran Le Nguyen	General Director	
Ms Vuong Buu Linh	Deputy General Director	
Ms Vuong Ngoc Xiem	Deputy General Director	
Mr Wang Ching Hua	Deputy General Director	
Mr Nguyen Xuan Luan	Deputy General Director	
Mr Mai Xuan Tram	Deputy General Director	
Mr Bui Thanh Tung	Deputy General Director	
Mr Tran Quoc Nguyen	Deputy General Director	
Mr Tran Quoc Viet	Deputy General Director	
Mr Tran Tien Hoang	Deputy General Director	
Mr Kelly Yin Hon Wong	Deputy General Director	
Mr Ma Thanh Danh	Deputy General Director	
Ms Nguyen Thi Xuan Lieu	Deputy General Director	appointed on 12 December 2014

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Tran Kim Thanh. Mr Tran Le Nguyen is authorized by Mr Tran Kim Thanh to sign the consolidated financial statements for the year ended 31 December 2014.

AUDITORS

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

Kinh Do Corporation

REPORT OF MANAGEMENT

Management of Kinh Do Corporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2014.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2014, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of management:

A red circular stamp of Kinh Do Corporation is positioned over the signature. The stamp contains the text: "M.S.D.N. 0278639", "CÔNG TY CỔ PHẦN KINH ĐÔ", and "QUẬN 1 - T.P. HỒ CHÍ MINH". A blue ink signature is written over the stamp.

Tran Le Nguyen
General Director

26 March 2015

Reference: 60752643/16998143-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Kinh Do Corporation

We have audited the accompanying consolidated financial statements of Kinh Do Corporation and its subsidiaries (collectively referred to as "the Group") as prepared on 26 March 2015 and set out on pages 6 to 50 which comprise the consolidated balance sheet as at 31 December 2014, the consolidated income statement and consolidated cash flow statement for the year then ended and the consolidated notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2014, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited




Ernest Young Chin Kang
Deputy General Director
Audit Practicing Registration Certificate
No. 1891-2013-004-1



Doan Thi Thu Thuy
Auditor
Audit Practicing Registration Certificate
No. 1070-2013-004-1

Ho Chi Minh City, Vietnam

26 March 2015

CONSOLIDATED BALANCE SHEET
as at 31 December 2014

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		4,324,131,530,361	3,208,951,948,303
110	I. Cash and cash equivalents	5	2,467,177,548,607	1,958,064,548,124
111	1. Cash		621,395,548,607	287,064,548,124
112	2. Cash equivalents		1,845,782,000,000	1,671,000,000,000
120	II. Short-term investments	13.2	700,100,705,600	39,479,723,350
121	1. Short-term investments		708,106,299,143	48,576,276,394
129	2. Provision for diminution in value of short-term investments		(8,005,593,543)	(9,096,553,044)
130	III. Current accounts receivable	6	784,031,063,903	859,893,313,934
131	1. Trade receivables		179,621,469,269	188,931,745,641
132	2. Advances to suppliers		69,329,681,247	70,757,652,186
135	3. Other receivables		538,297,499,600	603,491,045,600
139	4. Provision for doubtful debts		(3,217,586,213)	(3,287,129,493)
140	IV. Inventories	7	333,740,449,970	303,697,604,128
141	1. Inventories		345,171,757,188	317,614,040,657
149	2. Provision for obsolete inventories		(11,431,307,218)	(13,916,436,529)
150	V. Other current assets		39,081,762,281	47,816,758,767
151	1. Short-term prepaid expenses		19,009,034,891	14,434,824,512
152	2. Value-added tax deductible		13,217,668,176	5,679,645,734
154	3. Tax and other receivables from the State	8	1,941,177,932	17,515,321,638
158	4. Other current assets		4,913,881,282	10,186,966,883
200	B. NON-CURRENT ASSETS		3,551,744,980,102	3,169,293,630,695
220	I. Fixed assets		1,613,382,983,672	1,371,191,674,104
221	1. Tangible fixed assets	9	943,619,841,486	919,281,789,101
222	Cost		1,903,912,064,965	1,755,145,801,018
223	Accumulated depreciation		(960,292,223,479)	(835,864,011,917)
227	2. Intangible assets	10	646,884,983,783	326,200,228,842
228	Cost		778,091,532,845	429,548,357,289
229	Accumulated amortization		(131,206,549,062)	(103,348,128,447)
230	3. Construction in progress	11	22,878,158,403	125,709,656,161
240	II. Investment property	12	18,871,519,542	21,444,908,571
241	1. Cost		34,524,970,816	34,524,970,816
242	2. Accumulated depreciation		(15,653,451,274)	(13,080,062,245)
250	III. Long-term investments		1,480,145,599,984	1,272,100,000,000
252	1. Investments in associates and jointly controlled entity	13.1	1,471,505,599,984	1,257,100,000,000
258	2. Other long-term investments	13.3	8,640,000,000	15,000,000,000
260	IV. Other long-term assets		158,718,282,339	178,234,881,999
261	1. Long-term prepaid expenses	14	109,761,473,819	124,374,000,279
262	2. Deferred tax assets	28.3	35,823,601,560	40,647,012,600
268	3. Other long-term assets		13,133,206,960	13,213,869,120
269	V. Goodwill	4	280,626,594,565	326,322,166,021
270	TOTAL ASSETS		7,875,876,510,463	6,378,245,578,998


CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2014

VND


Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		1,588,185,320,865	1,495,030,377,728
310	I. Current liabilities		1,535,881,366,903	1,265,590,486,146
311	1. Short-term loans	15	553,318,491,711	400,939,212,302
312	2. Trade payables	16	278,038,773,915	283,772,381,108
313	3. Advances from customers	17	37,066,122,475	34,950,728,208
314	4. Statutory obligations	18	50,654,459,117	81,827,122,663
315	5. Payables to employees		72,187,442,899	58,642,156,537
316	6. Accrued expenses	19	309,731,144,714	230,109,039,925
319	7. Other payables	20	186,263,372,486	122,357,506,054
323	8. Bonus and welfare fund		48,621,559,586	52,992,339,349
330	II. Non-current liabilities		52,303,953,962	229,439,891,582
333	1. Other long-term liabilities		52,303,953,962	60,554,121,882
334	2. Long-term loans	21	-	168,885,769,700
400	B. OWNERS' EQUITY	22	6,186,607,961,632	4,881,643,588,931
410	I. Capital		6,186,607,961,632	4,881,643,588,931
411	1. Issued share capital		2,566,533,970,000	1,676,282,700,000
412	2. Share premium		3,274,294,092,589	2,344,308,719,177
414	3. Treasury shares		(805,826,191,900)	(152,626,203,900)
417	4. Investment and development fund		25,370,280,515	25,370,280,515
418	5. Financial reserve fund		25,792,635,752	25,792,635,752
419	6. Other funds belonging to owners' equity		15,909,752,661	15,909,752,661
420	7. Undistributed earnings		1,084,533,422,015	946,605,704,726
439	C. MINORITY INTERESTS		101,083,227,966	1,571,612,339
440	TOTAL LIABILITIES AND OWNERS' EQUITY		7,875,876,510,463	6,378,245,578,998

OFF BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar (USD)	2,762,321	1,389,939
- Euro (EUR)	103	110


Tran Minh Nguyet
Preparer


Nguyen Thi Oanh
Chief Accountant


Tran Le Nguyen
General Director



26 March 2014

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	23.1	5,125,718,821,077	4,674,796,415,910
02	2. Deductions	23.1	(173,055,897,638)	(114,198,130,572)
10	3. Net revenue from sale of goods and rendering of services	23.1	4,952,662,923,439	4,560,598,285,338
11	4. Cost of goods sold and services rendered	24	(2,806,830,526,554)	(2,584,484,709,244)
20	5. Gross profit from sale of goods and rendering of services		2,145,832,396,885	1,976,113,576,094
21	6. Finance income	23.2	144,327,090,430	113,135,293,907
22	7. Finance expenses	25	(26,185,496,926)	(73,516,940,227)
23	<i>In which: Interest expense</i>		(20,731,742,626)	(43,391,810,398)
24	8. Selling expenses		(1,214,612,633,132)	(996,843,091,578)
25	9. General and administration expenses		(417,538,749,182)	(395,953,432,450)
30	10. Operating profit		631,822,608,075	622,935,405,746
31	11. Other income	26	63,331,885,612	30,372,643,049
32	12. Other expenses	26	(32,196,031,460)	(34,690,086,601)
40	13. Other profit (loss)	26	31,135,854,152	(4,317,443,552)
50	14. Profit before tax		662,958,462,227	618,617,962,194
51	15. Current income tax expense	28.2	(121,010,750,584)	(118,676,164,588)
52	16. Deferred tax expense	28.3	(4,823,411,040)	(7,148,912,968)
60	17. Net profit after tax		537,124,300,603	492,792,884,638
	<i>Attributable to:</i>			
61	17.1 <i>Minority interests</i>		678,661,494	(1,076,667,504)
62	17.2 <i>The Company's shareholders</i>		536,445,639,109	493,869,552,142
80	18. Basic earnings per share and diluted earnings per share	22.5	2,296	2,542



Tran Minh Nguyet
Preparer



Nguyen Thi Oanh
Chief Accountant



Tran Le Nguyen
General Director

26 March 2015

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		662,958,462,227	618,617,962,194
	<i>Adjustments for:</i>			
02	Depreciation and amortization	4, 9, 10, 12	228,177,812,126	230,052,975,960
03	Provisions		(3,645,632,092)	(7,383,394,361)
04	Unrealized foreign exchange losses		1,088,936,313	2,258,288,851
05	Profits from investing activities		(164,123,838,658)	(103,152,864,326)
06	Interest expense	25	20,731,742,626	43,391,810,398
08	Operating profit before changes in working capital		745,187,482,542	783,784,778,716
09	Decrease in receivables		256,736,002,655	70,706,973,679
10	(Increase) decrease in inventories		(27,541,874,716)	6,331,711,241
11	Increase in payables		223,307,678,845	51,056,516,330
12	Decrease in prepaid expenses		4,101,698,273	21,822,216,240
13	Interest paid		(21,282,447,042)	(44,439,725,376)
14	Corporate income tax paid	28.2	(133,990,327,246)	(181,490,308,355)
15	Other cash inflows from operating activities		2,141,984,214	6,232,230,468
16	Other cash outflows for operating activities		(26,596,945,646)	(39,495,349,366)
20	Net cash flows from operating activities		1,022,063,251,879	674,509,043,577
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(68,551,321,859)	(179,465,405,244)
22	Proceeds from disposals of fixed assets		34,756,383,243	7,167,957,959
23	Loans to other entities		(286,000,000,000)	(2,410,500,000,000)
24	Collections from borrowers		321,700,000,000	2,592,419,036,288
25	Cash used for term bank deposit and payments for investments in other entities		(1,588,517,220,554)	(1,000,000,000)
26	Proceeds from sale of investments in other entities		13,803,141,557	32,504,017,702
27	Dividends and interest received		490,438,131,635	48,790,143,022
30	Net cash flows (used in) from investing activities		(1,082,370,885,978)	89,915,749,727

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		1,820,236,643,412	696,877,189,600
32	Capital redemption		(483,843,631,000)	-
33	Borrowings received		1,091,009,194,315	1,603,649,310,611
34	Borrowings repaid		(1,479,176,474,561)	(1,618,068,675,638)
36	Dividends paid to equity holder of the parent		(378,105,677,007)	(317,070,140,579)
	Dividends paid to minority interests		(920,240,481)	(1,188,717,337)
40	Net cash flows from financing activities		569,199,814,678	364,198,966,657
50	Net increase in cash and cash equivalents		508,892,180,579	1,128,623,759,961
60	Cash and cash equivalents at beginning of year	5	1,958,064,548,124	829,459,259,294
61	Impact of exchange rate fluctuation		220,819,904	(18,471,131)
70	Cash and cash equivalents at end of year	5	2,467,177,548,607	1,958,064,548,124


Tran Minh Nguyet
Preparer


Nguyen Thi Oanh
Chief Accountant


CÔNG TY
CƠ PHẦN
KINH ĐỘ
QUẬN 1 - T.P. HỒ CHÍ MINH
Tran Le Nguyen
General Director

26 March 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 31 December 2014

1. CORPORATE INFORMATION

The Group consists of Kinh Do Corporation ("KDC" or "the Company") and its subsidiaries, associates and a jointly controlled entity as follows:

Company

The Company is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103001184 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 6 September 2002 and the following amended BRC:

<u>Amended BRC:</u>	<u>Date:</u>
<i>No. 4103001184</i>	
The first amendment	26 November 2002
The second amendment	22 September 2003
The third amendment	11 December 2003
The fourth amendment	3 August 2004
The fifth amendment	7 October 2004
The sixth amendment	11 May 2005
The seventh amendment	18 May 2006
The eighth amendment	6 July 2006
The ninth amendment	6 November 2007
The tenth amendment	10 October 2008
<i>No. 0302705302</i>	
The eleventh amendment	21 January 2010
The twelfth amendment	1 November 2010
The thirteenth amendment	26 March 2011
The fourteenth amendment	2 March 2012
The fifteenth amendment	23 November 2012
The sixteenth amendment	21 March 2013
The seventeenth amendment	2 April 2013
The eighteenth amendment	18 November 2013
The nineteenth amendment	26 February 2015

The registered head office of the Company is located at 138 - 142 Hai Ba Trung, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The Company's shares were listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 39/UBCK-GPNY issued by the State Securities Commission on 18 November 2005.

The consolidated financial statements of the Group for the year ended 31 December 2014 were authorised for issue.

The principal activities of the Group are to process agricultural products and foods; produce confectionery, purified water, and fruit juice; sell and purchase agricultural products and foods, industrial products, and fabric; to produce and trade all kinds of food and drink products such as ice, ice cream, milk and other dairy products; and to operate in real estate industry.

The number of the Group's employees as at 31 December 2014 was 7,318 (31 December 2013: 7,069).

Subsidiaries

Kinh Do Binh Duong Corporation ("KDBD")

KDC holds a 99.92% equity interest in KDBD, a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4603000129 issued by the DPI of Binh Duong Province on 13 October 2004 and the subsequent amended BRC. The registered head office and factory of KDBD are located at VSIP, Vietnam – Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

1. CORPORATE INFORMATION (continued)

Subsidiaries (continued)

Vinabico Corporation ("Vinabico")

The Company holds a 100% equity interest in Vinabico, a company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4103001904 issued by the DPI of Ho Chi Minh City on 3 November 2003 and the subsequent amended BRC. The registered head office and factory of Vinabico are located at 436 No Trang Long Street, Ward 13, Binh Thanh District, Ho Chi Minh City, Vietnam.

As at the date of this consolidated financial statements, Vinabico has been ceased as a legal entity and its operations have been merged as an independent branch of the Group. This restructuring plan was approved by the DPI of Ho Chi Minh City through the issuance of the nineteenth amended BRC dated 26 February 2015.

Kido Company Limited ("KIDO")

The Company holds a 100% equity interest in KIDO, a one member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4103001557 issued by the DPI of Ho Chi Minh City on 14 April 2003 and the subsequent amended BRC. The registered head office and factory of KIDO are located at Cu Chi Northwest Industrial Park, Cay Sop Village, Tan An Hoi Ward, Cu Chi District, Ho Chi Minh City, Vietnam.

North Kinh Do One Member Company Limited ("NKD")

The Company holds a 100% equity interest in NKD, a one member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0900178525 issued by the DPI of Hung Yen Province on 25 January 2011, as amended. The registered head office of NKD is located at Ban Yen Nhan Town, My Hao District, Hung Yen Province, Vietnam.

Tan An Phuoc Company Limited ("TAP")

The Company holds a 80% equity interest in TAP, a limited liability company with two and more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0309403269 issued by the DPI of Ho Chi Minh City on 24 September 2009. The registered office of TAP is located at 6/134 National Road No. 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam.

Kido Food Company Limited ("KDF")

The Company holds indirectly a 100% equity interest in KDF, a subsidiary wholly-owned by KIDO incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0106681285 issued by the DPI of Hanoi City on 3 November 2014 and the subsequent amended BRC. The registered head office of KDF is located at 10th Floor, Vinaconex Tower, 34 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi, Vietnam.

Associate and jointly controlled entity

Vietnam Vegetable Oils Industry Corporation ("Vocarimex")

The Company holds a 24% equity interest in Vocarimex, currently a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0300585984 issued by the DPI of Ho Chi Minh City on 31 December 2014. The registered head office of Vocarimex is located at 58 Nguyen Binh Khiem Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam.

Lavenue Investment Corporation ("Lavenue")

The Company holds a 50% equity interest in Lavenue, a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0310306044 issued by the DPI of Ho Chi Minh City on 10 September 2010. The registered office of Lavenue is located at 3rd Floor, May Flower Tower, 12 Le Thanh Ton, District 1, Ho Chi Minh City, Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

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

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

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

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

2.5 *Basis of consolidation*

The Group's consolidated financial statements comprise the financial statements of the Company ("the parent company") and the financial statements of its subsidiaries for the year ended 31 December 2014.

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

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

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

Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group's shareholders and are presented separately in the consolidated income statement and consolidated balance sheet. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

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

Net realizable 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, consumables and goods for resale - actual cost on a weighted average basis.

Finished goods and work in process - cost of direct materials and labour plus attributable overhead based on the normal level of activities.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.3 *Receivables*

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

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

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

When tangible fixed assets are sold or retired, their cost and accumulated depreciation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets

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

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

Where the Group is the lessee

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

Where the Group is the lessor

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

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

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization.

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

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

When intangible assets are sold or retired, their costs and accumulated amortization are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

Land use rights

Land use rights are recorded as intangible assets representing the value of the right to use the lands acquired or leased by the Group. The useful lives of land use rights are assessed as either finite or indefinite. Accordingly, land use rights with finite lives representing the land lease are amortized over the term of lease while the land use rights with indefinite useful lives are not amortized.

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

3.7 Depreciation and amortization

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

Buildings and structures	10 years
Machinery and equipment	5 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Land use rights	46 years
Brand name	10 - 20 years
Computer software	3 years
Land lease advantage	20 - 55 years
Customer relationships	16 years
Others	8 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Depreciation and amortization (continued)

The useful life of the fixed assets and depreciation and amortization rates are reviewed periodically to ensure that the method and the period of the depreciation and amortization are consistent with the expected pattern of economic benefits that will be derived from the use of the fixed assets.

3.8 Investment properties

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

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

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

Plant	13.5 years
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Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the period of retirement or disposal.

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

3.9 Construction in progress

Construction in progress represents tangible fixed assets under construction and is stated at cost. This includes costs of construction of plant, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

3.10 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred.

3.11 Prepaid expenses

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

Starting from 10 June 2013, according to Circular 45, the prepaid rental related to land lease contract with effectiveness after 2003 is not qualified for recognition as intangible asset. Accordingly, the unamortized balances of prepaid rental made in accordance with the lease contract with effectiveness after 2003 are reclassified from intangible assets to long-term prepaid expenses and allocated to the consolidated income statement over the remaining lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Business combination and goodwill*

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

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

After initial recognition, goodwill is measured at cost less accumulated amortization. Amortization of goodwill is calculated on a straight-line basis over ten (10) years during which the source embodying economic benefits are recovered by the Group.

3.13 *Investment in associates*

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

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over a 10-year period. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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

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

3.14 *Investment in jointly controlled entity*

The Group's investment in jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit (loss) of the jointly controlled entity is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend or profit sharing received or receivable from jointly controlled entities reduces the carrying amount of the investment.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Investments in securities and other investments*

Investments in securities and other investments are stated at their acquisition costs.

Provision is made for any diminution in value of the investments 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 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the consolidated income statement.

3.16 *Payables and accruals*

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

3.17 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been being in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Any increase to the accrued amount will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labor contracts following Article 48 of the Labour Code.

3.18 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at buying exchange rate announced by the commercial bank where the Group maintains bank accounts ruling at the balance sheet date. All realized and unrealized foreign exchange differences are taken to the consolidated income statement.

3.19 *Treasury shares*

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

3.20 *Earnings per share*

Basic earnings per share is computed by dividing net profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, where applicable.

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

3.21 *Segment information*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 *Appropriation of net profit*

Net profit after tax (excluding unrealized exchange gains as at the balance sheet date) is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Group's charter and Vietnamese regulatory requirements.

The Group maintains the following reserve funds which are appropriated from its net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting:

Financial reserve fund

This fund is set aside to protect the Group's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

Investment and development fund

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

Bonus and welfare fund

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

Dividends

Final dividends proposed by the Board of Directors are classified as a separate allocation of undistributed earnings within the equity section of the consolidated balance sheet, until they have been approved by the shareholders at the Annual General Meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability in the consolidated balance sheet.

3.23 *Revenue recognition*

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

Sale of goods

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

Rendering of services

Revenue is recognised when service is rendered and completed.

Interest

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

Dividends

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Taxation

Current income tax

Current income tax assets and liabilities for 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 by the balance sheet date.

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

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

Deferred tax

Deferred tax is provided using the balance sheet 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 purpose.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- where deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences 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 deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 *Taxation* (continued)

Deferred tax (continued)

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

3.25 *Financial instruments*

Initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210 /2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the separate financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loan receivables and short-term and long-term investments.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the consolidated financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans.

Subsequent re-measurement

No subsequent re-measurement of financial instruments is currently required.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

4. BUSINESS COMBINATION AND GOODWILL (continued)

4.1 Business combination

On 31 December 2014, the Group acquired additional 31% equity interest of TAP which made its investment in TAP increased from 49% to 80% accordingly.

The fair value of the net assets owned by TAP at the date of acquisition was assessed by management which showed that there were no identifiable intangible assets recognised on the acquisition and the fair values of the net assets acquired approximate their carrying amount. Accordingly, the fair values of identifiable assets and liabilities of TAP as at the acquisition date were as follows:

	<i>Fair value recognized on acquisition</i>
	VND
Assets	
Land use rights	350,000,000,000
Construction in progress	6,881,984,649
Cash and cash equivalents	1,601,427,523
Inventories	15,841,815
Other receivables	137,500,000,000
Other current assets	1,975,827,164
	<u>497,975,081,151</u>
Liabilities	
Accounts payable	295,663,146
	<u>497,679,418,005</u>
Total net assets	<u>154,280,619,582</u>
Net assets acquired, 31%	<u>154,280,619,582</u>
Goodwill arising on acquisition	719,380,418
	<u>155,000,000,000</u>

The total cost of business combination as presented above represents the transfer of TAP's shares from an individual to the Group under the form of offsetting against a receivable due from this individual.

4.2 Goodwill

Goodwill is amortized on a straight line basis over ten years from acquisition date. The amortization charges of goodwill during the year and the accumulated amortization as at balance sheet date are as follows:

	VND
Cost	
Beginning balance	454,059,745,854
Addition	719,380,418
Ending balance	<u>454,779,126,272</u>
Accumulated amortization	
Beginning balance	127,737,579,833
Amortization for the year	46,414,951,874
Ending balance	<u>174,152,531,707</u>
Net carrying amount	
Beginning balance	<u>326,322,166,021</u>
Ending balance	<u>280,626,594,565</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

5. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	9,362,694,558	1,902,172,564
Cash in banks	610,501,854,049	282,810,221,399
Cash in transit	1,531,000,000	2,352,154,161
Cash equivalents	1,845,782,000,000	1,671,000,000,000
TOTAL	<u>2,467,177,548,607</u>	<u>1,958,064,548,124</u>

Cash equivalents represent term deposits at the commercial banks with the original maturity of less than three months and earn the interest at the rates ranging from 5% to 5.5% p.a.

6. CURRENT ACCOUNTS RECEIVABLE

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables	179,621,469,269	188,931,745,641
<i>In which:</i>		
<i>Due from related parties (Note 29)</i>	<i>16,071,747,403</i>	<i>26,479,518,640</i>
<i>Due from unrelated parties</i>	<i>163,549,721,866</i>	<i>162,452,227,001</i>
Advances to suppliers	69,329,681,247	70,757,652,186
<i>In which:</i>		
<i>Due from a related party (Note 29)</i>	<i>13,755,048,742</i>	<i>13,950,621,542</i>
<i>Due from unrelated parties</i>	<i>55,574,632,505</i>	<i>56,807,030,644</i>
Other receivables	538,297,499,600	603,491,045,600
<i>In which:</i>		
<i>Advance for investment (*)</i>	<i>467,750,573,417</i>	<i>30,941,621,645</i>
<i>Advance for investment consulting services</i>	<i>29,604,096,321</i>	<i>-</i>
<i>Interest receivable</i>	<i>28,713,004,976</i>	<i>3,023,356,389</i>
<i>Due from a related party (Note 29)</i>	<i>1,450,000</i>	<i>402,054,592,874</i>
<i>Other receivables</i>	<i>12,228,374,886</i>	<i>167,471,474,692</i>
Provision for doubtful debts	<u>(3,217,586,213)</u>	<u>(3,287,129,493)</u>
NET	<u>784,031,063,903</u>	<u>859,893,313,934</u>

(*) In accordance with the Extraordinary General Meeting Resolution dated 1 December 2014, the Group's shareholders approved a plan to acquire additional shares in Vietnam Vegetable Oils Industry Corporation ("Vocarimex"). The ending balance represents the advances made for the said additional acquisition of shares.

Details of movement of provision for doubtful debts

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	3,287,129,493	1,631,142,631
Provision created during the year	3,217,586,213	3,287,129,493
Reversal of provision during the year	<u>(3,287,129,493)</u>	<u>(1,631,142,631)</u>
Ending balance	<u>3,217,586,213</u>	<u>3,287,129,493</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

7. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Raw materials	187,640,895,041	182,115,956,240
Finished goods	55,542,223,591	66,529,353,608
Tools and supplies	39,815,078,721	37,506,961,237
Merchandise goods	16,761,055,797	11,119,095,817
Goods in transit	34,323,130,980	8,398,681,676
Goods on consignment	7,921,831,996	8,479,275,211
Work in process	3,167,541,062	3,464,716,868
TOTAL	345,171,757,188	317,614,040,657
Provision for obsolete inventories	<u>(11,431,307,218)</u>	<u>(13,916,436,529)</u>
NET	<u>333,740,449,970</u>	<u>303,697,604,128</u>

Details of movement of provision for obsolete inventories

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	13,916,436,529	7,339,802,889
Provision created during the year	11,431,307,218	13,916,436,529
Reversal of provision during the year	<u>(13,916,436,529)</u>	<u>(7,339,802,889)</u>
Ending balance	<u>11,431,307,218</u>	<u>13,916,436,529</u>

8. TAX AND OTHER RECEIVABLE FROM THE STATE

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax overpaid (Note 28.2)	1,713,569,134	16,764,949,919
Others	<u>227,608,798</u>	<u>750,371,719</u>
TOTAL	<u>1,941,177,932</u>	<u>17,515,321,638</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total	VND
Cost						
Beginning balance	411,196,221,621	1,137,682,791,711	130,235,425,057	76,031,362,629	1,755,145,801,018	
Increases	5,030,225,438	150,841,092,181	14,513,991,367	7,422,495,280	177,807,804,266	
<i>In which:</i>						
<i>New purchase</i>	5,030,225,438	18,997,627,263	14,513,991,367	7,422,495,280	45,964,339,348	
<i>Transfer from construction in progress</i>	-	131,843,464,918	-	-	131,843,464,918	
Reclassifications	(2,837,029,738)	(1,917,338,388)	-	560,300,388	(4,194,067,738)	
Disposal	(845,131,652)	(8,968,059,940)	(7,060,060,219)	(7,974,220,770)	(24,847,472,581)	
Ending balance	412,544,285,669	1,277,638,485,564	137,689,356,205	76,039,937,527	1,903,912,064,965	
<i>In which:</i>						
<i>Fully depreciated</i>	17,338,197,079	178,698,982,890	16,127,865,721	21,135,512,148	233,300,557,838	
Accumulated depreciation						
Beginning balance	116,047,106,874	606,650,251,926	64,453,600,899	48,713,052,218	835,864,011,917	
Depreciation for the year	25,441,595,006	102,146,003,696	13,997,943,117	7,961,517,560	149,547,059,379	
Reclassifications	(1,638,629,207)	(915,629,910)	-	779,926,110	(1,774,333,007)	
Disposal	(690,025,680)	(8,474,496,799)	(6,290,786,727)	(7,889,205,604)	(23,344,514,810)	
Ending balance	139,160,046,993	699,406,128,913	72,160,757,289	49,565,290,284	960,292,223,479	
Net carrying amount						
Beginning balance	295,149,114,747	531,032,539,785	65,781,824,158	27,318,310,411	919,281,789,101	
Ending balance	273,384,238,676	578,232,356,651	65,528,598,916	26,474,647,243	943,619,841,486	

The machinery of the Group with a carrying amount of VND 71,786,307,003 were placed as collateral for the Group's long-term loans from the banks. Details of such loans are presented in Note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

10. INTANGIBLE ASSETS

	Brand name	Land use rights	Computer software	Land lease advantage	Customer relationships	Others	Total	VND
Cost								
Beginning balance	16,591,966,348	1,278,278,770	76,794,973,826	55,268,061,157	277,615,077,188	2,000,000,000	429,548,357,289	
Additions	-	350,000,000,000	457,000,000	-	-	-	350,457,000,000	
<i>In which:</i>								
New purchase	-	-	457,000,000	-	-	-	457,000,000	
Increase from business combination	-	350,000,000,000	-	-	-	-	350,000,000,000	
Disposal	-	-	(1,913,824,444)	-	-	-	(1,913,824,444)	
Ending balance	16,591,966,348	351,278,278,770	75,338,149,382	55,268,061,157	277,615,077,188	2,000,000,000	778,091,532,845	
<i>In which:</i>								
Fully amortized	-	671,220,840	1,668,852,260	-	-	-	2,340,073,100	
Accumulated amortization								
Beginning balance	4,977,589,905	1,068,653,512	35,495,842,822	7,919,881,904	52,052,826,972	1,833,333,332	103,348,128,447	
Amortization for the year	1,659,196,635	20,213,663	7,508,007,108	2,937,385,446	17,350,942,324	166,666,668	29,642,411,844	
Disposal	-	-	(1,783,991,229)	-	-	-	(1,783,991,229)	
Ending balance	6,636,786,540	1,088,867,175	41,219,858,701	10,857,267,350	69,403,769,296	2,000,000,000	131,206,549,062	
Net carrying amount								
Beginning balance	11,614,376,443	209,625,258	41,299,131,004	47,348,179,253	225,562,250,216	166,666,668	326,200,228,842	
Ending balance	9,955,179,808	350,189,411,595	34,118,290,681	44,410,793,807	208,211,307,892	-	646,884,983,783	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

11. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Software development	9,360,438,730	2,437,080,393
Installation of machinery	4,304,457,182	120,770,769,156
Construction of new plants	2,331,277,842	-
Others	6,881,984,649	2,501,806,612
TOTAL	<u>22,878,158,403</u>	<u>125,709,656,161</u>

12. INVESTMENT PROPERTY

	VND
	<i>Plant</i>
Cost	
Beginning and ending balances	<u>34,524,970,816</u>
Accumulated depreciation	
Beginning balance	13,080,062,245
Depreciation for the year	<u>2,573,389,029</u>
Ending balance	<u>15,653,451,274</u>
Net carrying amount	
Beginning balance	<u>21,444,908,571</u>
Ending balance	<u>18,871,519,542</u>

Investment property represents the plant which was leased out to North Tribeco Joint Stock Company for 15 years starting from 25 May 2007. The cost of this investment property is depreciated over 13.5 years commencing from 17 November 2008. The fair value of the investment property had not yet been formally assessed and determined as at 31 December 2014. However, it is management's assessment that the fair value of this property is higher than its carrying value as at the balance sheet date.

13. INVESTMENTS

13.1 Investments in associate and jointly controlled entity

<i>Name of associate and jointly controlled entity</i>	<i>Carrying value</i>			
	<i>Interest</i>	<i>Ending balance</i>	<i>Interest</i>	<i>Beginning balance</i>
	%	VND	%	VND
Lavenue	50.00	1,050,000,000,000	50.00	1,050,000,000,000
Vocarimex	24.00	421,505,599,984	-	-
TAP	-	-	49.00	205,300,000,000
TTR	-	-	30.00	1,800,000,000
TOTAL		<u>1,471,505,599,984</u>		<u>1,257,100,000,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

13. INVESTMENTS (continued)

13.2 Short-term investments

	Ending balance		Beginning balance	
	Number of shares	Amount VND	Number of shares	Amount VND
Marketable securities, net		2,705,600		3,681,723,350
Short-term securities	206	8,299,143	95,691	4,778,276,394
<i>In which:</i>				
<i>Listed shares</i>	206	8,299,143	45,691	1,278,276,394
<i>Unlisted shares</i>	-	-	50,000	3,500,000,000
Provision for diminution in value of securities		(5,593,543)		(1,096,553,044)
Other short-term investments, net		700,098,000,000		35,798,000,000
Short-term deposit in Vietnam Prosperity Bank (i)		700,000,000,000		-
Other short-term investments		8,098,000,000		43,798,000,000
<i>In which:</i>				
<i>Short-term investments in corporate bond of REE</i>	1,000	98,000,000	1,000	98,000,000
<i>Loans to Hung Vuong Corporation</i>		-		35,700,000,000
<i>Other short-term investment</i>		8,000,000,000		8,000,000,000
Provision for other short- term investments		(8,000,000,000)		(8,000,000,000)
Net value of short-term investments		700,100,705,600		39,479,723,350

(i) The Group used this short-term deposit to mortgage and pledge for the loans from this bank obtained by Kinh Do Land Corporation.

13.3 Other long-term investments

	Ending balance		Beginning balance	
	Number of fund certificate	Amount VND	Number of fund certificate	Amount VND
Viet Capital Healthcare Fund	86	8,640,000,000	150	15,000,000,000

14. LONG-TERM PREPAID EXPENSES

	Ending balance		Beginning balance	
		Amount VND		Amount VND
Land rental		60,994,973,604		71,275,053,740
Tools and consumables		42,209,715,252		47,416,744,169
Others		6,556,784,963		5,682,202,370
TOTAL		109,761,473,819		124,374,000,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

15. SHORT-TERM LOANS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term loans	502,273,638,213	255,722,512,286
Current portion of long-term loans (<i>Note 21</i>)	<u>51,044,853,498</u>	<u>145,216,700,016</u>
TOTAL	<u>553,318,491,711</u>	<u>400,939,212,302</u>

The Group has obtained loans from banks to finance its working capital requirements. The ending balance is as follows:

<i>Name of bank</i>	<i>Ending balance</i>	<i>Term</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND		% p.a.	
Vietnam International Bank	163,202,158,098	6 months from drawdown date	5 - 5.5	Unsecured
Taipei Fubon Commercial Bank	106,230,000,000	6 months from drawdown date	3	Unsecured
Vietnam Joint Stock Commercial Bank for Industry and Trade	100,000,000,000	5 months from drawdown date	5.2	Unsecured
Hongkong and Shanghai Bank Corporation	89,670,279,097	90 days from drawdown date	5.5 - 5.8	Unsecured
Military Joint Stock Commercial Bank	27,262,272,825	5 months from drawdown date	5.2	Assets at Tay Bac Cu Chi Industrial Zone
United Overseas Bank	14,249,652,993	30 days from drawdown date	5.1 - 5.5	Unsecured
ChinaTrust Commercial Bank	1,659,275,200	180 days from drawdown date	5.2	Unsecured
TOTAL	<u>502,273,638,213</u>			

16. TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payables to unrelated parties	265,946,544,319	265,262,235,541
Payables to related parties (<i>Note 29</i>)	<u>12,092,229,596</u>	<u>18,510,145,567</u>
TOTAL	<u>278,038,773,915</u>	<u>283,772,381,108</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

17. ADVANCE FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payables to unrelated parties	37,066,122,475	34,845,875,955
Payables to related parties	-	104,852,253
TOTAL	<u>37,066,122,475</u>	<u>34,950,728,208</u>

18. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (<i>Note 28.2</i>)	32,596,893,838	60,627,851,285
Value-added tax payable	9,517,587,240	17,662,993,337
Land rental fees	5,176,863,038	-
Other taxes	3,363,115,001	3,536,278,041
TOTAL	<u>50,654,459,117</u>	<u>81,827,122,663</u>

19. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Marketing expenses	148,046,257,305	93,547,309,568
13th month salary and bonus	56,109,633,177	45,985,328,998
Tax on changing of purpose for use of land	34,594,000,000	34,594,000,000
Sales commission	21,898,027,385	20,871,418,585
Transportation fees	22,207,185,365	14,350,962,827
Utilities	9,774,809,785	5,458,486,312
License fees	6,120,702,896	5,752,005,440
Interest expense	1,381,060,512	1,931,764,928
Others	9,599,468,289	7,617,763,267
TOTAL	<u>309,731,144,714</u>	<u>230,109,039,925</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

20. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payables for purchasing treasury shares	169,356,357,000	-
Unearned revenue	2,947,932,000	2,947,932,000
Dividends payable	2,181,123,780	2,435,013,268
Deposits received	2,072,218,796	2,767,218,796
Capital holding on behalf	-	100,000,000,000
Others	9,705,740,910	14,207,341,990
TOTAL	<u>186,263,372,486</u>	<u>122,357,506,054</u>
<i>In which:</i>		
<i>Payables to related parties</i>	-	100,614,628,800
<i>Payables to unrelated parties</i>	186,263,372,486	21,742,877,254

21. LONG-TERM LOANS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Long-term loans from banks	51,044,853,498	314,102,469,716
Less:		
Current portion of long-term loans (<i>Note 15</i>)	51,044,853,498	145,216,700,016
NON-CURRENT PORTION	<u>-</u>	<u>168,885,769,700</u>

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

<i>Name of bank</i>	<i>Ending balance</i>	<i>Term</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND		% p.a.	
United Overseas Bank - In USD	51,044,853,498	36 months from the first withdrawal date on 8 November 2012	4 plus VNIBOR on US\$	The new soft-cakes production line amounting to VND 71,786,307,003
<i>In which:</i>				
<i>Current portion</i>	<u>51,044,853,498</u>			
TOTAL	<u>51,044,853,498</u>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

22. OWNERS' EQUITY

22.1 Increase and decrease in owners' equity

	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Other funds belonging to owners' equity	Undistributed earnings	VND Total
Beginning balance	1,599,216,250,000	2,189,781,329,788	(655,246,276,814)	25,370,280,515	25,792,635,752	15,909,752,661	809,449,689,144	4,010,273,661,046
Issuance of new shares issued to employees	66,010,000,000	31,686,000,000	-	-	-	-	-	97,696,000,000
Issuance of new shares for business combination	11,056,450,000	40,630,558,500	-	-	-	-	-	51,687,008,500
Acquisition of treasury shares	-	82,210,830,889	502,620,072,914	-	-	-	-	584,830,903,803
Net profit for the year	-	-	-	-	-	-	493,869,552,142	493,869,552,142
Dividends declared	-	-	-	-	-	-	(318,141,106,487)	(318,141,106,487)
Transferred to funds	-	-	-	-	-	-	(31,543,480,073)	(31,543,480,073)
Board of Directors' allowance	-	-	-	-	-	-	(7,028,950,000)	(7,028,950,000)
Ending balance	1,676,282,700,000	2,344,308,719,177	(152,626,203,900)	25,370,280,515	25,792,635,752	15,909,752,661	946,605,704,726	4,881,643,588,931
Beginning balance	1,676,282,700,000	2,344,308,719,177	(152,626,203,900)	25,370,280,515	25,792,635,752	15,909,752,661	946,605,704,726	4,881,643,588,931
Issuance of new shares to employees	65,000,000,000	52,000,000,000	-	-	-	-	-	117,000,000,000
Issuance of new shares for strategic investors	400,000,000,000	1,303,236,643,412	-	-	-	-	-	1,703,236,643,412
Issuance of bonus shares for existing shareholders	425,251,270,000	(425,251,270,000)	-	-	-	-	-	-
Purchase of treasury shares (*)	-	-	(653,199,988,000)	-	-	-	-	(653,199,988,000)
Net profit for the year	-	-	-	-	-	-	536,445,639,109	536,445,639,109
Dividends declared	-	-	-	-	-	-	(378,772,028,000)	(378,772,028,000)
Transferred to funds	-	-	-	-	-	-	(14,817,893,820)	(14,817,893,820)
Board of Directors' allowance	-	-	-	-	-	-	(4,928,000,000)	(4,928,000,000)
Ending balance	2,566,533,970,000	3,274,294,092,589	(805,826,191,900)	25,370,280,515	25,792,635,752	15,909,752,661	1,084,533,422,015	6,186,607,961,632

(*) In accordance with the Extraordinary General Meeting Resolution dated 1 December 2014, the Group's shareholders approved a plan for the purchase of treasury shares up to 30% of its issued ordinary shares. On 31 December 2014, the Group completed purchase of 6,574,292 treasury shares amounting to VND 483,843,631,000 and was in the process of completing an order to additional purchase of 3,401,660 treasury shares amounting to VND 169,356,357,000.

Subsequent to the balance sheet date, the Group also completed another purchase of 20,000,000 treasury shares amounting to VND 1,000,860,000,000 and submitted the Report of Treasury Shares Purchasing Result to the State Securities Commission.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

22. OWNERS' EQUITY (continued)

22.2 Capital transactions with owners and distribution of dividends

	VND	
	Current year	Previous year
Issued share capital		
Beginning balance	1,676,282,700,000	1,599,216,250,000
Increase	890,251,270,000	77,066,450,000
Ending balance	<u>2,566,533,970,000</u>	<u>1,676,282,700,000</u>

22.3 Shares

	Share	
	Current year	Previous year
Ordinary shares authorised to be issued	256,653,397	167,628,270
Ordinary shares issued and fully paid	256,653,397	167,628,270
Treasury shares held by the Group	(11,468,287)	(1,492,335)
Ordinary outstanding shares	245,185,110	166,135,935

22.4 Dividends

	VND	
	Current year	Previous year
Dividends declared during the year	378,772,028,000	318,141,106,487
<i>Final dividends for 2013: VND 2,000 per share (2012: VND 2,000 per share)</i>	<i>378,772,028,000</i>	<i>318,141,106,487</i>
Dividends paid during the year	379,025,917,488	317,070,140,579

In accordance with the 2015 Extraordinary General Meeting ("EGM") Resolution dated 12 March 2015, the Group's shareholders approved a plan to declare the 2014 dividends for existing shareholders at 200% of par value, which is VND 20,000 per share. At the date of these consolidated financial statements, the Board of Director is in process of implementing the said plan.

22.5 Earnings per share

	Current year	Previous year
Net profit attributable to the Company's shareholders (VND)	536,445,639,109	493,869,552,142
Weighted average number of ordinary shares	233,652,061	194,315,943
Basic earnings per share (VND)	2,296	2,542
Diluted earnings per share (VND)	2,296	2,542

The weighted average number of ordinary shares has taken into account the treasury shares and bonus shares made by the Group up to the date of these consolidated financial statements. Accordingly, the opening weighted average number of ordinary shares has been adjusted retrospectively.

There are no potential dilutive ordinary shares as at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

23. REVENUES

23.1 Revenues from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	5,125,718,821,077	4,674,796,415,910
<i>Of which:</i>		
<i>Sale of finished goods</i>	5,027,197,963,283	4,593,939,105,675
<i>Sale of merchandise goods</i>	95,277,259,191	78,697,252,611
<i>Rendering of services</i>	3,243,598,603	2,160,057,624
Less	(173,055,897,638)	(114,198,130,572)
<i>Of which:</i>		
<i>Sales returns</i>	(78,839,708,547)	(52,633,490,262)
<i>Sales discounts</i>	(94,216,189,091)	(61,564,640,310)
NET REVENUE	<u>4,952,662,923,439</u>	<u>4,560,598,285,338</u>

23.2 Finance income

	VND	
	Current year	Previous year
Interest income	138,966,526,733	108,281,743,978
Realized foreign exchange gains	3,183,710,423	2,630,600,578
Gains from disposal of investment	1,456,767,250	1,569,220,394
Others	720,086,024	653,728,957
TOTAL	<u>144,327,090,430</u>	<u>113,135,293,907</u>

24. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of finished goods sold	2,750,536,925,604	2,489,214,834,327
Cost of merchandise sold	54,532,662,240	44,467,415,735
Cost of services rendered	2,573,389,029	2,573,389,028
Others	(812,450,319)	48,229,070,154
TOTAL	<u>2,806,830,526,554</u>	<u>2,584,484,709,244</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

25. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	20,731,742,626	43,391,810,398
Realized foreign exchange loss	3,720,588,624	3,139,219,009
Unrealized foreign exchange loss	1,141,136,920	2,258,288,851
Finance consulting fees	-	34,328,987,760
Reversal of provision for investment diminution	-	(15,616,014,863)
Others	592,028,756	6,014,649,072
TOTAL	<u>26,185,496,926</u>	<u>73,516,940,227</u>

26. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Other income	63,331,885,612	30,372,643,049
Proceeds on land use rights	31,884,849,516	-
Sale of scrap materials	12,150,033,146	12,340,588,017
Rental income	3,723,456,727	-
Proceeds on disposal of fixed assets	2,871,533,727	7,167,957,959
Others	12,702,012,496	10,864,097,073
Other expenses	(32,196,031,460)	(34,690,086,601)
Expenses on disposal of fixed assets	(1,632,790,986)	(5,765,583,605)
Expenses on disposal of land use rights	(8,356,352,539)	-
Disposal of scrap materials	(8,495,782,014)	(6,707,431,121)
Penalty	(561,161,960)	(4,243,636,059)
Others	(13,149,943,961)	(17,973,435,816)
NET	<u>31,135,854,152</u>	<u>(4,317,443,552)</u>

27. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of merchandise goods	23,601,343,871	44,467,415,735
Raw materials	2,186,929,212,008	1,986,466,175,919
Labour costs	797,399,900,824	665,734,246,822
Depreciation and amortization (Notes 4, 9, 10 and 12)	228,177,812,126	230,052,975,960
Expenses from external services	683,503,647,577	581,591,958,146
Other expenses	523,459,085,845	477,497,756,620
TOTAL	<u>4,443,071,002,251</u>	<u>3,985,810,529,202</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

28. CORPORATE INCOME TAX

The Company and its subsidiaries, except for KDBD, have the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits (2013: 25%).

KDBD has the obligation to pay the CIT at the rate of 15% of taxable profits for twelve (12) years from commencement of its operations, and 25% for the years thereafter. KDBD is entitled to an exemption from CIT for three (3) years commencing from the first year of earning profits (year 2008) and a 50% reduction from CIT for the following seven (7) years.

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

28.1 CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current income tax expense	121,010,750,584	118,676,164,588
Deferred tax expense	<u>4,823,411,040</u>	<u>7,148,912,968</u>
TOTAL	<u>125,834,161,624</u>	<u>125,825,077,556</u>

28.2 Current tax

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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28. CORPORATE INCOME TAX (continued)

28.2 Current tax (continued)

A reconciliation between the taxable profit and accounting profit as reported in the consolidated income statement is presented below:

	<i>Current year</i>	<i>Previous year</i>
		VND
Accounting profit before tax	662,958,462,227	618,617,962,194
<i>Adjustments:</i>		
Permanent differences		
Amortization of goodwill	46,414,951,874	44,643,343,543
Payments not related to taxable income	31,233,884,848	50,610,068,519
Amortization of revalued intangible assets	21,626,470,878	21,708,646,991
Profit from reissuing treasury shares held by subsidiaries	-	109,771,116,686
Advertising expenses in excess of 15% cap	-	82,496,490,142
Other adjustments	9,910,932,373	4,008,871,773
Temporary differences		
Accrued expenses	18,446,624,063	5,099,602,203
Unrealized profits	(10,995,447,441)	725,046,329
Severance allowance	(9,569,812,628)	417,312,314
Allocation of prepaid expenses exceeded	(2,082,800,000)	4,165,600,000
Unrealized gains on foreign exchange differences	(361,647,921)	2,927,966,169
Provision for obsolete inventories	875,818,540	5,613,303,193
Reversal of provision for loans to related parties	-	(12,500,000,000)
Provision for investment diminution	-	(3,651,496,756)
Taxable profit before tax loss carried forward	768,457,436,813	934,653,833,300
Utilization of tax losses carried forward	(2,526,796,680)	-
Estimated current taxable income	765,930,640,133	934,653,833,300
Estimated current CIT	143,957,671,174	191,816,622,453
CIT exemption	(26,423,755,242)	(31,956,622,487)
Adjustment for CIT from re-issue of treasury shares by subsidiaries recognised directly to share premium	-	(27,560,285,797)
Estimated CIT expense	117,533,915,932	132,299,714,169
Under-accrued (over-accrued) CIT in previous years	3,476,834,652	(13,623,549,581)
CIT expense	121,010,750,584	118,676,164,588
CIT payable at beginning of year	43,862,901,366	79,116,759,336
Adjustment for CIT from re-issue of treasury shares by subsidiaries	-	27,560,285,797
CIT paid during the year	(133,990,327,246)	(181,490,308,355)
CIT payable at end of year	30,883,324,704	43,862,901,366
<i>In which:</i>		
CIT payable (Note 18)	32,596,893,838	60,627,851,285
CIT overpaid (Note 8)	(1,713,569,134)	(16,764,949,919)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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28. CORPORATE INCOME TAX (continued)

28.3 Deferred tax

The Group recognized deferred CIT as at the balance sheet date as follows:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Accrued expense	26,431,040,676	25,203,852,708	1,227,187,968	(6,632,106,491)
Severance allowance	6,811,318,348	9,089,061,831	(2,277,743,483)	(947,721,791)
Provision for other investment	1,760,000,000	1,760,000,000	-	1,760,000,000
Provision for obsolete inventories	773,559,185	778,982,791	(5,423,606)	346,403,370
Allocation of prepaid expenses exceeded	458,216,000	916,432,000	(458,216,000)	916,432,000
Unrealized profits	(353,793,089)	2,656,344,922	(3,010,138,011)	(180,967,271)
Unrealized gains on foreign exchange differences	(88,989,691)	(7,979,377)	(81,010,314)	731,141,329
Depreciation	32,250,131	250,317,725	(218,067,594)	(62,482,202)
Provision for investment diminution	-	-	-	(3,125,000,000)
Provision for investment diminution at subsidiary level	-	-	-	45,388,088
TOTAL	35,823,601,560	40,647,012,600	(4,823,411,040)	(7,148,912,968)

29. TRANSACTIONS WITH RELATED PARTIES

Related parties transactions include all transactions undertaken with other companies to which the Group is related, either through the investor/investee relationship or because they share a common investor and thus are considered to be a part of the same corporate group.

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND Amount</i>
Kinh Do Saigon Bakery Joint Stock Corporation	Related party	Sale of finished goods	3,274,426,815
		Service rendered	449,891,444
		Sales of raw and packaging materials, tools and supplies	384,343,524
Kinh Do Investment Co., Ltd.	Related party	Loan collection	286,000,000,000
		Short term loan to	286,000,000,000
		Loan interest receivable	3,983,388,889
		License fees	44,201,853,036
Hung Vuong Corporation	Related party	Loan interest receivable	966,875,000
		Loan collection	35,700,000,000
Tung Yoan Co., Ltd.	Related party	Purchase of Packing Expenses related to printing cost	32,667,011,738 552,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of the Board of Directors, management and the Board of Supervision during the year was as follows:

	<i>Current year</i>	<i>Previous year</i>
		<i>VND</i>
<i>Board of Directors</i>		
Allowance and bonus	11,365,239,465	7,016,950,000
<i>Management</i>		
Salaries and bonus	32,570,435,851	25,407,190,000
<i>Board of Supervision</i>		
Allowance and bonus	<u>168,150,000</u>	<u>174,000,000</u>
TOTAL	<u>44,103,825,316</u>	<u>32,598,140,000</u>

Amounts due from and due to related parties at the balance sheet date, other than the investments disclosed in Note 13, were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Receivable (payable)</i>
			<i>VND</i>
Trade receivables			
Kinh Do Saigon Bakery Joint Stock Corporation	Related party	Sale of finished goods, materials, tools and supplies	14,596,240,609
Kinh Do Land Corporation	Related party	Sale of finished goods	<u>1,475,506,794</u>
			<u>16,071,747,403</u>
Other receivable			
Kinh Do Investment Co., Ltd.	Related party	Payment on behalf	<u>1,450,000</u>
Advance to supplier			
Kinh Do Investment Co., Ltd.	Related party	Advance for license fees	<u>13,755,048,742</u>
Trade payables			
Tong Yuan Co., Ltd.	Related party	Purchase of packaging	(11,288,817,589)
Kinh Do Saigon Bakery Joint Stock Corporation	Related party	Purchase of finished goods	<u>(803,412,007)</u>
			<u>(12,092,229,596)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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30. COMMITMENTS

Operating lease commitment

The Group leases land, offices and warehouses under operating lease arrangements. The minimum lease commitment as at the balance sheet date under the operating lease agreements is as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Within one year	69,897,808,665	54,810,143,295
After one year but not more than five years	207,269,912,080	168,147,573,881
More than five years	193,971,673,629	170,712,526,759
TOTAL	<u>471,139,394,374</u>	<u>393,670,243,935</u>

Capital contribution obligation

As at the balance sheet date, the Group had outstanding capital contribution obligation to a subsidiary amounting to VND 37,500,000,000.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and debts, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loans, receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group does not hold or issue derivative financial instruments.

The Group is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees on the policies for managing each of these risks which are summarized below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analyses in the following sections relate to the Group's consolidated financial position as at the balance sheet date.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that the consolidated balance sheet relates to financial instruments and the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to market risk for changes in interest rate relates primarily to the Group's short-term investments including cash and short-term deposits and its loans.

The Group manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favourable for its purposes within its risk management limits.

Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and deposits and its effect to the Group's profit before tax:

	<i>Increase/decrease in basis points</i>	<i>Effect on profit before tax</i>
		VND
Current year		
USD	+100	586,882,667
VND	+200	37,815,224,019
USD	-100	(586,882,667)
VND	-200	(37,815,224,019)
Previous year		
USD	+100	(2,439,546,151)
VND	+300	48,965,734,669
USD	-100	2,439,546,151
VND	-300	(48,965,734,669)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

The Group is not exposed to foreign currency risk as most of the Group's operating activities, which are relating to purchases and sales of goods, are denominated in VND, the Group's accounting currency. The Group does not employ any derivative financial instruments to hedge its foreign currency exposure.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Group manages equity price risk by placing a limit on equity investments. The Group's Board of Directors reviews and approves all equity investment decisions.

At the balance sheet date, the Group is not exposed to significant equity securities price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Commodity price risk

The Group is exposed to commodity price risk in relation to purchase of certain commodities. The Group manages its commodity price risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, short-term investments and other financial instruments.

Trade receivables

Customer credit risk is managed by the Group based on its established policy, procedures and control to minimise credit risk at an acceptable level. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, management evaluates that there is no significant concentration of credit risk.

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Group's treasury department in accordance with its policy. The Group's maximum exposure to credit risk for the components of the consolidated balance sheet at each reporting dates are the carrying amounts. Management evaluates the concentration of credit risk in respect to bank deposit as low.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Other financial instruments

Other financial instruments of the Group mainly include trade and other receivables and management evaluates all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties except for the following receivable which are past due but not impaired as at the balance sheet date:

	Total	Neither past due nor impaired	Past due but not impaired			VND
			< 90 days	91–180 days	181–210 days	
Ending balance						
Trade receivables and other receivables	714,701,382,656	629,212,083,249	59,424,878,913	5,598,287,811	2,218,264,122	18,247,868,561
Beginning balance						
Trade receivables and other receivables	792,422,791,241	693,425,596,331	62,623,704,495	9,720,926,085	1,071,556,890	25,581,007,440
Loans to related parties	35,700,000,000	35,700,000,000	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligation due to shortage of funds. The Group is exposed to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity risk by maintaining a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual discounted payments:

	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>VND Total</i>
Ending balance			
Loans	553,318,491,711	-	553,318,491,711
Trade payables	278,038,773,915	-	278,038,773,915
Other payables and accrued expenses	<u>439,884,884,023</u>	<u>13,263,005,860</u>	<u>453,147,889,883</u>
TOTAL	<u>1,271,242,149,649</u>	<u>13,263,005,860</u>	<u>1,284,505,155,509</u>
Beginning balance			
Loans	400,939,212,302	168,885,769,700	569,824,982,002
Trade payables	283,772,381,108	-	283,772,381,108
Other payables and accrued expenses	<u>206,481,216,981</u>	<u>11,873,420,941</u>	<u>218,354,637,922</u>
TOTAL	<u>891,192,810,391</u>	<u>180,759,190,641</u>	<u>1,071,952,001,032</u>

Management assessed the concentration of risk with respect to refinancing its debt and concluded it as low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements:

	Carrying amount			Fair value		
	Ending balance	Provision	Beginning balance	Ending balance	Beginning balance	
	Cost		Cost			VND
Financial assets						
Investments in securities	8,299,143	(5,593,543)	4,778,276,394	(1,096,553,044)	2,705,600	3,681,723,350
Fund certificates	8,640,000,000	-	15,000,000,000	-	8,640,000,000	15,000,000,000
Corporate bond	98,000,000	-	98,000,000	-	98,000,000	98,000,000
Bank deposits	700,000,000,000	-	-	-	700,000,000,000	-
Deposits	14,261,832,420	-	13,240,682,284	-	14,261,832,420	13,240,682,284
Other short-term investment	8,000,000,000	(8,000,000,000)	43,700,000,000	(8,000,000,000)	-	35,700,000,000
Trade receivables	179,621,469,269	(3,217,586,213)	188,931,745,641	(3,287,129,493)	176,403,883,056	185,644,616,148
Other receivables	538,297,499,600	-	603,491,045,600	-	538,297,499,600	603,491,045,600
Cash and cash equivalents	2,467,177,548,607	-	1,958,064,548,124	-	2,467,177,548,607	1,958,064,548,124
TOTAL	3,916,104,649,039	(11,223,179,756)	2,827,304,298,043	(12,383,682,537)	3,904,881,469,283	2,814,920,615,506
						VND
Financial liabilities						
Loans			Ending balance	Beginning balance	Ending balance	Beginning balance
Trade payables			553,318,491,711	569,824,982,002	553,318,491,711	569,824,982,002
Other current liabilities			278,038,773,915	283,772,381,108	278,038,773,915	283,772,381,108
			453,147,889,883	218,354,637,922	453,147,889,883	218,354,637,922
TOTAL			1,284,505,155,509	1,071,952,001,032	1,284,505,155,509	1,071,952,001,032

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of quoted bonds and shares is based on price quotations at the reporting date.
- Fair value of other financial assets is derived from quoted market prices in active markets, if available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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33. SEGMENT INFORMATION

The Group's principal activities are to process agricultural products and foods which include purified drinks and dairy products. The Group views these activities as one business segment. However, the Group manages its geographical segments based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

The Group's geographically segments comprise South and North of Vietnam. The following tables present revenue, profit and certain assets, liabilities information regarding the Group's geographical segments:

	<i>South segment</i>	<i>North segment</i>	<i>VND Total</i>
Current year			
Segment revenue			
Sales to external customers	3,309,096,191,869	1,816,622,629,208	5,125,718,821,077
Sales deductions	(131,424,718,357)	(41,631,179,281)	(173,055,897,638)
Inter-segment sales	286,691,409,728	20,723,910,718	307,415,320,446
	<u>3,464,362,883,240</u>	<u>1,795,715,360,645</u>	<u>5,260,078,243,885</u>
<i>Reconciliation:</i>			
Elimination of inter-segment sales			(307,415,320,446)
Revenue for the year			<u>4,952,662,923,439</u>
Segment results	300,940,302,272	290,198,327,722	591,138,629,994
<i>Reconciliation:</i>			
Interest income			138,966,526,733
Interest expense			(20,731,742,626)
Amortization of goodwill			(46,414,951,874)
Profit before tax			<u>662,958,462,227</u>
Other segment information			
Depreciation and amortization	165,706,923,684	62,470,888,442	228,177,812,126
Provision for doubtful debts	(1,350,343,280)	1,280,800,000	(69,543,280)
Provision for obsolete inventories	(4,194,582,724)	1,709,453,413	(2,485,129,311)
Provision for investment diminution	(1,090,959,501)	-	(1,090,959,501)
Segment assets	6,898,163,907,442	866,195,831,152	7,764,359,738,594
<i>Reconciliation:</i>			
Elimination of inter-segment receivables			(169,109,822,696)
Unallocated assets			280,626,594,565
Total assets			<u>7,875,876,510,463</u>
Segment liabilities	1,365,918,146,207	391,376,997,354	1,757,295,143,561
<i>Reconciliation:</i>			
Elimination of inter-segment payables			(169,109,822,696)
Total liabilities			<u>1,588,185,320,865</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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33. SEGMENT INFORMATION (continued)

The following tables present revenue, profit and certain assets, liabilities information regarding the Group's geographical segments: (continued)

	<i>South segment</i>	<i>North segment</i>	<i>VND Total</i>
Previous year			
Segment revenue			
Sales to external customers	3,129,441,180,449	1,545,355,235,461	4,674,796,415,910
Sales deductions	(88,181,185,216)	(26,016,945,356)	(114,198,130,572)
Inter-segment sales	304,367,007,200	60,331,807,297	364,698,814,497
	<u>3,345,627,002,433</u>	<u>1,579,670,097,402</u>	<u>4,925,297,099,835</u>
<i>Reconciliation:</i>			
Elimination of inter-segment sales			(364,698,814,497)
Revenue for the year			<u>4,560,598,285,338</u>
Segment results	382,405,095,828	215,966,276,329	598,371,372,157
<i>Reconciliation:</i>			
Interest income			108,281,743,978
Interest expense			(43,391,810,398)
Amortization of goodwill			(44,643,343,543)
Profit before tax			<u>618,617,962,194</u>
Other segment information			
Depreciation and amortization	168,430,076,741	61,622,899,219	230,052,975,960
Provision for doubtful debts	1,758,295,537	(102,308,675)	1,655,986,862
Provision for obsolete inventories	8,473,486,616	(1,896,852,976)	6,576,633,640
Provision for investment diminution	(15,316,014,863)	(300,000,000)	(15,616,014,863)
Segment assets	5,329,538,962,849	960,366,669,489	6,289,905,632,338
<i>Reconciliation:</i>			
Elimination of inter-segment receivables			(237,982,219,361)
Unallocated assets			326,322,166,021
Total assets			<u>6,378,245,578,998</u>
Segment liabilities	1,273,148,393,589	459,864,203,500	1,733,012,597,089
<i>Reconciliation:</i>			
Elimination of inter-segment payables			(237,982,219,361)
Total liabilities			<u>1,495,030,377,728</u>

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34. SIGNIFICANT EVENTS DURING THE YEAR

a. Issuance of ordinary shares to the strategic shareholders

In accordance with the 2013 Extraordinary General Meeting (“EGM”) Resolution dated 4 November 2013, the Group’s shareholders approved the issuance of 40,000,000 new shares for the potential strategic investors.

On 21 May 2014, the Group issued 40,000,000 new shares at the price per share of 44,000 VND to the strategic investors as listed in the 2014 Annual General Meeting (“AGM”) Resolution dated 30 June 2014.

On 27 May 2014, the Group submitted the Report of Distribution Result to the State Securities Commission and issued the shareholder certificate for these strategic investors.

b. Acquisition of shares of Vocarimex

On 25 July 2014, the Group acquired 24% equity interests of Vocarimex amounting to VND 421,505,599,984. Accordingly, Vocarimex becomes an associate of the Group.

In accordance with the EGM Resolution dated 1 December 2014, the Group’s shareholders approved a plan to increase the Group’s ownership rate in Vocarimex up to more than 51% to secure the control over the Vocarimex’s operations for long-term investment objectives. As at the date of these consolidated financial statements, the Group is in the process of completing this plan.

c. Restructuring plan

In accordance with the 2014 AGM Resolution dated 30 June 2014, the Group’s shareholders approved a restructuring plan for the purpose of separating the Group’s confectionery segment out of other business activities to achieve higher efficiency.

On 15 October 2014, the Group transferred its entire investments in NKD to KDBD at the total price of VND 694,175,525,000, which is also the carrying value of the investment in NKD, in exchange for the increase in the Group’s investments in KDBD by the same amount. This transfer is part of the said restructuring plan.

d. Transferring the confectionery segment

In accordance with the EGM Resolution dated 1 December 2014, the Group’s shareholders approved a plan to transfer 80% equity interests in KDBD to Mondelez International, an enterprise incorporated overseas, or its assigned subsidiary, Cadbury Enterprises Pte. Ltd., together with an option to purchase the remaining 20%, after the Group completed the restructuring plans as approved by the shareholders in the 2014 AGM Resolution dated 30 June 2014.

e. The repurchase of treasury shares

Also, in accordance with the EGM Resolution dated 1 December 2014, the Group’s shareholders approved a plan to repurchase treasury shares up to 30% of the Group’s issued ordinary shares for the purpose of decreasing the number of existing shares being circulated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

35. EVENTS AFTER THE BALANCE SHEET DATE


Except for the events as disclosed at Note 22, there have been no other significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.



Tran Minh Nguyet
Preparer



Nguyen Thi Oanh
Chief Accountant



Tran Le Nguyen
General Director

26 March 2014