

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2017

KCP VIETNAM INDUSTRIES LIMITED

KCP VIETNAM INDUSTRIES LIMITED

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REPORT OF THE BOARD OF MANAGEMENT AND GENERAL DIRECTOR

The Board of Management present this report together with the audited financial statements for the fiscal year ended 31st December 2017.

• **Introduction**

KCP Vietnam Industries Limited (“the Company”) was established as a 100% foreign invested enterprise in Vietnam under Investment License No. 1969/GP dated 09/08/1997, 1969/GPDC1 dated 26/06/1998, 1969/GPDC2 dated 23/04/1999, 1969/GPDC3 dated 19/05/2000, 1969/GPDC4 dated 22/08/2005, 1969/GPDC5 dated 16/06/2006 issued by Ministry of Planning and Investment. License No. 1969/GCND6/36/1 dated 02/10/2007, 361 023 000 028 dated 27/10/2011, License No.361 023 000 025 dated 06/04/2011 for Dong Xuan Bio-fertilizer project, License No.361 023 000 026 dated 06/04/2011 for Son Hoa Bio-fertilizer project, License No.361 023 000 027 dated 06/04/2011 for Hoa Quang High –Tech Seed farm, Amendment License no. 361 023 000 028 dated 13/04/2011 to incorporate some corrections in the License no. 361 023 000 014 dated 08/12/2009, Amendment No.2 dated 27/10/2011 and Amendment No.3 dated 18/04/2013 to License No.361 023 000 028 and Certificate No.03/GXN Dated 25/09/2013 issued by Peoples’ Committee of Phu Yen province for providing incentives and additional investment supports for enterprise investing to agriculture production and most economical backward area in accordance with the Decree No. 61/2010/ND-CP dated 04/06/2010 of the Government, Amendment No.4 dated 19/09/2014 to License No.361 023 000 028 issued by Peoples’ Committee of Phu Yen province for the expansion of the Son Hoa sugar refinery to 8,000 TCD capacity in 2015-2016 and 10,000 TCD capacity in 2017-2018 with an investment capital of 52.5 M’USD, Amendment No.5 dated 13/05/2015 to License no 361 023 000 028 incorporating additional details and Investment Certificate no 2130740315 dt 10/11/2015 issued by Department of Planning and Investment, Phu Yen province to set up a 60,000 Liters/day capacity distillery unit at Son Hoa unit to produce Fuel Ethanol, Food grade Alcohol and other byproducts Technical Alcohol, CO₂ and Fusel Oil with a total investment capital of 25.7 M’USD, Investment Certificate No. 3002111545 dt 04/01/2016 to invest on a 60 MW Biomass power project based on renewable fuels with a total capital of 59.2 M’USD, Certificate No.3724/16 dt 10/08/2016 to incorporate change in the content of the business field in the Business Registration Certificate and Amendment No.6 dated 10/08/2016 to Business Registration Certificate to incorporate the share capital transfer from M/S MRK Enterprises Private Ltd to The G.V.Reddy Irrevocable Trust all issued by Department of Planning and Investment, Phu Yen Province.

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During the year 2017, Company obtained Amendment No.7 dated 08/02/2017 to Business Registration Certificate to incorporate the share capital transfer from M/S MORISOT Investment SA to Dr.V.L. Dutt - KCP Welfare fund issued by Department of Planning and Investment, Phu Yen Province.

• **Total Investment Capital and Legal Capital of the company as on 31.12.2017 are as follows:**

Legal capital : USD 30,485,000
Investment capital: USD 103,987,000

• **Head office:**

Address : 24/3 street, Cung Son Town, Son Hoa District, Phu Yen Province
Tel : 0084 257 3861613
Fax : 0084 257 3861616
Tax code : 3300100811

• **Principal Activity:**

Production of sugar, sugar by-products, Fuel Ethanol, Food Grade Alcohol and byproducts of Alcohol, components, spare parts, metal containers, sugarcane seed, bio-fertilizer and power

Board of Management:

The Board of Management, Legal representatives and the General Director of the company during the year and as of the date of this report are:

Board of Management

<u>Full name</u>	<u>Position</u>
Dr. Velagapudi Lakshmana Dutt	Board Member and Chairman
Mrs Velagapudi Lakshmana Indira Dutt	Board Member
Mrs. Chitturi Kavitha Dutt	Board Member
Mr. K.V.S.R.Subbaiah	Board Member and General Director

Legal Representatives:

Full name
Dr. Velagapudi Lakshmana Dutt
Mrs. Velagapudi Lakshmana Indira Dutt
Dr. Vallabhaneni Subba Rao

General Director: Mr. K.V.S.R.Subbaiah

Comments on the results for the year 2017

Crushing operation was commenced for the season 2016-17 on 08/01/2017 and 11/01/2017 and closed on 26/06/2017 and 03/07/2017 at Son Hoa and Dong Xuan units respectively. Son Hoa plant was operated at 8000 TCD capacity with 30 MW Power Cogeneration plant which was commissioned on March 11, 2017 and synchronized with grid on April 02, 2017 to export the power to the national grid. The total cane crushed was 1,060,560 MTs, the highest in the history of the company. Raw sugar was produced at Dong Xuan unit and transferred to Son Hoa unit for conversion in to high quality refined sugar. Company purchased sugarcane based on CCS to draw the attention of the farming community to improve the sugar cane quality with a minimum assured price. The CCS and extraneous matter were evaluated based on the technical standard issued by Ministry of Agriculture and Rural Development. Compared to the previous season, the raw material availability for the milling was increased but the quality of the sugar cane was lower due to frequent rains during the harvest season and the sugar production was higher. Raw sugar was purchased for conversion in to high quality refined sugar to meet the production plan. The sugar prices declined due to oversupply during the second half of the year in line with the international market trend. The market consumption was also low due to demand for the food and beverage products consuming sugar came down due to various factors. The sugar stocks of the Company are historically high at the end of the year due to low consumption and postponement of deliveries against orders from some of the major customers.

During the year, Company completed major part of 10,000 TCD expansion project work at Son Hoa unit. Regular rains were experienced in the year which boosted the prospect of good crop for 2017-18 season.

Production

Total sugar, molasses and power production details during the year 2017 are as follows.

Particulars	Unit	Production	Total
White Sugar (Refined Grade)	MTs	5,368	107,361
Refined Sugar	MTs	101,993	
Molasses	MTs	59,011	59,011
Power exported to the grid	KWH	37,105,607	37,105,607

Sales

During the year 77,962 tons of sugar was sold with an opening stock of 8,129 tons and leaving a closing stock of 37,528 tons. In addition, 59,041 tons of molasses was sold with an opening stock of 300 tons and leaving a closing stock of 270 tons as on 31stDecember 2017.

During the year, total power sold to EVN (Electricity of Vietnam) is 37,105,607 KWH.

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Financial Indicators of the Business

1.	Asset and Equity Structure	2017	2016
1.1	Asset Structure		
	Long Term Assets / Total Assets (%)	46.45%	48.48%
	Current Assets / Total Assets (%)	53.55%	51.52%
1.2	Equity Structure		
	Total Liabilities / Total Resources (%)	27.07%	23.92%
	Owner's Equity / Total Resources (%)	72.93%	76.08%
2.	Liquidity		
2.1	Current Ratio (times)	4.40 times	9.62 times
2.2	Quick Ratio (times)	0.01 times	0.07 times
3.	Profitability		
3.1	Profit Margin		
	Net Profit Before Tax / Total Revenue (%)	13.90%	14.49%
	Net Profit After Tax / Total Revenue (%)	13.90%	14.34%
3.2	Return on Assets		
	Net Profit Before Tax / Total Assets (%)	10.81%	12.49%
	Net Profit After Tax / Total Assets (%)	10.81%	12.36%
3.3	Return on Equity		
	Net Profit After Tax / Owners' Equity (%)	14.82%	16.25%

Future Prospects

For the season 2017-18, crushing operation was commenced at Son Hoa and Dong Xuan units on 14/01/2018 and 18/01/2018 respectively. In spite of wet sugarcane fields due to heavy rainfall, Company took a decision to commence the crushing operation to prevent further delay which will have negative impact on consumption of the raw material. Son Hoa unit is being operated at 9000 TCD and Dong Xuan unit is being operated with 1000 TCD capacity at the time of the report. Company issued the sugar cane purchase policy based on the CCS with a minimum assured price. Due to increased sugarcane area and good rainfall, it is estimated that the sugarcane availability for the 2017-2018 crushing season will be over 1.1 M' Tons. At the same time Company continue to face the negative factor with low sugarcane quality due to excessive rain fall which will elevate the production cost.

The investment policies in the form of seed, fertilizer, cash and mechanization on raw material zone are continued. Incentives in the form of interest waive off on seed, fertilizer and mechanization investment and soft interest rate on cash investment are continued by the Company to encourage the farming community. In addition, Company introduced internal transport subsidy to encourage farming community and to ensure adequate sugarcane area to cope up with the expanded capacity. The sugar prices are predicted to follow the downward trend during the year 2018 under surplus condition in Vietnam and the world for 2017-18 season.

Company will continue to invest on the balance constructions of the 10,000 TCD project at Son Hoa during 2018. Company is studying the feasibility of investing on a 30 MW solar power project to catch upon the preferential price policy of the Government of Vietnam.

Based on the Investment Certificate no 2130740315 dt 10/11/2015 issued by Department of Planning and Investment, Phu Yen province to invest on a 60 KLPD Capacity Distillery project at Son Hoa unit to produce Fuel Grade Ethanol and Food Grade Alcohol with byproducts Technical Alcohol, CO₂ and Fusel Oil, Company acquired the required land of more than 15 ha and will carry out other formalities to implement the project.

Company is working with local authorities to identify the land for the proposed expansion of the Sugar production chain and Bio fertilizer production facility at Dong xuan Unit.

Financial position and business results

The financial position as of 31st December 2017, the business results and the cash flows for the year then ended of the company have been expressed in the financial statements attached to this report (from page 9 to page 32).

Subsequent events

The Directors of the company hereby confirm that there have been no events from 31st December 2017 to the date of this report, which need any adjustments on the figures or the disclosures in the financial statements.

Auditors

Viet Duc Auditing Co., Ltd (VIETDUC) have performed the audit on the company's financial statements for this fiscal year and have expressed their willingness to be appointed the company's external auditors in the coming years.

Confirmations from the Board of Management

The Directors of the company are responsible for the preparation of the financial statements to give a true and fair view of the financial position as of the balance sheet date, the business results and the cash flows of the company for each of the company's fiscal year. In order to prepare these financial statements, the Directors must:

- select the appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;

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- announce the accounting standards to be followed for the material issues to be disclosed and explained in the financial statements and
- Prepare the financial statements of the company on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate.

The Directors hereby ensure that all the requirements mentioned above have been followed when the financial statements are prepared, that all the accounting books of the company have been fully recorded and can fairly reflect the financial position of the company at any time and that all the financial statements have been prepared in compliance with the Vietnamese accounting system and standards.

The Directors are also responsible to protect the assets of the Company and consequently have preceded appropriate measures to prevent and to detect frauds and other irregularities.

We, the Directors of the company, confirm that all the accompanying financial statements and the notes to the financial statements have been properly prepared and have given a true and fair view of the financial position as of 31st December 2017, the business results and the cash flows for the year then ended of the company in compliance with the Vietnamese accounting system and standards as well as other related regulations.



Dr. Velagapudi Lakshmana Dutt
Chairman
On behalf of the Board of Management
Phu Yen Province, S.R. Vietnam.
Date: 05.03.2018



K.V.S.R. Subbaiah
General Director



No. 1103/VD-BCKT/18

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of KCP Vietnam Industries Limited for the fiscal year ended 31 December 2017 prepared on 05 March 2018 on pages from 09 to 32 including Balance sheet, Income statement, Cash flow and Notes to the financial statements of your Company attached with hereafter.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinions

In our opinion, in the all material respects, these financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of the results of its operations and its cash flow for the year then ended in accordance with Vietnamese accounting standards and systems and statutory regulations relevant to preparation and presentation of financial statements.



Nguyen Tan Binh – Director
Audit Practicing Registration
Certificate No. 0843-2013-185-1
Ho Chi Minh City, 05 March 2018

Dang Duc Chuyen – Auditor
Audit Practicing Registration
Certificate No. 0345-2013-185-1

KCP VIETNAM INDUSTRIES LTD

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

FINANCIAL STATEMENTSFrom 01st January 2017 to 31st December 2017**BALANCE SHEET**

As on 31.12.17

Unit: 1,000 dong

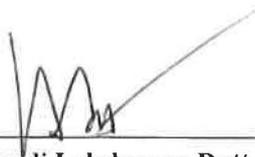
Items	Code	Notes	As on 31/12/2017	As on 31/12/2016
1	2	3	4	5
ASSETS				
A. CURRENT ASSETS	100		1,042,064,090	957,324,566
I Cash and cash equivalents	110		3,158,296	6,813,406
1 Cash	111	V.1	3,158,296	6,813,406
2 Cash equivalents	112		-	-
II. Short-term investments	120		-	395,500,000
1 Short term investments	121	V.2	-	395,500,000
III. Accounts receivable	130		533,403,957	403,522,644
1 Short-term trade receivables	131	V.3	210,542,047	114,881,236
2 Short-term advances to suppliers	132	V.3	8,629,394	17,219,039
3 Other short-term receivables	136	V.3	314,232,517	271,422,369
IV. Inventories	140		494,183,120	135,975,156
1 Inventories	141	V.4	514,168,497	135,975,156
2 Provisions for devaluation of inventories	149	V.4	(19,985,378)	-
V. Other current assets	150		11,318,718	15,513,360
1 Short-term prepaid expenses	151	V.5	707,879	501,933
2 Value added tax deductible	152	V.5	10,447,526	14,909,917
3 Taxes and other accounts receivable from the State	153	V.5	163,313	101,509
B LONG-TERM ASSETS	200		903,853,058	900,948,083
I. Long-term accounts receivable	210		-	-
II. Fixed assets	220		867,087,675	541,868,403
1 Tangible fixed assets	221	V.6	867,087,675	541,868,403
-Historical Cost	222		1,406,198,259	1,009,739,690
-Accumulated depreciation	223		(539,110,584)	(467,871,287)
2 Intangible fixed assets	227		-	-
-Historical Cost	228	V.6	456,190	456,190
-Accumulated Amortization	229		(456,190)	(456,190)
III. Investment Property	230		-	-
IV. Long-term assets in progress	240		36,765,383	359,079,680
1 Long-term work in progress	241		-	-
2 Construction in progress	242	V.7	36,765,383	359,079,680
V. Long term investments	250		-	-
VI. Other long-term assets	260		-	-
TOTAL ASSETS(A+B)	270		1,945,917,149	1,858,272,649

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

FINANCIAL STATEMENTSFrom 01st January 2017 to 31st December 2017

Items	Code	Notes	As on 31/12/2017	As on 31/12/2016
<u>LIABILITIES AND OWNER'S EQUITY</u>				
C. LIABILITIES	300		526,672,770	444,452,621
I. Current liabilities	310		236,764,443	99,484,443
1 Short-term trade payables	311	V.8	51,713,912	77,021,674
2 Short-term advance from customers	312	V.8	27,827,829	1,019,086
3 Taxes and amount payable to state budget	313	V.09	464	473,841
4 Payable to employees	314	V.10	10,434,087	11,867,743
5 Short-term accrued expenses	315	V.11	12,819,266	1,075,297
6 Other short-term payables	319	V.12	8,312,014	3,026,803
7 Short-term loan and financial lease	320	V.13	125,656,871	5,000,000
II. Long-term liabilities	330		289,908,327	344,968,177
1 Long-term loan and financial lease	338	V.14	187,019,313	234,162,113
2 Science and technology development funds	343	V.15	102,889,014	110,806,065
D. OWNER'S EQUITY	400		1,419,244,379	1,413,820,028
I. Owner's equity	410		1,419,244,379	1,413,820,028
1 Paid-in capital	411	V.16	545,856,275	545,856,275
2 Undistributed earnings	421	V.16	873,388,104	867,963,753
- Undistributed earnings up to prior year-end	421a		663,072,079	638,278,772
- Net profit after tax this period	421b		210,316,025	229,684,981
II. Other sources and funds	430		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		1,945,917,149	1,858,272,649



Dr. Velagapudi Lakshmana Dutt
Chairman

On behalf of the Board of Management

Phu Yen Province, S.R. Vietnam

Date: 05.03.2018





K.V.S.R. Subbaiah
General Director



Ch Venkateswara Rao
Manager (Accounts)

KCP VIETNAM INDUSTRIES LTD

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

FINANCIAL STATEMENTS

From 01st January 2017 to 31st December 2017

INCOME STATEMENT

From 01st January 2017 to 31st December 2017

Unit: 1,000 dong

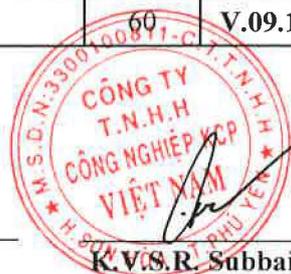
Items	Code	Notes	From 01/01/2017 to 31/12/2017	From 01/01/2016 to 31/12/2016
1	2	3	4	5
Revenues from sale of goods & rendering of services	01	VI.1	1,513,311,598	1,601,659,652
Less deduction	02		1,084,387	11,736,727
Net revenues from sale of goods & rendering of services	10		1,512,227,212	1,589,922,925
Cost of goods sold	11	VI.2	1,166,174,099	1,234,284,680
Gross profit from sale of goods & rendering of services	20		346,053,113	355,638,245
Financial income	21	VI.3	2,200,052	4,626,365
Financial expenses	22	VI.4	25,545,230	22,319,816
- In which: Interest	23		24,322,645	21,544,738
Selling expenses	24	VI.5	62,365,310	48,860,336
General & administration expenses	25	VI.6	50,213,713	69,285,873
Operating profit / (loss)	30		210,128,913	219,798,586
Other income	31	VI.7	264,060	31,006,004
Other expenses	32	VI.8	30,169	18,648,010
Other profit (31 - 32)	40		233,890	12,357,994
Net profit before tax	50	V.09.1	210,362,803	232,156,580
Current income tax	51	V.09.1	46,778	2,471,599
Deferred income tax	52		-	-
Net profit after tax	60	V.09.1	210,316,025	229,684,981

Dr. Velagapudi Lakshmana Dutt
Chairman

On behalf of the Board of Management

Phu Yen Province, S.R. Vietnam

Date: 05.03.2018



K.V.S.R. Subbaiah
General Director

Ch Venkateswara Rao
Manager (Accounts)

CASH FLOWS STATEMENT
(As per the Indirect Method)
31/12/2017

Unit: 1000 dong

Items	Code	Notes	Current Year	Previous Year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit/(loss) before tax	01		210,362,803	232,156,580
2. Adjustments for:				
Depreciation for fixed assets and investment properties	02	V.6	66,893,224	45,482,139
Provisions	03		19,985,378	-
Gain (loss) from foreign exchange differences	04		-	-
Gain (loss) from investing activities	05		6,222,258	(12,357,994)
Loan interest expenses	06		24,322,645	21,544,738
Other adjustments	07		-	25,000,000
3. Operating profit/(loss) before changes in working capital	08		327,786,307	311,825,463
(Increase)/decrease in receivables	09		(125,686,671)	15,945,352
(Increase)/decrease in inventories	10		(378,193,341)	(95,914,964)
Increase/(decrease) in payables	11		4,832,381	(3,926,589)
(Excluding interest payable, corporation income tax)				
(Increase)/decrease in prepaid expenses	12		11,743,969	253,588
Interests trading securities			-	-
Interest paid	13		(24,322,645)	(21,544,738)
Business income tax paid	14		-	(800,000)
Other receipts from operating activities	15		-	-
Other payments on operating activities	16		(1,195,940)	(6,391,108)
Net cash flows from operating activities	20		(512,822,246)	(112,378,459)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets and other long-term assets	21	V.6,7	(82,741,567)	(183,138,498)
Proceeds from disposals of fixed assets and other long-term assets	22		-	15,284,195
	23		-	-
Loans given and purchases of debt instruments of other entities			-	-
Collections of loans given and disposals of debt instruments of other entities	24		688,500,000	719,500,000
Investments in other entities	25		(293,000,000)	(816,000,000)
Withdrawals of investments in other entities	26		-	-
Receipts of loan interests, dividends and profit shared	27		-	-
Net cash flows from investing activities	30		312,758,433	(264,354,303)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
Gains from stock issuance and capital contributions from shareholders	31		-	-
Repayment for capital contributions and re-purchases of stocks issued	32		-	-
Proceeds from borrowings	33		906,391,622	199,874,913
Repayments of borrowings	34		(832,877,551)	(152,252,725)
Payments for financial leasehold assets	35		-	-
Dividends and profit paid to the owners	36		(204,891,675)	-
Net cash flows from financing activities	40		(131,377,604)	47,622,188
Net cash flows during the period	50		(3,655,110)	(17,285,111)

CASH FLOWS STATEMENT - Contd.,

Unit: 1,000 dongs

Items	Code	Notes	Current Year	Previous Year
Cash and cash equivalents at the beginning of the year/(period)	60	V.1	6,813,406	24,098,517
Effects of fluctuations in foreign exchange rates	61		-	-
Cash and cash equivalents at the end of the year/(period)	70	V.1	3,158,296	6,813,406



Dr. Velagapudi Lakshmana Dutt
Chairman

On behalf of the Board of Management
 Phu Yen Province, S.R. Vietnam
 Date: 5th March 2018



K.V.S.R. Subbaiah
General Director



Ch Venkateswara Rao
Manager (Accounts)

KCP VIETNAM INDUSTRIES LIMITED

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

FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year 2017

These notes are integral part of and should be read in conjunction with the financial statements from 01st January 2017 to 31st December 2017 of KCP VIETNAM INDUSTRIES LTD, VIETNAM (“the Company”).

I. OPERATION FEATURES

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

II. FISCAL YEAR AND STANDARD CURRENCY USED IN ACCOUNTING

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

III. ACCOUNTING SYSTEM AND STANDARDS

1. Accounting system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system (“Circular 200”) replacing Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial year beginning on or after 1 January 2015.

2. Statement on the compliance with the accounting system and standards

The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and Standards in the preparation of these financial statements.

3. Accounting form

The company has applied the general journal recording form.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the financial statements are prepared in accordance with the historical cost convention.

2. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank and cash in transit and short-term Investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy and which do not have a lot of risks in the conversion into cash.



KCP VIETNAM INDUSTRIES LIMITED

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

FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

Notes to the financial statements (cont.)

3. Inventories

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

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

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

4. Trade receivable and other receivable

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

5. Tangible fixed assets

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

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

6. Borrowing costs

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

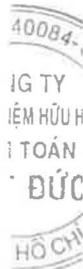
In the event of general borrowings which are partly used for acquiring, constructing or producing an asset in progress, the costs eligible for capitalization will be determined according to the capitalization rates applied to average accumulated expenditure on that asset. The capitalization rates are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

7. Corporate income tax

In accordance with Investment License No.361 023 000 028 dated 13.05.2015, the tax company has to pay to the state budget:

Corporate Income Tax equal to 10% of yearly profit. The company is exempted from Corporate Income Tax for 4 years from the year when the company starts to earn profit and granted a 50% reduction for the 4 subsequent years for 3000 TCD project and Tax exemption for 04 years and a 50% reduction of the payable tax amount for subsequent 07 years for expansion of sugar refinery project from 3000 TCD to 5000 TCD.

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



KCP VIETNAM INDUSTRIES LIMITED

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FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

Notes to the financial statements (cont.)

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

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

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

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

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

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

8. Foreign currency translation

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

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

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

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

The exchange rates used as at 31/12/2017:

Selling rate : VND 22,735 /USD
Selling rate : VND 368.69 /INR

KCP VIETNAM INDUSTRIES LIMITED

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FINANCIAL STATEMENTSFor the fiscal year ended 31st December 2017**Notes to the financial statements (cont.)****9. Recognition of sales**

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

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

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

Unit: 1,000 dong

1. Cash and cash equivalents:

	<u>2017</u>	<u>2016</u>
Cash on hand	198,891	60,125
Cash in bank	2,959,405	6,753,281
Total	<u>3,158,296</u>	<u>6,813,406</u>

2. Short-term Investments:

	<u>2017</u>	<u>2016</u>
Bank for Investment Development of Vietnam, Binh Dinh	-	250,000,000
Vietcom Bank	-	133,500,000
Vietin Bank	-	12,000,000
Total	<u>-</u>	<u>395,500,000</u>

3. Accounts receivable:

	<u>2017</u>	<u>2016</u>
Trade Accounts Receivable	210,542,047	114,881,236
Prepayment to suppliers	8,629,394	17,219,039
Other receivable	314,232,517	271,422,369
Total	<u>533,403,957</u>	<u>403,522,644</u>

Details of accounts receivable: Please see attachment.

4. Inventories:

	<u>2017</u>	<u>2016</u>
Tools and supplies	27,885,548	25,677,474
Work in process	-	-
Finished goods	486,282,950	110,297,682
Provision for Devaluation of Inventory	(19,985,378)	-
Total	<u>494,183,120</u>	<u>135,975,156</u>

KCP VIETNAM INDUSTRIES LIMITED

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

	<u>2017</u>	<u>2016</u>
Prepaid Insurance Expenses	707,879	501,933
Value added tax deductible	10,447,526	14,909,917
Land and Housing Tax	163,313	101,509
Total	<u>11,318,718</u>	<u>15,513,360</u>

6. Tangible & Intangible fixed assets:**Please see attachment****7. Construction-in-progress**

	<u>Beginning Balance 2017</u>	<u>Increases During the year</u>	<u>Transfer to fixed assets</u>	<u>Ending Balance 2017</u>
Plant & Machinery	269,313,719	223,747,013	467,131,078	25,929,654
Bio-Compost Plant	6,269,496	-	-	6,269,496
Co-gen	69,047,874	20,881,178	89,929,052	-
Up-gradation Science and Technology - WIP	-	-	-	-
Pre-operative expenses- Son Hoa	9,773,582	7,719,930	17,493,512	-
Ethanol Plant	4,675,008	54,537	163,313	4,566,234
Total	<u>359,079,680</u>	<u>252,402,658</u>	<u>574,716,955</u>	<u>36,765,383</u>

8. Payable to suppliers & Advances from Customers:

	<u>2017</u>	<u>2016</u>
Trade Accounts Payable	51,713,912	77,021,674
Advances from Customers	27,827,829	1,019,086
Total	<u>79,541,741</u>	<u>78,040,760</u>

Note: Details of accounts payable: Please see attachment

KCP VIETNAM INDUSTRIES LIMITED

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

FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

Notes to the financial statements (cont.)

09. Taxes and other obligations to the State Budget

	Beginning balance 2017	Amount payable during the year	Amount paid during the year	Ending balance 2017
VAT for import goods	-	3,658,543	3,658,543	-
Licence fees	-	4,000	4,000	-
Export, import taxes	-	542,428	542,428	-
Corporate Income tax	471,599	46,778	518,377	
Natural resource tax	2,242	83,193	84,971	464
Total	473,841	4,334,942	4,808,319	464

09.1. Corporate Income Tax payable and profit after tax in the period:

Unit: 1,000 dongs

-Total Profit before Tax	210,362,803
-Operating Income	210,362,803
-Corporate income tax payable	46,778
-Net Profit after tax	210,316,025

Unit: Dongs

Profit before tax as per Income Statement	210,362,803,405
Add: Expenses of Son Hoa (Not Allowed)	288,050,000
Add: Expenses of Dong Xuan (Not Allowed)	7,500,000
Less: Other Income	233,890,322
Profit before exemptions	210,424,463,083
-CIT is exempted 23.09% - as per Investment License No.361 023 000 028 dated 13.05.2015, from 2009 to 2012 (100% exemption for 4 years) and from 2013 to 2019 (50% Exemption for 7 years)	24,293,124,920
-CIT is exempted 76.91% - as per Investment license No.361023000028 Dt 13.05.2015 CIT is exempted, followed tax incentives of projects under operation for the remaining time.	80,919,106,621
Profit after exemptions	105,212,231,541
Tax calculated @ 10% as per Investment license No.361023000028 Dt 13.05.2015	10,521,223,154
Tax Payable	10,521,223,154
Reduce 100% As per Circular 78/2014/TT-BTC – Dt 18.06.2014	10,521,223,154
Tax @ 20 % on Other Income	46,778,064
CIT Payable	46,778,064

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FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

Notes to the financial statements (cont.)

10. Payable to employees

	<u>2017</u>	<u>2016</u>
Payable to employees	10,434,087	11,867,743
Total	<u>10,434,087</u>	<u>11,867,743</u>

11. Accrued expenses and other provisions

	<u>2017</u>	<u>2016</u>
Accrued expenses (<i>Incl Dividend payable</i>)	12,819,266	1,075,297
Total	<u>12,819,266</u>	<u>1,075,297</u>

12. Other payable

	<u>2017</u>	<u>2016</u>
Social insurance	71,431	47,915
Health insurance	12,606	8,293
Unemployment Insurance	4,202	3,686
Trade Union expenditure	114,045	297,718
Other Payables	8,109,730	2,669,191
Total	<u>8,312,014</u>	<u>3,026,803</u>

13. Short-term loan and financial lease

	<u>2017</u>	<u>2016</u>
BIDV – Binh Dinh	107,856,871	-
Vietcom Bank Phu Yen	17,800,000	5,000,000
Total	<u>125,656,871</u>	<u>5,000,000</u>

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

	<u>2017</u>	<u>2016</u>
Opening balance	234,162,113	191,539,925
Loan taken during the year	-	89,764,988
Loan repayment during the year	47,142,800	47,142,800
Closing Balance	<u>187,019,313</u>	<u>234,162,113</u>

Loan contract No.02/2015/HĐTĐĐT-NHPT, Mortgage contracts No.01/2015/HĐTCTS-NHPT

The value of collateral is 1,016,249 MVND

15. Scientific and technological development fund**15.1 Scientific and technological development fund**

	<u>2017</u>	<u>2016</u>
Opening balance	25,000,000	-
Increase during the year	-	25,000,000
Utilizing Fund	-	-
Closing balance	<u>25,000,000</u>	<u>25,000,000</u>

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FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

Notes to the financial statements (cont.)

15.2 Scientific and technological development fund that forms fixed assets

	<u>2017</u>	<u>2016</u>
Opening balance	85,806,065	93,723,115
Increase during the year	-	-
Utilizing Fund (depreciation expenses)	<u>(7,917,050)</u>	<u>(7,917,050)</u>
Closing balance	<u>77,889,015</u>	<u>85,806,065</u>

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

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

Statement of fluctuations in owner's equity

	<u>Capital</u>	<u>Retained earnings</u>	<u>Total</u>
Opening balance of the previous year	545,856,275	638,278,772	1,184,135,047
Capital increased in the previous year	-	-	-
Profit of the previous year	-	229,684,981	229,684,981
Profit distribution of the previous year	-	-	-
Closing balance of the previous year	<u>545,856,275</u>	<u>867,963,753</u>	<u>1,413,820,028</u>
Opening balance of the current year	545,856,275	867,963,753	1,413,820,028
Capital increased in the year	-	-	-
Profit of the current year	-	210,316,025	210,316,025
Profit distribution of the current year	-	(204,891,674)	(204,891,674)
Closing balance of the current year	<u>545,856,275</u>	<u>873,388,104</u>	<u>1,419,244,379</u>

KCP VIETNAM INDUSTRIES LIMITED

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FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

Notes to the financial statements (cont.)

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

Unit: 1,000 dong

1. Sales	2017	2016
Gross sales	1,513,311,598	1,601,659,652
<i>Sales of goods</i>	<i>1,464,329,228</i>	<i>1,601,659,652</i>
Deductions:	1,084,387	11,736,727
<i>Sales of power</i>	<i>48,982,370</i>	-
Net sales	1,512,227,212	1,589,922,925
<i>In which:</i>		
<i>Sales of goods</i>	<i>1,463,244,842</i>	<i>1,589,922,925</i>
<i>Sales of power</i>	<i>48,982,370</i>	-
2. Costs of goods sold		
2.1 Costs of sugar, sugar by-products	2017	2016
Direct materials	1,329,662,744	1,218,895,382
Direct labor	28,935,532	26,981,765
General manufacturing expenses	90,624,977	88,245,160
Total manufacturing expenses	1,449,223,253	1,334,122,307
Differences on work-in-process	-	-
Total costs of goods manufactured	1,449,223,253	1,334,122,307
Provision for Devaluation of Inventory	19,985,378	-
Differences on finished goods	(375,985,268)	(99,837,627)
Costs of finished goods already provided	1,093,223,363	1,234,284,680
2.2 Costs of power	2017	2016
Direct materials	42,448,577	-
Direct labor	3,381,513	-
General manufacturing expenses	27,120,646	-
Costs of power manufactured already provided	72,950,736	-
Total	1,166,174,099	1,234,284,680
3. Financial income	2017	2016
Interest received from banks and farmers	2,200,052	4,626,365
Gain from unrealized foreign exchange	-	-
Total	2,200,052	4,626,365
4. Financial expenses	2017	2016
Interest on Long term Loan	24,322,645	21,544,738
Loss on unrealized foreign exchange	1,222,585	775,078
Total	25,545,230	22,319,816

KCP VIETNAM INDUSTRIES LIMITED

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FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

Notes to the financial statements (cont.)

5. Selling expenses

	<u>2017</u>	<u>2016</u>
Packing Materials	12,872,952	11,409,854
Freight - outward	35,226,010	31,573,884
Other expenses	14,266,348	5,876,598
Total	<u>62,365,310</u>	<u>48,860,336</u>

6. Administrative overheads

	<u>2017</u>	<u>2016</u>
Expenses for employees	36,443,910	35,138,069
Depreciation of fixed assets	700,836	911,264
Provision for Science & Technology Fund	-	25,000,000
Other Administrative overheads	13,068,967	8,236,540
Total	<u>50,213,713</u>	<u>69,285,873</u>

7. Other income

	<u>2017</u>	<u>2016</u>
Miscellaneous receipts	-	-
Gain from liquidation of fixed assets	264,060	31,006,004
Total	<u>264,060</u>	<u>31,006,004</u>

8. Other expenses

	<u>2017</u>	<u>2016</u>
Net book values and expenses of liquidated assets	30,169	18,648,010
Total	<u>30,169</u>	<u>18,648,010</u>

VII. Additional Information:**1. Transactions with related parties.**

Related parties of the Company include:

<u>Related parties</u>	<u>Relationship</u>
The KCP Ltd	The parent company

During the year, the company has made the following transactions with the related parties:

Unit: 1,000 dongs

	<u>2017</u>	<u>2016</u>
The KCP Ltd		
Purchase of Spares, Machinery & Equipment	-	-
Payments	-	-

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FINANCIAL STATEMENTS

For the fiscal year ended 31st December 2017

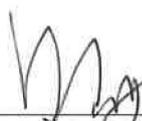
Notes to the financial statements (cont.)

2. Some items of overall evaluation of the operating and finance performance of the Business:

Please refer to the Report of Board of Management and General Director – item “Financial Indicators of the Business”

3. Events after closing date

No events after closing date have affected significantly in the following fiscal years and have been adjusted or mentioned in the financial statement.



Dr. Velagapudi Lakshmana Dutt
Chairman

On behalf of Board of Management

Phu Yen Province, S.R. Vietnam

Date: 05/03/2018



K.V.S.R.Subbaiah
General Director



Ch Venkateswara Rao
Manager (Accounts)



KCP VIET NAM INDUSTRIES LIMITED

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

Sl.No.	Name of the Customer	Amount
1	Acecook Viet Nam joint stock Co.	5,682,516
2	CoCa Cola Beverages Viet Nam Co.Ltd	16,006,935
3	CoCa Cola Beverages Viet Nam - Ha Noi branch	10,246,320
4	Minh Tam industries & foodstuff Co.Ltd	193,230
5	Cholimex food joint stock Co.	6,664,250
6	Tan Hiep Phat trading & service Co.Ltd	14,369,250
7	URC Viet Nam Co.Ltd	19,420,798
8	Binh Dinh pharmaceutical and medical equipment JSC	16,700
9	Branch Acecook Viet Nam JSC- Hung Yen	1,130,903
10	Branch Acecook Viet Nam JSC- Vinh Long	273,504
11	Sai Gon- Phu Yen trading & service one number Co.Ltd	35,400
12	Branch Acecook Viet Nam JSC- Da Nang	341,880
13	Viet Life trading & service joint stock Co.	660,000
14	Quy Nhon Mineral water joint stock Co.	556,060
15	FrieslandCampina Viet Nam Co.Ltd	55,866,680
16	Number One Ha Nam Co.Ltd	9,029,097
17	Hoang Minh trading services import export Co.Ltd	1,565,424
18	Branh of CoCa Cola Beverages Viet Nam Co.Ltd in Da Nang City	3,310,948
19	Branch Acecook Viet Nam JSC- Bac Ninh	616,004
20	Uniben joint stock Company	712,240
21	Viet Nam Taisho Company	4,689,060
22	Tan Quang Minh Co.Ltd	11,051,828
23	Suntory pepsico Viet Nam Beverages Co.Ltd	8,557,500
24	Pepsico Viet Nam food Co.Ltd	181,020
25	Pepsico Viet Nam - Dong Nai branch	39,364,500
	Total	210,542,047

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FINANCIAL STATEMENTSFor the fiscal year ended 31st December 2017**DETAILS OF ADVANCE TO SUPPLIERS****ACCOUNT CODE : 331 (DR)***Unit: 1,000 dong*

Sl.No.	Name of the Suppliers	Amount
1	STEC trading service Co.Ltd	12,500
2	Nghinh Phuc design Consultancy Ltd	88,000
3	S & P construction & consultancy	15,000
4	Land development center of Phu Hoa	48,000
5	Industrial consultancy center Phu Yen	195,455
6	Phu Yen design & construction consultancy JSC	108,182
7	Phu Yen electricity design survey consultancy Ltd	70,000
8	Ho Thi Kim Tien private enterprise	1,140,000
9	International maintenance service Co.Ltd	2,327
10	Asia shoes company Ltd	18,801
11	Binh Dinh technical equipment eletrical techniques Company	8,198
12	Fives Cail-KCP Limited	2,344,090
13	Southern information & baluation corpporation	45,000
14	Vuong Tan Truc	82,000
15	Petro electric energy JSC	1,418,000
16	Dang Van Tri	195,000
17	1/5 Comany Ltd	2,044,917
18	Office of registering land using right- Phu Yen	30,969
19	Techcons construction & trading Co.Ltd	127,000
20	Kim Ngoc Khanh construction & trading Co.Ltd	420,000
21	Thanh Long Environment Co.Ltd	140,145
22	Mai Thao shop	75,810
	Total	8,629,394



KCP VIET NAM INDUSTRIES LIMITED

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

Sl.No.	Name	Amount
1	Other Receivable	1,969
2	Travel advance to staff	5,250
3	Purchase advance to staff	20,000
4	Miscellaneous Deposit	10,000
5	Advance To Ho Chi Minh City Office	9,484
6	Advance To Dong Xuan sugar unit	1,914
7	Cash Loan To Farmers	178,004,970
8	Road Development Loan To Farmers	840
9	Advance To Quang Nam Sugar Factory	57
10	Interest refund to farmers	64,996
11	Seed Loan To Farmers - 2012	81,581
12	Fertilizer Loan To Farmers - 2012	58,524
13	Fertilizer Loan To Farmers - 2013	45,672
14	Deposit - Distillery Project	2,000,000
15	Cash Loan To Farmers (Implements)	9,009,197
16	Additional Cash Loan	3,923,228
17	Fertilizer Loan To Farmers - 2014	37,454
18	Seed Loan To Farmers - 2014	842,123
19	Cash Investment For Plantation	22,721
20	Fertilizer Loan To Farmers 2015	2,194
21	Seed Loan To Farmers 2015	80,179
22	Fertilizer Loan To Farmers 2016	32,619
23	Filter Cake Loan To Farmers 2016	892,802
24	Seed Loan To Farmers 2017	34,629,571
25	Fertilizer Loan To Farmers 2017	84,450,878
26	Advance people court Son Hoa dist	4,295
	Total	314,232,517

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KCP VIET NAM INDUSTRIES LIMITED

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

FINANCIAL STATEMENTSFor the fiscal year ended 31st December 2017**AMOUNT PAYABLE TO SUPPLIERS
ACCOUNT CODE : 331 (CR)***Unit: 1,000 dong*

Sl.No.	Name of the Supplier	Amount
1	Dong Bac Viet Co.Ltd	104,077
2	Tan Minh construction and thermal mechanical Ltd	1,803,410
3	Truc Vang Co.Ltd	293,327
4	Hoi Phat investment & construction Co.Ltd	4,374,001
5	Trung Trung Bo construction JSC	87,364
6	Phu Yen road & bridge consultancy Co.Ltd	38,090
7	Catec automation technology Company Ltd	680,637
8	Kim Ngoc Khanh construction & service Co.Ltd	3,078,878
9	Nhat Quang trading services & producing Co.Ltd	122,169
10	Avant garde engineers & consultants Ltd	184,345
11	Lilama 45-3 JSC	592,071
12	Thanh Long environment Co.Ltd	841,034
13	Truong Phat T.P mechanical Co.Ltd	1,855,553
14	Hung Lan Co.Ltd	1,551
15	Ngoc Giau trade & transport Co.Ltd	11,560
16	Dinh Thi Kim Dung	566
17	Nguyen Thi Xuan	4,388
18	Vistech joint stock Co	65,371
19	Dong Chau environment Co.,Ltd	1,925
20	Thang Long engineering trading production Co.Ltd	142,725
21	Tran Van Dung	40,620
22	Yokogawa Viet Nam Co.Ltd	970,074
23	Dao Sy Anh	2,110
24	Ba Ba Co.Ltd	54,790
25	Huong Shop	2,714
26	Behn meyer specialty chemicals SDN.BHD	563,122
27	Business center of VNPT- Phu Yen	32,961
28	Nguyen Thi Minh Hien	7,809
29	Phuc Thanh private enterprise	9,600
30	Y Hong Nga private enterprise	69,570
31	Minh Khanh trade & transport Co.Ltd	19,800
32	Nguyen Huu Thinh	3,000
33	Le Nguyen trading service Co.Ltd	19,805
34	Hoa Nhi trade & transport Co.Ltd	22,100
35	Truong Tin trade & transport Co.Ltd	69,320
36	Thuan Thanh Phat trade & service Co.Ltd	474,490
37	Tay Ho shop	4,756
38	Thien Ky Co.Ltd	1,230
39	Thai Binh Duong international marine Co.Ltd	57,400
40	BSI Viet Nam Co.Ltd	28,000
41	Viet Nhat industrial Co.Ltd	3,685
42	Ha Van Dan	1,674
43	The K.C.P.Limited	27,875
44	Cash Purchase	9,844



KCP VIET NAM INDUSTRIES LIMITED

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

FINANCIAL STATEMENTSFor the fiscal year ended 31st December 2017**AMOUNT PAYABLE TO SUPPLIERS
ACCOUNT CODE : 331 (CR)***Unit: 1,000 dong*

Sl.No.	Name of the Supplier	Amount
45	Nguyen Thanh Hai	58,250
46	Sai Gon Max Co.Ltd	9,075
47	Vinh Loi trade & transport Co.Ltd	66,320
48	Tuy Hoa industrial gas JSC	18,840
49	Huynh Thi Tuy	1,210
50	Xuan Phan transport & trade private enterprise	1,468
51	Binh Phuong tour service & transport private enterprise	6,230
52	Cao Minh Nhat	27,868
53	Kim Nguyen shop	6,070
54	Tan Hung Thai Co.Ltd	241,084
55	Mien Dong electric equipment Co.Ltd	2,315
56	Man Hue shop	2,000
57	Nhat Phu Viet informatics-telecom Co.Ltd	10,780
58	An Thien Phuc trade & transport Co.Ltd	63,050
59	Sri Mahalaxmi Agency	23,882
60	Ho Thi Kieu Tram	19,919
61	Nguyen Binh Sanh	3,684
62	GE triveni Ltd	6,487,261
63	Fives cail- KCP Ltd	4,759,173
64	Nguyen Xuan Hung	8,356
65	Ly Anh Tuan Co.Ltd	22,100
66	Vo Ngoc Thanh	4,234
67	Son Ha transport & trade Co.Ltd	9,280
68	Tran Nhan Nhan	3,308
69	Phu Vinh transport & trade Co.Ltd	10,560
70	Hang Hai tour & transport JSC	504,482
71	Triet Tam trade & transport Co.Ltd	40,870
72	Viet Loc Phat Co.Ltd	139,014
73	Ha Khanh export-import trade Co.Ltd	457,601
74	HMP pumps & engineering PVT Ltd	55,769
75	Ho Thi Hoang Uyen	128,285
76	Ngo Thanh Hien	10,638
77	Source energy Co.Ltd	642,530
78	Nam Chau transport Co.Ltd	293,751
79	EDCOM Viet Nam investment SJC	1,000,000
80	Everroof Viet Nam Co.Ltd	3,883
81	Swajit engineering Ltd	554,633
82	Danh Dang Co.Ltd	23,183
83	Environment protection Bureau	176
84	Tai Dung transport private enterprise	104,720
85	Ty Linh trade & transport private enterprise	8,500
86	Ty Linh trade & transport Co.Ltd	16,800
87	Vy Quy trade & service private enterprise	11,220
88	Viet Duc auditing Co.Ltd	45,000

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FINANCIAL STATEMENTSFor the fiscal year ended 31st December 2017**AMOUNT PAYABLE TO SUPPLIERS
ACCOUNT CODE : 331 (CR)***Unit: 1.000 donas*

Sl.No.	Name of the Supplier	Amount
89	Hung Viet Co.Ltd	43,713
90	Minh Dang trading technical Co.Ltd	31,592
91	Long Nhi transport trade & service private enterprise	69,010
92	Turbo Craft	287,284
93	NK engineering Co.Ltd	200,540
94	Nhat Truong Vinh Co.Ltd	43,758
95	Moc Xich trading service Co.Ltd	3,669
96	Vy Yen Nhi trade & transport Co.Ltd	22,440
97	Tan Trieu trading production Co.Ltd	11,451
98	Quoc Anh Co.Ltd	265,843
99	Ho Ngoc Dau	3,502
100	Nguyen Ngoc Sanh	1,520
101	Hai Phuc transport Co.Ltd	23,460
102	Vien Thong PH trade & service Co.Ltd	11,550
103	Vien Tin electric wireless Co.Ltd	2,943
104	Hoa Tan Co.Ltd	107,800
105	Hong Cam trading Co.Ltd	770
106	Lap Phat Thinh trade & transport private enterprise	62,380
107	Anh Nghi Son service trading Co.Ltd	146,051
108	Phuc Quang private enterprise	11,900
109	Dong Anh Ha Noi electric equipment JSC	141,000
110	Kim Nga battery Co.Ltd	2,850
111	Phu Yen mobifone	527
112	M/S Methods (India) private Ltd	5,700,557
113	Nguyen Duy Linh	5,500
114	Post office Son Hoa	3,766
115	Pham Thinh	1,200
116	Viettel Phu Yen	30,968
117	Phu Huu petrol private enterprise	15,200
118	Hong Son gas Co.Ltd	23,800
119	Y Cuong Thinh trading service Co.Ltd	110,845
120	Phan Thi Bich Hong	350
121	Sieg tech products PVT Ltd	157,244
122	Le Thi Kim Hoa	2,793
123	Nguyen Duy Quang	2,265
124	Nam Thanh Co.Ltd	6,666
125	Business center of VNPT- Dong Xuan	163
126	Mechanical engineering & metallurgy JSC	6,600
127	Dac Huynh Garage	2,020
128	Phu Thu trading service Co.Ltd	3,850
129	Central High-Tension Power Grid Co.	15,936
130	Hoang Kim industrial equipment one member Co.Ltd	1,496
131	An Phu chemical & environment JSC	48,643
132	KTC Viet Nam Co.Ltd	420
133	Kim Thien Phu technical Co.Ltd	4,092
134	ATZ Viet Nam Co.Ltd	5,910
135	Transportation retention payable	22,021
136	Cane suppliers payable-Phu Yen	144,560
137	Cane transportation charges payable -provisional	1,328
138	Seed cane creditors	350,852
139	Cane suppliers balance payable	2,522
140	Penalties recovered from farmers but due	158,796
141	Amount payable to farmers-interest	10,701,237
	Total	51,713,912



KCP VIET NAM INDUSTRIES LIMITED

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FINANCIAL STATEMENTSFor the fiscal year ended 31st December 2017**ADVANCE RECEIVED FROM CUSTOMERS
ACCOUNT CODE : 131 (CR)***Unit: 1.000 donas*

Sl.No.	Name of the Supplier	Amount
1	Huynh Cong Hoa	356
2	Pham Thanh Hang	1,938
3	Van Canh Biology Energy Co.Ltd	186,546
4	Alphabe Trade-service Co.Ltd	22,644
5	Chu Dinh Khanh	5,614
6	Son Hoa green energy Co.Ltd	77,412
7	Quy Nhon Agro-products shop	1,192
8	Hung Thinh Co.Ltd	513,762
9	Vo Van Sy	763
10	Kim Ha Viet Co.Ltd	9,480,000
11	Minh Tam industries foodstuff Co.Ltd	2,971,104
12	Phan Văn Ba	5,088
13	Toan Phat trading Co.Ltd	1,524,750
14	An Tien Phat Co.Ltd	640,687
15	Duc Nhu Viet private enterprise	127,037
16	Nguyen Cong Chinh	266
17	Dang Quang Dong	2,624
18	Tran Minh Hao	13,446
19	Nguyen Hong Son	19,925
20	Ngoc Mai trading & product service Co.Ltd	2,916,438
21	Nhat Son tech. service JSC	56,098
22	Chu Se rubber Company	70,000
23	Dai Long Tin Co.Ltd	18,506
24	Thuan Tin Thanh Co.Ltd	4,824
25	Vinh Loi trading & transport service Co.Ltd	19,554
26	Tran Ngoc Phien	75,639
27	Thanh My Phat trading & service Co.Ltd	2,763,356
28	Son Nguyen buying & selling agriculture products Co.Ltd	85,152
29	Kim Ngoc Khanh construction & service Co.Ltd	11,690
30	Le Gia trading & product Co.Ltd	3,076,423
31	Phuc Dai Loc trading product Co.Ltd	2,965,448
32	Trang Son Co.Ltd	50,000
33	Hanh Nguyen Vina Co.Ltd	401
34	Cty TNHH Khang Trung Hiếu	10,689
35	Phu Hai private enterprise	989
36	Phuc Quang private enterprise	31,845
37	Nhat Anh trade & investment Co.Ltd	356
38	Ngoc Minh Chau assistant & development science	1,690
39	Hoang Gia fertilizer production Co.Ltd	25,634
40	Pham Van Vinh	17,714
41	Pham Cong Dung	92
42	Ha Tan Co.Ltd	6,161
43	Minh Khang trade import & export Co.Ltd	3,172
44	ST Minh Hung Co.Ltd	26
45	A & P Thanh Hoa Co.Ltd	10,778
46	Tran Huu Quang	10,000
	Total	27,827,829

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KCP VIET NAM INDUSTRIES LIMITED

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

FINANCIAL STATEMENTS

For the Fiscal year ended 31st December 2017

INCREASE AND DECREASE OF FIXED ASSETS AS AT 31.12.2017

Unit : 1000 dong

Item	Buildings	Plant & Machinery	Intangible Assets	Means of Transportation	Office Equipment and Others	Dong Xuan Assets	Total
1/Original price	210,785,829	787,157,368	456,190	5,790,682	3,883,319	2,122,492	1,010,195,880
.+ At 01/01/2017							
.+ Increase during the year	3,872,164	403,960,488	-	-	-	-	407,832,652
.+ Decrease during the year	-	11,374,082	-	-	-	-	11,374,082
+ At 31/12/2017	214,657,992	1,179,743,774	456,190	5,790,682	3,883,319	2,122,492	1,406,654,449
<i>In which, fully depreciated assets still in use</i>		262,496,168	456,190	3,009,006	2,570,782	2,122,492	270,654,638
2/Depreciation							
.+ At 01/01/2017	37,534,197	420,405,338	456,190	4,704,762	3,104,498	2,122,492	468,327,477
.+ Increase during the year	8,470,155	57,722,233	-	372,702	328,134	-	66,893,224
.- Decrease during the year		3,570,977					3,570,977
2.1 Depreciation - Sci & Tech							
.+ Increase during the year	-	7,917,050	-	-	-	-	7,917,050
+ At 31/12/2017	46,004,351	482,473,645	456,190	5,077,464	3,432,632	2,122,492	539,566,774
3/ Net book value							
.+ At 01/01/2017	173,251,632	366,752,030	-	1,085,920	778,821	-	541,868,403
+ At 31/12/2017	168,653,641	697,270,129	-	713,219	450,686	-	867,087,675