Grant Thornton

Financial statements and independent auditors' report

Bioseed Vietnam Limited

For the year ended 31 March 2017

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Report of the Board of Director

The Board of Director submits its report together with the audited financial statements of Bioseed Vietnam Limited ("the Company") for the year ended 31 March 2017.

The Company

Bioseed Vietnam Limited ("the Company") was established as a limited liability company with one member in the Socialist Republic of Vietnam in 2008 as a result from the merger between Bioseed Genetics Vietnam ("BGV") and Bioseed Research Vietnam ("BRV") in accordance with the Investment Certificate No. 011043000302 issued by the Hanoi People's Committee dated 20 March 2008. The Company was a wholly foreign owned company of Bioseeds Limited, a company incorporated in the Republic of Mauritius and has a license to operate for 20 years pursuant to Investment Licence No. 392A/GP-HN granted to BGV dated 4 September 1999 issued by the Hanoi People's Committee. In accordance with the share purchase agreement between Bioseeds Limited and Bioseeds Holdings Pte Limited dated 2 March 2011, Bioseeds Limited transferred its equity in the Company to Bioseeds Holdings Pte Limited. The Company obtained the forth amendment of Investment Certificate dated 30 June 2015 to reflect the aforementioned changes and obtained the fifth amendment of Investment Certificate dated 3 March 2016 to increase the charter capital from USD1,196,519 to USD11,196,519.

On 21 March 2017, the Company obtained the sixth amendment of Business Registration Certificate No 0100114120 issued by Hanoi Planning and Investment Department to change its legal representative.

The Company's registered office is located at Unit 348, Binh Minh Hotel, 27 Ly Thai To, Hoan Kiem District, Hanoi, Vietnam.

Principal activities

The principal activities of the Company are:

- to produce and trade hybrid corn and rice seeds;
- to engage in research and development activities in the use of parent seeds to grow high yield hybrid maize ("HYHM"), rice, vegetable; and
- to supply field-tested parent seeds to a related party for the production of HYHM for commercial purposes.

Members' Council and Board of Director

The members of the Members' Council and Board of Director during the year and to the date of this report were:

Members' Council:

Jitender Kumar Jain	Chairman	
Paresh Verma	Member	

Board of Director:

Venkat Ratnam Janipella	General Director	Resigned on 31 March 2017
Bhambi Sanjeev Baldevchandra	General Director	Appointed on 20 February 2017

Events after the balance sheet date

There were no significant events occurring after the balance sheet date which would require adjustments or disclosures in the financial statements.

Auditors

The accompanying financial statements have been audited by Grant Thornton (Vietnam) Limited.

Board of Director's responsibility in respect of the financial statements

The Board of Director of the Company is responsible to ascertain that the accompanying financial statements are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the results of its operations and its cash flows for the year then ended. In preparing these financial statements, the Board of Director is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- comply with the disclosure requirements of International Financial Reporting Standards ("IFRS") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal controls;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Board of Director is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Director confirms that the Company has complied with the above requirements in preparing the financial statements.

Statement by the Board of Director

In the opinion of the Board of Director, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Company as at 31 March 2017 and of the results of its operations, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and certain accounting policies of its parent company as described in Notes 2 and 4.

On behalf of the Board of Director,

CÔNG TY TRÁCH NHIỆM HỮU HẠN MỘT THÀNH VIÊN BIOSEED VIỆT NAM

Bhambi Sanjeev Baldevchandra
General Director

Hanoi, Vietnam
12 April 2017

Grant Thornton

Independent auditors' report

on the financial statements of Bioseed Vietnam Limited for the year ended 31 March 2017

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No. 16-11-020

To Members' Council
Bioseed Vietnam Limited

Opinion

We have audited the accompanying financial statements of Bioseed Vietnam Limited ("the Company"), which comprise the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out from pages 6 to 29.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Bioseed Vietnam Limited as at 31 March 2017, and of the results of its operations and its cash flows for the year then ended, prepared in accordance with the International Financial Reporting Standards and certain accounting policies of its parent company as described in Notes 2 and 4.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matter

Financial information presented in United States Dollar

We have audited the Company's financial statements presented in Vietnamese Dong ("VND") which is the functional currency of the Company. All financial information presented in United States Dollar ("US$") for reference purposes are translated from VND following conversion rulings as presented in Note 4.2. Therefore, our audit opinion is only for financial information presented in VND.

Restriction of use

These financial statements are solely prepared for the information of and use by the Company's Management and should not be distributed to or used by any other parties.

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Responsibilities of the Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and certain accounting policies of its parent company as described in Notes 2 and 4, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Grant Thornton

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GRANT THORNTON (VIETNAM) LIMITED

CÔNG TY TRÁCH NHIỆM HỮU HẠN GRANT THORNTON (VIỆT NAM)

Nguyen Hong Ha
Audit Partner

Hanoi, Vietnam
12 April 2017

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Statement of financial position

	Notes	31 March 2017		31 March 2016	
		VND'000	US$	VND'000	US$
Assets					
Non – current					
Property, plant and equipment	6	4,151,929	182,422	6,308,100	284,136
Intangible assets	7	2,070,542	90,973	3,018,491	135,962
Other long term financial assets		147,951	6,500	194,189	8,747
Deferred tax assets	18	1,325,100	58,221	12,138,281	546,745
Non-current assets		7,695,522	338,116	21,659,061	975,590
Current					
Inventories	8	24,812,605	1,090,185	46,009,276	2,072,397
Trade and other receivables	9	60,537,462	2,659,817	121,043,309	5,452,156
Cash and cash equivalents	10	20,133,360	884,594	9,280,065	418,002
Current assets		105,483,417	4,634,596	176,332,650	7,942,555
Total assets		113,178,939	4,972,712	197,991,711	8,918,145
Equity and liabilities					
Equity					
Charter capital	11	229,908,605	10,696,484	16,443,605	1,196,519
Translation differences		-	(787,364)	-	(805,848)
Accumulated losses		(177,766,855)	(7,618,183)	(102,189,570)	(4,252,929)
Total equity		52,141,750	2,290,937	(85,745,965)	(3,862,258)
Liabilities					
Non – current					
Borrowings	12	277,776	12,205	444,444	20,019
Non-current liabilities		277,776	12,205	444,444	20,019
Current					
Trade and other payables	13	46,371,983	2,037,434	106,428,313	4,793,655
Borrowings	12	682,800	30,000	141,198,360	6,360,000
Provision for technical transfer fees		12,152,803	533,954	34,126,891	1,537,268
Current tax liabilities	14	1,551,827	68,182	1,537,668	69,261
Current liabilities		60,759,413	2,669,570	283,293,232	12,760,384
Total liabilities		61,037,189	2,681,775	283,737,676	12,780,403
Total equity and liabilities		113,178,939	4,972,712	197,991,711	8,918,145

The accompanying notes are an integral part of these statements

Statement of comprehensive income

	Notes	Year ended 31 March 2017		Year ended 31 March 2016	
		VND'000	US$	VND'000	US$
Revenue	15	90,333,748	4,022,319	128,499,744	5,811,575
Sales deduction	15	(74,411,173)	(3,313,330)	(50,480,627)	(2,283,055)
Net sales	15	15,922,575	708,989	78,019,117	3,528,520
Cost of sales	15	(51,723,072)	(2,303,090)	(74,745,637)	(3,380,473)
Gross (loss)/profit		(35,800,497)	(1,594,101)	3,273,480	148,047
Depreciation and amortization	15	(3,171,019)	(141,197)	(4,495,138)	(203,299)
Selling and distribution expenses	15	(6,755,951)	(300,824)	(13,228,904)	(598,295)
Administrative expenses	15	(13,955,917)	(621,420)	(13,872,943)	(627,423)
Loss from operations	15	(59,683,384)	(2,657,542)	(28,323,505)	(1,280,970)
Finance income	16	19,620	874	7,431	336
Finance costs	16	(5,158,587)	(229,698)	(18,070,617)	(817,268)
Other income		58,247	2,594	673,064	30,440
Loss before tax		(64,764,104)	(2,883,772)	(45,713,627)	(2,067,462)
Corporate income tax expenses	17	-	-	-	-
Deferred corporate income tax expense	18	(10,813,181)	(481,482)	-	-
Net loss		(75,577,285)	(3,366,254)	(45,713,627)	(2,067,462)
Other comprehensive income					
Translation differences		-	18,484	-	66,738
Total comprehensive loss		(75,577,285)	(3,346,770)	(45,713,627)	(2,000,724)

The accompanying notes are an integral part of these statements

Statement of changes in equity

	Charter capital VND'000	Translation differences VND'000	Accumulated losses VND'000	Total VND'000
Balance at 1 April 2015	16,443,605	-	(56,475,943)	(40,032,338)
Net loss	-	-	(45,713,627)	(45,713,627)
Balance at 31 March 2016	**16,443,605**	**-**	**(102,189,570)**	**(85,745,965)**
Balance at 1 April 2016	16,443,605	-	(102,189,570)	(85,745,965)
Contribution in the year	213,465,000	-	-	213,465,000
Net loss	-	-	(75,577,285)	(75,577,285)
Balance at 31 March 2017	**229,908,605**	**-**	**(177,766,855)**	**52,141,750**
	US$	US$	US$	US$
Balance at 1 April 2015	1,196,519	(872,586)	(2,185,467)	(1,861,534)
Net loss	-	-	(2,067,462)	(2,067,462)
Other comprehensive income				
Translation differences	-	66,738	-	66,738
Total comprehensive income for the year	-	66,738	(2,067,462)	(2,000,724)
Balance at 31 March 2016	**1,196,519**	**(805,848)**	**(4,252,929)**	**(3,862,258)**
Balance at 1 April 2016	1,196,519	(805,848)	(4,252,929)	(3,862,258)
Contribution in the year	9,499,965	-	-	9,499,965
Net loss	-	-	(3,365,254)	(3,365,254)
Other comprehensive income				
Translation difference	-	18,484	-	18,484
Total comprehensive income for the year	9,499,965	18,484	(3,365,254)	6,153,195
Balance at 31 March 2017	**10,696,484**	**(787,364)**	**(7,618,183)**	**2,290,937**

Statement of cash flows

	Year ended 31 March 2017		Year ended 31 March 2016	
	VND'000	US$	VND'000	US$
Cash flows from operating activities				
Loss before tax	(64,764,104)	(2,883,772)	(45,713,627)	(2,067,462)
Adjustments for:				
Depreciation and amortisation	3,171,019	141,197	4,495,138	203,299
Change in provisions	24,352,879	1,084,368	(249,113)	(11,266)
Provision for technical transfers	(21,976,088)	(978,536)	18,870,780	853,457
Interest expenses	2,096,832	93,322	12,042,232	544,626
Interest income	(19,620)	(874)	(7,431)	(336)
Operating loss before changes in working capital	(57,140,082)	(2,544,295)	(10,562,021)	(477,682)
Changes in accounts receivable	60,505,857	2,694,163	8,791,603	397,608
Changes in inventories	(3,156,208)	(140,537)	2,507,261	113,394
Changes in accounts payable	(61,007,819)	(2,716,514)	(14,583,960)	(659,580)
Changes in prepaid expenses	46,238	2,059	161,865	7,321
Net cash flow used in operating activities	(60,752,014)	(2,705,124)	(13,685,372)	(618,939)
Cash flows from investing activities				
Acquisitions of property, plant and equipment	(66,899)	(2,979)	(506,698)	(22,918)
Proceed from disposal of property, plant and equipment	-	-	125,510	5,678
Interest income received	19,620	874	7,431	336
Net cash flow used in investing activities	(47,279)	(2,105)	(373,757)	(16,904)
Cash flows from financing activities				
Capital contribution	213,465,000	9,499,965	-	-
Proceeds from loans	130,635	5,817	120,874,354	5,466,707
Repayment of loans	(140,812,863)	(6,270,019)	(112,670,075)	(5,095,657)
Interest paid	(1,130,184)	(50,324)	(994,222)	(44,965)
Net cash flow from financing activities	71,652,588	3,185,439	7,210,057	326,085
Net increase (decrease) in cash	10,853,295	478,210	(6,849,072)	(309,758)
Cash and cash equivalents at beginning of year	9,280,065	418,002	16,129,137	750,018
Translation difference	-	(11,818)	-	(22,258)
Cash and cash equivalents at end of the year	20,133,360	884,594	9,280,065	418,002

The accompanying notes are an integral part of these statements.

Notes to the financial statements

1 Nature of operations

Bioseed Vietnam Limited ("the Company") was established as a limited liability company with one member in the Socialist Republic of Vietnam in 2008 as a result from the merger between Bioseed Genetics Vietnam ("BGV") and Bioseed Research Vietnam ("BRV") in accordance with the Investment Certificate No. 011043000302 issued by the Hanoi People's Committee dated 20 March 2008. The Company was a wholly foreign owned company of Bioseeds Limited, a company incorporated in the Republic of Mauritius and has a license to operate for 20 years pursuant to Investment Licence No. 392A/GP-HN granted to BGV dated 4 September 1999 issued by the Hanoi People's Committee. In accordance with the share purchase agreement between Bioseeds Limited and Bioseeds Holdings Pte Limited dated 2 March 2011, Bioseeds Limited transferred its equity in the Company to Bioseeds Holdings Pte Limited. The Company obtained the forth amendment of Investment Certificate dated 30 June 2015 to reflect the aforementioned changes, the fifth amendment of Investment Certificate dated 3 March 2016 to increase the charter capital from USD1,196,519 to USD11,196,519.

On 21 March 2017, the Company obtained the sixth amendment of Business Registration Certificate No 0100114120 issued by Hanoi Planning and Investment Department to change its legal representative.

The Company's registered office is located at Unit 348, Binh Minh Hotel, 27 Ly Thai To, Hoan Kiem District, Hanoi, Vietnam.

The Company's branches and factories are as below:

- Ho Chi Minh branch: Room 807, 8th floor, Airport Commercial Center, No. 10, Pho Quang, Tan Binh District, Ho Chi Minh City;
- Tay Ninh factory: Tram Vang, Thanh Phuoc, Go Dau, Tay Ninh;
- Thai Nguyen factory: Xom Trai, Tan Huong, Pho Yen, Thai Nguyen; and,
- Representative Office in China: Room B-2-608, Shengshilongteng Mansion, 33 Keyuan Avenue, Nanning City, China.

The principal activities of the Company are:

- to produce and trade hybrid corn and rice seeds;
- to engage in research and development activities in the use of parent seeds to grow high yield hybrid maize ("HYHM"), rice and vegetable; and,
- to supply field-tested parent seeds to a related party for the production of HYHM for commercial purposes.

2 General information and statement of compliance with IFRS

The Company's statutory financial statements are prepared in accordance with Vietnamese Accounting Standards and System ("VAS").

This set of financial statements was prepared based on the Company's statutory financial statements by converting the same to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) to allow its inclusion in the consolidated financial statements of its parent company. Except for certain accounts and transactions relative to certain financial instruments, the accompanying financial statements have been prepared in accordance with IFRS.

Certain financial instruments are measured, recognised, presented and disclosed at face value instead of amortised cost to be consistent with the accounting policy of the parent company.

The financial statements for the year ended 31 March 2017 (including comparatives) were approved and authorised for issue by the Board of Director on 12 April 2017.

3 Changes in accounting policies

3.1 New and revised standards that are effective for annual periods beginning on or after 1 January 2016

Amendments to IFRS 11 Joint Arrangements

These amendments provide guidance on the accounting for acquisitions of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combinations accounting in IFRS 3 'Business Combinations' and other IFRSs except where those principles conflict with IFRS 11. Acquisitions of interests in joint ventures are not impacted by this new guidance.

The amendments are effective for reporting periods beginning on or after 1 January 2016. Other amendments to IFRSs that became mandatorily effective in 2016 have no material impact on the Company's financial results or position. Accordingly, the Company has made no changes to its accounting policies during the year.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company in preparing the financial statements.

Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9 'Financial Instruments' (2014)

The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The Company's Management has not yet to assess the impact of IFRS 9 on these financial statements. The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many

areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2017. The Company's Management has not yet assessed the impact of IFRS 15 on these financial statements.

4 Summary of accounting policies

4.1 Overall consideration

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

4.2 Foreign currency translation

Functional and presentation currency

The Company's statutory financial statements are presented in Vietnamese Dong ("VND") rounded to the nearest thousand ("VND'000"), which is also the functional currency of the Company.

Foreign currency translation

In the statutory financial statements transactions in currencies other than the functional currency are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year – end exchange rates, are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated).

The statutory financial statements are presented in VND, which is the functional currency of the Company whereas the IFRS financial statements are presented in United States Dollars. All financial information presented in Vietnamese Dong and translated into United States Dollar ("US$"), which is the presentation currency of the IFRS financial statements.

The statutory financial statements have been translated into US$ as follows:

- assets and liabilities are translated at the exchange rate of VND22,760/US$ that closely approximate the rate ruling at the balance sheet date;
- equity is translated at the historical rates of exchange at the date of transaction;
- income and expense items are translated at the average exchange rate of VND22,458/US$ for the year; and
- all resulting translation differences are presented as part of other comprehensive income.

No representation is made that the balances in the financial statements originally expressed in Vietnamese Dong can be realized in United States Dollar at the values shown in the accompanying financial statements.

4.3 Revenue

Sale of goods

A sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods. Revenue is not recognised when the ability of collection, the reasonable estimates of the costs of sale or the ability of rejects is uncertain.

Sale return

Sale return is recognised for the low quality goods sold to customers when actual sale returns incurred during the year. Sale return is also estimated and accounted for as at the year-end date based on the Management's assumption on the probability of sale return which will be happened in the following years related to sales of the current year.

Interest income
Interest income is reported on an accrual basis using the effective interest method.

4.4 Borrowing costs
Borrowing costs comprising interest and related costs are recognized as an expense in the period in which they are incurred, except for borrowing costs relating to the acquisition of tangible fixed assets that are incurred during the period of construction and installation of the assets, which are capitalized as a cost of the related assets.

4.5 Property, plant and equipment
Property, plant and equipment are initially recognised at acquisition costs, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recorded on a reducing balance method over the estimated useful lives of the assets, at the following annual rates:

Leasehold improvements	33.33%
Buildings	14% - 25%
Plant and machinery	13% - 31%
Furniture and fixtures	15% - 25%
Office equipment	25%
Motor vehicles	25% - 33%
Other assets	33.33%

4.6 Intangible assets
Intangible assets include acquired software used in business administration. Software is accounted for using the cost model whereby capitalised costs are amortised on a reducing balance method at the rate 25% - 33% per annum. In addition, intangible assets are subject to impairment testing as described in Note 4.7.

4.7 Impairment of assets
For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment loss is charged prorata to the assets in the cash-generating unit. Assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.8 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss (FVTPL);
- available-for-sale (AFS) financial assets; and
- held-to-maturity (HTM) investments.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less any impairment losses. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company have the intention and ability to hold them until maturity.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss.

When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within finance income.

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include:

- financial liabilities at FVTPL; and
- other financial liabilities at the amortised cost.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

In case of financial liabilities owing to a subsidiary, financial liabilities are measured subsequently at amortised cost using the effective interest method. Initial difference between loan amount and the amortised cost is recorded as income by the Company.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.9 Inventory

Inventory is accounted for using the periodic method and valued at the lower of cost and net realizable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition. Cost of finished goods, calculated on a weighted average basis, is composed of materials, production variable costs, direct labour and production overhead. Net realizable value comprises estimated sales proceeds less selling expenses.

4.10 Income taxes

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of income.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

4.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.12 Operating leases

Leases wherein substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments applicable to such leases are recorded in the results of operations as incurred.

4.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation mainly arises from technical transfer fee.

Provision for technical transfer fee

The Company has a policy to pay "technical transfer support fee" to its customers. Provision for technical transfer fee is made at different rates for different types of HYHM that customers purchased from the Company at the time the Company recognises sales. Growers are paid for technical transfer support upon completion of all contract conditions agreed with the Company.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 Employee benefit plans

The Company provides post-employment benefits through Government's defined contribution plan. The Company did not participate in or fund any defined benefit plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into an independent governmental entity. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contributions. The defined contribution plans that the Company participated include social insurance, unemployment insurance fund of the Vietnamese Government.

4.15 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Parties are considered to be related to the Company if:

1. directly or indirectly, a party controls, is controlled by, or is under common control of the Company; has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
2. a party is a jointly-controlled entity;
3. a party is an associate;
4. a party is a member of the key management personnel of the Company; or
5. a party is a close family member of the above categories.

5 Significant management judgement in applying accounting policies and estimate uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Significant management judgement

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions (see Note 18).

Estimation uncertainty

Impairment

Impairment for accounts receivable was recognised for the Company's assets as management estimates that the expected future cash flows from collection the Company's receivable are lower than their carrying amount. Impairment was estimated by the Company's management based on the percentage of collectible amount from each customer.

Inventories

Provision for obsolete inventory was recognised for the Company's inventories as management estimates that the net realizable value of the Company's inventories is lower than book value as at 31 March 2017. The estimates are made based on the current selling prices of the Company's inventories and prediction of sale in the following years.

Provisions for technical transfer fee

Provision for technical transfer fee was estimated by the Company's management based on assumption of average trade debtors' collection days. The assumption is built up on the Company's historical trend of trade debtors' collection. Accordingly, provision is estimated in line with credit term provided to customers and the average trade debtors' collection days.

Sale return

Sale return is estimated and accounted for as at the year-end date based on the Management's assumption on the probability of sale return which will be happened in the following years related to sales of the current year.

6 Property, plant and equipment

	Leasehold improvements VND'000	Buildings VND'000	Plant and machinery VND'000	Furniture and Fixtures VND'000	Office equipment VND'000	Motor vehicles VND'000	Other assets VND'000	Total VND'000
Historical cost								
1 April 2015	19,312	3,685,249	19,052,225	347,826	359,387	3,442,590	261,827	**27,168,416**
Addition	-	-	-	-	32,450	1,100,250	-	**1,132,700**
Disposals	-	-	-	-	-	(727,180)	-	**(727,180)**
1 April 2016	19,312	3,685,249	19,052,225	347,826	391,837	3,815,660	261,827	**27,573,936**
Addition	-	66,899	-	-	-	-	-	**66,899**
31 March 2017	19,312	3,752,148	19,052,225	347,826	391,837	3,815,660	261,827	**27,640,835**
Accumulated depreciation								
1 April 2015	(19,312)	(2,299,376)	(12,543,700)	(223,741)	(167,417)	(2,617,287)	(261,827)	**(18,132,660)**
Charge for year	-	(838,855)	(2,073,955)	(57,088)	(78,626)	(686,322)	-	**(3,734,846)**
Disposals	-	-	-	-	-	601,670	-	**601,670**
1 April 2016	(19,312)	(3,138,231)	(14,617,655)	(280,829)	(246,043)	(2,701,939)	(261,827)	**(21,265,836)**
Charge for year	-	(312,474)	(1,372,109)	(25,385)	(70,105)	(442,997)	-	**(2,223,070)**
31 March 2017	(19,312)	(3,450,705)	(15,989,764)	(306,214)	(316,148)	(3,144,937)	(261,827)	**(23,488,906)**
Net book value								
1 April 2016	-	547,018	4,434,570	66,997	145,794	1,113,721	-	**6,308,100**
31 March 2017	-	301,443	3,062,461	41,612	75,689	670,724	-	**4,151,929**

	Leasehold improvement US$	Buildings US$	Plant and machinery US$	Furniture and Fixtures US$	Office Equipment US$	Motor vehicles US$	Other assets US$	Total US$
Historical cost								
1 April 2015	898	171,367	885,944	16,174	16,712	160,083	12,175	**1,263,353**
Addition	-	-	-	-	1,468	49,760	-	**51,228**
Disposals	-	-	-	-	-	(32,888)	-	**(32,888)**
Translation difference	(28)	(5,372)	(27,774)	(507)	(530)	(5,088)	(382)	**(39,681)**
1 April 2016	870	165,995	858,170	15,667	17,650	171,867	11,793	**1,242,012**
Addition	-	2,979	-	-	-	-	-	**2,979**
Translation difference	(21)	(4,117)	(21,078)	(385)	(434)	(4,221)	(289)	**(30,545)**
31 March 2017	849	164,857	837,092	15,282	17,216	167,648	11,504	**1,214,448**
Accumulated depreciation								
1 April 2015	(898)	(106,923)	(583,292)	(10,404)	(7,785)	(121,706)	(12,175)	**(843,183)**
Charge for the year	-	(37,938)	(93,797)	(2,582)	(3,556)	(31,040)	-	**(168,913)**
Disposals	-	-	-	-	-	27,211	-	**27,211**
Translation difference	28	3,505	18,666	337	258	3,832	382	**27,009**
1 April 2016	(870)	(141,355)	(658,423)	(12,649)	(11,083)	(121,703)	(11,793)	**(957,876)**
Charge for year	-	(13,914)	(61,096)	(1,130)	(3,122)	(19,726)	-	**(98,988)**
Translation difference	21	3,656	16,981	325	314	3,252	289	**24,838**
31 March 2017	(849)	(151,613)	(702,538)	(13,454)	(13,891)	(138,178)	(11,504)	**(1,032,026)**
Net book value								
1 April 2016	-	24,640	199,747	3,018	6,567	50,164	-	**284,136**
31 March 2017	-	13,244	134,554	1,828	3,325	29,471	-	**182,422**

7 Intangible assets

	VND'000	Software US$
Historical cost		
1 April 2015	3,336,333	155,142
Additions	1,364,572	62,398
Translation difference	-	(5,797)
1 April 2016	4,700,905	211,743
Translation difference	-	(5,201)
31 March 2017	4,700,905	206,542
Accumulated amortisation		
1 April 2015	(922,122)	(42,879)
Charge for year	(760,292)	(34,246)
Translation difference	-	1,344
1 April 2016	(1,682,414)	(75,781)
Charge for year	(947,949)	(42,210)
Translation difference	-	2,422
31 March 2017	(2,630,363)	(115,569)
Net book value		
1 April 2016	3,018,491	135,962
31 March 2017	2,070,542	90,973

8 Inventories

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Parent seeds	1,328,855	58,386	1,369,400	61,682
Raw materials	752,978	33,083	2,889,759	130,163
Packing materials	2,043,148	89,769	1,485,981	66,933
Work in progress	41,919,600	1,841,810	37,043,782	1,668,565
Finished goods	4,466,453	196,241	4,833,304	217,707
Consumables	719,266	31,603	451,866	20,353
	51,230,300	2,250,892	48,074,092	2,165,403
Provision for decline in inventory value	(26,417,695)	(1,160,707)	(2,064,816)	(93,006)
	24,812,605	1,090,185	46,009,276	2,072,397

9 Trade and other receivables

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Trade accounts receivable	78,595,399	3,453,225	131,889,978	5,940,722
Provision for doubtful debts	(16,163,248)	(710,160)	(13,228,698)	(595,860)
Provision for sale returns - net	(4,361,821)	(191,644)	(5,551,699)	(250,065)
Net receivables	58,070,330	2,551,421	113,109,581	5,094,797
Prepayments to suppliers	426,326	18,731	138,700	6,247
Receivables from related parties (Note 19)	-	-	5,719,544	257,625
Staff advances	1,442,606	63,383	1,253,029	56,440
Travel advances	8,672	381	9,471	427
Staff loans	-	-	127,468	5,742
Short term deposits	184,304	8,096	101,955	4,592
Prepaid expenses	365,414	16,055	474,143	21,357
Other receivables	39,800	1,748	109,418	4,929
	60,537,452	2,659,817	121,043,309	5,452,156

Provision for sale returns – net represents the variance between the estimated receivable amounts from customers and the corresponding cost of finished goods related to sale returns. Details are as follows:

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Provision for sale returns - gross	7,590,000	333,480	11,725,876	528,169
Cost of finished goods hold by customers	(3,228,179)	(141,836)	(6,174,177)	(278,104)
	4,361,821	191,644	5,551,699	250,065

10 Cash and cash equivalents

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Cash on hand	16,404	721	15,614	703
Cash in banks	20,116,956	883,873	9,264,451	417,299
	20,133,360	884,594	9,280,065	418,002

11 Charter capital

	Charter capital as per Investment Certificate		Contribution to date		Future contribution
	US$	%	US$	VND'000 equivalent	US$
Bioseeds Holdings Pte Limited	11,196,519	100	10,696,484	229,908,605	500,000
	11,196,519	100	10,696,484	229,908,605	500,000

12 Borrowings

		31 March 2017		31 March 2016	
		VND'000	US$	VND'000	US$
Short term					
Bioseeds Holdings Pte Limited		-	-	85,029,830	3,830,000
Bioseeds Limited	(i)	682,800	30,000	56,168,530	2,530,000
		682,800	30,000	141,198,360	6,360,000
Long term					
Techcombank	(ii)	277,776	12,205	444,444	20,019
		960,576	42,205	141,642,804	6,380,019

(i) All loans from Bioseeds Limited are unsecured and to finance the Company's working capital requirements with details as follows:

	Contract date	Extended to	Duration	Interest rate/ year	31 March 2017 VND'000	31 March 2017 US$	31 March 2016 VND'000	31 March 2016 US$
Loan 1	26 March 2013	23 March 2017	11 months	8%	682,800	30,000	886,030	30,000
Loan 2	24 February 2016		11 months	9%	-	-	51,062,300	2,300,000
Loan 3	24 March 2016		11 months	9%	-	-	4,440,200	200,000
					682,800	30,000	56,168,530	2,530,000

(ii) Long-term loan from Vietnam Technology and Commerce Joint Stock Bank ("Techcombank") has credit limit of VND500 million, credit term of 3 years, bear interest rate of 9%/year. The loan is secured by one vehicle which is financed by this loan.

13 Trade and payables

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Trade accounts payable	4,062,639	178,499	6,325,420	284,916
Payables to related parties (Note 19)	35,189,797	1,546,125	90,451,630	4,074,214
Payable to employees	737,377	32,398	505,117	22,752
Accrued expenses payable	1,115,186	48,998	5,304,516	238,931
Social and health insurance	959,251	42,146	596,539	26,870
Advance from customers	-	-	43,860	1,976
Other payables	4,307,733	189,268	3,201,231	144,196
	46,371,983	2,037,434	106,428,313	4,793,855

14 Current tax liabilities

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Corporate income tax (Note 17)	391,926	17,220	391,926	17,654
Personal income tax	36,725	1,614	12,992	585
Foreign contractor tax	1,123,176	49,348	1,132,750	51,022
	1,551,827	68,182	1,537,668	69,261

15 Revenue and expenses from operations

The Company's revenue and expenses from operations are as follows:

	Year ended 31 March 2017		Year ended 31 March 2016	
	VND'000	US$	VND'000	US$
Revenue				
Revenue from sale of corn seeds	80,288,751	3,575,043	123,525,544	5,566,610
Revenue from rice seeds	10,044,997	447,276	4,974,200	224,965
Gross sales	90,333,748	4,022,319	128,499,744	5,611,575
Sales deduction	(74,411,173)	(3,313,330)	(50,480,627)	(2,283,055)
Sales returns	*(73,451,400)*	*(3,270,594)*	*(47,976,456)*	*(2,169,800)*
Sales discounts	*(959,773)*	*(42,736)*	*(2,504,171)*	*(113,255)*
Net sales	15,922,575	708,989	78,019,117	3,528,520
Operation expenses				
Cost of raw materials	21,311,040	948,923	36,564,701	1,653,688
Provision for decline in inventory valuation	24,352,879	1,084,368	(249,113)	(11,266)
Labour costs	24,858,394	1,106,878	18,106,600	818,898
Depreciation and amortization	3,171,019	141,197	4,495,136	203,299
Technical transfer expenses	(21,976,088)	(978,536)	18,870,780	853,457
Other expenses	23,888,715	1,063,701	28,554,516	1,291,416
Total operation expenses	75,605,959	3,366,531	106,342,622	4,809,490
Loss from operations	(59,683,384)	(2,657,542)	(28,323,505)	(1,280,969)

16 Finance income and costs

	Year ended 31 March 2017		Year ended 31 March 2016	
	VND'000	US$	VND'000	US$
Finance income				
Interest income	19,620	874	7,431	336
	19,620	874	7,431	336
Finance costs				
Interest expenses	2,095,832	93,322	12,042,232	544,626
Foreign contractors tax for interest expenses	108,084	4,813	314,340	14,217
Realised loss from foreign exchange differences	2,954,671	131,563	5,714,045	258,425
	5,158,587	229,698	18,070,617	817,268
	(5,138,967)	(228,824)	(18,063,186)	(816,932)

17 Corporate income tax expenses

The Company is liable to corporate income tax ("CIT") at 10% of taxable income. A reconciliation of the Company's net loss and taxable loss is presented as follows:

	Year ended 31 March 2017		Year ended 31 March 2016	
	VND'000	US$	VND'000	US$
Accounting loss before tax	(64,764,104)	(2,965,236)	(45,713,627)	(2,067,462)
Adjustments:				
Permanent differences				
Estimated non-deductible expenses	5,342,925	237,906	2,500,129	113,072
Temporary differences				
Provision for technical transfers	(21,976,088)	(978,536)	11,605,560	524,877
Provision for doubtful debt	2,934,550	130,668	-	-
Net provision for sale returns	(1,189,878)	(52,982)	574,580	25,986
Reversal of provision for decline in inventory	24,352,879	1,084,368	(249,110)	(11,266)
Tax loss	(55,299,716)	(2,543,812)	(31,282,468)	(1,414,793)
CIT payable at beginning of the year	391,926	17,654	391,926	18,225
Translation difference	-	(434)	-	(571)
CIT payable at end of the year (Note 14)	391,926	17,220	391,926	17,654

The calculation of CIT is subject to review and approval of the local tax authorities.

18 Deferred tax

The Company recognised deferred tax assets for temporary differences and tax loss relating to the following items:

	Balance sheet		Charge to income statement	
	31 Mar 2017	31 Mar 2016	2017	2016
	VND'000	VND'000	VND'000	VND'000
Deferred tax assets				
Provision for technical transfers	-	3,412,889	(3,412,889)	1,160,556
Provision doubtful debt	-	1,322,870	(1,322,870)	-
Net provision for sale returns	-	555,170	(555,170)	57,458
Provision for decline in inventory	-	206,482	(206,482)	(24,911)
Tax losses carried forward	1,325,100	6,640,870	(5,315,770)	(1,193,103)
	1,325,100	12,138,281	(10,813,181)	-

	Balance sheet		Charge to income statement	
	31 Mar 2017	31 Mar 2016	2017	2016
	US$	US$	US$	US$
Deferred tax assets				
Provision for technical transfers	-	153,727	(153,727)	48,992
Provision doubtful debt	-	59,586	(59,586)	(1,929)
Net provision for sale returns	-	25,007	(25,007)	1,863
Provision for decline in inventory	-	9,301	(9,301)	(1,459)
Tax losses carried forward	58,221	299,124	(240,903)	(65,162)
	58,221	546,745	(488,524)	(17,695)
Translation difference - equity	-	-	7,042	17,695
	58,221	546,745	(481,482)	-

The Company recognized deferred tax assets with an amount of VND1.3 billion on the balance sheet arising from tax losses of previous years as the Management believes that the Company will have sufficient future taxable income to utilise the said tax losses.

19 Related party transactions

During the year, the following transactions with related parties were recorded as follows:

Related party	Relation	Transactions	31 March 2017		31 March 2016	
			VND'000	US$	VND'000	US$
Bioseed Research Philippines	Fellow subsidiary	Purchase of seeds	217,358	9,550	52,283	2,355
DCM Shriram Limited	Fellow subsidiary	SAP implementation fees	-	-	819,065	36,894
		Payment on behalf for expenses	-	-	11,393	513
Bioseeds Limited	Ultimate parent company	Loan proceeds	-	-	55,502,500	2,500,000
		Loan prepayments	(55,616,365)	(2,500,000)	(69,045,110)	(3,110,000)
Bioseeds Holding Pte Limited	Parent company	Loan proceeds	-	-	60,606,730	2,730,000
		Loan prepayments	(85,029,830)	(3,830,000)	(43,624,965)	(1,965,000)
		Capital contribution	213,465,000	9,499,965	-	-
Biosed Shriram Genetics Indian	Fellow subsidiary	Purchases of seeds	2,499,048	109,800	21,364,022	962,300
PT. Shriram Genetics	Fellow subsidiary	Purchases seeds	-	-	3,290,188	148,200
		Payment on behalf for expenses	-	-	54,731	2,475

At 31 March, the following balances were outstanding with related parties:

Related party	Relation	Transactions	31 March 2017		31 March 2016	
			VND'000	US$	VND'000	US$
Receivable (Note 9)						
Shriram Bioseed Thailand Co Ltd	Fellow subsidiary	Corn seeds sale	-	-	5,719,544	257,625
Payables (Note 13)						
Bioseeds Limited	Ultimate parent company	Other payables	1,216,294	53,440	1,186,421	53,440
		Interest payables	7,524,380	330,597	6,645,803	299,347
Biosed Shriram Genetics Indian	Fellow subsidiary	Seeds purchases	2,510,591	110,307	50,935,767	2,294,301
DCM Shriram Limited	Fellow subsidiary	Purchase of assets	825,270	36,260	865,001	38,260
Bioseeds Research Philippines	Fellow subsidiary	Seeds purchases	442,705	19,451	1,548,296	69,740
Bioseeds Holdings Pte Limited	Parent Company	Interest payables	22,670,557	996,070	22,541,230	1,015,325
Shriram Bioseed Thailand Co Ltd	Fellow subsidiary	Other payables	-	-	5,718,978	257,600
PT. Shriram Genetics	Fellow subsidiary	Other payables	-	-	1,070,134	48,201
			35,189,797	1,546,125	90,451,630	4,074,214

Amounts due from and to related parties are trade related, unsecured and interest-free, except for the borrowings from Bioseeds Limited as presented at Note 12.

20 Transactions with key management personnel

During the year, the following remuneration expenses were recorded for the members of the Board of Director, which include paid remuneration and accruals of bonuses for the year:

	Year ended 31 March 2017		Year ended 31 March 2016	
	VND'000	US$	VND'000	US$
Salary	3,065,477	136,497	2,892,119	130,800
Bonus	51,276	2,283	276,388	12,500
Other benefits	1,824,462	81,238	697,008	31,523
	4,941,215	220,018	3,865,515	174,823

21 Commitments

As at 31 March, the Company was committed under operating lease commitments at the following amounts:

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Within 1 year	2,245,588	98,664	2,000,029	90,087
Within 2 to 5 years	177,759	7,810	-	-
Over 5 years	262,935	11,553	-	-
	2,686,282	118,027	2,000,029	90,087

22 Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated by its board of management, in close cooperation with the board of director, and focuses on actively securing the Company's short to medium-term cash flows.

The most significant financial risks to which the Company is exposed are described below.

22.1 Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk which result from its operating activities.

Foreign currency sensitivity

The Company has purchase transactions with its related parties for purchase of seeds in foreign currencies and as a result, is exposed to movements in foreign currency exchange rates.

Foreign currency denominated financial assets and liabilities, translated into VND at the closing rate, are as follows:

	31 March 2017		31 March 2016	
	US$	VND'000	US$	VND'000
Financial assets	710,517	16,774,186	226,307	5,024,238
Financial liabilities	(1,575,616)	(34,980,247)	(10,434,214)	(231,649,985)
Short-term exposure	(865,099)	(19,206,061)	(10,207,907)	(226,625,747)

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Company's financial assets and financial liabilities and the US Dollar – VND exchange rate.

It assumes a +/- 1% change of the US-Dollar/VND exchange rate for the year ended at 31 March 2017 (2016: +/-1%). The percentages have been determined based on the average market volatility

in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each balance sheet date.

If the USD had strengthened/weakened against the VND by 1% respectively (2015: 1%) then this would have had the following impact:

	Year ended 31 March 2017		Year ended 31 March 2016	
	VND'000	VND'000	VND'000	VND'000
	+1%	-1%	+1%	-1%
Net result for the year	(456,790)	456,790	(10,198,159)	10,198,159
Equity	(456,790)	456,790	(10,198,159)	10,198,159

Interest rate sensitivity

Interest rate risk is the risk that the fair value (fair value interest rates risk) or future cash flows (cash flow interest rates risks) of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rates risk arising from financial instruments carried fixed interest rates which are measured at fair value. In accordance with the Group's accounting policies, the Company does not have any financial instruments that require measurement at fair value. Therefore, a change in interest rate risk does not impact the Company's financial statements in relation to fair value of the financial instruments.

22.2 Credit risk

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets – loans and receivables - recognised at the reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls.

The Company's policy is to deal only with creditworthy counterparties. The Company's management considers that most of the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good, except for trade accounts receivable made provision at the balance sheet date.

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Classes of financial assets - carrying amounts				
Cash and cash equivalents	20,133,360	884,594	9,280,065	418,002
Trade and other receivables	60,537,452	2,659,818	121,043,309	5,452,156
	80,670,812	3,544,412	130,323,374	5,870,158

Except for certain doubtful debts with provision as presented in Note 9, the Company's management considers that the remaining financial assets are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. At 31 March the Company has certain trade and other receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31 March, analysed by the length of time past due, are:

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Not more than 3 months	31,091,269	1,366,049	52,725,038	2,374,895
More than 3 months but not more than 6 months	2,328,456	102,305	33,410,187	1,504,898
More than 6 months but not more than 1 year	16,035,953	704,567	9,972,993	449,214
More than one year	11,081,774	486,896	24,935,091	1,123,152
	60,537,452	2,659,817	121,043,309	5,452,157

22.3 Liquidity risk

The Company manages its liquidity needs by monitoring and maintain the balance of cash and cash equivalent at moderate to pay for the operations of the Company to reduce the liquidity risk and the effect of fluctuations in cash flow.

As at 31 March, the Company's liabilities have contractual maturities which are summarised below:

	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
	VND'000	VND'000	VND'000	VND'000
31 March 2017				
Borrowings	-	682,800	277,776	-
Trade payables	4,062,639	-	-	-
Other short term financial liabilities	55,622,048	-	-	-
	59,684,687	682,800	277,776	-
31 March 2016				
Borrowings	-	141,198,360	444,444	-
Trade payables	6,325,420	-	-	-
Other short term financial liabilities	135,377,526	-	-	-
	141,702,946	141,198,360	444,444	-
	US$	US$	US$	US$
31 March 2017				
Borrowings	-	30,000	12,205	-
Trade payables	178,499	-	-	-
Other short term financial liabilities	2,443,851	-	-	-
	2,622,350	30,000	12,205	-
31 March 2016				
Borrowings	-	6,360,000	20,019	-
Trade payables	284,916	-	-	-
Other short term financial liabilities	6,097,812	-	-	-
	6,382,728	6,360,000	20,019	-

23 Financial assets and liabilities

Note 4.8 provide a description of each category of financial assets and financial liabilities and the related accounting policies. The financial assets and financial liabilities are cash and cash equivalents, trade and other receivables, trade and other payables and so the carrying amount is considered a reasonable approximation of fair value. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	31 March 2017		31 March 2016	
	Carrying amount VND'000	Fair value VND'000	Carrying amount VND'000	Fair value VND'000
Financial assets				
Loans and receivables				
Cash and cash equivalent	20,133,360	20,133,360	9,280,065	9,280,065
Trade and other receivables	60,537,452	60,537,452	121,043,309	121,043,309
	80,670,812	80,670,812	130,323,374	130,323,374
Financial liabilities				
Other financial liabilities				
Borrowings	960,576	960,576	141,642,804	141,642,804
Trade payables	4,062,639	4,062,639	6,325,420	6,325,420
Other short term financial liabilities	55,622,048	55,622,048	135,377,526	135,377,526
	60,645,263	60,645,263	283,345,750	283,345,750

	31 March 2017		31 March 2016	
	Carrying amount US$	Fair value US$	Carrying amount US$	Fair value US$
Financial assets				
Loans and receivables				
Cash and cash equivalent	884,594	884,594	418,002	418,002
Trade and other receivables	2,659,818	2,659,818	5,452,156	5,452,156
	3,544,412	3,544,412	5,870,158	5,870,158
Financial liabilities				
Other financial liabilities				
Borrowings	42,205	42,205	6,380,019	6,380,019
Trade payables	178,499	178,499	284,916	284,916
Other short term financial liabilities	2,443,851	2,443,851	6,097,812	6,097,812
	2,664,555	2,664,555	12,762,747	12,762,747

24 Capital management policies

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. Capital for the year ended 31 March 2017 and 31 March 2016 is summarized as follows:

	31 March 2017		31 March 2016	
	VND'000	US$	VND'000	US$
Total equity	52,141,750	2,290,937	(85,745,965)	(3,862,258)
Subordinated loans	960,576	42,205	141,642,804	6,380,019
Cash and cash equivalents	20,133,360	884,594	9,280,065	418,002
Capital	73,235,686	3,217,736	65,176,904	2,935,763
Total equity	52,141,750	2,290,937	(85,745,965)	(3,862,258)
Short term borrowings (Note 12)	682,800	30,000	141,198,360	6,360,000
Overall financing	52,824,550	2,320,937	55,452,395	2,497,742
Capital to overall financing	1.39	1.39	1.18	1.18

25 Events after the balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

26 Authorisation of financial statements

The financial statements for the year ended 31 March 2017 (including comparatives) were approved by the Board of Director for issuance.

CÔNG TY TRÁCH NHIỆM HỮU HẠN MỘT THÀNH VIÊN BIOSEED VIỆT NAM

Bhambi Sanjeev Baldevchandra
General Director

Hanoi, Vietnam
12 April 2017