

# **UPL VIETNAM CO., LTD**

*Audited Financial Statements  
31 March 2015*

*with Report of the Director*



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# UPL Vietnam Co., Ltd

## REPORT OF THE BOARD OF DIRECTOR

The Board of Director of UPL Vietnam Co., Ltd ("the Company") presents its report and its financial statements as at and for the year ended 31 March 2015.

### THE COMPANY

The Company is a 100% foreign-owned enterprise established in Vietnam in accordance with Investment License No. 457/GP-KCN-DN issued by the Dong Nai Industrial Zones Authority on 31 March 2006 and the Amended Investment License No. 457/GCND C1-KCN-DN dated 10 August 2006 And the Company has received new investment certificate issued by the Dong Nai Industrial Zones Authority on 17 August 2009, the fourth amendment on 25 July 2014.

The principal activities of the Company are to produce formulated agricultural chemicals, insecticides, herbicides and fungicides and import all kinds of products from overseas; research, breed, test and produce of seeds.

The head office and factory is located at Amata Road, modern Long Binh (Amata) Industrial Zones, Bien Hoa City, Dong Nai province.

### RESULTS AND DIVIDENDS

	<i>This year</i>	<i>VND '000 Previous year</i>
Net profit for the year	19,770,659	10,811,667
Accumulated profit at end of year	74,074,842	54,498,104

### EVENTS SINCE 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.

### THE BOARD OF DIRECTOR

The General Director of the Company during the period and at the date of this report is Mr. Bhaskara Sai Chander Yarrapotu.

### AUDITORS

The auditors, Tin Viet – AICA Auditing and Consulting, have expressed their willingness to accept reappointment.

# UPL Vietnam Co., Ltd

## REPORT OF THE BOARD OF DIRECTOR (continued)

### STATEMENT OF THE DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Director is responsible for the financial statements of each financial year which give a true and fair view of the state of affairs of the Company and of its results and cash flows for the year. In preparing those financial statements, the Board of Director is required to:

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

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

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

### APPROVAL OF THE FINANCIAL STATEMENTS

I hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 March 2015 and the results of its operations and cash flows for the period then ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.



Bhaskara Sai Chander Yarrapotu  
General Director

08 April 2015

Reference: 85 /2015/BCKT-TC

**AUDITORS' REPORT**  
on the financial statements of UPL Vietnam Co.,Ltd  
as at and for the period ended 31 March 2015

To: The Board of Director

We have audited the accompanying Financial Statements of UPL Vietnam Co., Ltd prepared on April 08, 2015, from page 4 to 16, which comprise the Balance Sheet as at March 31st 2015, and the Income Statement and Cash Flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Director's Responsibility for the Financial Statements*

Director is responsible for the preparation and fair presentation of these Financial Statements in accordance with Vietnamese Financial Reporting Standards, 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.

*Auditor's Responsibility*

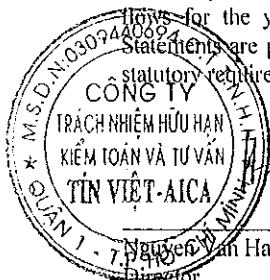
Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

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

*Auditor's Opinion*

In our opinion, the financial statements present fairly, in all material respects, give a true and fair view of the financial position of UPL Vietnam Co., Ltd as at March 31st 2015, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Financial Reporting Standards. Financial Statements are prepared in accordance with the Vietnamese accounting system and are comply with relevant statutory requirements.



Nguyen Van Hanh  
Director

Registered Auditor  
Registration No. 0831-2014-187-1

Ho Chi Minh City, Vietnam

10 April 2015

Vo Duy Linh  
Auditor  
Registered Auditor  
Registration No. 0168-2014-187-1

BALANCE SHEET  
as at 31 March 2015

VND '000

Code	ASSETS	Notes	31-03-2015	31-03-2014
100	<b>A. CURRENT ASSETS</b>		<b>173,675,335</b>	<b>128,636,790</b>
111	I. Cash	4	5,025,819	14,293,535
121	II. Short-term investments	5	10,000,000	4,000,000
130	III. Accounts receivable		<b>86,811,633</b>	<b>84,166,775</b>
131	1. Trade receivables	6	84,265,034	85,324,792
132	2. Advances to suppliers		482,558	113,704
133	3. Receivables from related parties		-	-
135	4. Other receivables		4,725,706	1,389,944
139	5. Provision for doubtful debts		(2,661,665)	(2,661,665)
140	IV. Inventories	7	<b>69,780,108</b>	<b>22,367,452</b>
141	1. Inventories		70,284,649	22,367,452
149	2. Provision for obsolete inventories		(504,541)	-
150	V. Other current assets		<b>2,057,775</b>	<b>3,809,028</b>
151	1. Short-term prepaid expenses		-	-
152	2. Value added-tax deductible		1,850,455	3,587,008
154	3. Tax and other receivables from the State		-	-
158	4. Other current assets		207,320	222,020
200	<b>B. NON-CURRENT ASSETS</b>		<b>25,225,389</b>	<b>27,280,038</b>
220	I. Fixed assets		<b>24,715,927</b>	<b>26,727,886</b>
221	1. Tangible fixed assets	8	18,250,799	20,033,332
222	Cost		39,179,998	38,796,153
223	Accumulated depreciation		(20,929,199)	(18,762,821)
227	2. Intangible fixed assets	9	6,465,128	6,694,554
228	Cost		8,620,763	8,620,763
229	Accumulated amortisation		(2,155,635)	(1,926,209)
230	3. Construction in progress		-	-
261	II. Long-term prepaid expenses	10	509,462	552,152
280	<b>TOTAL ASSETS</b>		<b>198,900,724</b>	<b>155,916,828</b>

BALANCE SHEET (continued)  
as at 31 March 2015

VND'000

Code	RESOURCES	Notes	31-03-2015	31-03-2014
<b>300</b>	<b>A. LIABILITIES</b>		<b>110,403,682</b>	<b>86,996,524</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>110,403,682</b>	<b>86,996,524</b>
311	1. Short-term borrowings		-	-
312	2. Trade payables	11	106,409,699	84,739,665
313	3. Advances from customers	12	198,468	-
314	4. Statutory obligations	13	495,912	863,944
315	5. Payables to employee		-	(13,668)
316	6. Accrued expenses	14	3,379,738	1,406,583
317	7. Payables to related parties		-	-
319	8. Other payables		(80,135)	-
<b>330</b>	<b>II. Non-current liability</b>		<b>-</b>	<b>-</b>
334	1. Long-term loans and debts		-	-
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>88,497,042</b>	<b>68,920,304</b>
<b>410</b>	<b>I. Capital</b>	<b>15</b>	<b>88,497,042</b>	<b>68,920,304</b>
411	1. Contributed charter capital		14,422,200	14,422,200
416	2. Foreign exchange differences		-	-
420	3. Accumulated profit / (losses)		74,074,842	54,498,104
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>198,900,724</b>	<b>155,916,828</b>

ITEM	31-03-2015	31-03-2014
Foreign currencies in banks		
US\$	46,702.28	26,113.32
EUR	200.25	211.17



Pham Thi Bich Chi  
Chief Accountant



Bhaskara Sai Chander Yarrapotu  
General Director

08 April 2015

INCOME STATEMENT  
for the period ended 31 March 2015

VND'000

Code	Items	Notes	This year	Previous year
01	1. Revenues		208,949,788	211,165,543
02	2. Deductions (sale return)		(447,321)	(1,274,443)
10	3. Net revenue from sale of goods		208,502,467	209,891,100
11	2. Cost of goods sold		(169,147,707)	(185,939,947)
20	3. Gross profit		39,354,760	23,951,153
21	4. Financial income		411,838	298,936
22	5. Financial expenses	16	(1,713,049)	(1,555,434)
23	In which: Interest expense		-	12,797
24	6. Selling expenses		(3,736,768)	(2,521,924)
25	7. General & administration expenses		(15,368,421)	(9,812,707)
30	8. Operating profit (loss)		18,948,360	10,360,024
31	9. Other income	17	2,979,685	1,942,256
32	10. Other expenses		-	-
40	11. Other profit		2,979,685	1,942,256
50	12. Profit (loss) before tax		21,928,045	12,302,280
51	13. Corporate income tax	18	(2,157,386)	(1,490,613)
52	14. Deferred tax expenses		-	-
60	15. Net profit (loss) after tax		19,770,659	10,811,667



Pham Thi Bich Chi  
Chief Accountant



Bhaskar Sai Chander Yarrapotu  
General Director

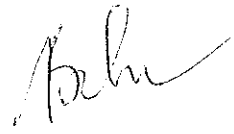
08 April 2015



CASH FLOW STATEMENT  
for the period ended 31 March 2015

VND'000

Code	Items	Notes	This year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Profit (loss) before tax		21,928,045	12,302,280
	Adjustments for:			
02	Depreciation and amortisation	8.9	2,570,218	2,781,651
03	Provisions		504,541	-
05	Gains/losses from investing activities		(25,774)	-
06	Interest expense		-	12,797
10	Operating income before changes in working capital		24,977,030	15,096,728
11	Increase / (decrease) in receivables		(893,604)	(26,806,148)
12	Increase / (decrease) in inventories		(47,917,197)	(2,396,879)
13	Increase (decrease) in payables		23,847,168	21,379,391
14	Decrease (increase) in prepaid expenses		42,690	4,629
15	Corporate income tax paid		(2,791,318)	(2,881,527)
16	Interest paid		-	(12,797)
17	Other cash outflows for operating activities		-	-
20	Net cash from (used in) operating activities		(2,735,231)	4,383,397
	<b>II. CASH FLOWS FROM INVESTING ACTIVITY</b>			
21	Purchase of fixed assets		(608,895)	(556,150)
22	Proceeds from disposals of fixed assets		76,410	-
28	Collection / (payments) for term deposit		(6,000,000)	(4,000,000)
30	Net cash used in investing activity		(6,532,485)	(4,556,150)
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution		-	-
33	Borrowings received		-	-
34	Repayment of borrowing		-	(4,165,600)
40	Net cash from financing activities		-	(4,165,600)
50	Net increase / decrease in cash		(9,267,716)	(4,338,353)
60	Cash at beginning of year	4	14,293,535	18,631,888
61	Impact of exchange rate fluctuation		-	-
70	Cash at end of year	4	5,025,819	14,293,535

  
Pham Thi Bich Chi  
Chief Accountant

08 April 2015



NOTES TO THE FINANCIAL STATEMENTS  
as at and for the period ended 31 March 2015

## 1. GENERAL

The Company is a 100% foreign-owned enterprise established in Vietnam in accordance with Investment License No. 457/GP-KCN-DN issued by the Dong Nai Industrial Zones Authority on 31 March 2006 and the Amended Investment License No. 457/GCNDCl-KCN-DN dated 10 August 2006. And the Company has received new investment certificate issued by the Dong Nai Industrial Zones Authority on 17 August 2009, the fourth amendment on 25 July 2014.

The principal activities of the Company are to produce formulated agricultural chemicals, insecticides, herbicides and fungicides and import all kinds of products from overseas; research, breed, test and produce of seeds.

The company has 38 employees, including 06 foreigners, as at 31 March 2015.

The head office and factory is located at Amata Road, modern Long Binh Industrial Zones, Bien Hoa City, Dong Nai province.

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The financial statements of the Company, expressed in thousand Vietnam dong ("VND'000"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standards ("VAS") issued by the Ministry of Finance as per the:

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

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

### 2.2 *Registered accounting documentation system*

The registered accounting documentation system is the Journal Ledger system.

### 2.3 *Fiscal year*

The Company's fiscal year starts on 1 April and ends on 31 March.

### 2.4 *Accounting currency*

The Company maintains its accounting records in Vietnam dong.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the period ended 31 March 2015

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Changes in accounting policies and disclosures*

There is no change in accounting policies and disclosures.

#### 3.2 *Cash*

Cash comprises cash on hand and cash at bank.

#### 3.3 *Receivables*

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

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increase and decrease to the provision balance are recorded as general and administration expense in the income statement.

#### 3.4 *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the income statement. When assets are sold or retired, their cost and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement

#### 3.5 *Land use rights*

Land use rights pertain to the value of the right to use lands in Amata Industrial Park in Bien Hoa, Dong Nai for a period of 37 years in accordance with the agreement signed on 14 March 2006.

#### 3.6 *Depreciation and amortisation*

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

Buildings & structures	37 years
Machinery	06 - 10 years
Motor vehicles	05 years
Office equipment	03 years
Others	03 years
Land use rights	37 years
Computer software	03 years

#### 3.7 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised over the year for which the amount are paid or the year in which economic benefit are generated in relation to these expenses.

The tools and consumables with large value issued into construction and can be used for more than one year are recorded as long-term prepaid expense and are amortised to the income statement over 02 years.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the period ended 31 March 2015

3. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

3.8 *Payables and accruals*

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

3.9 *Foreign currency translation*

Foreign exchange differences on revaluation of monetary assets and liabilities denominated in foreign currencies at year end are taken into the income statements.

3.10 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and when the significant risks and rewards of ownership of the goods have passed to the buyer.

3.11 *Taxation*

*Current income tax*

Current income tax assets and liabilities for the current and previous year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

*Deferred income tax*

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the taxable entity intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the period ended 31 March 2015

4. CASH

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	15,808	10,238
Cash in banks	5,010,011	14,283,297
<b>TOTAL</b>	<b>5,025,819</b>	<b>14,293,535</b>

5. SHORT-TERM INVESTMENTS: this is term deposits with the term is under 1 year.

6. TRADE RECEIVABLES

	Foreign currency	VND'000	
		<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from UPL Limited, India	225,870	4,862,981	-
Receivables from PT CV. ABADI JAYA	61,560	1,325,387	1,297,993
Receivables from Shanghai Forever Chemical Co.,Ltd	93,600	2,015,208	-
Receivables from UPL Australia Limited	794,195.5	17,099,029	45,992,662
Receivables from UPL Limited, Gibraltar	671,203.24	14,451,006	-
Receivables from PT Agro Sejahtera Indonesia	181,717.6	3,912,380	-
Dong Xanh JSC		2,273,734	2,042,720
An Giang Plant Protection		21,944,243	32,609,676
Tan Sang Co., Ltd		2,170,008	1,322,914
Receivables from other companies		14,211,058	2,058,828
<b>TOTAL</b>		<b>84,265,034</b>	<b>85,324,792</b>

7. INVENTORIES

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Goods in transit	3,839,933	129,146
Raw materials	7,800,261	14,949,960
Finished goods	7,585,245	4,824,929
Work in process	626,869	1,104,550
Traded goods	50,432,341	1,358,867
Provision	(504,541)	-
<b>TOTAL</b>	<b>69,780,108</b>	<b>22,367,452</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the period ended 31 March 2015

## 8. TANGIBLE FIXED ASSETS

	VND'000					
	<i>Plant &amp; machinery</i>	<i>Buildings &amp; structures</i>	<i>Furniture, fixtures and equipment</i>	<i>Motor vehicles</i>	<i>Other</i>	<i>Total</i>
<b>Cost:</b>						
Beginning balance	18,952,146	17,274,783	355,735	993,771	1,219,719	38,796,153
Increases	212,225	396,670	-	-	-	608,895
<i>In which:</i>						
<i>Newly purchased</i>	212,225	-	-	-	-	212,225
<i>Newly constructed</i>	-	396,670	-	-	-	396,670
Decreases	225,050	-	-	-	-	225,050
<i>In which:</i>						
<i>Disposal</i>	225,050	-	-	-	-	225,050
<i>Others</i>	-	-	-	-	-	-
Ending balance	<u>18,939,321</u>	<u>17,671,452</u>	<u>355,735</u>	<u>993,771</u>	<u>1,219,719</u>	<u>39,179,998</u>
<b>Accumulated depreciation:</b>						
Beginning balance	13,314,028	3,222,495	355,735	674,528	1,196,036	18,762,821
Increase during the year	1,696,232	538,987	-	95,773	9,800	2,340,792
Decrease during the year	174,414	-	-	-	-	174,414
Ending balance	<u>14,835,846</u>	<u>3,761,482</u>	<u>355,735</u>	<u>770,301</u>	<u>1,205,836</u>	<u>20,929,199</u>
<b>Net book value:</b>						
Beginning balance	<u>5,638,119</u>	<u>14,052,287</u>	<u>-</u>	<u>319,243</u>	<u>23,683</u>	<u>20,033,332</u>
Ending balance	<u>4,103,475</u>	<u>13,909,970</u>	<u>-</u>	<u>223,470</u>	<u>13,883</u>	<u>18,250,799</u>

## 9. INTANGIBLE FIXED ASSETS

	VND'000		
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
Beginning and ending balance	<u>8,488,756</u>	<u>132,007</u>	<u>8,620,763</u>
<b>Accumulated amortisation:</b>			
Beginning balance	1,794,202	132,007	1,926,209
Increase during the year	229,426	-	229,426
Decrease during the year	-	-	-
Ending balance	<u>2,023,628</u>	<u>132,007</u>	<u>2,155,635</u>
<b>Net book value:</b>			
Beginning balance	<u>6,694,554</u>	<u>-</u>	<u>6,694,554</u>
Ending balance	<u>6,465,128</u>	<u>-</u>	<u>6,465,128</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the period ended 31 March 2015

10. LONG-TERM PREPAID EXPENSES

	VND '000	
	<i>Ending balance</i>	<i>Beginning balance</i>
1 April	552,152	556,781
Addition during the year	1,775,364	804,154
Amortization	1,818,054	808,783
<b>Ending balance</b>	<b>509,462</b>	<b>552,152</b>

11. TRADE PAYABLES

	VND '000		
	<i>Foreign currency</i>	<i>Ending balance</i>	<i>Beginning balance</i>
UPL Limited, India	2,982,954.05	64,223,001	28,961,401
UPL Limited, Hong Kong	710,496	15,296,979	1,265,100
BIO-WIN Corporation Limited, Mauritius	959,016	20,647,614	12,408,944
UPL Australia Limited	-	-	1,176,248
UPL Shanghai Ltd	51,350	1,105,566	211,114
Nanjing Essence Fine-Chemical Co.	19,142	412,127	-
Overseas Material Supply	131,200	2,824,736	-
United Phosphorus, Inc. U.S.A	4,444.02	95,680	-
Red Sun Group Corporation	-	-	35,360,388
TOP SOLVENT VIETNAM CO., LTD	-	-	1,420,285
Mika Branch	-	-	2,719,448
Other companies	-	1,688,630	1,216,738
<b>TOTAL</b>	<b>-</b>	<b>106,409,699</b>	<b>84,739,665</b>

12. ADVANCES FROM CUSTOMERS

	VND '000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Quoc Huy International Co.,Ltd	161,165	-
Other companies	37,303	-
<b>TOTAL</b>	<b>198,468</b>	<b>-</b>

13. STATUTORY OBLIGATION

	VND '000	
	<i>Ending balance</i>	<i>Beginning balance</i>
VAT of imported goods	-	27,709
IVA on Import	38,986	20,180
Corporate Income Tax	371,723	811,734
Others	85,203	4,321
<b>TOTAL</b>	<b>495,912</b>	<b>863,944</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the period ended 31 March 2015

14. ACCRUED EXPENSES

	<i>VND'000</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Promotion (discount, travel, ...)	2,146,886	604,016
Audit service	196,000	175,296
Registration fee 25UPL product	-	316,275
WHT due to purchase from Bonded Ware house	401,783	-
Others	635,069	310,996
<b>TOTAL</b>	<b><u>3,379,738</u></b>	<b><u>1,406,583</u></b>

15. OWNERS' EQUITY

	<i>VND'000</i>			
	<i>Contributed charter capital</i>	<i>Accumulated profit/(losses)</i>	<i>Foreign exchange differences</i>	<i>Total</i>
<b>Previous year</b>				
Beginning balance	14,422,200	44,942,014	-	59,364,214
Net profit for the year	-	9,252,524	-	9,252,524
Adjust CIT of previous Year	-	303,567	-	303,567
CIT paid for last year	-	-	-	-
Ending balance	<u>14,422,200</u>	<u>44,942,014</u>	<u>-</u>	<u>68,920,304</u>
<b>Current year</b>				
Beginning balance	14,422,200	54,498,104	-	68,920,304
Net profit for the year	-	19,770,659	-	19,770,659
Adjust CIT of previous year	-	(193,922)	-	(193,922)
Additional CIT of last year	-	-	-	-
Additional tax from tax audit	-	-	-	-
Ending balance	<u>14,422,200</u>	<u>74,074,842</u>	<u>-</u>	<u>88,497,042</u>

16. FINANCIAL EXPENSES

Financial expenses include interest expenses and loss on foreign exchange differences.

17. OTHER INCOMES

Other incomes include import tax refunds, sale of scrap and insurance claim received in the year.

18. CORPORATE INCOME TAX ("CIT")

This year is fifth year of tax exemption 50% of tax rate 15% for production activities. For the trading activities and other income, the normal tax rate 22% is applied to its profit.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the period ended 31 March 2015

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

**Current CIT**

	VND '000		
	Trading activities	Production activity	Total
<b>Net Revenue</b>	38,632,273	169,870,194	208,502,467
<b>Cost of goods sold</b>	(33,001,094)	(136,146,613)	(169,147,707)
<i>Revenue percentage of trading activity over total revenue</i>			
<b>Gross profit</b>	5,631,179	33,723,581	39,354,760
Financial income	411,838	-	411,838
Financial expense	-	(1,713,049)	(1,713,049)
Selling expenses (19% of related expense)	(464,943)	(3,271,825)	(3,736,768)
General & administration expenses (19% of related expense)	(2,539,410)	(12,829,011)	(15,368,421)
Other income	2,979,685	-	2,979,685
<b>Profit before tax</b>	6,018,349	15,909,696	21,928,045
<b>Adjustments to accounting profit</b>			
Non-deductible expenses	-	1,662,959	1,662,959
Other income from Insurance claim during the year declared for tax calculation in last year	(2,202,729)	-	(2,202,729)
<b>Estimated current taxable profit</b>	3,815,620	17,572,654	21,388,275
Tax rate	22%	15%	
<b>Estimated current CIT</b>	839,436	2,635,898	3,475,335
Exemption on CIT (50%)	-	(1,317,949)	(1,317,949)
<b>Current CIT</b>	839,436	1,317,949	2,157,386
CIT at begin of year			811,734
CIT of previous year			-
CIT of tax audit			-
Adjust CIT of previous years			193,922
CIT paid during the year			(2,791,318)
<b>CIT payable at end of year</b>			<u>371,723</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the period ended 31 March 2015

## 19. TRANSACTIONS WITH RELATED PARTIES

<u>Related Party</u>	<u>Relationship</u>
Bio-win Corporation Limited, Mauritius	Parent company
United Phosphorus Inc., U.S.A	Related party
UPL Australia Limited	Related party
UPL Limited, Gibraltar	Related party
UPL Shanghai Ltd	Related party
United Limited, India	Related party
UPL Limited, Hong Kong	Related party

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

<u>Related Party</u>	<u>Transaction</u>	<u>Original curr</u>	<u>VND'000</u>
Bio-win Corporation Limited, Mauritius	Material / Goods purchases	\$1,573.453	33,552.234
United Limited, India	Interest charge	\$ 80,614.80	1,576.16
United Limited, India	Goods purchases	\$5,245,473.2	111,778,066
	Sell FGs	\$364,970	7,792,765
	Payment on behalf of UPL India	\$15,451.35	332.822
UPL Australia Limited	Sell FGs	\$794,195.50	17,003,069
	Payments for clearance of damaged stock	\$70,000	1,494,150
UPL Limited, Hong Kong	Material / Goods purchases	\$710,496	15,232,513
UPL Limited, Gibraltar	Sell FGs	\$671,203.24	14,402,679
UPL Shanghai Ltd	Sell FGs	\$86,400	1,842,912
United Phosphorus, Inc U.S.A	Material / Goods purchases	\$65,830	1,408,100
	Goods purchases	\$4,444.02	95,360

## 20. 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.



Pham Thi Bich Chi  
Chief Accountant

08 April 2015



Bhaskara Sai Chander Yarrapotu  
General Director