



**Vietnam Dairy Products Joint Stock Company**

Separate interim financial statements  
for the six-month period ended 30 June 2018



**Vietnam Dairy Products Joint Stock Company**

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## Vietnam Dairy Products Joint Stock Company Corporate Information

<b>Business Registration</b>	4103001932	20 November 2003
<b>Certificate No.</b>	0300588569	23 June 2017

The Company's business registration certificate has been amended several times, the most recent of which is by business registration certificate No. 0300588569 dated 23 June 2017. The business registration certification was issued by Ho Chi Minh City Planning and Investment Department.

<b>Board of Directors</b>	Mdm Le Thi Bang Tam	Chairwoman
	Mdm Mai Kieu Lien	Member
	Mr Lee Meng Tat	Member
	Mr Nguyen Hong Hien	Member (until 31 March 2018)
	Ms Dang Thi Thu Ha	Member
	Mr Le Thanh Liem	Member
	Mr Michael Chye Hin Fah	Member
	Mr Nguyen Ba Duong	Member
	Mr Do Le Hung	Member
	Mr Nguyen Chi Thanh	Member (from 31 March 2018)
	Mr Alain Xavier Cany	Member (from 31 March 2018)

<b>Board of Management</b>	Mdm Mai Kieu Lien	Chief Executive Officer
	Ms Bui Thi Huong	Executive Director – Human Resource – Administration and Public Relation
	Mr Mai Hoai Anh	Executive Director – Sales
	Mr Le Thanh Liem	Executive Director – Finance
	Mr Phan Minh Tien	Executive Director – Marketing
	Ms Nguyen Thi Thanh Hoa	Executive Director – Supply chain
	Mr Tran Minh Van	Executive Director – Production
	Mr Nguyen Quoc Khanh	Executive Director – Research and Development
	Mr Trinh Quoc Dung	Executive Director – Raw Materials Development
	Ms Ngo Thi Thu Trang	Executive Director – Projects (until 1 March 2018)

<b>Registered Office</b>	10 Tan Trao, Tan Phu Ward District 7, Ho Chi Minh City Vietnam
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<b>Auditor</b>	KPMG Limited Vietnam
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**Vietnam Dairy Products Joint Stock Company**  
**Statement of the Board of Management**

**STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN  
RESPECT OF THE SEPARATE INTERIM FINANCIAL STATEMENTS**

The Board of Management is responsible for the separate interim financial statements of Vietnam Dairy Products Joint Stock Company ("the Company") which give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2018 and of the unconsolidated results of operations and unconsolidated cash flows for the six-month period then ended. In preparing these separate interim financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate interim financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the unconsolidated financial position of the Company and which enable these separate interim financial statements to be prepared which complies with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. The Board of Management 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 SEPARATE INTERIM FINANCIAL STATEMENTS**

We hereby approve the accompanying separate interim financial statements set out on pages 6 to 60 which give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2018, and of the unconsolidated results of operations and unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Management



Mai Kieu Lien  
Chief Executive Officer

Ho Chi Minh City, 30 July 2018



KPMG Limited Branch  
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## **INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

### **To the Shareholders Vietnam Dairy Products Joint Stock Company**

We have reviewed the accompanying separate interim financial statements of Vietnam Dairy Products Joint Stock Company ("the Company"), which comprise the separate statement of financial position as at 30 June 2018, the separate statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 30 July 2018, as set out on pages 6 to 60.

### **Management's Responsibility**

The Company's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines necessary to enable the preparation of separate interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on these separate interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of Vietnam Dairy Products Joint Stock Company as at 30 June 2018 and of its unconsolidated results of operations and its unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 18-01-231/S-HY18



  
Lam Thi Ngoc Hao  
Practicing Auditor Registration  
Certificate No. 0866-2018-007-1  
Deputy General Director



Nguyen Thanh Nghi  
Practicing Auditor Registration  
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 30 July 2018

**Vietnam Dairy Products Joint Stock Company**  
**Separate statement of financial position as at 30 June 2018**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	<b>Code</b>	<b>Note</b>	<b>30/6/2018 VND</b>	<b>1/1/2018 VND</b>
<b>ASSETS</b>				
<b>Current assets</b>				
<b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>19,472,923,925,209</b>	<b>19,002,943,395,528</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>1,073,723,171,748</b>	<b>733,003,539,943</b>
Cash	111		593,723,171,748	653,003,539,943
Cash equivalents	112		480,000,000,000	80,000,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>9,116,023,488,016</b>	<b>10,515,000,831,849</b>
Trading securities	121	V.4(a)	442,023,488,016	442,023,488,016
Held-to-maturity investments	123	V.4(b)	8,674,000,000,000	10,072,977,343,833
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>5,080,683,686,289</b>	<b>4,177,896,085,300</b>
Accounts receivable from customers	131	V.2(a)	3,669,475,044,891	3,346,014,740,184
Prepayments to suppliers	132		1,003,737,139,092	515,607,637,431
Other short-term receivables	136	V.3(a)	408,292,153,063	320,433,597,717
Allowance for doubtful debts	137	V.2(d)	(950,010,334)	(4,159,890,032)
Shortage of assets awaiting for resolution	139		129,359,577	-
<b>Inventories</b>	<b>140</b>	<b>V.5</b>	<b>4,032,560,429,726</b>	<b>3,447,759,303,261</b>
Inventories	141		4,038,459,927,240	3,452,574,058,435
Allowance for inventories	149		(5,899,497,514)	(4,814,755,174)
<b>Other current assets</b>	<b>150</b>		<b>169,933,149,430</b>	<b>129,283,635,175</b>
Short-term prepaid expenses	151	V.10(a)	52,591,843,443	30,082,217,988
Deductible value added tax	152		117,341,305,987	99,201,417,187

*The accompanying notes are an integral part of these separate interim financial statements*

**Vietnam Dairy Products Joint Stock Company**  
**Separate statement of financial position as at 30 June 2018 (continued)**

**Form B 01a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2018 VND	1/1/2018 VND
<b>Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>14,561,485,043,737</b>	<b>13,506,629,942,142</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>103,510,048,047</b>	<b>43,381,778,324</b>
Long-term receivables	211	V.2(b)	91,646,857,680	29,973,948,684
Long-term loan receivables	215		3,702,337,981	5,373,558,222
Other long-term receivables	216	V.3(b)	8,160,852,386	8,034,271,418
<b>Fixed assets</b>	<b>220</b>		<b>6,912,262,724,193</b>	<b>6,578,193,561,054</b>
Tangible fixed assets	221	V.6	6,830,439,149,872	6,491,044,842,497
Cost	222		13,192,711,232,433	12,565,140,937,848
Accumulated depreciation	223		(6,362,272,082,561)	(6,074,096,095,351)
Intangible fixed assets	227	V.7	81,823,574,321	87,148,718,557
Cost	228		197,210,612,768	203,811,252,886
Accumulated amortisation	229		(115,387,038,447)	(116,662,534,329)
<b>Investment property</b>	<b>230</b>	<b>V.8</b>	<b>92,157,337,388</b>	<b>95,273,270,528</b>
Cost	231		143,340,838,168	143,340,838,168
Accumulated depreciation	232		(51,183,500,780)	(48,067,567,640)
<b>Long-term work in progress</b>	<b>240</b>		<b>1,570,895,041,817</b>	<b>970,605,001,566</b>
Construction in progress	242	V.9	1,570,895,041,817	970,605,001,566
<b>Long-term financial investments</b>	<b>250</b>		<b>5,472,495,086,078</b>	<b>5,358,856,346,187</b>
Investments in subsidiaries	251	V.4(c)	5,083,492,071,156	4,957,492,071,156
Investments in associates	252	V.4(c)	400,369,808,669	388,119,808,669
Equity investments in other entities	253	V.4(c)	18,300,000,000	28,570,276,240
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(29,666,793,747)	(15,325,809,878)
<b>Other non-current assets</b>	<b>260</b>		<b>410,164,806,214</b>	<b>460,319,984,483</b>
Long-term prepaid expenses	261	V.10(b)	392,440,408,910	429,925,215,603
Deferred tax assets	262	V.18	17,724,397,304	30,394,768,880
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>34,034,408,968,946</b>	<b>32,509,573,337,670</b>

*The accompanying notes are an integral part of these separate interim financial statements*



**Vietnam Dairy Products Joint Stock Company**  
**Separate statement of financial position as at 30 June 2018 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2018 VND	1/1/2018 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>8,297,213,377,158</b>	<b>9,213,216,736,722</b>
<b>Current liabilities</b>	<b>310</b>		<b>8,196,669,010,616</b>	<b>9,111,522,890,254</b>
Accounts payable to suppliers	311	V.11	3,676,127,108,715	3,608,952,910,564
Advances from customers	312		18,844,106,141	58,920,681,881
Taxes payable to State Treasury	313	V.12	726,979,242,484	375,861,148,168
Payables to employees	314		127,414,195,589	173,777,657,984
Accrued expenses	315	V.13	952,396,277,143	1,188,457,780,365
Short-term unearned revenue	318		6,070,831,960	7,344,630,678
Other short-term payables	319	V.14	799,124,381,444	3,023,434,643,866
Short-term borrowings	320	V.15	1,560,943,000,000	-
Provision – short-term	321		6,155,028,574	603,744,795
Bonus and welfare fund	322	V.16	322,614,838,566	674,169,691,953
<b>Long-term liabilities</b>	<b>330</b>		<b>100,544,366,542</b>	<b>101,693,846,468</b>
Long-term unearned revenue	336		1,039,560,218	1,039,560,218
Provision – long-term	342	V.17	99,504,806,324	100,654,286,250
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>25,737,195,591,788</b>	<b>23,296,356,600,948</b>
<b>Owners' equity</b>	<b>410</b>	<b>V.19</b>	<b>25,737,195,591,788</b>	<b>23,296,356,600,948</b>
Share capital	411	V.20	14,514,534,290,000	14,514,534,290,000
Share premium	412		260,699,620,761	260,699,620,761
Treasury shares	415		(9,481,110,600)	(7,159,821,800)
Investment and development fund	418		3,362,810,836,293	2,849,474,124,833
Retained profits	421		7,608,631,955,334	5,678,808,387,154
- Retained profits brought forward	421a		3,501,938,263,654	2,322,232,146,596
- Profit for the current period	421b		4,106,693,691,680	3,356,576,240,558
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>34,034,408,968,946</b>	<b>32,509,573,337,670</b>
<b>(440 = 300 + 400)</b>				

Prepared by:



Le Thanh Liem  
Executive Director – Finance  
cum Chief Accountant

30 July 2018



Approved by:



Mai Kieu Lien  
Chief Executive Officer

*The accompanying notes are an integral part of these separate interim financial statements*

**Vietnam Dairy Products Joint Stock Company**  
**Separate statement of income for the six-month period ended 30 June 2018**

**Form B 02a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Three-month period ended 30/6/2018 VND	30/6/2017 VND	Six-month period ended 30/6/2018 VND	30/6/2017 VND
Revenue from sales of goods and provision of services	01	VI.1	12,285,151,007,739	12,463,085,838,623	23,001,807,089,363	23,577,875,677,093
Revenue deductions	02	VI.1	24,563,017,210	23,704,393,328	28,135,037,448	37,677,345,995
Net revenue (10 = 01 - 02)	10	VI.1	12,260,587,990,529	12,439,381,445,295	22,973,672,051,915	23,540,198,331,098
Cost of sales	11	VI.2	6,194,036,215,528	6,148,282,715,829	11,706,542,325,747	11,767,923,893,686
Gross profit (20 = 10 - 11)	20		6,066,551,775,001	6,291,098,729,466	11,267,129,726,168	11,772,274,437,412
Financial income	21	VI.3	184,272,639,829	199,547,858,388	374,827,648,148	826,926,403,997
Financial expenses	22	VI.4	26,481,468,957	8,107,083,322	49,195,605,385	4,308,731,929
<i>In which: Interest expense</i>	23		9,722,692,054	-	11,789,843,252	9,310,000,000
Selling expenses	25	VI.7	3,027,737,054,489	2,914,307,542,889	5,209,736,201,939	5,093,368,553,916
General and administration expenses	26	VI.8	173,204,052,113	181,287,266,780	319,167,503,436	348,512,543,110
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		3,023,401,839,271	3,386,944,694,863	6,063,858,063,556	7,153,011,012,454
Other income	31	VI.5	36,384,463,730	42,341,210,694	166,833,096,298	57,548,664,436
Other expenses	32	VI.6	27,256,506,035	38,749,067,816	88,975,661,320	44,004,249,180
Results of other activities (40 = 31 - 32)	40		9,127,957,695	3,592,142,878	77,857,434,978	13,544,415,256
Accounting profit before tax (50 = 30 + 40)	50		3,032,529,796,966	3,390,536,837,741	6,141,715,498,534	7,166,555,427,710

*The accompanying notes are an integral part of these separate interim financial statements*

**Vietnam Dairy Products Joint Stock Company**  
**Separate statement of income for the year ended 30 June 2018 (continued)**

**Form B 02 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Three-month period ended 30/6/2018 VND	30/6/2017 VND	Six-month period ended 30/6/2018 VND	30/6/2017 VND
Accounting profit before tax (50 = 30 + 40)	50		3,032,529,796,966	3,390,536,837,741	6,141,715,498,534	7,166,555,427,710
Income tax expense – current	51	VI.10	480,893,798,541	554,778,584,518	995,678,012,358	1,074,157,456,794
Income tax expense/(benefit) – deferred	52	VI.10	3,770,369,589	(4,013,199,347)	12,670,371,576	8,025,776,853
Net profit after tax (60 = 50 - 51 - 52)	60		2,547,865,628,836	2,839,771,452,570	5,133,367,114,600	6,084,372,194,063

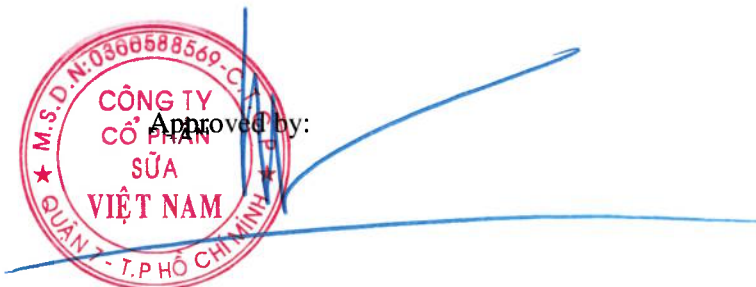
30 July 2018

Prepared by:



Le Thanh Liem  
Executive Director – Finance  
cum Chief Accountant

Approved by:



Mai Kieu Lien  
Chief Executive Officer

*The accompanying notes are an integral part of these separate interim financial statements*

**Vietnam Dairy Products Joint Stock Company**  
**Separate statement of cash flows for the six-month period ended 30 June 2018**  
**(Indirect method)**

**Form B 03a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended 30/6/2018 VND	30/6/2017 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>6,141,715,498,534</b>	<b>7,166,555,427,710</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		538,507,378,524	475,748,846,020
Allowances and provisions	03		24,066,396,353	(26,273,884,366)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		3,496,389,266	4,957,104,264
Losses from disposals of investments	05		1,982,981,082	-
Gains on disposals of fixed assets, investment property and construction in progress	05		(27,545,094,029)	(6,530,068,974)
Gain from merger of a subsidiary	05	VI.3	-	(430,894,168,467)
Dividends and interest income	05		(363,986,449,773)	(379,170,084,290)
Interest expense	06	VI.4	11,789,843,252	9,310,000,000
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>6,330,026,943,209</b>	<b>6,813,703,171,897</b>
Change in receivables	09		(849,356,113,812)	(968,878,901,782)
Change in inventories	10		(592,500,401,423)	306,375,449,591
Change in payables and other liabilities	11		(358,887,791,607)	718,394,864,355
Change in prepaid expenses	12		16,929,555,623	(32,028,958,179)
Interest paid	14		(9,580,184,068)	(30,366,388,889)
Income tax paid	15	V.12	(713,553,372,474)	(607,575,870,612)
Other receipts from operating activities	16		149,174,000	-
Other payments for operating activities	17		(859,445,593,766)	(569,617,030,643)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>2,963,782,215,682</b>	<b>5,630,006,335,738</b>

*The accompanying notes are an integral part of these separate interim financial statements*

**Vietnam Dairy Products Joint Stock Company**  
**Separate statement of cash flows for the six-month period ended 30 June 2018**  
**(Indirect method – continued)**

**Form B 03a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended 30/6/2018 VND	30/6/2017 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(1,400,698,249,440)	(820,158,808,871)
Collections on disposals of fixed assets, investment property and other long-term assets	22		11,895,554,466	35,749,029,121
Collections on/(payments) for time deposits	23		1,398,977,343,833	(1,336,477,343,833)
Receipts from collecting loans	24		1,671,220,241	2,143,337,165
Receipts from sales of debt instruments of other entities	24		785,778,116	300,000,000,000
Payments for investments in other entities	25		(138,250,000,000)	(405,848,353,000)
Collections on investments in other entities	26		-	273,192,164,317
Receipts of interest and dividends	27		300,535,744,059	308,011,350,808
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>174,917,391,275</b>	<b>(1,643,388,624,293)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment for repurchase of treasury shares	32		(2,321,288,800)	(3,739,485,360)
Proceeds from borrowings	33		1,558,175,500,000	-
Payments to settle loan principals	34		-	(1,200,000,000,000)
Payments of dividends	36		(4,353,787,903,500)	(2,902,686,424,000)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(2,797,933,692,300)</b>	<b>(4,106,425,909,360)</b>

*The accompanying notes are an integral part of these separate interim financial statements*

**Vietnam Dairy Products Joint Stock Company**  
**Separate statement of cash flows for the six-month period ended 30 June 2018**  
**(Indirect method – continued)**

**Form B 03a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2018 VND	30/6/2017 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50		340,765,914,657	(119,808,197,915)
Cash and cash equivalents at the beginning of the period	60		733,003,539,943	485,358,843,152
Effect of exchange rate fluctuations on cash and cash equivalents	61		(46,282,852)	(67,158,540)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	V.1	1,073,723,171,748	365,483,486,697

30 July 2018

Prepared by:



**Le Thanh Liem**  
*Executive Director – Finance  
cum Chief Accountant*

Approved by:



**Mai Kieu Lien**  
*Chief Executive Officer*

*The accompanying notes are an integral part of these separate interim financial statements*

**Vietnam Dairy Products Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended**  
**30 June 2018**

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
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These notes form an integral part of and should be read in conjunction with the accompanying separate interim financial statements.

## **I. CORPORATE INFORMATION**

### **1. Ownership structure**

Vietnam Dairy Products Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

The major milestones related to the establishment and development of Vietnam Dairy Products Joint Stock Company (“the Company”) are recognised as follows:

- 29 April 1993: Vietnam Dairy Products Company (State-owned Enterprise) was established according to Decision No. 420/CNN/TCLD of the Ministry of Light Industry.
- 1 October 2003: The Company was equitised from a State-owned Enterprise of the Ministry of Industry according to Decision 155/2003/QĐ-BCN.
- 20 November 2003: The Company was registered as a joint stock company and began operating under Enterprise Law of Vietnam and its Business Registration Certificate No. 4103001932 was issued by Ho Chi Minh City Planning and Investment Department.
- 28 December 2005: The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPNY.
- 19 January 2006: The Company’s shares were listed on Ho Chi Minh City Stock Exchange.

### **2. Principal activities**

The principal activities of the Company are to:

- Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- Trade in food technology, spare parts, equipment, materials and chemicals;
- Trade in real estate, owner or leasing land use rights (according to rule No. 11.3 of 2014 Real Estate Law);
- Trade in warehouse, yards;
- Provide internal transportation by cars for manufacturing and consuming Company’s products;
- Manufacture, sell and distribute beverages, grocery and processing foods, roasted-ground-filtered and instant coffee (not manufacturing and processing at the head office);
- Manufacture and sell plastic, packaging (not manufacturing at the head office);
- Provide health care clinic services (not at the head office); and
- Raise cattle, cultivation.

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**3. Normal operating cycle**

The normal operating cycle of the Company is generally within 12 months.

**4. Group structure**

As at 30 June 2018, the Company had 6 subsidiaries and 3 associates (1 January 2018: 6 subsidiaries and 3 associates) and dependent units as follows:

**(a) Subsidiaries**

<b>Name</b>	<b>Location</b>	<b>Principal activities</b>	<b>% of ownership/ voting rights</b>
• Vietnam Dairy Cow One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Dairy cow raising	100.00%
• Thong Nhat Thanh Hoa Dairy Cow Limited Company	Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province	Milk production and cattle raising	100.00%
• Driftwood Dairy Holdings Corporation	No. 10724, Street Lower Azusa and El Monte Boulevards Intersection, California 91731-1390, United States	Milk production	100.00%
• Angkor Dairy Products Co., Ltd.	Lot P2-096 and P2-097, Phnom Penh Special Economic Zone (PPSEZ), National Highway 4, Khan posenchey, Phnom Penh, Kingdom of Cambodia	Milk production	100.00%
• Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Ul, Gwiazdzista 7a/401-651 Warszawa, Poland	Dairy raw materials and animal trading	100.00%
• Vietnam Sugar Joint Stock Company	Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province	Sugar producing and refining	65.00%



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**(b) Associates**

<b>Name</b>	<b>Location</b>	<b>Principal activities</b>	<b>% of ownership/ voting rights</b>
• Miraka Holding Limited	108 Tuwharetoa, Taupo, New Zealand	Milk production	22.81%
• APIS Corporation	No. 18A, VSIP II-A, 27 Street, Viet Nam – Singapore II-A Industrial Zone, Vinh Tan Ward, Tan Uyen District, Binh Duong Province	Food raw materials trading	20.00%
• Asia Coconuts Processing Joint Stock Company	Giao Long Industrial Zone, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam	Coconut-based products manufacturing and trading	25.00%

**(c) Dependent units:**

***Sales branches:***

- 1/ Vietnam Dairy Products Joint Stock Company's Branch in Ha Noi – 11th Floor, Tower B, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Hanoi City.
- 2/ Vietnam Dairy Products Joint Stock Company's Branch in Da Nang – 7th Floor, Danang Post Office Tower, 271 Nguyen Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City.
- 3/ Vietnam Dairy Products Joint Stock Company's Branch in Can Tho – 77-77B Vo Van Tan, Tan An Ward, Ninh Kieu District, Can Tho City.

***Manufacturing factories:***

- 1/ Thong Nhat Dairy Factory – 12 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
- 2/ Truong Tho Dairy Factory – 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
- 3/ Dielac Dairy Factory – Bien Hoa I Industrial Park, Dong Nai Province.
- 4/ Can Tho Dairy Factory – Tra Noc Industrial Park, Can Tho City.
- 5/ Sai Gon Dairy Factory – Tan Thoi Hiep Industrial Park, District 12, Ho Chi Minh City.
- 6/ Nghe An Dairy Factory – Sao Nam Street, Nghi Thu Commune, Cua Lo Town, Nghe An Province.
- 7/ Binh Dinh Dairy Factory – 87 Hoang Van Thu, Quang Trung Ward, Quy Nhon City, Binh Dinh Province.
- 8/ Vietnam Beverage Factory – My Phuoc II Industrial Park, Binh Duong Province.

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- 9/ Tien Son Dairy Factory – Tien Son Industrial Park, Bac Ninh Province.
- 10/ Da Nang Dairy Factory – Hoa Khanh Industrial Park, Da Nang City.
- 11/ Vietnam Powdered Milk Factory – 9 Tu Do Boulevard - Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province.
- 12/ Vietnam Dairy Factory – My Phuoc II Industrial Park, Binh Duong Province.
- 13/ Lam Son Dairy Factory – Le Mon Industrial Zone, Thanh Hoa City, Thanh Hoa Province.

***Warehouses:***

- 1/ Ho Chi Minh Logistic Enterprise – 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
- 2/ Ha Noi Logistic Enterprise – Km 10 Highway 5, Duong Xa Commune, Gia Lam District, Ha Noi City.

***Clinics:***

- 1/ An Khang General Clinic – 184-186-188 Nguyen Dinh Chieu, Ward 6, District 3, Ho Chi Minh City.

***Raw milk center :***

- 1/ Branch of Vietnam Dairy Products Joint Stock Company's – Cu Chi Raw Milk Center - Lot B14-1, B14-2 D4, Dong Nam Industrial Zone, Hoa Phu Commune, Cu Chi District, Ho Chi Minh City.

As at 30 June 2018, the Company had 5,661 employees (1/1/2018: 5,669 employees).

## **II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY**

### **1. Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December.

### **2. Accounting and presentation currency**

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for separate interim financial statement presentation purpose.

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**III. ACCOUNTING STANDARDS AND SYSTEM**

**1. Statement of compliance**

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirement applicable to financial reporting. The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated financial statements.

**2. Basis of measurement**

The separate interim financial statements, except for the separate statement of cash flows, are prepared on the accrual basis using the historical cost concept. The separate statement of cash flows is prepared using the indirect method.

**3. Accounting form**

The Company applies computerised accounting form.

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following significant accounting policies have been adopted by the Company in the preparation of these separate interim financial statements.

The accounting policies that have been adopted by the Company in the preparation of these separate interim financial statements are consistent with those adopted in the preparation of the latest separate annual financial statements.

**1. Foreign currency transactions**

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the separate statement of income.

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**2. Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**3. Investments**

**(a) Trading securities**

Trading securities are those held by the Company for trading purpose, include those with maturity periods more than 12 months that are purchased for resale with the aim of making profits. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value.

Trading securities shall be recorded when the Company acquires the ownership, in particular:

- Listed securities are recognised at the time of matching (T+0);
- Unlisted securities are recognised at the time the ownership is acquired as prescribed in the Vietnamese laws and regulations.

An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**(b) Held-to-maturity investments**

Held-to-maturity investments are those that the Company's Board of Directors has intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank, corporate bonds, redeemable preference shares which the issuers are required to repurchase at a certain date, granting loans held to maturity and other held-to-maturity investments. These investments are stated at costs less allowance for diminution in the value.

Held-to-maturity investments classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

**(c) Loans receivable**

Loans receivables are loans granted under an agreement between parties but not being traded as securities in the market. Allowance for doubtful loans is made for each loan based on overdue days in payment of loan principals according to initial loan commitment (exclusive of the loan rescheduling between parties), or based on expected loss that may arise.

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**(d) Investments in subsidiaries and associates**

Subsidiaries are those entities in which the Company has control over the financial and operating policies, generally evidenced by holding more than half of voting rights. In assessing control, exercisable potential voting rights are taken into account.

Associates are entities in which the Company has significant influence, but not control, normally by holding 20% to 50% of voting rights in these entities.

For the purpose of these separate interim financial statements, investments in subsidiaries and associates are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's Board of Management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

In case the Company dissolves the subsidiary and merges all assets and liabilities of the subsidiary into the Company (the Company inherits all the rights and obligations of the subsidiary), the Company decreases the carrying amount of the investment in the subsidiary and records all assets and liabilities of the dissolved subsidiary in the separate financial statement of the Company at fair value at the date of the merger. The difference between the cost of an investment in a subsidiary and the fair value of the asset and liability is recognised in financial income or expense.

**(e) Investment in equity instruments of other entities**

Investment in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Company's Board of Management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**4. Accounts receivable**

Accounts receivable are monitored in detail of receivable terms, receivable parties, original currency and other factors depending on the Company's managerial requirements. Accounts receivable from customers include trade receivables arising from buying-selling transactions. Other receivables include non-trade receivables, not related to buying-selling transactions. Accounts receivable are classified as short-term and long-term in the separate statement of financial position based on the remaining period of these receivables at the reporting date.

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Trade and other receivables are stated at cost less allowance for doubtful debts. Allowance for doubtful debts is made for each doubtful debt based on overdue days in payment of principals according to initial debt commitment (exclusive of the debts rescheduling between contracting parties), or based on expected loss that may arise.

Trade and other receivables classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

**5. Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventories.

**6. Tangible fixed assets**

**(a) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the separate statement of income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(b) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

- |                            |              |
|----------------------------|--------------|
| ▪ buildings and structures | 5 – 50 years |
| ▪ machinery and equipment  | 2 – 15 years |
| ▪ motor vehicles           | 6 – 10 years |
| ▪ office equipment         | 3 – 10 years |

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**7. Intangible fixed assets**

**(a) Land use rights**

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer; and
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use rights certificate issued by competent authority.

Definite lived land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over the valid term of land use rights certificate.

Indefinite lived land use rights are stated at cost and not amortised.

**(b) Software**

Cost of acquiring of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 2 – 6 years.

**8. Investment property**

**(a) Cost**

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair and maintenance, is charged to the separate statement of income in the period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

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**(b) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property held to earn rental. The estimated useful lives are as follows:

- |                   |              |
|-------------------|--------------|
| ▪ land use rights | 49 years     |
| ▪ infrastructure  | 10 years     |
| ▪ buildings       | 6 – 50 years |

**9. Construction in progress**

Construction in progress represents the costs of the construction which has not been fully completed. No depreciation is provided for construction in progress during the period of construction.

**10. Prepaid expenses**

**(a) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on Board of Management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the separate statement of income on a straight-line basis over the term of the lease.

**(b) Tools and instruments**

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over 1 – 4 years.

**(c) Others**

Others are recorded at cost and amortised on a straight-line basis over their economic useful lives of 1 – 3 years.



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**11. Trade and other payables**

Accounts payable are monitored in details by payable terms, payable parties, original currency and other factors depending on the Company's managerial requirements. Account payables to suppliers include trade payables arising from transaction of buying-selling transactions and payables for import through trustees (in import entrustment transactions). Other payables include non-trade payables, not related to buying-selling transactions. Accounts payable are classified as short-term and long-term in the separate statement of financial position based on the remaining period of these payables at the reporting date.

Trade and other payables are stated at their cost. Trade and other payables classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

**12. Accrued expenses**

Accrued expenses include those made for goods, services received from suppliers in the accounting period but not yet paid due to the lack of receipts or supporting documents, are recognised as manufacturing and operating expense in the reporting period based on the term stated in the respective contracts.

**13. Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

***Severance allowance***

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

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**14. Share capital**

**(a) Ordinary shares**

Ordinary shares are stated at par value. Excess of cash received from share issues over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

**(b) Repurchase and reissue of ordinary shares (treasury shares)**

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are subsequently reissued, the cost of shares reissued are calculated on the weighted average basis, any surplus or deficit of proceed over cost is recorded in share premium.

**15. Taxation**

Income tax on the unconsolidated profit or loss for the period comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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**16. Revenue and other income**

**(a) Goods sold**

Revenue from the sale of goods is recognised in the separate statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

**(b) Services rendered**

Revenue from services rendered is recognised in the separate statement of income in proportion to the stage of completion of the transaction at the end of the annual accounting period. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(c) Rental income**

Rental income from leased property is recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

**(d) Interest income**

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

**(e) Dividend income**

Dividend income is recognised when the right to receive dividend is established.

**(f) Revenue from disposal of short-term and long-term investments**

Revenue from disposal of short-term and long-term investments is recognised in the separate statement of income when significant risks and rewards of ownership have been transferred to the buyer. Significant risks and rewards of ownership have been transferred upon the completion of trading transaction (for listed securities) or the completion of the agreement on transfer of assets (for non-listed securities).

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**17. Revenue deductions**

Revenue deductions included sales discounts, sales allowances and sales returns.

In case goods were sold or services were provided during the reporting period but the related sales discounts, sales allowances or sales returns incur in the following period, revenue deductions are recognised in the reporting period only if such payments occur prior to the issuance of the separate interim financial statements.

**18. Cost of sales**

Cost of sales comprise the cost of products, goods and services provided during the period and is recognised corresponding to revenue. Cost of direct raw materials consumed which is over the normal level, labour cost and manufacturing overheads not allocated to finished goods are recorded directly into the cost of sales (after deducting compensations, if any) even if products and goods are not yet determined to be consumed.

**19. Operating lease payments**

Payments made under operating leases are recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the separate statement of income as an integral part of the total lease expense.

**20. Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

**21. Dividend distribution**

The Company's net profit after tax is available for appropriation to shareholders as dividends after approval by shareholders at the Company's Annual General Meeting and after making appropriation to reserve funds in accordance with the Company's Charter.

Dividends are declared and paid based on the estimated earnings of the year. Final dividends are declared and paid in the following year from undistributed earnings based on the approval of shareholders at the Company's Annual General Meeting.

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**22. Funds**

Appropriation to funds is made in accordance with the Company's Charter as follows:

- |                                   |                         |
|-----------------------------------|-------------------------|
| ▪ Bonus and welfare fund          | 10% of profit after tax |
| ▪ Investment and development fund | 10% of profit after tax |

Utilisation of the above reserve funds requires approval of the shareholders, the Board of Directors or the Chief Executive Officer, depending on the nature and magnitude of the transactions involved as stated in the Company's Charter. When the fund is utilised for business expansion, the amount utilised is transferred to share capital.

Prior to 1 January 2018, Bonus and Welfare Fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies, excluding income from individual performance. From 1 January 2018 onwards, the Company changed its bonus and welfare policies to employees which has been applied prospectively. Accordingly, this fund is also used to pay income from individual performance to employees. The effect of this policy change was to decrease staff costs during the period by VND219 billion.

**23. Segment reporting**

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on geographical segments.

**24. Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprises, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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**V. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE STATEMENT OF FINANCIAL POSITION**

**1. Cash and cash equivalents**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	888,831,201	730,005,123
Cash in banks	592,834,340,547	652,273,534,820
Cash equivalents	480,000,000,000	80,000,000,000
	<hr/> <b>1,073,723,171,748</b>	<hr/> <b>733,003,539,943</b> <hr/>

**2. Accounts receivable from customers**

**(a) Accounts receivable from customers – short-term**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Receivables from customers	3,669,475,044,891	3,346,014,740,184
	<hr/>	<hr/>

**(b) Accounts receivable from customers – long-term**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
SIG Combibloc Ltd	91,646,857,680	29,973,948,684
	<hr/>	<hr/>

**Vietnam Dairy Products Joint Stock Company**  
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**(c) Accounts receivable from related parties**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
<b>Subsidiaries</b>		
Driftwood Dairy Holdings Corporation	1,088,977,332	-
Angkor Dairy Products Co., Ltd.	133,055,413	22,027,476,285
Thong Nhat Thanh Hoa Dairy Cow Limited Company	32,104,215	31,324,879
Vietnam Dairy Cow One Member Limited Company	-	48,390,000
<b>Associate</b>		
APIS Corporation	-	136,184,400
	<b>1,254,136,960</b>	<b>22,243,375,564</b>

The trade related amount due from related parties were unsecured, interest free and receivable on demand.

**(d) Short-term allowance for doubtful debts**

Movements of short-term allowance for doubtful debts during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Opening balance	(4,159,890,032)	(475,005,167)
Increase in allowance for doubtful debts	(21,001,389)	(190,002,067)
Written back	21,001,389	-
Allowance for doubtful debts utilised during the period	3,209,879,698	-
<b>Closing balance</b>	<b>(950,010,334)</b>	<b>(665,007,234)</b>

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**3. Other receivables**

**(a) Other short-term receivables**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits	352,720,357,535	296,972,069,630
Interest income from bonds	12,298,335,617	4,595,917,808
Receivables from employees	652,324,434	790,358,223
Advances to employees	1,333,713,860	2,007,687,112
Short-term deposits	202,000,000	212,140,600
Import tax refundable	10,378,397,285	11,286,997,201
Payments on behalf of Thong Nhat Thanh Hoa Dairy		
Cow One Member Company Limited and Vietnam		
Dairy Cow Limited Company, related parties (*)	15,728,151,834	-
Others	14,978,872,498	4,568,427,143
	<b>408,292,153,063</b>	<b>320,433,597,717</b>

(\*) The amounts due from related parties were unsecured, interest free and receivable upon demand.

**(b) Other long-term receivables**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits	1,913,167,560	1,786,586,592
Others	6,247,684,826	6,247,684,826
	<b>8,160,852,386</b>	<b>8,034,271,418</b>



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**4. Investments**

**(a) Trading securities**

	30/6/2018			1/1/2018		
	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term investments in shares:						
▪ Bao Viet Joint Stock Commercial Bank (*)	442,000,000,000	442,000,000,000	-	442,000,000,000	442,000,000,000	-
▪ Others	23,488,016	23,504,156	-	23,488,016	23,542,016	-
	<b>442,023,488,016</b>	<b>442,023,504,156</b>	<b>-</b>	<b>442,023,488,016</b>	<b>442,023,542,016</b>	<b>-</b>

(\*) As at the reporting date, the Company has entered into a share purchase agreement to transfer its securities of Bao Viet Joint Stock Commercial Bank, the transaction has not completed (Note V.14). The carrying value of the securities represented the expected realisable amount.

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**(b) Held-to-maturity investments**

	<b>Note</b>	<b>30/6/2018 VND</b>	<b>1/1/2018 VND</b>
Held-to-maturity investments – short-term			
▪ term deposits		8,484,000,000,000	9,882,977,343,833
▪ corporate bonds	(*)	190,000,000,000	190,000,000,000
		<b>8,674,000,000,000</b>	<b>10,072,977,343,833</b>

- (\*) The amount represented an investment in bonds issued by Ho Chi Minh Development Joint Stock Commercial Bank with an original maturity of 36 months from its placement dates. The bonds were unsecured, earned interest at the rate of 8.175% (for the year ended 31 December 2017: from 8.075% to 8.175%) per annum and are matured in September 2018.

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**(c) Long-term financial investments**

		30 June 2018				1 January 2018			
	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND	
Investment in subsidiaries									
▪ Vietnam Dairy Cow One Member Limited Company	100.00%	2,250,780,000,000	(*)	-	100.00%	2,250,780,000,000	(*)	-	
▪ Driftwood Dairy Holdings Corporation	100.00%	225,895,918,429	(*)	-	100.00%	225,895,918,429	(*)	-	
▪ Vinamilk Europe Spółska Z Ograniczona Odpowiedzialnoscia	100.00%	66,463,150,000	(*)	-	100.00%	66,463,150,000	(*)	-	
▪ Angkor Dairy Products Co., Ltd.	100.00%	464,289,241,751	(*)	-	100.00%	464,289,241,751	(*)	-	
▪ Thong Nhat Thanh Hoa Dairy Cow Company Limited	100.00%	747,682,699,703	(*)	(29,666,793,747)	100.00%	621,682,699,703	(*)	(7,824,292,836)	
▪ Vietnam Sugar Joint Stock Company	65.00%	1,328,381,061,273	(*)	-	65.00%	1,328,381,061,273	(*)	-	
		5,083,492,071,156		(29,666,793,747)		4,957,492,071,156		(7,824,292,836)	

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	% of equity owned and voting rights	30 June 2018			% of equity owned and voting rights	1 January 2018		
		Cost VND	Fair value VND	Allowance for diminution in value VND		Cost VND	Fair value VND	Allowance for diminution in value VND
<b>Investment in associates</b>								
▪ Miraka Holding Limited	22.81%	293,189,808,669	(*)	-	22.81%	293,189,808,669	(*)	-
▪ APIS Corporation (**)	20.00%	20,350,000,000	(*)	-	18.00%	8,100,000,000	(*)	-
▪ Asia Coconuts Processing Joint Stock Company	25.00%	86,830,000,000	(*)	-	25.00%	86,830,000,000	(*)	-
		<u>400,369,808,669</u>		<u>-</u>		<u>388,119,808,669</u>		<u>-</u>
<b>Equity investment in other entities</b>								
▪ Asia Saigon Food Ingredients Joint Stock Company	14.71%	18,000,000,000	(*)	-	14.71%	18,000,000,000	(*)	-
▪ Vietnam Growth Investment Fund (***)		-		-		10,270,276,240	(*)	(7,501,517,042)
▪ An Khang Clinic – Pharmacy		300,000,000	(*)	-		300,000,000	(*)	-
		<u>18,300,000,000</u>		<u>-</u>		<u>28,570,276,240</u>		<u>(7,501,517,042)</u>
		<u><b>5,502,161,879,825</b></u>		<u><b>(29,666,793,747)</b></u>		<u><b>5,374,182,156,065</b></u>		<u><b>(15,325,809,878)</b></u>

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- (\*) At the reporting date, the Company has not determined fair values of these financial instruments for disclosure in the separate financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their carrying amounts.
- (\*\*) The Company had significant influence over this entity because the Company has the right to appoint members in the Board of Directors of this entity. In 2018, the Company purchased additional shares to increase equity interest in this entity from 18% to 20%.
- (\*\*\*) On 31 January 2018, the Company completed dissolution of its investment in Vietnam Growth Investment Fund.

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Movements in the allowance for diminution in value of long-term investments during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Opening balance	(15,325,809,878)	(30,251,623,753)
Increase in allowance during the period	(21,842,500,911)	(5,607,637)
Written back	-	22,761,321,984
Allowance utilised during the period	7,501,517,042	-
<b>Closing balance</b>	<b>(29,666,793,747)</b>	<b>(7,495,909,406)</b>

**5. Inventories**

	<b>30/6/2018</b>		<b>1/1/2018</b>	
	<b>Cost</b>	<b>Allowance</b>	<b>Cost</b>	<b>Allowance</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Goods in transit	722,116,977,885	-	345,659,646,367	-
Raw materials	2,502,330,075,778	(2,583,251,835)	2,072,265,020,702	(2,135,991,214)
Tools and supplies	389,845,370	-	320,137,985	-
Work in progress	25,852,329,996	-	14,553,283,556	-
Finished goods	736,792,369,736	(3,244,290,949)	973,822,488,810	(2,678,763,960)
Merchandise inventories	22,788,737,291	(71,954,730)	21,274,690,772	-
Goods on consignment	28,189,591,184	-	24,678,790,243	-
	<b>4,038,459,927,240</b>	<b>(5,899,497,514)</b>	<b>3,452,574,058,435</b>	<b>(4,814,755,174)</b>

Movements in the allowance for inventories during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Opening balance	(4,814,755,174)	(16,673,491,246)
Increase in allowance during the period	(8,787,799,382)	(2,511,201,632)
Written back	6,563,906,074	8,508,298,550
Allowance utilised during the period	1,139,150,968	8,096,007,696
<b>Closing balance</b>	<b>(5,899,497,514)</b>	<b>(2,580,386,632)</b>

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**6. Tangible fixed assets**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	2,069,197,735,254	9,211,741,341,596	789,524,484,354	494,677,376,644	12,565,140,937,848
Additions	5,479,770,820	111,868,849,505	29,534,591,239	47,259,643,388	194,142,854,952
Transfer from construction in progress	11,055,653,624	724,837,504,866	15,738,072,381	3,191,718,182	754,822,949,053
Disposals	(391,341,213)	(304,626,094,821)	(8,609,396,605)	(7,768,676,781)	(321,395,509,420)
<b>Closing balance</b>	<b>2,085,341,818,485</b>	<b>9,743,821,601,146</b>	<b>826,187,751,369</b>	<b>537,360,061,433</b>	<b>13,192,711,232,433</b>
<b>Accumulated depreciation</b>					
Opening balance	623,666,258,668	4,712,232,909,380	362,691,428,047	375,505,499,256	6,074,096,095,351
Charge for the period	47,884,565,558	419,090,786,808	36,413,960,501	24,160,160,615	527,549,473,482
Disposals	(372,646,752)	(223,192,799,044)	(8,082,905,696)	(7,725,134,780)	(239,373,486,272)
<b>Closing balance</b>	<b>671,178,177,474</b>	<b>4,908,130,897,144</b>	<b>391,022,482,852</b>	<b>391,940,525,091</b>	<b>6,362,272,082,561</b>
<b>Net book value</b>					
Opening balance	1,445,531,476,586	4,499,508,432,216	426,833,056,307	119,171,877,388	6,491,044,842,497
Closing balance	1,414,163,641,011	4,835,690,704,002	435,165,268,517	145,419,536,342	6,830,439,149,872

Included in the cost of tangible fixed assets were assets costing VND1,655,013,628,582 which were fully depreciated as at 30 June 2018 (1/1/2018: VND1,508,970,280,173), but which are still in active use.

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**7. Intangible fixed assets**

	<b>Land use rights VND</b>	<b>Software VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	57,582,565,109	146,228,687,777	203,811,252,886
Additions	-	138,150,000	138,150,000
Transfer from construction in progress	-	2,446,680,000	2,446,680,000
Disposals	-	(9,185,470,118)	(9,185,470,118)
<b>Closing balance</b>	<b>57,582,565,109</b>	<b>139,628,047,659</b>	<b>197,210,612,768</b>
<b>Accumulated amortisation</b>			
Opening balance	11,608,069,186	105,054,465,143	116,662,534,329
Charge for the period	-	7,841,971,901	7,841,971,901
Disposals	-	(9,117,467,783)	(9,117,467,783)
<b>Closing balance</b>	<b>11,608,069,186</b>	<b>103,778,969,261</b>	<b>115,387,038,447</b>
<b>Net book value</b>			
Opening balance	45,974,495,923	41,174,222,634	87,148,718,557
Closing balance	45,974,495,923	35,849,078,398	81,823,574,321

Included in the cost of intangible fixed assets were assets costing VND50,710,776,295 which were fully amortised as at 30 June 2018 (1/1/2018: VND57,672,610,675), but which are still in use.



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**8. Investment property**

	<b>Land use rights VND</b>	<b>Infrastructure VND</b>	<b>Buildings VND</b>	<b>Total VND</b>
<b>Cost</b>				
<b>Opening balance and closing balance</b>	<b>38,884,288,170</b>	<b>6,464,218,561</b>	<b>97,992,331,437</b>	<b>143,340,838,168</b>
<b>Accumulated depreciation</b>				
Opening balance	3,438,746,575	5,186,933,954	39,441,887,111	48,067,567,640
Charge for the period	396,778,452	305,682,006	2,413,472,682	3,115,933,140
<b>Closing balance</b>	<b>3,835,525,027</b>	<b>5,492,615,960</b>	<b>41,855,359,793</b>	<b>51,183,500,780</b>
<b>Net book value</b>				
Opening balance	35,445,541,595	1,277,284,607	58,550,444,326	95,273,270,528
Closing balance	35,048,763,143	971,602,601	56,136,971,644	92,157,337,388

The Company's investment property represents buildings and infrastructure held for earning rental income.

At the reporting date, the Company has not determined fair values of investment property held to earn rental for disclosure in the separate interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of investment property held to earn rental may differ from its carrying amounts.

Included in the cost of investment property held to earn rental was assets costing VND7,892,173,774 which were fully depreciated as at 30 June 2018 (1/1/2018: VND7,892,173,774), but which are still in use.

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**9. Construction in progress**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Opening balance	970,605,001,566	430,308,443,075
Additions	1,361,818,695,244	775,041,209,928
Increase from merger of a subsidiary	-	295,492,565
Transfer to tangible fixed assets	(754,822,949,053)	(178,819,485,789)
Transfer to intangible fixed assets	(2,446,680,000)	(1,970,211,600)
Transfer to short-term prepaid expenses	(250,752,958)	(757,710,055)
Transfer to long-term prepaid expenses	(1,703,621,429)	-
Transfer to inventories	(1,269,245,491)	(822,538,824)
Other decreases	(1,035,406,062)	(600,000)
<b>Closing balance</b>	<b>1,570,895,041,817</b>	<b>1,023,274,599,300</b>

Major constructions in progress were as follows:

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Machinery and equipment – Vietnam Dairy Factory	688,584,311,954	157,946,048,335
Machinery and equipment – Saigon Dairy Factory	206,285,288,977	141,602,512,259
Machinery and equipment – Tien Son Dairy Factory	174,566,906,230	-
Machinery and equipment – Beverage Factory	-	340,171,668,253
Others	501,458,534,656	330,884,772,719
	<b>1,570,895,041,817</b>	<b>970,605,001,566</b>

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**10. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Prepaid software deployment and networks maintenance expenses	21,690,955,190	4,659,874,251
Prepaid advertising expenses	1,542,950,685	3,141,628,217
Prepaid maintenance expenses	195,849,714	1,282,268,280
Prepaid operating lease expenses	6,632,828,847	4,400,080,539
Prepaid tools and supplies expenses	6,681,518,637	8,977,569,573
Prepaid renovation and repair expenses	10,438,972,897	4,166,496,897
Other short-term prepaid expenses	5,408,767,473	3,454,300,231
	<b>52,591,843,443</b>	<b>30,082,217,988</b>

**(b) Long-term prepaid expenses**

	<b>Prepaid land costs VND</b>	<b>Tools and instruments VND</b>	<b>Other prepaid expenses VND</b>	<b>Total VND</b>
Opening balance	214,142,433,691	171,256,710,124	44,526,071,788	429,925,215,603
Additions	256,036,800	19,005,122,066	5,862,137,443	25,123,296,309
Transfer from construction in progress	1,343,676,077	304,945,352	55,000,000	1,703,621,429
Amortisation for the period	(3,466,574,648)	(45,612,674,558)	(15,232,475,225)	(64,311,724,431)
<b>Closing balance</b>	<b>212,275,571,920</b>	<b>144,954,102,984</b>	<b>35,210,734,006</b>	<b>392,440,408,910</b>

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**11. Accounts payable to suppliers**

**(a) Accounts payable to suppliers detailed by significant suppliers**

	<b>30/6/2018</b>		<b>1/1/2018</b>	
	<b>Carrying amount VND</b>	<b>Repayable amount VND</b>	<b>Carrying amount VND</b>	<b>Repayable amount VND</b>
Dai Tan Viet Joint Stock Company	851,892,581,646	851,892,581,646	811,664,433,728	811,664,433,728
Other suppliers	2,824,234,527,069	2,824,234,527,069	2,797,288,476,836	2,797,288,476,836
	<b>3,676,127,108,715</b>	<b>3,676,127,108,715</b>	<b>3,608,952,910,564</b>	<b>3,608,952,910,564</b>

**(b) Accounts payable to related parties**

	<b>30/6/2018 VND</b>	<b>1/1/2018 VND</b>
<b>Subsidiaries</b>		
Vietnam Dairy Cow One Member Limited Company	47,527,775,382	52,377,507,535
Thong Nhat Thanh Hoa Dairy Cow Company Limited	2,086,047,900	2,024,384,700
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	212,717,733,800	-
Angkor Dairy Products Co., Ltd.	12,966,360,000	-
<b>Associates</b>		
APIS Corporation	146,012,669,339	40,890,765,724
Miraka Holding Limited	38,089,596,582	-
	<b>459,400,183,003</b>	<b>95,292,657,959</b>

The trade related amounts due to related parties were unsecured and interest free and payable within 60 days from invoice date.

**Vietnam Dairy Products Joint Stock Company**  
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**12. Taxes payable to State Treasury**

	<b>1/1/2018 VND</b>	<b>Incurred VND</b>	<b>Paid VND</b>	<b>30/6/2018 VND</b>
Value added tax	78,785,202,795	1,006,912,005,990	(909,414,974,367)	176,282,234,418
Import tax	637,603,312	65,049,788,177	(53,534,443,779)	12,152,947,710
Corporate income tax	247,160,749,868	995,678,012,358	(713,553,372,474)	529,285,389,752
Personal income tax	44,215,680,297	144,326,356,756	(179,718,236,112)	8,823,800,941
Other taxes	5,061,911,896	12,081,390,425	(16,708,432,658)	434,869,663
	<b>375,861,148,168</b>	<b>2,224,047,553,706</b>	<b>(1,872,929,459,390)</b>	<b>726,979,242,484</b>

**13. Accrued expenses**

	<b>30/6/2018 VND</b>	<b>1/1/2018 VND</b>
Sale incentives, promotion	324,985,010,734	805,458,522,183
Rental fees	10,190,469,736	4,302,136,374
Advertising expenses	398,111,447,792	152,576,702,207
Transportation expenses	79,318,216,090	63,804,058,530
Repair and maintenance expenses	24,316,458,467	26,287,942,358
Interest expense	2,209,659,183	-
Fuel expenses	10,550,406,577	13,567,383,974
Expenses for outsourced employees	52,454,484,278	60,880,431,816
Others	50,260,124,286	61,580,602,923
	<b>952,396,277,143</b>	<b>1,188,457,780,365</b>

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**14. Other short-term payables**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Other payables relating to financial investments (*)	734,007,419,155	734,007,419,155
Short-term deposits received	34,556,925,908	79,876,865,431
Import duty payables	20,851,917,463	22,482,594,509
Insurance and trade union fees	2,649,156,686	104,748,571
Surplus assets awaiting resolution	241,412,499	-
Dividend payables	-	2,176,917,780,000
Others	6,817,549,733	10,045,236,200
	<b>799,124,381,444</b>	<b>3,023,434,643,866</b>

- (\*) Other payables relating to financial investments included an advance payment of VND447,822,000,000 received from a third party in respect of the future transfer of the Company's investment in Bao Viet Joint Stock Commercial Bank (Note V.4(a)). As at the reporting date, the transfer has not completed. The remaining balance with the amount of VND286,000,000,000 represent the amount payable for purchase of Vietnam Sugar Joint Stock Company's equity in 2017.

**Vietnam Dairy Products Joint Stock Company**

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**15. Borrowings**

	Currency	1 January 2018		Movements during the period		30 June 2018	
		Carrying value	Repayable amount	Increase	Paid	Carrying value	Repayable amount
<b>Short-term borrowings</b>							
– The Bank of Tokyo - Mitsubishi UFJ Ltd. (i)	VND	-	-	600,000,000,000	-	600,000,000,000	600,000,000,000
– Sumitomo Mitsui Banking Corporation (ii)	VND	-	-	600,000,000,000	-	600,000,000,000	600,000,000,000
– Joint Stock Commercial Bank for Foreign Trade of Vietnam (iii)	USD	-	-	500,145,000,000	(139,202,000,000)	360,943,000,000	360,943,000,000
<b>Total</b>		-	-	<b>1,700,145,000,000</b>	<b>(139,202,000,000)</b>	<b>1,560,943,000,000</b>	<b>1,560,943,000,000</b>

(i) These loans had term of 6 – 12 months, were unsecured and bore interest ranging from 2.70% to 3.90% per annum.

(ii) These loans had term of 6 – 12 months, were unsecured and bore interest ranging from 2.70% to 3.90% per annum.

(iii) This loan had term of 2 months, was unsecured and bore interest from 2.30% to 2.40% per annum.

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**16. Bonus and welfare fund**

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's and subsidiaries' employees in accordance with the Company's bonus and welfare policies.

Movements of bonus and welfare fund during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Opening balance	674,169,691,953	454,979,489,181
Appropriation (Note V.19)	513,336,711,460	608,437,219,408
Other increases	149,174,000	-
Utilisation	(865,040,738,847)	(568,872,180,691)
<b>Closing balance</b>	<b>322,614,838,566</b>	<b>494,544,527,898</b>

**17. Provision – long-term**

Movements of provision for severance allowance during the period were as follows:

	<b>Provision for severance allowance</b>	
	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Opening balance	100,654,286,250	95,736,043,500
Increase in provision during the period	-	2,288,924,832
Increases from merger of a subsidiary	-	224,541,667
Provision used during the period	(1,149,479,926)	(882,349,999)
<b>Closing balance</b>	<b>99,504,806,324</b>	<b>97,367,160,000</b>



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**18. Deferred tax assets**

	<b>Tax rate</b>	<b>30/6/2018 VND</b>	<b>1/1/2018 VND</b>
Deferred tax assets			
Foreign exchange differences	20%	562,756,571	327,773,815
Accrued expenses and provisions	20%	17,499,068,065	30,067,817,400
		<hr/>	<hr/>
		18,061,824,636	30,395,591,215
Deferred tax liabilities			
Foreign exchange differences	20%	(337,427,332)	(822,335)
		<hr/>	<hr/>
<b>Net deferred tax assets</b>		<b>17,724,397,304</b>	<b>30,394,768,880</b>
		<hr/>	<hr/>

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**19. Changes in owners' equity**

	<b>Share capital VND</b>	<b>Share premium VND</b>	<b>Treasury shares VND</b>	<b>Investment and development fund VND</b>	<b>Retained profits VND</b>	<b>Total VND</b>
<b>Balance at 1 January 2017</b>	<b>14,514,534,290,000</b>	<b>260,699,620,761</b>	<b>(1,176,335,920)</b>	<b>1,794,957,937,585</b>	<b>5,224,918,570,596</b>	<b>21,793,934,083,022</b>
Purchase treasury shares	-	-	(3,739,485,360)	-	-	(3,739,485,360)
Net profit for the period	-	-	-	-	6,084,372,194,063	6,084,372,194,063
Appropriation to equity funds	-	-	-	608,437,219,408	(608,437,219,408)	-
Appropriation to bonus and welfare fund	-	-	-	-	(608,437,219,408)	(608,437,219,408)
Dividends (Note V.21)	-	-	-	-	(2,902,686,424,000)	(2,902,686,424,000)
<b>Balance at 30 June 2017</b>	<b>14,514,534,290,000</b>	<b>260,699,620,761</b>	<b>(4,915,821,280)</b>	<b>2,403,395,156,993</b>	<b>7,189,729,901,843</b>	<b>24,363,443,148,317</b>
Purchase treasury shares	-	-	(2,244,000,520)	-	-	(2,244,000,520)
Net profit for the period	-	-	-	-	4,460,789,678,391	4,460,789,678,391
Appropriation to equity funds	-	-	-	446,078,967,840	(446,078,967,840)	-
Appropriation to bonus and welfare fund	-	-	-	-	(446,078,967,840)	(446,078,967,840)
Dividends	-	-	-	-	(5,079,553,257,400)	(5,079,553,257,400)
<b>Balance at 1 January 2018</b>	<b>14,514,534,290,000</b>	<b>260,699,620,761</b>	<b>(7,159,821,800)</b>	<b>2,849,474,124,833</b>	<b>5,678,808,387,154</b>	<b>23,296,356,600,948</b>
Purchase treasury shares	-	-	(2,321,288,800)	-	-	(2,321,288,800)
Net profit for the period	-	-	-	-	5,133,367,114,600	5,133,367,114,600
Appropriation to equity funds	-	-	-	513,336,711,460	(513,336,711,460)	-
Appropriation to bonus and welfare fund	-	-	-	-	(513,336,711,460)	(513,336,711,460)
Dividends (Note V.21)	-	-	-	-	(2,176,870,123,500)	(2,176,870,123,500)
<b>Balance at 30 June 2018</b>	<b>14,514,534,290,000</b>	<b>260,699,620,761</b>	<b>(9,481,110,600)</b>	<b>3,362,810,836,293</b>	<b>7,608,631,955,334</b>	<b>25,737,195,591,788</b>

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**20. Share capital**

The Company's authorised and issued share capital are:

	<b>30/6/2018</b>		<b>1/1/2018</b>	
	<b>Number of shares</b>	<b>VND</b>	<b>Number of shares</b>	<b>VND</b>
<b>Authorised share capital</b>	1,451,453,429	14,514,534,290,000	1,451,453,429	14,514,534,290,000
<b>Issued shares</b>				
Ordinary shares	1,451,453,429	14,514,534,290,000	1,451,453,429	14,514,534,290,000
<b>Treasury shares</b>				
Ordinary shares	(206,680)	(9,481,110,600)	(174,909)	(7,159,821,800)
<b>Shares currently in circulation</b>				
Ordinary shares	1,451,246,749	14,505,053,179,400	1,451,278,520	14,507,374,468,200

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Details of share capital:

	<b>30/6/2018</b>		<b>1/1/2018</b>	
	<b>VND</b>	<b>%</b>	<b>VND</b>	<b>%</b>
The State's capital	5,225,531,960,000	36.00%	5,225,531,960,000	36.00%
Other shareholders' capital	9,289,002,330,000	64.00%	9,289,002,330,000	64.00%
	<b>14,514,534,290,000</b>	<b>100.00%</b>	<b>14,514,534,290,000</b>	<b>100.00%</b>

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**21. Dividends**

Pursuant to the Resolution of Annual General Meeting of Shareholders, the Board of Management of the Company on 11 May 2018 resolved to distribute dividends in relation to 2017 profits, totally amounting to VND2,176 billion (VND1,500 per share for the remaining distribution for the fiscal year 2017) (for the six-month period ended 30 June 2017: VND2,903 billion (VND2,000 per share for the second distribution in relation to 2016 profits)).

**22. Off balance sheet items**

**Foreign currencies**

	<b>30/6/2018</b>		<b>1/1/2018</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
Foreign currencies				
▪ USD	750,606.23	17,203,894,792	6,619,036.79	150,020,468,801
▪ EUR	8,066.69	214,711,088	5,372.56	145,075,238
		<hr/>		<hr/>
		<b>17,418,605,880</b>		<b>150,165,544,039</b>
		<hr/>		<hr/>

**Vietnam Dairy Products Joint Stock Company**  
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**VI. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE STATEMENTS OF INCOME**

**1. Revenue from sales of goods and provision of services**

Total revenue represented the gross value of goods sold and services rendered exclusive of value added tax.

Net revenue comprised:

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sales of merchandise goods	236,157,395,170	383,909,632,026
▪ Sales of finished goods	22,704,220,204,752	23,132,899,183,410
▪ Other services	16,359,537,928	17,151,701,427
▪ Rental income from investment property	8,498,935,525	8,219,454,146
▪ Others	36,571,015,988	35,695,706,084
	<hr/>	<hr/>
	23,001,807,089,363	23,577,875,677,093
Less revenue deductions		
▪ Sale discounts	(23,709,231,003)	(15,709,175,895)
▪ Sale returns	(4,425,806,445)	(21,968,170,100)
	<hr/>	<hr/>
	(28,135,037,448)	(37,677,345,995)
	<hr/>	<hr/>
<b>Net revenue</b>	<b>22,973,672,051,915</b>	<b>23,540,198,331,098</b>

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In which revenue from sales to related parties was as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
<b>Subsidiaries</b>		
Angkor Dairy Products Co., Ltd.	88,545,931,934	44,899,870,513
Thong Nhat Thanh Hoa Dairy Cow Limited Company	1,352,237,130	1,459,539,730
Driftwood Dairy Holdings Corporation	1,084,481,445	-
Vietnam Dairy Cow One Member Limited Company	-	14,029,126,545
<b>Total revenue from sales to subsidiaries</b>	<b>90,982,650,509</b>	<b>60,388,536,788</b>
<b>Associates</b>		
APIS Corporation	147,198,750	229,862,000
Asia Saigon Food Ingredients Joint Stock Company (until 11 November 2017)	-	2,934,447,859
<b>Total revenue from sales to associates</b>	<b>147,198,750</b>	<b>3,164,309,859</b>

**2. Cost of sales**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Finished goods sold	11,390,415,496,196	11,230,618,432,130
▪ Merchandise goods sold	192,699,951,475	303,001,855,633
▪ Cost of promotional goods	114,271,174,506	232,070,074,934
▪ Other services	2,606,556,932	3,819,183,877
▪ Operating costs of investment property	4,325,253,330	4,411,444,030
▪ Increase/(decrease) in allowance for inventories	2,223,893,308	(5,997,096,918)
	<b>11,706,542,325,747</b>	<b>11,767,923,893,686</b>

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**3. Financial income**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits	355,069,031,964	359,667,913,059
Interest income from corporate bonds	7,702,417,809	19,502,171,231
Dividends	1,215,000,000	-
Foreign exchange gains	10,841,198,375	16,862,151,240
Gain from merger of a subsidiary	-	430,894,168,467
	<b>374,827,648,148</b>	<b>826,926,403,997</b>

**4. Financial expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Interest expense on borrowings	11,789,843,252	9,310,000,000
Interest expense on deposits received	990,916,923	1,659,559,000
Foreign exchange losses	12,589,363,217	16,094,887,276
Increase/(decrease) in allowance for diminution in the value of financial investments – net	21,842,500,911	(22,755,714,347)
Loss from disposal of financial investments	1,982,981,082	-
	<b>49,195,605,385</b>	<b>4,308,731,929</b>

**5. Other income**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Rebate income from suppliers	52,401,102,533	16,609,327,627
Proceeds from disposals of fixed assets and investment property	111,055,041,329	34,691,789,394
Compensations received from other parties	1,140,321,750	4,169,811,343
Others	2,236,630,686	2,077,736,072
	<b>166,833,096,298</b>	<b>57,548,664,436</b>

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**6. Other expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Book value of fixed assets and investment property disposed	82,090,025,483	28,148,911,329
Others	6,885,635,837	15,855,337,851
	<b>88,975,661,320</b>	<b>44,004,249,180</b>

**7. Selling expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Promotion, product display expenses and sale support expenses	3,721,387,929,217	3,493,568,606,200
Staff costs	112,210,796,797	150,681,239,718
Materials expenses	27,478,598,542	23,557,256,715
Tools and supplies expenses	44,781,872,633	47,819,137,258
Depreciation expenses	14,866,820,129	13,800,394,242
Expenses of damaged goods	16,129,057,841	14,131,356,708
Transportation expenses	254,961,744,539	246,805,014,261
Outside service expenses	214,331,099,098	173,475,152,935
Advertising and marketing research expenses	803,588,283,143	929,530,395,879
	<b>5,209,736,201,939</b>	<b>5,093,368,553,916</b>



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**8. General and administration expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Staff costs	104,706,995,880	135,121,586,699
Materials expenses	12,814,265,327	9,000,293,192
Office supplies	3,214,291,289	2,491,893,269
Depreciation expenses	33,235,664,099	31,334,679,632
Fees and duties	5,540,985,665	5,568,627,867
Allowance for doubtful debts and provision for severance allowance	-	2,478,926,899
Transportation expenses	17,780,626,418	18,055,668,587
Outside service expenses	79,289,853,759	90,858,026,479
Loading expenses	10,535,374,105	6,792,062,957
Per-diem allowances	20,433,590,389	20,514,310,276
Bank charges	2,574,807,307	2,091,086,634
Others	29,041,049,198	24,205,380,619
	<b>319,167,503,436</b>	<b>348,512,543,110</b>

**9. Production and business costs by element**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Raw material costs included in production costs	10,203,987,326,948	10,054,293,916,963
Labour costs and staff costs	499,165,561,191	659,318,109,326
Depreciation and amortisation	533,490,287,470	468,050,138,217
Outside services	927,492,756,709	885,185,309,916
Other expenses	4,799,747,370,022	4,812,070,574,222

**Vietnam Dairy Products Joint Stock Company**  
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**10. Income tax**

**(a) Recognised in the separate statement of income**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current period	923,749,392,954	1,075,181,896,817
Under/(over) provision in prior periods	71,928,619,404	(1,024,440,023)
	<hr/>	<hr/>
	995,678,012,358	1,074,157,456,794
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	12,670,371,576	8,025,776,853
	<hr/>	<hr/>
<b>Income tax expense</b>	<b>1,008,348,383,934</b>	<b>1,082,183,233,647</b>

**(b) Reconciliation of effective tax rate**

	<b>Six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	6,141,715,498,534	7,166,555,427,710
	<hr/>	<hr/>
Tax at the Company's tax rate	1,228,343,099,707	1,433,311,085,542
Tax rate differential applied to Company's branches and factories	(17,459,559,984)	(18,793,039,345)
Tax exempt income	(243,000,000)	(86,178,833,693)
Non-deductible expenses	4,730,587,241	3,262,822,821
Tax incentives	(233,878,398,057)	(224,173,014,708)
Deferred tax assets previously not recognised	(45,072,964,377)	(24,221,346,947)
Under/(over) provision in prior periods	71,928,619,404	(1,024,440,023)
	<hr/>	<hr/>
	<b>1,008,348,383,934</b>	<b>1,082,183,233,647</b>

**(c) Applicable tax rates**

The Company is required to pay income tax at rates ranging from 15% to 20% (for the six-month period ended 30 June 2017: from 15% to 20%), depending on principal activities of its factories, on taxable profits.

**Vietnam Dairy Products Joint Stock Company**  
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**VII. OTHER INFORMATION**

**1. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the separate interim financial statements, the Company had the following significant transactions with related parties during the period:

Related party	Relationship	Nature of transactions	Six-month period ended	
			30/6/2018 VND	30/6/2017 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Sales fixed assets Purchases of goods	192,000,000 644,120,568,047	75,990,910 486,951,322,086
Thong Nhat Thanh Hoa Dairy Cow Company Limited	Subsidiary	Purchases of goods Capital contribution	23,657,341,430 126,000,000,000	6,150,000 183,000,000,000
Vietnam Sugar Joint Stock Company	Subsidiary	Purchases of goods	16,003,014,000	-
Angkor Dairy Products Co., Ltd.	Subsidiary	Purchases of goods	102,600,087,974	1,091,286,750
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	Purchases of goods	339,235,603,607	475,056,539,530
Miraka Holding Limited	Associate	Purchases of goods	37,920,773,687	-
APIS Corporation	Associate	Purchases of goods	266,945,226,249	47,785,224,900
The State Capital Investment Corporation		Dividends	1,567,659,588,000	1,141,773,192,000
Board of Management's and Board of Directors' members		Compensations	71,000,398,781	68,019,080,792

**Vietnam Dairy Products Joint Stock Company**

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**2. Segment information**

Segment information is presented in respect of the Company's primary segment, which is the geographical segment.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling expenses, general and administration expenses, other gains or losses, and corporate income tax.

**Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which is located in Vietnam ("Domestic") or countries other than Vietnam ("Overseas"). Segment assets and capital expenditure are not presented since the location of assets and production is mostly in Vietnam.

	<b>Domestic</b>		<b>Overseas</b>		<b>Total</b>	
	<b>Six months period ended</b>	<b>Six months period ended</b>	<b>Six months period ended</b>	<b>Six months period ended</b>	<b>Six months period ended</b>	<b>Six months period ended</b>
	<b>30/6/2018</b>	<b>30/6/2017</b>	<b>30/6/2018</b>	<b>30/6/2017</b>	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Net revenue	20,931,603,662,247	21,234,168,431,908	2,042,068,389,668	2,306,029,899,190	22,973,672,051,915	23,540,198,331,098
Cost of sales	(10,867,798,277,708)	(11,012,519,292,170)	(838,744,048,039)	(755,404,601,516)	(11,706,542,325,747)	(11,767,923,893,686)
<b>Segment gross profit</b>	<b>10,063,805,384,539</b>	<b>10,221,649,139,738</b>	<b>1,203,324,341,629</b>	<b>1,550,625,297,674</b>	<b>11,267,129,726,168</b>	<b>11,772,274,437,412</b>

**Vietnam Dairy Products Joint Stock Company**  
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**3. Post balance sheet events**

According to the Board's Resolution on 19 July 2018, the Company decided to acquire 51% share capital of Lao-Jargo Development Xiengkhouang Co., Ltd., located in Xiengkhouang, Laos to develop a complex high-tech beef – dairy farms in Laos. The total project value is USD38,701,074.

30 July 2018

Prepared by:



Le Thanh Liem  
*Executive Director – Finance  
cum Chief Accountant*

Approved by:



Mai Kieu Lien  
*Chief Executive Officer*

