



**Vietnam Dairy Products Joint Stock Company
and its subsidiaries**

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



Vietnam Dairy Products Joint Stock Company and its subsidiaries

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Vietnam Dairy Products Joint Stock Company and its subsidiaries
Corporate Information

Business Registration Certificate No.	4103001932 0300588569	20 November 2003 23 June 2017
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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.

Board of Directors	Mdm Le Thi Bang Tam Mdm Mai Kieu Lien Mr Lee Meng Tat Mr Nguyen Hong Hien Ms Dang Thi Thu Ha Mr Le Thanh Liem Mr Michael Chye Hin Fah Mr Nguyen Ba Duong Mr Do Le Hung Mr Nguyen Chi Thanh Mr Alain Xavier Cany	Chairwoman Member Member Member (until 31 March 2018) Member Member Member Member Member Member (from 31 March 2018) Member (from 31 March 2018)
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Board of Management	Mdm Mai Kieu Lien Ms Bui Thi Huong Mr Mai Hoai Anh Mr Le Thanh Liem Mr Phan Minh Tien Ms Nguyen Thi Thanh Hoa Mr Tran Minh Van Mr Nguyen Quoc Khanh Mr Trinh Quoc Dung Ms Ngo Thi Thu Trang	Chief Executive Officer Executive Director – Human Resource – Administration and Public Relation Executive Director – Sales Executive Director – Finance Executive Director – Marketing Executive Director – Supply chain Executive Director – Production Executive Director – Research and Development Executive Director – Raw Materials Development Executive Director – Projects (until 1 March 2018)
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Registered Office	10 Tan Trao, Tan Phu Ward District 7, Ho Chi Minh City Vietnam
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Auditor	KPMG Limited Vietnam
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Vietnam Dairy Products Joint Stock Company and its subsidiaries
Statement of the Board of Management

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

The Board of Management is responsible for the consolidated interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of the consolidated results of operations and consolidated cash flows for the six-month period then ended. In preparing these consolidated 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 consolidated interim financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 consolidated financial position of the Group and which enable these consolidated 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated interim financial statements set out on pages 6 to 65 which give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of the consolidated results of operations and consolidated 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





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10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders

Vietnam Dairy Products Joint Stock Company and its subsidiaries

We have reviewed the accompanying consolidated interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated statement of financial position as at 30 June 2018, the related consolidated 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 65.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated interim 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 consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated interim financial statements based on our audit. 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 consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Vietnam Dairy Products Joint Stock Company and its subsidiaries as at 30 June 2018 and of their consolidated results of operations and their consolidated 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/C-HY18




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

Ho Chi Minh City, 30 July 2018



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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of financial position as at 30 June 2018

Form B 01a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2018 VND	1/1/2018 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		20,818,678,622,022	20,307,434,789,529
Cash and cash equivalents	110	V.1	1,343,435,279,374	963,335,914,164
Cash	111		808,435,279,374	834,435,914,164
Cash equivalents	112		535,000,000,000	128,900,000,000
Short-term financial investments	120		9,210,770,926,165	10,561,714,377,337
Trading securities	121	V.4(a)	443,143,269,828	443,130,811,523
Allowance for diminution in the value of trading securities	122	V.4(c)	(683,310,293)	(675,708,019)
Held-to-maturity investments	123	V.4(b)	8,768,310,966,630	10,119,259,273,833
Accounts receivable – short-term	130		5,149,241,546,227	4,591,702,853,157
Accounts receivable from customers	131	V.2(a)	3,743,264,814,054	3,613,981,838,047
Prepayments to suppliers	132		985,009,857,695	622,978,664,875
Other short-term receivables	136	V.3(a)	430,587,413,534	367,850,643,578
Allowance for doubtful debts	137	V.2(d)	(9,749,898,633)	(13,193,973,536)
Shortage of assets awaiting for resolution	139		129,359,577	85,680,193
Inventories	140	V.5	4,885,749,046,820	4,021,058,976,634
Inventories	141		4,901,208,541,928	4,041,302,638,611
Allowance for inventories	149		(15,459,495,108)	(20,243,661,977)
Other current assets	150		229,481,823,436	169,622,668,237
Short-term prepaid expenses	151	V.11(a)	87,674,648,775	51,933,181,113
Deductible value added tax	152		141,344,859,597	117,132,711,139
Taxes receivable from State Treasury	153		462,315,064	556,775,985

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of financial position as at 30 June 2018 (continued)

Form B 01a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2018 VND	1/1/2018 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		15,364,851,440,316	14,359,884,047,968
Accounts receivable – long-term	210		114,094,900,047	53,774,889,824
Long-term receivables from customer	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)	18,745,704,386	18,427,382,918
Fixed assets	220		11,094,916,871,141	10,609,309,098,847
Tangible fixed assets	221	V.8	10,779,725,856,986	10,290,516,618,864
Cost	222		19,909,514,843,023	18,917,435,800,484
Accumulated depreciation	223		(9,129,788,986,037)	(8,626,919,181,620)
Intangible fixed assets	227	V.9	315,191,014,155	318,792,479,983
Cost	228		464,934,944,961	469,549,338,561
Accumulated amortisation	229		(149,743,930,806)	(150,756,858,578)
Investment property	230	V.10	93,441,991,719	95,273,270,528
Cost	231		147,320,450,623	143,340,838,168
Accumulated depreciation	232		(53,878,458,904)	(48,067,567,640)
Long-term work in progress	240		2,425,259,837,554	1,928,569,256,697
Long-term work in progress	241	V.6	141,955,633,396	181,678,288,317
Construction in progress	242	V.7	2,283,304,204,158	1,746,890,968,380
Long-term financial investments	250		572,253,172,131	555,497,854,952
Investments in associates	252	V.4(c)	500,797,618,946	481,282,722,569
Equity investments in other entities	253	V.4(c)	72,075,427,154	82,336,523,394
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(619,873,969)	(8,121,391,011)
Other non-current assets	260		1,064,884,667,724	1,117,459,677,120
Long-term prepaid expenses	261	V.11(b)	595,192,603,070	612,134,810,005
Deferred tax assets	262	V.12(a)	22,721,349,007	30,394,768,880
Goodwill	269	V.13	446,970,715,647	474,930,098,235
TOTAL ASSETS (270 = 100 + 200)	270		36,183,530,062,338	34,667,318,837,497

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of financial position as at 30 June 2018 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		9,647,480,149,806	10,794,261,023,636
Current liabilities	310		8,862,722,162,878	10,195,562,827,092
Accounts payable to suppliers	311	V.14	3,819,958,740,234	3,965,691,123,157
Advances from customers	312		365,688,934,983	360,182,469,422
Taxes payable to State Treasury	313	V.16	732,991,785,388	383,314,082,997
Payables to employees	314		156,062,380,956	205,722,836,953
Short-term accrued expenses	315	V.17(a)	1,077,969,037,974	1,528,287,945,458
Short-term unearned revenue	318		6,070,831,960	7,344,630,678
Other short-term payables	319	V.18	566,597,855,485	2,783,824,177,984
Short-term borrowings	320	V.15(a)	1,797,452,552,318	268,102,046,087
Provision – short-term	321		9,993,166,732	603,744,795
Bonus and welfare fund	322	V.19	329,936,876,848	692,489,769,561
Long-term liabilities	330		784,757,986,928	598,698,196,544
Long-term accrued expenses	333	V.17(b)	219,326,848,368	-
Long-term unearned revenue	336		1,039,560,218	1,039,560,218
Other long-term payables	337		31,842,717,040	16,567,661,700
Long-term borrowings	338	V.15(b)	243,603,105,068	274,949,439,387
Deferred tax liabilities	341	V.12(b)	186,934,101,020	203,618,107,064
Provision – long-term	342	V.20	102,011,655,214	102,523,428,175
EQUITY (400 = 410)	400		26,536,049,912,532	23,873,057,813,861
Owners' equity	410	V.21	26,536,049,912,532	23,873,057,813,861
Share capital	411	V.22	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)
Foreign exchange differences	417		22,035,145,985	18,367,457,133
Investment and development fund	418		3,365,242,121,688	2,851,905,410,228
Retained profits	420		7,892,017,119,552	5,736,920,629,462
- Retained profits brought forward	421a		3,560,050,505,962	2,646,643,972,283
- Profit for the current period	421b		4,331,966,613,590	3,090,276,657,179
Non-controlling interest	429		491,002,725,146	497,790,228,077
TOTAL RESOURCES (440 = 300 + 400)	440		36,183,530,062,338	34,667,318,837,497

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 consolidated interim financial statements

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2018

Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/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	13,738,445,876,697	13,386,878,196,373	25,870,409,575,080	25,461,303,629,483
Revenue deductions	02	VI.1	35,965,264,736	38,616,981,182	47,426,942,207	63,673,721,854
Net revenue from sales of goods and provision of services (10 = 01 - 02)	10	VI.1	13,702,480,611,961	13,348,261,215,191	25,822,982,632,873	25,397,629,907,629
Cost of sales	11	VI.2	7,233,869,770,150	6,807,419,327,845	13,867,678,473,950	13,037,656,704,213
Gross profit (20 = 10 - 11)	20		6,468,610,841,811	6,540,841,887,346	11,955,304,158,923	12,359,973,203,416
Financial income	21	VI.3	204,682,217,710	204,884,142,516	394,939,433,952	404,640,695,408
Financial expenses	22	VI.4	43,269,224,405	29,056,344,259	62,583,399,318	56,717,872,768
<i>In which: Interest expense</i>	23		17,272,008,785	4,023,632,084	25,827,592,765	17,417,106,293
Share of (loss)/profit in associates	24		(5,581,957,834)	18,980,009,176	8,479,896,377	35,589,916,368
Selling expenses	25	VI.7	3,176,108,660,455	3,052,625,245,294	5,494,645,345,897	5,356,014,995,617
General and administration expenses	26	VI.8	275,630,198,859	239,797,745,989	515,843,720,950	473,938,967,185
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,172,703,017,968	3,443,226,703,496	6,285,651,023,087	6,913,531,979,622
Other income	31	VI.5	61,246,215,455	56,563,334,106	207,362,749,902	86,986,881,650
Other expenses	32	VI.6	73,183,528,240	55,767,691,611	155,785,175,733	80,408,851,526
Results of other activities (40 = 31 - 32)	40		(11,937,312,785)	795,642,495	51,577,574,169	6,578,030,124
Profit before tax (50 = 30 + 40)	50		3,160,765,705,183	3,444,022,345,991	6,337,228,597,256	6,920,110,009,746

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2018 (continued)

Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Three-month period ended 30/6/2018 VND	Three-month period ended 30/6/2017 VND	Six-month period ended 30/6/2018 VND	Six-month period ended 30/6/2017 VND
Profit before tax (50 = 30 + 40)	50		3,160,765,705,183	3,444,022,345,991	6,337,228,597,256	6,920,110,009,746
Income tax expense – current	51	VI.10	481,277,512,341	558,115,578,219	986,034,692,510	1,086,409,826,817
Income tax expense /(benefit) – deferred	52	VI.10	1,649,660,072	(30,881,221,922)	(9,689,829,786)	(18,093,240,723)
Net profit after tax (60 = 50 - 51 - 52)	60		2,677,838,532,770	2,916,787,989,694	5,360,883,734,532	5,851,793,423,652
Attributable to:						
Equity holders of the Company	61		2,666,357,498,655	2,922,080,403,930	5,367,671,237,463	5,857,148,668,834
Non-controlling interest	62		11,481,034,115	(5,292,414,236)	(6,787,502,931)	(5,355,245,182)
Basic earnings per share	70	VI.11	1,662	1,818	3,339	3,616

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 consolidated interim financial statements

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

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/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
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		6,337,228,597,256	6,920,110,009,746
Adjustments for				
Depreciation and amortisation	02		780,681,063,416	625,532,269,597
Allocation of goodwill			27,959,382,588	9,180,962,298
Allowances and provisions	03		(542,035,188)	(2,410,341,790)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		3,512,910,166	4,957,104,264
Losses from disposals of investments	05		1,982,981,082	-
Losses on disposals of fixed assets, investment properties and construction in progress	05		15,975,192,032	5,356,689,303
Dividends and interest income	05		(368,475,811,035)	(381,352,581,945)
Share of profit in associates	05		(8,479,896,377)	(35,589,916,368)
Interest expense	06	VI.4	25,827,592,765	17,417,106,293
Operating profit before changes in working capital	08		6,815,669,976,705	7,163,201,301,398
Change in receivables	09		(497,800,881,022)	(1,097,956,310,748)
Change in inventories	10		(927,548,740,055)	284,397,450,644
Change in payables and other liabilities	11		(515,837,749,162)	938,762,535,620
Change in prepaid expenses	12		4,304,096,171	(18,621,159,712)
Interest paid	14		(23,461,652,064)	(38,499,726,394)
Income tax paid	15	V.16	(714,155,559,064)	(622,715,618,946)
Other receipts from operating activities	16		149,174,000	-
Other payments for operating activities	17		(880,232,982,185)	(570,147,699,934)
Net cash flows from operating activities	20		3,261,085,683,324	6,038,420,771,928

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

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

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2018	30/6/2017
			VND	VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,695,649,895,773)	(1,127,193,971,502)
Collections on disposals of fixed assets and other long-term assets	22		33,643,699,842	57,983,442,377
Collections from/(payments for) time deposits	23		1,351,800,663,462	(1,298,258,834,235)
Receipts from collecting loans	24		1,671,220,241	2,143,337,165
Proceeds from sales of debt instruments of other entities	24		785,778,116	300,000,000,000
Payment for investments in other entities	25		(12,250,000,000)	-
Collections from investments in other entities	26		1,215,000,000	-
Receipts of interest and dividends	27		305,422,368,959	306,388,247,091
Net cash flows from investing activities	30		(13,361,165,153)	(1,758,937,779,104)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchase of treasury shares	32		(2,321,288,800)	(3,739,485,360)
Payments for purchase shares from non-controlling interest	32		-	(222,848,353,000)
Proceeds from borrowings	33		2,312,381,509,380	1,404,543,682,423
Payments to settle loan principals	34		(821,521,315,494)	(2,629,367,964,280)
Payments of dividends	36		(4,353,787,903,500)	(2,902,686,424,000)
Net cash flows from financing activities	40		(2,865,248,998,414)	(4,354,098,544,217)

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

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

Form B 03a – DN/HN
*(Issued under Circular No. 202/2014/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		382,475,519,757	(74,615,551,393)
Cash and cash equivalents at the beginning of the period	60		963,335,914,164	655,423,095,436
Effect of exchange rate fluctuations on cash and cash equivalents	61		(45,689,296)	(67,158,540)
Currency translation differences	62		(2,330,465,251)	10,166,404,441
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61 + 62)	70	V.1	1,343,435,279,374	590,906,789,944

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 consolidated interim financial statements

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2018

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

These notes form an integral part of and should be read in conjunction with the accompanying consolidated 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 the Company and its subsidiaries (collectively referred to as “the Group”) are recognised as follows:

- 29 April 1993: Vietnam Dairy Products Company was established according to Decision No. 420/CNN/TCLD issued by the Ministry of Light Industry in form of a State-owned Enterprise.
- 1 October 2003: The Company was equitised from a State-owned Enterprise of the Ministry of Industry according to Decision No. 155/2003/QĐ-BCN.
- 20 November 2003: The Company was registered to be a joint stock company and began operating under Enterprise Laws of Vietnam and its Business Registration Certificate No. 4103001932 was issued by Ho Chi Minh City Investment and Planning Department.
- 28 December 2005: The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPNY.
- 19 January 2006: The Company’s shares was listed on Ho Chi Minh City Stock Exchange.
- 12 December 2006: International Real Estates One Member Limited Company was established in accordance with the Business License No. 4104000260 issued by the Department of Investment and Planning of Ho Chi Minh City.
- 14 December 2006: Vietnam Dairy Cow One Member Limited Company was established in accordance with the Business License No. 150400003 issued by the Department of Planning and Investment of Tuyen Quang Province.
- 26 February 2007: Lam Son Dairy Joint Stock Company was established in accordance with the Business License No. 2603000521 issued by the Department of Planning and Investment of Thanh Hoa Province.
- 24 June 2010: Lam Son Dairy Joint Stock Company was renamed as Lam Son Dairy One Member Company Limited.
- 30 September 2010: Dielac Dairy One Member Company Limited was established based on the re-registration of F&N Food Vietnam Limited Company in accordance with the Investment Certificate No. 463041000209 issued by the Management of Vietnam – Singapore Industrial Park.

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- 18 September 2012: Vietnam Dairy Products Joint Stock Company issued the Decision No. 2482/QD-CTS.KSNB/2012 on the liquidation of the Dielac Dairy One Member Limited Company to establish a dependent branch of Vietnam Dairy Products Joint Stock Company. On 25 September 2012, the Management of Vietnam – Singapore Industrial Park issued the Decision No. 37/QD-BQL on the termination of operating activities of Dielac Dairy One Member Limited Company. In July 2013, Dielac Dairy One Member Limited Company had finalised its process of liquidation.
- 21 October 2013: Thong Nhat Thanh Hoa Dairy Cow Limited Company was established in accordance to Business Registration Certificate No. 2801971744 issued by the Department of Investment and Planning of Thanh Hoa Province.
- 6 December 2013: Vietnam Dairy Products Joint Stock Company received the Foreign Investment Certificate No. 663/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Driftwood Dairy Holdings Corporation in California, the United States of America. As at 31 December 2013, the Company completed a transfer of its investment of USD7 million and held 70% of ownership in Driftwood Dairy Holdings Corporation.
- 6 January 2014: Vietnam Dairy Products Joint Stock Company received the Foreign Investment Certificate No. 667/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Angkor Dairy Products Co., Ltd. in Phnompenh, Cambodia with 51% of ownership.
- 30 May 2014: Vietnam Dairy Products Joint Stock Company received the Foreign Investment Certificate No. 709//BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, to establish Vinamilk Europe sp.z.o.o in Poland with 100% of ownership.
- 24 February 2014: The Board of Management of Vietnam Dairy Products Joint Stock Company issued the resolution to liquidate International Real Estate One Member Limited Company. On 14 January 2015, the Department of Planning and Investment of Ho Chi Minh City issued the Notice No. 14191/15 to liquidate International Real Estate One Member Limited Company.
- 19 May 2016: Vietnam Dairy Products Joint Stock Company received the Foreign Investment Certificate No. 201600140 issued by the Ministry of Investment and Planning, approved additional investment in Driftwood Dairy Holdings Corporation amounted to USD3 million. As at 30 June 2016, the Company completed a transfer of its investment of USD3 million, bringing the total investment to USD10 million and increased ownership percentage in Driftwood Dairy Holdings Corporation from 70% to 100%.
- 19 January 2017: Vietnam Dairy Products Joint Stock Company received its 25th revised Business Registration certificate dated 18 January 2017, issued by the Ho Chi Minh Department of Planning & Investment. Accordingly, Lamson Dairy Products One member Company Limited was merged into Vietnam Dairy Products Joint Stock Company (prior to the merger, it was a 100% subsidiary owned by the Company). The Company completed the merger on 1 March 2017.

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- 31 July 2017: On 23 March 2017, the Company received its first revised offshore investment registration certificate dated 10 March 2017 issued by the Ministry of Planning and Investment of Vietnam, in relation to Angkor Dairy Products Co., Ltd. (“Angkormilk”). Accordingly, the Company’s total investment capital increased from USD10,210,000 to USD20,995,390. The reason of capital increase was to purchase the entire capital contribution of the local partner in Angkormilk. As at 31 July 2017, the Company completed the transfer of its investment, bringing the total investment of USD20.9 million and increased ownership percentage in Angkormilk from 51% to 100%.
- 20 October 2017: On 30 September 2017, the Company entered into an agreement to acquire the remaining 3.89% of its equity interest in Thong Nhat Thanh Hoa Limited Company from non-controlling interest shareholders. The transaction has been completed on 21 October 2017.
- 1 November 2017: In October 25, 2017, the Company has entered into an agreement to purchase newly issued shares of Khanh Hoa Sugar Joint Stock Company and then took 65% equity interest. The transaction has been completed on 1 November 2017. From 14 November 2017, Khanh Hoa Sugar Joint Stock Company changed its name to Viet Nam Sugar Joint Stock Company.

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);
- Raise cattle, cultivation;
- Retail sugar, milk and products from milk, bread, jam, candy and products processed from cereal, flour, starch and other food; and
- Retail alcoholic drinks, non-alcoholic drinks (carbonated and non-carbonated soft drinks), natural mineral water, low-alcoholic or non-alcoholic wine and beer.

3. Normal operating cycle

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

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4. Group structure

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

(a) Subsidiaries

Name	Location	Principal activities	% of ownership/ voting rights
• 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	Trading Dairy raw materials and animal	100.00%
• Vietnam Sugar Jointstock 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

Name	Location	Principal activities	% of ownership/ voting rights
• 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, Ha Noi 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.
- 9/ Tien Son Dairy Factory – Tien Son Industrial Park, Bac Ninh Province.

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- 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/ Hanoi Logistic enterprise – Km 10 Highway 5, Duong Xa Commune, Gia Lam District, Hanoi 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 Group had 7,962 employees (1/1/2018: 7,845 employees).

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Annual accounting period

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

2. Accounting currency

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for consolidated financial statement presentation purpose.

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III. ACCOUNTING STANDARDS AND SYSTEM

1. Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirement applicable to interim financial reporting.

2. Basis of measurement

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Basis of consolidation

(a) Subsidiaries

Subsidiaries are those entities in which the Group 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. The financial statements of the subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

(b) Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

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(c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of income. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the Consolidated interim financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

(d) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies, generally evidenced by holding 20% to 50% of voting rights in these entities. Associates are accounted for using the equity method. The consolidated interim financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

(e) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associate.

(f) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

2. Foreign currency

(a) Foreign currency transactions

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

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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 accounting period quoted by the commercial bank where the Company and its subsidiaries most frequently conduct transactions and has the largest outstanding balance of foreign currencies at the reporting date.

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

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to VND at exchange rates at the end of the accounting period. The income and expenses of foreign operations are translated to VND at average exchange rates of the period.

Foreign currency differences arising from the translation of foreign operations are recognised in the consolidated statement of financial position under the caption “Foreign exchange differences” in equity.

3. 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.

4. Investments

(a) Trading securities

Trading securities are those held by the Group for trading purpose i.e. 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 Group 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.

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(b) Held-to-maturity investments

Held-to-maturity investments are those that the Group's management 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 and granting loans held-to-maturity. These investments are stated at costs less allowance for diminution in the value.

All of investments classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

(c) Loans receivable

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

(d) 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 Group's 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.

5. Accounts receivable

Accounts receivable are monitored in detail of receivable terms, receivable parties, original currency and other factors depending on the Group'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 consolidated statement of financial position based on the remaining period of these receivables at the reporting date.

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.

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6. 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 Group applies the perpetual method of accounting for inventories.

7. 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. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the consolidated 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
▪ livestock	6 years
▪ others	3 years

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8. 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.

(c) Others

Others represented trade mark and customer relationship, which are acquired through business combination and are initially recognised at fair value. Trade mark and customer relationship are amortised on a straight-line basis over 4 – 10 years.

9. 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 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 consolidated 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 |

Indefinite lived land use rights are not amortised.

10. Construction in progress

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

11. Prepaid expenses

(a) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group 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 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 consolidated 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 Group 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.

12. Goodwill

Goodwill arises on the acquisition of subsidiaries, associates. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

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Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

13. Trade and other payables

Accounts payable are monitored in details by payable terms, payable parties, original currency and other factors depending on the Group's managerial requirements. Accounts payable to suppliers include trade payables arising from transaction of buying-selling transactions and payables for import through entrustees (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 consolidated statement of financial position based on the remaining year 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.

14. 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.

15. Provisions

A provision is recognised if, as a result of a past event, the Group 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 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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16. 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 reissued subsequently, the cost of shares reissued are calculated on weighted average basis, any surplus or deficit of proceed over cost is recorded in share premium.

17. Taxation

Income tax on the consolidated profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated 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.

18. Revenue and other income

(a) Goods sold

Revenue from the sale of goods is recognised in the consolidated 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 possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

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(b) Services rendered

Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the end of the 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 consolidated 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 financial investments

Revenue from disposal of short-term and long-term financial investments is recognised in the consolidated 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).

19. 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 consolidated interim financial statements.

20. Cost of sales

Cost of sales comprise the cost of products, goods, services provided during the period and is recognised corresponding to revenue. For cost of direct raw materials consumed which is over the normal level, labour cost, 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.

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21. Operating lease payments

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

22. 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.

23. Dividend distribution

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

24. Funds

Appropriation to equity 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.

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25. Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company (after appropriation to bonus and welfare fund for the accounting period) by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

26. Segment reporting

A segment is a distinguishable component of the Group 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 Group's primary format for segment reporting is based on geographical segments.

27. 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 Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group 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 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Cash and cash equivalents

	30/6/2018	1/1/2018
	VND	VND
Cash on hand	1,891,731,798	2,451,074,646
Cash in bank	806,540,005,290	831,957,513,762
Cash in transit	3,542,286	27,325,756
Cash equivalents	535,000,000,000	128,900,000,000
	1,343,435,279,374	963,335,914,164

2. Accounts receivable from customers

(a) Short-term accounts receivable

	30/6/2018	1/1/2018
	VND	VND
Receivables from customers	3,743,264,814,054	3,613,981,838,047

(b) Long-term accounts receivable

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

(c) Accounts receivable from related parties

	30/6/2018	1/1/2018
	VND	VND
Associate		
APIS Corporation Company	-	136,184,400

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

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(d) Allowance for doubtful debts

Movements in the allowance for doubtful debts during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	(13,193,973,536)	(4,168,573,420)
Increase in allowance during the period	(2,263,337,215)	(1,292,222,659)
Allowance utilised during the period	5,762,346,569	367,623,876
Currency translation differences	(54,934,451)	(777,217)
Closing balance	(9,749,898,633)	(5,093,949,420)

3. Other receivables

(a) Other short-term receivables

	30/6/2018	1/1/2018
	VND	VND
Interest income from deposits	353,252,580,334	297,901,556,067
Interest income from bonds	12,298,335,617	4,595,917,808
Receivables from employees	3,713,020,089	3,361,739,097
Advances to employees	1,872,500,799	2,791,137,549
Short-term deposits	4,814,033,154	29,053,532,031
Import tax refundable	10,378,397,285	11,286,997,201
Others	44,258,546,256	18,859,763,825
	430,587,413,534	367,850,643,578

(b) Other long-term receivables

	30/6/2018	1/1/2018
	VND	VND
Collateral, deposits	12,498,019,560	12,179,698,092
Others	6,247,684,826	6,247,684,826
	18,745,704,386	18,427,382,918

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4. Investments

(a) Trading securities

	Carrying amount VND	30/6/2018 Fair value VND	Allowance for diminution in value VND	Carrying amount VND	1/1/2018 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	1,143,269,828	459,975,675	(683,310,293)	1,130,811,523	455,157,504	(675,708,019)
	443,143,269,828	442,459,975,675	(683,310,293)	443,130,811,523	442,455,157,504	(675,708,019)

(*) As at the reporting date, the Group 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.18). The carrying amount of the securities represented the expected realisable amount.

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(b) Held-to-maturity investments

	Note	30/6/2018 VND	1/1/2018 VND
Held-to-maturity investments – short-term			
▪ term deposits	(i), (iii)	8,578,310,966,630	9,929,259,273,833
▪ corporate bonds	(ii)	190,000,000,000	190,000,000,000
		8,768,310,966,630	10,119,259,273,833

- (i) At 30 June 2018 term deposits with carrying amount of VND82,977 million (1/1/2018: VND82,977 million) were pledged with banks as security for loans granted to the Group (Note V.15(b)(i)).
- (ii) 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 8.175% per annum (for the year ended at 31 December 2017: from 8.075% to 8.175%) and are matured in September 2018.
- (iii) The amounts represented 6-month to 13-month term deposits at banks and earned interest at rates ranging from 3.80% to 7.45% (for the year ended 31 December 2017: from 4.20% to 7.35%) per annum.

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(c) Investments in other entities

		30 June 2018				1 January 2018		
	% of equity owned/ voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	% of equity owned/ voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Associates								
▪ Miraka Holding Limited	22.81%	387,009,683,531	(*)	-	22.81%	383,002,013,497	(*)	-
▪ Asia Coconuts Processing Joint Stock Company	25.00%	90,422,636,657	(*)	-	25.00%	86,858,993,107	(*)	-
▪ APIS Corporation (**)	20.00%	23,365,298,758	(*)	-	18.00%	11,421,715,965	(*)	-
		<u>500,797,618,946</u>		<u>-</u>		<u>481,282,722,569</u>		<u>-</u>
Others								
▪ Asia Saigon Food Ingredients Joint Stock Company		69,261,607,154	(*)	-		69,261,607,154	(*)	-
▪ Vietnam Growth Investment Fund (VF2) (***)		-		-		10,270,276,240	(*)	(7,501,517,042)
▪ An Khang Clinic – Pharmacy		300,000,000	(*)	-		300,000,000	(*)	-
▪ Mien Trung Bovine Breeding JSC		1,688,700,000	(*)	(619,873,969)		1,688,700,000	(*)	(619,873,969)
▪ Others		825,120,000	(*)	-		815,940,000	(*)	-
		<u>72,075,427,154</u>		<u>(619,873,969)</u>		<u>82,336,523,394</u>		<u>(8,121,391,011)</u>
		<u>572,873,046,100</u>		<u>(619,873,969)</u>		<u>563,619,245,963</u>		<u>(8,121,391,011)</u>

- (*) At the reporting date, the Group has not determined fair values of these financial instruments for disclosure in the consolidated 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.

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- (**) The Board of Management assessed that the Group had significant influence over this entity because the Group has the right to appoint members in Board of Directors of this entity. In 2018, the Group 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 of equity investments in associates during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	481,282,722,569	419,909,385,728
Investments	12,250,000,000	-
Dividends received	(1,215,000,000)	-
Share of profit in associates	8,479,896,377	35,589,916,368
Closing balance	500,797,618,946	455,499,302,096

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

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	(675,708,019)	(500,629,886)
Increase in allowance during the period	(7,602,274)	-
Closing balance	(683,310,293)	(500,629,886)

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

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	(8,121,391,011)	(7,490,301,769)
Increase in allowance during the period	-	(5,607,637)
Allowance utilised during the period	7,501,517,042	-
Closing balance	(619,873,969)	(7,495,909,406)

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5. Inventories

	30/6/2018		1/1/2018	
	Carrying amount VND	Allowance VND	Carrying amount VND	Allowance VND
Goods in transit	756,577,677,079	-	380,503,277,233	-
Raw materials	2,776,284,462,384	(5,842,380,315)	2,439,272,049,098	(2,135,991,214)
Tools and supplies	23,100,621,015	-	26,711,030,133	-
Work in progress	144,801,708,613	-	77,589,988,406	-
Finished goods	1,132,852,074,799	(6,930,532,387)	1,041,691,837,644	(14,547,884,445)
Merchandise inventories	38,434,946,043	(2,686,582,406)	41,020,467,002	(2,709,989,802)
Goods on consignment	29,157,051,995	-	34,513,989,095	(849,796,516)
	4,901,208,541,928	(15,459,495,108)	4,041,302,638,611	(20,243,661,977)

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

	Six-month period ended	
	30/6/2018 VND	30/6/2017 VND
Opening balance	(20,243,661,977)	(16,673,491,246)
Increase in allowance during the period	(12,937,776,387)	(2,511,201,632)
Written back	16,582,792,288	8,508,298,550
Allowance utilised during the period	1,139,150,968	8,096,007,696
Closing balance	(15,459,495,108)	(2,580,386,632)

6. Long-term work in progress

Long-term work in progress represented cows under 16 months of age, which will be transferred to tangible fixed assets under livestock category at the end of the sixteen-month period, when the cows are ready for milk production.

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7. Construction in progress

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	1,746,890,968,380	865,440,052,609
Additions	1,588,441,074,495	1,100,081,984,111
Transfer to tangible fixed assets	(998,557,994,601)	(290,571,706,337)
Transfer to intangible fixed assets	(2,446,680,000)	(1,970,211,600)
Transfer to inventories	(3,287,063,558)	(1,839,823,366)
Transfer to long-term prepaid expenses	(21,709,992,382)	-
Transfer to short-term prepaid expenses	(931,205,213)	(4,618,269,987)
Disposals	(18,448,611,197)	(1,326,909,600)
Other decreases	(6,739,032,010)	(941,277,104)
Currency translation differences	92,740,244	17,933,049
Closing balance	2,283,304,204,158	1,664,271,771,775

Major constructions in progress were as follows:

	30/6/2018	1/1/2018
	VND	VND
Vietnam Dairy Factory	688,584,311,954	157,946,048,335
Sai Gon Dairy Factory	206,285,288,977	141,602,512,259
Tay Ninh Dairy Cow Farm	180,790,553,472	306,796,059,332
Tien Son Dairy Factory	174,566,906,230	7,647,715,001
Machinery and equipment – Beverage Factory	82,036,665,025	340,171,668,253
Others	951,040,478,500	792,726,965,200
	2,283,304,204,158	1,746,890,968,380

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8. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Livestock VND	Others VND	Total VND
Cost							
Opening balance	3,943,236,097,354	12,569,658,769,094	981,123,921,171	537,837,961,738	871,057,030,359	14,522,020,768	18,917,435,800,484
Additions	9,179,580,685	155,359,395,545	32,943,997,239	47,583,301,471	142,162,486,324	-	387,228,761,264
Transfer from construction in progress	82,805,977,175	896,172,401,113	15,949,272,381	3,630,343,932	-	-	998,557,994,601
Transfer to investment property	(3,042,107,250)	-	-	-	-	-	(3,042,107,250)
Reclassification	31,568,400	(4,575,922,426)	-	4,544,354,026	-	-	-
Disposals	(3,732,274,724)	(304,736,094,821)	(8,955,528,997)	(7,768,676,781)	(74,099,114,096)	-	(399,291,689,419)
Other decreases	-	-	-	-	(2,926,227,380)	-	(2,926,227,380)
Currency translation differences	1,928,920,321	8,199,503,851	1,185,712,598	241,341,198	-	(3,167,245)	11,552,310,723
Closing balance	4,030,407,761,961	13,320,078,052,356	1,022,247,374,392	586,068,625,584	936,194,175,207	14,518,853,523	19,909,514,843,023
Accumulated depreciation							
Opening balance	1,238,923,259,212	6,297,570,079,076	466,335,129,879	405,033,023,727	217,959,537,855	1,098,151,871	8,626,919,181,620
Charge for the period	97,943,591,446	521,415,269,130	47,194,663,433	26,471,194,164	76,160,828,743	296,343,112	769,481,890,028
Transfer to investment property	(2,331,508,157)	-	-	-	-	-	(2,331,508,157)
Reclassification	31,568,400	(4,457,532,567)	-	4,425,964,167	-	-	-
Disposals	(2,064,965,699)	(223,234,049,045)	(6,449,919,914)	(7,725,134,780)	(30,916,685,683)	-	(270,390,755,121)
Other decreases	-	-	-	-	(148,612,000)	-	(148,612,000)
Currency translation differences	622,031,686	4,740,325,012	727,547,135	176,033,928	-	(7,148,094)	6,258,789,667
Closing balance	1,333,123,976,888	6,596,034,091,606	507,807,420,533	428,381,081,206	263,055,068,915	1,387,346,889	9,129,788,986,037
Net book value							
Opening balance	2,704,312,838,142	6,272,088,690,018	514,788,791,292	132,804,938,011	653,097,492,504	13,423,868,897	10,290,516,618,864
Closing balance	2,697,283,785,073	6,724,043,960,750	514,439,953,859	157,687,544,378	673,139,106,292	13,131,506,634	10,779,725,856,986

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Included in the cost of tangible fixed assets were assets costing VND2,781,097 million which were fully depreciated as at 30 June 2018 (1/1/2018: VND2,223,578 million), but which are still in active use.

At 30 June 2018 tangible fixed assets with net book value of VND450,565 million (1/1/2018: VND624,701 million) were pledged with banks as security for loans granted to the Group (Note V.15(a)(iii),(iv) and Note V.15(b)(i),(iii),(iv)).

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9. Intangible fixed assets

	Land use rights VND	Software VND	Others VND	Total VND
Cost				
Opening balance	272,302,189,084	148,064,099,477	49,183,050,000	469,549,338,561
Additions	-	138,150,000	-	138,150,000
Transfer from construction in progress	-	2,446,680,000	-	2,446,680,000
Transfer to investment property	(937,505,205)	-	-	(937,505,205)
Disposals	-	(9,185,470,118)	-	(9,185,470,118)
Currency translation differences	2,349,751,823	20,649,900	553,350,000	2,923,751,723
Closing balance	273,714,435,702	141,484,109,259	49,736,400,000	464,934,944,961
Accumulated amortisation				
Opening balance	11,620,088,484	105,819,220,094	33,317,550,000	150,756,858,578
Charge for the period	18,028,947	8,026,282,381	-	8,044,311,328
Transfer to investment property	(324,521,046)	-	-	(324,521,046)
Disposals	-	(9,117,467,783)	-	(9,117,467,783)
Currency translation differences	-	9,899,729	374,850,000	384,749,729
Closing balance	11,313,596,385	104,737,934,421	33,692,400,000	149,743,930,806
Net book value				
Opening balance	260,682,100,600	42,244,879,383	15,865,500,000	318,792,479,983
Closing balance	262,400,839,317	36,746,174,838	16,044,000,000	315,191,014,155

Included in the cost of intangible fixed assets were assets costing VND50,711 million which were fully amortised as at 30 June 2018 (1/1/2018: VND57,673 million), but which are still in use.

At 30 June 2018 intangible fixed assets with net book value of VND227,245 million (1/1/2018: VND224,717 million) were pledged with banks as security for loans granted to the Group (Note V.15(b)(i)).

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10. Investment property

	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening balance	38,884,288,170	6,464,218,561	97,992,331,437	143,340,838,168
Transfer from tangible fixed assets	-	-	3,042,107,250	3,042,107,250
Transfer from intangible fixed assets	937,505,205	-	-	937,505,205
Closing balance	39,821,793,375	6,464,218,561	101,034,438,687	147,320,450,623
Accumulated amortisation				
Opening balance	3,438,746,575	5,186,933,954	39,441,887,111	48,067,567,640
Charge for the period	414,807,399	305,682,006	2,434,372,656	3,154,862,061
Transfer from tangible fixed assets	-	-	2,331,508,157	2,331,508,157
Transfer from intangible fixed assets	324,521,046	-	-	324,521,046
Closing balance	4,178,075,020	5,492,615,960	44,207,767,924	53,878,458,904
Net book value				
Opening balance	35,445,541,595	1,277,284,607	58,550,444,326	95,273,270,528
Closing balance	35,643,718,355	971,602,601	56,826,670,763	93,441,991,719

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

At the reporting date, the Group has not determined fair values of investment property held to earn rental for disclosure in the consolidated 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 million which were fully depreciated as at 30 June 2018 (1/1/2018: VND7,892 million), but which are still in active use.

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11. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2018	1/1/2018
	VND	VND
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	12,316,580,139	14,812,192,425
Prepaid renovation and repair expenses	10,438,972,897	4,166,496,897
Other short-term prepaid expenses	34,856,511,303	19,470,640,504
	87,674,648,775	51,933,181,113

(b) Long-term prepaid expenses

	Prepaid	Tools and	Other prepaid	Total
	land costs	instruments	expenses	VND
	VND	VND	VND	VND
Opening balance	317,241,313,206	246,564,406,543	48,329,090,256	612,134,810,005
Additions	1,599,712,877	62,615,979,821	12,723,401,993	76,939,094,691
Amortisation for the period	(4,674,590,874)	(70,914,167,299)	(18,496,000,856)	(94,084,759,029)
Other decreases	-	(199,851,743)	(93,733,061)	(293,584,804)
Currency translation differences	367,706,839	116,423,923	12,911,445	497,042,207
Closing balance	314,534,142,048	238,182,791,245	42,475,669,777	595,192,603,070

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12. Deferred tax assets and liabilities

(a) Deferred tax assets

	30/6/2018	1/1/2018
	VND	VND
Deferred tax assets		
Foreign exchange differences	1,397,015,177	327,773,815
Accrued expenses and provisions	21,338,026,618	30,067,817,400
	<hr/>	<hr/>
	22,735,041,795	30,395,591,215
Deferred tax liabilities		
Foreign exchange differences	(13,692,788)	(822,335)
	<hr/>	<hr/>
Net deferred tax assets	22,721,349,007	30,394,768,880
	<hr/>	<hr/>

(b) Deferred tax liabilities

	30/6/2018	1/1/2018
	VND	VND
Deferred tax assets		
Accounts receivable	1,160,989,680	1,442,785,905
Inventories	932,591,880	1,332,520,680
Tax losses carry forwards	31,064,071,920	50,205,264,165
Accrued expenses	5,615,858,400	6,978,394,845
Others	2,476,253,880	5,335,318,335
	<hr/>	<hr/>
Total deferred tax assets	41,249,765,760	65,294,283,930
Deferred tax liabilities		
Fixed assets	(203,969,574,379)	(245,562,341,369)
Others	(24,214,292,401)	(23,350,049,625)
	<hr/>	<hr/>
Total deferred tax liabilities	(228,183,866,780)	(268,912,390,994)
	<hr/>	<hr/>
Net deferred tax liabilities	(186,934,101,020)	(203,618,107,064)
	<hr/>	<hr/>

Deferred tax liabilities have been recognised on deductible temporary differences and tax losses using the effective tax rate of Driftwood Dairy Holdings Corporation, Angkor Dairy Products Co., Ltd and Vietnam Sugar Joint Stock Company, subsidiaries incorporated and operating in the United States of America, Cambodia and Vietnam, respectively.

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13. Goodwill

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	474,930,098,235	123,983,090,462
Charge for the period	(27,959,382,588)	(9,180,962,298)
Closing balance	446,970,715,647	114,802,128,164

14. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	30/6/2018		1/1/2018	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
	VND	VND	VND	VND
Dai Tan Viet JSC	851,892,581,646	851,892,581,646	811,664,433,728	811,664,433,728
Other suppliers	2,968,066,158,588	2,968,066,158,588	3,154,026,689,429	3,154,026,689,429
	3,819,958,740,234	3,819,958,740,234	3,965,691,123,157	3,965,691,123,157

(b) Accounts payable to related parties

	30/6/2018	1/1/2018
	VND	VND
Associate		
APIS Corporation	146,012,669,339	40,890,765,724
Miraka Holding Limited	38,089,596,582	-
	184,102,265,921	40,890,765,724

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

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15. Borrowings

(a) Short-term borrowings

	1/1/2018 VND	Incurred VND	Paid VND	Currency translation differences VND	30/6/2018 VND
Short-term borrowings	208,204,796,087	2,674,957,156,537	(1,144,016,878,332)	1,006,478,026	1,740,151,552,318
Current portion of long-term borrowings	59,897,250,000	34,140,000,000	(37,350,000,000)	613,750,000	57,301,000,000
	268,102,046,087	2,709,097,156,537	(1,181,366,878,332)	1,620,228,026	1,797,452,552,318

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Terms and conditions of outstanding short-term borrowings were as follows:

Lenders	Note	Currency	Annual interest rate	30/6/2018 VND	1/1/2018 VND
The Bank of Tokyo-Mitsubishi UFJ Ltd. – Ho Chi Minh City Branch	(i)	VND	2.70% - 3.90%	600,000,000,000	-
Sumitomo Mitsui Banking Corporation	(i)	VND	2.70% - 3.90%	600,000,000,000	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	(i)	USD	2.30% - 2.40%	360,943,000,000	-
Wells Fargo	(ii)	USD	4.59%	79,208,552,318	108,204,796,087
Joint Stock Commercial Bank for Investment and Development of Vietnam	(iii)	VND	4.50% - 6.00%	100,000,000,000	-
Vietnam Bank for Agriculture and Rural Development	(iv)	VND	6.00%	-	100,000,000,000
				1,740,151,552,318	208,204,796,087

- (i) These loans were unsecured.
- (ii) This loan was secured by accounts receivable from customers with carrying amount of VND273,624 million as at 30 June 2018 (1/1/2018: VND211,976 million).
- (iii) This loan was secured by fixed assets with carrying amount of VND167,482 million as at 30 June 2018 (1/1/2018: nil) (Note V.8).
- (iv) This loan was secured by fixed assets with carrying amount of VND93,760 million as at 30 June 2018 (1/1/2018: VND174,218 million) (Note V.8).

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(b) Long-term borrowings

	1/1/2018 VND	Incurred VND	Paid VND	Currency translation differences VND	30/6/2018 VND
Long-term borrowings	334,846,689,387	34,192,775,514	(71,505,359,833)	3,370,000,000	300,904,105,068
Current portion of long-term borrowings	(59,897,250,000)	(34,140,000,000)	37,350,000,000	(613,750,000)	(57,301,000,000)
	274,949,439,387	52,775,514	(34,155,359,833)	2,756,250,000	243,603,105,068

Terms and conditions of outstanding long-term borrowings were as follows:

Lenders	Note	Currency	Annual interest rate	Year of maturity	30/6/2018 VND	1/1/2018 VND
Sumitomo Mitsui Banking Corporation	(i)	USD	4.11%	2020	292,230,000,000	317,310,000,000
Individuals	(ii)	VND	5.40%	2039	8,674,105,068	8,635,689,387
Joint Stock Commercial Bank for Investment and Development of Vietnam	(iii)	VND	5.40%	2018	-	8,900,000,000
Vietnam Bank for Agriculture and Rural Development	(iv)	VND	5.40%	2018	-	1,000,000
					300,904,105,068	334,846,689,387

- (i) This loan was secured by term deposits and fixed assets with carrying amount of VND82,977 million (1/1/2018: VND82,977 million) (note V.4(b)) and VND677,810 million (1/1/2018: VND389,664 million) (Note V.8, V.9), respectively, as at 30 June 2018.
- (ii) These loans were unsecured.
- (iii) This loan was secured by fixed assets with carrying amount of VND285,536 million as at 1 January 2018 (Note V.8).
- (iv) This loan was secured by fixed assets with carrying amount of VND174,218 million as at 1 January 2018 (Note V.8).

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16. Taxes payable to State Treasury

	1/1/2018 VND	Incurred VND	Paid VND	Currency translation differences VND	30/6/2018 VND
Value added tax	84,857,613,061	1,115,748,721,061	(1,009,585,154,045)	63,209,953	191,084,390,030
Corporate income tax	245,381,105,644	986,034,692,510	(714,155,559,064)	154,315,302	517,414,554,392
Personal income tax	45,575,976,197	150,205,017,843	(186,555,512,244)	2,387,166	9,227,868,962
Import tax	1,311,030,778	75,122,062,909	(62,870,553,367)	12,751,767	13,575,292,087
Other taxes	6,188,357,317	15,528,419,978	(20,040,246,789)	13,149,411	1,689,679,917
	383,314,082,997	2,342,638,914,301	(1,993,207,025,509)	245,813,599	732,991,785,388

17. Accrued expenses

(a) Short-term accrued expenses

	30/6/2018 VND	1/1/2018 VND
Sale incentives, promotion	329,194,157,114	809,759,170,326
Advertising expenses	398,853,327,624	155,863,127,207
Transportation expenses	79,318,216,090	63,804,058,530
Repair and maintenance expenses	24,316,458,467	26,287,942,358
Fuel expenses	10,779,606,577	13,794,033,974
Expenses for outsourced employees	52,454,484,278	61,056,856,176
Rental fees	10,190,469,736	4,302,136,374
Interest expense	73,236,652,560	290,197,560,228
Others	99,625,665,528	103,223,060,285
	1,077,969,037,974	1,528,287,945,458

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(b) Long-term accrued expenses

	30/6/2018	1/1/2018
	VND	VND
Accrued interests	219,326,848,368	-

This is the loan interest payable to Joint Stock Commercial Bank for Investment and Development of Vietnam, Khanh Hoa Branch. According to Official Letter No. 0379/BIDV.KH-KHDN, Joint Stock Commercial Bank for Investment and Development of Vietnam agreed to have the above interests paid according to the plan from 2019 to 2021.

18. Other short-term payables

	30/6/2018	1/1/2018
	VND	VND
Other payables relating to financial investments (*)	448,007,419,155	448,007,419,155
Short-term deposits received	36,800,631,908	80,343,110,431
Import duty payables	20,851,917,463	22,482,594,509
Outstanding cheques in exceed of bank balance	13,353,119,344	41,036,115,977
Insurance and trade union fees	4,591,383,513	1,399,249,266
Surplus assets awaiting resolution	241,412,499	-
Dividend payables	-	2,176,917,780,000
Others	42,751,971,603	13,637,908,646
	566,597,855,485	2,783,824,177,984

- (*) 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 Group's investment in Bao Viet Joint Stock Commercial Bank (Note V.4(a)).

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19. 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:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	692,489,769,561	456,785,376,550
Appropriation (Note V.21)	522,367,912,413	608,437,219,407
Other increases	149,174,000	-
Utilisation	(885,069,979,126)	(569,402,849,984)
Closing balance	329,936,876,848	495,819,745,973

20. Provision – long-term

Movements of provision – long-term during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	102,523,428,175	95,960,585,167
Increase in provision during the period	839,643,498	2,288,924,832
Provision used during the period	(1,351,416,459)	(882,349,999)
Closing balance	102,011,655,214	97,367,160,000

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21. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
As at 1 January 2017	14,514,534,290,000	260,699,620,761	(1,176,335,920)	5,654,693,453	1,797,019,925,588	5,591,831,510,779	237,385,583,924	22,405,949,288,585
Purchase of treasury shares	-	-	(3,739,485,360)	-	-	-	-	(3,739,485,360)
Net profit for the period	-	-	-	-	-	5,857,148,668,834	(5,355,245,182)	5,851,793,423,652
Appropriation to equity funds	-	-	-	-	608,437,219,408	(608,437,219,408)	-	-
Appropriation to bonus and welfare fund (Note V.19)	-	-	-	-	-	(608,437,219,407)	-	(608,437,219,407)
Dividends (Note V.23)	-	-	-	-	-	(2,902,686,424,000)	-	(2,902,686,424,000)
Currency translation differences	-	-	-	10,245,311,856	-	-	(6,396,794)	10,238,915,062
As at 30 June 2017	14,514,534,290,000	260,699,620,761	(4,915,821,280)	15,900,005,309	2,405,457,144,996	7,329,419,316,798	232,023,941,948	24,753,118,498,532
Purchase of treasury shares	-	-	(2,244,000,520)	-	-	-	-	(2,244,000,520)
Purchase of non-controlling interest	-	-	-	-	-	(41,762,522,713)	(234,654,964,345)	(276,417,487,058)
Net profit for the period	-	-	-	-	-	4,438,516,480,012	(12,135,350,498)	4,426,381,129,514
Appropriation to equity funds	-	-	-	-	446,448,265,232	(446,448,265,232)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(463,218,027,373)	-	(463,218,027,373)
Other increases	-	-	-	-	-	-	513,052,965,331	513,052,965,331
Dividends	-	-	-	-	-	(5,079,586,352,030)	(452,720,796)	(5,080,039,072,826)
Currency translation differences	-	-	-	2,467,451,824	-	-	(43,643,563)	2,423,808,261
As at 1 January 2018	14,514,534,290,000	260,699,620,761	(7,159,821,800)	18,367,457,133	2,851,905,410,228	5,736,920,629,462	497,790,228,077	23,873,057,813,861

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	Share capital VND	Share premium VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
As at 1 January 2018	14,514,534,290,000	260,699,620,761	(7,159,821,800)	18,367,457,133	2,851,905,410,228	5,736,920,629,462	497,790,228,077	23,873,057,813,861
Purchase of treasury shares	-	-	(2,321,288,800)	-	-	-	-	(2,321,288,800)
Net profit for the period	-	-	-	-	-	5,367,671,237,463	(6,787,502,931)	5,360,883,734,532
Appropriation to equity funds	-	-	-	-	513,336,711,460	(513,336,711,460)	-	-
Appropriation to bonus and welfare fund (Note V.19)	-	-	-	-	-	(522,367,912,413)	-	(522,367,912,413)
Dividends (Note V.23)	-	-	-	-	-	(2,176,870,123,500)	-	(2,176,870,123,500)
Currency translation differences	-	-	-	3,667,688,852	-	-	-	3,667,688,852
As at 30 June 2018	14,514,534,290,000	260,699,620,761	(9,481,110,600)	22,035,145,985	3,365,242,121,688	7,892,017,119,552	491,002,725,146	26,536,049,912,532

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22. Share capital

The Company's authorised and issued share capital is:

	30/6/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised share capital	1,451,453,429	14,514,534,290,000	1,451,453,429	14,514,534,290,000
Issued shares				
Ordinary shares	1,451,453,429	14,514,534,290,000	1,451,453,429	14,514,534,290,000
Treasury shares				
Ordinary shares	(206,680)	(9,481,110,600)	(174,909)	(7,159,821,800)
Shares currently in circulation				
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:

	30/6/2018		1/1/2018	
	VND	%	VND	%
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%
	14,514,534,290,000	100.00%	14,514,534,290,000	100.00%

23. 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)).\

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24. Off balance sheet items

Foreign currencies

	30/6/2018		1/1/2018	
	Original currency	VND equivalent	Original currency	VND equivalent
▪ USD	763,055.52	17,489,232,518	6,619,329.09	150,027,087,935
▪ EUR	8,381.35	223,086,393	5,372.56	145,075,238
		17,712,318,911		150,172,163,173

VI. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN THE CONSOLIDATED 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:

	Six-month period ended	
	30/6/2018 VND	30/6/2017 VND
Total revenue		
▪ Sales of merchandise goods	696,574,869,926	621,178,127,697
▪ Sales of finished goods	25,004,345,857,234	24,768,145,042,261
▪ Other services	27,169,481,028	26,308,152,138
▪ Rental income from investment property	8,578,935,525	8,313,955,964
▪ Others	133,740,431,367	37,358,351,423
	25,870,409,575,080	25,461,303,629,483
Less revenue deductions		
▪ Sale discounts	(23,936,029,895)	(16,013,430,492)
▪ Sale returns	(23,490,912,312)	(47,660,291,362)
	(47,426,942,207)	(63,673,721,854)
Net revenue	25,822,982,632,873	25,397,629,907,629

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In which revenue with related parties was as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Associates		
APIS Corporation	147,198,750	229,862,000
Asia Saigon Food Ingredients Joint Stock Company (until 11 November 2017)	-	2,934,447,859
	147,198,750	3,164,309,859

2. Cost of sales

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Total cost of sales		
▪ Merchandise goods sold	530,334,506,987	528,530,165,386
▪ Finished goods sold	13,156,492,219,218	12,272,804,705,031
▪ Promotional goods sold	114,271,174,506	232,070,074,934
▪ Other services	9,179,606,403	5,290,308,664
▪ Rental of investment property	4,364,182,251	4,506,042,328
▪ Other services	56,681,800,486	-
▪ Inventories losses	-	452,504,788
▪ Decrease of allowance for inventories	(3,645,015,901)	(5,997,096,918)
	13,867,678,473,950	13,037,656,704,213

3. Financial income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Interest income from deposits	357,848,427,911	361,855,747,234
Interest income from corporate bonds	7,702,417,809	19,502,171,231
Foreign exchange gains	26,463,622,917	23,269,870,111
Dividends	12,956,358	12,906,832
Others	2,912,008,957	-
	394,939,433,952	404,640,695,408

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4. Financial expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Interest expense on borrowings	25,827,592,765	17,417,106,293
Interest expense on deposits received	990,916,923	1,659,559,000
Foreign exchange losses	33,781,908,548	37,617,356,485
Loss from disposal of financial investments	1,982,981,082	-
Allowance for diminution in value of financial investments	-	5,607,637
Others	-	18,243,353
	62,583,399,318	56,717,872,768

5. Other income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Proceeds from disposals of fixed assets and investment property	132,721,368,525	55,772,451,232
Proceeds from disposals of construction in progress	140,909,091	1,109,533,236
Compensations received from other parties	1,140,321,750	4,169,811,343
Rebate income	52,401,102,533	16,609,327,627
Others	20,959,048,003	9,325,758,212
	207,362,749,902	86,986,881,650

6. Other expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Book value of fixed assets and investment property disposed	128,968,936,633	60,898,955,079
Book value of construction in progress disposed	18,448,611,197	1,326,909,600
Others	8,367,627,903	18,182,986,847
	155,785,175,733	80,408,851,526

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7. Selling expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Staff costs	282,138,723,801	314,492,197,679
Materials expenses	28,327,658,954	23,557,256,715
Tools and supplies expenses	62,395,307,973	63,304,209,426
Depreciation expenses	21,353,531,751	20,528,750,788
Expenses of damaged goods	20,931,971,386	20,744,345,272
Transportation expenses	303,978,142,140	291,337,861,862
Outside service expenses	217,205,975,851	175,818,546,035
Advertising and market research expenses	808,713,714,370	935,793,840,263
Promotion, product display, support and commission expenses for distributors	3,749,600,319,671	3,510,437,987,577
	5,494,645,345,897	5,356,014,995,617

8. General and administration expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Staff costs	190,855,361,258	206,704,851,295
Materials expenses	26,239,442,249	9,520,238,422
Office supplies	10,607,653,380	7,525,368,054
Depreciation expenses	45,191,898,654	41,062,843,764
Fees and duties	6,577,019,023	6,487,088,170
Allowance for doubtful debts and provision for severance allowance	3,167,195,534	3,499,211,899
Transportation expenses	17,780,626,418	18,055,668,587
Outside service expenses	105,355,142,311	102,868,812,806
Loading expenses	10,535,374,105	6,792,062,957
Per-diem allowances	22,505,903,278	22,622,626,530
Bank charges	5,837,911,444	5,264,167,748
Others	71,190,193,296	43,536,026,953
	515,843,720,950	473,938,967,185

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9. Production and business costs by element

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Raw material costs included in production costs	11,446,796,887,920	10,131,417,218,387
Labour costs and staff costs	971,276,376,572	1,065,791,366,164
Depreciation and amortisation	775,625,040,480	617,833,561,792
Outside services	1,151,950,775,551	1,032,212,006,906
Other expenses	4,996,908,698,789	4,950,215,777,038

10. Income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Current tax expense		
Current period	924,250,805,995	1,088,195,107,454
Under/(over) provision in prior period	61,783,886,515	(1,785,280,637)
	<hr/> 986,034,692,510	<hr/> 1,086,409,826,817
Deferred tax benefit		
Origination and reversal of temporary differences	(9,689,829,786)	(18,093,240,723)
Income tax expense	<hr/> 976,344,862,724	<hr/> 1,068,316,586,094

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(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Accounting profit before tax	6,337,228,597,256	6,920,110,009,746
Tax at the Company's tax rate	1,267,445,719,451	1,384,022,001,949
Tax rate differential applied to Company's branches and factories	(21,423,419,624)	(12,877,004,664)
Non-taxable income	2,591,272	-
Non-deductible expenses	4,730,587,242	3,262,822,825
Tax incentives	(268,609,949,095)	(224,173,014,708)
Deferred tax assets not previously recognised	(67,584,553,037)	(80,132,938,671)
Under/(over) provision in prior period	61,783,886,515	(1,785,280,637)
	976,344,862,724	1,068,316,586,094

(c) Applicable tax rates

The companies in the Group are required to pay income tax at rates ranging from 10% to 21%, depending on principle activities of its factories, on taxable profits. The Company and its subsidiaries incurred the income tax charges.

11. Basic earnings per share

The calculation of earnings per share for the six-month period ended 30 June 2018 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares outstanding, calculated as follows:

(a) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Net profit for the period – attributable to ordinary shareholders before appropriation to bonus and welfare fund	5,367,671,237,463	5,857,148,668,834
Appropriation to bonus and welfare fund	(522,367,912,413)	(608,437,219,407)
Net profit for the period attributable to ordinary shareholders after appropriation to bonus and welfare fund	4,845,303,325,050	5,248,711,449,427

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(b) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2018	30/6/2017
	Number of shares	Number of shares
Issued ordinary shares at the beginning of the period	1,451,278,520	1,451,426,329
Effect of treasury shares repurchased during the period	(31,771)	(36,753)
Weighted average number of ordinary shares for the six-month period ended 30 June	1,451,246,749	1,451,389,576

As at 30 June 2018, the Group did not have potentially dilutive ordinary shares.

VII. OTHER INFORMATION

1. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the consolidated financial statements, the Group had the following significant transactions with related parties during the period

Related Party	Relationship	Nature of transaction	Six-month period ended	
			30/6/2018	30/6/2017
			VND	VND
Miraka Holding Limited	Associate	Purchases of goods	37,920,773,687	-
APIS Corporation	Associate	Purchase of goods	266,945,226,249	47,785,224,900
Board of Management's and Board of Directors' members		Compensation	71,000,398,781	34,046,583,792
The State Capital Investment Corporation		Payments of dividends	1,567,659,588,000	1,141,773,192,000

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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2. Segment information

Segment information is presented in respect of the Group’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.

	Domestic (Customers located in Vietnam)		Overseas (Customers located in countries other than Vietnam)		Total	
	Six-month period ended		Six-month period ended		Six-month period ended	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	VND	VND	VND	VND	VND	VND
Net revenue	22,207,607,682,521	21,517,761,485,456	3,615,374,950,352	3,879,868,422,173	25,822,982,632,873	25,397,629,907,629
Cost of sales	(11,934,463,074,419)	(11,073,266,235,287)	(1,933,215,399,531)	(1,964,390,468,926)	(13,867,678,473,950)	(13,037,656,704,213)
Segment income	10,273,144,608,102	10,444,495,250,169	1,682,159,550,821	1,915,477,953,247	11,955,304,158,923	12,359,973,203,416

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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