



Vietnam Dairy Products Joint Stock Company

Separate interim financial statements
for the nine-month period
ended 30 September 2018



Vietnam Dairy Products Joint Stock Company

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Vietnam Dairy Products Joint Stock Company Corporate Information

Business Registration Certificate No. 4103001932 20 November 2003
0300588569 12 October 2018

The Company's business registration certificate has been amended several times, the most recent of which is by the Business Registration Certificate No. 0300588569 dated 12 October 2018. The business registration certification and its updates were issued by Ho Chi Minh City Planning and Investment Department.

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

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

Registered Office 10 Tan Trao, Tan Phu Ward
District 7, Ho Chi Minh City
Vietnam

Auditor KPMG Limited
Vietnam

**Vietnam Dairy Products Joint Stock Company
Statement of the Board of Directors**

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

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

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

The Board of Management is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the unconsolidated financial position of the Company and which enable these separate interim financial statements to be prepared which complies with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements set out on pages 6 to 59 which give a true and fair view of the unconsolidated financial position of the Company as at 30 September 2018, and of the unconsolidated results of operations and unconsolidated cash flows for the nine-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 October 2018



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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Vietnam Dairy Products Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”), which comprise the separate statement of financial position as at 30 September 2018, the separate statements of income and cash flows for the nine-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 30 October 2018, as set out on pages 6 to 59.

Management’s Responsibility

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

Auditor’s Responsibility

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

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of Vietnam Dairy Products Joint Stock Company as at 30 September 2018 and of its unconsolidated results of operations and its unconsolidated cash flows for the nine-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/Q3S



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2018-007-1
Deputy General Director

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

Ho Chi Minh City, 30 October 2018

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

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

	Code	Note	30/9/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		16,721,397,781,030	19,002,943,395,528
Cash and cash equivalents	110	V.1	355,699,461,653	733,003,539,943
Cash	111		270,699,461,653	653,003,539,943
Cash equivalents	112		85,000,000,000	80,000,000,000
Short-term financial investments	120		7,676,023,488,016	10,515,000,831,849
Trading securities	121	V.4(a)	442,023,488,016	442,023,488,016
Held-to-maturity investments	123	V.4(b)	7,234,000,000,000	10,072,977,343,833
Accounts receivable – short-term	130		4,965,725,750,831	4,177,896,085,300
Accounts receivable from customers	131	V.2(a)	3,873,449,608,957	3,346,014,740,184
Prepayments to suppliers	132		688,253,538,088	515,607,637,431
Other short-term receivables	136	V.3(a)	403,630,854,263	320,433,597,717
Allowance for doubtful debts	137	V.2(d)	(950,010,334)	(4,159,890,032)
Shortage of assets awaiting for resolution	139		1,341,759,857	-
Inventories	140	V.5	3,612,993,092,748	3,447,759,303,261
Inventories	141		3,618,259,181,835	3,452,574,058,435
Allowance for inventories	149		(5,266,089,087)	(4,814,755,174)
Other current assets	150		110,955,987,782	129,283,635,175
Short-term prepaid expenses	151	V.10(a)	46,114,993,629	30,082,217,988
Deductible value added tax	152		64,840,994,153	99,201,417,187

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

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

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

	Code	Note	30/9/2018 VND	1/1/2018 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		14,843,545,606,697	13,506,629,942,142
Accounts receivable – long-term	210		105,333,536,456	43,381,778,324
Long-term receivables	211	V.2(b)	93,126,322,660	29,973,948,684
Long-term loan receivables	215		4,043,428,184	5,373,558,222
Other long-term receivables	216	V.3(b)	8,163,785,612	8,034,271,418
Fixed assets	220		7,014,327,733,086	6,578,193,561,054
Tangible fixed assets	221	V.6	6,936,285,168,862	6,491,044,842,497
Cost	222		13,514,153,674,444	12,565,140,937,848
Accumulated depreciation	223		(6,577,868,505,582)	(6,074,096,095,351)
Intangible fixed assets	227	V.7	78,042,564,224	87,148,718,557
Cost	228		197,281,612,768	203,811,252,886
Accumulated amortisation	229		(119,239,048,544)	(116,662,534,329)
Investment property	230	V.8	90,599,370,818	95,273,270,528
Cost	231		143,340,838,168	143,340,838,168
Accumulated depreciation	232		(52,741,467,350)	(48,067,567,640)
Long-term work in progress	240		1,652,776,613,710	970,605,001,566
Construction in progress	242	V.9	1,652,776,613,710	970,605,001,566
Long-term financial investments	250		5,607,160,699,415	5,358,856,346,187
Investments in subsidiaries	251	V.4(c)	5,125,492,071,156	4,957,492,071,156
Investments in associates	252	V.4(c)	400,369,808,669	388,119,808,669
Equity investments in other entities	253	V.4(c)	18,300,000,000	28,570,276,240
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(37,001,180,410)	(15,325,809,878)
Held-to-maturity investments	255	V.4(b)	100,000,000,000	-
Other non-current assets	260		373,347,653,212	460,319,984,483
Long-term prepaid expenses	261	V.10(b)	372,720,284,850	429,925,215,603
Deferred tax assets	262	V.18	627,368,362	30,394,768,880
TOTAL ASSETS (270 = 100 + 200)	270		31,564,943,387,727	32,509,573,337,670

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

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

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

	Code	Note	30/9/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		6,496,123,472,269	9,213,216,736,722
Current liabilities	310		6,495,083,912,051	9,111,522,890,254
Accounts payable to suppliers	311	V.11	2,678,558,658,062	3,608,952,910,564
Advances from customers	312		25,725,058,643	58,920,681,881
Taxes payable to State Treasury	313	V.12	832,486,893,654	375,861,148,168
Payables to employees	314		152,095,834,468	173,777,657,984
Accrued expenses	315	V.13	1,067,390,531,161	1,188,457,780,365
Short-term unearned revenue	318		4,750,270,950	7,344,630,678
Other short-term payables	319	V.14	798,633,648,024	3,023,434,643,866
Short-term borrowings	320	V.15	550,000,000,000	-
Provision – short-term	321		11,647,496,695	603,744,795
Bonus and welfare fund	322	V.16	373,795,520,394	674,169,691,953
Long-term liabilities	330		1,039,560,218	101,693,846,468
Long-term unearned revenue	336		1,039,560,218	1,039,560,218
Provision – long-term	342	V.17	-	100,654,286,250
EQUITY (400 = 410)	400		25,068,819,915,458	23,296,356,600,948
Owners' equity	410	V.19	25,068,819,915,458	23,296,356,600,948
Share capital	411	V.20	17,416,877,930,000	14,514,534,290,000
Share premium	412		-	260,699,620,761
Treasury shares	415		(9,851,596,440)	(7,159,821,800)
Investment and development fund	418		969,431,185,221	2,849,474,124,833
Retained profits	421		6,692,362,396,677	5,678,808,387,154
- Retained profits brought forward	421a		3,501,938,263,654	2,322,232,146,596
- Profit for the current period	421b		3,190,424,133,023	3,356,576,240,558
TOTAL RESOURCES	440		31,564,943,387,727	32,509,573,337,670
(440 = 300 + 400)				

30 October 2018

Prepared by:



Le Thanh Liem
 Executive Director – Finance
 cum Chief Accountant

Approved by:



Mai Kieu Lien
 Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company

Separate statement of income for the nine-month period ended 30 September 2018

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

Code	Note	Three-month period ended		Nine-month period ended	
		30/9/2018 VND	30/9/2017 VND	30/9/2018 VND	30/9/2017 VND
01	VI.1	12,360,175,873,680	12,700,605,524,788	35,361,982,963,043	36,278,481,201,881
Revenue from sales of goods and provision of services					
02	VI.1	1,096,803,996	4,342,750,216	29,231,841,444	42,020,096,211
Revenue deductions					
10	VI.1	12,359,079,069,684	12,696,262,774,572	35,332,751,121,599	36,236,461,105,670
Net revenue from sales of goods and provision of services (10 = 01 - 02)					
11	VI.2	6,179,017,647,355	6,626,636,770,613	17,885,559,973,102	18,394,560,664,299
Cost of sales					
20		6,180,061,422,329	6,069,626,003,959	17,447,191,148,497	17,841,900,441,371
Gross profit (20 = 10 - 11)					
21	VI.3	182,811,320,590	235,217,568,062	557,638,968,738	1,062,143,972,059
22	VI.4	27,730,447,162	8,143,940,373	76,926,052,547	12,452,672,302
23		4,009,422,127	3,559,222,222	15,799,265,379	12,869,222,222
<i>In which: Interest expense</i>					
25	VI.7	3,278,516,625,361	2,860,371,199,856	8,488,252,827,300	7,953,739,753,772
26	VI.8	194,773,957,042	202,099,000,853	513,941,460,478	550,611,543,963
General and administration expenses					
30		2,861,851,713,354	3,234,229,430,939	8,925,709,776,910	10,387,240,443,393
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}					
31	VI.5	120,107,734,831	51,142,884,615	286,940,831,129	108,691,549,051
32	VI.6	23,187,610,100	48,934,658,792	112,163,271,420	92,938,907,972
Other income					
Other expenses					
40		96,920,124,731	2,208,225,823	174,777,559,709	15,752,641,079
Results of other activities (40 = 31 - 32)					

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

Vietnam Dairy Products Joint Stock Company
Separate statement of income for the nine-month period ended 30 September 2018 (continued)

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

Code	Note	Three-month period ended		Nine-month period ended	
		30/9/2018 VND	30/9/2017 VND	30/9/2018 VND	30/9/2017 VND
50		2,958,771,838,085	3,236,437,656,762	9,100,487,336,619	10,402,993,084,472
51	VI.10	459,031,127,466	523,700,511,976	1,454,709,139,824	1,597,857,968,770
52	VI.10	17,097,028,942	(2,154,319,540)	29,767,400,518	5,871,457,313
60		2,482,643,681,677	2,714,891,464,326	7,616,010,796,277	8,799,263,658,389

30 October 2018

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant



Mai Kieu Lien
Chief Executive Officer

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

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

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

	Code	Note	Nine-month period ended	
			30/9/2018 VND	30/9/2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		9,100,487,336,619	10,402,993,084,472
Adjustments for				
Depreciation and amortisation	02		817,141,129,223	721,898,894,529
Allowances and provisions	03		(63,710,110,075)	(23,345,728,143)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		2,088,401,092	4,721,828,969
Losses from disposals of investments	05		1,982,981,082	-
Gains on disposals of fixed assets, investment property and construction in progress	05		(24,293,701,639)	(6,883,411,690)
Gain from merger of a subsidiary	05		-	(430,894,168,467)
Dividends and interest income	05		(519,740,490,716)	(601,875,086,634)
Interest expense	06	VI.4	15,799,265,379	12,869,222,222
Operating profit before changes in working capital	08		9,329,754,810,965	10,079,484,635,258
Change in receivables	09		(675,960,249,593)	(1,384,079,596,447)
Change in inventories	10		(171,162,601,272)	949,103,088,618
Change in payables and other liabilities	11		(1,099,624,127,815)	558,025,032,879
Change in prepaid expenses	12		44,321,629,499	(36,613,000,352)
Interest paid	14		(15,136,251,679)	(33,925,611,111)
Income tax paid	15	V.12	(1,064,112,389,848)	(1,029,919,722,875)
Other receipts from operating activities	16		149,174,000	-
Other payments for operating activities	17		(1,059,140,974,819)	(828,159,942,966)
Net cash flows from operating activities	20		5,289,089,019,438	8,273,914,883,004

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

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

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

	Code	Note	Nine-month period ended	
			30/9/2018 VND	30/9/2017 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,997,698,034,147)	(1,235,681,425,563)
Collections on disposals of fixed assets, investment property and other long-term assets	22		30,403,117,053	35,948,079,793
Collections from/(payments for) time deposits	23		2,548,977,343,833	(486,477,343,833)
Receipts from collecting loans	24		1,330,130,038	3,301,588,762
Proceeds from sales of debt instruments of other entities	24		190,785,778,116	300,000,000,000
Payments for investments in other entities	25		(180,250,000,000)	(742,417,487,058)
Collections on investments in other entities	26		-	273,192,164,317
Receipts of interest and dividends	27		449,035,778,225	536,007,345,287
Net cash flows from investing activities	30		1,042,584,113,118	(1,316,127,078,295)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchase of treasury shares	32		(2,691,774,640)	(4,530,926,400)
Proceeds from borrowings	33		1,600,000,000,000	-
Payments to settle loan principals	34		(1,050,000,000,000)	(1,200,000,000,000)
Payments of dividends	36		(7,256,172,407,500)	(5,805,321,901,400)
Net cash flows from financing activities	40		(6,708,864,182,140)	(7,009,852,827,800)

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

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

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

	Code	Note	Nine-month period ended	
			30/9/2018 VND	30/9/2017 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50		(377,191,049,584)	(52,065,023,091)
Cash and cash equivalents at the beginning of the period	60		733,003,539,943	485,358,843,152
Effect of exchange rate fluctuations on cash and cash equivalents	61		(113,028,706)	(293,183,925)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	V.1	355,699,461,653	433,000,636,136

30 October 2018

Prepared by:



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

Approved by:




Mai Kieu Lien
Chief Executive Officer

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

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

Form B 09a – DN
(Issued under Circular No. 200/2014/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 separate interim financial statements.

I. CORPORATE INFORMATION

1. Ownership structure

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

The major milestones related to the establishment and development of Vietnam Dairy Products Joint Stock Company (“the Company”) are achieved 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 155/2003/QD-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 Planning and Investment Department.
- 28 December 2005: The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPNY.
- 19 January 2006: The Company’s shares were listed on Ho Chi Minh City Stock Exchange.

2. Principal activities

The principal activities of the Company are to:

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
30 September 2018 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

3. Normal operating cycle

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

4. Group structure

As at 30 September 2018, the Company 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	Dairy raw materials and animal trading	100.00%
▪ Vietnam Sugar Joint Stock Company	Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province	Sugar producing and refining	65.00%

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.

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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.

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

Warehouses:

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

Clinics:

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

Raw milk center :

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

As at 30 September 2018, the Company had 5,670 employees (1/1/2018: 5,669 employees).

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Annual accounting period

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

2. Accounting and presentation currency

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

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III. ACCOUNTING STANDARDS AND SYSTEM

1. Statement of compliance

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

2. Basis of measurement

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

3. Accounting form

The Company applies computerised accounting form.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Foreign currency transactions

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

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

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

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2. Cash and cash equivalents

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

3. Investments

(a) Trading securities

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

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

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

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

(b) Held-to-maturity investments

Held-to-maturity investments are those that the Company's Board of 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.

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

(c) Loans receivable

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

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(d) Investments in subsidiaries and associates

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

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

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

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

(e) Investment in equity instruments of other entities

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

4. Accounts receivable

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

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

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

5. Inventories

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

The Company applies the perpetual method of accounting for inventories.

6. Tangible fixed assets

(a) Cost

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

(b) Depreciation

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

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

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7. Intangible fixed assets

(a) Land use rights

Land use rights comprise:

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

Definite life 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 life land use rights are stated at cost and not amortised.

(b) Software

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

8. Investment property

(a) Cost

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

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(b) Depreciation

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

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

9. Construction in progress

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

10. Prepaid expenses

(a) Prepaid land costs

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

(b) Tools and instruments

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

(c) Others

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

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11. Trade and other payables

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

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

12. Accrued expenses

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

13. Provisions

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

Severance allowance

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

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14. Share capital

(a) Ordinary shares

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

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

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are 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.

15. Taxation

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

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

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

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

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16. Revenue and other income

(a) Goods sold

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

(b) Services rendered

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

(c) Rental income

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

(d) Interest income

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

(e) Dividend income

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

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

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

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17. Revenue deductions

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

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

18. Cost of sales

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

19. Operating lease payments

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

20. Borrowing costs

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

21. Dividend distribution

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

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

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22. Funds

Appropriation to 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.

23. Segment reporting

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

24. Related parties

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

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

1. Cash and cash equivalents

	30/9/2018	1/1/2018
	VND	VND
Cash on hand	859,321,923	730,005,123
Cash in banks	269,840,139,730	652,273,534,820
Cash equivalents	85,000,000,000	80,000,000,000
	355,699,461,653	733,003,539,943

2. Accounts receivable from customers

(a) Accounts receivable from customers – short-term

	30/9/2018	1/1/2018
	VND	VND
Receivables from customers	3,873,449,608,957	3,346,014,740,184

(b) Accounts receivable from customers – long-term

	30/9/2018	1/1/2018
	VND	VND
SIG Combibloc Ltd.	93,126,322,660	29,973,948,684

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(c) Accounts receivable from related parties

	30/9/2018	1/1/2018
	VND	VND
Subsidiaries		
Driftwood Dairy Holdings Corporation	1,098,923,744	-
Angkor Dairy Products Co., Ltd.	154,730,841	22,027,476,285
Thong Nhat Thanh Hoa Dairy Cow Limited Company	134,726,772	31,324,879
Vietnam Dairy Cow One Member Limited Company	-	48,390,000
Associate		
APIS Corporation	-	136,184,400
	1,388,381,358	22,243,375,564

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

(d) Short-term allowance for doubtful debts

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

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Opening balance	(4,159,890,032)	(475,005,167)
Increase in allowance for doubtful debts	-	(3,493,174,316)
Allowance utilised during the period	3,209,879,698	-
Closing balance	(950,010,334)	(3,968,179,483)

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3. Other receivables

(a) Other short-term receivables

	30/9/2018	1/1/2018
	VND	VND
Interest income from deposits	372,272,699,931	296,972,069,630
Import tax refundable	10,927,135,168	11,286,997,201
Advances to employees	1,961,815,152	2,007,687,112
Receivables from employees	654,188,704	790,358,223
Short-term deposits	180,000,000	212,140,600
Interest income from bonds	-	4,595,917,808
Others	17,635,015,308	4,568,427,143
	403,630,854,263	320,433,597,717

(b) Other long-term receivables

	30/9/2018	1/1/2018
	VND	VND
Long-term deposits	1,916,100,786	1,786,586,592
Others	6,247,684,826	6,247,684,826
	8,163,785,612	8,034,271,418

Vietnam Dairy Products Joint Stock Company

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4. Investments	30/9/2018				1/1/2018			
	Carrying amount VND	Fair value VND	Allowance for diminution in value VND		Carrying amount VND	Fair value VND	Allowance for diminution in value VND	
(a) Trading securities								
Short-term investments in shares:								
▪ Bao Viet Joint Stock Commercial Bank (*)	442,000,000,000	442,000,000,000	-		442,000,000,000	442,000,000,000	-	
▪ Others	23,488,016	23,505,116	-		23,488,016	23,542,016	-	
	442,023,488,016	442,023,505,116	-		442,023,488,016	442,023,542,016	-	

(*) At the reporting date, the Company has entered into a share purchase agreement to transfer its securities of Bao Viet Joint Stock Commercial Bank, the transaction has not completed (Note V.1.4). The fair value of the securities represented the expected realisable amount.

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(b) Held-to-maturity investments

	Note	30/9/2018 VND	1/1/2018 VND
Held-to-maturity investments – short-term			
▪ term deposits	(*)	7,234,000,000,000	9,882,977,343,833
▪ corporate bonds		-	190,000,000,000
		7,234,000,000,000	10,072,977,343,833
Held-to-maturity investments – long-term			
▪ term deposits		100,000,000,000	-
		100,000,000,000	-

(*) The amounts represented term deposits at banks with the remaining time to maturity of 1 to 12 months and earned interest at rates ranging from 3.80% to 7.45% per annum (for the year ended 31 December 2017: from 4.20% to 7.35% per annum).

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(c) Investments in other entities	% of equity owned/ voting rights	30 September 2018		1 January 2018		Allowance for diminution in value VND	Fair value VND	Allowance for diminution in value VND
		Cost VND	Fair value VND	Cost VND	Fair value VND			
Investment in subsidiaries								
▪ Vietnam Dairy Cow One Member Limited Company	100.00%	2,250,780,000,000	(*)	-	100.00%	2,250,780,000,000	(*)	-
▪ Driftwood Dairy Holdings Corporation	100.00%	225,895,918,429	(*)	-	100.00%	225,895,918,429	(*)	-
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	100.00%	66,463,150,000	(*)	-	100.00%	66,463,150,000	(*)	-
▪ Angkor Dairy Products Co., Ltd.	100.00%	464,289,241,751	(*)	-	100.00%	464,289,241,751	(*)	-
▪ Thong Nhat Thanh Hoa Dairy Cow Company Limited	100.00%	789,682,699,703	(*)	(37,001,180,410)	100.00%	621,682,699,703	(*)	(7,824,292,836)
▪ Vietnam Sugar Joint Stock Company	65.00%	1,328,381,061,273	(*)	-	65.00%	1,328,381,061,273	(*)	-
		<u>5,125,492,071,156</u>		<u>(37,001,180,410)</u>		<u>4,957,492,071,156</u>		<u>(7,824,292,836)</u>

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	30 September 2018			1 January 2018				
	% of equity owned/ voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND	% of equity owned/ voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND
Investment in associates								
▪ Miraka Holding Limited	22.81%	293,189,808,669	(*)	-	22.81%	293,189,808,669	(*)	-
▪ APIS Corporation (**)	20.00%	20,350,000,000	(*)	-	18.00%	8,100,000,000	(*)	-
▪ Asia Coconuts Processing Joint Stock Company (**)	25.00%	86,830,000,000	(*)		25.00%	86,830,000,000	(*)	
		<u>400,369,808,669</u>		<u>-</u>		<u>388,119,808,669</u>		<u>-</u>
Equity investment in other entities								
▪ Asia Saigon Food Ingredients Joint Stock Company	14.71%	18,000,000,000	(*)	-	14.71%	18,000,000,000	(*)	-
▪ Vietnam Growth Investment Fund (VF2) (***)		-		-		10,270,276,240	(*)	(7,501,517,042)
▪ An Khang Clinic – Pharmacy		300,000,000	(*)	-		300,000,000	(*)	-
		<u>18,300,000,000</u>		<u>-</u>		<u>28,570,276,240</u>		<u>(7,501,517,042)</u>
		<u>5,544,161,879,825</u>		<u>(37,001,180,410)</u>		<u>5,374,182,156,065</u>		<u>(15,325,809,878)</u>

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

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

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Opening balance	(15,325,809,878)	(30,251,623,753)
Increase in allowance during the period	(29,360,958,574)	(8,411,455)
Written back	184,071,000	22,761,321,984
Allowance utilised during the period	7,501,517,042	-
Closing balance	(37,001,180,410)	(7,498,713,224)

5. Inventories

	30/9/2018		1/1/2018	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	421,376,347,759	-	345,659,646,367	-
Raw materials	2,198,724,930,354	(2,274,107,753)	2,072,265,020,702	(2,135,991,214)
Tools and supplies	644,468,594	-	320,137,985	-
Work in progress	38,681,127,322	-	14,553,283,556	-
Finished goods	906,931,833,524	(2,765,647,526)	973,822,488,810	(2,678,763,960)
Merchandise inventories	51,082,943,057	(226,333,808)	21,274,690,772	-
Goods on consignment	817,531,225	-	24,678,790,243	-
	3,618,259,181,835	(5,266,089,087)	3,452,574,058,435	(4,814,755,174)

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

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Opening balance	(4,814,755,174)	(16,673,491,246)
Increase in allowance during the period	(11,943,048,235)	(2,903,264,930)
Written back	9,674,142,086	9,278,181,692
Allowance utilised during the period	1,817,572,236	8,589,982,892
Closing balance	(5,266,089,087)	(1,708,591,592)

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6. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Opening balance	2,069,197,735,254	9,211,741,341,596	789,524,484,354	494,677,376,644	12,565,140,937,848
Additions	13,031,277,987	149,130,430,253	30,824,591,239	53,778,750,249	246,765,049,728
Transfer from construction in progress	30,710,556,359	1,032,659,597,588	26,240,645,108	12,556,934,734	1,102,167,733,789
Reclassification	(5,315,586,520)	4,743,652,899	571,933,621	-	-
Disposals	(11,991,341,213)	(368,346,417,667)	(11,712,073,478)	(7,870,214,563)	(399,920,046,921)
Closing balance	2,095,632,641,867	10,029,928,604,669	835,449,580,844	553,142,847,064	13,514,153,674,444
Accumulated depreciation					
Opening balance	623,666,258,668	4,712,232,909,380	362,691,428,047	375,505,499,256	6,074,096,095,351
Charge for the period	70,551,083,782	638,536,439,356	55,234,940,591	36,450,783,786	800,773,247,515
Reclassification	(131,900,513)	115,280,190	16,620,323	-	-
Disposals	(4,045,980,083)	(275,068,129,343)	(10,060,055,296)	(7,826,672,562)	(297,000,837,284)
Closing balance	690,039,461,854	5,075,816,499,583	407,882,933,665	404,129,610,480	6,577,868,505,582
Net book value					
Opening balance	1,445,531,476,586	4,499,508,432,216	426,833,056,307	119,171,877,388	6,491,044,842,497
Closing balance	1,405,593,180,013	4,954,112,105,086	427,566,647,179	149,013,236,584	6,936,285,168,862

Included in the cost of tangible fixed assets were assets costing VND1,655,061,223,814 which were fully depreciated as at 30 September 2018 (1/1/2018: VND1,508,970,280,173), but which are still in active use.

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7. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	57,582,565,109	146,228,687,777	203,811,252,886
Additions	-	209,150,000	209,150,000
Transfer from construction in progress	-	2,446,680,000	2,446,680,000
Disposals/Written off	-	(9,185,470,118)	(9,185,470,118)
Closing balance	57,582,565,109	139,699,047,659	197,281,612,768
Accumulated amortisation			
Opening balance	11,608,069,186	105,054,465,143	116,662,534,329
Charge for the period	-	11,693,981,998	11,693,981,998
Disposals/Written off	-	(9,117,467,783)	(9,117,467,783)
Closing balance	11,608,069,186	107,630,979,358	119,239,048,544
Net book value			
Opening balance	45,974,495,923	41,174,222,634	87,148,718,557
Closing balance	45,974,495,923	32,068,068,301	78,042,564,224

Included in the cost of intangible fixed assets were assets costing VND53,518,734,295 which were fully amortised as at 30 September 2018 (1/1/2018: VND57,672,610,675), but which are still in use.

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8. Investment property

	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening balance and closing balance	38,884,288,170	6,464,218,561	97,992,331,437	143,340,838,168
Accumulated depreciation				
Opening balance	3,438,746,575	5,186,933,954	39,441,887,111	48,067,567,640
Charge for the period	595,167,678	458,523,009	3,620,209,023	4,673,899,710
Closing balance	4,033,914,253	5,645,456,963	43,062,096,134	52,741,467,350
Net book value				
Opening balance	35,445,541,595	1,277,284,607	58,550,444,326	95,273,270,528
Closing balance	34,850,373,917	818,761,598	54,930,235,303	90,599,370,818

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

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

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

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9. Construction in progress

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Opening balance	970,605,001,566	430,308,443,075
Additions	1,792,291,502,588	1,347,351,755,452
Increase from merger of a subsidiary	-	295,492,565
Transfer to tangible fixed assets	(1,102,167,733,789)	(488,775,243,943)
Transfer to intangible fixed assets	(2,446,680,000)	(1,970,211,600)
Transfer to short-term prepaid expenses	(1,415,852,958)	(757,710,055)
Transfer to long-term prepaid expenses	(1,733,621,429)	-
Transfer to inventories	(1,269,245,491)	(822,538,824)
Other decreases	(1,086,756,777)	(600,000)
Closing balance	1,652,776,613,710	1,285,629,386,670

Major constructions in progress were as follows:

	30/9/2018	1/1/2018
	VND	VND
Vietnam Dairy Factory	653,613,401,262	157,946,048,335
Tien Son Dairy Factory	418,126,981,612	7,647,715,001
Da Nang Dairy Factory	212,025,574,723	11,079,461,164
Saigon Dairy Factory	88,645,686,744	151,886,941,318
Beverage Factory	3,300,000	340,171,668,253
Others	280,361,669,369	301,873,167,495
	1,652,776,613,710	970,605,001,566

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10. Prepaid expenses

(a) Short-term prepaid expenses

	30/9/2018	1/1/2018
	VND	VND
Software deployment and networks maintenance expenses	14,540,870,016	4,659,874,251
Renovation and repair expenses	14,483,954,382	4,166,496,897
Tools and supplies expenses	6,678,992,842	8,977,569,573
Operating lease expenses	4,838,992,813	4,400,080,539
Advertising expenses	1,499,469,028	3,141,628,217
Maintenance expenses	174,789,113	1,282,268,280
Other short-term expenses	3,897,925,435	3,454,300,231
	46,114,993,629	30,082,217,988

(b) Long-term prepaid expenses

	Land costs	Tools and instruments	Other expenses	Total
	VND	VND	VND	VND
Opening balance	214,142,433,691	171,256,710,124	44,526,071,788	429,925,215,603
Additions	256,036,800	28,120,458,451	7,201,803,164	35,578,298,415
Transfer from construction in progress	1,343,676,077	334,945,352	55,000,000	1,733,621,429
Amortisation for the period	(5,070,918,572)	(67,955,415,173)	(21,490,516,852)	(94,516,850,597)
Closing balance	210,671,227,996	131,756,698,754	30,292,358,100	372,720,284,850

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11. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant supplier

	30/9/2018		1/1/2018	
	Carrying amount VND	Repayable amount VND	Carrying amount VND	Repayable amount VND
Tetra Pak South East Asia Pte. Ltd.	337,706,414,723	337,706,414,723	65,896,638,254	65,896,638,254
Other suppliers	2,340,852,243,339	2,340,852,243,339	3,543,056,272,310	3,543,056,272,310
	2,678,558,658,062	2,678,558,658,062	3,608,952,910,564	3,608,952,910,564

(b) Accounts payable to related parties

	30/9/2018 VND	1/1/2018 VND
Subsidiaries		
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	22,090,445,760	-
Angkor Dairy Products Co., Ltd.	8,594,407,007	-
Thong Nhat Thanh Hoa Dairy Cow Company Limited	7,507,562,020	2,024,384,700
Vietnam Sugar Joint Stock Company	862,596,000	-
Vietnam Dairy Cow One Member Limited Company	54,465,582,634	52,377,507,535
Associate		
Miraka Holding Limited	54,196,099,178	-
APIS Corporation	29,673,778,372	40,890,765,724
	177,390,470,971	95,292,657,959

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

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12. Taxes payable to State Treasury

	1/1/2018 VND	Incurred VND	Paid VND	30/9/2018 VND
Value added tax	78,785,202,795	1,497,469,063,731	(1,424,189,655,164)	152,064,611,362
Import tax	637,603,312	106,248,162,099	(101,340,341,175)	5,545,424,236
Corporate income tax	247,160,749,868	1,454,709,139,824	(1,064,112,389,848)	637,757,499,844
Personal income tax	44,215,680,297	184,067,863,968	(192,085,118,551)	36,198,425,714
Other taxes	5,061,911,896	19,158,342,140	(23,299,321,538)	920,932,498
	375,861,148,168	3,261,652,571,762	(2,805,026,826,276)	832,486,893,654

13. Accrued expenses

	30/9/2018 VND	1/1/2018 VND
Sale incentives, promotion	402,253,944,255	805,458,522,183
Advertising expenses	388,046,277,179	152,576,702,207
Transportation expenses	87,476,442,515	63,804,058,530
Expenses for outsourced employees	60,996,761,798	60,880,431,816
Repair and maintenance expenses	30,566,166,655	26,287,942,358
Rental fees	18,967,999,762	4,302,136,374
Fuel expenses	11,800,186,755	13,567,383,974
Interest expense	663,013,698	-
Others	66,619,738,544	61,580,602,923
	1,067,390,531,161	1,188,457,780,365

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14. Other short-term payables

	30/9/2018	1/1/2018
	VND	VND
Other payables relating to financial investments (*)	734,007,419,155	734,007,419,155
Short-term deposits received	33,620,144,932	79,876,865,431
Import duty payables	21,810,290,075	22,482,594,509
Insurance and trade union fees	2,871,618,785	104,748,571
Dividend payables	-	2,176,917,780,000
Others	6,324,175,077	10,045,236,200
	798,633,648,024	3,023,434,643,866

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

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15. Borrowings

	Currency	1 January 2018		Movements during the period		30 September 2018	
		Carrying value	Repayable amount	Increase	Paid	Carrying value	Repayable amount
Short-term borrowings							
▪ The Bank of Tokyo - Mitsubishi UFJ Ltd., Ho Chi Minh City Branch (i)	VND	-	-	600,000,000,000	(600,000,000,000)	-	-
▪ Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch (ii)	VND	-	-	1,150,000,000,000	(600,000,000,000)	550,000,000,000	550,000,000,000
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam (iii)	USD	-	-	497,438,500,000	(497,438,500,000)	-	-
Total		-	-	2,247,438,500,000	(1,697,438,500,000)	550,000,000,000	550,000,000,000

(i) These loans had term of 1 – 7 months, were unsecured and bore interest ranging from 2.70% to 4.00% per annum.

(ii) These loans had term of 1 – 6 months, were unsecured and bore interest ranging from 2.70% to 4.00% per annum.

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

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16. Bonus and welfare fund

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

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

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Opening balance	674,169,691,953	454,979,489,181
Appropriation (Note V.19)	761,601,079,627	879,926,365,841
Other increases	149,174,000	-
Utilisation	(1,062,124,425,186)	(826,922,909,430)
Closing balance	373,795,520,394	507,982,945,592

17. Provision – long-term

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

	Provision for severance allowance	
	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Opening balance	100,654,286,250	95,736,043,500
Provision reversed during the period	(95,155,903,798)	-
Reclassification	(3,997,831,692)	-
Provision used during the period	(1,500,550,760)	(1,374,533,583)
Increases from merger of a subsidiary	-	224,541,667
Increase in provision during the period	-	2,288,924,832
Closing balance	-	96,874,976,416

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18. Deferred tax assets

	Tax rate	30/9/2018 VND	1/1/2018 VND
Deferred tax assets			
Foreign exchange differences	20%	(521,286,051)	327,773,815
Accrued expenses and provisions	20%	1,148,654,413	30,067,817,400
		<hr/> 627,368,362	<hr/> 30,395,591,215
Deferred tax liabilities			
Foreign exchange differences	20%	-	(822,335)
		<hr/> -	<hr/> (822,335)
Net deferred tax assets		<hr/> 627,368,362	<hr/> 30,394,768,880 <hr/>

Vietnam Dairy Products Joint Stock Company

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19. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1 January 2017	14,514,534,290,000	260,699,620,761	(1,176,335,920)	1,794,957,937,585	5,224,918,570,596	21,793,934,083,022
Purchase treasury shares	-	-	(4,530,926,400)	-	-	(4,530,926,400)
Net profit for the period	-	-	-	-	8,799,263,658,389	8,799,263,658,389
Appropriation to equity funds	-	-	-	879,926,365,841	(879,926,365,841)	-
Appropriation to bonus and welfare fund (Note V.16)	-	-	-	-	(879,926,365,841)	(879,926,365,841)
Dividends (Note V.21)	-	-	-	-	(5,805,321,901,400)	(5,805,321,901,400)
Balance at 30 September 2017	14,514,534,290,000	260,699,620,761	(5,707,262,320)	2,674,884,303,426	6,459,007,595,903	23,903,418,547,770
Purchase treasury shares	-	-	(1,452,559,480)	-	-	(1,452,559,480)
Net profit for the period	-	-	-	-	1,745,898,214,065	1,745,898,214,065
Appropriation to equity funds	-	-	-	174,589,821,407	(174,589,821,407)	-
Appropriation to bonus and welfare fund	-	-	-	-	(174,589,821,407)	(174,589,821,407)
Dividends	-	-	-	-	(2,176,917,780,000)	(2,176,917,780,000)
Balance at 1 January 2018	14,514,534,290,000	260,699,620,761	(7,159,821,800)	2,849,474,124,833	5,678,808,387,154	23,296,356,600,948
Capital increase from bonus shares	2,902,343,640,000	(260,699,620,761)	-	(2,641,644,019,239)	-	-
Purchase treasury shares	-	-	(2,691,774,640)	-	-	(2,691,774,640)
Net profit for the period	-	-	-	-	7,616,010,796,277	7,616,010,796,277
Appropriation to equity funds	-	-	-	761,601,079,627	(761,601,079,627)	-
Appropriation to bonus and welfare fund (Note V.16)	-	-	-	-	(761,601,079,627)	(761,601,079,627)
Dividends (Note V.21)	-	-	-	-	(5,079,254,627,500)	(5,079,254,627,500)
Balance at 30 September 2018	17,416,877,930,000	-	(9,851,596,440)	969,431,185,221	6,692,362,396,677	25,068,819,915,458

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20. Share capital

The Company's authorised and issued share capital are:

	30/9/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised share capital	1,741,687,793	17,416,877,930,000	1,451,453,429	14,514,534,290,000
Issued shares				
Ordinary shares	1,741,687,793	17,416,877,930,000	1,451,453,429	14,514,534,290,000
Treasury shares				
Ordinary shares	(261,177)	(9,851,596,440)	(174,909)	(7,159,821,800)
Shares currently in circulation				
Ordinary shares	1,741,426,616	17,407,026,333,560	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:

	30/9/2018		1/1/2018	
	VND	%	VND	%
The State's capital	6,270,638,350,000	36.00%	5,225,531,960,000	36.00%
Other shareholders' capital	11,146,239,580,000	64.00%	9,289,002,330,000	64.00%
	17,416,877,930,000	100.00%	14,514,534,290,000	100.00%

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Movements in share capital during the period were as follows:

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Opening balance	14,514,534,290,000	14,514,534,290,000
Capital increase from bonus shares	2,902,343,640,000	-
Closing balance	17,416,877,930,000	14,514,534,290,000

On 13 September 2018, there were 290,234,364 of bonus shares issued to existing shareholders at the ratio of 1 new share for each 5 existing ordinary shares held.

21. Dividends

Pursuant to the Resolution of Annual General Meeting of Shareholders, the Board of Management of the Company on 22 May 2018 and 11 May 2018 resolved to distribute dividends in relation to 2017 and 2018 profits, respectively, amounting to VND7,256 billion (VND1,500 per share for the additional first advance distribution for the fiscal year 2017 and VND1,500 per share for the second distribution for the fiscal year 2017, VND2,000 per share for the first advance distribution for the fiscal year 2018) (for the nine-month period ended 30 September 2017: VND5,805 billion (VND2,000 per share for the second distribution of fiscal year 2016, VND2,000 per share for the first advance distribution for the fiscal year 2017)).

22. Off balance sheet items

Foreign currencies

	30/9/2018		1/1/2018	
	Original currency	VND equivalent	Original currency	VND equivalent
▪ USD	1,148,152.39	26,740,469,163	6,619,036.79	150,020,468,801
▪ EUR	6,189.36	166,543,299	5,372.56	45,075,238
		26,907,012,462		150,165,544,039

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VI. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE INTERIM 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:

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Total revenue		
▪ Sales of merchandise goods	382,114,585,709	685,081,788,521
▪ Sales of finished goods	34,878,018,288,105	35,496,902,010,392
▪ Other services	29,822,275,897	27,653,174,803
▪ Rental income from investment property	12,744,952,252	12,656,835,144
▪ Others	59,282,861,080	56,187,393,021
	35,361,982,963,043	36,278,481,201,881
Less revenue deductions		
▪ Sale discounts	(23,899,453,159)	(16,511,217,941)
▪ Sale returns	(5,332,388,285)	(25,508,878,270)
	(29,231,841,444)	(42,020,096,211)
Net revenue	35,332,751,121,599	36,236,461,105,670

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

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Subsidiaries		
Angkor Dairy Products Co, Ltd.	140,276,966,042	96,469,323,899
Thong Nhat Thanh Hoa Dairy Cow Limited Company	2,084,928,510	111,589,147,130
Driftwood Dairy Holdings Corporation	1,832,689,557	370,760,400
Vietnam Dairy Cow One Member Limited Company	61,150,000	153,721,476,990
Total revenue from sales to subsidiaries	144,255,734,109	362,150,708,419
Associates		
APIS Corporation	237,653,750	434,565,000
Asia Saigon Food Ingredients Joint Stock Company (until 11 November 2017)	-	3,071,298,289
Total revenue from sales to associates	237,653,750	3,505,863,289

2. Cost of sales

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Total cost of sales		
▪ Merchandise goods sold	310,872,067,001	602,786,806,236
▪ Finished goods sold	17,379,520,256,470	17,369,678,868,022
▪ Promotional goods sold	182,260,446,381	416,076,396,048
▪ Other services	4,228,050,351	5,931,395,001
▪ Operating costs of investment property	6,410,246,750	6,462,115,754
▪ Increase/(decrease) of allowance for inventories	2,268,906,149	(6,374,916,762)
	17,885,559,973,102	18,394,560,664,299

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3. Financial income

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Interest income from deposits	507,588,908,524	551,069,538,894
Foreign exchange gains	26,140,151,393	29,374,716,958
Interest income from corporate bonds	10,936,582,192	23,377,650,683
Dividends	1,215,000,000	27,427,897,057
Gain from merger of a subsidiary	-	430,894,168,467
Others	11,758,326,629	-
	557,638,968,738	1,062,143,972,059

4. Financial expenses

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Interest expense on borrowings	15,799,265,379	12,869,222,222
Increase/(decrease) in allowance for diminution in the value of financial investments – net	29,176,887,574	(22,752,910,529)
Foreign exchange losses	27,934,939,466	19,529,577,609
Interest expense on deposits	1,167,200,813	2,806,783,000
Others	2,847,759,315	-
	76,926,052,547	12,452,672,302

5. Other income

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Proceeds from disposals of fixed assets and investment property	128,700,835,429	81,398,319,402
Rebate income from suppliers	52,401,102,533	16,717,461,377
Compensations received from other parties	4,962,364,514	7,285,673,188
Others	100,876,528,653	3,290,095,084
	286,940,831,129	108,691,549,051

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6. Other expenses

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Book value of fixed assets and investment property disposed	102,987,211,972	73,879,888,165
Others	9,176,059,448	19,059,019,807
	112,163,271,420	92,938,907,972

7. Selling expenses

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Promotion, product display expenses and, support and commission expenses for distributors	5,981,178,180,533	5,508,395,767,154
Advertising and marketing research expenses	1,401,486,407,026	1,401,275,938,008
Transportation expenses	403,178,658,100	383,340,404,552
Outside service expenses	343,181,171,963	280,222,097,631
Staff costs	198,851,508,234	227,043,702,718
Tools and supplies expenses	70,630,708,619	74,522,137,473
Materials expenses	43,486,234,622	36,259,311,949
Warranty expenses	25,231,661,035	21,547,139,009
Depreciation expenses	21,028,297,168	21,133,255,278
	8,488,252,827,300	7,953,739,753,772

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8. General and administration expenses

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Staff costs	179,332,156,411	205,514,610,034
Outside service expenses	131,726,956,126	143,118,954,547
Depreciation expenses	49,689,419,545	47,231,262,708
Per-diem allowances	32,039,731,157	33,103,757,148
Transportation expenses	29,273,377,955	26,767,033,859
Materials expenses	19,739,698,440	15,236,939,062
Loading expenses	17,772,493,197	13,135,245,402
Fees and duties	8,255,551,553	8,680,706,974
Office supplies	4,771,800,470	4,639,872,403
Bank charges	3,826,807,260	3,156,123,588
Others	37,513,468,364	50,027,038,238
	513,941,460,478	550,611,543,963

9. Production and business costs by element

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Raw material costs included in production costs	15,775,636,251,512	15,505,046,857,650
Labour costs and staff costs	858,728,390,225	989,045,930,864
Depreciation and amortisation	811,101,190,108	712,411,617,133
Outside services	1,483,276,774,387	1,388,517,742,758
Other expenses	7,808,669,005,668	7,581,549,892,470
	26,737,411,611,900	26,176,572,040,875

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10. Income tax

(a) Recognised in the separate statement of income

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Current tax expense		
Current period	1,428,005,624,342	1,623,103,755,743
Under/(over) provision in prior periods	26,703,515,482	(25,245,786,973)
	1,454,709,139,824	1,597,857,968,770
Deferred tax expense		
Origination and reversal of temporary differences	29,767,400,518	5,871,457,313
	1,484,476,540,342	1,603,729,426,083

(b) Reconciliation of effective tax rate

	Nine-month period ended	
	30/9/2018	30/9/2017
	VND	VND
Accounting profit before tax	9,100,487,336,619	10,402,993,084,472
Tax at the Company's tax rate	1,820,097,467,324	2,080,598,616,894
Tax rate differential applied to Company's branches and factories	(20,187,529,048)	(14,839,661,421)
Tax exempt income	(243,000,000)	(91,664,413,105)
Non-deductible expenses	6,822,981,966	4,989,798,802
Tax incentives	(348,787,540,209)	(350,109,128,114)
Deferred tax liabilities previously not recognised	70,644,827	-
Under/(over) provision in prior periods	26,703,515,482	(25,245,786,973)
	1,484,476,540,342	1,603,729,426,083

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(c) Applicable tax rates

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

VII. OTHER INFORMATION

1. Significant transactions with related parties

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

Related party	Relationship	Nature of transaction	Nine-month period ended	
			30/9/2018 VND	30/9/2017 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Sales fixed assets	192,000,000	160,888,365
		Purchases of goods	947,542,626,747	717,101,395,456
		Capital contribution	-	140,000,000,000
Thong Nhat Thanh Hoa Dairy Cow Company Limited	Subsidiary	Sales fixed assets	-	19,788,742
		Purchases of goods	61,803,742,990	11,990,000
		Capital contribution	168,000,000,000	226,000,000,000
Angkor Dairy Products Co., Ltd.	Subsidiary	Purchases of goods	187,767,659,969	1,373,692,830
		Sales of fixed assets	933,266,224	758,666,818
		Purchases of equity	-	246,417,487,058
Vietnam Sugar Joint Stock Company	Subsidiary	Purchases of goods	21,414,614,000	-
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	Purchases of goods	508,497,743,447	659,009,458,209
Miraka Holding Limited	Associate	Purchases of goods	92,116,872,865	-
APIS Corporation	Associate	Purchase of goods	340,755,451,311	83,700,623,100
		Capital contribution	12,250,000,000	-
Board of Management's and Board of Directors' members		Compensations	89,517,082,296	89,533,597,698
The State Capital Investment Corporation	Shareholder	Dividends	2,612,765,980,000	2,283,546,384,000

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2. Segment information

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

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

Geographical segments

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

	Domestic (Customers located in Vietnam)		Overseas (Customers located in countries other than Vietnam)		Total	
	Nine-month period ended 30/9/2018 VND	30/9/2017 VND	Nine-month period ended 30/9/2018 VND	30/9/2017 VND	Nine-month period ended 30/9/2018 VND	30/9/2017 VND
Net revenue	32,064,635,868,211	32,813,288,711,992	3,268,115,253,388	3,423,172,393,678	35,332,751,121,599	36,236,461,105,670
Cost of sales	(16,563,896,735,816)	(17,232,385,029,113)	(1,321,663,237,286)	(1,162,175,635,186)	(17,885,559,973,102)	(18,394,560,664,299)
Segment gross profit	15,500,739,132,395	15,580,903,682,879	1,946,452,016,102	2,260,996,758,492	17,447,191,148,497	17,841,900,441,371

30 October 2018

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by:



Mar Kieu Lien
Chief Executive Officer



