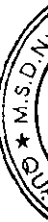


VINH HOAN CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



VINH HOAN CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Board of Management	2
Independent auditor's report	3
Consolidated balance sheet (Form B 01 – DN/HN)	5
Consolidated income statement (Form B 02 – DN/HN)	7
Consolidated cash flow statement (Form B 03 – DN/HN)	8
Notes to the consolidated financial statements (Form B 09 – DN/HN)	10

VINH HOAN CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate

Enterprise code No. 1400112623 dated 17 April 2007 which was initially issued by the Department of Planning and Investment of Dong Thap Province and the latest amended Enterprise registration certificate dated 29 December 2016.

Board of Directors

Mrs. Truong Thi Le Khanh	Chairwoman
Mrs. Nguyen Ngo Vi Tam	Member
Mr. Vo Phu Duc	Member
Mrs. Truong Tuyet Hoa	Member
Mrs. Nguyen Thi Kim Dao	Member

Board of Supervision

Mrs. Nguyen Thi Cam Van	Head (appointed on 12 May 2018)
Mr. Nguyen Ngoc Thanh	Head (resigned on 12 May 2018)
Mrs. Nguyen Thi Thai Ly	Member
Mr. Nguyen Quang Vinh	Member (appointed on 12 May 2018)
Mrs. Phan Thi Kieu Oanh	Member (resigned on 12 May 2018)

Board of Management

Mrs. Nguyen Ngo Vi Tam	General Director
Mr. Huynh Duc Trung	Permanent Director
Mrs. Truong Tuyet Hoa	Director – Sales
Mrs. Nguyen Thi Kim Dao	Director - Finance
Mrs. Ho Thanh Hue	Director - Production
Mrs. Dang Thi Thuong	Director - Sustainable Development
Mrs. Le Thi Dieu Thi	Director - Quality (appointed on 25 December 2017)

Legal representative

Mrs. Truong Thi Le Khanh	Chairwoman
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Registered office

National Highway 30, Ward 11, Cao Lanh City,
Dong Thap Province, Vietnam

Auditor

PwC (Vietnam) Limited

VINH HOAN CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of Vinh Hoan Corporation (“the Company”) is responsible for preparing consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the financial position of the Group as at 31 December 2018, and the results of its operations and its cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

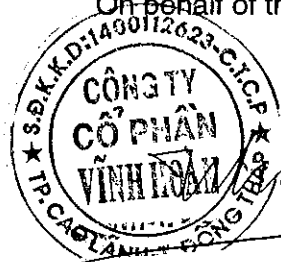
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. 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 FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 5 to 47 which give a true and fair view of the financial position of the Group as at 31 December 2018, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Truong Thi Le Khanh
Chairwoman

Dong Thap Province, SR Vietnam
26 March 2019



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VINH HOAN CORPORATION

We have audited the accompanying consolidated financial statements of Vinh Hoan Corporation ("the Company") and its subsidiaries (together referred to as "the Group") which were prepared on 31 December 2018 and approved by the Board of Management on 26 March 2019. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 47.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of consolidated 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 the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

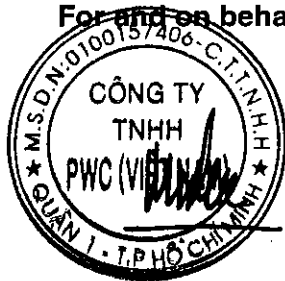
Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2018, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran
Audit Practising Licence No.
0048-2018-006-1
Authorised signatory



Trieu Nguyen Duy
Audit Practising Licence No.
3022-2019-006-1

Report reference number: HCM8037
Ho Chi Minh City, 26 March 2019

VINH HOAN CORPORATION
Form B 01 – DN/HN
CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2018 VND	2017 VND
100	CURRENT ASSETS		4,140,347,276,090	3,004,110,967,925
110	Cash		43,241,847,762	45,344,991,423
111	Cash	4	43,241,847,762	45,344,991,423
120	Short-term investments		607,749,887,456	372,822,249,924
123	Investments held to maturity	5(a)	607,749,887,456	372,822,249,924
130	Short-term receivables		2,001,762,641,975	1,329,416,952,221
131	Short-term trade accounts receivable	6	1,923,825,653,716	1,211,607,864,033
132	Short-term prepayments to suppliers	7	57,710,280,128	88,816,290,883
136	Other short-term receivables	8	24,064,216,893	32,322,844,712
137	Provision for doubtful debts – short term		(3,837,508,762)	(3,330,047,407)
140	Inventories	9	1,385,654,133,209	1,202,370,830,996
141	Inventories		1,501,722,872,955	1,250,350,195,101
149	Provision for decline in value of inventories		(116,068,739,746)	(47,979,364,105)
150	Other current assets		101,938,765,688	54,155,943,361
151	Short-term prepaid expenses		12,309,483,720	3,404,677,866
152	Value Added Tax to be reclaimed		89,629,281,968	50,492,135,110
153	Other taxes receivable		-	259,130,385
200	LONG-TERM ASSETS		2,158,165,179,189	2,038,478,534,429
210	Long-term receivables		1,563,796,625	1,456,379,625
216	Other long-term receivables		1,563,796,625	1,456,379,625
220	Fixed assets		1,397,238,799,687	1,565,828,947,902
221	Tangible fixed assets	11(a)	1,110,184,998,800	1,408,291,199,920
222	Historical cost		1,958,910,920,456	2,381,685,407,368
223	Accumulated depreciation		(848,725,921,656)	(973,394,207,448)
227	Intangible fixed assets	11(b)	287,053,800,887	157,537,747,982
228	Historical cost		294,120,452,518	175,441,071,886
229	Accumulated amortisation		(7,066,651,631)	(17,903,323,904)
240	Long-term asset in progress		258,754,816,482	224,285,956,057
242	Construction in progress	12	258,754,816,482	224,285,956,057
250	Long-term investments		389,355,091,933	1,297,729,978
252	Investments in associates	5(b)	387,940,661,955	-
253	Investments in other entities	5(b)	1,414,429,978	1,297,729,978
260	Other long-term asset		111,252,674,462	245,609,520,867
261	Long-term prepaid expenses	10	60,973,104,588	128,982,179,560
262	Deferred income tax assets	19	4,689,035,714	3,140,451,514
269	Goodwill	13	45,590,534,160	113,486,889,793
270	TOTAL ASSETS		6,298,512,455,279	5,042,589,502,354

The notes on pages 10 to 47 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2018 VND	2017 VND
300	LIABILITIES		2,283,330,774,315	2,099,973,450,522
310	Short-term liabilities		2,250,750,376,315	1,670,508,724,200
311	Short-term trade accounts payable	14	274,386,646,870	233,078,917,957
312	Short-term advances from customers		11,434,807,754	65,544,542,598
313	Tax and other payables to the State Budget	15	257,436,065,576	105,933,001,781
314	Payable to employees		137,477,117,757	118,072,835,469
315	Short-term accrued expenses		5,834,139,125	12,404,108,112
319	Other short-term payables	16	258,562,649,346	79,124,265,487
320	Short-term borrowings	17	1,269,447,095,123	1,008,178,927,948
322	Bonus and welfare funds		36,171,854,764	48,172,124,848
330	Long-term liabilities		32,580,398,000	429,464,726,322
338	Long-term borrowings	17	-	402,300,000,000
341	Deferred income tax liabilities	19	14,895,000,000	19,946,145,322
342	Provision for long-term liabilities	18	7,951,048,000	7,218,581,000
343	Fund for science and technology development		9,734,350,000	-
400	OWNERS' EQUITY		4,015,181,680,964	2,942,616,051,832
410	Capital and reserves		4,015,181,680,964	2,942,616,051,832
411	Owners' capital	21, 22	924,039,430,000	924,039,430,000
411a	- Ordinary shares with voting rights		924,039,430,000	924,039,430,000
412	Share premium	22	223,774,789,900	216,409,744,645
415	Treasury shares	22	-	(3,015,672,745)
417	Foreign exchange differences	22	-	(357,597,012)
421	Undistributed earnings	22	2,867,367,461,064	1,805,456,932,995
421a	- Undistributed post-tax profits of previous years		1,609,911,936,752	1,209,893,178,979
421b	- Post-tax profit of current year		1,257,455,524,312	595,563,754,016
429	Non-controlling interests		-	83,213,949
440	TOTAL RESOURCES		6,298,512,455,279	5,042,589,502,354

Ha Thi Phuong Thuy Hong Nhung
 Ha Thi Phuong Thuy Hong Nhung
 Chief Accountant/Preparer



Truong Thi Le Khanh
 Truong Thi Le Khanh
 Chairwoman
 26 March 2019

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2018 VND	2017 VND
01	Revenue from sales of goods and rendering of services	9,406,877,067,192	8,172,376,252,171
02	Less deductions	(135,547,982,698)	(20,879,574,064)
10	Net revenue from sales of goods and rendering of services	27 9,271,329,084,494	8,151,496,678,107
11	Cost of goods sold and services rendered	28 (7,231,966,110,890)	(6,979,607,337,425)
20	Gross profit from sales of goods and rendering of services	2,039,362,973,604	1,171,889,340,682
21	Financial income	29 137,003,001,788	58,396,039,931
22	Financial expenses	30 (167,116,436,972)	(88,524,689,138)
23	- Including: Interest expenses	30 (55,985,954,528)	(71,440,932,223)
24	Profit sharing from investment in associates	78,751,826,955	-
25	Selling expenses	31 (210,445,968,727)	(269,403,201,556)
26	General and administration expenses	32 (143,565,499,402)	(141,299,187,674)
30	Net operating profit	1,733,989,897,246	731,058,302,245
31	Other income	3,162,655,021	11,521,085,610
32	Other expenses	(49,590,427,383)	(19,798,793,921)
40	Net other expenses	(46,427,772,362)	(8,277,708,311)
50	Net accounting profit before tax	1,687,562,124,884	722,780,593,934
51	Business income tax ("BIT") - current	33 (252,063,378,043)	(109,555,628,124)
52	BIT - deferred	33 6,599,729,522	(8,650,519,699)
60	Net profit after tax	1,442,098,476,363	604,574,446,111
	Attributable to:		
61	Net profit after tax of the Parent Company	1,442,181,690,312	604,706,151,216
62	Non-controlling interest	(83,213,949)	(131,705,105)
70	Earnings per share	25 15,489	6,118
71	Diluted earnings per share	25 15,489	6,118

Thuy Hong Nhung
Ha Thi Phuong Thuy Hong Nhung
Chief Accountant/Preparer



Truong Thi Le Khanh
Truong Thi Le Khanh
Chairwoman
26 March 2019

The notes on pages 10 to 47 are an integral part of these consolidated financial statements.

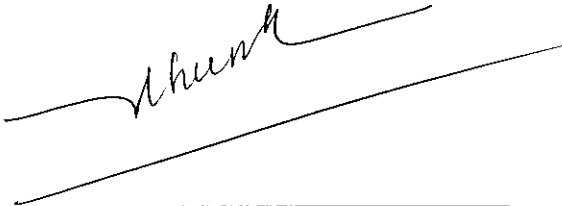
CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2018 VND	2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		1,687,562,124,884	722,780,593,934
		Adjustments for:	
02	11,13	156,301,707,548	198,846,054,060
03		96,329,303,996	(96,363,730,572)
04		7,887,799,279	6,972,390,435
05		(42,374,234,602)	(30,058,532,610)
06		55,985,954,528	71,440,932,223
08		1,961,692,655,633	873,617,707,470
09		(1,293,522,710,875)	(176,142,829,257)
10		(652,644,352,130)	74,353,409,618
11		843,749,914,400	(108,953,221,553)
12		(12,220,952,695)	14,800,676,847
14		(54,708,108,455)	(73,934,851,268)
15		(97,800,115,214)	(115,360,235,637)
17	15	(14,319,100,327)	(40,918,089,678)
20		680,227,230,337	447,462,566,542
CASH FLOWS FROM INVESTING ACTIVITIES			
21		(714,768,152,175)	(242,641,007,176)
22		169,488,131,314	90,909,091
23		(1,777,720,000,000)	(600,007,058,602)
24		1,542,792,362,468	396,460,000,000
25		(116,700,000)	(182,088,674,634)
26		6,085,194,315	19,172,808,000
27		72,159,720,416	15,581,123,776
30		(702,079,443,662)	(593,431,899,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
31		10,380,718,000	-
33	17	4,932,839,245,502	4,760,649,651,955
34	17	(4,559,898,419,884)	(4,734,043,719,934)
36	24	(363,381,375,400)	(299,250)
40		19,940,168,218	26,605,632,771
50		(1,912,045,107)	(119,363,700,232)
60	4	45,344,991,423	164,635,864,246
61		(191,098,554)	72,827,409
70	4	43,241,847,762	45,344,991,423

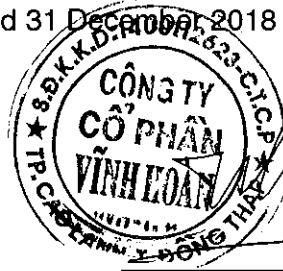
The notes on pages 10 to 47 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Major non-cash transactions during the year ended 31 December 2018 are presented in Note 36.



Ha Thi Phuong Thuy Hong Nhung
Chief Accountant/Preparer



Trương Thị Lê Khanh
Chairwoman
26 March 2019

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1 GENERAL INFORMATION

Vinh Hoan Corporation (“the Company”) is a joint stock company which was transformed from Vinh Hoan Co., Ltd. pursuant to Enterprise Registration Certificate No. 1400112623 issued by the Department of Planning and Investment of Dong Thap Province on 17 April 2007.

The Company’s shares were listed on Ho Chi Minh Stock Exchange (“HOSE”) on 24 December 2007 in accordance with Decision No. 179/QĐ-SGDHCM issued by the HOSE.

The principal activities of the Company and subsidiaries (“the Group”) are:

- growing domestic aquaculture; processing and preserving aquatic products and products made from aquatic products; trading aquatic products, materials serving the production and processing of aquatic products and processing of aquatic feed; and
- extracting and manufacturing of hydrolized collagen and gelatin for medicine, cosmetics and food.

The normal business cycle of the Group is within 12 months.

As at 31 December 2018, the Company had 4 subsidiaries and 2 associates (As at 31 December 2017, the Company had 5 direct subsidiaries and 1 indirect subsidiary). Details of the Company’s subsidiaries and associates are presented below:

Company name	Principal activities	Address of registered office	Percentage of ownership and voting rights	
			31.12.2018	31.12.2017
Subsidiaries				
Vinh Phuoc Food Co., Ltd	Manufacturing and preserving aquatic products	An Phu Hamlet, An Nhon Commune, Chau Thanh District, Dong Thap Province	100%	-
Vinh Hoan 2 Food Co., Ltd.	Trading food	Tan An Hemplet, Binh Thanh Trung Commune, Lap Vo District, Dong Thap Province	99.3%	99.3%
Vinh Hoan Collagen Co., Ltd	Extracting and manufacturing of collagen and gelatin	National Highway 30, Ward 11, Cao Lanh City, Dong Thap Province	100%	100%
Thanh Binh Dong Thap One member Co., Ltd.	Trading aquatic products	Thanh Binh industrial zone, Binh Thanh commune, Thanh Binh District, Dong Thap province	100%	100%
Associates				
Van Duc Tien Giang Food Export Company	Trading aquatic products	Dong Hoa Hemplet, Song Thuan Commune, Chau Thanh District, Tien Giang Province	35%	100%
Octogone Holdings Pte., Ltd.	Trading aquatic products and functional foods	No.3 Raffles Place#06-01 Bharat Building, Singapore	25%	100%

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The consolidated financial statements in Vietnamese language are the official statutory financial statements of the Company. The consolidated financial statements in English language have been translated from the Vietnamese language consolidated financial statements.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised as income or expenses in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank where the Group regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Group opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

Foreign operations

Assets and liabilities of foreign operations are translated into VND at the closing exchange rates at date of the balance sheet. Income and expenses of the foreign operations are translated into VND at the average exchange rate of the accounting period.

The resulting foreign exchange differences arising from the translation of foreign operations are recorded under the item "Foreign exchange differences" of the owners' equity on the balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Basis of consolidation****Subsidiaries**

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling transactions and interests

The Group applies a policy of treating transactions with non-controlling interests ("NCI") as transactions with parties external to the Group.

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 the undistributed earnings under equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Basis of consolidation (continued)*****Associates***

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition in accordance with current accounting requirements. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated period of benefit but not exceeding 10 years.

Goodwill on acquisitions of investments in associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of subsidiaries, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

2.6 Cash

Cash comprises cash on hand and cash at banks.

2.7 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Management of all outstanding amounts at the year end. Bad debts are written off when identified.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

The Company applies the perpetual method for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of operating expenses in the period.

2.9 Investments**(a) Investments held to maturity**

Investments held to maturity are investments which the Management has positive intention and ability to hold until maturity.

Investments held to maturity include bank term deposits, loans held to maturity for interest earnings and other held-to-maturity investments. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.

(b) Investments in associates

Investments in associates are accounted using the equity method when preparing the consolidated financial statements (Note 2.4).

(c) Investments in equity of other entities

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are initially recorded at cost. Provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives or over the term of the enterprise registration certificate if shorter. The estimated useful lives of each asset class are as follows:

Plants and structures	5 – 25 years
Machinery and equipment	3 – 10 years
Motor vehicles	4 – 10 years
Office equipment	3 – 6 years
Computer software	4 – 5 years

Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Land use rights with definite useful life are amortised using the straight-line method in accordance with the terms indicated in the land use right certificates.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the consolidated income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.11 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over estimated useful lives.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Payables**

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables are non-trade payables and not related to purchase of goods and services.

Payables are classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.14 Borrowings

Borrowings include borrowings from banks.

Borrowings is classified into long-term and short-term based on remaining period from the balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

2.15 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.16 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

2.17 Fund for science and technology development

Fund for science and technology development is appropriated for the purpose of scientific and technological development activities. The fund is set up on the basis of maximum 10% of profit before tax and charged to expenses when appropriated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the year prior to the balance sheet date.

- This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.19 Capital and reserves

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares; the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Company and bought-back by itself, but these are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

Undistributed earnings record the accumulated results after business income tax at the reporting date.

2.20 Appropriation of net profit*Dividend*

Net profit after business income tax could be distributed to shareholders after approval at the Company's General Meeting, and after appropriation to other funds in accordance with the Group's charter and Vietnamese regulations. Dividend of the Group is recognised as a liability in the consolidated financial statements of the period in which the dividends are approved by the shareholders at the General Meeting.

Bonus and welfare fund

Bonus and welfare fund is appropriated from the Group's net profit and subject to shareholders' approval at the Group's General Meeting. This fund is set aside for the purpose of rewarding, encouragement, increasing common benefits and improvement of the employees' welfare and is recognised as a liability item in the consolidated balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition****(a) Revenue from sales of goods**

Revenue from the sale of goods is recognised in the income statement when all five (5) following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group ; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on principle of “substance over form” and allocated to each sales obligation. In case that the Group gives promotional goods to customers associated with customers’ purchase, the Group allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the income statement.

(b) Revenue from rendering of service

Revenue from rendering of services is recognised in the income statement when the services are rendered. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Group has established the receiving right from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Sales deductions**

Sales deductions include sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the year but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the period.

2.23 Cost of goods sold and services rendered

Cost of goods sold or cost of services provided are cost of finished goods, merchandises, materials sold or services provided during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.24 Financial expenses

Finance expenses are expenses incurred in the year for financial activities mainly including interest expense, provision for diminution in value of investments in other entities, losses incurred when selling foreign currencies and losses from foreign exchange differences.

2.25 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods and providing services, which mainly comprise salary expenses of sales staff, publicity and advertising expenses, storage, packaging, transportation and other cash expenses.

2.26 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses and benefits of administrative staff, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration and other cash expenses.

2.27 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 Current and deferred income tax (continued)**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

2.28 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and associates 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, close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Group considers the substance of the relationship not merely the legal form.

2.29 Segment reporting

A segment is a component which can be separated by the Group engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's financial statements in order to help users of consolidated financial statements to understand and evaluate the situation the operations of the Group in a comprehensive way.

3 BUSINESS COMBINATION**(a) Change in ownership in Van Duc Tien Giang Food Export Company, from subsidiary to associate**

During the year, Van Duc Tien Giang Food Export Company ("Van Duc Tien Giang") increased its charter capital to VND872,000,000 through capital mobilization from another investor. Following the capital contribution agreement, the Company's ownership in the new charter capital has decreased from 100% to 35% from 28 February 2018. Since the Company's control of Van Duc Tien Giang has ceased, the Company no longer consolidates the financial statements of Van Duc Tien Giang from the date the control ceases.

3 BUSINESS COMBINATION (continued)**(b) Divestment in Octogone Holdings Pte., Ltd., from subsidiary to become associate**

During the year, the Company transferred 525,000 shares of the Company in Octogone Holdings Pte., Ltd. ("Octogone") to another investor, decreasing its ownership in Octogone from 100% to 25% from 28 February 2018. Since the Company's control of Octogone has ceased, the Company no longer consolidates the financial statements of Octogone from the date the control ceases.

(c) Capital contribution to incorporate Vinh Phuoc Food Co., Ltd

During the year 2018, the Company made 100% capital contributed to incorporate the Vinh Phuoc Food Co., Ltd whose charter capital is VND300 billion. Accordingly, the financial statements of Vinh Phuoc Food Co., Ltd ("Vinh Phuoc") have fully been consolidated from the incorporation date (4 September 2018) of Vinh Phuoc.

4 CASH

	2018 VND	2017 VND
Cash on hand	327,879,395	1,186,753,377
Cash at banks	42,913,968,367	44,158,238,046
	<u>43,241,847,762</u>	<u>45,344,991,423</u>

5 INVESTMENTS**(a) Investments held to maturity**

	<u>2018</u>		<u>2017</u>	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits at banks	<u>607,749,887,456</u>	<u>607,749,887,456</u>	<u>372,822,249,924</u>	<u>372,822,249,924</u>

The term deposits represent bank deposits with maturity of more than three months and less than one year and earn interest at the fixed interest rate in Vietnamese Dong.

As at 31 December 2018, term deposits of VND63,140,000,000 at Bank for Investment and Development of Vietnam (BIDV) – Dong Thap Branch were pledged to BIDV – Tien Giang Branch as a security for a credit facility of VND300,000,000,000, which expires on 31 August 2019 (Note 17).

As at 31 December 2018, term deposits of VND22,000,000,000 at BIDV – Dong Thap Branch were pledged to BIDV – Tien Giang Branch as a security for a credit facility of VND22,000,000,000 of Thanh Binh Dong Thap One Member Company Limited, which expires on 30 January 2019.

5 INVESTMENTS (continued)**(b) Equity investments in other entities**

	2018		2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Van Duc Tien Giang (i)	386,880,055,875	-	-	-
Octogone (ii)	1,060,606,080	-	-	-
	<u>387,940,661,955</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (i) In accordance with the Resolution of the Board of Directors on 9 February 2018, the Board of Directors approved the distribution of the undistributed earnings of Van Duc Tien Giang to the Company, and to increase the charter capital of Van Duc Tien Giang to VND872,639,960,000 under form of cash contribution by a new investor.

Accordingly, Van Duc Tien Giang has signed an agreement with a new investor on the charter capital increase. Under this agreement, the new investor shall contribute VND567,216,000,000 in cash and hold 65% ownership of the new charter capital from 28 February 2018 onwards. Correspondingly, the Company's ownership in Van Duc Tien Giang decreases from 100% to 35%.

- (ii) In accordance with the Resolution of the Board of Directors on 10 February 2018, the Board of Directors transferred 525,501 shares of Octogone to a new investor. Accordingly, the Company has signed an agreement with a new investor on the transfer of the aforementioned shares, decreasing its ownership in Octogone from 100% to 25% from 28 February 2018 onwards.

Operational status of associates

Associates are operating in their normal course of business.

Fair Value

As at the reporting date of these consolidated financial statements, the Company was not able to obtain sufficient information to determine the fair value of these investments.

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2018 VND	2017 VND
Related parties (Note 37(b)(i))	20,400,075,501	444,881,264
Third parties	1,903,425,578,215	1,211,162,982,769
	<u>1,923,825,653,716</u>	<u>1,211,607,864,033</u>

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE (continued)

(*) As at the date of those separate financial statements, customers accounting for 10% or more of total short-term trade account receivables balance include Coast Beacon with the balance of VND1,451,342,974,536.

As at 31 December 2018 and 31 December 2017, trade accounts receivable of USD12,750,000 (equivalent to VND296,246,250,000 as translated using the exchange rate as at 31 December 2018) was pledged to HSBC Bank (Vietnam) Ltd. as a security for a credit facility of USD21,500,000.

As at 31 December 2018, trade accounts receivable of USD10,000,000 (equivalent to VND232,350,000,000 as translated using the exchange rate as at 31 December 2018) was pledged to ANZ Bank (Vitenam) Limited ("ANZ") – Ho Chi Minh Branch for a credit facility of USD14,000,000.

As at 31 December 2018 and 31 December 2017, the balances of short-term trade accounts receivable which were past due over 1 year, amounting to VND3,956,628,834 and VND3,878,215,206, respectively.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2018 VND	2017 VND
Related parties (Note 37(b)(ii))	-	46,122,408,100
Third parties	57,710,280,128	42,693,882,783
	<u>57,710,280,128</u>	<u>88,816,290,883</u>

(*) As at the date of this consolidated financial statements, the suppliers accounting for 10% or more of total short-term prepayments to suppliers include Boi Anh One Member Limited with prepayment amount of VND31,559,401,547.

8 OTHER SHORT-TERM RECEIVABLES

	2018 VND	2017 VND
Term deposits interest receivables	8,235,345,808	11,365,568,903
Related parties (Note 37(b)(iii))	6,319,401,318	9,334,295,944
Advances	671,767,890	2,112,662,865
Others	8,837,701,877	9,510,317,000
	<u>24,064,216,893</u>	<u>32,322,844,712</u>

As at 31 December 2018 and 31 December 2017, there was no balance of other receivables past due or not past due but doubtful.

9 INVENTORIES

	2018		2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	58,590,782,388	-	107,274,920,181	-
Tools and supplies	2,591,935,850	-	9,359,200,807	-
Work in progress	516,216,251,080	-	724,965,997,461	-
Finished goods	918,022,718,264	(116,068,739,746)	401,746,053,734	(47,979,364,105)
Merchandise	6,301,185,373	-	7,004,022,918	-
	<u>1,501,722,872,955</u>	<u>(116,068,739,746)</u>	<u>1,250,350,195,101</u>	<u>(47,979,364,105)</u>

As at 31 December 2018 and 31 December 2017, inventories amounting to USD8,750,000 (equivalent to VND203,306,250,000 as translated using the exchange rate as at 31 December 2018) were pledged to HSBC Bank (Vietnam) Ltd. as a security for a credit facility of USD21,500,000.

As at 31 December 2018, inventories amounting to USD4,000,000 (equivalent to VND92,940,000,000 as translated using the exchange rate as at 31 December 2018) were pledged to ANZ – Ho Chi Minh Branch for a credit facility of USD14,000,000.

Movements in the provision for decline in value of inventories during the year are as follows:

	2018 VND	2017 VND
Beginning of year	47,979,364,105	110,947,966,571
Increase	102,691,014,224	-
Reversal	(7,601,638,583)	(62,968,602,466)
Decrease due to disposal of subsidiaries	(27,000,000,000)	-
End of year	<u>116,068,739,746</u>	<u>47,979,364,105</u>

10 LONG-TERM PREPAID EXPENSES

	2018 VND	2017 VND
Compensation costs for land lease	18,044,818,725	18,435,681,225
Land rental	8,505,961,397	26,338,617,134
Fishpond construction and reinforcing fisheries	7,635,739,393	52,649,514,785
Professional fee	7,407,596,557	3,030,266,668
Leveling expenses	-	4,772,678,845
Others	19,378,988,516	23,755,420,903
	<u>60,973,104,588</u>	<u>128,982,179,560</u>

VINH HOAN CORPORATION

Form B 09 – DN/HN

11 FIXED ASSETS

	Plants and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2018	906,898,308,321	1,362,943,048,068	63,775,223,497	15,595,473,576	32,473,353,906	2,381,685,407,368
New purchases	96,556,665,904	148,273,039,421	9,049,641,453	1,361,099,876	-	255,240,446,654
Transfers from construction in progress (Note 12)	84,981,068,582	36,793,062,667	8,518,107,273	1,030,674,898	-	131,322,913,420
Disposals	(107,572,321,708)	(122,347,182,745)	(9,292,713,875)	(295,340,727)	-	(239,507,559,055)
Other decreases	(835,310,369)	(6,794,209,800)	-	-	-	(7,629,520,169)
Decrease due to disposal of subsidiaries	(205,370,029,316)	(296,200,948,022)	(19,621,839,653)	(8,534,596,865)	(32,473,353,906)	(562,200,767,762)
As at 31 December 2018	774,658,381,414	1,122,666,809,589	52,428,418,695	9,157,310,758	-	1,958,910,920,456
Accumulated depreciation						
As at 1 January 2018	316,002,713,815	602,996,790,883	30,266,057,128	7,250,700,266	16,877,945,356	973,394,207,448
Charge for the year	52,370,885,277	84,825,759,874	6,153,655,212	1,759,030,608	638,682,062	145,748,013,033
Disposals	(49,634,979,444)	(46,679,129,565)	(4,852,666,043)	(672,279,973)	-	(101,839,055,025)
Decrease due to disposal of subsidiaries	(51,904,733,575)	(88,253,309,867)	(7,333,210,102)	(3,569,362,838)	(17,516,627,418)	(168,577,243,800)
As at 31 December 2018	266,833,886,073	552,890,111,325	24,233,836,195	4,768,088,063	-	848,725,921,656
Net book value						
As at 1 January 2018	590,895,594,506	759,946,257,185	33,509,166,369	8,344,773,310	15,595,408,550	1,408,291,199,920
As at 31 December 2018	507,824,495,341	569,776,698,264	28,194,582,500	4,389,222,695	-	1,110,184,998,800

11 FIXED ASSETS (continued)**(a) Tangible fixed assets (continued)**

As at 31 December 2018, the Group's tangible fixed assets with a carrying value of VND169,440,512,470 (31 December 2017: VND714,605,482,101) were pledged to banks as securities for borrowings granted to the Group (Note 17).

Cost of fully depreciated tangible fixed assets but still in use as at 31 December 2018 was VND443,769,390,036 (31 December 2017: VND412,517,153,409).

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Total VND
Historical cost			
As at 1 January 2018	174,006,894,816	1,434,177,070	175,441,071,886
New purchases	183,068,793,905	126,875,000	183,195,668,905
Transfers from construction in progress (Note 12)	-	713,238,968	713,238,968
Disposals	(22,115,259,465)	-	(22,115,259,465)
Decrease due to disposal of subsidiaries	(42,837,996,796)	(276,270,980)	(43,114,267,776)
As at 31 December 2018	<u>292,122,432,460</u>	<u>1,998,020,058</u>	<u>294,120,452,518</u>
Accumulated amortisation			
As at 1 January 2018	16,921,562,308	981,761,596	17,903,323,904
Charge for the year	3,120,811,770	159,444,738	3,280,256,508
Disposals	(2,684,822,524)	-	(2,684,822,524)
Decrease due to disposal of subsidiaries	(11,356,919,453)	(75,186,804)	(11,432,106,257)
As at 31 December 2018	<u>6,000,632,101</u>	<u>1,066,019,530</u>	<u>7,066,651,631</u>
Net book value			
As at 1 January 2018	<u>157,085,332,508</u>	<u>452,415,474</u>	<u>157,537,747,982</u>
As at 31 December 2018	<u>286,121,800,359</u>	<u>932,000,528</u>	<u>287,053,800,887</u>

As at 31 December 2018, the Group's land use rights with carrying value of VND 43,867,778,575 (31 December 2017: VND52,338,844,539) were pledged to banks as securities for borrowings granted to the Group (Note 17).

Cost of fully amortised intangible fixed assets as at 31 December 2018 was VND 705,229,790 (31 December 2017: VND2,742,769,597).

12 CONSTRUCTION IN PROGRESS

	2018 VND	2017 VND
Expenses related to fishponds	114,810,090,342	8,163,085,440
Acquisition of fixed assets	83,005,376,229	133,366,403,190
House for employees	29,729,447,831	29,665,486,286
Other construction in progress at		
Head office	13,040,429,061	25,515,820,127
Hall and garage	7,640,130,492	18,652,295,059
Water treatment system	7,332,484,092	8,922,865,955
Others	3,196,858,435	-
	<u>258,754,816,482</u>	<u>224,285,956,057</u>

Movements in the construction in progress during the year are as follows:

	2018 VND	2017 VND
Beginning of year	224,285,956,057	176,729,928,029
Increases	289,779,086,191	195,630,612,510
Increases from acquisition of subsidiary	-	4,625,526,700
Transfers to fixed assets (Note 11)	(132,036,152,388)	(121,603,275,227)
Decrease due to disposal of subsidiaries	(63,946,921,227)	-
Disposal	(48,083,164,200)	-
Other decreases	(11,243,987,951)	(31,096,835,955)
	<u>258,754,816,482</u>	<u>224,285,956,057</u>

13 GOODWILL

	2018 VND	2017 VND
Beginning of year	113,486,889,793	71,645,266,286
Additions	-	56,988,167,700
Allocation	(7,273,438,007)	(15,146,544,193)
Decrease due to disposal of subsidiaries	(60,622,917,626)	-
	<u>45,590,534,160</u>	<u>113,486,889,793</u>

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2018		2017	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Related parties (Note 37(b)(iv))	784,876,419	784,876,419	35,776,874,100	35,776,874,100
Third parties (*)	273,601,770,451	273,601,770,451	197,302,043,857	197,302,043,857
	<u>274,386,646,870</u>	<u>274,386,646,870</u>	<u>233,078,917,957</u>	<u>233,078,917,957</u>

(*) As at the date of this consolidated financial statements, suppliers accounting for 10% or more of total short-term trade accounts payable include Mr. Dinh Van Can with payable amount of VND37,611,975,720.

As at 31 December 2018 and 31 December 2017, the Group did not have payables balance that were past due.

15 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	2018 VND	2017 VND
Business income tax - current	247,158,246,178	102,667,579,584
Valued added tax – domestic sales	2,071,219,509	612,504,785
Personal income tax	8,188,528,651	2,647,973,412
Others	18,071,238	4,944,000
	<u>257,436,065,576</u>	<u>105,933,001,781</u>

VINH HOAN CORPORATION

Form B 09 – DN/HN

15 TAX AND OTHER PAYABLES TO THE STATE BUDGET (continued)

Movements in business income tax and personal income tax during the year are as follows:

	As at 1.1.2018 VND	Payable during the year VND	Paid during the year VND	Effects of disposal of subsidiaries VND	As at 31.12.2018 VND
Business income tax	102,667,579,584	252,063,378,043	(97,800,115,214)	(9,772,596,235)	247,158,246,178
Value added tax – Domestic sales	612,504,785	28,289,284,059	(26,820,569,335)	(10,000,000)	2,071,219,509
Personal income tax	2,647,973,412	18,425,885,812	(12,644,905,178)	(240,425,395)	8,188,528,651
Others	4,944,000	338,559,318	(325,432,080)	-	18,071,238
	<u>105,933,001,781</u>	<u>299,117,107,232</u>	<u>(137,591,021,807)</u>	<u>(10,023,021,630)</u>	<u>257,436,065,576</u>

16 OTHER SHORT-TERM PAYABLES

	2018 VND	2017 VND
Related parties (Note 37(b)(v))	193,245,580,963	11,593,323,359
The Trade Union (*)	28,753,988,040	27,753,988,040
Union fee	20,665,585,171	16,869,114,475
Dividend payable (Note 24)	329,605,650	179,712,750
Payment on behalf	-	9,115,680,218
Other payables	15,567,889,522	13,612,446,645
	<u>258,562,649,346</u>	<u>79,124,265,487</u>

(*) This is the amount payable to the Trade Union in respect of the housing construction project for the employees to which the Trade Union has advanced.

As at 31 December 2018 and 31 December 2016, the Group did not have other payables balances that were past due.

VINH HOAN CORPORATION

Form B 09 – DN/HN

17 BORROWINGS

	2018		2017	
	Value VND	Repayment capability VND	Value VND	Repayment capability VND
Short-term loans (*)	1,269,447,095,123	1,269,447,095,123	1,008,178,927,948	1,008,178,927,948
Long-term loans	-	-	402,300,000,000	402,300,000,000
	<u>1,269,447,095,123</u>	<u>1,269,447,095,123</u>	<u>1,410,478,927,948</u>	<u>1,410,478,927,948</u>

Movements of borrowings during the year are as follows:

	As at 1.1.2018 VND	Increase VND	Decrease VND	Effects of disposal of subsidiaries and revaluation VND	As at 31.12.2018 VND
Short-term loans (*)	1,008,178,927,948	4,924,476,720,025	(4,224,535,894,407)	(438,672,658,443)	1,269,447,095,123
Long-term loans	402,300,000,000	8,362,525,477	(335,362,525,477)	(75,300,000,000)	-
	<u>1,410,478,927,948</u>	<u>4,932,839,245,502</u>	<u>(4,559,898,419,884)</u>	<u>(513,972,658,443)</u>	<u>1,269,447,095,123</u>

17 **BORROWINGS (continued)**

As at 31 December 2018 and 31 December 2017, the Group did not have any overdue borrowing.

(*) Details of short-term loans are as follows:

	2018 VND	2017 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch (i)	387,766,927,245	487,312,059,440
ANZ Bank (Vietnam) Limited – Ho Chi Minh City Branch (ii)	320,728,673,762	158,106,286,108
HSBC Bank (Vietnam) Limited (iii)	300,380,000,000	317,291,366,421
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") –Tien Giang province Branch (iv)	260,571,494,116	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Dong Thap Branch (v)	-	45,469,215,979
	<u>1,269,447,095,123</u>	<u>1,008,178,927,948</u>

- (i) The balance represents borrowings in VND and USD with applicable interest rates being specified for each drawdown to finance the Company's working capital requirements. The borrowings are secured by the land use rights and the assets attached to the land including the Company's factory workshops 1, 2 and 3 (Note 11).
- (ii) The balance represents borrowings in VND with applicable interest rates being specified for each drawdown to finance the Company's working capital requirements. The borrowings are secured by trade accounts receivable (Note 6) and inventories (Note 9).
- (iii) The balance represents borrowings in USD with ANZ - Ho Chi Minh Branch with a credit facility of USD14,000,000. The applicable interest rates will be determined and announced by the bank at each drawdown. The borrowings are secured by accounts receivable (Note 6) and inventories (Note 9).
- (iv) The balance represents borrowings in VND with applicable interest rates being specified for each drawdown to finance the Company's working capital requirements. The borrowings are secured by pledging the short-term deposits and associated interest income BIDV - Dong Thap Branch, amounting to VND63,140,000,000 (Note 5(a)).
- (v) The balance represents borrowings in VND with applicable interest rates being specified for each drawdown to finance the Company's working capital requirements. The borrowings are secured by the land use rights and rights and fixed assets at fish powder and fat-processing factory.

18 PROVISIONS FOR LONG-TERM LIABILITIES

Provision for long-term liabilities represents provision for severance allowance.

19 DEFERRED INCOME TAX

The gross movement in the deferred income tax without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

	2018 VND	2017 VND
Beginning of year	3,140,451,514	6,969,855,842
Consolidated income statement credit/(charge) (Note 33)	1,548,584,200	(3,829,404,328)
End of year	<u>4,689,035,714</u>	<u>3,140,451,514</u>

Deferred income tax assets mainly come from provision for severance allowance.

Deferred tax liabilities

	2018 VND	2017 VND
Beginning of year	19,946,145,322	15,125,029,951
Consolidated income statement (credit)/charge (Note 33)	(5,051,145,322)	4,821,115,371
End of year	<u>14,895,000,000</u>	<u>19,946,145,322</u>

Deferred income tax liabilities mainly come from provision for diminution in value of investments in subsidiaries.

The Group uses tax rate of 15% in year 2018 (2017: 15%) for determining deferred tax assets and deferred tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The Group's tax losses can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the subsidiaries' future taxable income are as follows:

19 DEFERRED INCOME TAX (continued)

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
Year ended 31.12.2013	Outstanding	14,395,978,801	(639,291,580)	13,756,687,221
Year ended 31.12.2014	Outstanding	19,360,497,434	(8,796,163,238)	10,564,334,196
Year ended 31.12.2015	Outstanding	30,074,572,814	(10,457,237,188)	19,617,335,626
Year ended 31.12.2016	Outstanding	18,491,681,267	(11,742,585,857)	6,749,095,410
Year ended 31.12.2017	Outstanding	18,737,151,198	(12,141,824,953)	6,595,326,245
Year ended 31.12.2018	Outstanding	4,396,642,865	-	4,396,642,865

The Group has not recognised deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefits through future taxable profits of these subsidiaries currently can not be assessed as probable.

20 BONUS AND WELFARE FUND

Movements of bonus and welfare fund during the year are as follows:

	2018 VND	2017 VND
Beginning of year	48,172,124,848	49,090,214,526
Appropriated (Note 22)	10,941,230,243	40,000,000,000
Utilised	(14,053,450,327)	(40,918,089,678)
Decrease due to disposal of subsidiaries	(8,888,050,000)	-
End of year	36,171,854,764	48,172,124,848

21 OWNERS' CAPITAL

(a) Number of shares

	2018		2017	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	92,403,943	-	92,403,943	-
Number of shares issued	92,403,943	-	92,403,943	-
Number of shares repurchased	-	-	(102,060)	-
Number of existing shares in circulation	92,403,943	-	92,301,883	-

(b) Movement of share capital

	Number of shares	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2017 and as at 31 December 2018	92,403,943	924,039,430,000	-	924,039,430,000

Par value per share: VND10,000.

VINH HOAN CORPORATION

Form B 09 – DN/HN

22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Foreign exchange differences VND	Undistributed earnings VND	Non-controlling interests VND	Total VND
As at 1 January 2017	924,039,430,000	216,409,744,645	(3,015,672,745)	(285,558,957)	1,249,893,178,979	6,072,521,854	2,393,113,643,776
Net profit for the year					604,706,151,216	(131,705,105)	604,574,446,111
Profit appropriation to bonus and welfare fund					(40,000,000,000)		(40,000,000,000)
Additional investments in a subsidiary					(9,142,397,200)	(5,857,602,800)	(15,000,000,000)
Others				(72,038,055)			(72,038,055)
As at 31 December 2017	924,039,430,000	216,409,744,645	(3,015,672,745)	(357,597,012)	1,805,456,932,995	83,213,949	2,942,616,051,832
Net profit for the year					1,442,181,690,312	(83,213,949)	1,442,098,476,363
Treasury shares re-issued (*)							10,380,718,000
2017 dividend declared (**)		7,365,045,255	3,015,672,745		(184,603,766,000)		(184,603,766,000)
2018 interim dividend declared (***)					(184,726,166,000)		(184,726,166,000)
Profit appropriation to bonus and welfare fund (****)					(10,941,230,243)		(10,941,230,243)
Others				357,597,012			357,597,012
As at 31 December 2018	924,039,430,000	223,774,789,900			2,867,367,461,064		4,015,181,680,964

(*) In accordance with the Resolution of the Board of the Management dated 19 October 2018, the Company re-issued 102,606 treasury shares to supplement working capital. The total transaction amount was VND10,380,718,000 which was completed on 13 December 2018.

(**) In accordance with the Resolution of the Annual General Meeting of shareholders No 01/DHCD/NQ/18 dated 12 May 2018, the shareholders approved the 20% cash dividend payout (VND2,000 per share), equivalent to VND184,603,766,000 from the 2017 undistributed earnings.

22 MOVEMENTS IN OWNERS' EQUITY (continued)

(***) In accordance with the Resolution of the Board of Directors dated 23 November 2018, the Board of Directors approved the 20% cash dividend payout (VND2,000 per share), equivalent to VND184,726,166,000 from the 2018 undistributed earnings.

(****) In accordance with the Resolution of the Annual General Meeting of shareholders dated 12 May 2018, the Group appropriated an amount of VND10,941,230,243 from the year 2017's profit after tax to the bonus and welfare fund in the year ended 31 December 2018.

23 NON-CONTROLLING INTEREST ("NCI")

Details of NCI are as follows:

	2018 VND	2017 VND
Share capital	700,000,000	700,000,000
Allocated losses	(700,000,000)	(616,786,051)
	<u>-</u>	<u>83,213,949</u>

Movements of the NCI are as follows:

	2018 VND	2017 VND
Beginning of year	83,213,949	6,072,521,854
Allocated losses for the year	(83,213,949)	(131,705,105)
Decrease due to repurchase of share capital from NCI	-	(5,857,602,800)
	<u>-</u>	<u>83,213,949</u>

24 DIVIDENDS

Movements of dividends payable during the year are as follows:

	2018 VND	2017 VND
Beginning of year	179,712,750	180,012,000
Dividends payable (Note 22)	369,329,932,000	-
Dividends paid in cash	(369,220,123,400)	(299,250)
Others	40,084,300	-
	<u>329,605,650</u>	<u>179,712,750</u>

25 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares:

	For the year ended	
	31.12.2018	31.12.2017
Net profit attributable to shareholders (VND)	1,442,181,690,312	604,706,151,216
Less amount allocated to bonus and welfare funds (VND) (*)	(10,941,230,243)	(40,000,000,000)
	<u>1,431,240,460,069</u>	<u>564,706,151,216</u>
Weighted average number of ordinary shares in issue (shares)	92,403,943	92,301,883
Basic earnings per share (VND)	<u>15,489</u>	<u>6,118</u>

(*) Amount allocated to the bonus and welfare fund in the year ended 31 December 2018 is in accordance with the 2017 profit distribution plan which was approved by the Company's shareholders at the Annual General Meeting, whereas the amount allocated to the bonus and welfare fund in the year ended 31 December 2017 is in accordance with the 2016 profit distribution plan which was approved by the Company's shareholders at the Annual General Meeting.

The Company did not have potential shares which diluted earning per shares.

26 OFF BALANCE SHEET ITEMS**(a) Operating leases commitments**

The future minimum lease payments under non-cancellable operating leases for the years ended 31 December 2018 and 31 December 2016 are presented in Note 38.

(b) Foreign currencies

	2018	2017
United States Dollar ("USD")	1,255,473	360,314
Euro ("EUR")	306	56,899
Chinese Yuan Renminbi ("CNY")	3,308	3,183,477
Japanese Yen ("JPY")	-	31,983
Singapore Dollar ("SGD")	-	575,555
	<u> </u>	<u> </u>

27 REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2018 VND	2017 VND
Sales		
Sales of finished goods	7,365,724,314,301	6,273,044,408,472
Sales of by-products	1,102,358,015,774	1,281,110,654,888
Sales of merchandises	864,339,064,166	565,164,177,544
Rendering of services	53,036,040,517	5,830,315,632
Sales of raw materials	21,419,632,434	47,215,468,362
Others	-	11,227,273
	<u>9,406,877,067,192</u>	<u>8,172,376,252,171</u>
Sales deductions		
Sales allowances	(130,445,563,339)	(1,290,496,964)
Sales returns	(5,102,419,359)	(19,589,077,100)
	<u>(135,547,982,698)</u>	<u>(20,879,574,064)</u>
Net sales	<u>9,271,329,084,494</u>	<u>8,151,496,678,107</u>

28 COST OF GOODS SOLD AND SERVICES RENDERED

	2018 VND	2017 VND
Cost of finished goods sold	5,313,506,084,951	5,273,995,709,833
Cost of by-products sold	975,196,132,196	1,171,239,738,752
Cost of merchandises sold	819,793,209,563	545,241,372,194
Cost of raw materials sold	20,703,415,741	45,918,091,399
Cost of services provided	6,893,857,579	1,861,237,045
Provision/(reversal of provision) for decline in value of inventories	95,089,375,641	(62,968,602,466)
Others	784,035,219	4,319,790,668
	<u>7,231,966,110,890</u>	<u>6,979,607,337,425</u>

29 FINANCIAL INCOME

	2018 VND	2017 VND
Interest income from deposits	64,905,144,122	20,637,299,235
Realised foreign exchange gains	64,633,682,907	26,069,492,947
Interest income on the advances for purchases of raw materials	4,124,353,199	5,117,225,204
Others	3,339,821,560	6,572,022,545
	<u>137,003,001,788</u>	<u>58,396,039,931</u>

30 FINANCIAL EXPENSES

	2018 VND	2017 VND
Interest expense	55,985,954,528	71,440,932,223
Loss from disposal of subsidiaries (*)	69,284,816,179	-
Realised foreign exchange losses	34,114,798,298	9,703,680,484
Net loss from foreign currency translation at year-end	7,530,202,267	6,972,390,435
Others	200,665,700	407,685,996
	<u>167,116,436,972</u>	<u>88,524,689,138</u>

(*) Mainly comes from the write-off of the unallocated goodwill of Van Duc Tien Giang at the date of disposal.

31 SELLING EXPENSES

	2018 VND	2017 VND
Transportation, storage and other outsourced service expenses	138,313,163,818	170,507,697,479
Exhibition and advertising expenses	18,675,463,164	37,023,216,602
Staff costs	10,150,139,934	13,062,694,405
Others	43,307,201,811	48,809,593,070
	<u>210,445,968,727</u>	<u>269,403,201,556</u>

32 GENERAL AND ADMINISTRATION EXPENSES

	2018 VND	2017 VND
Staff costs	50,251,394,825	55,121,285,129
Depreciation and amortization of fixed assets	11,711,278,304	14,745,827,361
Allocation of goodwill	7,273,438,007	15,146,544,193
Tools and supplies	7,179,709,197	7,147,448,289
Others	67,149,679,069	49,138,082,702
	<u>143,565,499,402</u>	<u>141,299,187,674</u>

33 BUSINESS INCOME TAX

In accordance with Circular No. 96/2016/TT-BTC dated 22 June 2016 issued by the Ministry of Finance, the Company is subject to business income tax ("BIT") rate of 15% for aquaculture processing activities and 20% for other activities.

Subsidiaries of the Company have the obligations to pay business income tax are as follows:

Vinh Hoan Collagen Co., Ltd ("Vinh Hoan Collagen")

In accordance with Investment Certificate No. 51121000127 dated 14 March 2013 issued by the People's Committee of Dong Thap Province, Vinh Hoan Collagen is subject to the business income tax rate of 10% in 30 years from the first year generating revenue from incentive activities, and is exempt from business income tax for 4 years from the first year making taxable profit from the project and entitled to a 50% reduction for 9 years thereafter.

Vinh Hoan 2 Food Company Limited ("Vinh Hoan 2")

In accordance with Investment Certificate No. 51121000117 dated 27 August 2012 issued by the People's Committee of Dong Thap Province, Vinh Hoan 2 is subject to the business income tax rate of 20% in 10 years from the commencement date of operation for drying, peeling rice, manufacturing parboiled rice and polishing rice for export at, and is exempt from business income tax for 2 years from the first year making profit and entitled to a 50% reduction for 4 years thereafter.

Thanh Binh Dong Thap One Member Company Limited ("Thanh Binh")

In accordance with Investment Certificate No. 7664856881 dated 28 February 2017 issued by the People's Committee of Dong Thap Province, Thanh Binh is exempt from business income tax for 2 years from the first year making profit and entitled to 50% reduction for 4 years thereafter for the additional income in the expansion project. Thanh Binh is subject to Business income tax rate of 10% for aquaculture processing activities and 20% for other activities.

The Group's other activities are subject to business income tax rate of 20%.

33 BUSINESS INCOME TAX (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2018 VND	2017 VND
Net accounting profit before tax	1,687,562,124,884	722,780,593,934
Tax calculated at a rate of 20%	337,512,424,977	140,634,620,146
Effect of:		
Income not subject to tax	(15,750,365,391)	-
Non-deductible expenses	4,091,583,704	3,100,881,283
Tax incentive	(81,881,067,519)	(34,187,421,417)
Tax losses for which no deferred income tax asset was recognised	879,328,573	3,836,952,440
Utilisation of previously unrecognised tax losses	(4,418,903,610)	-
Over-provision in previous years	(20,497,535)	-
Others	5,051,145,322	4,821,115,371
Business income tax charge (*)	<u>245,463,648,521</u>	<u>118,206,147,823</u>
Charged to income statement:		
Business income tax – current	252,063,378,043	109,555,628,124
Business income tax – deferred (**)	(6,599,729,522)	8,650,519,699
	<u>245,463,648,521</u>	<u>118,206,147,823</u>

(*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

(**) Deferred income tax (income)/expenses incurred during the year are mainly as below:

	2018 VND	2017 VND
Taxable temporary differences	14,895,000,000	19,946,145,322
Reversal of deferred income tax assets	3,140,451,514	6,969,855,842
Deductible temporary differences	(4,689,035,714)	(3,140,451,514)
Reversal of deferred income tax liabilities	(19,946,145,322)	(15,125,029,951)
Total deferred income tax (incomes)/expenses	<u>(6,599,729,522)</u>	<u>8,650,519,699</u>

34 COST OF OPERATION BY FACTOR

	2018 VND	2017 VND
Raw materials	7,267,652,647,878	5,291,219,167,107
Labour costs	760,221,527,228	777,963,491,142
Depreciation, amortisation and allocation of goodwill	156,301,707,548	198,846,054,060
Outsourced service expenses	838,417,277,239	460,919,663,127
Other cash expenses	188,574,830,491	194,370,044,943
	<u>9,211,167,990,384</u>	<u>6,923,318,420,379</u>

35 SEGMENT REPORTING*Geographical segment:*

The Group's activities are mainly segmented by export and domestic activities. The Group does not monitor its operation results, fixed assets, other non-current assets or non-cash major expenses by the geographical areas of customers.

	2018 VND	2017 VND
Export sale	7,401,518,725,286	6,769,771,522,404
Domestic sale	1,869,810,359,208	1,381,725,155,703
Net sales	<u>9,271,329,084,494</u>	<u>8,151,496,678,107</u>

Business activity segment:

Growing, processing and trading aquatic products are the main activities that generate revenue and profit for the Group, while the other revenue streams only account for a small portion of the Group's total revenue; therefore the Management has determined that the Group has operates in only one business segment.

37 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2018 VND	2017 VND
ii) Purchases of goods and services		
Van Duc Tien Giang	21,378,254,097	-
Individuals	51,443,889,800	32,000,776,760
	<u>72,822,143,897</u>	<u>32,000,776,760</u>
iii) Disposals of fixed assets		
Van Duc Tien Giang	51,152,531,314	-
Van Duc Food Co., Ltd	-	90,909,091
	<u>51,152,531,314</u>	<u>90,909,091</u>
v) Compensation of key management		
Gross salaries and other benefits	29,522,163,775	36,406,686,150
	<u>29,522,163,775</u>	<u>36,406,686,150</u>

(b) Year end balances with related parties

	2018 VND	2017 VND
i) Short-term trade accounts receivable (Note 6)		
Van Duc Tien Giang	17,284,229,152	-
Van Duc Food Co., Ltd	3,115,846,349	444,881,264
	<u>20,400,075,501</u>	<u>444,881,264</u>
ii) Short-term prepayment to suppliers (Note 7)		
Individuals	-	46,122,408,100
	<u>-</u>	<u>46,122,408,100</u>
iii) Other short-term receivables (Note 8)		
Individuals	-	7,829,060,000
Van Duc Tien Giang	94,039,000	-
Octogone	6,000,000,000	-
Board of Directors and Management	225,362,318	1,505,235,944
	<u>6,319,401,318</u>	<u>9,334,295,944</u>

37 RELATED PARTY DISCLOSURES (continued)**(b) Year end balances with related parties (continued)**

	2018 VND	2017 VND
iv) Short-term trade accounts payable (Note 14)		
Van Duc Tien Giang	784,876,419	-
Individuals	-	35,776,874,100
	<u>784,876,419</u>	<u>35,776,874,100</u>
v) Other short-term payables (Note 16)		
Van Duc Tien Giang	165,203,561,518	-
Van Duc Food Co., Ltd.	28,042,019,445	11,593,323,359
	<u>193,245,580,963</u>	<u>11,593,323,359</u>

38 OPERATING LEASES COMMITMENTS

The future minimum lease payments under non-cancellable operating leases are as follows:

	2018 VND	2017 VND
Within one year	4,723,752,054	7,192,660,070
Between one and five years	18,895,008,214	28,770,640,282
Over five years	25,922,371,221	53,218,529,281
Total minimum payments	<u>49,541,131,489</u>	<u>89,181,829,633</u>

39 COMPARATIVE FIGURES

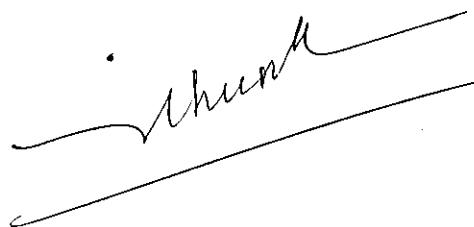
Certain comparative figures have been reclassified to conform with the current year's presentation.

40 EVENTS AFTER THE BALANCE SHEET DATE

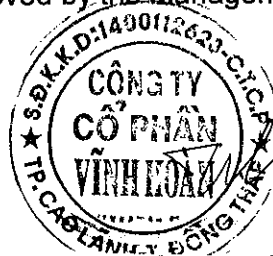
Pursuant to the Resolution of the Board of Directors on 2 January 2019, the Board approved the contribution of 45% of the charter capital, equivalent to VND22,500,000,000, to establish Vinh Hoan Fish Hatchery Co., Ltd., at Vinh Buong Hamlet, Vinh Hoa Commune, Tan Chau Town, An Giang Province, whose main activity is freshwater aquaculture.

Pursuant to the Resolution of the Board of Directors on 25 February 2019, the Board approved the dissolution of Vinh Hoan 2 Food Co., Ltd. This dissolution would be carried out within 180 days from the date of the dissolution decision.

The consolidated financial statements were approved by the Management on 26 March 2019.



Ha Thi Phuong Thuy Hong Nhung
Chief Accountant/Preparer



Trương Thị Lê Khanh
Chairwoman