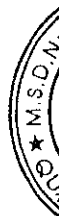


**VINH HOAN CORPORATION**

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



**VINH HOAN CORPORATION**

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

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement by the Board of Management	2
Independent auditor's report	3
Separate balance sheet (Form B 01 - DN)	5
Separate income statement (Form B 02 - DN)	7
Separate cash flow statement (Form B 03 - DN)	8
Notes to the separate financial statements (Form B 09 - DN)	9

## VINH HOAN CORPORATION

### CORPORATE INFORMATION

#### Enterprise registration certificate

Enterprise code No. 1400112623 dated 17 April 2007 was initially issued by the Department of Planning and Investment of Dong Thap Province and the latest amendment 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
--------------------------	------------

#### 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 SEPARATE FINANCIAL STATEMENTS

The Board of Management of Vinh Hoan Corporation (“the Company”) is responsible for preparing separate financial statements which give a true and fair view of the financial position of the Company as at 31 December 2018, and the results of its operations and its cash flows for the year then ended. In preparing these separate 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 separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

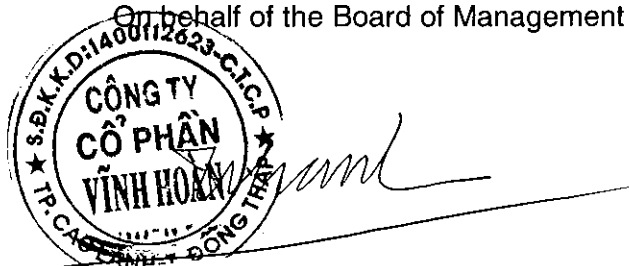
The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note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

We hereby approve the accompanying separate financial statements as set out on pages 5 to 40 which give a true and fair view of the financial position of the Company 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 separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) for the year ended 31 December 2018 in order to obtain full information of the financial position, results of operations and cash flows of the Group.

On behalf of the Board of Management



The image shows a circular official stamp of Vinh Hoan Corporation. The text inside the stamp includes 'CÔNG TY CỔ PHẦN VINH HOAN' and the registration number 'S.Đ.K.K.D.1400112623-C.T.C.P.'. A handwritten signature is written over the stamp.

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 separate financial statements of Vinh Hoan Corporation ("the Company") which were prepared on 31 December 2018 and approved by the Board of Management on 26 March 2019. The separate financial statements comprise the separate balance sheet as at 31 December 2018, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 40.

### **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 separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of separate 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 separate 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, plan and perform the audit in order to obtain reasonable assurance as to whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the separate 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 separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, its financial performance and cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate 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: HCM8036  
Ho Chi Minh City, 26 March 2019

## SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2018 VND	2017 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>4,538,676,866,714</b>	<b>2,947,138,046,184</b>
<b>110</b>	<b>Cash</b>		<b>22,028,681,359</b>	<b>13,208,496,275</b>
111	Cash	3	22,028,681,359	13,208,496,275
<b>120</b>	<b>Short-term investment</b>		<b>607,749,887,456</b>	<b>372,822,249,924</b>
123	Investments held to maturity	4(a)	607,749,887,456	372,822,249,924
<b>130</b>	<b>Short-term receivables</b>		<b>2,763,184,291,792</b>	<b>1,904,336,302,358</b>
131	Short-term trade accounts receivable	5	1,984,425,189,749	1,271,916,200,682
132	Short-term prepayments to suppliers	6	50,345,994,497	21,212,612,430
135	Short-term lending	7	705,028,746,000	580,433,746,000
136	Other short-term receivables	8	27,221,870,308	34,103,790,653
137	Provision for doubtful debts – short term		(3,837,508,762)	(3,330,047,407)
<b>140</b>	<b>Inventories</b>	9	<b>1,104,167,632,996</b>	<b>627,180,646,659</b>
141	Inventories		1,204,357,372,742	654,834,433,761
149	Provision for decline in value of inventories		(100,189,739,746)	(27,653,787,102)
<b>150</b>	<b>Other current assets</b>		<b>41,546,373,111</b>	<b>29,590,350,968</b>
151	Short-term prepaid expenses		3,157,033,367	1,448,498,506
152	Value Added Tax to be reclaimed		38,389,339,744	27,882,722,077
153	Tax and other receivables from the State Budget		-	259,130,385
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>1,734,418,940,069</b>	<b>1,305,251,868,985</b>
<b>210</b>	<b>Long-term receivables</b>		<b>1,563,796,625</b>	<b>1,456,379,625</b>
216	Other long-term receivables		1,563,796,625	1,456,379,625
<b>220</b>	<b>Fixed assets</b>		<b>336,468,178,685</b>	<b>350,188,228,055</b>
221	Tangible fixed assets	10(a)	294,524,618,533	303,763,308,160
222	Historical cost		904,059,608,750	954,243,956,730
223	Accumulated depreciation		(609,534,990,217)	(650,480,648,570)
227	Intangible fixed assets	10(b)	41,943,560,152	46,424,919,895
228	Historical cost		45,560,477,708	49,916,481,640
229	Accumulated amortisation		(3,616,917,556)	(3,491,561,745)
<b>240</b>	<b>Long-term asset in progress</b>		<b>204,076,830,694</b>	<b>158,961,999,991</b>
242	Construction in progress	11	204,076,830,694	158,961,999,991
<b>250</b>	<b>Long-term investments</b>		<b>1,155,699,725,974</b>	<b>758,801,539,233</b>
251	Investments in subsidiaries	4(b)	847,943,345,033	890,478,111,404
252	Investments in associates	4(c)	413,747,486,404	-
253	Investments in other entities		1,414,429,978	1,297,729,978
254	Provision for long-term investments	4(b)	(107,405,535,441)	(132,974,302,149)
<b>260</b>	<b>Other long-term assets</b>		<b>36,610,408,091</b>	<b>35,843,722,081</b>
261	Long-term prepaid expenses	12	34,353,638,691	33,529,890,311
262	Deferred income tax assets	18	2,256,769,400	2,313,831,770
<b>270</b>	<b>TOTAL ASSETS</b>		<b>6,273,095,806,783</b>	<b>4,252,389,915,169</b>

The notes on pages 9 to 40 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2018 VND	2017 VND
<b>300</b>	<b>LIABILITIES</b>		<b>2,415,697,881,579</b>	<b>1,736,464,693,420</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>2,398,012,483,579</b>	<b>1,671,246,112,420</b>
311	Short-term trade accounts payable	13	222,133,980,428	156,497,926,498
312	Short-term advances from customers		10,285,921,660	34,547,331,080
313	Tax and other payables to the State Budget	14	232,583,117,175	73,658,466,955
314	Payable to employees		94,027,318,097	70,142,878,642
315	Short-term accrued expenses		4,215,119,865	7,637,808,688
319	Other short-term payables	15	713,555,158,096	710,758,921,646
320	Short-term borrowings	16	1,087,981,213,493	570,732,004,063
322	Bonus and welfare fund	19	33,230,654,765	47,270,774,848
<b>330</b>	<b>Long-term liabilities</b>		<b>17,685,398,000</b>	<b>65,218,581,000</b>
338	Long-term borrowings	16	-	58,000,000,000
342	Provision for long-term liabilities	17	7,951,048,000	7,218,581,000
343	Fund for science and technology development	20	9,734,350,000	-
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>3,857,397,925,204</b>	<b>2,515,925,221,749</b>
<b>410</b>	<b>Capital and reserves</b>		<b>3,857,397,925,204</b>	<b>2,515,925,221,749</b>
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)
421	Undistributed earnings	22	2,710,514,666,565	1,378,491,719,849
421a	- Undistributed post-tax profits of previous years		1,182,946,723,606	961,125,900,647
421b	- Post-tax profit of current year		1,526,636,981,698	417,365,819,202
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>6,273,095,806,783</b>	<b>4,252,389,915,169</b>

*Handwritten signature*

Ha Thi Phuong Thuy Hong Nhung  
Chief Accountant/Preparer



Truong Thi Le Khanh  
Chairwoman  
26 March 2019

The notes on pages 9 to 40 are an integral part of these separate financial statements.




## SEPARATE INCOME STATEMENT

Code		Note	For the year ended 31 December	
			2018 VND	2017 VND
01	Revenue from sales of goods and rendering of services		7,841,452,117,252	5,636,597,509,005
02	Less deductions		(93,013,622,188)	(17,389,330,792)
10	Net revenue from sales of goods and rendering of services	25	7,748,438,495,064	5,619,208,178,213
11	Cost of goods sold and services rendered	26	(6,058,574,759,022)	(4,772,816,672,227)
20	Gross profit from sales of goods and rendering of services		1,689,863,736,042	846,391,505,986
21	Financial income	27	656,164,342,472	74,688,526,831
22	Financial expenses	28	(92,500,223,588)	(81,533,413,882)
23	- Including: Interest expenses	28	(39,316,767,091)	(35,679,427,681)
25	Selling expenses	29	(223,325,689,520)	(270,715,524,197)
26	General and administration expenses	30	(99,655,294,132)	(80,704,739,487)
30	Net operating profit		1,930,546,871,274	488,126,355,251
31	Other income		11,636,848,525	7,683,756,076
32	Other expenses		(5,030,834,984)	(3,182,755,578)
40	Net other income	31	6,606,013,541	4,501,000,498
50	Net accounting profit before tax		1,937,152,884,815	492,627,355,749
51	Business income tax - current	32	(225,732,674,747)	(71,432,132,219)
52	Business income tax - deferred	32	(57,062,370)	(3,829,404,328)
60	Net profit after tax		1,711,363,147,698	417,365,819,202

  
Ha Thi Phuong Thuy Hong Nhung  
Chief Accountant/Preparer



  
Truong Thi Le Khanh  
Chairwoman  
26 March 2019

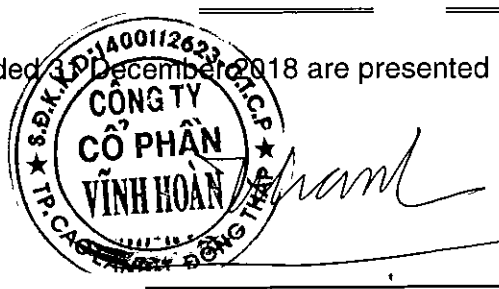
The notes on pages 9 to 40 are an integral part of these separate financial statements.

**SEPARATE CASH FLOW STATEMENT**  
**(Indirect method)**

Code	Note	For the year ended 31 December	
		2018 VND	2017 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>1,937,152,884,815</b>	<b>492,627,355,749</b>
		Net accounting profit before tax	
		Adjustments for:	
02	10	63,188,529,903	72,721,307,340
03		48,207,114,291	(59,511,989,432)
04	28	6,806,612,717	6,489,581,455
05		(569,283,219,070)	(49,136,821,869)
06	28	39,316,767,091	35,679,427,681
08		<b>1,525,388,689,747</b>	<b>498,868,860,924</b>
09		(758,874,049,758)	(211,834,975,506)
10		(549,522,938,981)	169,417,250,025
11		80,227,996,451	249,094,830,227
12		(10,329,984,142)	11,654,475,182
14		(38,038,921,018)	(35,679,427,681)
15	14	(72,363,093,480)	(78,909,022,202)
17	19, 20	(22,454,844,326)	(41,600,089,678)
20		<b>154,032,854,493</b>	<b>561,011,901,291</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21		(222,194,545,558)	(158,241,262,381)
22		51,400,362,849	349,558,105
23		(2,608,235,000,000)	(1,266,570,058,602)
24		2,225,151,795,275	829,939,254,000
25		(300,116,700,000)	(284,339,500,000)
26	4(b), (c)	11,930,625,000	19,172,808,000
27		590,792,681,071	39,190,199,207
30		<b>(251,270,781,363)</b>	<b>(820,499,001,671)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	22	10,380,718,000	-
33	16	3,908,639,308,194	3,134,022,299,033
34	16	(3,449,390,098,764)	(3,012,294,508,999)
36	23	(363,381,375,400)	(299,250)
40		<b>106,248,552,030</b>	<b>121,727,490,784</b>
50		<b>9,010,625,160</b>	<b>(137,759,609,596)</b>
60	3	<b>13,208,496,275</b>	<b>150,839,591,519</b>
61		(190,440,076)	128,514,352
70	3	<b>22,028,681,359</b>	<b>13,208,496,275</b>

Major non-cash transactions during the year ended 31 December 2018 are presented in Note 34.

  
 Ha Thi Phuong Thuy Hong Nhung  
 Chief Accountant/Preparer

  
 Truong Thi Le Khanh  
 Chairwoman  
 26 March 2019



The notes on pages 9 to 40 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE 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 with Enterprise code 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 HOSE.

The principal activities of the Company are growing domestic aquaculture; processing and preserving aquatic products and products making from aquatic products; trading aquatic products, materials serving the production and processing of aquatic products and processing of aquatic feed.

The normal business cycle of the Company 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
<b>Subsidiaries</b>				
Vinh Hoan 2 Food Co., Ltd.	Trading food	Tan An Hamlet, 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	Industrial Cluster Thanh Binh, Binh Thanh Commune, Thanh Binh District, Dong Thap Province	100%	100%
Vinh Phuoc Food Co., Ltd	Manufacturing and preserving aquatic products	An Phu Hamlet, An Nhon Commune, Chau Thanh District, Dong Thap Province	100%	-
<b>Associates</b>				
Van Duc Tien Giang Food Export Company	Trading aquatic products	Dong Hoa Hamlet, 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 separate financial statements**

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

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

Separately, the Company has also prepared consolidated financial statements for the Company and its subsidiaries (together referred to as “the Group”) in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiary undertakings – which are those companies over which the Group has the power to govern the financial and operating policies – have been fully consolidated.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for the year ended 31 December 2018 in order to obtain full information of the financial position and results of operations and cash flows of the Group.

**2.2 Fiscal year**

The Company’s fiscal year is from 1 January to 31 December.

**2.3 Currency**

The 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 recognized as income or expenses in the separate 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 Company 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 Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the separate income statement.

**2.4 Cash**

Cash comprises cash on hand and cash at banks.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Trade receivables**

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

**2.6 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.

The Company applies the perpetual method of 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 is recognised as an increase or decrease of operating expenses in the period.

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

Investments held to maturity are investments which the Board of 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 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.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Investments (continued)****(c) Investments in associates**

Associates are investments that the Company has significant influence but not control and would generally have from 20% to under 50% voting shares of the investee.

Investments in associates are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is a reduction in value of the investments.

**(d) 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.

**2.8 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 are as follows:

Plants and structures	6 – 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 separate income statement.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Fixed assets (continued)***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 Company'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.

**2.9 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.

**2.10 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.

**2.11 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.

**2.12 Borrowings**

Borrowings include borrowings from banks.

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

Borrowing costs are recognised in the income statement when incurred.

**2.13 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.14 Provisions**

Provisions are recognised when: the Company 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.

**2.15 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.

**2.16 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Company 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 Company 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 Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled 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 six-month period 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.

**2.17 Owners' capital**

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 Company's accumulated results after business income tax at the reporting date.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Appropriation of net profit***Dividend*

Dividend of the Company is recognised as a liability in the separate financial statements of the period in which the dividends are approved by the shareholders at the General Meeting.

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 Company's charter and Vietnamese regulations.

*Bonus and welfare fund*

Bonus and welfare fund is appropriated from the Company's net profit and subject to shareholders' approval at the Company'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 separate balance sheet.

**2.19 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 Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company 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 Company; 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 Company gives promotional goods to customers associated with customers' purchase, the Company 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 services**

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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Revenue recognition (continued)****(c) Interest income**

Interest income is recognised on an earned basis.

**(d) Dividend income**

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

**2.20 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.

**2.21 Cost of goods sold and services rendered**

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

**2.22 Financial expenses**

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

**2.23 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 expenses.

**2.24 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 expenses.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 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.

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.

**2.26 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 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 enterprise, key management personnel, including directors of the Company and 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 Company considers the substance of the relationship not merely the legal form.

**3 CASH**

	<b>2018</b> <b>VND</b>	<b>2017</b> <b>VND</b>
Cash on hand	271,849,959	170,342,583
Cash at banks	21,756,831,400	13,038,153,692
	<u>22,028,681,359</u>	<u>13,208,496,275</u>

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

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

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 16).

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 Co., Ltd., which expires on 30 January 2019.

**(b) Investments in subsidiaries**

	2018		2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Van Duc Tien Giang Food Export Company (i)	-	-	409,982,611,404	-
Thanh Binh Dong Thap One Member Co., Ltd. (ii)	341,143,345,033	-	258,000,000,000	-
Vinh Hoan Collagen Co., Ltd.	107,500,000,000	-	107,500,000,000	(45,478,795,264)
Vinh Hoan 2 Food Co., Ltd.	99,300,000,000	(99,300,000,000)	99,300,000,000	(87,495,506,885)
Octogone Holdings Pte., Ltd. (iii)	-	-	15,695,500,000	-
Vinh Phuoc Food Co., Ltd (iv)	300,000,000,000	(8,105,535,441)	-	-
	<u>847,943,345,033</u>	<u>(107,405,535,441)</u>	<u>890,478,111,404</u>	<u>(132,974,302,149)</u>

Details of principal activities and voting rights in these subsidiaries are presented in Note 1.

**4 INVESTMENT (continued)****(b) Investments in subsidiaries (continued)**

- (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 Food Export Company (“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 contribution to the charter capital increase. Under this agreement, the new investor shall contribute VND567,216,000,000 in cash and hold 65% ownership the new charter capital from 28 February 2018 onwards, the Company's ownership in Van Duc Tien Giang decreases from 100% to 35% correspondingly.

- (ii) In accordance with the Resolution of the Board of Directors on 24 September 2018, the Board of Directors approved the capital contribution under form of fixed assets including land use rights, assets attached on the land, motor vehicles, plant and buildings, and machinery at “Fish powder and fat-processing factory” to Thanh Binh Dong Thap One Member Co., Ltd., with the total revalued amount of VND83,143,345,033, increasing this company's charter capital from VND150,000,000,000 to VND233,143,345,033.
- (iii) In accordance with the Resolution of the Board of Directors on 10 February 2018, the Board of Directors approved the transfer of 525,501 shares of Octogone Holdings Pte., Ltd. to a new investor. Accordingly, the Company has signed an agreement with a new investor on the transfer of the aforementioned shares, reducing its ownership in Octogone Holdings Pte., Ltd. from 100% to 25% from 28 February 2018 onwards.
- (iv) In accordance with the Resolution of the Board of Directors on 29 August 2018, the Board of Directors approved the 100% capital contribution to establish Vinh Phuoc Food Co., Ltd. with the charter capital of VND300,000,000,000.

*Operational status of subsidiaries*

Vinh Hoan 2 Food Co., Ltd. is in the process of liquidation procedures at the date of these separate financial statements.

Other subsidiaries are operating in their normal course of business.

*Capital Commitment*

In 2012, the Company established Vinh Hoan 4 Co., Ltd. in accordance with Enterprise Registration Certificate No. 1401711796 dated 16 October 2013. As at the reporting date of these separate financial statements, the Company has not contributed its capital obligation to this company yet.

*Fair Value*

As at the reporting date of these separate financial statements, the Company has not had sufficient information to determine the fair value of these investments.

**4 INVESTMENT (continued)****(c) Investments in associates**

	2018		2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Van Duc Tien Giang Food Export Company (Note 4b(i))	409,982,611,404	-	-	-
Octogone Holdings Pte., Ltd. (Note 4b(iii))	3,764,875,000	-	-	-
	<u>413,747,486,404</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Operational status of associates*

The associates are operating in their normal course of business.

*Fair Value*

As at the reporting date of these separate financial statements, the Company has not had sufficient information to determine the fair value of these investments.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	2018 VND	2017 VND
Related parties (Note 35b(i))	86,586,271,670	27,249,650,035
Third parties (*)	1,897,838,918,079	1,244,666,550,647
	<u>1,984,425,189,749</u>	<u>1,271,916,200,682</u>

(\*) As at the date of these separate financial statements, the 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, 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 – 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.

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>2018 VND</b>	<b>2017 VND</b>
Related parties (Note 35b(ii))	-	14,599,380,000
Third parties (*)	50,345,994,497	6,613,232,430
	<u>50,345,994,497</u>	<u>21,212,612,430</u>

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

**7 SHORT-TERM LENDING**

The balance represents short-term lending to its related parties (Note 35b(iii)).

**8 OTHER SHORT-TERM RECEIVABLES**

	<b>2018 VND</b>	<b>2017 VND</b>
Related parties (Note 35b(iv))	9,865,064,733	15,160,188,950
Term deposit interest receivable	8,235,345,808	11,365,568,903
Advances	628,157,890	2,040,826,865
Social insurance receivable	4,813,746,466	3,825,237,245
Others	3,679,555,411	1,711,968,690
	<u>27,221,870,308</u>	<u>34,103,790,653</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**

	<b>2018</b>		<b>2017</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Raw materials	38,372,581,105	-	71,297,440,060	-
Tools and supplies	1,705,582,481	-	1,987,198,985	-
Work in progress	490,128,995,168	-	408,438,134,403	-
Finished goods	667,849,028,615	(100,189,739,746)	166,107,637,395	(27,653,787,102)
Merchandises	6,301,185,373	-	7,004,022,918	-
	<u>1,204,357,372,742</u>	<u>(100,189,739,746)</u>	<u>654,834,433,761</u>	<u>(27,653,787,102)</u>

**9 INVENTORIES (continued)**

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 Bank – 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:

	<b>2018 VND</b>	<b>2017 VND</b>
• Beginning of year	27,653,787,102	85,911,417,571
Increase	80,137,591,227	-
Reversal	(7,601,638,583)	(58,257,630,469)
End of year	<u>100,189,739,746</u>	<u>27,653,787,102</u>



**VINH HOAN CORPORATION**

Form B 09 – DN

10	FIXED ASSETS								
(a)	Tangible fixed assets		Plants and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND		
	<b>Historical cost</b>								
	As at 1 January 2018		366,768,437,061	558,355,927,175	23,826,699,722	5,292,892,772	954,243,956,730		
	New purchases		882,000,000	4,242,349,719	1,105,618,182	301,538,535	6,531,506,436		
	Transfers from construction in progress (Note 11)		84,832,939,036	24,871,545,802	7,655,340,000	1,030,674,898	118,390,499,736		
	Disposals		(36,704,871,241)	(8,816,975,380)	(2,554,536,763)	(159,600,000)	(48,235,983,384)		
	Capital contribution to a subsidiary (Note 4b(ii))		(29,625,171,512)	(90,841,859,025)	(6,276,340,231)	(127,000,000)	(126,870,370,768)		
	As at 31 December 2018		386,153,333,344	487,810,988,291	23,756,780,910	6,338,506,205	904,059,608,750		
	<b>Accumulated depreciation</b>								
	As at 1 January 2018		219,619,822,726	413,705,946,386	14,442,638,552	2,712,240,906	650,480,648,570		
	Charge for the year		28,446,572,116	29,865,340,668	3,227,230,990	1,024,571,610	62,563,715,384		
	Disposals		(35,620,760,060)	(7,556,243,855)	(2,554,536,763)	(26,600,000)	(45,758,140,678)		
	Capital contribution to a subsidiary (Note 4b(ii))		(10,253,254,766)	(43,767,555,932)	(3,639,972,370)	(90,449,991)	(57,751,233,059)		
	As at 31 December 2018		202,192,380,016	392,247,487,267	11,475,360,409	3,619,762,525	609,534,990,217		
	<b>Net book value</b>								
	As at 1 January 2018		147,148,614,335	144,649,980,789	9,384,061,170	2,580,651,866	303,763,308,160		
	As at 31 December 2018		183,960,953,328	95,563,501,024	12,281,420,501	2,718,743,680	294,524,618,533		

As at 31 December 2018, the Company's tangible fixed assets with a carrying value of VND81,960,252,604 were pledged to banks as securities for borrowings granted to the Company (Note 16).

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2018 was VND442,652,604,170 (As at 31 December 2017: VND409,988,327,623).

**10 FIXED ASSETS (continued)****(b) Intangible fixed assets**

	Land use rights VND	Computer Software VND	Total VND
<b>Historical cost</b>			
As at 1 January 2018	48,855,529,550	1,060,952,090	49,916,481,640
New purchases	-	56,875,000	56,875,000
Transfers from construction in progress (Note 11)	-	713,238,968	713,238,968
Capital contribution to a subsidiary (Note 4b(ii))	(5,126,117,900)	-	(5,126,117,900)
As at 31 December 2018	<u>43,729,411,650</u>	<u>1,831,066,058</u>	<u>45,560,477,708</u>
<b>Accumulated amortisation</b>			
As at 1 January 2018	2,592,899,408	898,662,337	3,491,561,745
Charge for the year	493,578,726	131,235,793	624,814,519
Capital contribution to a subsidiary (Note 4b(ii))	(499,458,708)	-	(499,458,708)
As at 31 December 2018	<u>2,587,019,426</u>	<u>1,029,898,130</u>	<u>3,616,917,556</u>
<b>Net book value</b>			
As at 1 January 2018	<u>46,262,630,142</u>	<u>162,289,753</u>	<u>46,424,919,895</u>
As at 31 December 2018	<u>41,142,392,224</u>	<u>801,167,928</u>	<u>41,943,560,152</u>

As at 31 December 2018, the Company's land use rights with carrying value of VND11,882,009,488 (As at 31 December 2017: VND16,804,180,481) were pledged to banks as securities for borrowings granted to the Company (Note 16).

Historical cost of fully amortised intangible fixed assets as at 31 December 2018 and 31 December 2017 was VND705,229,790.

**11 CONSTRUCTION IN PROGRESS**

	2018 VND	2017 VND
Expenses related to fishponds	114,810,090,342	8,075,085,440
Acquisition of fixed assets	46,496,863,460	74,968,083,363
Houses built for employees	29,729,447,831	29,665,486,286
Hall and garage	-	18,652,295,059
Water processing system	-	8,102,727,273
Other construction in progress at head office	13,040,429,061	19,498,322,570
	<u>204,076,830,694</u>	<u>158,961,999,991</u>

**11 CONSTRUCTION IN PROGRESS (continued)**

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

	2018 VND	2017 VND
Beginning of year	158,961,999,991	98,639,026,467
Increases	220,767,991,590	140,896,795,494
Transfers to tangible fixed assets (Note 10(a))	(118,390,499,736)	(75,824,337,497)
Transfers to intangible fixed assets (Note 10(b))	(713,238,968)	-
Transfers to long-term prepaid expenses	(5,760,406,733)	(308,350,000)
Disposals	(48,083,164,200)	-
Other decreases	(2,705,851,250)	(4,441,134,473)
End of year	<u>204,076,830,694</u>	<u>158,961,999,991</u>

**12 LONG-TERM PREPAID EXPENSES**

	2018 VND	2017 VND
Land rental	8,505,961,397	9,301,641,401
Reinforcing fisheries	7,635,739,393	8,491,455,777
Professional services fee	7,407,596,557	3,030,266,668
Office renovation	2,172,873,851	2,990,407,732
Others	8,631,467,493	9,716,118,733
	<u>34,353,638,691</u>	<u>33,529,890,311</u>

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	2018		2017	
	Value VND	Repayment capability VND	Value VND	Repayment capability VND
Third parties (*)	189,638,518,404	189,638,518,404	137,775,682,659	137,775,682,659
Related parties (Note 35b(v))	32,495,462,024	32,495,462,024	18,722,243,839	18,722,243,839
	<u>222,133,980,428</u>	<u>222,133,980,428</u>	<u>156,497,926,498</u>	<u>156,497,926,498</u>

(\*) Details of suppliers accounting for 10% or more of the total trade payables balance are as below:

	2018 VND	2017 VND
Mr. Dinh Van Can	22,585,900,490	-
Pilmico Feeds Vietnam Joint Stock Company	21,798,142,740	36,041,068,423
Mr. Tran Van Khuonl	6,214,540,180	23,758,592,230
Mr. Dang Van Vien	1,689,403,900	5,355,831,100

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

**14 TAX AND OTHER PAYABLES TO THE STATE BUDGET**

	<b>2018</b>	<b>2017</b>
	<b>VND</b>	<b>VND</b>
Business income tax – current	224,473,351,698	71,103,770,431
Personal income tax	8,109,765,477	2,554,696,524
	<u>232,583,117,175</u>	<u>73,658,466,955</u>

Movements in tax and other payables to the State Budget during the year were as follows:

	<b>As at</b>	<b>Payable during</b>	<b>Paid during</b>	<b>As at</b>
	<b>1.1.2018</b>	<b>the year</b>	<b>the year</b>	<b>31.12.2018</b>
Business income tax -				
current	71,103,770,431	225,732,674,747	(72,363,093,480)	224,473,351,698
Personal income tax	2,554,696,524	17,618,808,564	(12,063,739,611)	8,109,765,477
Others	-	166,074,451	(166,074,451)	-
	<u>73,658,466,955</u>	<u>243,517,557,762</u>	<u>(84,592,907,542)</u>	<u>232,583,117,175</u>

**15 OTHER SHORT-TERM PAYABLES**

	<b>2018</b>	<b>2017</b>
	<b>VND</b>	<b>VND</b>
Payables to related parties (Note 35b(vi))	649,666,424,561	648,746,021,290
Payables to the Trade Union (*)	28,753,988,040	27,753,988,040
Union fee	19,418,658,126	16,337,380,692
Dividends payable (Note 23)	329,605,650	179,712,750
Payment on behalf	-	9,115,680,218
Others	15,386,481,719	8,626,138,656
	<u>713,555,158,096</u>	<u>710,758,921,646</u>

(\*) This is an 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 2017, the Company did not have other payables balances that were past due.

## 16 BORROWINGS

	2018		2017	
	Value VND	Repayment capability VND	Value VND	Repayment capability VND
Short-term loans (*)	1,087,981,213,493	1,087,981,213,493	570,732,004,063	570,732,004,063
Long-term loans	-	-	58,000,000,000	58,000,000,000

Movements of borrowings during the year were as follows:

	As at 1.1.2018 VND	Increase VND	Decrease VND	As at 31.12.2018 VND
Short-term loans	570,732,004,063	3,900,276,782,717	(3,383,027,573,287)	1,087,981,213,493
Long-term loans	58,000,000,000	8,362,525,477	(66,362,525,477)	-

As at 31 December 2018 and 31 December 2017, there was no balance of short-term borrowings that was past due.

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

	2018 VND	2017 VND
HSBC Bank (Vietnam) Limited (i)	238,280,000,000	253,539,039,761
ANZ Bank (Vietnam) Limited - Ho Chi Minh City Branch (ii)	320,728,673,762	158,106,286,108
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch (iii)	289,401,045,615	144,972,480,421
Bank for Investment and Development of Vietnam JSC ("BIDV") - Tien Giang Branch (iv)	239,571,494,116	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Thap Branch	-	14,114,197,773
	<u>1,087,981,213,493</u>	<u>570,732,004,063</u>

- (i) 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 5) and inventories (Note 9).
- (ii) The balance represents borrowings in VND 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 5) and inventories (Note 9).
- (iii) 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 the assets attached to the land including the Company's factory workshops 1, 2 and 3 (Note 10).

**16 BORROWINGS (continued)**

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

- (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 short-term deposits and the associated interest at BIDV - Tien Giang Branch, amounting to VND63,140,000,000 (Note 4).

**17 PROVISION FOR LONG-TERM LIABILITIES**

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

**18 DEFERRED INCOME TAX**

	2018 VND	2017 VND
• Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	2,256,769,400	2,313,831,770

Movements in the deferred income tax during the year were as follows:

	2018 VND	2017 VND
Beginning of year	2,313,831,770	6,143,236,098
Separate income statement credit/(charge) (Note 32)	(57,062,370)	(3,829,404,328)
End of year	2,256,769,400	2,313,831,770

Deferred tax assets mainly come from provision for severance allowance and temporary differences due to foreign currency translation at year-end.

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

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

**19 BONUS AND WELFARE FUND**

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

	2018 VND	2017 VND
Beginning of year	47,270,774,848	48,870,864,526
Appropriation (Note 22)	10,941,230,243	40,000,000,000
Utilisation	(22,171,350,326)	(41,600,089,678)
Allocation to companies in the Group	(2,810,000,000)	-
End of year	33,230,654,765	47,270,774,848

**20 FUND FOR SCIENCE AND TECHNOLOGY DEVELOPMENT**

Movements of fund for Science and Technology development during the year were as follows:

	<b>2018</b>	<b>2017</b>
	<b>VND</b>	<b>VND</b>
Beginning of year	-	-
Appropriation (*)	10,000,000,000	-
Utilisation	(265,650,000)	-
End of year	<u>9,734,350,000</u>	<u>-</u>

(\*) In accordance with the Resolution of the Board of Directors on 22 January 2018, the Board approved to appropriate Fund for Science and Technology Development of VND10,000,000,000.

**21 OWNERS' CAPITAL****(a) Number of shares**

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

**(b) Movement of share capital**

	Number of share capital	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2017, 31 December 2017 and 31 December 2018	<u>92,403,943</u>	<u>924,039,430,000</u>	<u>-</u>	<u>924,039,430,000</u>

Par value per share: VND10,000.

VINH HOAN CORPORATION

Form B 09 – DN

22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Undistributed earnings VND	Total VND
As at 1 January 2017	924,039,430,000	216,409,744,645	(3,015,672,745)	1,001,125,900,647	2,138,559,402,547
Net profit for the year	-	-	-	417,365,819,202	417,365,819,202
Appropriation to bonus and welfare fund	-	-	-	(40,000,000,000)	(40,000,000,000)
As at 31 December 2017	924,039,430,000	216,409,744,645	(3,015,672,745)	1,378,491,719,849	2,515,925,221,749
Net profit for the year	-	-	-	1,711,363,147,698	1,711,363,147,698
Treasury shares re-issued (*)	-	7,365,045,255	3,015,672,745	-	10,380,718,000
2017 dividends declared (Note 23) (**)	-	-	-	(184,603,766,000)	(184,603,766,000)
2018 interim dividends declared (Note 23) (***)	-	-	-	(184,726,166,000)	(184,726,166,000)
Appropriation to bonus and welfare fund (Note 19) (****)	-	-	-	(10,941,230,243)	(10,941,230,243)
As at 31 December 2018	924,039,430,000	223,774,789,900	-	2,709,583,705,304	3,857,397,925,204

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

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

(\*\*\*) In accordance with the Resolution of the Board of Directors dated 23 November 2018, the Board of Directors approved the 20% interim 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 Company appropriated an amount of VND10,941,230,243 from 2017's profit after tax to the bonus and welfare fund during the year ended 31 December 2018.



**23 DIVIDENDS**

Movements of dividend payable during the year were as follows:

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

**24 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 2017 are presented in Note 36.

**(b) Foreign currencies**

	<b>2018</b>	<b>2017</b>
United States Dollar ("USD")	768,438.32	343,668.09
Euro ("EUR")	305.85	56,712.47
Chinese Yuan Renminbi ("CNY")	3,308.20	3,436
	<u>768,438.32</u>	<u>343,668.09</u>

**25 REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	<b>2018 VND</b>	<b>2017 VND</b>
<b>Revenue</b>		
Revenue from sales of finished goods	5,910,650,899,895	4,068,332,537,998
Revenue from sales of by-products	893,802,764,631	895,195,935,772
Revenue from sales of merchandises	871,501,083,119	565,164,177,544
Revenue from rendering of services	152,187,504,046	93,775,077,605
Revenue from sales of raw materials	13,309,865,561	14,129,780,086
	<u>7,841,452,117,252</u>	<u>5,636,597,509,005</u>
<b>Deductions</b>		
Sales returns	(2,858,558,079)	(16,573,847,603)
Sales allowances	(90,155,064,109)	(815,483,189)
	<u>(93,013,622,188)</u>	<u>(17,389,330,792)</u>
<b>Net revenue from sales of goods and rendering of services</b>	<u><b>7,748,438,495,064</b></u>	<u><b>5,619,208,178,213</b></u>

**26 COST OF GOODS SOLD AND SERVICES RENDERED**

	<b>2018 VND</b>	<b>2017 VND</b>
Cost of finished goods sold	4,267,074,268,041	3,469,811,669,069
Cost of by-products sold	863,458,066,790	810,999,791,422
Cost of merchandise sold	827,545,012,010	535,341,599,705
Cost of services rendered	14,673,008,911	-
Cost of raw materials sold	13,288,450,626	14,921,242,500
Provision/(reversal of provision) for decline in value of inventories	72,535,952,644	(58,257,630,469)
	<u>6,058,574,759,022</u>	<u>4,772,816,672,227</u>

**27 FINANCIAL INCOME**

	<b>2018 VND</b>	<b>2017 VND</b>
Dividends received (*)	504,691,431,352	1,192,168,240
Interest income from deposits	64,821,187,004	20,559,048,742
Realised foreign exchange gains	56,651,305,075	20,083,778,049
Interest income from lending (Note 35a(ix))	25,786,155,836	24,663,710,000
Interest income on the advances for purchases of raw materials	4,124,353,199	4,810,171,495
Income from divestments	-	3,195,468,000
Other financial income	89,910,006	184,182,305
	<u>656,164,342,472</u>	<u>74,688,526,831</u>

(\*) In accordance with the Resolution of the Board of Directors on 9 February 2018, and the Resolution of the Board of Members of Van Duc Tien Giang, Van Duc Tien Giang declared profit distribution to the Company with the distribution amount being the undistributed earnings of Van Duc Tien Giang as at the end of February 2018, amounting to VND497,829,865,192.

**28 FINANCIAL EXPENSES**

	<b>2018 VND</b>	<b>2017 VND</b>
Interest expenses	39,316,767,091	35,679,427,681
Financial support for a subsidiary (Note 35a(x))	38,651,286,693	-
Realised foreign exchange losses	33,204,414,620	6,995,682,474
Net loss from foreign currency translation at year-end	6,806,612,717	6,533,022,482
(Reversal of provision)/provision for diminution in value of investments	(25,478,857,533)	32,324,501,444
Others	-	779,801
	<u>92,500,223,588</u>	<u>81,533,413,882</u>

**29 SELLING EXPENSES**

	<b>2018 VND</b>	<b>2017 VND</b>
Transportation, storage and other outsourced service expenses	158,475,806,852	185,452,810,227
Exhibition and advertising expenses	18,675,463,164	37,023,216,602
Staff costs	10,131,132,017	13,052,694,405
Others	36,043,287,487	35,186,802,963
	<u>223,325,689,520</u>	<u>270,715,524,197</u>

**30 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2018 VND</b>	<b>2017 VND</b>
Staff costs	35,917,106,525	31,838,783,454
Appropriation to Fund for Science and Technology Development	10,000,000,000	-
Depreciation and amortisation	8,711,816,505	10,299,658,022
Office tools and supplies	5,959,461,833	5,428,226,280
Others	39,066,909,269	33,138,071,731
	<u>99,655,294,132</u>	<u>80,704,739,487</u>

**31 NET OTHER INCOME**

	<b>2018 VND</b>	<b>2017 VND</b>
<b>Other income</b>		
Gains on revaluation of assets contributed to a subsidiary	7,360,253,964	-
Gains on disposal of fixed assets	1,151,124,408	349,558,105
Income from sales of scraps	709,747,728	1,320,715,638
Write-off of payables	-	3,037,979,881
Others	2,415,722,425	2,975,502,452
	<u>11,636,848,525</u>	<u>7,683,756,076</u>
<b>Other expenses</b>		
Fines	782,281,403	1,888,257,503
Others	4,248,553,581	1,294,498,075
	<u>5,030,834,984</u>	<u>3,182,755,578</u>
<b>Net other income</b>	<u><b>6,606,013,541</b></u>	<u><b>4,501,000,498</b></u>

**32 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 at 15% for aquaculture processing activities.

The Company's other activities are subject to BIT rate of 20%.

The tax on the Company'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	1,937,152,884,815	492,627,355,749
Tax calculated at a rate of 20%	387,430,576,963	98,525,471,150
• Effects of:		
Income not subject to tax	(100,938,286,270)	-
Non-deductible expenses	587,932,502	592,677,059
Tax incentive	(62,221,447,339)	(23,856,611,662)
Under-provision in previous years	930,961,261	-
Business income tax charge (*)	<u>225,789,737,117</u>	<u>75,261,536,547</u>
Charged to income statement:		
Business income tax – current	225,732,674,747	71,432,132,219
Business income tax – deferred (Note 18)	57,062,370	3,829,404,328
	<u>225,789,737,117</u>	<u>75,261,536,547</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.

**33 COST OF OPERATION BY FACTOR**

	2018 VND	2017 VND
Raw materials	6,264,641,775,896	3,775,785,795,178
Outsourced service expenses	768,788,299,722	325,243,735,423
Labour costs	550,863,954,401	510,667,808,406
Depreciation and amortisation	62,959,049,171	72,575,928,552
Other cash expenses	160,523,933,455	157,652,520,869
	<u>7,807,777,012,645</u>	<u>4,841,925,788,428</u>

**34 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT****(a) Non-cash transactions affect the cash flow statement**

	<b>2018 VND</b>	<b>2017 VND</b>
Capital contribution to subsidiary by fixed assets	83,143,345,033	-
Purchases of fixed assets not yet paid	5,161,827,468	-
	<u>                                    </u>	<u>                                    </u>

**(b) Amount of loan actually withdrawn during the year**

	<b>2018 VND</b>	<b>2017 VND</b>
Proceeds from borrowings following normal borrowing contracts	3,908,639,308,194	3,134,022,299,033
	<u>  </u>	<u>  </u>

**(c) Amount of loan principal actually paid during the year**

	<b>2018 VND</b>	<b>2017 VND</b>
Repayments for borrowings following normal borrowing contracts	3,449,390,098,764	3,012,294,508,999
	<u>  </u>	<u>  </u>

**35 RELATED PARTY DISCLOSURES****(a) Related party transactions**

During the year, the following major transactions were carried out with related parties:

	<b>2018 VND</b>	<b>2017 VND</b>
<b>i) Sales of goods and rendering of services</b>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	490,815,602,707	24,671,819,394
Vinh Hoan Collagen Co., Ltd.	18,961,521,557	14,235,776,384
Vinh Phuoc Food Co., Ltd	521,604,494	-
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	59,945,029,631	78,752,195,183
<b>Other related parties</b>		
Van Duc Food Co., Ltd.	7,680,167,188	2,288,717,770
	<u>  </u>	<u>  </u>
	<u>577,923,925,577</u>	<u>119,948,508,731</u>

## 35 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	2018 VND	2017 VND
<b>ii) Purchases of goods and services</b>		
<b>Subsidiaries</b>		
Vinh Hoan Collagen Co., Ltd.	282,542,963,915	155,632,644,190
Thanh Binh Dong Thap One Member Co., Ltd.	121,857,906,989	106,646,925,505
Vinh Phuoc Food Co., Ltd.	33,289,819,093	-
Vinh Hoan 2 Food Co., Ltd.	2,789,363,800	10,063,612,100
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	18,060,393,181	16,825,334,533
<b>Other related parties</b>		
Individuals	44,128,540,120	11,654,404,940
	<u>502,668,987,098</u>	<u>300,822,921,268</u>
<b>iii) Purchases of fixed assets</b>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	-	119,090,300
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	-	20,000,000
	<u>-</u>	<u>139,090,300</u>
<b>iv) Sales of fixed assets</b>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	100,000,000	100,000,000
Vinh Phuoc Food Co., Ltd.	100,000,000	-
Vinh Hoan Collagen Co., Ltd.	-	13,194,468
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	51,152,531,314	-
Van Duc Food Co., Ltd	-	90,909,091
	<u>51,352,531,314</u>	<u>204,103,559</u>
<b>v) Capital contribution (Note 4(b))</b>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	83,143,345,033	258,000,000,000
Vinh Phuoc Food Co., Ltd.	300,000,000,000	-
Vinh Hoan Collagen Co., Ltd.	-	15,000,000,000
<b>Associates</b>		
Octogone Holdings Pte., Ltd.	-	11,339,500,000
	<u>383,143,345,033</u>	<u>284,339,500,000</u>

## 35 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	2018 VND	2017 VND
<b>vi) Divestment</b>		
<b>Subsidiaries</b>		
Octogone Holdings Pte., Ltd. (Note 4(b))	11,930,625,000	-
<b>Other related parties</b>		
Cuu Long Seaproducts Company	-	15,977,340,000
	<u>11,930,625,000</u>	<u>15,977,340,000</u>
<b>vii) Dividend received</b>		
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	497,829,865,192	-
Octogone Holdings Pte., Ltd.	6,000,000,000	-
	<u>503,829,865,192</u>	<u>-</u>
<b>viii) Short-term lending</b>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	311,200,000,000	449,573,000,000
Vinh Hoan Collagen Co., Ltd	282,400,000,000	46,800,000,000
Vinh Phuoc Food Co., Ltd	167,685,000,000	-
Vinh Hoan 2 Food Co., Ltd.	58,230,000,000	10,190,000,000
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	171,000,000,000	160,000,000,000
	<u>990,515,000,000</u>	<u>666,563,000,000</u>
<b>ix) Interest income from lending (Note 27)</b>		
<b>Subsidiaries</b>		
Vinh Hoan Collagen Co., Ltd.	10,371,175,000	7,815,757,000
Thanh Binh Dong Thap One Member Co., Ltd	6,205,718,000	10,312,871,000
Vinh Hoan 2 Food Co., Ltd.	4,179,190,000	4,277,509,000
Vinh Phuoc Food Co., Ltd.	2,024,203,836	-
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	3,005,869,000	2,257,573,000
	<u>25,786,155,836</u>	<u>24,663,710,000</u>
<b>x) Financial support for a subsidiary (Note 28)</b>		
<b>Subsidiaries</b>		
Vinh Hoan 2 Food Co., Ltd.	38,651,286,693	-

## 35 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	2018 VND	2017 VND
<i>xi) Compensation of key management</i>		
Gross salaries and other benefits	25,474,908,560	30,367,970,000

## (b) Year end balances with related parties

	2018 VND	2017 VND
<i>i) Short-term trade accounts receivable (Note 5)</i>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	71,600,671,006	-
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	11,869,754,315	26,804,768,771
<b>Other related parties</b>		
Van Duc Food Co., Ltd.	3,115,846,349	444,881,264
	<u>86,586,271,670</u>	<u>27,249,650,035</u>
<i>ii) Short-term prepayment to suppliers (Note 6)</i>		
Individuals	-	14,599,380,000
<i>iii) Short-term lending (Note 7)</i>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	306,993,746,000	232,993,746,000
Vinh Hoan Collagen Co., Ltd.	245,350,000,000	121,950,000,000
Vinh Phuoc Food Co., Ltd.	152,685,000,000	-
Vinh Hoan 2 Food Co., Ltd.	-	90,490,000,000
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	-	135,000,000,000
	<u>705,028,746,000</u>	<u>580,433,746,000</u>



## 35 RELATED PARTY DISCLOSURES (continued)

## (b) Year end balances with related parties (continued)

	2018 VND	2017 VND
<i>iv) Other short-term receivables (Note 8)</i>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	1,596,134,415	1,708,437,506
Vinh Hoan Collagen Co., Ltd.	1,212,414,000	527,563,000
Vinh Phuoc Food Co., Ltd.	737,115,000	-
Vinh Hoan 2 Food Co., Ltd.	-	10,911,529,500
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	94,039,000	507,423,000
Octogone Holdings Pte. Ltd.	6,000,000,000	-
<b>Other related parties</b>		
Board of Management and Directors	225,362,318	1,505,235,944
	<u>9,865,064,733</u>	<u>15,160,188,950</u>
<i>v) Short-term trade accounts payable (Note 13)</i>		
<b>Subsidiaries</b>		
Vinh Hoan Collagen Co., Ltd.	27,547,809,069	14,985,193,830
Vinh Phuoc Food Co., Ltd.	4,947,652,955	-
Thanh Binh Dong Thap One Member Co., Ltd.	-	2,844,616,489
Vinh Hoan 2 Food Co., Ltd.	-	892,433,520
	<u>32,495,462,024</u>	<u>18,722,243,839</u>
<i>vi) Other short-term payables (Note 15)</i>		
<b>Subsidiaries</b>		
Thanh Binh Dong Thap One Member Co., Ltd.	455,110,843,598	159,484,602,688
Vinh Hoan Collagen Co., Ltd.	1,310,000,000	-
<b>Associates</b>		
Van Duc Tien Giang Food Export Company	165,203,561,518	477,668,095,243
<b>Other related parties</b>		
Van Duc Food Co., Ltd.	28,042,019,445	11,593,323,359
	<u>649,666,424,561</u>	<u>648,746,021,290</u>

**36 OPERATING LEASES COMMITMENTS**

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

	<b>2018</b> <b>VND</b>	<b>2017</b> <b>VND</b>
Within one year	4,723,752,054	4,722,515,940
Between one and five years	18,895,008,214	18,890,063,762
Over five years	25,922,371,221	30,634,998,256
Total minimum payments	<u>49,541,131,489</u>	<u>54,247,577,958</u>

**37 COMPARATIVE FIGURES**


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

**38 SUBSEQUENT EVENTS**

Pursuant to the Resolution of the Board of Directors on 2 January 2019, the Board approved the capital contribution of 45%, 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 Food 2 Co., Ltd. This dissolution would be carried out within 180 days from the date of the dissolution decision.

The separate financial statements were approved by the Board of Management on 26 March 2019.



Ha Thi Phuong Thuy Hong Nhung  
Chief Accountant/Preparer




Trương Thị Lê Khanh  
Chairwoman