

CHAPTER

06

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS UNDER VAS

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**CONSOLIDATED FINANCIAL STATE****CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****PREPARED IN ACCORDING WITH VIETNAMESE ACCOUNTING STANDARDS****VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS  
SUBSIDIARIES CORPORATE INFORMATION****Business Registration**

4103001932

20 November 2003

**Certificate No.**

0300588569

6 December 2022

The Company's business registration certificate has been amended several times, the most recent of which is by the Business Registration Certificate No. 0300588569 dated 6 December 2022. The business registration certificate and its updates were issued by Ho Chi Minh City Planning and Investment Department.

**Board of Directors**

Mr. Nguyen Hanh Phuc

Chairman

*(from 26 April 2022)*

Mdm. Le Thi Bang Tam

Chairwoman

*(from 26 April 2022)*

Mdm. Mai Kieu Lien

Member

Mr. Lee Meng Tat

Member

Ms. Dang Thi Thu Ha

Member

Mr. Le Thanh Liem

Member

Mr. Michael Chye Hin Fah

Member

Mr. Do Le Hung

Member

Mr. Alain Xavier Cany

Member

Ms. Tieu Yen Trinh

Member

Mr. Hoang Ngoc Thach

Member

**Board of Management**

Mdm. Mai Kieu Lien

Chief Executive Officer

Ms. Bui Thi Huong

Executive Director – Human Resource  
– Administration and Public Relation

Mr. Mai Hoai Anh

Executive Director – Sales

*(until 31 October 2022)*

Mr. Le Thanh Liem

Executive Director – Finance

Mr. Nguyen Quang Tri

Executive Director – Marketing

Mr. Le Hoang Minh

Executive Director – Production

Mr. Nguyen Quoc Khanh

Executive Director – Research  
and Development

Mr. Trinh Quoc Dung

Executive Director –  
Raw Materials Development**Registered Office  
Auditor**10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam  
KPMG Limited Vietnam

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES CORPORATE INFORMATION

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

The Board of Management is responsible for the consolidated financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of the consolidated results of operations and consolidated 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 judgments 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 maintained, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable these consolidated financial statements to be prepared which comply with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements set out on pages 107 to 164 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

On behalf of the Board of Management



A red circular stamp of Vietnam Dairy Products Joint Stock Company. The stamp contains the text: "M.S.D.N. 0300588569" at the top, "CÔNG TY CỔ PHẦN SỮA VIỆT NAM" in the center, and "QUẬN 7 - TP. HỒ CHÍ MINH" at the bottom. A blue ink signature is written over the stamp.

**Mai Kieu Lien**  
Chief Executive Officer

Ho Chi Minh City, 28 February 2023



KPMG Limited Branch  
10th Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
+84 (28) 3821 9266 | kpmg.com.vn

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS

#### VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

We have audited the accompanying consolidated financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 28 February 2023, as set out on pages 107 to 164.

### MANAGEMENT’S RESPONSIBILITY

The Company’s Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of the 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 these 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the 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 Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company’s Board of Management, as well as evaluating the overall presentation of the 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 give a true and fair view, in all material respects, of the consolidated financial position of Vietnam Dairy Products Joint Stock Company and its subsidiaries as at 31 December 2022 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

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

Audit Report No.: 22-01-00293-22-6



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### Nelson Rodriguez Casihan

#### Practicing Auditor Registration

Certificate No. 2225-2023-007-1  
Deputy General Director

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### Ha Vu Dinh

#### Practicing Auditor Registration

Certificate No. 0414-2023-007-1

Ho Chi Minh City, 28 February 2023

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Consolidated statement of financial position as at 31 December 2022****Form B 01 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>ASSETS</b>				
<b>Current assets (100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>31,560,382,174,201</b>	<b>36,109,910,649,785</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>2,299,943,527,624</b>	<b>2,348,551,874,348</b>
Cash	111		1,327,429,518,437	1,187,350,251,579
Cash equivalents	112		972,514,009,187	1,161,201,622,769
<b>Short-term financial investments</b>	<b>120</b>		<b>17,414,055,328,683</b>	<b>21,025,735,779,475</b>
Trading securities	121	V.4(a)	1,159,355,253	1,119,781,812
Allowance for diminution in the value of trading securities	122	V.4(a)	(689,745,197)	(666,201,430)
Held-to-maturity investments	123	V.4(b)	17,413,585,718,627	21,025,282,199,093
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>6,100,402,870,854</b>	<b>5,822,028,742,791</b>
Accounts receivable from customers	131		4,633,942,510,271	4,367,766,482,060
Prepayments to suppliers	132		589,439,884,812	655,822,646,219
Other short-term receivables	136	V.3(a)	890,466,200,571	810,697,107,773
Allowance for doubtful debts	137	V.2	(13,445,724,800)	(12,257,493,261)
<b>Inventories</b>	<b>140</b>	<b>V.5</b>	<b>5,537,563,396,117</b>	<b>6,773,071,634,017</b>
Inventories	141	V.5	5,560,169,453,504	6,820,486,391,670
Allowance for inventories	149	V.5	(22,606,057,387)	(47,414,757,653)
<b>Other current assets</b>	<b>150</b>		<b>208,417,050,923</b>	<b>140,522,619,154</b>
Short-term prepaid expenses	151	V.11(a)	97,570,693,043	57,272,673,101
Deductible value added tax	152		89,204,099,539	79,012,114,725
Taxes receivable from State Treasury	153		21,642,258,341	4,237,831,328

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Consolidated statement of financial position as at 31 December 2022 (continued)****Form B 01 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>16,922,282,062,019</b>	<b>17,222,492,788,434</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>38,422,722,715</b>	<b>16,695,104,495</b>
Other long-term receivables	216	V.3(b)	38,422,722,715	16,695,104,495
<b>Fixed assets</b>	<b>220</b>		<b>11,903,207,642,940</b>	<b>12,706,598,557,849</b>
Tangible fixed assets	221	V.6	10,860,366,507,422	11,620,094,589,519
Cost	222		28,502,157,270,867	27,645,343,065,556
Accumulated depreciation	223		(17,641,790,763,445)	(16,025,248,476,037)
Intangible fixed assets	227	V.7	1,042,841,135,518	1,086,503,968,330
Cost	228		1,353,423,614,905	1,341,664,803,067
Accumulated amortisation	229		(310,582,479,387)	(255,160,834,737)
<b>Investment property</b>	<b>230</b>	<b>V.8</b>	<b>57,593,807,783</b>	<b>60,049,893,676</b>
Cost	231		98,822,678,885	98,822,678,885
Accumulated depreciation	232		(41,228,871,102)	(38,772,785,209)
<b>Long-term work in progress</b>	<b>240</b>		<b>1,805,129,940,386</b>	<b>1,130,023,695,910</b>
Long-term work in progress	241	V.9	334,547,387,349	295,204,758,395
Construction in progress	242	V.10	1,470,582,553,037	834,818,937,515
<b>Long-term financial investments</b>	<b>250</b>		<b>742,670,306,431</b>	<b>743,862,023,831</b>
Investments in associates, joint venture	252	V.4(c)	664,302,778,018	661,023,754,422
Equity investments in other entities	253	V.4(c)	101,950,219,081	101,921,059,081
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(23,582,690,668)	(19,082,789,672)
<b>Other non-current assets</b>	<b>260</b>		<b>2,375,257,641,764</b>	<b>2,565,263,512,673</b>
Long-term prepaid expenses	261	V.11(b)	772,804,663,141	725,108,101,375
Deferred tax assets	262	V.12(a)	34,985,203,461	27,147,520,911
Goodwill	269	V.13	1,567,467,775,162	1,813,007,890,387
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>48,482,664,236,220</b>	<b>53,332,403,438,219</b>

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Consolidated statement of financial position as at 31 December 2022 (continued)****Form B 01 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>15,666,145,881,135</b>	<b>17,482,289,188,835</b>
<b>Current liabilities</b>	<b>310</b>		<b>15,308,423,081,524</b>	<b>17,068,416,995,519</b>
Accounts payable to suppliers	311	V.14	4,284,158,390,163	4,213,887,652,294
Advances from customers	312		161,708,567,120	66,036,392,886
Taxes payable to State Treasury	313	V.16	598,135,128,295	648,146,741,635
Payables to employees	314		287,914,221,269	304,671,997,074
Accrued expenses	315	V.17	1,620,874,538,443	1,817,263,017,920
Short-term unearned revenue	318		4,161,405,120	3,983,400,698
Other short-term payables	319	V.18	3,055,541,590,234	114,417,067,658
Short-term borrowings	320	V.15(a)	4,867,129,839,103	9,382,354,118,118
Provision	321	V.19	26,635,759,312	10,290,982,323
Bonus and welfare fund	322	V.20	402,163,642,465	507,365,624,913
<b>Long-term liabilities</b>	<b>330</b>		<b>357,722,799,611</b>	<b>413,872,193,316</b>
Other long-term payables	337	V.18	3,711,780,002	21,900,931,811
Long-term borrowings	338	V.15(b)	66,028,725,000	75,636,000,000
Deferred tax liabilities	341	V.12(b)	287,982,294,609	316,335,261,505
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>32,816,518,355,085</b>	<b>35,850,114,249,384</b>
<b>Owners' equity</b>	<b>410</b>	<b>V.21</b>	<b>32,816,518,355,085</b>	<b>35,850,114,249,384</b>
Share capital	411	V.22	20,899,554,450,000	20,899,554,450,000
Share premium	412		34,110,709,700	34,110,709,700

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



**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Consolidated statement of financial position as at 31 December 2022 (continued)

Form B 01 - DN/HN

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

	Code	Note	31/12/2022 VND	1/1/2022 VND
Other capital	414		202,658,418,215	202,658,418,215
Foreign exchange differences	417		92,498,048,227	253,569,601
Investment and development fund	418		5,266,761,584,973	4,352,441,335,060
Retained profits	421		3,353,468,092,666	7,594,260,378,375
-Retained profits brought forward	421a		2,682,865,082,625	2,521,098,332,953
-Profit for the current year	421b		670,603,010,041	5,073,162,045,422
Non-controlling interest	429		2,967,467,051,304	2,766,835,388,433
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>48,482,664,236,220</b>	<b>53,332,403,438,219</b>

28 February 2023

Prepared by:


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

Approved by:


**Mai Kieu Lien**

Chief Executive Officer

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Consolidated statement of financial position as at 31 December 2022

Form B 02 - DN/HN

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

	Code	Note	2022 VND	2021 VND
Revenue from sales of goods and provision of services	01	VI.1	60,074,730,223,299	61,012,074,147,764
Revenue deductions	02	VI.1	118,483,025,881	92,909,301,618
Net revenue (10 = 01 - 02)	10	VI.1	59,956,247,197,418	60,919,164,846,146
Cost of sales	11	VI.2	36,059,015,690,711	34,640,863,353,839
Gross profit (20 = 10 - 11)	20		23,897,231,506,707	26,278,301,492,307
Financial income	21	VI.3	1,379,904,407,740	1,214,683,819,394
Financial expenses	22	VI.4	617,537,182,995	202,338,232,232
<i>In which: Interest expense</i>	23		166,039,091,744	88,799,090,663
Share of loss in associates and joint venture	24	V.4(c)	(24,475,976,403)	(45,044,429,889)
Selling expenses	25	VI.5	12,548,212,246,871	12,950,670,402,404
General and administration expenses	26	VI.6	1,595,845,681,078	1,567,312,426,985
<b>Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>10,491,064,827,100</b>	<b>12,727,619,820,191</b>
Other income	31	VI.7	289,021,799,127	422,823,192,290
Other expenses	32	VI.8	284,551,949,482	228,207,525,562
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>4,469,849,645</b>	<b>194,615,666,728</b>
<b>Profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>10,495,534,676,745</b>	<b>12,922,235,486,919</b>
Income tax expense - current	51	VI.10	1,956,248,296,285	2,320,981,674,175
Income tax benefit - deferred	52	VI.10	(38,288,939,248)	(31,282,159,734)
<b>Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)</b>	<b>60</b>		<b>8,577,575,319,708</b>	<b>10,632,535,972,478</b>

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Consolidated statement of financial position as at 31 December 2022 (continued)

Form B 02 - DN/HN

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

	Code	Note	2022 VND	2021 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		8,577,575,319,708	10,632,535,972,478
<b>Attributable to:</b>				
Equity holders of the Company	61		8,516,023,694,342	10,532,477,099,899
Non-controlling interest	62		61,551,625,366	100,058,872,579
<b>Basic earnings per share</b>	<b>70</b>	<b>VI.11</b>	<b>3,632</b>	<b>4,517</b>

28 February 2023

Prepared by:



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

Approved by:



**Mai Kieu Lien**  
Chief Executive Officer

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Consolidated statement of cash flows for the year ended 31 December 2022 (Indirect method)****Form B 03 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>10,495,534,676,745</b>	<b>12,922,235,486,919</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		2,095,449,858,677	2,121,337,734,780
Amortisation of goodwill	02	V.13	245,540,115,225	245,540,115,225
Allowances and provisions	03		(4,572,925,078)	33,465,629,186
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04		3,222,766,873	(1,658,368,628)
Losses on disposals/written off of fixed assets and construction in progress	05		88,472,438,579	73,844,049,508
Dividends, interest income and other gain from investment activities	05		(1,210,689,718,561)	(1,106,041,407,749)
Share of loss in associates and joint venture	05		24,475,976,403	45,044,429,889
Interest expense	06	VI.4	166,039,091,744	88,799,090,663
Income from waiver of borrowing	07		-	(70,747,452,470)
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>11,903,472,280,607</b>	<b>14,351,819,307,323</b>
Change in receivables	09		(288,077,307,677)	(516,850,818,361)
Change in inventories	10		851,263,069,739	(2,260,680,842,222)
Change in payables and other liabilities	11		(386,032,574,554)	1,484,048,321,527
Change in prepaid expenses	12		(73,120,062,114)	115,756,136
Interest paid	14		(141,304,083,849)	(98,339,684,932)
Income tax paid	15	V.16	(1,975,289,763,439)	(2,356,597,912,369)
Other payments for operating activities	17		(1,063,638,382,197)	(1,171,540,563,209)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>8,827,273,176,516</b>	<b>9,431,973,563,893</b>

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Consolidated statement of cash flows for the year ended 31 December 2022 (Indirect method - continued)****Form B 03 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(1,456,914,052,616)	(1,531,025,359,270)
Receipts from disposals of fixed assets and construction in progress	22		137,125,557,857	133,904,995,529
Payments for term deposits	23		-	(3,514,465,835,454)
Receipts from term deposits	24		3,634,715,046,607	-
Receipts from collecting loans	24		-	150,000,000
Payments for investments in other entities	25		(43,175,000,000)	(23,227,732,575)
Collections from investments in other entities	26		-	1,336,500,000
Receipts of interest and dividends	27		1,201,019,963,250	1,000,079,344,561
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>3,472,771,515,098</b>	<b>(3,933,248,087,209)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from sales of treasury shares	31		-	60,119,994,553
Proceeds from additional shares issued by a subsidiary to non-controlling interest	31		-	39,200,670,000
Proceeds from capital contributed by non-controlling interest to a subsidiary	31		338,100,000,000	218,540,000,000
Proceeds from borrowings	33		6,257,530,054,586	9,596,960,360,003
Payments to settle loan principals	34		(10,789,019,801,789)	(7,551,460,199,195)
Payments of dividends	36		(8,046,328,463,250)	(7,523,560,503,000)
Payments of dividends of subsidiaries to non-controlling interest	36		(120,571,155,470)	(97,197,960,150)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(12,360,289,365,923)</b>	<b>(5,257,397,637,789)</b>

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Consolidated statement of cash flows for the year ended 31 December 2022 (Indirect method - continued)

Form B 03 - DN/HN

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

	Code	Note	2022 VND	2021 VND
Net cash flows during the year (50 = 20 + 30 + 40)	50		(60,244,674,309)	241,327,838,895
Cash and cash equivalents at the beginning of the year	60		2,348,551,874,348	2,111,242,815,581
Effect of exchange rate fluctuations on cash and cash equivalents	61		(1,729,154,879)	(2,270,210,170)
Currency translation differences	62		13,365,482,464	(1,748,569,958)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61 + 62)	70	V.1	2,299,943,527,624	2,348,551,874,348

28 February 2023

Prepared by:


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

Approved by:


**Mai Kieu Lien**

Chief Executive Officer

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022

**Form B 09 - DN/HN**

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

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

## I CORPORATE INFORMATION

### 1 Ownership structure

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

Major milestones related to the establishment and development of the Company and its subsidiaries (collectively referred to as “the Group”) are achieved as follows:

- ✦ **20 August 1976:** The Company was established on the basis of three dairy factories: Thong Nhat Dairy Factory, Truong Tho Dairy Factory, Dielac Powdered Milk Factory.
- ✦ **29 April 1993:** Vietnam Dairy Products Company was established according to Decision No. 420/CNN/TCLD issued by the Ministry of Light Industry in form of a State-owned Enterprise.
- ✦ **1 October 2003:** The Company was equitised from a State-owned Enterprise of the Ministry of Industry according to Decision No. 155/2003/QĐ-BCN.
- ✦ **20 November 2003:** The Company was registered as a joint stock company and began operating under Enterprise Laws of Vietnam and its Business Registration Certificate No. 4103001932 was issued by Ho Chi Minh City Planning and Investment Department.
- ✦ **28 December 2005:** The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPNY.
- ✦ **19 January 2006:** The Company’s shares were listed on Ho Chi Minh City Stock Exchange.
- ✦ **12 December 2006:** International Real Estates One Member Limited Company was established in accordance with the Business License No. 4104000260 issued by the Department of Investment and Planning of Ho Chi Minh City.
- ✦ **14 December 2006:** Vietnam Dairy Cow One Member Limited Company was established in accordance with the Business License No. 150400003 issued by the Department of Planning and Investment of Tuyen Quang Province.
- ✦ **26 February 2007:** Lam Son Dairy Joint Stock Company was established in accordance with the Business License No. 2603000521 issued by the Department of Planning and Investment of Thanh Hoa Province.
- ✦ **24 June 2010:** Lam Son Dairy Joint Stock Company was renamed as Lam Son Dairy One Member Company Limited.
- ✦ **30 September 2010:** Dielac Dairy One Member Company Limited was established based on the re-registration of F&N Food Vietnam Limited Company in accordance with the Investment Certificate No. 463041000209 issued by the Management of Vietnam – Singapore Industrial Park.

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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- ❖ **18 September 2012:** The Company issued the Decision No. 2482/QĐ-CTS.KSNB/2012 on the liquidation of the Dielac Dairy One Member Limited Company to establish a dependent branch of Vietnam Dairy Products Joint Stock Company. On 25 September 2012, the Management of Vietnam – Singapore Industrial Park issued the Decision No. 37/QĐ-BQL on the termination of operating activities of Dielac Dairy One Member Limited Company. In July 2013, Dielac Dairy One Member Limited Company had finalised its process of liquidation.
- ❖ **21 October 2013:** Thong Nhat Thanh Hoa Dairy Cow Limited Company was established in accordance to Business Registration Certificate No. 2801971744 issued by the Department of Investment and Planning of Thanh Hoa Province.
- ❖ **6 December 2013:** The Company received Foreign Investment Certificate No. 663/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Driftwood Dairy Holding Corporation in California, the United States of America. As at 31 December 2013, the Company completed a transfer of its investment of USD7 million and held 70% of ownership in Driftwood Dairy Holding Corporation.
- ❖ **6 January 2014:** The Company received Foreign Investment Certificate No. 667/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Angkor Dairy Products Co., Ltd. in Phnom Penh, Cambodia with 51% of ownership.
- ❖ **24 February 2014:** The Company's Board of Management issued the resolution to liquidate International Real Estate One Member Limited Company. On 14 January 2015, the Department of Planning and Investment of Ho Chi Minh City issued Notice No. 14191/15 to liquidate International Real Estate One Member Limited Company.
- ❖ **30 May 2014:** The Company received Foreign Investment Certificate No. 709//BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, to establish Vinamilk Europe sp.z.o.o in Poland with 100% of ownership.
- ❖ **19 May 2016:** The Company received Foreign Investment Certificate No. 201600140 issued by the Ministry of Investment and Planning, approved additional investment in Driftwood Dairy Holding Corporation amounted to USD3 million. As at 30 June 2016, the Company completed a transfer of its investment of USD3 million, bringing the total investment to USD10 million and increased ownership percentage in Driftwood Dairy Holding Corporation from 70% to 100%.
- ❖ **19 January 2017:** The Company received its 25th revised Business Registration certificate dated 18 January 2017, issued by the Ho Chi Minh Department of Planning and Investment. Accordingly, Lam Son Dairy Products One Member Company Limited was merged into the Company (prior to the merger, it was a 100% subsidiary owned by the Company). The Company completed the merger on 1 March 2017.
- ❖ **31 July 2017:** On 23 March 2017, the Company received its first revised offshore investment registration certificate dated 10 March 2017 issued by the Ministry of Planning and Investment of Vietnam, in relation to Angkor Dairy Products Co., Ltd. ("Angkormilk"). Accordingly, the Company's total investment capital increased from USD10,210,000 to USD20,995,390. The reason of capital increase was to purchase the entire capital contribution of the local partner in Angkormilk. As at 31 July 2017, the Company completed the transfer of its investment, bringing the total investment to USD20.9 million and increased ownership percentage in Angkormilk from 51% to 100%.



# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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- ✦ **21 October 2017:** On 30 September 2017, the Company entered into an agreement to acquire the remaining 3.89% of its equity interest in Thong Nhat Thanh Hoa Limited Company from non-controlling shareholders. The transaction was completed on 21 October 2017.
- ✦ **1 November 2017:** On 25 October 2017, the Company entered into an agreement to purchase newly issued shares of Khanh Hoa Sugar Joint Stock Company and took 65% equity interest. The transaction was completed on 1 November 2017. From 14 November 2017, Khanh Hoa Sugar Joint Stock Company changed its name to Viet Nam Sugar Joint Stock Company.
- ✦ **23 November 2018:** In July 2018, the Company entered into an agreement to acquire 51% equity interest of Lao-Jagro Development Xiengkhouang Co., Ltd to develop a high-tech beef – dairy farm complex. The transaction was completed on 23 November 2018. On 29 January 2019, the Company invested VND51,547 million representing its percentage of equity interest in this entity following the shareholders' decision. On 1 April 2019 and 15 July 2021, the Company paid VND154,391 million and VND20,790 million, respectively, to the former owners according to the Share Purchase Agreement.
- ✦ **12 September 2019:** On 12 September 2019, the Company received the second revised Oversea Investment Registration Certificate no. 201600140 in which the Company's investment in its 100% owned subsidiary named Driftwood Dairy Holding Corporation in California, United States increased from USD10 million to USD20 million. As at 30 September 2019, the Company completed the transfer of its investment.
- ✦ **19 December 2019:** The Company completed its acquisitions of 75% of equity interest of GTNFoods Joint Stock Company through various acquisition transactions.
- ✦ **10 August 2020:** The Company received the first amendment of the foreign Investment Registration Certificate dated 10 August 2020 from the Ministry of Planning and Investment to increase the Company's investment capital in Lao-Jagro from USD25,411,924 to USD66,413,630.
- ✦ **19 November 2020:** The Company's Board of Directors approved the resolution to close the subsidiary Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia. In November 2021, the Company collected VND42,195 million from the dissolution. The dissolution was completed in 2022.
- ✦ **31 January 2021:** On 31 January 2021, the Company, GTNFoods Joint Stock Company, and Vietnam Livestock Corporation – Joint Stock Company have completed the acquisition of 9.7 million, 29.5 million and 1.7 million additional shares issued by Moc Chau Dairy Cattle Breeding Joint Stock Company, respectively.
- ✦ **1 March 2021:** Vibev Food and Beverage Joint Venture Company Limited, 51% owned subsidiary, was established in accordance with the Business License No. 0316724859 issued by the Ho Chi Minh City Planning and Investment Department. On 9 April 2021 and 10 June 2021, the Company contributed capital amounting to VND51,000 million and VND153,000 million, respectively, to Vibev Food and Beverage Joint Venture Company Limited for the establishment of this subsidiary.
- ✦ **19 April 2021:** On 19 April 2021 and 29 December 2021, the Company contributed capital amounting to VND328,578 million and VND11,232 million, respectively, to Lao-Jagro Development Xiengkhouang Co., Ltd..

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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- ✦ **27 September 2021:** Japan Vietnam Livestock Company Limited, 51% owned subsidiary of Vietnam Livestock Corporation – Joint Stock Company, was established in accordance with the Business License No. 0109752537 issued by the Ha Noi City Planning and Investment Department. Vietnam Livestock Corporation – Joint Stock Company contributed capital amounting to VND23,460 million to Japan Vietnam Livestock Company Limited for the establishment of this subsidiary.
- ✦ **9 March 2022:** The Company contributed additional capital amounting to USD8,220,273 (equivalent to VND188,902 million) to Lao-Jargo Development Xiengkhouang Co., Ltd. As the result, the Company's ownership in Lao-Jargo Development Xiengkhouang Co., Ltd increased from 85.54% to 87.32% as other investors did not continue to contribute capital in this subsidiary.
- ✦ **14 March 2022:** The entire shares of GTNFoods Joint Stock Company owned by the Company were swapped with 117,187,500 shares of Vietnam – Livestock Corporation Joint Stock Company. Thereafter, GTNFoods Joint Stock Company was merged into Vietnam Livestock Corporation – Joint Stock Company.

## 2 Principal activities

The principal activities of the Group are to:

- ✦ Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- ✦ Trade in food technology, spare parts, equipment, materials and chemicals;
- ✦ Trade in real estate, own or lease land use rights (according to Article no. 11.3 of 2014 Real Estate Law);
- ✦ Trade in warehouse, yards;
- ✦ Provide internal transportation by cars for manufacturing and consuming Company's products;
- ✦ Manufacture, sell and distribute beverages, grocery and processing foods, roasted-ground-filtered and instant coffee (not manufacturing and processing at the head office);
- ✦ Manufacture and sell plastic, packaging (not at the head office);
- ✦ Provide healthcare clinic services (not at the head office);
- ✦ Raise cattle, cultivation;
- ✦ Retail sugar, milk and products from milk, bread, jam, candy and products processed from cereal, flour, starch and other food;
- ✦ Retail alcoholic drinks, non-alcoholic drinks (carbonated and non-carbonated soft drinks), natural mineral water, low-alcoholic or non-alcoholic wine and beer;
- ✦ Manufacture and trade products from tea and wine; and
- ✦ Manufacture, breed, process and trade cattle and poultry products and premix products for livestock.

## 3 Normal operating cycle

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***4 Group structure**

As at 31 December 2022, the Group had 10 subsidiaries and 8 associates, 1 joint venture (1/1/2022: the Group had 12 subsidiaries and 8 associates, 1 joint venture and dependent units) as follows:

**(a) Subsidiaries**

Name	Location	Principal activities	Economic interest	
			31/12/2022	1/1/2022
<b>Directly owned subsidiaries</b>				
Vietnam Dairy Cow One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Dairy cow raising	100.00%	100.00%
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province	Milk production and cattle raising	100.00%	100.00%
Driftwood Dairy Holding Corporation	No. 10724, Street Lower Azusa and El Monte Boulevards Intersection, California 91731-1390, United States	Milk production	100.00%	100.00%
Angkor Dairy Products Co., Ltd.	Lot P2-096 and P2-097, Phnom Penh Special Economic Zone (PPSEZ), National Highway 4, Khan Posenchey, Phnom Penh, Kingdom of Cambodia	Milk production	100.00%	100.00%
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia (*)	Ul, Gwiazdzista 7a/401-651 Warszawa, Poland	Dairy raw materials and animal trading	-	100.00%
Vietnam Sugar Joint Stock Company	Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province	Sugar producing and refining	65.00%	65.00%
Lao-Jagro Development Xiengkhouang Co., Ltd.	Boungvene Village, Paek District, Xiengkhouang Province, Lao PDR	Dairy cow raising and agricultural products trading	87.32%	85.54%

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
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Name	Location	Principal activities	Economic interest	
			31/12/2022	1/1/2022
<b>Directly owned subsidiaries (continued)</b>				
Vietnam Livestock Corporation – Joint Stock Company (**)	519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City	Manufacturing, breeding, processing and trading of cattle and poultry products	68.00%	55.87%
Vibev Food and Beverage Joint Venture Company Limited (***)	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Producing ice cream and beverages	51.00%	51.00%
GTNFoods Joint Stock Company (**)	14th floor, A Tower, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City	Manufacturing and trading products from milk, tea and wine	-	75.00%
<b>Indirectly owned subsidiaries through Vietnam Livestock Corporation – Joint Stock Company</b>				
Moc Chau Dairy Cattle Breeding Joint Stock Company (**)	Km194 Moc Chau Farm Town, Phiang Luong, Moc Chau District, Son La Province	Processing of milk and dairy products	49.17%	47.12%
Japan Vietnam Livestock Company Limited (**)	519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City	Importing, processing and trading beef products	34.68%	28.49%

(\*) On 19 November 2020, the Company's Board of Directors approved the resolution to dissolve this subsidiary. The dissolution was completed in 2022.

(\*\*) On 14 March 2022, the entire shares of GTNFoods Joint Stock Company owned by the Company were swapped with 117,187,500 shares of Vietnam Livestock Corporation – Joint Stock Company. Thereafter, GTNFoods Joint Stock Company was merged into Vietnam Livestock Corporation – Joint Stock Company. After these transactions, the Company directly owned 68% equity interest in Vietnam Livestock Corporation – Joint Stock Company and the effective economic interest of the Company in Moc Chau Dairy Cattle Breeding Joint Stock Company and Japan Vietnam Livestock Company Limited has been changed.

(\*\*\*) On 30 November 2022, the Company's Board of Directors approved the resolution to dissolve this subsidiary. At as 31 December 2022, the dissolution was not completed.

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Associates, joint venture**

Name	Location	Principal activities	Economic interest	
			31/12/2022	1/1/2022
<b>Directly owned associates, joint venture</b>				
Miraka Holdings Limited (*)	108 Tuwharetoa, Taupo, New Zealand	Milk production	16.96%	22.81%
APIS Corporation	No. 18A, VSIP II-A, 27 Street, Viet Nam – Singapore II-A Industrial Zone, Vinh Tan Ward, Tan Uyen District, Binh Duong Province	Food raw materials trading	20.00%	20.00%
Asia Coconut Processing Joint Stock Company (**)	Giao Long Industrial Zone, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam	Coconut-based products manufacturing and trading	24.96%	24.96%
Del Monte – Vinamilk Dairy Inc., Philippines	JV Campos Centre, 9 <sup>th</sup> Avenue corner, 30 <sup>th</sup> Street, Bonifacio Global City, Taguig City, Philippines	Importing and trading milk and dairy products	50.00%	50.00%

(\*) In 2022, Miraka Holdings Limited has increased its capital. Other investors have contributed additional capital to this entity; however, the Company has not contributed additional capital accordingly. As a result, the Company's ownership in this entity has decreased from 22.81% to 16.96%. Miraka Holdings Limited is still considered as an associate of the Company because the Company has significant influence over the financial and operation activities of this entity through the right to appoint a member in the Board of Directors of this entity.

(\*\*) On 19 January 2022, the Company purchased 3,090,000 additional shares in total of 12,380,000 shares issued by Asia Coconut Processing Joint Stock Company for a consideration of VND30,900 million.

**Indirectly owned associates through Vietnam Livestock Corporation – Joint Stock Company**

As at 31 December 2022, there were 5 associates (1/1/2022: 5 associates) indirectly owned through Vietnam Livestock Corporation – Joint Stock Company.

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
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1. Vietnam Dairy Products Joint Stock Company's Branch in Ha Noi – 11th Floor, Tower B, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City.
2. Vietnam Dairy Products Joint Stock Company's Branch in Da Nang – 7th Floor, Danang Post Office Tower, 271 Nguyen Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City.
3. Vietnam Dairy Products Joint Stock Company's Branch in Can Tho – 77-77B Vo Van Tan, Tan An Ward, Ninh Kieu District, Can Tho City.

**Manufacturing factories**

1. Thong Nhat Dairy Factory – 12 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
2. Truong Tho Dairy Factory – 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
3. Dielac Dairy Factory – Bien Hoa I Industrial Park, Dong Nai Province.
4. Can Tho Dairy Factory – Tra Noc Industrial Park, Can Tho City.
5. Sai Gon Dairy Factory – Tan Thoi Hiep Industrial Park, District 12, Ho Chi Minh City.
6. Nghe An Dairy Factory – Sao Nam Street, Nghi Thu Commune, Cua Lo Town, Nghe An Province.
7. Binh Dinh Dairy Factory – 87 Hoang Van Thu, Quang Trung Ward, Quy Nhon City, Binh Dinh Province.
8. Vietnam Beverage Factory – My Phuoc II Industrial Park, Binh Duong Province.
9. Tien Son Dairy Factory – Tien Son Industrial Park, Bac Ninh Province.
10. Da Nang Dairy Factory – Hoa Khanh Industrial Park, Da Nang City.
11. Vietnam Powdered Milk Factory – 9 Tu Do Boulevard – Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province.
12. Vietnam Dairy Factory – My Phuoc II Industrial Park, Binh Duong Province.
13. Lam Son Dairy Factory – Le Mon Industrial Zone, Thanh Hoa City, Thanh Hoa Province.

**Warehouses**

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

**Clinic**

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

**Raw milk center**

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

As at 31 December 2022, the Group had 9,506 employees (1/1/2022: 9,732 employees).

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***II ACCOUNTING PERIOD AND ACCOUNTING CURRENCY****1 Annual accounting period**

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

**2 Accounting and presentation currency**

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

**III ACCOUNTING STANDARDS AND SYSTEM****1 Statement of compliance**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirement applicable to financial reporting.

**2 Basis of measurement**

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

**IV SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**1 Basis of consolidation****(a) Subsidiaries**

Subsidiaries are those entities in which the Group has control over the financial and operating policies, generally evidenced by holding more than half of voting rights. In assessing control, exercisable potential voting rights are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

**(b) Non-controlling interests**

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

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

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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## (c) Loss of control

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

## (d) Associates and joint venture

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures are those entities in which the Group normally hold 20% to 50% of voting rights in these entities.

Associates and joint ventures are accounted for using the equity method. The consolidated interim financial statements include the Group's share of the income and expenses of the associates and joint ventures after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

## (e) Transactions eliminated on consolidation

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

## (f) Business combination

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

## 2 Foreign currency

### (a) Foreign currency transactions

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



# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

## Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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

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

### (b) Foreign operations

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

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

## 3 Cash and cash equivalents

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

## 4 Investments

### (a) Trading securities

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

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

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

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

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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## (b) Held-to-maturity investments

Held-to-maturity investments are those that the Group's management has intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for diminution in the value.

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

## (c) Loans receivable

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

## (d) Investment in equity instruments of other entities

Investment in equity instruments of other entities is initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss which may cause the Group to lose their invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

## 5 Accounts receivable

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

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

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***6 Inventories**

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

The Group applies the perpetual method of accounting for inventories.

**7 Tangible fixed assets****(a) Cost**

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

**(b) Depreciation**

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

✦ Buildings and structures	5 - 20 years
✦ Machinery and equipment	2 - 20 years
✦ Motor vehicles	4 - 10 years
✦ Office equipment	2 - 12 years
✦ Livestock	6 years
✦ Others	3 - 20 years

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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## 8 Intangible fixed assets

### (a) Land use rights

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

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

Land lease right acquired through business combination are initially recognised at fair value and amortised on a straight-line basis over the term of the lease.

### (b) Trademark

Trademark acquired through business combinations are initially recognised at fair value and amortised on a straight-line basis over 20 years.

### (c) Raw material area

Raw material area acquired through business combination are initially recognised at fair value and amortised on a straight-line basis over 18 years.

### (d) Software

Cost of acquiring of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 2 – 8 years.

### (e) Others

Other intangible assets are amortised on a straight-line basis over 4 – 10 years.

## 9 Investment property

### (a) Cost

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Depreciation**

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

✦	Definite life land use rights	13 - 50 years
✦	Infrastructure	8 - 10 years
✦	Buildings	6 - 50 years

Indefinite life land use rights are not amortised.

**10 Construction in progress**

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

**11 Prepaid expenses****(a) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing laws and regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease.

**(b) Tools and instruments**

Tools and instruments include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of tools and instruments are amortised on a straight-line basis over 1 - 5 years.

**(c) Others**

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

**12 Goodwill**

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

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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

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

## 13 Trade and other payables

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

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

## 14 Accrued expenses

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

## 15 Provisions

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

### Severance allowance

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

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC  
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## 16 Share capital

### (a) Ordinary shares

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

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

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

## 17 Taxation

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

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

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

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

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC  
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## 18 Revenue and other income

### (a) Goods sold

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

### (b) Services rendered

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

### (c) Rental income

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

### (d) Interest income

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

### (e) Dividend income

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

### (f) Income from disposal of short-term and long-term financial investments

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

## 19 Revenue deductions

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

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



**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***20 Cost of sales**

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

**21 Operating lease payments**

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

**22 Borrowing costs**

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

**23 Dividend distribution**

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

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

**24 Funds**

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

✦ Bonus and welfare fund	10% of profit after tax
✦ Investment and development fund	10% of profit after tax

Utilisation of the above funds requires approval of the shareholders, the Board of Directors or the Chief Executive Officer, depending on the nature and magnitude of the transactions involved as stated in the Company's Charter.

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

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## 25 Earnings per share

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

## 26 Segment reporting

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

## 27 Related parties

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

## 28 Comparative information

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year consolidated financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these consolidated financial statements is not intended to present the Group's consolidated financial position, results of operation or cash flows for the prior year.

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**V SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION****1 Cash and cash equivalents**

	31/12/2022 VND	1/1/2022 VND
Cash on hand	1,715,151,072	1,485,618,484
Cash in bank	1,325,714,367,365	1,185,864,633,095
Cash equivalents	972,514,009,187	1,161,201,622,769
	<b>2,299,943,527,624</b>	<b>2,348,551,874,348</b>

**2 Allowance for doubtful debts**

Movements of allowance for doubtful debts during the year were as follows:

	2022 VND	2021 VND
Opening balance	(12,257,493,261)	(16,434,079,108)
Increase in allowance during the year	(1,656,841,857)	(466,127,562)
Allowance utilised during the year	527,606,281	3,060,361,538
Allowance written back during the year	42,363,959	1,572,227,183
Currency translation differences	(101,359,922)	10,124,688
<b>Closing balance</b>	<b>(13,445,724,800)</b>	<b>(12,257,493,261)</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**3 Other receivables****(a) Other short-term receivables**

	31/12/2022 VND	1/1/2022 VND
Interest income and dividends	457,294,545,422	432,204,790,110
Receivables from employees	1,169,913,026	1,033,203,389
Advances to employees	44,429,612,864	41,579,487,025
Short-term deposits	3,835,986,414	108,968,676,520
Import tax refundable	2,555,575,760	4,664,338,506
Rebate income receivable from suppliers	214,341,684,142	128,258,346,989
Others	166,838,882,943	93,988,265,234
	<b>890,466,200,571</b>	<b>810,697,107,773</b>

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

	31/12/2022 VND	1/1/2022 VND
Collateral, deposits	35,422,722,715	12,442,333,595
Others	3,000,000,000	4,252,770,900
	<b>38,422,722,715</b>	<b>16,695,104,495</b>

**4 Investments****(a) Trading securities**

	31/12/2022			1/1/2022		
	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term investments in shares	1,159,355,253	469,610,056	(689,745,197)	1,119,781,812	453,580,382	(666,201,430)

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

	31/12/2022 VND	1/1/2022 VND
<b>Held-to-maturity investments - short-term</b>		
- Term deposits	17,413,585,718,627	21,025,282,199,093

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

**Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
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	31/12/2022				1/1/2022			
	% of equity owned and voting rights	Equity accounted/ cost VND	Fair value VND	Allowance for diminution in value VND	% of equity owned and voting rights	Equity accounted/ cost VND	Fair value VND	Allowance for diminution in value VND
<b>Investments in associates, joint venture</b>								
Miraka Holdings Limited	16.96%	287,362,154,997	(*)	-	22.81%	325,236,308,653	(*)	-
APIS Corporation	20.00%	39,499,496,146	(*)	-	20.00%	32,456,749,642	(*)	-
Asia Coconut Processing Joint Stock Company	24.96%	150,355,490,875	(*)	-	24.96%	106,218,560,860	(*)	-
Del Monte – Vinamilk Dairy Inc., Philippines	50.00%	593,854,138	(*)	-	50.00%	4,285,501,160	(*)	-
Indirectly owned associates through Vietnam Livestock Corporation – Joint Stock Company		186,491,781,862	(*)	-		192,826,634,107	(*)	-
		<b>664,302,778,018</b>		-		<b>661,023,754,422</b>		-
<b>Equity investments in other entities</b>								
Asia Saigon Food Ingredients Joint Stock Company	14.71%	69,261,607,154	(*)	-	14.71%	69,261,607,154	(*)	-
An Khang Clinic – Pharmacy		300,000,000	(*)	-		300,000,000	(*)	-
Others		32,388,611,927	(*)	(23,582,690,668)		32,359,451,927	(*)	(19,082,789,672)
		<b>101,950,219,081</b>		<b>(23,582,690,668)</b>		<b>101,921,059,081</b>		<b>(19,082,789,672)</b>
		<b>766,252,997,099</b>		<b>(23,582,690,668)</b>		<b>762,944,813,503</b>		<b>(19,082,789,672)</b>

(\*) At the reporting date, the Group has not determined fair values of these financial instruments for disclosure in the consolidated financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
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Movements of equity investments in associates, joint venture during the year were as follows:

	<b>2022 VND</b>	<b>2021 VND</b>
Opening balance	661,023,754,422	686,485,729,063
Investments	43,175,000,000	23,227,732,575
Dividends received	(15,420,000,001)	(2,600,000,000)
Disposals	-	(1,045,277,327)
Share of loss in associates and joint venture	(24,475,976,403)	(45,044,429,889)
<b>Closing balance</b>	<b>664,302,778,018</b>	<b>661,023,754,422</b>

Movements in the allowance for diminution in the value of trading securities during the year were as follows:

	<b>2022 VND</b>	<b>2021 VND</b>
Opening balance	(666,201,430)	(936,520,806)
Allowance written back during the year	-	267,749,939
Currency translation differences	(23,543,767)	2,569,437
<b>Closing balance</b>	<b>(689,745,197)</b>	<b>(666,201,430)</b>

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

	<b>2022 VND</b>	<b>2021 VND</b>
Opening balance	(19,082,789,672)	(14,969,115,668)
Increase in allowance during the year	(4,499,900,996)	(6,325,491,549)
Allowance written back during the year	-	2,211,817,545
<b>Closing balance</b>	<b>(23,582,690,668)</b>	<b>(19,082,789,672)</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

**Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***5 Inventories**

	31/12/2022		1/1/2022	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	812,950,683,637	-	1,074,655,773,411	-
Raw materials	3,365,992,574,670	(20,772,142,150)	4,226,624,123,827	(16,060,209,799)
Tools and supplies	93,825,867,140	(374,613,608)	65,185,806,961	(548,075,465)
Work in progress	199,435,483,074	-	257,787,043,440	(29,811,948,260)
Finished goods	1,024,111,382,368	(1,459,301,629)	1,124,201,739,313	(994,524,129)
Merchandise inventories	37,037,692,091	-	65,918,346,190	-
Goods on consignment	26,815,770,524	-	6,113,558,528	-
	<b>5,560,169,453,504</b>	<b>(22,606,057,387)</b>	<b>6,820,486,391,670</b>	<b>(47,414,757,653)</b>

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

	2022 VND	2021 VND
Opening balance	(47,414,757,653)	(47,780,074,395)
Increase in allowance during the year	(13,343,747,910)	(47,777,803,432)
Allowance written back during the year	35,616,693,471	22,197,765,545
Allowance utilised during the year	3,403,318,819	25,825,670,746
Currency translation differences	(867,564,114)	119,683,883
<b>Closing balance</b>	<b>(22,606,057,387)</b>	<b>(47,414,757,653)</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

**Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***6 Tangible fixed assets**

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Livestock VND	Others VND	Total VND
<b>Cost</b>							
Opening balance	5,798,921,373,703	18,523,813,151,891	1,287,446,830,696	695,422,998,913	1,332,765,153,288	6,973,557,065	27,645,343,065,556
Additions	69,460,350,225	244,560,219,566	73,283,959,166	25,697,946,425	24,169,683,324	3,450,344,269	440,622,502,975
Transfer from construction in progress	134,729,741,863	428,285,052,278	9,835,619,499	7,984,885,669	50,560,031,785	-	631,395,331,094
Transfer from inventories	-	-	-	-	480,417,563,007	-	480,417,563,007
Disposals/write off	(128,561,724,666)	(82,643,119,203)	(21,220,430,308)	(3,454,935,062)	(376,379,977,637)	(434,307,670)	(612,694,494,546)
Other (decreases)/increases	(861,329,206)	-	84,000,000	-	(127,646,265,081)	-	(128,423,594,287)
Currency translation differences	7,328,107,711	33,307,089,473	2,946,271,230	835,603,721	1,066,049,479	13,775,454	45,496,897,068
<b>Closing balance</b>	<b>5,881,016,519,630</b>	<b>19,147,322,394,005</b>	<b>1,352,376,250,283</b>	<b>726,486,499,666</b>	<b>1,384,952,238,165</b>	<b>10,003,369,118</b>	<b>28,502,157,270,867</b>
<b>Accumulated depreciation</b>							
Opening balance	2,454,289,028,622	11,723,803,078,841	854,667,448,628	534,597,616,580	451,333,596,700	6,557,706,666	16,025,248,476,037
Charge for the year	293,540,883,687	1,379,727,690,078	105,145,650,434	46,560,248,013	213,260,555,246	638,876,749	2,038,873,904,207
Disposals/write off	(103,782,029,640)	(73,605,429,807)	(21,298,478,682)	(3,422,435,057)	(184,553,817,255)	(434,307,669)	(387,096,498,110)
Other (decreases)/increases	(291,588,063)	714,520,991	94,348	-	(62,578,482,027)	-	(62,155,454,751)
Currency translation differences	3,125,200,889	20,639,819,335	2,072,163,397	735,377,698	342,215,037	5,559,706	26,920,336,062
<b>Closing balance</b>	<b>2,646,881,495,495</b>	<b>13,051,279,679,438</b>	<b>940,586,878,125</b>	<b>578,470,807,234</b>	<b>417,804,067,701</b>	<b>6,767,835,452</b>	<b>17,641,790,763,445</b>
<b>Net book value</b>							
Opening balance	3,344,632,345,081	6,800,010,073,050	432,779,382,068	160,825,382,333	881,431,556,588	415,850,399	11,620,094,589,519
Closing balance	3,234,135,024,135	6,096,042,714,567	411,789,372,158	148,015,692,432	967,148,170,464	3,235,533,666	10,860,366,507,422

Included in the cost of tangible fixed assets were assets costing VND6,688,784 million which were fully depreciated as at 31 December 2022 (1/1/2022: VND5,686,436 million), but which are still in active use.



**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

**Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***7 Intangible fixed assets**

	Land use rights VND	Trademark VND	Raw material area VND	Software VND	Others VND	Total VND
<b>Cost</b>						
Opening balance	710,981,415,640	276,413,594,392	164,964,058,635	139,569,334,400	49,736,400,000	1,341,664,803,067
Additions	-	-	-	1,095,070,682	-	1,095,070,682
Transfer from construction in progress	-	-	-	1,209,641,917	-	1,209,641,917
Currency translation differences	7,463,917,554	-	-	232,482,397	1,757,699,288	9,454,099,239
<b>Closing balance</b>	<b>718,445,333,194</b>	<b>276,413,594,392</b>	<b>164,964,058,635</b>	<b>142,106,529,396</b>	<b>51,494,099,288</b>	<b>1,353,423,614,905</b>
<b>Accumulated amortisation</b>						
Opening balance	50,962,771,439	32,519,246,399	21,995,207,818	115,991,209,086	33,692,399,995	255,160,834,737
Charge for the year	16,564,385,127	16,259,623,199	10,997,603,909	10,298,256,342	-	54,119,868,577
Currency translation differences	-	-	-	111,076,079	1,190,699,994	1,301,776,073
<b>Closing balance</b>	<b>67,527,156,566</b>	<b>48,778,869,598</b>	<b>32,992,811,727</b>	<b>126,400,541,507</b>	<b>34,883,099,989</b>	<b>310,582,479,387</b>
<b>Net book value</b>						
Opening balance	660,018,644,201	243,894,347,993	142,968,850,817	23,578,125,314	16,044,000,005	1,086,503,968,330
Closing balance	650,918,176,628	227,634,724,794	131,971,246,908	15,705,987,889	16,610,999,299	1,042,841,135,518

Included in the cost of intangible fixed assets were assets costing VND93,914 million which were fully amortised as at 31 December 2022 (1/1/2022: VND91,560 million), but which are still in active use.

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**8 Investment property**

	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
<b>Cost</b>				
Opening balance and closing balance	39,821,793,375	982,364,064	58,018,521,446	98,822,678,885
<b>Accumulated depreciation</b>				
Opening balance	7,207,929,415	976,263,639	30,588,592,155	38,772,785,209
Charge for the year	865,672,684	6,100,425	1,584,312,784	2,456,085,893
<b>Closing balance</b>	<b>8,073,602,099</b>	<b>982,364,064</b>	<b>32,172,904,939</b>	<b>41,228,871,102</b>
<b>Net book value</b>				
Opening balance	32,613,863,960	6,100,425	27,429,929,291	60,049,893,676
Closing balance	31,748,191,276	-	25,845,616,507	57,593,807,783

The Group's investment property represented land use rights, buildings and infrastructure held for earning rental income.

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

Included in the cost of investment property held to earn rental was assets costing VND17,421 million which were fully depreciated as at 31 December 2022 (1/1/2022: VND4,433 million), but which are still in active use.

**9 Long-term work in progress**

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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dated 22 December 2014 of the Ministry of Finance)**10 Construction in progress**

	2022 VND	2021 VND
Opening balance	834,818,937,515	793,821,481,341
Additions	1,306,831,083,954	699,233,714,086
Transfer to tangible fixed assets	(631,395,331,094)	(584,790,993,983)
Transfer to intangible fixed assets	(1,209,641,917)	(9,805,777,108)
Transfer to inventories	(36,472,947,276)	(4,145,910,049)
Transfer to short-term prepaid expenses	(3,782,041,938)	(2,394,716,320)
Transfer to long-term prepaid expenses	(9,167,551,229)	(9,352,479,360)
Disposals	-	(251,726,812)
Other decreases	(6,645,721,227)	(45,799,778,777)
Currency translation differences	17,605,766,249	(1,694,875,503)
<b>Closing balance</b>	<b>1,470,582,553,037</b>	<b>834,818,937,515</b>

Major constructions in progress by the entities within the Group were as follows:

	31/12/2022 VND	1/1/2022 VND
Vietnam Dairy Products Joint Stock Company	431,377,363,957	185,208,805,297
Vietnam Dairy Cow One-Member Company Limited	75,464,917,042	38,998,571,441
Lao-Jagro Development Xiengkhouang Co., Ltd.	723,078,016,500	385,541,144,205
Mocchau Dairy Cattle Breeding Joint Stock Company	95,736,189,738	102,119,517,256
Others	144,926,065,800	122,950,899,316
	<b>1,470,582,553,037</b>	<b>834,818,937,515</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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(Issued under Circular No. 202/2014/TT-BTC  
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	31/12/2022 VND	1/1/2022 VND
Software deployment and networks maintenance	8,657,427,608	12,701,896,856
Advertising	173,480,476	1,884,131,751
Operating lease	3,473,362,556	2,935,474,635
Tools and supplies	12,657,028,624	12,276,634,485
Renovation and repair	1,997,822,909	1,209,272,308
Cows isolated for testing and bovine semen used for insemination	1,492,271,346	982,649,464
Other short-term prepaid expenses	69,119,299,524	25,282,613,602
	<b>97,570,693,043</b>	<b>57,272,673,101</b>

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

	Prepaid land costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	348,481,131,658	329,285,505,251	47,341,464,466	725,108,101,375
Additions	69,866,828,856	148,877,721,210	59,758,329,415	278,502,879,481
Transfer from construction in progress	274,828,400	8,186,198,616	706,524,213	9,167,551,229
Amortisation for the year	(13,210,144,278)	(183,119,740,086)	(51,110,604,396)	(247,440,488,760)
Other increases	-	405,815,495	2,846,375,488	3,252,190,983
Currency translation differences	3,506,310,003	170,093,044	538,025,786	4,214,428,833
<b>Closing balance</b>	<b>408,918,954,639</b>	<b>303,805,593,530</b>	<b>60,080,114,972</b>	<b>772,804,663,141</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

**Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***12 Deferred tax assets and liabilities****(a) Deferred tax assets**

	31/12/2022 VND	1/1/2022 VND
<b>Deferred tax assets</b>		
Foreign exchange differences	1,170,509,495	582,265,598
Accrued expenses and provisions and fixed assets	33,814,693,966	26,565,255,313
	<b>34,985,203,461</b>	<b>27,147,520,911</b>

**(b) Deferred tax liabilities – net**

	31/12/2022 VND	1/1/2022 VND
<b>Deferred tax assets</b>		
Tax losses carry forwards	48,654,734,310	45,661,384,440
Accrued expenses	7,671,837,810	8,428,646,640
Accounts receivable	839,069,070	1,733,600,040
Inventories	-	996,607,440
Others	3,596,732,370	3,063,120,480
<b>Total deferred tax assets</b>	<b>60,762,373,560</b>	<b>59,883,359,040</b>
<b>Deferred tax liabilities</b>		
Fixed assets	(293,266,548,176)	(340,194,799,510)
Others	(55,478,119,993)	(36,023,821,035)
Total deferred tax liabilities	(348,744,668,169)	(376,218,620,545)
<b>Net deferred tax liabilities</b>	<b>(287,982,294,609)</b>	<b>(316,335,261,505)</b>

Deferred tax assets have been recognised on taxable temporary differences and tax losses incurred at Driftwood Dairy Holding Corporation, a subsidiary incorporated and operating in the United States of America, using its effective tax rate.

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***13 Goodwill**

	2022 VND	2021 VND
Opening balance	1,813,007,890,387	2,058,548,005,612
Charge for the year	(245,540,115,225)	(245,540,115,225)
<b>Closing balance</b>	<b>1,567,467,775,162</b>	<b>1,813,007,890,387</b>

**14 Accounts payable to suppliers****Accounts payable to related parties**

	31/12/2022 VND	1/1/2022 VND
<b>Associates</b>		
APIS Corporation	84,876,556,696	57,204,285,214
Asia Coconut Processing Joint Stock Company	2,503,728,482	2,577,889,096
Miraka Holdings Limited	133,471,803,087	-
Asia Sai Gon Food Ingredients Joint Stock Company	388,800,000	-

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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	1/1/2022 VND	Incurred VND	Paid VND	Currency translation differences VND	31/12/2022 VND
Short-term borrowings	9,361,726,118,118	9,568,813,054,585	(14,370,324,894,289)	288,050,210,689	4,848,264,489,103
Current portion of long-term borrowings	20,628,000,000	12,206,272,500	(14,682,907,500)	713,985,000	18,865,350,000
	<b>9,382,354,118,118</b>	<b>9,581,019,327,085</b>	<b>(14,385,007,801,789)</b>	<b>288,764,195,689</b>	<b>4,867,129,839,103</b>

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

Lenders	Note	Currency	31/12/2022 VND	1/1/2022 VND
Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch	(i)	USD	1,150,000,000,000	2,991,350,000,000
DBS Bank, Singapore	(i)	VND	2,260,267,036,000	-
The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch	(i)	USD	-	3,558,850,000,000
Mizuho Bank, Ltd., Ho Chi Minh City Branch	(i)	USD	1,137,500,000,000	1,150,500,000,000
DBS Bank, Singapore	(i)	USD	-	-
BNP Paribas, Ho Chi Minh City Branch	(i)	USD	-	1,138,000,000,000
HSBC Bank (Vietnam) Limited, Ho Chi Minh City Branch	(i)	VND	126,080,577,000	444,192,575,505
ANZ Bank Vientiane	(i)	USD	17,883,094,110	-
HSBC Bank USA	(ii)	USD	156,533,781,993	78,833,542,613
			<b>4,848,264,489,103</b>	<b>9,361,726,118,118</b>

(i) These borrowings were unsecured.

(ii) This borrowing was secured by assets with carrying amount of VND896,805 million as at 31 December 2022 (1/1/2022: VND801,145 million).

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

**Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
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	1/1/2022 VND	Addition VND	Reclassification VND	Paid VND	Other decrease VND	Currency translation differences VND	31/12/2022 VND
Long-term borrowings	96,264,000,000	-	(12,206,272,500)	-	(2,476,635,000)	3,312,982,500	84,894,075,000
Current portion of long-term borrowings	(20,628,000,000)	(12,206,272,500)	-	14,682,907,500	-	(713,985,000)	(18,865,350,000)
	<b>75,636,000,000</b>	<b>(12,206,272,500)</b>	<b>(12,206,272,500)</b>	<b>14,682,907,500</b>	<b>(2,476,635,000)</b>	<b>2,598,997,500</b>	<b>66,028,725,000</b>

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

Lenders	Note	Currency	Year of maturity	31/12/2022 VND	1/1/2022 VND
HSBC Bank USA	(i)	USD	2024	84,894,075,000	96,264,000,000

*(i) This borrowing was secured by assets with carrying amount of VND896,805 million as at 31 December 2022 (1/1/2022: VND801,145 million).***16 Taxes payable to State Treasury**

	1/1/2022 VND	Incurred VND	Paid VND	Currency translation differences VND	31/12/2022 VND
Value added tax	182,017,604,295	1,951,447,777,690	(1,968,125,136,011)	15,496,066	165,355,742,040
Corporate income tax	437,000,965,568	1,956,248,296,285	(1,975,289,763,439)	141,654,474	418,101,152,888
Personal income tax	19,108,677,853	234,531,900,895	(247,106,513,572)	17,812,205	6,551,877,381
Import tax	8,521,886,871	125,448,711,961	(126,501,952,504)	109,285,787	7,577,932,115
Other taxes	1,497,607,048	97,134,961,084	(98,076,967,321)	(7,176,940)	548,423,871
	<b>648,146,741,635</b>	<b>4,364,811,647,915</b>	<b>(4,415,100,332,847)</b>	<b>277,071,592</b>	<b>598,135,128,295</b>



**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
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	31/12/2022 VND	1/1/2022 VND
Sale incentives, promotion	886,202,042,098	1,004,191,792,903
Advertising expenses	339,732,444,471	334,356,713,062
Transportation expenses	80,876,367,744	109,774,054,216
Expenses for outsourced employees	46,939,692,451	107,782,976,757
Interest expenses	57,977,342,676	33,242,334,779
Repair and maintenance expenses	15,984,085,729	31,916,483,333
Rental fees	18,623,204,640	41,097,998,583
Fuel expenses	7,712,203,638	9,356,705,167
Others	166,827,154,996	145,543,959,120
	<b>1,620,874,538,443</b>	<b>1,817,263,017,920</b>

**18 Other payables**

	31/12/2022 VND	1/1/2022 VND
Short-term deposits received	79,829,249,889	37,079,820,897
Insurance and trade union fees	3,656,536,904	7,455,897,780
Dividend payables	2,926,103,293,830	61,054,000
Mutual fund collected and managed on behalf of farmers	-	17,382,287,343
Others	49,664,289,613	74,338,939,449
	<b>3,059,253,370,236</b>	<b>136,317,999,469</b>
<b>Of which</b>		
Short-term	3,055,541,590,234	114,417,067,658
Long-term	3,711,780,002	21,900,931,811

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
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19	Provision	31/12/2022 VND	1/1/2022 VND
	Provision for severance allowance (*)	8,096,601,309	6,438,083,860
	Others	18,539,158,003	3,852,898,463
		<b>26,635,759,312</b>	<b>10,290,982,323</b>

(\*) Movements of provision for severance allowance during the year as follows:

	2022 VND	2021 VND
Opening balance	6,438,083,860	4,769,394,680
Increase in provision during the year	11,600,758,238	5,223,050,845
Provision utilised during the year	(9,927,124,140)	(3,477,077,675)
Provision written back during the year	(15,116,649)	(77,283,990)
<b>Closing balance</b>	<b>8,096,601,309</b>	<b>6,438,083,860</b>

**20 Bonus and welfare fund**

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

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

	2022 VND	2021 VND
Opening balance	507,365,624,913	559,325,621,730
Appropriation (Note V.21)	948,573,877,583	1,116,210,797,835
Other increases	11,920,000	173,789,837
Utilisation	(1,053,787,780,031)	(1,168,344,584,489)
<b>Closing balance</b>	<b>402,163,642,465</b>	<b>507,365,624,913</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

**Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
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	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non - controlling interest VND	Total VND
<b>As at 1 January 2021</b>	<b>20,899,554,450,000</b>	<b>-</b>	<b>202,658,418,215</b>	<b>(11,644,956,120)</b>	<b>10,647,239,612</b>	<b>3,286,241,911,090</b>	<b>6,909,725,668,453</b>	<b>2,349,939,498,572</b>	<b>33,647,122,229,822</b>
Shares issued by a subsidiary	-	-	-	-	-	-	(166,137,328,617)	205,337,998,617	39,200,670,000
Contributed capital to subsidiaries	-	-	-	-	-	-	-	218,540,000,000	218,540,000,000
Sales of treasury shares	-	34,110,709,700	-	11,644,956,120	-	-	-	14,364,328,733	60,119,994,553
Net profit for the year	-	-	-	-	-	-	10,532,477,099,899	100,058,872,579	10,632,535,972,478
Appropriation to equity funds	-	-	-	-	-	1,066,198,750,215	(1,066,198,750,215)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	-	-	(1,092,036,658,532)	(24,174,139,303)	(1,116,210,797,835)
Other increases/ (decreases)	-	-	-	-	-	673,755	(9,149,613)	8,317,135	(158,723)
Dividends (Note V.23)	-	-	-	-	-	-	(7,523,560,503,000)	-	(7,523,560,503,000)
Dividends of a subsidiary to non-controlling interest	-	-	-	-	-	-	-	(97,239,487,900)	(97,239,487,900)
Currency translation differences	-	-	-	-	(10,393,670,011)	-	-	-	(10,393,670,011)
<b>As at 1 January 2022</b>	<b>20,899,554,450,000</b>	<b>34,110,709,700</b>	<b>202,658,418,215</b>	<b>-</b>	<b>253,569,601</b>	<b>4,352,441,335,060</b>	<b>7,594,260,378,375</b>	<b>2,766,835,388,433</b>	<b>35,850,114,249,384</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non - controlling interest VND	Total VND
<b>As at 1 January 2022</b>	<b>20,899,554,450,000</b>	<b>34,110,709,700</b>	<b>202,658,418,215</b>	<b>-</b>	<b>253,569,601</b>	<b>4,352,441,335,060</b>	<b>7,594,260,378,375</b>	<b>2,766,835,388,433</b>	<b>35,850,114,249,384</b>
Capital contribution to a subsidiary	-	-	-	-	-	-	-	338,100,000,000	338,100,000,000
Net profit for the period	-	-	-	-	-	-	8,516,023,694,342	61,551,625,366	8,577,575,319,708
Appropriation to equity funds	-	-	-	-	-	914,320,249,913	(914,320,249,913)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	-	-	(924,627,242,747)	(23,946,634,836)	(948,573,877,583)
Merger of two subsidiaries	-	-	-	-	-	-	54,397,598,859	(54,397,555,359)	43,500
Dividends (Note V.23)	-	-	-	-	-	-	(10,972,266,086,250)	-	(10,972,266,086,250)
Dividends of a subsidiary to non-controlling interest	-	-	-	-	-	-	-	(120,675,772,300)	(120,675,772,300)
Currency translation differences	-	-	-	-	92,244,478,626	-	-	-	92,244,478,626
<b>As at 31 December 2022</b>	<b>20,899,554,450,000</b>	<b>34,110,709,700</b>	<b>202,658,418,215</b>	<b>-</b>	<b>92,498,048,227</b>	<b>5,266,761,584,973</b>	<b>3,353,468,092,666</b>	<b>2,967,467,051,304</b>	<b>32,816,518,355,085</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

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

The Company's authorised and issued share capital are:

	31/12/2022 Number of shares	and	1/1/2022 VND
<b>Authorised share capital</b>	<b>2,089,955,445</b>		<b>20,899,554,450,000</b>
<b>Issued shares</b>			
Ordinary shares	2,089,955,445		20,899,554,450,000
<b>Shares currently in circulation</b>			
Ordinary shares	2,089,955,445		20,899,554,450,000

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

Details of share capital:

	31/12/2022 VND	and	1/1/2022 %
The State Capital Investment Corporation	7,524,766,020,000		36.00%
Other shareholders' capital	13,374,788,430,000		64.00%
	<b>20,899,554,450,000</b>		<b>100.00%</b>

**23 Dividends**

On 1 December 2021, 24 June 2022 and 1 December 2022, the Board of Directors of the Company resolved to distribute dividends in relation to 2021 and 2022 profits, in total amounting to VND10,972,266 million (VND1,400 per share for the second advance distribution for the fiscal year 2021, and VND2,450 per share for the remaining distribution for the fiscal year 2021 and for the first advance distribution for the fiscal year 2022 and VND1,400 per share for the second advance distribution for the fiscal year 2022, respectively). For the year ended 31 December 2021: dividend distributions were VND7,523,561 million (VND2,100 per share for the remaining distribution for the fiscal year 2020 and VND1,500 per share for the first advance distribution for the fiscal year 2021 respectively).

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**24 Off balance sheet items****(a) Leases**

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2022 VND	1/1/2022 VND
Within one year	70,716,169,179	33,407,705,100
Within two to five years	219,329,158,109	97,744,848,655
More than five years	788,339,947,001	529,551,568,253
	<b>1,078,385,274,289</b>	<b>660,704,122,008</b>

**(b) Foreign currencies**

	31/12/2022		1/1/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	1,949,585	45,639,789,532	22,377,924	506,636,207,058
EUR	33,756	829,950,721	4,871	123,691,735
		<b>46,469,740,253</b>		<b>506,759,898,793</b>

**(c) Capital commitments**

At the reporting date, the Group had following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2022 VND	1/1/2022 VND
Approved and contracted	2,542,718,016,426	1,533,701,726,846

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**VI SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE CONSOLIDATED STATEMENT OF INCOME****1 Revenue from sales of goods and provision of services**

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

Net revenue comprised:

	2022 VND	2021 VND
<b>Total revenue</b>		
- Sales of finished goods	56,583,366,266,697	57,932,322,582,280
- Sales of merchandise goods	3,218,309,235,889	2,855,102,775,305
- Services rendered	39,602,107,343	39,701,901,834
- Rental income from investment property	7,706,976,033	4,956,165,148
- Others	225,745,637,337	179,990,723,197
	<b>60,074,730,223,299</b>	<b>61,012,074,147,764</b>
<b>Less revenue deductions</b>		
- Sale discounts	68,389,179,115	57,048,684,900
- Sales allowances	-	493,094,566
- Sale returns	50,093,846,766	35,367,522,152
	<b>118,483,025,881</b>	<b>92,909,301,618</b>
<b>Net revenue</b>	<b>59,956,247,197,418</b>	<b>60,919,164,846,146</b>

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

	2022 VND	2021 VND
<b>Associates and joint venture</b>		
Del Monte - Vinamilk Dairy Inc., Philippines	74,571,387,027	-
APIS Corporation	567,188,980	-
Asia Coconut Processing Joint Stock Company	-	210,648,156

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

**Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***2 Cost of sales**

	2022 VND	2021 VND
<b>Total cost of sales</b>		
- Finished goods sold	32,305,714,096,438	30,848,721,191,467
- Merchandise goods sold	3,061,626,272,799	2,737,726,621,353
- Cost of promotional goods	581,247,707,149	893,257,186,779
- Operating costs of investment property	1,643,358,171	1,643,358,165
- Services rendered	1,033,584,784	5,720,963,973
- Allowance for inventories	(22,272,945,561)	25,580,037,887
- Other cost of sales	130,023,616,931	128,213,994,215
	<b>36,059,015,690,711</b>	<b>34,640,863,353,839</b>

**3 Financial income**

	2022 VND	2021 VND
Interest income from deposits	1,198,974,626,506	1,103,472,820,884
Foreign exchange gains	117,613,345,537	53,270,754,380
Dividend income	11,715,092,058	7,930,883
Gain on disposal of financial investment	-	291,222,673
Others	51,601,343,639	57,641,090,574
	<b>1,379,904,407,740</b>	<b>1,214,683,819,394</b>



**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***4 Financial expenses**

	<b>2022 VND</b>	<b>2021 VND</b>
Interest expense on borrowings	166,039,091,744	88,799,090,663
Interest expense on deposits received	841,917,041	220,680,833
Foreign exchange losses	279,985,584,683	35,671,801,202
Allowance for diminution in value of financial investments	4,499,900,996	3,845,924,065
Payment discounts for customers	17,601,776,691	18,967,274,701
Others	148,568,911,840	54,833,460,768
	<b>617,537,182,995</b>	<b>202,338,232,232</b>

**5 Selling expenses**

	<b>2022 VND</b>	<b>2021 VND</b>
Promotion, product display expenses, support and commission expenses for distributors	8,717,780,486,455	9,229,057,850,953
Advertising and market research expenses	1,197,802,874,822	1,233,350,351,965
Staff costs	742,460,039,515	660,223,065,419
Transportation expenses	883,656,485,446	876,997,613,963
Outside service expenses	679,562,325,002	669,312,658,542
Tools and supplies expenses	132,514,400,886	124,038,885,042
Materials expenses	83,709,353,015	61,298,483,171
Depreciation expenses	52,720,135,277	53,003,930,795
Warranty expenses	58,006,146,453	43,387,562,554
	<b>12,548,212,246,871</b>	<b>12,950,670,402,404</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES****Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***6 General and administration expenses**

	<b>2022 VND</b>	<b>2021 VND</b>
Staff costs	556,391,771,664	573,819,360,808
Outside service expenses	348,107,136,538	347,777,620,697
Depreciation expenses	83,005,211,618	91,338,899,765
Per-diem allowances	41,199,620,502	26,902,387,638
Materials expenses	54,565,711,147	45,127,448,787
Transportation expenses	46,648,088,480	45,605,841,439
Loading expenses	18,149,433,658	24,713,287,238
Office supplies	22,520,219,758	24,456,574,998
Taxes, fees and duties	62,163,438,673	42,639,484,562
Bank charges	11,980,489,731	10,410,130,912
Allowance for doubtful debts and provision for severance allowance	13,200,119,487	4,039,667,234
Goodwill amortisation	245,540,115,225	245,540,115,225
Others	92,374,324,597	84,941,607,682
	<b>1,595,845,681,078</b>	<b>1,567,312,426,985</b>

**7 Other income**

	<b>2022 VND</b>	<b>2021 VND</b>
Rebate income from suppliers	117,059,705,435	180,625,374,966
Proceeds from disposals of fixed assets and construction in progress	137,273,416,582	133,916,631,891
Income from waiver of borrowing due to government grants	-	70,747,452,470
Compensations received from other parties	10,250,458,524	8,827,111,365
Others	24,438,218,586	28,706,621,598
	<b>289,021,799,127</b>	<b>422,823,192,290</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**8 Other expenses**

	2022 VND	2021 VND
Net book value of fixed assets and construction in progress disposed/written off	225,597,996,436	207,497,318,225
Others	58,953,953,046	20,710,207,337
	<b>284,551,949,482</b>	<b>228,207,525,562</b>

**9 Production and business costs by element**

	2022 VND	2021 VND
Raw material costs included in production costs	28,254,043,965,342	26,791,762,196,999
Labour costs and staff costs	2,584,010,369,890	2,610,866,195,351
Depreciation and amortisation	2,081,613,738,006	2,114,227,260,665
Outside services	3,250,849,396,879	3,328,399,860,750
Other expenses	11,442,139,103,204	12,238,525,067,822

**10 Income tax****(a) Recognised in the consolidated statement of income**

	2022 VND	2021 VND
<b>Current tax expense</b>	1,956,248,296,285	2,320,981,674,175
<i>In which: current tax expense relating to taxable income of prior years</i>	17,586,208,221	65,592,640,708
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(38,288,939,248)	(31,282,159,734)
<b>Income tax expense</b>	<b>1,917,959,357,037</b>	<b>2,289,699,514,441</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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

	2022 VND	2021 VND
Accounting profit before tax	10,495,534,676,745	12,922,235,486,919
Tax at the Company's tax rate	2,099,106,935,349	2,584,447,097,384
Tax rate differential applied to Company's subsidiaries, branches and factories	(97,579,560,790)	(79,696,711,272)
Tax exempt income	(2,343,018,412)	(1,586,177)
Non-deductible expenses	10,833,816,918	10,776,368,530
Tax incentives	(181,818,411,414)	(290,245,639,640)
Changes in deferred tax assets not recognised	72,173,387,165	(1,172,655,092)
Current tax expense relating to taxable income of prior years	17,586,208,221	65,592,640,708
<b>Income tax expense</b>	<b>1,917,959,357,037</b>	<b>2,289,699,514,441</b>

**(c) Applicable tax rates**

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

**11 Basic earnings per share**

The calculation of earnings per share for the year ended 31 December 2022 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares outstanding, calculated as follows:

**(a) Net profit attributable to ordinary shareholders**

	2022 VND	2021 VND
Net profit for the year – attributable to ordinary shareholders before appropriation to bonus and welfare fund	8,516,023,694,342	10,532,477,099,899
Appropriation to bonus and welfare fund – attributable to ordinary shareholders	(924,627,242,747)	(1,092,036,658,532)
<b>Net profit for the year attributable to ordinary shareholders after appropriation to bonus and welfare fund</b>	<b>7,591,396,451,595</b>	<b>9,440,440,441,367</b>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***(b) Weighted average number of ordinary shares**

	2022 Number of shares	2021 Number of shares
Issued ordinary shares at the beginning of the year	2,089,955,445	2,089,645,346
Effect of treasury shares sold during the year	-	285,461
<b>Weighted average number of ordinary shares</b>	<b>2,089,955,445</b>	<b>2,089,930,807</b>

As at 31 December 2022, the Group did not have potentially dilutive ordinary shares.

**VII OTHER INFORMATION****1 Significant transactions with related parties**

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

Related party	Relationship	Nature of transaction	2022 VND	2021 VND
Miraka Holdings Limited	Associate	Purchases of goods	231,425,301,017	155,017,742,176
		Sales of goods	103,180,923	-
APIS Corporation	Associate	Purchases of goods and services	471,997,298,179	233,374,210,894
		Dividends received	-	2.600.000.000
Asia Coconut Processing Joint Stock Company	Associate	Purchases of goods	37,370,417,796	22,901,079,806
		Purchase of shares	30,900,000,000	-
		Dividends received	12,360,000,000	-
Del Monte – Vinamilk Dairy Inc., Philippines	Joint venture	Capital contribution	12,275,000,000	22,810,312,500
		Sales of goods	46,356,662,890	-
		Sales of services	2,197,314,167	-
The State Capital Investment Corporation	Shareholder	Dividends	2,897,034,917,700	2,708,915,767,200

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

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

	2022 VND Million	2021 VND Million
<b>Board of Directors members</b>		
<b>Total fees</b>		
Mr. Nguyen Hanh Phuc – Chairman	1,720	-
Mdm. Le Thi Bang Tam – Chairwoman	1,837	3,646
Mdm. Mai Kieu Lien – Member (i)	2,067	2,118
Mr. Lee Meng Tat – Member	2,398	2,458
Ms. Dang Thi Thu Ha – Member	2,398	2,495
Mr. Le Thanh Liem – Member (ii)	931	1,064
Mr. Michael Chye Hin Fah – Member	2,646	2,712
Mr. Do Le Hung – Member	2,398	2,458
Mr. Alain Xavier Cany – Member	2,646	2,675
Ms. Tieu Yen Trinh – Member	1,734	920
Mr. Hoang Ngoc Thach – Member	2,411	1,280

(i) Board of Directors member cum Chief Executive Officer

(ii) Board of Directors member cum Executive Director – Finance.

	2022 VND Million	2021 VND Million
<b>Chief Executive Officer</b>		
<i>Average salary per month</i>		
Mdm. Mai Kieu Lien	366	366
<b>Other key management personnel</b>		
<i>Average salary per month per person</i>		
Executive Directors	167	218

# VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

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

## 2 Segment information

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

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

### Geographical segments

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

	Domestic (Customers located in Vietnam)		Overseas (Customers located in countries other than Vietnam)		Total	
	2022 VND	2021 VND	2022 VND	2021 VND	2022 VND	2021 VND
Net revenue	50,704,403,447,753	51,202,029,350,725	9,251,843,749,665	9,717,135,495,421	59,956,247,197,418	60,919,164,846,146
Cost of sales	(30,148,858,565,457)	(29,154,535,362,690)	(5,910,157,125,254)	(5,486,327,991,149)	(36,059,015,690,711)	(34,640,863,353,839)
<b>Segment gross profit</b>	<b>20,555,544,882,296</b>	<b>22,047,493,988,035</b>	<b>3,341,686,624,411</b>	<b>4,230,807,504,272</b>	<b>23,897,231,506,707</b>	<b>26,278,301,492,307</b>

Prepared by

28 February 2023

Approved by



**Le Thanh Liem**

Executive Director - Finance  
cum Chief Accountant



**Mai Kieu Lien**

Chief Executive Officer

**CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)****VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**

	31/12/2022 VND million	31/12/2021 VND million
<b>Current assets</b>	<b>31,513,455</b>	<b>36,072,451</b>
Cash and cash equivalents	2,299,944	2,348,552
Other investments	17,414,056	21,025,736
Trade and other receivables	6,308,820	5,962,551
Inventories	5,490,635	6,735,612
<b>Non-current assets</b>	<b>18,139,373</b>	<b>18,164,572</b>
Trade and other receivables	471,288	390,442
Right of use assets	767,593	758,853
Other investments	78,368	82,838
Property, plant and equipment	11,582,466	11,784,683
Biological assets	1,348,784	1,214,416
Intangible assets	3,135,987	3,187,114
Investment property	57,594	60,050
Investment in equity accounted investees	664,303	661,024
Deferred tax assets	32,990	25,152
<b>TOTAL ASSETS</b>	<b>49,652,828</b>	<b>54,237,023</b>



## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONTINUED)

	31/12/2022 VND million	31/12/2021 VND million
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>	<b>16,262,813</b>	<b>18,064,937</b>
<b>Current liabilities</b>	<b>15,301,684</b>	<b>17,063,335</b>
Borrowings	4,867,130	9,382,354
Trade and other payables	9,674,710	6,966,798
Income tax payable	418,101	437,001
Other taxes payable	180,034	211,146
Advances from customers	161,709	66,036
<b>Non-current liabilities</b>	<b>961,129</b>	<b>1,001,602</b>
Borrowings	66,029	75,636
Trade and other payables	3,712	21,901
Lease liabilities	460,632	430,262
Severance allowance obligations	142,774	157,468
Deferred tax liabilities	287,982	316,335
<b>EQUITY</b>	<b>33,390,015</b>	<b>36,172,086</b>
<b>Equity attributable to equity holders of the Company</b>	<b>30,364,533</b>	<b>33,361,179</b>
Share capital	20,899,554	20,899,554
Share premium	34,111	34,111
Other capital	202,658	202,658
Fair value reserve	(14,817)	(10,293)
Translation reserve	92,526	258
Other reserve	5,266,762	4,352,442
Retained earnings	3,883,739	7,882,449
<b>Non-controlling interest</b>	<b>3,025,482</b>	<b>2,810,907</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>49,652,828</b>	<b>54,237,023</b>

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

#### FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 VND million	2021 VND million
<b>I. Profit or loss</b>		
Revenue	51,455,897	51,834,145
Cost of sales	(37,518,671)	(36,058,863)
<b>Gross profit</b>	<b>13,937,226</b>	<b>15,775,282</b>
Other income	151,747	288,907
Selling expenses	(3,500,662)	(3,336,811)
General and administration expenses	(1,377,806)	(1,605,084)
Other losses – net	(405,340)	(73,555)
<b>Results from operating activities</b>	<b>8,805,165</b>	<b>11,048,739</b>
Finance income	1,210,690	1,103,481
Finance cost	(188,394)	(109,118)
<b>Net finance income</b>	<b>1,022,296</b>	<b>994,363</b>
Share of loss of equity accounted investees	(24,476)	(45,044)
<b>Profit before tax</b>	<b>9,802,985</b>	<b>11,998,058</b>
Income tax	(1,917,959)	(2,289,700)
<b>Net profit</b>	<b>7,885,026</b>	<b>9,708,358</b>

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

#### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	2022 VND million	2021 VND million
<b>II. Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Equity investments at FVOCI – net change in fair value	(4,524)	(3,843)
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Foreign operations – foreign currency translation differences	92,268	(10,396)
<b>Total comprehensive income</b>	<b>7,972,770</b>	<b>9,694,119</b>
<b>Net profit attributable to:</b>		
Equity holders of the Company	7,833,478	9,639,671
Non-controlling interest	51,548	68,687
<b>Net profit</b>	<b>7,885,026</b>	<b>9,708,358</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	7,921,222	9,625,432
Non-controlling interest	51,548	68,687
<b>Total comprehensive income</b>	<b>7,972,770</b>	<b>9,694,119</b>
<b>Earnings per share</b>		
Basic earnings per share (in VND)	3,749	4,612
Basic earnings per share from continuing operations (in VND)	3,749	4,612

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 VND million	2021 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>9,802,985</b>	<b>11,998,058</b>
<b>Adjustments for</b>		
Depreciation and amortisation	2,123,253	2,148,844
Exchange losses/(profits) arising from revaluation of monetary items denominated in foreign currencies	3,222	(1,658)
Losses on disposals of property, plant and equipment and biological assets	88,472	73,844
Interest expense	166,881	89,020
Dividends, interest income and other investment activities	(1,210,690)	(1,106,042)
Share of loss of equity accounted investees Income from waiver of borrowing	24,476	45,044
Impacts of shares issued under Employees Stock	-	(70,747)
Option Plan ("ESOP")	-	39,746
<b>Operating profit before changes in working capital</b>	<b>10,998,599</b>	<b>13,216,109</b>
Change in receivables	(371,808)	(476,868)
Change in inventories	1,291,932	(1,860,439)
Change in payables and other liabilities	(947,738)	1,438,403
	<b>10,970,985</b>	<b>12,317,205</b>
Interest paid	(141,304)	(98,561)
Income tax paid	(1,975,290)	(2,356,598)
<b>Net cash generated from operating activities</b>	<b>8,854,391</b>	<b>9,862,046</b>

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(CONTINUED)

	2022 VND million	2021 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment, intangible assets and biological assets	(1,456,914)	(1,936,256)
Collections on disposals of property, plant and equipment and biological assets	137,126	133,905
Receipts from collecting loans	-	150
Payments for investments in other entities	(43,175)	(23,227)
Collections from investments in other entities	-	1,337
Payments for term deposits - net	-	(3,514,466)
Collections from term deposits - net	3,634,715	-
Receipts of interest and dividends	1,201,020	1,000,079
<b>Net cash used in investing activities</b>	<b>3,472,772</b>	<b>(4,338,478)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from sales of treasury shares	-	60,120
Proceeds from additional shares issued by a subsidiary to non-controlling interest	-	39,201
Proceeds from capital contributed by non-controlling interest	338,100	218,540
Proceeds from borrowings	6,257,530	9,596,960
Payments to settle loan principals	(10,789,020)	(7,551,460)
Payments of lease liabilities	(27,116)	(24,843)
Payments of dividends	(8,046,225)	(7,523,561)
Payments of dividends of subsidiaries to non-controlling interest	(120,675)	(97,198)
<b>Net cash used in financing activities</b>	<b>(12,387,406)</b>	<b>(5,282,241)</b>
<b>Net cash flows during the year</b>	<b>(60,243)</b>	<b>241,327</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,348,552</b>	<b>2,111,243</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>(1,729)</b>	<b>(2,270)</b>
<b>Currency translation differences</b>	<b>13,364</b>	<b>(1,748)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,299,944</b>	<b>2,348,552</b>