

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

SEPARATE INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2017

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**OFFICIAL**

10 - 5 - 2017

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY  
VINAMILK**

**SEPARATE INTERIM FINANCIAL  
STATEMENTS**

**FOR THE THREE-MONTH PERIOD  
FROM 01/01/2017 TO 31/3/2017**

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

**SEPARATE INTERIM FINANCIAL STATEMENTS**For the three-month period ended 31 March 2017

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## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

### CORPORATE INFORMATION

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<b>Business Registration Certificate No.</b>	4103001932 0300588569	20 November 2003 18 January 2017
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The Company's business registration certificate has been amended several times, the most recent of which is by business registration certificate No. 0300588569 dated 18 January 2017. The business registration certification was issued by Ho Chi Minh City Planning and Investment Department.

<b>Board of Management</b>	Mdm Le Thi Bang Tam Mdm Mai Kieu Lien Mr Lee Meng Tat Mr Nguyen Hong Hien Ms Dang Thi Thu Ha Mr Le Thanh Liem Mr Michael Chye Hin Fah Mr Nguyen Ba Duong Mr Do Le Hung Mr Le Song Lai Ms Ngo Thi Thu Trang Mr Le Anh Minh	Chairwoman Member Member Member (from 15 April 2017) Member (from 15 April 2017) Member (from 15 April 2017) Member (from 15 April 2017) Member (from 15 April 2017) Member (from 15 April 2017) Member (until 14 April 2017) Member (until 14 April 2017) Member (until 14 April 2017)
<b>Board of Directors</b>	Mdm Mai Kieu Lien Ms Bui Thi Huong  Mr Mai Hoai Anh  Mr Le Thanh Liem Mr Phan Minh Tien Ms Nguyen Thi Thanh Hoa Ms Ngo Thi Thu Trang Mr Tran Minh Van Mr Nguyen Quoc Khanh Mr Trinh Quoc Dung	Chief Executive Officer Executive Director – Human Resource – Administration and Public Relation Executive Director – Sales Chief Operating Officer (until 8 May 2017) Acting Executive Director – Finance Executive Director – Marketing Executive Director – Supply chain Executive Director – Projects Executive Director – Production Executive Director – Research and Development Executive Director – Raw Materials Development
<b>Supervisory Board</b>	Mr Nguyen Trung Kien Ms Nguyen Thi Tuyet Mai Mr Vu Tri Thuc	Head of Supervisory Board (until 14 April 2017) Member (until 14 April 2017) Member (until 14 April 2017)
<b>Registered Office</b>	10 Tan Trao Tan Phu Ward, District 7 Ho Chi Minh City, Vietnam	
<b>Auditor</b>	KPMG Limited Vietnam	

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

### STATEMENT OF THE BOARD OF DIRECTORS

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#### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

The Board of Directors is responsible for the separate interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) which give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2017 and of the unconsolidated results of operations and unconsolidated cash flows for the three-month period then ended. In preparing these separate interim financial statements, the Board of Directors is required to:

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

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

#### APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements set out on pages 7 to 73 which give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2017, and of the unconsolidated results of operations and cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Directors



Mai Kieu Lien  
Chief Executive Officer

Ho Chi Minh City, 10 May 2017





KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
+84-8 3821 9266 | kpmg.com.vn

## **INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

### **To the Shareholders Vietnam Dairy Products Joint Stock Company**

We have reviewed the accompanying separate interim financial statements of Vietnam Dairy Products Joint Stock Company ("the Company"), which comprise the separate statement of financial position as at 31 March 2017, the related separate statements of income and cash flows for the three-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 10 May 2017, as set out on pages 7 to 73.

### **Management's Responsibility**

The Company's Board of Directors is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Directors determines necessary to enable the preparation of the separate interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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



### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of Vietnam Dairy Products Joint Stock Company as at 31 March 2017 and of its unconsolidated results of operations and its unconsolidated cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

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

Vietnam

Audit Report No.: 17-01-148/S



Lâm Thị Ngọc Hao

Practicing Auditor Registration

Certificate No. 0866-2013-007-1

Deputy General Director

Ho Chi Minh City, 10 May 2017

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

**SEPARATE INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2017

**SEPARATE STATEMENT OF FINANCIAL POSITION***As at 31 March 2017***FORM B01a-DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)  
Unit : VND*

<b>ASSETS</b>	<b>Code</b>	<b>Note</b>	<b>Closing balance</b>	<b>Opening balance</b>
1	2	3	4	5
<b>A- CURRENT ASSETS</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>19,225,783,348,819</b>	<b>17,801,341,382,408</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>VI.1</b>	<b>1,991,453,982,210</b>	<b>485,358,843,152</b>
1. Cash	111		391,453,982,210	485,358,843,152
2. Cash equivalents	112		1,600,000,000,000	-
<b>II. Short-term financial investments</b>	<b>120</b>	<b>VI.6</b>	<b>10,318,523,488,016</b>	<b>10,368,523,488,016</b>
1. Trading securities	121	VI.6a	442,023,488,016	442,023,488,016
2. Allowance for diminution in the value of trading securities (*)	122	VI.6a	-	-
3. Held-to-maturity investments	123	VI.6c	9,876,500,000,000	9,926,500,000,000
<b>III. Accounts receivable – short-term</b>	<b>130</b>		<b>3,205,885,142,039</b>	<b>2,702,207,940,196</b>
1. Accounts receivable from customers	131	VI.2	2,266,179,638,015	1,983,880,118,265
2. Prepayments to suppliers	132		477,380,125,174	240,402,985,745
3. Short-term loans receivable	135		-	-
4. Other short-term receivables	136	VI.3a	462,481,189,829	478,323,444,840
5. Allowance for doubtful debts (*)	137	VI.3a	(665,007,234)	(475,005,167)
6. Shortage of assets awaiting resolution	139	VI.4	509,196,255	76,396,513
<b>IV. Inventories</b>	<b>140</b>	<b>VI.7</b>	<b>3,636,668,001,307</b>	<b>4,098,729,148,422</b>
1. Inventories	141		3,640,235,445,284	4,115,402,639,668
2. Allowance for inventories (*)	149		(3,567,443,977)	(16,673,491,246)
<b>V. Other current assets</b>	<b>150</b>		<b>73,252,735,247</b>	<b>146,521,962,622</b>
1. Short-term prepaid expenses	151	VI.12a	43,777,636,499	33,324,800,182
2. Deductible value added tax	152		29,475,098,748	113,197,162,440
3. Taxes and other receivables from State Treasury	153		-	-
4. Other current assets	155		-	-

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

**SEPARATE INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2017

**SEPARATE STATEMENT OF FINANCIAL POSITION (continued)***As at 31 March 2017***FORM B01a-DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**Unit : VND*

ASSETS	Code	Note	Closing balance	Opening balance
1	2	3	4	5
<b>B- LONG-TERM ASSETS</b> <b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>10,582,398,201,484</b>	<b>10,321,862,962,386</b>
<b>I. Accounts receivable – long-term</b>	<b>210</b>		<b>14,414,237,505</b>	<b>15,126,638,176</b>
1. Loans receivable – long-term	215		6,456,333,502	7,245,908,762
2. Other long-term receivables	216	VI.3b	7,957,904,003	7,880,729,414
3. Allowance for doubtful long-term debts (*)	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>6,081,125,025,391</b>	<b>5,790,522,519,072</b>
1. Tangible fixed assets	221	VI.9	5,906,114,538,669	5,612,296,370,375
- Cost	222		11,397,872,422,333	10,748,406,433,591
- Accumulated depreciation (*)	223		(5,491,757,883,664)	(5,136,110,063,216)
2. Intangible fixed assets	227	VI.10	175,010,486,722	178,226,148,697
- Cost	228		298,476,795,932	297,619,795,932
- Accumulated amortisation (*)	229		(123,466,309,210)	(119,393,647,235)
<b>III. Investment property</b>	<b>230</b>	<b>VI.11</b>	<b>135,629,558,370</b>	<b>134,895,415,278</b>
- Cost	231		179,678,050,557	176,272,511,838
- Accumulated depreciation (*)	232		(44,048,492,187)	(41,377,096,560)
<b>IV. Long-term work in progress</b>	<b>240</b>		<b>649,204,826,883</b>	<b>430,308,443,075</b>
1. Long-term work in progress	241		-	-
2. Construction in progress	242	VI.8	649,204,826,883	430,308,443,075
<b>V. Long-term financial investments</b>	<b>250</b>		<b>3,378,377,802,444</b>	<b>3,616,419,284,278</b>
1. Investments in subsidiaries	251	VI.6b	2,866,010,823,122	3,126,810,823,122
2. Investments in associates, joint-ventures	252	VI.6b	319,289,808,669	319,289,808,669
3. Equity investments in other entities	253	VI.6b	10,570,276,240	10,570,276,240
4. Allowance for diminution in the value of long-term financial investments (*)	254	VI.6b	(7,493,105,587)	(30,251,623,753)
5. Held-to-maturity investments	255	VI.6c	190,000,000,000	190,000,000,000
<b>V. Other long-term assets</b>	<b>260</b>		<b>323,646,750,891</b>	<b>334,590,662,507</b>
1. Long-term prepaid expenses	261	VI.12b	301,034,914,339	299,939,849,755
2. Deferred tax assets	262	VI.21a	22,611,836,552	34,650,812,752
3. Long-term tools, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>29,808,181,550,303</b>	<b>28,123,204,344,794</b>

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



**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

**SEPARATE INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2017

**SEPARATE STATEMENT OF FINANCIAL POSITION (continued)***As at 31 March 2017***FORM B01a-DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**Unit : VND*

<b>RESOURCES</b>	<b>Code</b>	<b>Note</b>	<b>Closing balance</b>	<b>Opening balance</b>
1	2	3	4	5
<b>C- LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>5,096,628,721,418</b>	<b>6,329,270,261,772</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>4,999,658,038,502</b>	<b>6,233,534,218,272</b>
1. Accounts payable to suppliers	311	VI.13	2,146,362,306,819	2,568,934,375,909
2. Advances from customers	312		29,071,764,166	35,900,744,953
3. Taxes payable to State Treasury	313	VI.15	735,215,608,951	245,031,363,448
4. Payables to employees	314		108,621,953,355	166,926,421,131
5. Accrued expenses	315	VI.16	1,081,013,563,960	984,149,487,382
6. Unearned revenue – short-term	318	VI.17	759,863,334	2,629,190,398
7. Other payables – short-term	319	VI.18	578,759,688,472	574,093,150,299
8. Short-term borrowings and finance lease liabilities	320	VI.14	-	1,200,000,000,000
9. Provisions – short-term	321	VI.19a	2,355,567,358	889,995,571
10. Bonus and welfare funds	322	VI.20	317,497,722,087	454,979,489,181
<b>II. Long-term liabilities</b>	<b>330</b>		<b>96,970,682,916</b>	<b>95,736,043,500</b>
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Long-term unearned revenue	336	VI.17	1,663,272,218	-
5. Other payables – long-term	337		-	-
6. Long-term borrowings and finance lease liabilities	338		-	-
7. Deferred tax liabilities	341	VI.21b	-	-
8. Provisions – long-term	342	VI.19b	95,307,410,698	95,736,043,500

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

**SEPARATE INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2017

**SEPARATE STATEMENT OF FINANCIAL POSITION (continued)***As at 31 March 2017***FORM B01a-DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)**Unit : VND*

RESOURCES	Code	Note	Closing balance	Opening balance
1	2	3	4	5
<b>D- EQUITY (400 = 410 + 430)</b>	<b>400</b>	<b>VI.22</b>	<b>24,711,552,828,885</b>	<b>21,793,934,083,022</b>
<b>I. Owners' equity</b>	<b>410</b>		<b>24,711,552,828,885</b>	<b>21,793,934,083,022</b>
1. Share capital	411		14,514,534,290,000	14,514,534,290,000
- Ordinary shares with voting rights	411a		14,514,534,290,000	14,514,534,290,000
- Preference shares	411b		-	-
2. Share premium	412		260,699,620,761	260,699,620,761
3. Other capital	414		-	-
4. Treasury shares (*)	415		(3,698,257,400)	(1,176,335,920)
5. Foreign exchange differences	417		-	-
6. Investment and development fund	418		2,119,418,011,735	1,794,957,937,585
7. Other equity funds	420		-	-
8. Retained profits	421		7,820,599,163,789	5,224,918,570,596
- Retained profits brought forward	421a		5,224,918,570,596	2,666,821,870,886
- Retained profit for the current year	421b		2,595,680,593,193	2,558,096,699,710
9. Capital expenditure fund	422		-	-
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>29,808,181,550,303</b>	<b>28,123,204,344,794</b>

Acting Executive Director – Finance  
cum Chief Accountant

**Le Thanh Liem***Prepared on 10 May 2017,*

Chief Executive Officer

**Mai Kieu Lien***The accompanying notes are an integral part of these separate interim financial statements*

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

**SEPARATE INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2017

**SEPARATE STATEMENT OF INCOME**  
*Accumulated three-month period ended 31 March 2017*

**FORM B02a-DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)  
Unit: VND*

ITEMS	Code	Note	Accumulated three-month	
			Current year	Previous year (restated)
1	2	3	4	5
<b>1. Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>VII.1</b>	<b>11,114,789,838,470</b>	<b>9,577,099,914,346</b>
2. Revenue deductions	02	VII.1	13,972,952,667	26,772,939,210
<b>3. Net revenue from sales of goods and provision of services (10 = 01 - 02)</b>	<b>10</b>	<b>VII.1</b>	<b>11,100,816,885,803</b>	<b>9,550,326,975,136</b>
<b>4. Cost of sales</b>	<b>11</b>	<b>VII.2</b>	<b>5,619,641,177,857</b>	<b>4,811,905,003,149</b>
<b>5. Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>5,481,175,707,946</b>	<b>4,738,421,971,987</b>
6. Financial income	21	VII.3	627,378,545,609	162,566,249,077
7. Financial expenses	22	VII.4	(3,798,351,393)	(32,770,948,101)
<i>In which: Interest expense</i>	23		9,310,000,000	3,984,386,101
8. Selling expenses	25	VII.7	2,179,061,011,027	2,247,438,189,626
9. General and administration expenses	26	VII.7	167,225,276,330	153,095,022,319
<b>10. Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>3,766,066,317,591</b>	<b>2,533,225,957,220</b>
11. Other income	31	VII.5	15,207,453,742	30,893,864,324
12. Other expenses	32	VII.6	5,255,181,364	542,681,800
<b>13. Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>9,952,272,378</b>	<b>30,351,182,524</b>
<b>14. Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>3,776,018,589,969</b>	<b>2,563,577,139,744</b>
15. Income tax expense – current	51	VII.8	519,378,872,276	436,921,245,847
16. Income tax expense – deferred	52	VII.8	12,038,976,200	833,212,911
<b>17. Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>3,244,600,741,493</b>	<b>2,125,822,680,986</b>

*(Previous period figures have been audited)*

Acting Executive Director – Finance  
cum Chief Accountant


**Le Thanh Liem**

Prepared on 10 May 2017,

Chief Executive Officer

**Mai Kieu Lien**

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

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

**SEPARATE INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2017

**SEPARATE STATEMENT OF CASH FLOWS***(Indirect method)***Accumulated three-month period ended 31 March 2017****FORM B03a-DN***(Issued under Circular No. 200/2014/TT-BTC**dated 22 December 2014 of the Ministry of Finance)**Unit: VND*

ITEMS	Code	Note	Accumulated three-month	
			Current year	Previous year
1	2	3	4	5
<b>I. Cash flows from operating activities</b>				
<i>1. Profit before tax</i>	<i>01</i>		<i>3,776,018,589,969</i>	<i>2,563,577,139,744</i>
<i>2. Adjustments for</i>				
- Depreciation and amortisation	02	VI.9 VI.10 VI.11	232,402,724,401	223,194,769,924
- Allowances and provisions	03		(28,537,907,772)	(55,772,126,800)
- Exchange (gain)/losses arising from revaluation of monetary items denominated in foreign currencies	04		2,045,337,290	4,879,483,004
- (Gains)/losses on disposals of tangible fixed assets and construction in progress	05		(492,020,871)	(21,200,000)
- Dividend and interest income	05		(185,273,671,383)	(152,337,461,815)
- (Gains)/losses from merger of a subsidiary	05		(430,894,168,467)	-
- (Gains)/losses from other investing activities	05		-	-
- Interest expense	06	VII.4	9,310,000,000	3,984,386,101
<i>3. Operating profit before changes in working capital</i>	<i>08</i>		<i>3,374,578,883,167</i>	<i>2,587,504,990,158</i>
- Change in receivables	09		(287,559,408,042)	(413,450,325,143)
- Change in inventories	10		576,265,717,516	(260,504,618,659)
- Change in payables and other liabilities	11		(227,871,272,015)	(423,807,048,250)
- Change in prepaid expenses	12		(5,737,296,155)	17,516,650,781
- Change in trading securities	13		-	391,650,000
- Interest paid	14		(30,366,388,889)	-
- Income tax paid	15	VI.15	(179,624,654,212)	(102,301,936,963)
- Other receipts from operating activities	16		-	-
- Other payments for operating activities	17		(462,457,515,666)	(441,639,435,225)
<i>Net cash flows from operating activities</i>	<i>20</i>		<i>2,757,228,065,704</i>	<i>963,709,926,699</i>
<b>II. Cash flows from investing activities</b>				
1. Payments for additions to fixed assets and other long-term assets	21		(315,268,345,534)	(132,630,515,713)
2. Collections from disposals of fixed assets and other long-term assets	22		2,176,215,485	7,130,845,545
3. Payments for granting loans	23		-	-

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



**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

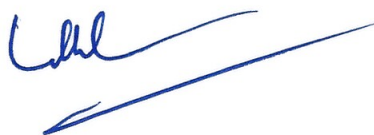
Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

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ITEMS	Code	Note	Accumulated three-month	
			Current year	Previous year
1	2	3	4	5
4. Payments for purchase of debt instruments of other entities	23		-	-
5. Receipts from collecting loans	24		789,575,260	1,270,751,997
6. Receipts from sales of debt instruments of other entities	24		-	-
7. (Payments)/Collections from time deposits	24		50,000,000,000	(950,000,000,000)
8. Payments for investments in other entities	25		(246,920,000,000)	(58,100,000,000)
9. Collections on investments in other entities	26		273,192,164,317	-
10. Receipts of interest and dividends	27		187,852,732,727	150,315,313,681
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(48,177,657,745)</b>	<b>(982,013,604,490)</b>
<b>III. Cash flows from financing activities</b>				
1. Proceeds from shares issued, receipt of capital contributed by owners	31		-	-
2. Payments for capital refunds and shares redemptions	32		(2,521,921,480)	-
3. Proceeds from borrowings	33		-	-
4. Payments to settle loan principals	34	VI.14	(1,200,000,000,000)	-
5. Payments of dividends	36		-	-
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(1,202,521,921,480)</b>	<b>-</b>
<b>Net cash flows during the period</b> (50 = 20 + 30 + 40)	<b>50</b>		<b>1,506,528,486,479</b>	<b>(18,303,677,791)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>		<b>485,358,843,152</b>	<b>1,067,935,585,325</b>
Effect of exchange rate fluctuations	61		(433,347,421)	(2,090,314,169)
<b>Cash and cash equivalents at the end of the period</b> (70 = 50 + 60 + 61)	<b>70</b>		<b>1,991,453,982,210</b>	<b>1,047,541,593,365</b>

 Acting Executive Director – Finance  
cum Chief Accountant



Le Thanh Liem



Prepared on 10 May 2017,

Chief Executive Officer



Mai Kieu Lien

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

## **NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS**

**From 01 January 2017 to 31 March 2017**

*(These notes form an integral part of and should be read in conjunction with the accompanying separate interim financial statements)*

### **I. CORPORATE INFORMATION**

#### **1. Form of ownership:**

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

The major milestones related to the establishment and development of Vietnam Dairy Products Joint Stock Company (“the Company”) are recognised as follows:

- + 29 April 1993: Vietnam Dairy Products Company (State-owned Enterprise) was established according to Decision No. 420/CNN/TCLD of the Ministry of Light Industry.
- + 1 October 2003: The Company was equitised from a State-owned Enterprise of the Ministry of Industry according to Decision 155/2003/QĐ-BCN.
- + 20 November 2003: The Company was registered as a joint stock company and began operating under Enterprise Law 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.

The registered office is located at 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City.

#### **2. Principal activities**

According to the Business Registration Certificate, the Company is allowed to operate in business activities as follows:

- a. Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- b. Trade in food technology, spare parts, equipment, materials and chemicals;
- c. Trade in real estate, owner or leasing land use rights (according to rule No. 11.3 of 2014 Real Estate Law);
- d. Trade in warehouse, yards;
- e. Provide internal transportation by cars for manufacturing and consuming Company’s products;



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- f. Manufacture, sell and distribute beverages, grocery and processing foods, roasted-ground-filtered and instant coffee (not manufacturing and processing at the head office);
- g. Manufacture and sell plastic, packaging (not manufacturing at the head office);
- h. Provide health care clinic services (not at the head office);
- i. Raise cattle, cultivation.

**3. Normal operating cycle**

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

**4. Group structure:**

As at 31 March 2017, the Company had 5 subsidiaries, 3 associates (01 January 2017: 6 subsidiaries, 3 associates) and dependent units as follows:

	<u>Principal activities</u>	<u>% of ownership</u>	<u>% of voting rights</u>
<b>+ Subsidiaries</b>			
– Lamson Dairy Products One Member Company Limited (*) (Le Mon Industrial Zone, Thanh Hoa City, Thanh Hoa Province)	Milk production	100%	100%
– Vietnam Dairy Cow One Member Limited Company (10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City)	Dairy cow raising	100%	100%
– Thong Nhat Thanh Hoa Dairy Cow Limited Company (Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province)	Milk production, cattle raising	96.11%	96.11%
– Driftwood Dairy Holdings Corporation (No. 10724, Street Lower Azusa and El Monte Boulevards Intersection, California 91731-1390, United States)	Milk production	100%	100%
– 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	51%	51%
– Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia (Ul. Gwiazdzista 7a/401-651 Warszawa, Poland)	Dairy raw materials and animal trading	100%	100%

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	<b><u>Principal activities</u></b>	<b><u>% of ownership</u></b>	<b><u>% of voting rights</u></b>
<b>+ Associates:</b>			
– Asia Saigon Food Ingredients Joint Stock Company	Dairy raw materials production	15%	15%
Lot C-9E-CN, DE6 Street, My Phuoc 3 Industrial Zone, Thoi Hoa Ward, Ben Cat Town, Binh Duong Province			
– Miraka Limited	Milk production	22.81%	22.81%
109 Tuwharetoa, Taupo, New Zealand			
– Apis Corporation	Food raw materials trading	18%	18%
No. 18A, VSIP II-A, 27 Street, Viet Nam – Singapore II-A Industrial Zone, Vinh Tan Ward, Tan Uyen District, Binh Duong Province			

(\*) This subsidiary was merged to the Company in March 2017 and continued to operate as a branch of the Company from thereon.

**+ Dependent units:****Sales branches:**

1/ Vietnam Dairy Products Joint Stock Company's Branch in Ha Noi – 11th Floor, Tower B, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City.

2/ Vietnam Dairy Products Joint Stock Company's Branch in Da Nang – 7th Floor, Danang Post Office Tower, 271 Nguyen Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City.

3/ Vietnam Dairy Products Joint Stock Company's Branch in Can Tho – 77-77B Vo Van Tan, Tan An Ward, Ninh Kieu District, Can Tho City.

**Manufacturing factories:**

1/ Thong Nhat Dairy Factory – 12 Dang Van Bi, Thu Duc District, Ho Chi Minh City.

2/ Truong Tho Dairy Factory – 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.

3/ Dielac Dairy Factory – Bien Hoa I Industrial Park, Dong Nai Province.

4/ Can Tho Dairy Factory – Tra Noc Industrial Park, Can Tho City.

5/ Sai Gon Dairy Factory – Tan Thoi Hiep Industrial Park, District 12, Ho Chi Minh City.

6/ Nghe An Dairy Factory – Sao Nam Street, Nghi Thu Commune, Cua Lo Town, Nghe An Province.

7/ Binh Dinh Dairy Factory – 87 Hoang Van Thu, Quang Trung Ward, Quy Nhon City, Binh Dinh Province.

8/ Vietnam Beverage Factory – My Phuoc II Industrial Park, Binh Duong Province.

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9/ Tien Son Dairy Factory – Tien Son Industrial Park, Bac Ninh Province.

10/ Da Nang Dairy Factory – Hoa Khanh Industrial Park, Da Nang City.

11/ Vietnam Powdered Milk Factory – 9 Tu Do Boulevard - Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province.

12/ Vietnam Dairy Factory – My Phuoc II Industrial Park, Binh Duong Province.

13/ Lam Son Dairy Factory – Le Mon Industrial Zone, Thanh Hoa City, Thanh Hoa Province.

#### **Warehouses:**

1/ Ho Chi Minh Logistic enterprise – 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.

2/ Hanoi Logistic enterprise – Km 10 Highway 5, Duong Xa Commune, Gia Lam District, Hanoi City.

#### **Clinics:**

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

As at 31 March 2017, the Company had 5,553 employees (01/01/2017: 5,383 employees).

## **II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY**

### **1. Annual accounting period**

The annual accounting period of the Company is from 01 January to 31 December.

### **2. Accounting and presentation currency**

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

## **III. ACCOUNTING STANDARDS AND SYSTEM APPLIED**

### **1. The accounting system**

- The Company has adopted the Vietnamese Accounting System for enterprises in accordance with Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014.
- The financial information has been prepared in accordance with Vietnamese Accounting Standard No. 27 – *Interim Financial Reporting*.

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### **SEPARATE INTERIM FINANCIAL STATEMENTS**

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## **2. Statement of compliance with the accounting standards and system**

- The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirement applicable to interim financial reporting. The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.
- None of newly issued or amended Vietnamese Accounting Standards are effective for the three-month period ended 31 March 2017.

## **3. Accounting form**

The Company applies computerised accounting form.

## **4. Basis of preparation**

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

## **IV. ACCOUNTING POLICIES APPLIED**

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

### **1. Foreign exchange rates applied in accounting**

#### **a. For foreign currency transactions:**

Are translated at rates of exchange ruling at the transaction dates, foreign exchange differences arising from these transactions are recognised as financial income and expense in the separate statement of income.

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**b. For revaluation of closing balance of monetary items denominated in foreign currencies:**

- At the reporting date, the Company revaluated closing balance of monetary items denominated in foreign currencies as follows:
  - + Cash and loans receivable: Revaluated at account transfer buying rates at the reporting date quoted by the commercial bank where the Company most frequently conducts transaction and has the largest outstanding balance of foreign currencies.
  - + Accounts payable: Revaluated at account transfer selling rates at the reporting date quoted by the commercial bank where the Company most frequently conducts transaction and has the largest outstanding balance of foreign currencies.
- Foreign exchange differences from revaluation are recorded in the separate statement of income (in accordance with Circular 179/2012/TT-BTC).

**c. Exchange rates used for translation at the reporting date:**

As at	Bank	Buying rate	Selling rate
01/01/2017	Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	22,700 VND/USD	22,790 VND/USD
31/3/2017	Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	22,710 VND/USD	22,780 VND/USD

**2. Cash and cash equivalents recognition principles****a. Cash and cash equivalents recognition principles:**

- Cash: comprises cash on hand, cash in banks (call deposits) and cash in transit.
- The recognition principles:
  - + Cash on hand: Based on cash receipts and payment slips.
  - + Cash in banks: Based on Debit or Credit Notes from banks together with bank statements or bank confirmation at each point of time.
  - + Cash in transit: Based on remittance with outstanding Debit and/or Credit Notes.

**b. Cash equivalents:**

Are short-term highly liquid investments, deposits with recoverable period or maturity not more than 3 months from the date of investment that are readily convertible to known amounts of cash and 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.

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### **3. Financial investment accounting principles**

#### **a. Trading securities**

- Trading securities are those held for trading purpose (including those with maturity periods more than 12 months that are purchased for resale with the aim of making profits), such as: shares, bonds listed on the stock exchange; other securities and financial instruments;
- Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value. Trading securities shall be recorded when the Company acquires the ownership, in particular:
  - + Listed securities are recognised at the time of matching (T+0);
  - + Unlisted securities are recognised at the time the ownership is acquired as prescribed in the Vietnamese laws and regulations.
- Allowance for diminution in value of trading securities is made for each type of listed and unlisted securities whose market values lower than their carrying amounts in accordance with the Circular No. 228/2009/TT-BTC dated 7 December 2009.
- The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

#### **b. Held-to-maturity investments**

- Held-to-maturity investments are those that the Company's Board of Directors has intention and ability to hold until maturity.
- Including term deposits at bank (treasury bills and promissory notes), bonds, and held-to-maturity loans to earn interest and other held-to-maturity investments.
- Held-to-maturity investments are stated at costs less allowance for diminution in value.
- All investments classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.



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#### c. Loans receivable

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

#### d. Equity investments in other entities:

- Including investments in subsidiaries; joint ventures, associates and other long-term holding equity investments. Investments are stated at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value.

##### ▪ Subsidiaries

- Subsidiaries are those entities in which the Company has control over the financial and operating policies, generally evidenced by holding more than half of voting rights. In assessing control, exercisable potential voting rights are taken into account.
- In case the Company dissolves the subsidiary and merges all assets and liabilities of the subsidiary into the Company (the Company inherits all the rights and obligations of the subsidiary), the Company decreases the carrying amount of the investment in the subsidiary and records all assets and liabilities of the dissolved subsidiary in the financial statement of the Company at fair value at the date of the merger. The difference between the cost of an investment in a subsidiary and the fair value of the asset and liability is recognised in financial income or expense.

##### ▪ Associates

- Associates are entities in which the Company has significant influence, but not control, normally by holding 20% to 50% of voting rights in these entities.
- Allowance for diminution in value of investments in subsidiaries, joint ventures and associates is made when the investees suffer a loss (except where such a loss was anticipated before making the investment). Allowance is made corresponding to the Company's equity portion in the investee according to the Circular No. 89/2013 dated 28 June 2013.
- 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.

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- When disposal of an investment, difference between fair value of recovered amount and carrying amount of the investment is recognised as financial income (for gain) or financial expenses (for loss).

#### **4. Accounts receivable accounting principles**

- Accounts receivable are monitored in detail of receivable terms, receivable parties, original currency and other factors depending on the Company's managerial requirements.
- Accounts receivable including accounts receivable from customers and other receivables are recognised as follows:
  - + Accounts receivable from customers include trade receivables arising from buying-selling transactions such as: Receivables from sales of goods, provision of services, disposal of assets (fixed assets, investment property, financial investments) between the Company and customers (including receivables from related parties as subsidiaries, joint ventures and associates). Accounts receivable also include receivables for export sales from trustors to trustess. Accounts receivable are recognised in accordance with revenue accounting standard on recognition timing based on invoices and supporting documents.
  - + Other receivables include non-trade receivables, not related to buying-selling transactions, such as:
    - Receivables from financial income such as: interest income from loans and deposits, dividends and shared profits;
    - Receivables from payments on behalf of third parties; receivables by export entrustees on behalf of entrustors;
    - Non-trade receivables such as receivables from assets lending, penalties, compensation, shortage of assets awaiting resolution, etc.
- Other receivables are recognised based on reviewed/approved invoices and/or supporting documents.
- Accounts receivable are classified as short-term and long-term in the separate statement of financial position based on the remaining period of these receivables at the reporting date.
- 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 in accordance with guidance of Circular No. 228/2009/TT-BTC dated 7 December 2009.

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### 5. Inventory recognition principles

#### a. Inventory recognition principles:

- Inventories are stated at cost which includes purchasing price, processing expenses and all related costs incurred in bringing the inventories to their present location and condition.
- In case net realisable value is lower than cost, inventories are stated at net realisable value (the net realisable value is determined at the estimated selling price of inventory items less estimated costs of completion and selling expenses).
- In the case of goods produced, cost includes all directly attributable costs and manufacturing overheads at a normal operating level.

#### b. Inventory valuation method:

- Raw materials, fuel, spare parts, finished goods, tools and supplies, merchandise inventories are determined on a weighted average basis.
- Inventories imported during the period are recognised using the actual exchange rate at the time of transaction, the arising exchange rate difference is recognised as financial income or expense. Import tax payables are determined upon settlement of liabilities by the custom authorities under the current laws and regulations.

#### c. Inventory accounting method:

The Company applies the perpetual method of accounting for inventories.

#### d. Allowance for inventories:

The Company makes allowance for inventories in accordance with the guidance of Circular No. Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance.

### 6. Fixed asset recognition and depreciation principles

The Company manages, uses and depreciates its fixed assets in accordance with guidance of Circular 45/2013/TT-BTC dated 25 April 2013.

#### a. Tangible and intangible fixed assets recognition principles:

##### ▪ **Tangible fixed assets:**

- Tangible fixed assets are stated at: cost less accumulated depreciation.
- Cost of tangible fixed assets comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs incurred in bringing the asset to its working condition for its intended use.

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- Cost of imported fixed assets is recognised using the actual exchange rate at the time of transaction, foreign exchange rate differences arising from settlement of liabilities in relation to purchasing fixed assets are recognised in financial income and expense. Expenditure incurred after initial recognition of tangible fixed assets is capitalised in situations where it can be clearly demonstrated that the expenditure has resulted in an improvement from the use of tangible fixed assets beyond their originally assessed standard of performance. Expenditure which does not meet the above criteria is recognised as expenses in the period.
- When fixed assets are sold or disposed, the cost and accumulated depreciation are written off and any gains or losses arising from disposal are recognised in other income or other expenses in the period.
- **Intangible fixed assets:**
  - Land use rights comprise all actual costs that the Company paid out in conjunction with the land use area, including: purchase price, compensation and site clearance costs, leveling and registration fees, etc.
  - Land use rights comprise:
    - + those granted by the State for which land use payments are collected;
    - + those acquired in a legitimate transfer;
    - + rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use rights certificate issued by competent authority.
  - Land use rights with definite period 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.
  - Software is stated at costs that the Company paid out till the completion stage of testing and the software is put into use, less accumulated amortisation. Cost of acquiring of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset.

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**b. Depreciation method:**

- Tangible fixed assets are depreciated on a straight-line basis. The useful lives (relating to depreciation rate) are as follows:

<b>Category</b>	<b>Time (years)</b>
Buildings and	5 – 50
Machineries and equipments	2 – 15
Motor vehicles	6 – 10
Office equipments	3 – 10

- Intangible fixed assets that are land use rights with definite period are amortised on a straight-line basis over the valid term of land use rights certificate. Intangible fixed assets that are land use rights with indefinite period are stated at cost and not amortised.
- Intangible fixed asset that is software is amortised on a straight-line basis over 2 - 6 years.

**7. Investment property recognition principles**

- Investment property includes land use rights, buildings, or part of buildings or land with buildings, infrastructure held to earn rental or held for price appreciation other than using for manufacturing, providing goods or services, using for management purposes or selling in a normal operation period by the Company.
- The cost of an investment property comprise expenditures (in cash or cash equivalents) that the Company paid out or fair value of exchange amounts incurred till the time of purchasing or finishing construction of the investment property.
- Expenditure related to the investment property incurred after the initial recognition should be recorded as manufacturing and operating expenses during the period, unless in situations where it can be clearly demonstrated that these expenses has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property, the expenditure is capitalised as an additional cost of the investment property.

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- Depreciation: Investment property held to earn rental is depreciated on a straight-line basis to reduce its cost over the estimated useful lives. Investment property held for price appreciation is not amortised. The useful lives (relating to depreciation rate) are as follows:

Category	Time (years)
Land use rights	49
Infrastructure	10
Buildings	6 – 50

- Disposal: Gains and losses from disposal of investment property are determined at the difference between net proceeds from disposal and carrying amount of the investment property and recognised as income or expenses in the separate statement of income.

**8. Construction in progress**

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

**9. Deferred income tax accounting principles**

- Deferred income tax assets/liabilities: are income tax expenses/benefit in the future caused by the temporary differences.
- Deferred tax assets: The carrying amount of deferred tax assets is reassessed at the reporting date and reduced to the extent that future taxable profits will be available against which part or all of deferred tax assets therefrom can be utilised.
- Deferred tax liabilities: are recognised for all taxable temporary differences, except deferred tax liabilities incurred from transactions with no impact on accounting profit or taxable gain (or loss) at the transaction date.
- Deferred tax assets/liabilities are determined at the estimated tax rate applied for the period of realisation or settlement of assets and liabilities using the tax rates enacted at the end of the reporting period.



## **10. Prepaid expenses recognition principles**

- Prepaid expenses represented actual expenditures prepaid for a number of accounting periods and these prepayments will be amortised to manufacturing and operating expenses of the subsequent accounting periods.
- Prepaid expenses: are recognised at cost and classified into short-term and long-term expenses in the separate statement of financial position based on the term of each contract.
- Amortisation method for prepaid expenses complies with the following principles:
  - + Based on determined useful lives: This method is applied to prepaid housing/land rental.
  - + Based on estimated useful lives: This method is applied to qualifying advertising expenses, overhaul expenses, tools and supplies, etc.

### **a. Prepaid land costs**

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

### **b. Tools and instruments**

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

### **c. Others**

Others are recorded at cost and amortised on a straight-line basis from 2 to 3 years.

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### **11. Accounts payable recognition principles**

- Accounts payable are monitored in details by payable terms, payable parties, original currency and other factors depending on the Company's managerial requirements.
- Accounts payable to suppliers, loans payable and other payables are recognised at an amount incurred for actual obligation in accordance with the principles:
  - + Account payables to suppliers: include trade payables arising from transaction of buying goods, services and assets between the Company and suppliers (including related parties such as subsidiaries, joint ventures and associates). Accounts payable also include payables for import through trustees (in import entrustment transactions).
  - + Other payables include non-trade payables, not related to buying-selling transactions, such as:
    - Payables for financial expenses such as: interest payables, dividends and shared profits payable, payables for investment activities;
    - Payables on behalf of third parties; payables from entrustors to related parties in im-export entrustment transactions;
    - Non-trade payables such as payables for borrowing of assets, penalties, compensation, surplus of assets awaiting resolution, social insurance, health insurance, severance allowance, trade union, etc.
- Accounts payable are classified as short-term and long-term in the separate statement of financial position based on the remaining period of these payables at the reporting date.

### **12. Borrowing and finance lease liabilities recognition principles**

- The Company monitors its borrowings and finance lease liabilities in detail of loan owners and classification of short-term and long-term based on the payment maturity.
- Expenses incurred in conjunction with the borrowings are recognised as financial expenses, except those incurred for a separate borrowing for investing, constructing or manufacturing work in progress, which are capitalised.

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### **13. Accrued expense recognition principles**

- Including accrued expenses for goods, services received from suppliers or provided to customers in the reporting period but not yet paid due to the lack of receipts or supporting documents, are recognised as manufacturing and operating expense in the reporting period.
- The Company recognises accrued expenses under main categories as follows:
  - + Promotional expenses: accruals for in-progress sales promotion campaign (mainly based on revenue targets).
  - + Advertising expenses: accruals for in-progress advertising programs.
  - + Housing and land rental: accrued based on the terms stated in the respective contracts.
  - + Other expenses: accrued based on contracts' terms.

### **14. Provision recognition principles**

- A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.
- Provisions are recognised based on the most appropriate estimates of the amount payable to settle the obligations at the end of the accounting period.
- The Company recognised provisions under main categories as follows:
  - + Severance allowances regulated in Social Insurance Laws and current guidance documents
    - 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 current salary level.
    - Provision for severance allowance to be paid to the existing eligible employees as at 31 March 2017 has been made based on the eligible employees' years of service, being the total employees' years of service less the number of years for which the employees 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, if any, and their average salary for the six-month period prior to the end of the accounting period.

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- + Provision for regular maintenance and repair of fixed assets (technical demand)
- + Other provisions

#### **15. Unearned revenue recognition principles**

- Unearned revenue includes: revenue received in advance (such as: advances received from customers for leasing of assets and infrastructures in many accounting periods, interest received in advance in granting capital or purchasing of debt instruments); and other unearned revenue (such as: differences in sales prices between deferred payment and one time payment, revenue corresponding to value of goods, service or sales discounts for customers in traditional customer programs, etc); Excluding: advances received from customers that the Company has not yet provided goods, merchandises, services, and revenue from leasing of assets or providing services in a number of periods, whose proceeds has not yet been collected.
- Revenue received in advance is amortised based on the provision of goods or services for which cash has been collected.

#### **16. Equity recognition principles**

The Company's equity includes:

- Share capital: Based on actual contributed capital from shareholders.
  - + Share capital is represented at par value and monitored in details of ordinary shares with voting rights and preference shares. Currently, the Company only has the ordinary shares with voting rights.
  - + Share premium: is the difference between contributed capital at par value and at share issued price; difference between purchase price of treasury shares and their re-issued price.
  - + Repurchase and reissue of ordinary shares (treasury shares): When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.
- Other capital: is appropriated from operating results or being gifted, donated, sponsored and from assets revaluation.
- The Company's profit after tax is appropriated 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.

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- Dividends are declared and paid based on the estimated profits. The official dividends will be declared and paid in the following annual period from the retained profit upon approval by Shareholders at the Company's Annual General Meeting.
- Equity funds appropriated based on the Company's Charter are as follows:
  - + Investment and development fund is appropriated from 10% of profit after tax.
  - + Bonus and welfare fund is appropriated from 10% of profit after tax.
- The utilisation of the above funds must be approved by shareholders, the Board of Directors or the Chief Executive Officer, depending on the nature and magnitude of the transactions defined in the Company's Charter and financial regulations. When the fund is utilised for business expansion, the amount utilised is transferred to share capital.

## **17. Revenue recognition principles**

- For merchandise inventories, finished goods: Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding payments of cash and related expenses or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.
- For services: Revenue is recognised when there are no significant uncertainties regarding payments of cash or related expenses. In case the services are rendered in a number of accounting periods, revenue for each period is determined in proportion to the stage of completion of services at the end of the accounting period. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.
- For rental income: Rental income from leased property is recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.
- For interest, dividends and shared profits: Income is recognised when the right to receive the economic benefits from these activities is established and the benefits are determined reliably.
  - + Interest: is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate in each period.
  - + Dividends and shared profits: are recognised when the Company is entitled to receive dividends or shared profits for capital contribution.

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

## **18. Revenue deduction recognition principles**

- Revenue deductions included:
  - + Sales discounts: are discounts listed for customers who buy in bulk, excluding sales discounts for customers presented in the Value Added Tax (VAT) invoices or sales invoices, which are recorded at net amounts.
  - + Sales allowances: are deductions for customers who buy defect products, low-quality and deteriorated goods or goods with incorrect specification as stated in economic contracts; excluding sales discounts for customers presented in VAT invoices or sales invoices, which are recorded at net amounts.
  - + Sales returns: due to violations of commitments or economic contracts, low quality or incorrect types and specifications.
- In case goods sold or services provided in the previous period but sales discounts, sales allowances, sales returns conditions were met in the following year/period, the Company recognises as the following principles:
  - + If sales discounts, sales allowances and sales returns conditions were met prior to the issuance of the separate interim financial statements: the decrease in revenue is recognised in the reporting period.
  - + If sales discounts, sales allowances, sales returns conditions were met after the issuance of the separate interim financial statements: the decrease in revenue is recognised in the following period.

## **19. Cost of sales recognition principles**

- Including the cost of products, goods, services, investment property sold during the period (including depreciation; repair; expenses for investment property leasing transaction, expenses for transfer and disposal of investment property, etc.) and is recognised corresponding to revenue of the period.
- For cost of direct raw materials consumed which is over the normal level, labour cost, manufacturing overheads not allocated to finished goods are recorded directly into the cost of sales (after deducting compensations, if any) even if products and goods are not yet determined to be consumed.



## **20. Financial expenses recognition principles**

- Losses relevant to financial investment activities:
  - + Losses from investment in other entities: Recorded on actual incurred basis.
  - + Losses on securities investments: Made for each of the listed and unlisted securities whose market prices lower than their carrying amounts.
- Borrowing cost: are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned. Borrowing cost are recorded monthly on loan principles, interest rates and number of actual borrowing days.
- Expenses incurred in relation to investments in joint ventures, associates and securities transfer: on actual incurred basis.
- Foreign exchange losses: recorded when there is a difference between actual transaction rate and accounting rate and when there is a loss in revaluation of monetary items denominated in foreign currencies.

## **21. Current and deferred income tax recognition principles**

- Corporate income tax expenses (or corporate income tax income): is total current and deferred income tax expenses (or total current and deferred tax) in determining profit or loss of a period.
  - + Current income tax expenses: is corporate income tax payable calculated on taxable profit during the year and current corporate income tax rate, and any adjustment to tax payable in respect of previous year. Current income tax is calculated on taxable income and applicable tax rate during the tax period. Difference between taxable income and accounting profit is from adjustment of differences between accounting profit and taxable income in accordance with current tax policies.
  - + Deferred income tax expenses: is corporate income tax payable in the future, arising from: recognition of deferred income tax payable during the period; reversal of deferred tax assets which were recognised in previous periods;
  - + Deferred income tax benefit: is a decrease of deferred income tax expenses arising from recognition of deferred tax assets during the period; reversal of deferred tax liabilities which were recognised in previous periods.
  - + Current and deferred income tax are recognised in equity for transaction related to items recognised directly in equity.

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- The Company has an obligation to pay income tax at rates ranging from 10% to 20% of taxable profits (for the three-month period ended 31 March 2016: 15% to 20%), depending on principle activities of its factories.

**22. Operating lease payments**

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

**23. Segment reporting**

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

**24. Related parties**

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

## **25. Classification of financial instruments**

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Company classifies its financial instruments as follows:

### **a. Financial assets**

#### ➤ **Financial assets at fair value through profit or loss**

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
  - It is acquired principally for the purpose of selling it in the near term;
  - There is evidence of a recent pattern of short-term profit-taking; or
  - A derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as at financial assets at fair value through profit or loss.

#### ➤ **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has the positive intention and ability to hold to maturity, other than:

- Those that the Company upon initial recognition designates as at fair value through profit or loss;
- Those that the Company designates as available-for-sale; and
- Those that meet the definition of loans and receivables.

#### ➤ **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- That the Company intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- That the Company upon initial recognition designates as available-for-sale; or

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- For which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

➤ **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- Financial assets at fair value through profit or loss;
- Held-to-maturity investments; or
- Loans and receivables.

#### **b. Financial liabilities**

➤ **Financial liabilities at fair value through profit or loss**

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
  - It is incurred principally for the purpose of repurchasing it in the near term;
  - There is evidence of a recent pattern of short-term profit-taking; or
  - A derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as financial liabilities at fair value through profit or loss.

➤ **Financial liabilities carried at amortised cost**

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

## **V. FINANCIAL RISK MANAGEMENT:**

- The Company assesses the following risks from its use of financial instruments:
  - Market risk;
  - Credit risk;
  - Liquidity risk.
- This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks.
- The Company's Supervisory Board (from 15 April 2017 is The Audit Committee which is under the Board of Management) oversees how Board of Directors monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.
- The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.
- The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### **1. Market risk**

- Market risk is the risk that fair value or future cash flows of a financial instrument will be affected by the volatility of market prices, such as foreign exchange rates, interest rates and equity prices. Market risk includes 3 types of risk: currency risk, interest rate risk and other market price risk.
- The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
  - a. Currency risk
- The Company is exposed to currency risk on sales and purchases that are denominated in currencies other than VND. These currencies are mainly USD and EUR (other currencies have insignificant transactions).
- The Company's exposure to currency risk is managed by keeping the exposure at an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term over-exposures and planning a payment schedule of foreign currencies with the highest possible accuracy.

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- Exposures to currency risk of the Company from USD and EUR is as follows:

**As at 31 March 2017**

	<b>Foreign currencies</b>		<b>VND equivalent</b>	
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
<b>Financial assets</b>				
Cash on hand and cash at banks	4,330,629.00	794.75	98,348,584,590	19,208,312
Trade and other receivables	12,931,512.44	-	293,674,647,448	-
	17,262,141.44	794.75	392,023,232,038	19,208,312
<b>Financial liabilities</b>				
Trade and other payables	(23,843,585.91)	(2,585,661.47)	(543,156,886,916)	(63,157,367,066)
<b>Currency risk exposure</b>	<b>(6,581,444.47)</b>	<b>(2,584,866.72)</b>	<b>(151,133,654,878)</b>	<b>(63,138,158,754)</b>

**As at 1 January 2017**

	<b>Foreign currencies</b>		<b>VND equivalent</b>	
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
<b>Financial assets</b>				
Cash on hand and cash at banks	793,766.71	797.30	18,018,504,317	19,013,213
Trade and other receivables	23,235,629.42	-	527,448,787,933	-
	24,029,396.13	797.30	545,467,292,250	19,013,213
<b>Financial liabilities</b>				
Trade and other payables	(27,364,039.68)	(870,971.67)	(623,626,464,193)	(21,061,836,924)
<b>Currency risk exposure</b>	<b>(3,334,643.54)</b>	<b>(870,174.37)</b>	<b>(78,159,171,943)</b>	<b>(21,042,823,711)</b>

Major exchange rates applied during the period are as follows:

	<b>Closing balance</b>		<b>Opening balance</b>	
	<b>VND</b>		<b>VND</b>	
	<b>Selling rate</b>	<b>Buying rate</b>	<b>Selling rate</b>	<b>Buying rate</b>
USD	22,780	22,710	22,790	22,700
EUR	24,426	24,169	24,812	23,847

- Below is an analysis of the possible impact on the net profit of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at the end of the accounting period.
- + As at 31 March 2017, if VND weakens/strengthens by 1% against USD, while all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases, profit after tax of the period is lower/ higher by VND1,209,069,237, mainly due to foreign exchange losses/gains in translation of trade receivables and payables denominated in USD.

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- + As at 31 March 2017, if VND weakens/strengthens by 1% against the EUR, while all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases, profit after tax of the period is lower/higher by VND505,105,269, mainly due to foreign exchange losses/gains in from translation of trade receivables and payables denominated in EUR.

**b. Price risk**

- The Company invests in equity investments of listed and unlisted companies and is exposed to risks of price fluctuation of these investments. The risk factors affecting the performance of these investments include financial performance and position of invested companies and market conditions. The Board manages the former factor by selecting industries and entities to invest in. The latter factor is itself affected by general economic condition of Vietnam and behaviours of investors, which are all out of the Board's control. These factors have caused conditions to be volatile in recent years.
- For investments in listed securities, if the share prices had increased or decreased by 10% with all other variables including tax rate being held constant, the Company's net profit after tax would not have been significantly impacted.

**c. Interest rate risk**

Interest rate fluctuation does not have any significant impact on the Company's net profit after tax.

**2. Credit risk**

- Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables and investments in debt securities.

- Exposure to credit risk:

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
Cash and cash equivalents	1,990,536,269,899	484,567,254,315
Held-to-maturity investment	10,066,500,000,000	10,116,500,000,000
Accounts receivable from customers	2,720,814,802,637	2,445,992,509,178
	<u>14,777,851,072,536</u>	<u>13,047,059,763,493</u>

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- Cash and cash equivalents:

Cash and cash equivalents at banks of the Company are mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

- Held-to-maturity investments

- Held to maturity investments include corporate bonds and term deposits. Term deposits at bank are mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Company.
- The Company's exposure to credit risk from investing in bonds is influenced by individual characteristics of the instrument issuer. In managing this risk, the Company management analyses the creditworthiness of the issuer before buying. Management assessed that the issuers had good track records and believe that credit risk on those instruments is low.
- There was no allowance for held-to-maturity investments as at 31 March 2017 and 1 January 2017.

- Accounts receivable from customers and other receivables

- The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.
- The Company's Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.
- Credit purchase limit is established for each customer, which represents the maximum amount without requiring approval from the Board of Directors. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Group only on a prepayment basis.
- The Company makes allowance for doubtful debts to represent estimated losses from trade and other receivables. Main components of the allowance are specified losses relevant to the specific major losses to each customer and the overall losses of similar financial assets, which are determined when these risks could have been incurred but not yet identified. The overall losses are determined on statistic data of historical payment of the similar financial assets.

a. Financial assets neither past due nor impaired:

- Cash in banks and investments in bonds that are neither past due nor impaired are bank deposits and bond investments with high credit rating in Vietnam. Trade and other receivables that are neither past due nor impaired are mainly from companies with good collection history with the Company.



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- Trade and other receivables of the Company that are neither past due nor impaired amount to VND2,673,025,549,784 as at 31 March 2017 (01/01/2017: VND2,425,985,390,881).

b. Financial assets overdue and/or impaired:

- There are no other financial assets which are overdue and/or impaired but receivables.
- Receivables past due but not impaired are as follows:

	<b>Closing balance</b>	<b>Opening balance</b>
Past due 1 to 30 days	61,061,073,744	40,413,823,659
Past due 31 to 60 days	-	1,762,548,396
Past due 61 to 90 days	1,364,494,744	691,305,540
Past due more than 90 days	217,603,241	281,213,709
	<b>62,643,171,729</b>	<b>43,148,891,304</b>

- Carrying amounts of impaired receivables and movements of related allowance for doubtful debts are as follows:

	<b>Closing balance</b>	<b>Opening balance</b>
Gross amount	950,010,334	950,010,334
Less: Allowance for doubtful debts	(665,007,234)	(475,005,167)
	<b>285,003,100</b>	<b>475,005,167</b>

	<b>Current period</b>	<b>Previous year</b>
Opening balance	475,005,167	34,409,000
Increase in allowance	190,002,067	469,005,167
Written off bad debts	-	(28,409,000)
Closing balance	<b>665,007,234</b>	<b>475,005,167</b>

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**3. Liquidity risk:**

- Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's policy is to maintain frequent oversight of current and future liquidity to ensure the Company always have sufficient cash reserve to meet its short-term and long-term liabilities. Cash holdings and net cash flows generated from operation of the Company are sufficient to pay its liabilities due in the next fiscal year.
- Below is an analysis of the Company's financial liabilities with fixed or determined payments according to relevant maturities based on the remaining period from the reporting date to their contractual maturity dates.
- The amounts stated in the below table are undiscounted contractual cash flows.

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>
<b>As at 31 March 2017</b>			
Accounts payable to suppliers	2,146,362,306,819	2,146,362,306,819	2,146,362,306,819
Payables to employess	108,621,953,355	108,621,953,355	108,621,953,355
Accrued expenses	1,081,013,563,960	1,081,013,563,960	1,081,013,563,960
Other short-term payables	578,759,688,472	578,759,688,472	578,759,688,472
Short-term borrowings	-	-	-
	<b>3,914,757,512,606</b>	<b>3,914,757,512,606</b>	<b>3,914,757,512,606</b>
<b>As at 1 January 2017</b>			
Accounts payable to suppliers	2,568,934,375,909	2,568,934,375,909	2,568,934,375,909
Payables to employess	166,926,421,131	166,926,421,131	166,926,421,131
Accrued expenses	984,149,487,382	984,149,487,382	984,149,487,382
Other short-term payables	574,093,150,299	574,093,150,299	574,093,150,299
Short-term borrowings	1,200,000,000,000	1,209,473,333,333	1,209,473,333,333
	<b>5,494,103,434,721</b>	<b>5,503,576,768,054</b>	<b>5,503,576,768,054</b>

- The Company manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short-term and long-term financial investments.

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**4. Fair values measurement**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the separate statement of financial position are as follows:

	Note	Closing balance		Opening balance	
		Carrying amount	Fair value	Carrying amount	Fair value
Categorised as financial assets at fair value through profit or loss:					
- Short-term investments in listed equity instruments held-to-maturity	(ii)	-	-	-	-
Categorised as held-to-maturity investments (*):					
- Term deposits	(i)	9,576,500,000,000	9,576,500,000,000	9,626,500,000,000	9,626,500,000,000
- Corporate bonds	(iv)	490,000,000,000	Note (iv)	490,000,000,000	Note (iv)
Categorised as loans and receivables:					
- Cash and cash equivalents	(i)	1,990,536,269,899	1,990,536,269,899	484,567,254,315	484,567,254,315
- Accounts receivable from customers and other receivables	(i)	2,720,814,802,637	2,720,814,802,637	2,445,992,509,178	2,445,992,509,178
Categorised as available-for-sale:					
- Short-term investments in listed equity instruments	(ii)	23,400	72,000	23,400	67,200
- Short-term investments in unlisted equity instruments available-for-	(iii)	23,464,616	23,464,616	23,464,616	23,464,616
- Other short-term investments	(v)	442,000,000,000	442,000,000,000	442,000,000,000	442,000,000,000
- Long-term investments in investment funds	(iv)	10,270,276,240	Note (iv)	10,270,276,240	Note (iv)
- Other long-term investments	(iv)	300,000,000	Note (iv)	300,000,000	Note (iv)
Categorised as liabilities at amortised cost:					
- Accounts payables to suppliers and other payables	(i)	3,914,757,512,606	3,914,757,512,606	5,494,103,434,721	5,494,103,434,721

(\*) Include short-term and long-term held-to-maturity investment

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***i. Cash and cash equivalents, term deposits, trade and other receivables, trade and other payables***

Carrying amounts of these financial assets and financial liabilities approximate their respective fair values due to the short-term maturity of these instruments.

***ii. Short-term investments in listed equity securities***

Market value of equity securities listed on the Ho Chi Minh Stock Exchange is based on the closing prices of the last official trading date of the period/year at the Ho Chi Minh Stock Exchange.

***iii. Short-term investments in unlisted equity securities***

Market value of unlisted equity securities is based on the average of trading prices provided by 3 securities companies.

***iv. Short-term corporate bonds, long-term corporate bonds and other long-term investments***

The Company has not determined fair values of these financial assets and liabilities for disclosure in accordance with Article 28 of Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance because (i) quoted prices in active market are not available for these financial assets and liabilities; and (ii) Vietnamese Accounting Standards and the Vietnamese Accounting System for enterprises do not provide guidance on measurement of fair values in the case where quoted prices in active market are not available. Fair values of these financial instruments may be different from their carrying values.

***v. Other short-term investments***

Fair value is estimated at the expected net realisable value.

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**VI. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE STATEMENT OF FINANCIAL POSITION:****1. Cash and cash equivalents**

	<b>Closing balance</b>	<b>Opening balance</b>
– Cash on hand	917,712,311	791,588,837
– Cash in banks	390,536,269,899	484,567,254,315
– Cash in transit	-	-
– Cash equivalents	1,600,000,000,000	-
• <i>Deposits with maturity not more than 3 months</i>	1,600,000,000,000	-
• <i>Bonds, treasury bill, promissory note</i>	-	-
<b>Total</b>	<b>1,991,453,982,210</b>	<b>485,358,843,152</b>

**2. Accounts receivable from customers**

	<b>Closing balance</b>	<b>Opening balance</b>
<b>Short-term accounts receivable from customers</b>		
– Abdulkarim Alwan Foodstuff Trading (LLC)	246,987,714,750	429,110,901,892
– Other customers	2,019,191,923,265	1,554,769,216,373
<b>Total</b>	<b>2,266,179,638,015</b>	<b>1,983,880,118,265</b>

In which, accounts receivable from customers who are related parties:

<b>Subsidiaries</b>	<b>23,807,300,599</b>	<b>21,269,875,742</b>
– Vietnam Dairy Cow One Member Limited Company	6,024,984,810	4,694,934,985
– Lamson Dairy Products One Member Company Limited	-	5,894,748,601
– Thong Nhat Thanh Hoa Dairy Cow Limited Company	40,468,547	40,702,511
– Angkor Dairy Products Co., Ltd.	17,741,847,242	10,114,960,745
– Driftwood Dairy Holdings Corporation	-	524,528,900
<b>Associates</b>	<b>-</b>	<b>136,184,400</b>
– Apis Corporation	-	136,184,400
<b>Total</b>	<b>23,807,300,599</b>	<b>21,406,060,142</b>

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

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**3. Other receivables**

	Closing balance		Opening balance	
	Cost	Allowance	Cost	Allowance
<b>a. Short-term</b>	<b>462,481,189,829</b>	<b>(665,007,234)</b>	<b>478,323,444,840</b>	<b>(475,005,167)</b>
- Dividends income and share of profit	3,988,025,835	-	3,988,025,835	-
- Interest income from deposits	256,290,605,675	-	268,804,804,005	-
- Interest income from bonds, loans	27,530,863,015	-	17,595,726,029	-
- Receivables from employees	794,332,602	-	779,702,422	-
- Advances for employees	2,585,035,080	-	2,286,937,297	-
- Deposits	203,000,000	-	177,731,000	-
- Import tax refundable	18,215,887,796	-	27,796,047,217	-
- Rebates receivable from suppliers	3,300,000,000	-	54,797,825,720	-
- Expenditures on behalf of third party	4,931,624,411	-	99,213,751,320	-
- Advances to purchase additional equity interest in an subsidiary	136,920,000,000	-	-	-
- Others	7,721,815,415	(665,007,234)	2,882,893,995	(475,005,167)
<b>b. Long-term</b>	<b>7,957,904,003</b>	<b>-</b>	<b>7,880,729,414</b>	<b>-</b>
- Deposits	1,710,219,177	-	1,633,044,588	-
- Others	6,247,684,826	-	6,247,684,826	-
<b>Total</b>	<b>470,439,093,832</b>	<b>(665,007,234)</b>	<b>486,204,174,254</b>	<b>(475,005,167)</b>

**4. Shortage of assets awaiting resolution**

	Closing balance		Opening balance	
	Quantity	Amount	Quantity	Amount
- Inventories	-	509,196,255	-	76,396,513

**5. Bad debts**

	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Total value of receivables, loans that are overdue or not pass due but hardly recoverable	950,010,334	-	950,010,334	-

In which:

	Overdue from 1 to 30 days	Overdue from 31 to 60 days	Overdue from 61 to 90 days	Overdue more than 90 days
- Nguyen Cao Son	-	-	-	950,010,334

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**6. Financial investments****a. Trading securities**

	Closing balance			Opening balance		
	Cost	Fair value	Allowance	Cost	Fair value	Allowance
- Total value of shares						
in which :	23,488,016	23,536,616	-	23,488,016	23,531,816	-
+ PYRAMID NEW TECHNOLOGY TRADE CORPORATION (PYTHIS)	23,464,616	23,464,616	-	23,464,616	23,464,616	-
+ Other shares	23,400	72,000	-	23,400	67,200	-
- Total value of bonds	-	-	-	-	-	-
- Others	442,000,000,000	442,000,000,000	-	442,000,000,000	442,000,000,000	-
+ Bao Viet Joint Stock Commercial Bank (*)	442,000,000,000	442,000,000,000	-	442,000,000,000	442,000,000,000	-
<b>Total</b>	<b>442,023,488,016</b>	<b>442,023,536,616</b>	<b>-</b>	<b>442,023,488,016</b>	<b>442,023,531,816</b>	<b>-</b>

(\*) As at the reporting date, the Company has entered into a share purchase agreement to transfer its securities of Bao Viet Joint Stock Commercial Bank, the transaction has not been completed (Note VI.18). The carrying value of the securities represented the expected realisable amount.

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

	Current period	Previous period
- Opening balance	-	(71,700,323,906)
- Allowance made	-	(245,096,300)
- Written back	-	15,666,000
- Allowance utilised	-	185,235,106
<b>Closing balance</b>	<b>-</b>	<b>(71,744,519,100)</b>

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**b. Investments in other entities**

	% of		Closing balance			Opening balance		
	Equity owned	Voting rights	Cost	Fair value (*)	Allowance	Cost	Fair value (*)	Allowance
<b>Investments in subsidiaries</b>			<b>2,866,010,823,122</b>	-	-	<b>3,126,810,823,122</b>	-	<b>(22,761,321,984)</b>
- Vietnam Dairy Cow One Member Limited Company	100.00%	100.00%	2,110,780,000,000	-	-	2,110,780,000,000	-	(22,761,321,984)
- Lamson Dairy Products One Member Company Limited (**)	100.00%	100.00%	-	-	-	370,800,000,000	-	-
- Thong Nhat Thanh Hoa Dairy Cow Limited Company	96.11%	96.11%	245,000,000,000	-	-	135,000,000,000	-	-
- Driftwood Dairy Holdings Corporation	100.00%	100.00%	225,895,918,429	-	-	225,895,918,429	-	-
- Angkor Dairy Products Co., Ltd.	51.00%	51.00%	217,871,754,693	-	-	217,871,754,693	-	-
- Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	100.00%	100.00%	66,463,150,000	-	-	66,463,150,000	-	-
<b>Investments in joint ventures, associates</b>			<b>319,289,808,669</b>	-	-	<b>319,289,808,669</b>	-	-
<b>Investments in associates</b>			<b>319,289,808,669</b>	-	-	<b>319,289,808,669</b>	-	-
- Asia Saigon Food Ingredients Joint Stock Company (***)	15.00%	15.00%	18,000,000,000	-	-	18,000,000,000	-	-
- Miraka Limited	22.81%	22.81%	293,189,808,669	-	-	293,189,808,669	-	-
- Apis Corporation (***)	18.00%	18.00%	8,100,000,000	-	-	8,100,000,000	-	-
<b>Investments in other entities</b>			<b>10,570,276,240</b>	-	<b>(7,493,105,587)</b>	<b>10,570,276,240</b>	-	<b>(7,490,301,769)</b>
- Vietnam Growth Investment Fund (VF2)			10,270,276,240	-	(7,493,105,587)	10,270,276,240	-	(7,490,301,769)
- An Khang Clinic			300,000,000	-	-	300,000,000	-	-
<b>Total</b>			<b>3,195,870,908,031</b>	-	<b>(7,493,105,587)</b>	<b>3,456,670,908,031</b>	-	<b>(30,251,623,753)</b>



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- (\*) At the reporting date, the Company has not determined fair values of these financial instruments for disclosure in the separate interim financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their carrying amounts.
- (\*\*) This subsidiary was merged to the Company in March 2017 and continued to operate as a branch of the Company from thereon.
- (\*\*\*) Management assessed that the Company had significant influence over these entities because the Company has member in Board of Directors of these entity.

*Movements in the allowance for diminution in value of long-term investments are as follows:*

	<b>Current period</b>	<b>Previous period</b>
– Opening balance	(30,251,623,753)	(102,785,399,217)
– Allowance made	(2,803,818)	(2,741,763,366)
– Written back	22,761,321,984	57,499,213,405
– Allowance utilised	-	-
<b>Closing balance</b>	<b>(7,493,105,587)</b>	<b>(48,027,949,178)</b>

**c. Held to maturity investments**

	<b>Closing balance</b>		<b>Opening balance</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
<b>Short-term</b>	<b>9,876,500,000,000</b>	<b>9,876,500,000,000</b>	<b>9,926,500,000,000</b>	<b>9,926,500,000,000</b>
– Term deposits	9,576,500,000,000	9,576,500,000,000	9,626,500,000,000	9,626,500,000,000
– Corporate bonds(*)	300,000,000,000	300,000,000,000	300,000,000,000	300,000,000,000
<b>Long-term</b>	<b>190,000,000,000</b>	<b>(**)</b>	<b>190,000,000,000</b>	<b>(**)</b>
– Term deposits	-	-	-	-
– Corporate bonds(*)	190,000,000,000	(**)	190,000,000,000	(**)
<b>Total</b>	<b>10,066,500,000,000</b>	<b>9,876,500,000,000</b>	<b>10,116,500,000,000</b>	<b>9,926,500,000,000</b>

- (\*) These amounts represented investments in bonds issued by Ho Chi Minh Development Joint Stock Commercial Bank with an original maturity of 36 months from their placement dates. The bonds were unsecured, earned interest rates ranging from 8.1% to 8.4% per annum (for 2016: from 7.5% to 8.4%) and are receivable in June 2017 and September 2018, respectively.

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

**7. Inventories**

	<b>Closing balance</b>		<b>Opening balance</b>	
	<b>Cost</b>	<b>Allowance</b>	<b>Cost</b>	<b>Allowance</b>
- Goods in transit	526,710,105,255	-	561,281,869,361	-
- Raw materials, fuel, technical materials	2,091,458,277,289	(2,392,921,816)	2,315,039,717,953	(7,137,697,729)
- Tools and supplies	181,807,411	-	472,026,406	-
- Work in progress	25,762,665,621	-	15,105,363,931	-
- Finished goods	974,159,854,597	(1,174,522,161)	1,146,274,640,723	(9,535,793,517)
- Merchandise inventories	15,601,309,767	-	72,437,224,462	-
- Goods on consignment	6,361,425,344	-	4,791,796,832	-
<b>Total</b>	<b>3,640,235,445,284</b>	<b>(3,567,443,977)</b>	<b>4,115,402,639,668</b>	<b>(16,673,491,246)</b>

Movements in the allowance for inventories are as follows:

	<b>Current period</b>	<b>Previous period</b>
- Opening balance	(16,673,491,246)	(17,115,986,758)
- Allowance made	(1,606,782,664)	(677,214,221)
- Written back	7,576,174,337	2,204,824,382
- Allowance utilised	7,136,655,596	1,427,183,923
<b>Closing balance</b>	<b>(3,567,443,977)</b>	<b>(14,161,192,674)</b>

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**8. Construction in progress**

	<b>Current period</b>	<b>Previous period</b>
– Opening balance	<b>430,308,443,075</b>	<b>277,294,577,637</b>
– Additions	281,739,519,730	152,192,115,922
– Increases from merger of a subsidiary (Note VIII.4)	295,492,565	-
– Transfer to tangible fixed assets	(62,380,318,432)	(85,481,813,619)
– Transfer to intangible fixed assets	-	-
– Transfer to investment property	-	-
– Transfer to inventories	-	-
– Transfer to prepaid expenses	(757,710,055)	(24,000,000)
– Disposals	-	-
– Other decreases	(600,000)	(7,919,605)
<b>Closing balance</b>	<b>649,204,826,883</b>	<b>343,972,960,335</b>

Major constructions in progress are as follows:

	<b>Closing balance</b>	<b>Opening balance</b>
Machinery and equipment – Lam Son Dairy Factory	114,664,797,956	30,025,233,724
Office building project – Can Tho Branch	52,101,510,922	52,101,510,922
Machinery and equipment – Sai Gon Dairy Factory	66,318,925,098	90,072,363,870
Machinery and equipment – Viet Nam Dairy Factory	180,085,696,973	179,888,609,336
Machinery and equipment – Nghe An Dairy Factory	205,594,187,509	43,770,007,044
Others	30,439,708,425	34,450,718,179
<b>Total</b>	<b>649,204,826,883</b>	<b>430,308,443,075</b>

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**9. Movements of tangible fixed assets**

	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Total</b>
<b>Cost</b>					
+Opening balance	<b>1,874,808,408,282</b>	<b>7,723,118,615,206</b>	<b>685,293,138,056</b>	<b>465,186,272,047</b>	<b>10,748,406,433,591</b>
+Additions					
-Purchases	3,255,081,210	4,635,779,727	1,737,155,636	8,286,074,000	17,914,090,573
-Transfer from construction in progress	385,004,739	61,995,313,693	-	-	62,380,318,432
-Additions from merger of a subsidiary (Note VIII.4)	132,983,404,491	419,349,543,061	9,044,111,866	13,578,191,938	574,955,251,356
-Reclassification	-	7,180,847,320	-	(7,180,847,320)	-
+Decreases					
-Transfer to investment property	-	-	-	-	-
-Disposals	(150,616,364)	(1,367,755,340)	(3,397,979,197)	(867,320,718)	(5,783,671,619)
-Other decreases					
<b>+Closing balance</b>	<b>2,011,281,282,358</b>	<b>8,214,912,343,667</b>	<b>692,676,426,361</b>	<b>479,002,369,947</b>	<b>11,397,872,422,333</b>
<b>Accumulated depreciation</b>					
+Opening balance	<b>521,040,262,598</b>	<b>3,975,803,331,384</b>	<b>307,716,056,511</b>	<b>331,550,412,723</b>	<b>5,136,110,063,216</b>
+Additions					
-Charged for the period	21,937,372,297	176,445,771,408	15,342,158,285	13,355,534,778	227,080,836,768
-Additions from merger of a subsidiary (Note VIII.4)	14,300,061,318	111,077,679,861	2,629,925,801	5,786,742,523	133,794,409,503
-Reclassification	-	2,801,847,686	-	(2,801,847,686)	-
+Decreases	-	-	-	-	-
-Transfer to investment property	-	-	-	-	-
-Disposals	(97,900,629)	(1,281,625,279)	(2,980,579,197)	(867,320,718)	(5,227,425,823)
-Other decreases	-	-	-	-	-
<b>+Closing balance</b>	<b>557,179,795,584</b>	<b>4,264,847,005,060</b>	<b>322,707,561,400</b>	<b>347,023,521,620</b>	<b>5,491,757,883,664</b>
<b>Net book value</b>					
<b>+Opening balance</b>	<b>1,353,768,145,684</b>	<b>3,747,315,283,822</b>	<b>377,577,081,545</b>	<b>133,635,859,324</b>	<b>5,612,296,370,375</b>
<b>+Closing balance</b>	<b>1,454,101,486,774</b>	<b>3,950,065,338,607</b>	<b>369,968,864,961</b>	<b>131,978,848,327</b>	<b>5,906,114,538,669</b>

Included in the cost of tangible fixed assets were assets costing VND1,305,165,373,583 which were fully depreciated as at 31 March 2017 (01/01/2017: VND1,257,988,443,769), but which are still in active use.

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**10. Movements of intangible fixed assets**

	<b>Land use rights</b>	<b>Software</b>	<b>Total</b>
<b>Cost</b>			
+Opening balance	<b>166,507,249,624</b>	<b>131,112,546,308</b>	<b>297,619,795,932</b>
+Additions			
-Purchases	-	857,000,000	857,000,000
-Transfer from construction in progress	-	-	-
-Increase from business combination	-	-	-
-Other increases	-	-	-
+Decreases			
-Disposals	-	-	-
-Other decreases	-	-	-
<b>+Closing balance</b>	<b>166,507,249,624</b>	<b>131,969,546,308</b>	<b>298,476,795,932</b>
<b>Accumulated amortisation</b>			
+Opening balance	<b>28,721,931,735</b>	<b>90,671,715,500</b>	<b>119,393,647,235</b>
+Additions			
-Amortisation	544,623,423	3,528,038,552	4,072,661,975
-Other increases	-	-	-
+Decreases			
-Disposals	-	-	-
-Other decreases	-	-	-
<b>+Closing balance</b>	<b>29,266,555,158</b>	<b>94,199,754,052</b>	<b>123,466,309,210</b>
<b>Net book value</b>			
<b>+Opening balance</b>	<b>137,785,317,889</b>	<b>40,440,830,808</b>	<b>178,226,148,697</b>
<b>+Closing balance</b>	<b>137,240,694,466</b>	<b>37,769,792,256</b>	<b>175,010,486,722</b>

Included in the cost of intangible fixed assets were assets costing VND53,207,704,915 which were fully amortised as at 31 March 2017 (01/01/2017: VND48,086,488,915), but which are still in use.

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**11. Investment property**

	<b>Land use rights</b>	<b>Buildings</b>	<b>Infrastructure</b>	<b>Total</b>
<b>Cost</b>				
+Opening balance	<b>82,224,238,170</b>	<b>87,584,055,107</b>	<b>6,464,218,561</b>	<b>176,272,511,838</b>
+Additions				
– Purchases	-	-	-	-
– Transfer from construction in progress	-	-	-	-
– Transfer from fixed assets	-	-	-	-
– Additions from merger of a subsidiary (Note VIII.4)	-	3,405,538,719	-	3,405,538,719
– Reclassification	-	-	-	-
+Decreases				
– Disposals	-	-	-	-
– Other decreases	-	-	-	-
<b>+ Closing balance</b>	<b>82,224,238,170</b>	<b>90,989,593,826</b>	<b>6,464,218,561</b>	<b>179,678,050,557</b>
<b>Accumulated amortisation</b>				
+Opening balance	<b>2,645,189,674</b>	<b>34,156,336,949</b>	<b>4,575,569,937</b>	<b>41,377,096,560</b>
+Additions				
– Amortisation	198,389,226	897,995,429	152,841,003	1,249,225,658
– Additions from merger of a subsidiary (Note VIII.4)	-	1,422,169,969	-	1,422,169,969
+Decreases				
– Disposals	-	-	-	-
<b>Closing balance</b>	<b>2,843,578,900</b>	<b>36,476,502,347</b>	<b>4,728,410,940</b>	<b>44,048,492,187</b>
<b>Net book value</b>				
<b>Opening balance</b>	<b>79,579,048,496</b>	<b>53,427,718,158</b>	<b>1,888,648,624</b>	<b>134,895,415,278</b>
<b>Closing balance</b>	<b>79,380,659,270</b>	<b>54,513,091,479</b>	<b>1,735,807,621</b>	<b>135,629,558,370</b>

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

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

Included in the cost of investment property held to earn rental was assets costing VND7,892,173,774 which were fully depreciated as at 31 March 2017 (01/01/2017: VND7,892,173,774), but which are still in use.

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**12. Prepaid expenses***a. Short-term prepaid expenses*

	Opening balance	Additions	Amortised to expenses	Closing balance
Prepaid software deployment and network maintenance expenses	5,166,842,293	1,825,943,058	3,083,318,157	3,909,467,194
Prepaid advertising expenses	5,746,426,437	2,929,120,907	3,977,657,364	4,697,889,980
Prepaid maintenance expenses	2,628,565,218	5,142,349,945	3,061,516,460	4,709,398,703
Prepaid operating lease expenses	7,007,482,846	7,768,008,366	5,703,828,099	9,071,663,113
Prepaid materials, tools and supplies expenses	8,258,868,844	8,309,512,169	4,714,981,651	11,853,399,362
Prepaid revonaton, major repair expenses	2,809,598,781	2,567,925,398	1,344,249,819	4,033,274,360
Others	1,707,015,763	21,805,189,753	18,009,661,729	5,502,543,787
<b>Total</b>	<b>33,324,800,182</b>	<b>50,348,049,596</b>	<b>39,895,213,279</b>	<b>43,777,636,499</b>

*b. Long-term prepaid expenses*

	Opening balance	Additions	Amortised to expenses	Closing balance
- Leased land and infrastructure expenses	127,407,170,305	1,641,629,777	943,169,152	128,105,630,930
- Tools and supplies expenses	134,359,476,891	22,869,604,992	19,019,024,502	138,210,057,381
- Others long-term prepaid expenses	38,173,202,559	3,578,216,556	7,032,193,087	34,719,226,028
<b>Total</b>	<b>299,939,849,755</b>	<b>28,089,451,325</b>	<b>26,994,386,741</b>	<b>301,034,914,339</b>

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**13. Accounts payable to suppliers**

	Closing balance		Opening balance	
	Carrying amount	Amount within payment capacity	Carrying amount	Amount within payment capacity
<b>a. Short-term accounts payable to suppliers</b>	<b>2,146,362,306,819</b>	<b>2,146,362,306,819</b>	<b>2,568,934,375,909</b>	<b>2,568,934,375,909</b>
– Dai Tan Viet Joint Stock Company	222,857,660,214	222,857,660,214	150,053,638,178	150,053,638,178
– Other suppliers	1,923,504,646,605	1,923,504,646,605	2,418,880,737,731	2,418,880,737,731
<b>b. Accounts payable to suppliers who are related parties</b>	<b>90,153,985,830</b>	<b>90,153,985,830</b>	<b>271,185,334,835</b>	<b>271,185,334,835</b>
<i>Subsidiaries</i>	<i>82,772,243,160</i>	<i>82,772,243,160</i>	<i>262,424,384,835</i>	<i>262,424,384,835</i>
– Vietnam Dairy Cow One Member Limited Company	26,259,634,773	26,259,634,773	28,517,268,205	28,517,268,205
– Lamson Dairy Products One Member Company Limited	-	-	230,564,754,601	230,564,754,601
– Thong Nhat Thanh Hoa Dairy Cow Company Limited	858,000	858,000	-	-
– Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	56,157,711,600	56,157,711,600	3,329,163,200	3,329,163,200
– Angkor Dairy Products Co., Ltd.	354,038,787	354,038,787	13,198,829	13,198,829
<i>Associates</i>	<i>7,381,742,670</i>	<i>7,381,742,670</i>	<i>8,760,950,000</i>	<i>8,760,950,000</i>
– APIS Corporation	7,381,742,670	7,381,742,670	8,760,950,000	8,760,950,000

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



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## 14. Borrowings and finance lease liabilities:

	Opening balance		Movements during the period		Closing balance	
	Carrying value	Repayable amount	Increase	Decrease	Carrying value	Repayable amount
<b>Short-term borrowings</b>	<b>1,200,000,000,000</b>	<b>1,200,000,000,000</b>	-	<b>1,200,000,000,000</b>	-	-
- The Bank of Tokyo-Mitsubishi UFJ Ltd.	100,000,000,000	100,000,000,000	-	100,000,000,000	-	-
- Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,100,000,000,000	1,100,000,000,000	-	1,100,000,000,000	-	-
<b>Total</b>	<b>1,200,000,000,000</b>	<b>1,200,000,000,000</b>	-	<b>1,200,000,000,000</b>	-	-

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

Lenders	Note	Currency	Annual interest rate	Closing balance VND	Opening balance VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	(i)	VND	4.9%	-	1,100,000,000,000
The Bank of Tokyo-Mitsubishi UFJ Ltd. – Ho Chi Minh City Branch	(ii)	VND	4.9%	-	100,000,000,000
				-	1,200,000,000,000

(i) This borrowing has a maximum facility of VND3,300 billion and is unsecured.

(ii) This borrowing has a maximum facility of USD50 million and is unsecured.

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**15. Taxes payable to State Treasury**

	Opening balance	Additions	Additions from merger of a subsidiary (Note VIII.4)	Payments	Closing balance
VAT of domestic goods sold	49,784,860,800	411,629,281,857	6,195,050,892	290,223,896,662	177,385,296,887
VAT on import goods	9,154,300,018	66,000,179,952	-	45,679,594,924	29,474,885,046
Withholding VAT	241,321,774	1,904,533,506	-	1,424,981,739	720,873,541
Import-export tax	1,731,577,990	18,813,778,435	-	11,668,286,565	8,877,069,860
Corporate income tax	168,041,783,749	519,378,872,276	4,269,369,639	179,624,654,212	512,065,371,452
Withholding corporate income tax	1,122,096,141	5,080,980,367	-	4,347,163,087	1,855,913,421
Personal income tax	14,356,297,623	133,071,419,641	44,595,723	142,706,031,853	4,766,281,134
Natural resource tax	63,609,298	216,389,664	-	213,321,352	66,677,610
Land tax	-	12,220,690	-	12,220,690	-
Land rental charges	-	878,385,755	-	878,385,755	-
Other taxes	535,516,055	189,458,316	-	724,974,371	-
Fees, charges and other payables to State Treasury	-	93,276,900	-	90,036,900	3,240,000
<b>Total</b>	<b>245,031,363,448</b>	<b>1,157,268,777,359</b>	<b>10,509,016,254</b>	<b>677,593,548,110</b>	<b>735,215,608,951</b>

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**16. Accrued expenses**

	<b>Closing balance</b>	<b>Opening balance</b>
- Promotion, sales support expenses	568,435,982,281	583,040,840,709
- Rentals of docks, shelves, light box and exhibition stand	14,231,638,848	922,786,364
- Advertising expenses	281,913,358,124	170,814,940,905
- Transportation expenses	79,690,348,091	77,412,131,182
- Repairs and maintenance expenses	45,091,155,202	11,769,500,442
- Interest expense	-	21,056,388,889
- Fuel expenses	12,962,070,818	13,959,796,579
- Expenses for outsourced employees	37,773,040,455	62,494,315,062
- Others	40,915,970,141	42,678,787,250
<b>Total</b>	<b>1,081,013,563,960</b>	<b>984,149,487,382</b>

**17. Unearned revenue**

	<b>Closing balance</b>	<b>Opening balance</b>
<b>a. Short-term unearned revenue</b>		
Unearned revenue	759,863,334	2,629,190,398
<b>b. Long-term unearned revenue</b>		
Unearned revenue	1,663,272,218	-
<b>Total</b>	<b>2,423,135,552</b>	<b>2,629,190,398</b>

**18. Other short-term payables**

	<b>Closing balance</b>	<b>Opening balance</b>
- Social insurance, health insurance, unemployment insurance	67,095,365	14,284,710
- Trade union fees	124,930,000	34,462,000
- Short-term deposits received	86,846,882,980	70,812,658,216
- Other payables from financial investments (*)	448,007,419,155	448,007,419,155
- Import duty payables	31,534,579,783	42,613,702,494
- Other payables	12,178,781,189	12,610,623,724
<b>Total</b>	<b>578,759,688,472</b>	<b>574,093,150,299</b>

(\*) Other payables relating to financial investments included an advance payment of VND447,822,000,000 received from a third party in respect of the future transfer of the Company's investment in Bao Viet Joint Stock Commercial Bank (Note VI.6(a)). As at the reporting date, the transfer has not been completed.

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**19. Provisions**

	<b>Closing balance</b>	<b>Opening balance</b>
<b>a. Short-term provision</b>		
Fixed asset maintenance and repair	2,355,567,358	889,995,571
<b>b. Long-term provision</b>		
Severance allowance	95,307,410,698	95,736,043,500
<b>Total</b>	<b>97,662,978,056</b>	<b>96,626,039,071</b>

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

	<b>Current period</b>	<b>Previous period</b>
Opening balance	95,736,043,500	87,099,730,000
Increase from merger of a subsidiary (Note VIII.4)	224,541,667	-
Increase in provision during the period	-	-
Provision used during the period	(653,174,469)	(784,178,492)
<b>Closing balance</b>	<b>95,307,410,698</b>	<b>86,315,551,508</b>

**20. Bonus and welfare fund**

- This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's and subsidiaries' employees in accordance with the Company's bonus and welfare policies.
- Movements of bonus and welfare fund during the period were as follows:

	<b>Current period</b>	<b>Previous period</b>
- Opening balance	454,979,489,181	403,036,668,825
- Appropriation	324,460,074,150	212,582,268,101
- Utilisation	(461,941,841,244)	(441,310,348,994)
<b>Closing balance</b>	<b>317,497,722,087</b>	<b>174,308,587,932</b>

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**21. Deferred tax assets and liabilities***a. Deferred tax assets*

	<u>Closing balance</u>	<u>Opening balance</u>
- Income tax rate used to determine value of deferred tax assets	20%	20%
- Deferred tax assets related to deductible temporary differences	22,614,142,913	35,025,626,680
- Offset with deferred tax liabilities	(2,306,361)	(374,813,928)
<b>Total</b>	<b>22,611,836,552</b>	<b>34,650,812,752</b>

*b. Deferred tax liabilities*

	<u>Closing balance</u>	<u>Opening balance</u>
- Income tax rate used to determine value of deferred tax liabilities	20%	20%
- Deferred tax liabilities arising from taxable temporary differences	2,306,361	374,813,928
- Offset with deferred tax assets	(2,306,361)	(374,813,928)
<b>Total</b>	<b>-</b>	<b>-</b>

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**22. Changes in owners' equity:**

Items	Share capital	Share premium	Treasury shares	Investment and development fund	Retained profits	Total
A	1	2	3	4	5	6
<b>Opening balance in previous year</b>	<b>12.006.621.930.000</b>	<b>-</b>	<b>(5.388.109.959)</b>	<b>3.289.455.938.121</b>	<b>5.067.100.666.886</b>	<b>20.357.790.425.048</b>
- Additions	-	-	-	-	-	-
- Purchase of treasury shares	-	-	-	-	-	-
- Net profit for the year	-	-	-	-	2.125.822.680.986	2.125.822.680.986
- Appropriation to equity funds	-	-	-	212.582.268.099	(425.164.536.198)	(212.582.268.099)
- Other additions	-	-	-	-	-	-
- Dividends	-	-	-	-	-	-
<b>Balance as at 31 March 2016</b>	<b>12.006.621.930.000</b>	<b>-</b>	<b>(5.388.109.959)</b>	<b>3.502.038.206.220</b>	<b>6.767.758.811.674</b>	<b>22.271.030.837.935</b>
- Additions	2.507.912.360.000	260.699.620.761	5.388.109.959	(2.419.035.050.000)	-	354.965.040.720
- Purchase of treasury shares	-	-	(1.176.335.920)	-	-	(1.176.335.920)
- Net profit for the year	-	-	-	-	7.119.547.813.652	7.119.547.813.652
- Appropriation to equity funds	-	-	-	711.954.781.365	(1.423.909.562.730)	(711.954.781.365)
- Other additions	-	-	-	-	-	-
- Dividends	-	-	-	-	(7.238.478.492.000)	(7.238.478.492.000)
<b>Closing balance in previous year</b>	<b>14,514,534,290,000</b>	<b>260,699,620,761</b>	<b>(1,176,335,920)</b>	<b>1,794,957,937,585</b>	<b>5,224,918,570,596</b>	<b>21,793,934,083,022</b>

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Items	Share capital	Share premium	Treasury shares	Investment and development fund	Retained profits	Total
A	1	2	3	4	5	6
<b>Opening balance in current year</b>	<b>14,514,534,290,000</b>	<b>260,699,620,761</b>	<b>(1,176,335,920)</b>	<b>1,794,957,937,585</b>	<b>5,224,918,570,596</b>	<b>21,793,934,083,022</b>
- Additions	-	-	-	-	-	-
- Purchase of treasury shares	-	-	(2,521,921,480)	-	-	(2,521,921,480)
- Net profit for the period	-	-	-	-	3,244,600,741,493	3,244,600,741,493
- Appropriation to equity funds	-	-	-	324,460,074,150	(648,920,148,300)	(324,460,074,150)
- Other additions	-	-	-	-	-	-
- Dividends	-	-	-	-	-	-
- Other decreases	-	-	-	-	-	-
<b>Closing balance</b>	<b>14,514,534,290,000</b>	<b>260,699,620,761</b>	<b>(3,698,257,400)</b>	<b>2,119,418,011,735</b>	<b>7,820,599,163,789</b>	<b>24,711,552,828,885</b>

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**Details of owners' equity**

	<u>Closing balance</u>	<u>Opening balance</u>
- The State's capital	5,708,566,336,257	5,708,566,336,257
- Other shareholders' capital	8,805,967,953,743	8,805,967,953,743
- Share premium	260,699,620,761	260,699,620,761
- Treasury shares	(3,698,257,400)	(1,176,335,920)
<b>Total</b>	<b>14,771,535,653,361</b>	<b>14,774,057,574,841</b>

**Capital transactions with shareholders and appropriation of profits and dividends****Shares**

	<u>Closing balance</u>	<u>Opening balance</u>
<b>Registered shares</b>	<b>1,451,453,429</b>	<b>1,451,453,429</b>
<b>Issued shares</b>	<b>1,451,453,429</b>	<b>1,451,453,429</b>
- Ordinary shares	1,451,453,429	1,451,453,429
- Preference shares (classified as equity)	-	-
<b>Repurchased shares (treasury shares)</b>	<b>(38,114)</b>	<b>(27,100)</b>
- Ordinary shares	(38,114)	(27,100)
- Preference shares (classified as equity)	-	-
<b>Shares currently in circulation</b>	<b>1,451,415,315</b>	<b>1,451,426,329</b>
- Ordinary shares	1,451,415,315	1,451,426,329
- Preference shares (classified as equity)	-	-

- 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.

**23. Off balance sheet items**

	<u>Current period</u>		<u>Opening balance</u>	
	<u>Original currency</u>	<u>VND equivalent</u>	<u>Original currency</u>	<u>VND equivalent</u>
Foreign currencies				
▪ USD	4,330,629.00	98,348,584,590	793,766.71	18,018,504,317
▪ EUR	794.75	19,208,312	797.30	19,013,213
		<u><b>98,367,792,902</b></u>		<u><b>18,037,517,530</b></u>



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**VII. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN STATEMENTS OF INCOME:****1. Revenue from sales of goods and provision of services**

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

	<u>Current period</u>	<u>Previous period</u>
<b>Total revenue</b>	<b>11,114,789,838,470</b>	<b>9,577,099,914,346</b>
• Sales of merchandise inventories	351,923,936,527	341,814,675,771
• Sales of finished goods	10,734,619,011,262	9,207,035,000,543
• Service rendered	8,472,750,868	7,575,232,601
• Real estate trading activities	3,848,637,101	3,812,803,848
• Others	15,925,502,712	16,862,201,583
<b>Less sales deductions:</b>	<b>13,972,952,667</b>	<b>26,772,939,210</b>
• Sale discounts	4,578,603,537	-
• Sales rebates	-	-
• Sale returns	9,394,349,130	26,772,939,210
<b>Net revenue</b>	<b>11,100,816,885,803</b>	<b>9,550,326,975,136</b>
<i>In which:</i>		
• Sales of merchandise inventories and finished goods	11,088,495,497,834	9,538,938,938,687
• Service rendered	12,321,387,969	11,388,036,449

**In which revenue with related parties was as follows:**

	<u>Current period</u>	<u>Previous period</u>
<b>Subsidiaries</b>	<b>95,652,615,022</b>	<b>91,076,623,613</b>
- Vietnam Dairy Cow One Member Limited Company	8,488,294,200	2,047,540,267
- Lamson Dairy Products One Member Company Limited	66,055,114,812	72,787,066,810
- Thong Nhat Thanh Hoa Dairy Cow Company Limited	649,016,310	427,716,750
- Angkor Dairy Products Co., Ltd.	20,460,189,700	15,814,299,786
<b>Joint ventures, associates</b>	<b>2,888,454,034</b>	<b>127,348,524</b>
- Asia Saigon Food Ingredients Joint Stock Company	2,793,720,034	127,348,524
- Apis Corporation	94,734,000	-
<b>Total</b>	<b>98,541,069,056</b>	<b>91,203,972,137</b>

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**2. Cost of goods sold**

	<b>Current period</b>	<b>Previous period (restated)</b>
- Cost of merchandise inventories sold	271,823,809,214	276,477,950,380
- Cost of finished goods sold	5,177,821,618,230	4,339,778,869,757
- Cost of promotional goods	172,135,017,150	193,938,563,284
- Cost of services rendered	1,797,181,337	1,318,657,438
- Operating costs of investment property held for earn rental	2,032,943,599	1,918,572,451
- Allowance for inventories	(5,969,391,673)	(1,527,610,161)
<b>Total</b>	<b>5,619,641,177,857</b>	<b>4,811,905,003,149</b>

**3. Financial income**

	<b>Current period</b>	<b>Previous period</b>
- Interest income from deposits	175,338,534,397	143,050,475,520
- Interest income from bonds	9,935,136,986	9,286,986,295
- Dividends	-	-
- Foreign exchange gains	11,210,705,759	10,228,787,262
- Gains from merger of a subsidiary (Note VIII.4)	430,894,168,467	-
<b>Total</b>	<b>627,378,545,609</b>	<b>162,566,249,077</b>

**4. Financial expenses**

	<b>Current period</b>	<b>Previous period</b>
- Interest expense on borrowings	9,310,000,000	3,984,386,101
- Interest income on deposits received	711,492,000	437,937,521
- Transaction fee for trading securities	-	783,300
- Foreign exchange losses	8,938,674,773	17,333,964,716
- Allowance for diminution in value of short-term investments	-	229,430,300
- Allowance for diminution in value of long-term investments	(22,758,518,166)	(54,757,450,039)
<b>Total</b>	<b>(3,798,351,393)</b>	<b>(32,770,948,101)</b>

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**5. Other income**

	<b>Current period</b>	<b>Previous period</b>
- Proceeds from disposals of fixed assets	1,049,766,667	21,200,000
- Compensations received from other parties	1,962,382,234	663,454,395
- Rebate income from suppliers	11,000,000,000	29,252,000,000
- Collection from written-off doubtful debts	-	2,000,000
- Tax refund	3,573,741	-
- Others	1,191,731,100	955,209,929
<b>Total</b>	<b>15,207,453,742</b>	<b>30,893,864,324</b>

**6. Other expenses**

	<b>Current period</b>	<b>Previous period</b>
- Book value of fixed assets disposed	556,245,796	-
- Expense incurred relating to disposal of fixed assets	1,500,000	-
- Breach of contract penalties	17,360,000	7,903,632
- Tax penalties	444,721,668	-
- Others	4,235,353,900	534,778,168
<b>Total</b>	<b>5,255,181,364</b>	<b>542,681,800</b>

**7. Production and business costs by element**

	<b>Current period</b>	<b>Previous period</b>
- Materials costs included in production costs	4,558,447,387,729	4,065,946,539,791
- Labour and staff costs	323,300,538,716	298,295,624,337
- Fixed assets depreciation	228,615,370,501	223,194,769,924
- Outside services expenses	415,491,834,269	394,938,133,747
- Other expenses	2,102,241,562,809	2,208,341,470,870
<b>Total</b>	<b>7,628,096,694,024</b>	<b>7,190,716,538,669</b>

In which:

**Production costs**

	<b>Current period</b>	<b>Previous period</b>
- Materials costs	4,544,791,472,813	4,056,287,209,265
- Labour and staff costs	182,121,875,018	175,240,613,089
- Fixed assets depreciation	205,985,663,612	200,105,431,267
- Outside services	163,044,458,640	153,766,417,211
- Other expenses	185,866,936,584	204,783,655,892
<b>Total</b>	<b>5,281,810,406,667</b>	<b>4,790,183,326,724</b>

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**Selling expenses**

	<b>Current period</b>	<b>Previous period (restated)</b>
- Staff costs	73,313,721,386	67,505,073,746
- Materials expenses	10,522,989,398	7,269,768,660
- Tools and supplies expenses	26,428,942,864	16,683,136,155
- Depreciation expenses	6,879,439,010	6,312,022,474
- Maintenance expenses	6,578,886,839	4,942,701,590
- Transportation expenses	116,289,809,709	116,295,899,492
- Other outside services expenses	82,942,976,303	72,257,105,828
- Advertising, market research expenses	327,492,538,926	366,156,135,158
- Promotion, product display and sale support expenses	1,528,611,706,592	1,590,016,346,523
<b>Total</b>	<b>2,179,061,011,027</b>	<b>2,247,438,189,626</b>

**General and administration expenses**

	<b>Current period</b>	<b>Previous period</b>
- Staff costs	67,864,942,312	55,549,937,502
- Materials expenses	3,132,925,518	2,389,561,866
- Office supplies	1,071,706,331	1,382,282,377
- Depreciation expenses	15,750,267,879	16,777,316,183
- Fees and duties	2,283,061,117	1,662,406,891
- Allowance expenses	190,002,067	283,503,100
- Transportation expenses	12,123,359,047	9,505,549,294
- Outside services expenses	41,091,230,570	43,113,161,922
- Loading expenses	3,206,516,498	4,823,042,912
- Per-diem allowances	9,144,224,927	7,625,371,254
- Bank charges	1,040,714,878	1,017,969,500
- Other expenses by cash	10,326,325,186	8,964,919,518
<b>Total</b>	<b>167,225,276,330</b>	<b>153,095,022,319</b>

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**8. Income tax****a. Current tax expense**

	<b>Current period</b>	<b>Previous period</b>
- Income tax expense calculated on taxable income of the current period	520,403,312,299	427,588,486,199
- Adjustment of income tax expense of previous periods into income tax expense of current period	(1,024,440,023)	9,332,759,648
<b>Total</b>	<b>519,378,872,276</b>	<b>436,921,245,847</b>

**b. Deferred tax expense**

	<b>Current period</b>	<b>Previous period</b>
- Deferred tax expense arising from taxable temporary differences	12,038,976,200	833,212,911
- Deferred tax expense arising from reversal of deferred tax assets	-	-
- Deferred tax income arising from deductible temporary differences	-	-
<b>Total</b>	<b>12,038,976,200</b>	<b>833,212,911</b>

**c. Reconciliation of effective tax rate**

	<b>Current period</b>	<b>Previous period</b>
Accounting profit before tax	3,776,018,589,969	2,563,577,139,744
Tax at the Company's tax rate	755,203,717,994	512,715,427,949
Tax rate differential applied to Company's branches and factories	(6,200,886,375)	(2,331,038,337)
Non-taxable income	(86,178,833,693)	-
Non-deductible expenses	1,848,523,301	1,393,750,182
Tax incentives	(108,008,885,778)	(83,356,440,684)
Deferred tax assets are not recognised	(24,221,346,947)	-
Under/(over) provision in prior period	(1,024,440,026)	9,332,759,648
	<b>531,417,848,476</b>	<b>437,754,458,758</b>

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**VIII. OTHER INFORMATION****1. Significant transactions with related parties:**

The biggest shareholder of Company is The State Capital Investment Corporation (“SCIC”), which owns 39.33% of the Company’s chartered capital, SCIC is controlled by the Government of The Social Republic of Vietnam.

During the period, following transactions were made with related parties:

*i) Purchases of goods and services:*

	<b>Current period</b>	<b>Previous period</b>
<b>Subsidiaries</b>	<b>564,398,262,358</b>	<b>475,094,770,332</b>
– Vietnam Dairy Cow One Member Limited Company	243,340,105,756	154,574,863,473
– Lamson Dairy Products One Member Company Limited	167,859,943,752	191,953,940,834
– Driftwood Dairy Holdings Corporation	780,000	-
– Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	152,855,988,600	128,565,966,025
– Angkor Dairy Products Co., Ltd.	341,444,250	-
<b>Associates:</b>	<b>15,612,929,700</b>	<b>24,586,164,960</b>
– Miraka Limited	-	24,586,164,960
– Apis Corporation	15,612,929,700	-
	<b>580,011,192,058</b>	<b>499,680,935,292</b>

*ii) Purchases of fixed assets and construction in progress:*

	<b>Current period</b>	<b>Previous period</b>
<b>Subsidiaries</b>		
– Lamson Dairy Products One Member Company Limited	-	3,612,823,529
	<b>-</b>	<b>3,612,823,529</b>

*iii) Selling fixed assets and construction in progress:*

	<b>Current period</b>	<b>Previous period</b>
<b>Subsidiaries</b>		
– Vietnam Dairy Cow One Member Limited Company	13,590,910	-
	<b>13,590,910</b>	<b>-</b>

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*iv) Capital contribution to related parties*

	<u>Current period</u>	<u>Previous period</u>
<b>Subsidiaries</b>		
- Vietnam Dairy Cow One Member Limited Company	-	50,000,000,000
- Thong Nhat Thanh Hoa Dairy Cow Limited Company	110,000,000,000	-
	<b>110,000,000,000</b>	<b>50,000,000,000</b>

*v) Payments for key management personnel*

	<u>Current period</u>	<u>Previous period</u>
Compensation and other gross benefits of Board of Management's and Board of Directors' members	52,419,441,604	45,328,708,190

**2. Segment information**

- Segment information is presented in respect of the Company's primary segment, which is the geographical segment.
- Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling expenses, general and administration expenses, other gains or losses, and corporate income tax.
- Segment assets and capital expenditure are not presented since the location of assets and production is mostly in Vietnam.

Items	First quarter 2017		First quarter 2016	
	Domestic	Export	Domestic (restated)	Export
1. Revenue on goods sold and service rendered	9,994,159,286,922	1,120,630,551,548	8,091,024,877,271	1,486,075,037,075
2. Revenue deductions	13,972,952,667	-	26,772,939,210	-
3. Net revenue on goods sold and service rendered	9,980,186,334,255	1,120,630,551,548	8,064,251,938,061	1,486,075,037,075
4. Cost of sales	5,252,061,784,849	367,579,393,008	4,255,359,909,891	556,545,093,258
5. Gross profit on goods sold and service rendered	4,728,124,549,406	753,051,158,540	3,808,892,028,170	929,529,943,817

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**3. Restated announced financial information:**

- The Company restated Cost of goods sold and Selling expenses in the published interim financial statements for the first three-month period of 2016 due to the fact that the Company has changed the payment method of refunding to Distributor the promotional expenses of “buy product get other free” campaign for customers (retailers, consumers). Pursuant to Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, in which “...In case of dispatching goods for promotion, advertising, but customers only receive promotional, advertising goods together with other conditions, such as buying products, goods (e.g, buy 2 get 1 free....), value of promotional goods shall be recorded to Costs of goods sold”, the other cases are recorded to Selling expenses.
- The interim statement of income for the first three-month period of 2016 was restated for following items :

Items	Note	Accumulated three-month 2016	
		Disclosed	Restated
4. Cost of goods sold	11	5,499,205,941,944	4,811,905,003,149
<b>5. Gross profit from sales of goods and provision of services</b>	<b>20</b>	<b>4,051,121,033,192</b>	<b>4,738,421,971,987</b>
8. Selling expenses	24	1,560,137,250,831	2,247,438,189,626
<b>10 Net operating profit</b>	<b>30</b>	<b>2,533,225,957,220</b>	<b>2,533,225,957,220</b>

**4. Post balance sheet event:**

On 15 April 2017, the Company’ shareholders resolved to distribute dividends amounting to VND2,000 per share. The amount payable has not been accrued in the separate interim financial statements.

**5. Merger transaction:**

- On 12th January 2017, Company had signed agreement for merging Lamson Dairy Products One member Company Limited (“LSM”) which is Company’s 100% subsidiary, to merge all fair value of assets and liabilities, effective from 1st March 2017. All the assets and liabilities of LSM is recognised into separate financial statement of the Company based on fair value. The difference between the investment and net carrying amount is recognised as financial gain / loss in the period.



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- The merger affects the Company's assets and liabilities at the date of the merger as follows:

	<b>Pre-acquisition carrying amounts</b>	<b>Fair value adjustments</b>	<b>Recognised value on merger</b>
Cash in bank	273,192,164,317	-	273,192,164,317
Accounts receivables from customers	2,132,333,210	-	2,132,333,210
Prepayment to suppliers	190,755,240	-	190,755,240
Other short-term receivables	149,229,960	-	149,229,960
Inventories	108,372,678,775	-	108,372,678,775
Short-term prepaid expenses	4,517,210,588	-	4,517,210,588
Other long-term receivables	75,000,000	-	75,000,000
Net book value of fixed assets	441,160,841,853	-	441,160,841,853
Net book value of investment properties	1,983,368,750	-	1,983,368,750
Construction in progress	295,492,565	-	295,492,565
Long-term prepaid expenses	535,684,103	-	535,684,103
Accounts payable to suppliers	(15,073,662,484)	-	(15,073,662,484)
Taxes payable to State Treasury	(10,509,016,255)	-	(10,509,016,255)
Payables to employees	(1,530,984,833)	-	(1,530,984,833)
Accrued expenses	(1,078,468,502)	-	(1,078,468,502)
Unearned revenue – short-term	(519,760,000)	-	(519,760,000)
Other payables – short-term	(310,884,935)	-	(310,884,935)
Long-term unearned revenue	(1,663,272,218)	-	(1,663,272,218)
Provisions – long-term	(224,541,667)	-	(224,541,667)
Net amounts	801,694,168,467	-	801,694,168,467
Investments in LSM	370,800,000,000	-	370,800,000,000
<b>Gain from the merger</b>	<b>430,894,168,467</b>	<b>-</b>	<b>430,894,168,467</b>

Acting Executive Director – Finance  
cum Chief Accountant


**Le Thanh Liem**

Prepared on 10 May 2017,

Chief Executive Officer

**Mai Kieu Lien**