



Vietnam Dairy Products Joint Stock Company

Separate interim financial statements
for the three-month period ended
31 March 2019



Vietnam Dairy Products Joint Stock Company

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Vietnam Dairy Products Joint Stock Company Corporate Information

Business Registration Certificate No.

4103001932
0300588569

20 November 2003
12 October 2018

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

Board of Directors

Mdm. Le Thi Bang Tam	Chairwoman
Mdm. Mai Kieu Lien	Member
Mr. Lee Meng Tat	Member
Ms. Dang Thi Thu Ha	Member
Mr. Le Thanh Liem	Member
Mr. Michael Chye Hin Fah	Member
Mr. Nguyen Ba Duong	Member
Mr. Do Le Hung	Member
Mr. Nguyen Chi Thanh	Member
Mr. Alain Xavier Cany	Member

Board of Management

Mdm. Mai Kieu Lien	Chief Executive Officer
Ms. Bui Thi Huong	Executive Director – Human Resource, Administration and Public Relation
Mr. Mai Hoai Anh	Executive Director – International Sales
Mr. Le Thanh Liem	Executive Director – Finance
Mr. Phan Minh Tien	Executive Director – Marketing
Ms. Nguyen Thi Thanh Hoa	Executive Director – Supply chain
Mr. Tran Minh Van	Executive Director – Production
Mr. Nguyen Quoc Khanh	Executive Director – Research and Development
Mr. Trinh Quoc Dung	Executive Director – Raw Materials Development

Registered Office

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

Auditor

KPMG Limited
Vietnam

Vietnam Dairy Products Joint Stock Company
Statement of the Board of Management

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

The Board of Management is responsible for the separate interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) which give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2019 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 Management is required to:

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

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

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements set out on pages 6 to 56 which give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2019, and of the unconsolidated results of operations and unconsolidated 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 Management



Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 25 April 2019



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Vietnam Dairy Products Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”), which comprise the separate statement of financial position as at 31 March 2019, the 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 Management on 25 April 2019, as set out on pages 6 to 56.

Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines is 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 2019 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

Review Report No.: 18-01-00231-19-4




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



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

Ho Chi Minh City, 25 April 2019

Vietnam Dairy Products Joint Stock Company
Separate statement of financial position as at 31 March 2019

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

	Code	Note	31/3/2019 VND	1/1/2019 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		19,562,486,078,032	18,505,885,806,390
Cash and cash equivalents	110	V.1	746,940,433,012	1,011,235,212,807
Cash	111		746,940,433,012	661,235,212,807
Cash equivalents	112		-	350,000,000,000
Short-term financial investments	120		9,526,023,488,016	8,576,023,488,016
Trading securities	121	V.4(a)	442,023,488,016	442,023,488,016
Held-to-maturity investments	123	V.4(b)	9,084,000,000,000	8,134,000,000,000
Accounts receivable – short-term	130		4,928,648,662,182	4,240,430,117,730
Accounts receivable from customers	131	V.2(a)	3,881,873,991,402	3,167,242,749,247
Prepayments to suppliers	132		673,581,774,883	784,177,881,246
Other short-term receivables	136	V.3(a)	373,252,811,727	290,019,413,401
Allowance for doubtful debts	137	V.2(d)	(59,915,830)	(1,009,926,164)
Inventories	140	V.5	4,247,252,841,735	4,531,768,842,734
Inventories	141		4,260,705,454,230	4,537,109,343,892
Allowance for inventories	149		(13,452,612,495)	(5,340,501,158)
Other current assets	150		113,620,653,087	146,428,145,103
Short-term prepaid expenses	151	V.10(a)	45,072,544,307	29,661,330,846
Deductible value added tax	152		68,548,108,780	116,766,814,257

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

Vietnam Dairy Products Joint Stock Company
Separate statement of financial position as at 31 March 2019 (continued)

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

	Code	Note	31/3/2019 VND	1/1/2019 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		15,394,142,502,973	15,811,399,570,191
Accounts receivable – long-term	210		76,820,258,306	77,753,482,142
Long-term receivables from customers	211	V.2(b)	67,547,427,662	67,658,410,631
Long-term loan receivables	215		2,434,285,049	3,143,509,548
Other long-term receivables	216	V.3(b)	6,838,545,595	6,951,561,963
Fixed assets	220		8,379,694,787,611	8,667,870,641,168
Tangible fixed assets	221	V.6	8,301,079,468,938	8,585,708,102,136
Cost	222		15,468,800,676,885	15,442,308,786,149
Accumulated depreciation	223		(7,167,721,207,947)	(6,856,600,684,013)
Intangible fixed assets	227	V.7	78,615,318,673	82,162,539,032
Cost	228		205,734,193,268	205,265,323,268
Accumulated amortisation	229		(127,118,874,595)	(123,102,784,236)
Investment property	230	V.8	87,483,437,700	89,041,404,270
Cost	231		143,340,838,168	143,340,838,168
Accumulated depreciation	232		(55,857,400,468)	(54,299,433,898)
Long-term work in progress	240		482,628,128,747	275,020,774,555
Construction in progress	242	V.9	482,628,128,747	275,020,774,555
Long-term financial investments	250		6,014,734,136,643	6,308,420,157,396
Investments in subsidiaries	251	V.4(c)	5,521,064,819,701	5,409,592,972,201
Investments in associates	252	V.4(c)	400,369,808,669	400,369,808,669
Equity investments in other entities	253	V.4(c)	93,858,716,069	18,300,000,000
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(559,207,796)	(19,842,623,474)
Held-to-maturity investments	255	V.4(b)	-	500,000,000,000
Other non-current assets	260		352,781,753,966	393,293,110,660
Long-term prepaid expenses	261	V.10(b)	341,017,150,214	360,934,839,588
Deferred tax assets	262	V.18	11,764,603,752	32,358,271,072
TOTAL ASSETS (270 = 100 + 200)	270		34,956,628,581,005	34,317,285,376,581

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

Vietnam Dairy Products Joint Stock Company
Separate statement of financial position as at 31 March 2019 (continued)

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

	Code	Note	31/3/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		7,327,567,334,042	9,012,218,300,249
Current liabilities	310		7,327,151,485,824	9,011,802,452,031
Accounts payable to suppliers	311	V.11	2,785,240,059,082	3,556,103,761,054
Advances from customers	312		106,087,136,758	34,467,084,432
Taxes payable to State Treasury	313	V.12	655,565,415,085	341,650,820,232
Payables to employees	314		108,435,266,448	172,973,089,482
Accrued expenses	315	V.13	1,203,603,809,130	1,145,195,886,900
Short-term unearned revenue	318		6,376,361,951	6,910,881,322
Other short-term payables	319	V.14	641,454,786,005	2,547,550,227,536
Short-term borrowings	320	V.15	1,592,000,000,000	700,000,000,000
Provision – short-term	321	V.17	6,613,126,588	4,502,303,315
Bonus and welfare fund	322	V.16	221,775,524,777	502,448,397,758
Long-term liabilities	330		415,848,218	415,848,218
Long-term unearned revenue	336		415,848,218	415,848,218
EQUITY (400 = 410)	400		27,629,061,246,963	25,305,067,076,332
Owners' equity	410	V.19	27,629,061,246,963	25,305,067,076,332
Share capital	411	V.20	17,416,877,930,000	17,416,877,930,000
Treasury shares	415	V.20	(10,807,345,800)	(10,485,707,360)
Investment and development fund	418		1,447,498,400,317	1,189,241,088,198
Retained profits	421		8,775,492,262,446	6,709,433,765,494
- Retained profits brought forward	421a		6,709,433,765,494	3,501,938,263,654
- Profit for the current period	421b		2,066,058,496,952	3,207,495,501,840
TOTAL RESOURCES (440 = 300 + 400)	440		34,956,628,581,005	34,317,285,376,581

25 April 2019

Prepared by:



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



Approved by:

Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company

Separate statement of income for the three-month period ended 31 March 2019

Form B 02a – DN

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

	Code	Note	Three-month period ended 31/3/2019 VND	31/3/2018 VND
Revenue from sales of goods and provision of services	01	VI.1	11,827,778,296,297	10,716,656,081,624
Revenue deductions	02	VI.1	35,703,754,377	3,572,020,238
Net revenue (10 = 01 - 02)	10	VI.1	11,792,074,541,920	10,713,084,061,386
Cost of sales	11	VI.2	6,147,141,902,717	5,512,506,110,219
Gross profit (20 = 10 - 11)	20		5,644,932,639,203	5,200,577,951,167
Financial income	21	VI.3	169,687,403,666	190,555,008,319
Financial expenses	22	VI.4	(1,936,933,169)	22,714,136,428
In which: Interest expense	23		10,326,643,110	2,067,151,198
Selling expenses	25	VI.7	2,526,322,105,327	2,181,999,147,450
General and administration expenses	26	VI.8	178,711,854,792	145,963,451,323
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		3,111,523,015,919	3,040,456,224,285
Other income	31	VI.5	14,636,531,280	130,448,632,568
Other expenses	32	VI.6	4,517,767,179	61,719,155,285
Results of other activities (40 = 31 - 32)	40		10,118,764,101	68,729,477,283
Profit before tax (50 = 30 + 40)	50		3,121,641,780,020	3,109,185,701,568
Income tax expense – current	51	VI.10	518,474,991,510	514,784,213,817
Income tax expense – deferred	52	VI.10	20,593,667,320	8,900,001,987
Net profit after tax (60 = 50 - 51 - 52)	60		2,582,573,121,190	2,585,501,485,764

25 April 2019

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for three-month period ended 31 March 2019
(Indirect method)

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

	Code	Note	Three-month period ended 31/3/2019 VND	31/3/2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		3,121,641,780,020	3,109,185,701,568
Adjustments for				
Depreciation and amortisation	02		328,005,367,242	267,011,899,305
Allowances and provisions	03		(11,145,295,373)	15,076,776,775
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(1,135,808,431)	2,139,828,092
Losses/(gains) on disposals of fixed assets	05		2,757,601,494	(19,464,505,111)
Dividends and interest income	05		(160,618,509,977)	(184,535,243,655)
Interest expense	05		10,326,643,110	2,067,151,198
Operating profit before changes in working capital	08		3,289,831,778,085	3,191,481,608,172
Change in receivables	09		(544,029,142,553)	(388,074,089,457)
Change in inventories	10		273,708,740,620	(244,878,469,775)
Change in payables and other liabilities	11		(316,701,228,024)	(882,203,120,838)
Change in prepaid expenses	12		4,506,475,913	9,754,728,212
Interest paid	14		(4,990,136,986)	(1,352,534,247)
Income tax paid	15	V.12	(406,888,940,769)	(319,986,766,397)
Other receipts from operating activities	16		-	149,174,000
Other payments for operating activities	17		(537,265,845,026)	(711,254,491,779)
Net cash flows from operating activities	20		1,758,171,701,260	653,636,037,891

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the three-month period ended 31 March 2019
(Indirect method – continued)

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

	Code	Note	Three-month period ended 31/3/2019 VND	31/3/2018 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(515,977,103,678)	(464,786,448,248)
(Payments for)/collections on disposals of fixed assets	22		(860,461,716)	11,555,438,347
(Payments for)/collection from term deposits	23		(450,000,000,000)	300,000,000,000
Receipts from collecting/(payments for) loans	24		709,224,499	(21,481,778)
(Payments for)/receipts from debt instruments of other entities	24		(75,558,716,069)	785,778,116
Payments for investments in other entities	25		(186,546,847,500)	(50,000,000,000)
Receipts of interest and dividends	27		55,857,331,896	130,285,735,472
Net cash flows from investing activities	30		(1,172,376,572,568)	(72,180,978,091)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchase of treasury shares	32		(321,638,440)	(636,147,800)
Proceeds from borrowings	33		1,592,000,000,000	1,189,263,000,000
Payments to settle loan principals	34		(700,000,000,000)	-
Payments of dividends	36		(1,741,407,855,000)	(2,176,917,780,000)
Net cash flows from financing activities	40		(849,729,493,440)	(988,290,927,800)

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the three-month period ended 31 March 2019
(Indirect method – continued)

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

	Code	Note	Three-month period ended 31/3/2019 VND	31/3/2018 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50		(263,934,364,748)	(406,835,868,000)
Cash and cash equivalents at the beginning of the period	60		1,011,235,212,807	733,003,539,943
Effect of exchange rate fluctuations on cash and cash equivalents	61		(360,415,047)	(366,819,648)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	V.1	746,940,433,012	325,800,852,295

25 April 2019

Prepared by:



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

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2019

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

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

I. CORPORATE INFORMATION

1. Ownership structure

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

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

- 29 April 1993: Vietnam Dairy Products Company was established according to Decision No. 420/CNN/TCLD issued by the Ministry of Light Industry in form of a State-owned Enterprise.
- 1 October 2003: The Company was equitised from a State-owned Enterprise of the Ministry of Industry according to Decision No. 155/2003/QĐ-BCN.
- 20 November 2003: The Company was registered to be a joint stock company and began operating under Enterprise Laws of Vietnam and its Business Registration Certificate No. 4103001932 was issued by Ho Chi Minh City Planning and Investment Department.
- 28 December 2005: The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPNY.
- 19 January 2006: The Company’s shares were listed on Ho Chi Minh City Stock Exchange.

2. Principal activities

The principal activities of the Company are to:

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2019 (continued)

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

3. Normal operating cycle

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

4. Group structure

As at 31 March 2019, the Company had 7 subsidiaries and 3 associates (1/1/2019: 7 subsidiaries and 3 associates) and dependent units as follows:

(a) Subsidiaries

Name	Location	Principal activities	% of ownership/ voting rights
▪ Vietnam Dairy Cow One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Dairy cow raising	100.00%
▪ Thong Nhat Thanh Hoa Dairy Cow Limited Company	Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province	Milk production and cattle raising	100.00%
▪ Driftwood Dairy Holding Corporation	No. 10724, Street Lower Azusa and El Monte Boulevards Intersection, California 91731-1390, United States	Milk production	100.00%
▪ Angkor Dairy Products Co., Ltd.	Lot P2-096 and P2-097, Phnom Penh Special Economic Zone (PPSEZ), National Highway 4, Khan posenchey, Phnom Penh, Kingdom of Cambodia	Milk production	100.00%
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Ul, Gwiazdzista 7a/401-651 Warszawa, Poland	Dairy raw materials and animal trading	100.00%
▪ Vietnam Sugar Joint Stock Company	Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province	Sugar producing and refining	65.00%
▪ Lao-Jagro Development Xiengkhouang Co., Ltd.	Boungvene Village, Paek District, Xiengkhouang Province, Lao PDR	Dairy cow raising and agricultural products trading	51.00%

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2019 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(b) Associates

Name	Location	Principal activities	% of ownership/ voting rights
▪ Miraka Holdings Limited	108 Tuwharetoa, Taupo, New Zealand	Milk production	22.81%
▪ APIS Corporation	No. 18A, VSIP II-A, 27 Street, Viet Nam – Singapore II-A Industrial Zone, Vinh Tan Ward, Tan Uyen District, Binh Duong Province	Food raw materials trading	20.00%
▪ Asia Coconut Processing Joint Stock Company	Giao Long Industrial Zone, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam	Coconut-based products manufacturing and trading	25.00%

(c) Dependent units:

Sales branches:

- 1/ Vietnam Dairy Products Joint Stock Company's Branch in Ha Noi – 11th Floor, Tower B, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City.
- 2/ Vietnam Dairy Products Joint Stock Company's Branch in Da Nang – 7th Floor, Danang Post Office Tower, 271 Nguyen Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City.
- 3/ Vietnam Dairy Products Joint Stock Company's Branch in Can Tho – 77-77B Vo Van Tan, Tan An Ward, Ninh Kieu District, Can Tho City.

Manufacturing factories:

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

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

Warehouses:

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

Clinic:

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

Raw milk center:

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

As at 31 March 2019, the Company had 5,720 employees (1/1/2019: 5,706 employees).

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Annual accounting period

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

2. Accounting and presentation currency

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

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III. ACCOUNTING STANDARDS AND SYSTEM

1. Statement of compliance

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards 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.

2. Basis of measurement

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

3. Accounting form

The Company applies computerised accounting form.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Foreign currency transactions

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

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

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

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2. Cash and cash equivalents

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

3. Investments

(a) Trading securities

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

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

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

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

(b) Held-to-maturity investments

Held-to-maturity investments are those that the Company's Board of Management has intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank, corporate bonds, redeemable preference shares which the issuers are required to repurchase at a certain date and granting loans held-to-maturity. These investments are stated at costs less allowance for diminution in the value.

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

(c) Loans receivable

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

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(d) Investments in subsidiaries and associates

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

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

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

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

(e) Investment in equity instruments of other entities

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

4. Accounts receivable

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

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

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

5. Inventories

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

The Company applies the perpetual method of accounting for inventories.

6. Tangible fixed assets

(a) Cost

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

(b) Depreciation

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

- | | |
|----------------------------|--------------|
| ▪ buildings and structures | 5 – 50 years |
| ▪ machinery and equipment | 2 – 15 years |
| ▪ motor vehicles | 4 – 10 years |
| ▪ office equipment | 3 – 10 years |

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7. Intangible fixed assets

(a) Land use rights

Land use rights comprise:

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

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

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

(b) Software

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

8. Investment property

(a) Cost

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

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(b) Depreciation

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

- | | |
|---------------------------------|--------------|
| ▪ definite life land use rights | 49 years |
| ▪ infrastructure | 8 – 10 years |
| ▪ buildings | 6 – 50 years |

9. Construction in progress

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

10. Prepaid expenses

(a) Prepaid land costs

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

(b) Tools and instruments

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

(c) Others

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

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11. Trade and other payables

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

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

12. Accrued expenses

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

13. Provisions

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

Severance allowance

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

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14. Share capital

(a) Ordinary shares

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

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

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are reissued subsequently, the cost of shares reissued are calculated on weighted average basis, any surplus or deficit of proceed over cost is recorded in share premium.

15. Taxation

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

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

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

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

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16. Revenue and other income

(a) Goods sold

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

(b) Services rendered

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

(c) Rental income

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

(d) Interest income

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

(e) Dividend income

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

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

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17. Revenue deductions

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

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

18. Cost of sales

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

19. Operating lease payments

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

20. Borrowing costs

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

21. Dividend distribution

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

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

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22. Funds

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

- | | |
|-----------------------------------|-------------------------|
| ▪ Bonus and welfare fund | 10% of profit after tax |
| ▪ Investment and development fund | 10% of profit after tax |

Utilisation of the above reserve funds requires approval of the shareholders, the Board of Directors or the Chief Executive Officer, depending on the nature and magnitude of the transactions involved as stated in the Company's Charter. When the fund is utilised for business expansion, the amount utilised is transferred to share capital.

23. Segment reporting

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

24. Related parties

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

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

1. Cash and cash equivalents

	31/3/2019 VND	1/1/2019 VND
Cash on hand	598,785,722	934,233,487
Cash in banks	746,341,647,290	660,300,979,320
Cash equivalents	-	350,000,000,000
	746,940,433,012	1,011,235,212,807

2. Accounts receivable from customers

(a) Accounts receivable from customers – short-term

	31/3/2019 VND	1/1/2019 VND
Receivables from customers	3,881,873,991,402	3,167,242,749,247

(b) Accounts receivable from customers – long-term

	31/3/2019 VND	1/1/2019 VND
SIG Combibloc Ltd	67,547,427,662	67,658,410,631

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(c) Accounts receivable from related parties

	31/3/2019	1/1/2019
	VND	VND
Subsidiaries		
Vietnam Dairy Cow One Member Limited Company	20,850,523,155	2,494,473,975
Driftwood Dairy Holding Corporation	2,264,053,973	-
Thong Nhat Thanh Hoa Dairy Cow Limited Company	59,057,374	72,871,737
Angkor Dairy Products Co., Ltd.	-	11,039,828,442
Vietnam Sugar Joint Stock Company	-	292,480,000

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

(d) Short-term allowance for doubtful debts

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

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Opening balance	(1,009,926,164)	(4,159,890,032)
Increase in allowance during the period	-	(21,001,389)
Allowance used during the period	950,010,334	-
Closing balance	(59,915,830)	(4,180,891,421)

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3. Other receivables

(a) Other short-term receivables

	31/3/2019	1/1/2019
	VND	VND
Interest income from deposits	307,716,167,137	202,954,989,056
Receivables from employees	652,418,310	849,160,331
Advances to employees	2,492,586,223	1,441,402,945
Short-term deposits	145,000,000	145,000,000
Import tax refundable	1,696,960,089	6,487,398,794
Rebate income receivable from suppliers	43,911,652,295	66,460,934,080
Others	16,638,027,673	11,680,528,195
	373,252,811,727	290,019,413,401

(b) Other long-term receivables

	31/3/2019	1/1/2019
	VND	VND
Long-term deposits	1,838,545,595	1,951,561,963
Others	5,000,000,000	5,000,000,000
	6,838,545,595	6,951,561,963

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4. Investments

(a) Trading securities

	31/3/2019		1/1/2019	
	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Carrying amount VND
				Allowance for diminution in value VND
Short-term investments in shares:				
▪ Bao Viet Joint Stock Commercial Bank (*)	442,000,000,000	442,000,000,000	-	442,000,000,000
▪ Others	23,488,016	23,502,116	-	23,488,016
	442,023,488,016	442,023,502,116	-	442,023,488,016
				442,023,497,556

(*) At the reporting date, the Company has entered into a share purchase agreement to transfer its securities of Bao Viet Joint Stock Commercial Bank, the transaction has not completed (Note V.14). The fair value of the securities represented the expected realisable amount.

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(b) Held-to-maturity investments

	Note	31/3/2019 VND	1/1/2019 VND
Held-to-maturity investments – short-term			
▪ term deposits	(*)	9,084,000,000,000	8,134,000,000,000
<hr/>			
Held-to-maturity investments – long-term			
▪ term deposits	(**)	-	500,000,000,000
<hr/>			

(*) The amounts represented term deposits at banks with the remaining term to maturity of 6 to 12 months and earned interest at rates ranging from 3.80% to 8.00% per annum (for the year ended 31 December 2018: from 3.80% to 8.00% per annum).

(**) The amounts represented term deposits at banks with the remaining term to maturity of over 12 months and earned interest at 7.30% per annum.

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(c) Long-term financial investments

	31/3/2019				1/1/2019			
	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND
Investment in subsidiaries								
▪ Vietnam Dairy Cow One Member Limited Company	100.00%	2,250,780,000,000	(*)	-	100.00%	2,250,780,000,000	(*)	-
▪ Driftwood Dairy Holding Corporation	100.00%	225,895,918,429	(*)	-	100.00%	225,895,918,429	(*)	-
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	100.00%	66,463,150,000	(*)	-	100.00%	66,463,150,000	(*)	-
▪ Angkor Dairy Products Co., Ltd.	100.00%	464,289,241,751	(*)	-	100.00%	464,289,241,751	(*)	-
▪ Thong Nhat Thanh Hoa Dairy Cow Company Limited	100.00%	991,682,699,703	(*)	(559,207,796)	100.00%	856,682,699,703	(*)	(19,842,623,474)
▪ Vietnam Sugar Joint Stock Company	65.00%	1,253,306,061,273	(*)	-	65.00%	1,328,381,061,273	(*)	-
▪ Lao-Jagro Development XiangKhouang Co., Ltd. (**)	51.00%	268,647,748,545	(*)	-	51.00%	217,100,901,045	(*)	-
		<u>5,521,064,819,701</u>		<u>(559,207,796)</u>		<u>5,409,592,972,201</u>		<u>(19,842,623,474)</u>

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	31/3/2019		1/1/2019	
	% of equity owned and voting rights	Cost VND	Allowance for diminution in value VND	Fair value VND
Investment in associates				
▪ Miraka Holdings Limited	22.81%	293,189,808,669	-	293,189,808,669 (*)
▪ APIS Corporation	20.00%	20,350,000,000	-	20,350,000,000 (*)
▪ Asia Coconut Processing Joint Stock Company	25.00%	86,830,000,000	-	86,830,000,000 (*)
		400,369,808,669	-	400,369,808,669
Equity investment in other entities				
▪ Asia Saigon Food Ingredients Joint Stock Company	14.71%	18,000,000,000	-	18,000,000,000 (*)
▪ An Khang Clinic – Pharmacy		300,000,000	-	300,000,000 (*)
▪ GTNFOODS Joint Stock Company	2.32%	75,558,716,069	-	-
		93,858,716,069	-	18,300,000,000
		6,015,293,344,439	(559,207,796)	5,828,262,780,870
				(19,842,623,474)

(*) 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.

(**) On 29 January 2019, the Company invested VND51,546,847,500 representing its percentage of equity interest in this entity following the shareholders' decision.

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

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Opening balance	(19,842,623,474)	(15,325,809,878)
Increase in allowance during the period	-	(10,296,799,725)
Written back	19,283,415,678	-
Allowance utilised during the period	-	7,501,517,042
Closing balance	(559,207,796)	(18,121,092,561)

5. Inventories

	31/3/2019		1/1/2019	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	1,064,503,840,657	-	863,478,108,627	-
Raw materials	2,177,906,200,104	(11,293,206,731)	2,362,269,915,764	(2,492,438,168)
Tools and supplies	639,383,377	-	311,995,640	-
Work in progress	31,058,130,863	-	14,827,114,886	-
Finished goods	958,609,109,268	(1,672,565,025)	1,275,852,464,005	(2,848,062,990)
Merchandise inventories	21,703,677,029	(486,840,739)	19,009,876,453	-
Goods on consignment	6,285,112,932	-	1,359,868,517	-
	4,260,705,454,230	(13,452,612,495)	4,537,109,343,892	(5,340,501,158)

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

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Opening balance	(5,340,501,158)	(4,814,755,174)
Increase in allowance during the period	(11,283,769,992)	(6,310,839,815)
Written back	3,145,649,687	1,551,864,154
Allowance utilised during the period	26,008,968	355,403,297
Closing balance	(13,452,612,495)	(9,218,327,538)

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6. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Opening balance	2,133,459,248,563	11,856,066,907,725	876,996,558,358	575,786,071,503	15,442,308,786,149
Additions	5,001,218,958	11,713,711,644	1,423,971,900	6,539,123,998	24,678,026,500
Transfer from construction in progress	4,222,274,349	7,171,596,854	3,627,919,190	-	15,021,790,393
Reclassification	(350,646,086)	350,646,086	-	-	-
Disposals	-	(12,134,998,238)	(574,900,000)	(498,027,919)	(13,207,926,157)
Closing balance	2,142,332,095,784	11,863,167,864,071	881,473,549,448	581,827,167,582	15,468,800,676,885
Accumulated depreciation					
Opening balance	715,654,263,635	5,304,346,921,420	425,998,481,092	410,601,017,866	6,856,600,684,013
Charge for the period	23,613,052,293	267,038,682,980	19,732,064,666	12,047,510,374	322,431,310,313
Reclassification	(5,844,100)	5,844,100	-	-	-
Disposals	-	(10,381,583,465)	(431,174,995)	(498,027,919)	(11,310,786,379)
Closing balance	739,261,471,828	5,561,009,865,035	445,299,370,763	422,150,500,321	7,167,721,207,947
Net book value					
Opening balance	1,417,804,984,928	6,551,719,986,305	450,998,077,266	165,185,053,637	8,585,708,102,136
Closing balance	1,403,070,623,956	6,302,157,999,036	436,174,178,685	159,676,667,261	8,301,079,468,938

Included in the cost of tangible fixed assets were assets costing VND1,939,205,177,549 which were fully depreciated as at 31 March 2019 (1/1/2019: VND1,914,794,762,623), but which are still in active use.

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7. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	57,582,565,109	147,682,758,159	205,265,323,268
Transfer from construction in progress	-	468,870,000	468,870,000
Closing balance	57,582,565,109	148,151,628,159	205,734,193,268
Accumulated amortisation			
Opening balance	11,608,069,186	111,494,715,050	123,102,784,236
Charge for the period	-	4,016,090,359	4,016,090,359
Closing balance	11,608,069,186	115,510,805,409	127,118,874,595
Net book value			
Opening balance	45,974,495,923	36,188,043,109	82,162,539,032
Closing balance	45,974,495,923	32,640,822,750	78,615,318,673

Included in the cost of intangible fixed assets were assets costing VND56,400,631,295 which were fully amortised as at 31 March 2019 (1/1/2019: VND54,117,931,295), but which are still in use.

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8. Investment property

	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening balance and closing balance	38,884,288,170	6,464,218,561	97,992,331,437	143,340,838,168
Accumulated depreciation				
Opening balance	4,232,303,479	5,798,297,944	44,268,832,475	54,299,433,898
Charge for the period	198,389,223	152,841,030	1,206,736,317	1,557,966,570
Closing balance	4,430,692,702	5,951,138,974	45,475,568,792	55,857,400,468
Net book value				
Opening balance	34,651,984,691	665,920,617	53,723,498,962	89,041,404,270
Closing balance	34,453,595,468	513,079,587	52,516,762,645	87,483,437,700

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

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

Included in the cost of investment property held to earn rental was assets costing VND7,892,173,774 which were fully depreciated as at 31 March 2019 (1/1/2019: VND7,892,173,774), but which are still in active use.

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9. Construction in progress

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Opening balance	275,020,774,555	970,605,001,566
Additions	223,166,416,099	552,306,518,285
Transfer to tangible fixed assets	(15,021,790,393)	(149,462,347,347)
Transfer to intangible fixed assets	(468,870,000)	-
Transfer to long-term prepaid expenses	-	(1,422,416,677)
Transfer to short-term prepaid expenses	-	(135,882,987)
Other decreases	(68,401,514)	(1,035,406,062)
Closing balance	482,628,128,747	1,370,855,466,778

Major constructions in progress were as follows:

	31/3/2019	1/1/2019
	VND	VND
Tien Son Dairy Factory	235,343,994,260	118,287,279,593
Can Tho Dairy Branch	52,079,729,352	52,079,729,352
Truong Tho Dairy Factory	49,009,532,942	51,328,530,484
Others	146,194,872,193	53,325,235,126
	482,628,128,747	275,020,774,555

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10. Prepaid expenses

(a) Short-term prepaid expenses

	31/3/2019 VND	1/1/2019 VND
Software deployment and networks maintenance expenses	19,701,201,214	5,495,262,566
Advertising expenses	2,236,830,059	1,760,281,563
Maintenance expenses	187,529,266	181,380,023
Operating lease expenses	4,545,229,568	1,604,474,481
Tools and supplies expenses	4,222,562,361	4,913,534,229
Renovation and repair expenses	10,026,774,027	11,759,637,267
Other short-term expenses	4,152,417,812	3,946,760,717
	45,072,544,307	29,661,330,846

(b) Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Other prepaid expenses VND	Total VND
Opening balance	209,066,884,080	122,950,435,665	28,917,519,843	360,934,839,588
Additions	-	5,483,270,295	1,036,050,181	6,519,320,476
Amortisation for the period	(1,606,193,940)	(19,481,770,049)	(5,349,045,861)	(26,437,009,850)
Closing balance	207,460,690,140	108,951,935,911	24,604,524,163	341,017,150,214

11. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant supplier

	31/3/2019		1/1/2019	
	Carrying amount VND	Repayable amount VND	Carrying amount VND	Repayable amount VND
Darigold Inc	376,488,540,454	376,488,540,454	4,516,947,896	4,516,947,896
Other suppliers	2,408,751,518,628	2,408,751,518,628	3,551,586,813,158	3,551,586,813,158
	2,785,240,059,082	2,785,240,059,082	3,556,103,761,054	3,556,103,761,054

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(b) Accounts payable to related parties

	31/3/2019	1/1/2019
	VND	VND
Subsidiaries		
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	72,517,426,500	39,223,584,375
Vietnam Dairy Cow One Member Limited Company	60,955,492,501	78,117,528,636
Angkor Dairy Products Co., Ltd.	52,772,937,540	-
Thong Nhat Thanh Hoa Dairy Cow Company Limited	8,544,271,500	10,139,040,800
Vietnam Sugar Joint Stock Company	344,011,500	1,016,631,000
Associates		
APIS Corporation	18,434,287,027	17,295,725,739
Asia Coconut Processing Joint Stock Company	448,329,974	-

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

12. Taxes payable to State Treasury

	1/1/2019	Incurred	Paid	31/3/2019
	VND	VND	VND	VND
Value added tax	64,316,322,916	564,538,380,312	(363,666,616,744)	265,188,086,484
Import tax	11,346,461,001	23,664,376,751	(21,578,693,113)	13,432,144,639
Corporate income tax	252,342,102,502	518,474,991,510	(406,888,940,769)	363,928,153,243
Personal income tax	13,149,680,041	136,075,899,321	(136,436,458,066)	12,789,121,296
Other taxes	496,253,772	4,014,320,536	(4,282,664,885)	227,909,423
	341,650,820,232	1,246,767,968,430	(932,853,373,577)	655,565,415,085

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13. Accrued expenses

	31/3/2019	1/1/2019
	VND	VND
Sale incentives, promotion	722,882,297,102	768,997,882,507
Rental fees	13,882,325,643	4,735,827,809
Advertising expenses	249,318,709,480	92,277,105,546
Transportation expenses	88,564,830,444	79,971,625,109
Repair and maintenance expenses	37,208,570,680	25,842,430,706
Interest expense	5,830,341,737	493,835,613
Fuel expenses	5,048,411,606	12,959,585,875
Expenses for outsourced employees	35,144,018,788	102,360,840,273
Others	45,724,303,650	57,556,753,462
	1,203,603,809,130	1,145,195,886,900

14. Other short-term payables

	31/3/2019	1/1/2019
	VND	VND
Insurance and trade union fees	2,960,354,765	2,192,617,485
Short-term deposits received	22,722,650,224	33,677,698,730
Other payables relating to financial investments (*)	602,192,419,155	748,487,474,055
Dividend payables	-	1,741,407,855,000
Import duty payables	3,245,803,798	13,862,123,850
Others	10,333,558,063	7,922,458,416
	641,454,786,005	2,547,550,227,536

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

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15. Borrowings

Short-term borrowings

	Currency	1/1/2019 VND	Incurred VND	Paid VND	31/3/2019 VND
▪ The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch (i)	VND	700,000,000,000	-	(700,000,000,000)	-
▪ The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch (ii)	USD	-	1,392,000,000,000	-	1,392,000,000,000
▪ Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch (iii)	VND	-	200,000,000,000	-	200,000,000,000
		700,000,000,000	1,592,000,000,000	(700,000,000,000)	1,592,000,000,000

(i) These loans had term of 1 – 3 months, were unsecured and bore interest at rates ranging from 5.15 – 5.30% per annum.

(ii) This loan had term of 6 months, was unsecured and bore interest at rate 3.36% per annum.

(iii) This loan had term of 4 months, was unsecured and bore interest at rate 4.87% per annum.

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16. Bonus and welfare fund

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

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

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Opening balance	502,448,397,758	674,169,691,953
Appropriation (Note V.19)	258,257,312,119	258,550,148,576
Other increase	-	149,174,000
Utilisation	(538,930,185,100)	(711,359,810,724)
Closing balance	221,775,524,777	221,509,203,805

17. Provision – short-term

	31/3/2019	1/1/2019
	VND	VND
Provision for severance allowance (*)	3,497,503,315	4,502,303,315
Provision for regular fixed assets maintenance	3,115,623,273	-
Closing balance	6,613,126,588	4,502,303,315

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(*) Movement of provision for severance allowance during the period were as follows:

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Opening balance	4,502,303,315	104,722,171,282
Provision used during the period	(1,004,800,000)	(124,850,005)
Closing balance	3,497,503,315	104,597,321,277
Of which:		
Provision – short-term	3,497,503,315	4,159,890,032
Provision – long-term	-	100,437,431,245

18. Deferred tax assets

	Tax rate	31/3/2019	1/1/2019
		VND	VND
Deferred tax assets			
Foreign exchange differences	20%	156,575,294	403,671,673
Accrued expenses and provisions	20%	11,608,028,458	31,954,599,399
		11,764,603,752	32,358,271,072

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19. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1 January 2018	14,514,534,290,000	260,699,620,761	(7,159,821,800)	2,849,474,124,833	5,678,808,387,154	23,296,356,600,948
Purchase treasury shares	-	-	(636,147,800)	-	-	(636,147,800)
Net profit for the period	-	-	-	-	2,585,501,485,764	2,585,501,485,764
Appropriation to equity funds	-	-	-	258,550,148,576	(258,550,148,576)	-
Appropriation to bonus and welfare fund (Note V.16)	-	-	-	-	(258,550,148,576)	(258,550,148,576)
Balance at 1 April 2018	14,514,534,290,000	260,699,620,761	(7,795,969,600)	3,108,024,273,409	7,747,209,575,766	25,622,671,790,336
Capital increase from bonus shares	2,902,343,640,000	(260,699,620,761)	-	(2,641,644,019,239)	-	-
Purchase treasury shares	-	-	(2,689,737,760)	-	-	(2,689,737,760)
Net profit for the period	-	-	-	-	7,228,608,340,284	7,228,608,340,284
Appropriation to equity funds	-	-	-	722,860,834,028	(722,860,834,028)	-
Appropriation to bonus and welfare fund	-	-	-	-	(722,860,834,028)	(722,860,834,028)
Dividends	-	-	-	-	(6,820,662,482,500)	(6,820,662,482,500)
Balance at 1 January 2019	17,416,877,930,000	-	(10,485,707,360)	1,189,241,088,198	6,709,433,765,494	25,305,067,076,332
Purchase treasury shares	-	-	(321,638,440)	-	-	(321,638,440)
Net profit for the period	-	-	-	-	2,582,573,121,190	2,582,573,121,190
Appropriation to equity funds	-	-	-	258,257,312,119	(258,257,312,119)	-
Appropriation to bonus and welfare fund (Note V.16)	-	-	-	-	(258,257,312,119)	(258,257,312,119)
Balance at 31 March 2019	17,416,877,930,000	-	(10,807,345,800)	1,447,498,400,317	8,775,492,262,446	27,629,061,246,963

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20. Share capital

The Company's authorised and issued share capital are:

	31/3/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
Authorised share capital	1,741,687,793	17,416,877,930,000	1,741,687,793	17,416,877,930,000
Issued shares				
Ordinary shares	1,741,687,793	17,416,877,930,000	1,741,687,793	17,416,877,930,000
Treasury shares				
Ordinary shares	(279,938)	(10,807,345,800)	(276,210)	(10,485,707,360)
Shares currently in circulation				
Ordinary shares	1,741,407,855	17,406,070,584,200	1,741,411,583	17,406,392,222,640

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

Details of share capital:

	31/3/2019		1/1/2019	
	VND	%	VND	%
The State's capital	6,270,638,350,000	36.00%	6,270,638,350,000	36.00%
Other shareholders' capital	11,146,239,580,000	64.00%	11,146,239,580,000	64.00%
	17,416,877,930,000	100.00%	17,416,877,930,000	100.00%

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21. Off balance sheet items

Foreign currencies

	31/3/2019		1/1/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
Foreign currencies				
▪ USD	2,676,790.11	61,994,458,948	5,782,180.81	133,828,574,801
▪ EUR	2,908.00	75,343,372	2,910.73	76,697,736
		62,069,802,320		133,905,272,537

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VI. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE INTERIM STATEMENTS OF INCOME

1. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Total revenue		
▪ Sales of finished goods	11,616,003,381,798	10,592,934,116,958
▪ Sales of merchandise goods	182,449,802,158	94,906,992,663
▪ Other services	9,109,018,060	7,119,179,736
▪ Rental income from investment property	3,592,606,654	4,157,576,821
▪ Others	16,623,487,627	17,538,215,446
	11,827,778,296,297	10,716,656,081,624
Less revenue deductions		
▪ Sale discounts	34,634,328,067	1,937,965,288
▪ Sale returns	1,069,426,310	1,634,054,950
	35,703,754,377	3,572,020,238
Net revenue	11,792,074,541,920	10,713,084,061,386

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

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Subsidiaries		
Vietnam Dairy Cow One Member Limited Company	22,555,616,853	-
Thong Nhat Thanh Hoa Dairy Cow Limited Company	599,906,640	619,397,410
Vietnam Sugar Joint Stock Company	490,000	-
Angkor Dairy Products Co., Ltd.	87,331,804,975	51,282,771,023
Driftwood Dairy Holding Corporation	2,293,703,651	-
Total revenue from sales to subsidiaries	112,781,522,119	51,902,168,433
Associate		
APIS Corporation	66,455,000	67,901,250

2. Cost of sales

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Total cost of sales		
▪ Finished goods sold	5,920,843,559,083	5,361,167,977,314
▪ Merchandise goods sold	160,869,443,069	81,281,137,435
▪ Cost of promotional goods	53,788,916,616	61,841,576,512
▪ Other services	1,417,614,452	1,286,649,440
▪ Operating costs of investment property	2,084,249,192	2,169,793,857
▪ Increase in allowance for inventories	8,138,120,305	4,758,975,661
	6,147,141,902,717	5,512,506,110,219

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3. Financial income

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Interest income from deposits	160,618,509,977	181,473,293,230
Interest income from corporate bonds	-	3,829,931,507
Dividends	-	1,215,000,000
Foreign exchange gains	5,371,111,805	4,036,783,582
Other financial income	3,697,781,884	-
	169,687,403,666	190,555,008,319

4. Financial expenses

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Interest expense on borrowings	10,326,643,110	2,067,151,198
Interest expense on deposits received	82,223,767	725,279,753
Foreign exchange losses	3,914,027,150	7,641,924,670
(Decrease)/increase in allowance for diminution in value of financial investments – net	(19,283,415,678)	10,296,799,725
Losses from disposals of financial investments	-	1,982,981,082
Payment discounts for customers	3,023,588,482	-
	(1,936,933,169)	22,714,136,428

5. Other income

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Tax refunded	4,532,009,470	-
Compensations received from other parties	2,206,276,915	621,009,086
Proceeds from disposals of fixed assets	94,538,284	76,780,680,209
Rebate income from suppliers	-	52,401,102,533
Others	7,803,706,611	645,840,740
	14,636,531,280	130,448,632,568

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6. Other expenses

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Book value of fixed assets disposed	1,897,139,778	56,475,244,071
Expense incurred relating to disposal of fixed assets	955,000,000	840,931,027
Tax penalties	401,207,943	215,209,163
Penalties for breach of contract	19,840,000	-
Others	1,244,579,458	4,187,771,024
	4,517,767,179	61,719,155,285

7. Selling expenses

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Staff costs	84,492,439,763	54,569,472,845
Materials expenses	11,173,245,129	12,293,495,383
Tools and supplies expenses	17,384,263,534	21,928,293,875
Depreciation expenses	5,924,551,532	7,441,044,658
Warranty expenses	7,503,846,215	7,695,954,836
Transportation expenses	125,250,696,182	115,954,574,735
Outside service expenses	103,779,011,149	100,186,512,898
Advertising and marketing research expenses	322,334,548,072	281,257,840,905
Promotion, product display expenses and sale support expenses	1,848,479,503,751	1,580,671,957,315
	2,526,322,105,327	2,181,999,147,450

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8. General and administration expenses

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Staff costs	78,820,512,285	55,750,647,109
Materials expenses	7,040,264,446	5,809,926,792
Office supplies	1,438,904,262	1,569,199,238
Depreciation expenses	15,871,755,574	16,657,416,754
Taxes, fees and duties	2,786,651,467	2,485,511,975
Allowance for doubtful debts and provision for severance allowance	-	21,001,389
Transportation expenses	10,252,070,000	6,817,283,051
Outside service expenses	37,307,956,743	29,330,342,984
Loading expenses	5,408,623,663	3,971,468,201
Per-diem allowances	9,612,200,281	9,365,004,604
Bank charges	1,272,222,983	1,262,188,315
Others	8,900,693,088	12,923,460,911
	178,711,854,792	145,963,451,323

9. Production and business costs by element

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Raw material costs included in production costs	5,093,186,446,468	4,855,324,196,517
Labour costs and staff costs	361,201,562,760	249,227,259,681
Depreciation and amortisation	326,790,937,784	262,881,975,121
Outside services	433,463,422,115	409,131,573,822
Other expenses	2,290,777,591,461	1,997,625,517,984

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10. Income tax

(a) Recognised in the separate statement of income

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Current tax expense		
Current period	503,500,398,349	441,958,257,597
Under provision in prior periods	14,974,593,161	72,825,956,220
	<hr/> 518,474,991,510	<hr/> 514,784,213,817
Deferred tax expense		
Origination and reversal of temporary differences	20,593,667,320	8,900,001,987
	<hr/> 539,068,658,830	<hr/> 523,684,215,804

(b) Reconciliation of effective tax rate

	Three-month period ended	
	31/3/2019	31/3/2018
	VND	VND
Accounting profit before tax	3,121,641,780,020	3,109,185,701,568
Tax at the Company's tax rate	624,328,356,004	621,837,140,314
Tax rate differential applied to Company's branches and factories	(8,293,830,304)	(7,656,693,953)
Tax exempt income	-	(243,000,000)
Non-deductible expenses	3,212,894,743	2,590,935,037
Tax incentives	(80,178,761,613)	(116,732,258,523)
Deferred tax assets not previously recognised	(14,974,593,161)	(48,937,863,291)
Under provision in prior periods	14,974,593,161	72,825,956,220
	<hr/> 539,068,658,830	<hr/> 523,684,215,804

(c) Applicable tax rates

The Company is required to pay income tax at rates ranging from 15% to 20% (for the three-month period ended 31 March 2018: from 15% to 20%), depending on principal activities of its factories, on taxable profits.

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VII. OTHER INFORMATION

1. Significant transactions with related parties

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

Related party	Relationship	Nature of transaction	Three-month period ended	
			31/3/2019 VND	31/3/2018 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Sales of fixed assets	-	192,000,000
		Purchases of goods	401,613,978,024	328,233,545,199
Thong Nhat Thanh Hoa Dairy Cow Company Limited	Subsidiary	Purchases of goods	69,463,845,200	10,113,220,740
		Capital contribution	-	50,000,000,000
Vietnam Sugar Joint Stock Company	Subsidiary	Purchases of goods	5,916,900,000	16,003,014,000
Angkor Dairy Products Co., Ltd.	Subsidiary	Purchases of goods	52,775,267,256	25,347,597,974
Lao-Jagro Development Xiang Khouang Co., Ltd	Subsidiary	Capital contribution	51,546,847,500	-
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	Purchases of goods	134,351,463,400	60,829,584,860
Miraka Holdings Limited	Associate	Purchases of goods	-	17,573,344
APIS Corporation	Associate	Purchases of goods	26,632,909,053	95,793,858,120
Asia Coconut Processing Joint Stock Company	Associate	Purchases of services	407,572,704	-
Members of Board of Management and Board of Directors		Compensation	58,644,906,897	58,326,772,420

Vietnam Dairy Products Joint Stock Company

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2. Segment information

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

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

Geographical segments

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

	Domestic (Customers located in Vietnam)		Overseas (Customers located in countries other than Vietnam)		Total	
	Three-month period ended 31/3/2019 VND	31/3/2018 VND	Three-month period ended 31/3/2019 VND	31/3/2018 VND	Three-month period ended 31/3/2019 VND	31/3/2018 VND
Net revenue	10,786,531,135,093	9,781,250,487,720	1,005,543,406,827	931,833,573,666	11,792,074,541,920	10,713,084,061,386
Cost of sales	(5,758,524,943,103)	(5,146,916,022,059)	(388,616,959,614)	(365,590,088,160)	(6,147,141,902,717)	(5,512,506,110,219)
Segment gross profit	5,028,006,191,990	4,634,334,465,661	616,926,447,213	566,243,485,506	5,644,932,639,203	5,200,577,951,167

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

25 April 2019

Approved by:



Mai Kieu Lien
Chief Executive Officer

