



**Vietnam Dairy Products Joint Stock Company
and its subsidiaries**

**Consolidated interim financial statements
for the nine-month period
ended 30 September 2019**



Vietnam Dairy Products Joint Stock Company and its subsidiaries

TABLE OF CONTENTS	PAGE
CORPORATE INFORMATION	2
STATEMENT OF THE BOARD OF MANAGEMENT	3
INTERIM FINANCIAL STATEMENTS REVIEW REPORT	4 - 5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6 - 8
CONSOLIDATED STATEMENT OF INCOME	9 - 10
CONSOLIDATED STATEMENT OF CASH FLOWS	11 - 13
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	14 - 63

Vietnam Dairy Products Joint Stock Company and its subsidiaries 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 (until 15 August 2019)
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 and its subsidiaries
Statement of the Board of Management

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

The Board of Management is responsible for the consolidated interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 30 September 2019 and of the consolidated results of operations and consolidated cash flows for the nine-month period then ended. In preparing these consolidated 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 consolidated interim financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable these consolidated 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated interim financial statements set out on pages 6 to 63, which give a true and fair view of the consolidated financial position of the Group as at 30 September 2019, and of the consolidated results of operations and consolidated cash flows for the nine-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, 30 October 2019



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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders

Vietnam Dairy Products Joint Stock Company and its subsidiaries

We have reviewed the accompanying consolidated interim financial statements of Vietnam Dairy Products Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheet as at 30 September 2019, the related consolidated statements of income and cash flows for the nine-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 30 October 2019, as set out on pages 6 to 63.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Vietnam Dairy Products Joint Stock Company and its subsidiaries as at 30 September 2019 and of their consolidated results of operations and their consolidated cash flows for the nine-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.: 18-01-00231-19-9



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, 30 October 2019

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of financial position as at 30 September 2019

Form B 01a – DN/HN

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

	Code	Note	30/9/2019 VND	1/1/2019 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		22,146,344,620,561	20,559,756,794,837
Cash and cash equivalents	110	V.1	1,043,473,767,363	1,522,610,167,671
Cash	111		987,873,767,363	1,072,610,167,671
Cash equivalents	112		55,600,000,000	450,000,000,000
Short-term financial investments	120		10,238,285,848,104	8,673,926,951,890
Trading securities	121	V.4(a)	443,154,506,731	443,154,262,451
Allowance for diminution in the value of trading securities	122	V.4(a)	(605,859,113)	(605,728,258)
Held-to-maturity investments	123	V.4(b)	9,795,737,200,486	8,231,378,417,697
Accounts receivable – short-term	130		5,699,702,616,339	4,639,447,900,101
Accounts receivable from customers	131	V.2(a)	4,296,365,444,224	3,380,017,354,930
Prepayments to suppliers	132		760,510,957,858	876,158,254,325
Other short-term receivables	136	V.3(a)	653,341,478,292	394,535,471,938
Allowance for doubtful debts	137	V.2(c)	(10,515,264,035)	(11,263,181,092)
Inventories	140	V.5	4,990,634,977,666	5,525,845,959,354
Inventories	141		5,005,803,992,060	5,538,304,348,980
Allowance for inventories	149		(15,169,014,394)	(12,458,389,626)
Other current assets	150		174,247,411,089	197,925,815,821
Short-term prepaid expenses	151	V.11(a)	105,004,011,500	54,821,120,257
Deductible value added tax	152		69,243,399,589	142,642,380,500
Taxes receivable from State Treasury	153		-	462,315,064

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of financial position as at 30 September 2019 (continued)

Form B 01a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/9/2019 VND	1/1/2019 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		17,955,508,227,195	16,806,351,859,342
Accounts receivable – long-term	210		20,264,171,506	88,443,241,642
Long-term receivables from customers	211	V.2(b)	-	67,658,410,631
Long-term loan receivables	215		1,148,421,511	3,143,509,548
Other long-term receivables	216	V.3(b)	19,115,749,995	17,641,321,463
Fixed assets	220		13,406,776,090,507	13,365,353,599,098
Tangible fixed assets	221	V.6	12,832,612,333,143	13,047,771,431,436
Cost	222		24,088,813,907,105	22,952,360,450,312
Accumulated depreciation	223		(11,256,201,573,962)	(9,904,589,018,876)
Finance lease tangible fixed assets	224		3,862,308,710	-
Cost	225		4,750,657,569	-
Accumulated depreciation	226		(888,348,859)	-
Intangible fixed assets	227	V.7	570,301,448,654	317,582,167,662
Cost	228		745,122,190,598	475,569,436,392
Accumulated amortisation	229		(174,820,741,944)	(157,987,268,730)
Investment property	230	V.8	62,573,609,227	90,248,200,759
Cost	231		81,481,271,444	147,320,450,623
Accumulated depreciation	232		(18,907,662,217)	(57,072,249,864)
Long-term work in progress	240		1,310,466,712,771	868,245,878,253
Long-term work in progress	241	V.9	245,049,020,873	214,398,200,249
Construction in progress	242	V.10	1,065,417,691,898	653,847,678,004
Long-term financial investments	250		2,026,569,686,717	1,068,660,695,119
Investments in associates	252	V.4(c)	1,955,776,022,297	497,498,739,617
Equity investments in other entities	253	V.4(c)	72,083,707,154	72,083,527,154
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(1,290,042,734)	(921,571,652)
Held-to-maturity investments	255	V.4(b)	-	500,000,000,000
Other non-current assets	260		1,128,857,956,467	1,325,400,244,471
Long-term prepaid expenses	261	V.11(b)	624,567,844,983	750,599,476,304
Deferred tax assets	262	V.12(a)	16,913,947,950	36,460,665,848
Goodwill	269	V.13	487,376,163,534	538,340,102,319
TOTAL ASSETS (270 = 100 + 200)	270		40,101,852,847,756	37,366,108,654,179

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of financial position as at 30 September 2019 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/9/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		12,261,224,601,874	11,094,739,362,252
Current liabilities	310		11,924,062,277,981	10,639,592,009,462
Accounts payable to suppliers	311	V.14	3,690,036,928,929	3,991,064,706,111
Advances from customers	312		289,188,450,552	535,552,943,437
Taxes payable to State Treasury	313	V.16	1,038,009,393,860	341,669,047,623
Payables to employees	314		190,073,046,910	215,270,553,609
Short-term accrued expenses	315	V.17(a)	1,576,818,860,703	1,437,232,532,734
Short-term unearned revenue	318		465,948,676	6,910,881,322
Other short-term payables	319	V.18	578,729,724,411	2,540,327,951,932
Short-term borrowings	320	V.15(a)	4,188,147,842,196	1,060,047,652,329
Provisions – short-term	321	V.19	7,562,376,120	4,502,303,315
Bonus and welfare fund	322	V.20	365,029,705,624	507,013,437,050
Long-term liabilities	330		337,162,323,893	455,147,352,790
Long-term accrued expenses	333	V.17(b)	13,708,650,325	2,054,753,617
Long-term unearned revenue	336		415,848,218	415,848,218
Other long-term payables	337		25,806,335,175	29,607,431,175
Long-term borrowings and finance lease liabilities	338	V.15(b)	93,806,389,962	215,798,919,361
Deferred tax liabilities	341	V.12(b)	200,671,058,583	204,757,714,031
Provisions – long-term	342	V.19	2,754,041,630	2,512,686,388
EQUITY (400 = 410)	400		27,840,628,245,882	26,271,369,291,927
Owners' equity	410	V.21	27,840,628,245,882	26,271,369,291,927
Share capital	411	V.22	17,416,877,930,000	17,416,877,930,000
Treasury shares	415	V.22	(11,644,956,120)	(10,485,707,360)
Foreign exchange differences	417		22,809,392,893	27,635,831,784
Investment and development fund	418		1,991,895,881,469	1,191,672,373,593
Retained profits	421		7,840,153,595,139	7,155,434,314,256
- Retained profits brought forward	421a		4,543,346,786,756	3,560,050,505,957
- Profit for the current period	421b		3,296,806,808,383	3,595,383,808,299
Non-controlling interest	429		580,536,402,501	490,234,549,654
TOTAL RESOURCES (440 = 300 + 400)	440		40,101,852,847,756	37,366,108,654,179

30 October 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 consolidated interim financial statements

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of income for the nine-month period ended 30 September 2019

Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Three-month period ended 30/9/2019 VND	30/9/2018 VND	Nine-month period ended 30/9/2019 VND	30/9/2018 VND
Revenue from sales of goods and provision of services	01	VI.1	14,304,042,994,942	13,743,498,637,314	42,144,529,332,079	39,613,908,212,394
Revenue deductions	02	VI.1	13,142,547,924	8,238,352,165	65,368,047,497	55,665,294,372
Net revenue (10 = 01 - 02)	10	VI.1	14,290,900,447,018	13,735,260,285,149	42,079,161,284,582	39,558,242,918,022
Cost of sales	11	VI.2	7,567,934,476,550	7,241,743,387,120	22,187,247,255,403	21,109,421,861,070
Gross profit (20 = 10 - 11)	20		6,722,965,970,468	6,493,516,898,029	19,891,914,029,179	18,448,821,056,952
Financial income	21	VI.3	206,732,692,690	185,624,961,638	573,740,102,106	580,564,395,590
Financial expenses	22	VI.4	44,895,193,422	30,214,111,816	115,816,157,431	92,797,511,134
<i>In which: Interest expense</i>	23		27,795,829,812	11,981,786,169	72,986,497,554	37,809,378,934
Share of (loss)/profit in associates	24	V.4(c)	(9,779,647,914)	2,434,256,608	(19,913,299,060)	10,914,152,985
Selling expenses	25	VI.5	3,291,660,881,785	3,410,558,802,715	9,292,296,425,308	8,905,204,148,612
General and administration expenses	26	VI.6	318,235,893,109	286,976,405,586	914,490,229,396	802,820,126,536
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,265,127,046,928	2,953,826,796,158	10,123,138,020,090	9,239,477,819,245
Other income	31	VI.7	74,087,108,721	140,125,403,777	184,019,234,009	347,488,153,679
Other expenses	32	VI.8	85,458,005,938	59,984,156,079	160,786,474,025	215,769,331,812
Results of other activities (40 = 31 - 32)	40		(11,370,897,217)	80,141,247,698	23,232,759,984	131,718,821,867
Profit before tax (50 = 30 + 40) (carried forward to next page)	50		3,253,756,149,711	3,033,968,043,856	10,146,370,780,074	9,371,196,641,112

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of income for the nine-month period ended 30 September 2019 (continued)

Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Three-month period ended		Nine-month period ended	
			30/9/2019	30/9/2018	30/9/2019	30/9/2018
			VND	VND	VND	VND
Profit before tax (50 = 30 + 40) (brought forward from previous page)	50		3,253,756,149,711	3,033,968,043,856	10,146,370,780,074	9,371,196,641,112
Income tax expense – current	51	VI.10	579,559,045,028	459,229,929,862	1,753,017,198,055	1,445,264,622,372
Income tax (benefit)/expense– deferred	52	VI.10	(2,539,547,647)	14,269,248,815	15,457,261,840	4,579,419,029
Net profit after tax (60 = 50 - 51 - 52)	60		2,676,736,652,330	2,560,468,865,179	8,377,896,320,179	7,921,352,599,711
Attributable to:						
Equity holders of the Company	61		2,690,192,377,294	2,560,125,311,355	8,379,659,924,352	7,927,796,548,818
Non-controlling interest	62		(13,455,724,964)	343,553,824	(1,763,604,173)	(6,443,949,107)
Basic earnings per share	70	VI.11	1,385	1,323	4,338	4,106

30 October 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 consolidated interim financial statements

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the nine-month period ended 30 September 2019
(Indirect method)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Nine-month period ended 30/9/2019 VND	30/9/2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		10,146,370,780,074	9,371,196,641,112
Adjustments for				
Depreciation and amortisation	02		1,445,143,966,428	1,190,815,299,979
Allocation of goodwill	02		50,963,938,785	41,939,073,882
Allowances and provisions	03		6,329,500,631	(97,349,278,018)
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(1,413,718,351)	2,155,133,197
(Gains)/losses from disposals of investments	05		(1,513,217,385)	1,982,981,082
Losses on disposals of fixed assets and construction in progress	05		37,615,827,711	38,759,674,099
Dividends, interest income and other investment activities	05		(517,303,133,501)	(526,129,725,542)
Share of loss/(profit) in associates	05		19,913,299,060	(10,914,152,985)
Interest expense	06	VI.4	72,986,497,554	37,809,378,934
Operating profit before changes in working capital	08		11,259,093,741,006	10,050,265,025,740
Change in receivables	09		(713,339,139,900)	(740,471,124,444)
Change in inventories	10		222,569,511,203	(425,140,431,860)
Change in payables and other liabilities	11		(265,553,419,796)	(1,212,637,400,866)
Change in prepaid expenses	12		(1,965,202,257)	24,601,595,287
Interest paid	14		(168,871,105,107)	(37,060,613,868)
Income tax paid	15	V.16	(1,203,118,118,925)	(1,066,680,583,215)
Other payments for operating activities	17		(964,410,303,581)	(1,091,825,371,879)
Net cash flows from operating activities	20		8,164,405,962,643	5,501,051,094,895

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the nine-month period ended 30 September 2019
(Indirect method – continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Nine-month period ended	
			30/9/2019	30/9/2018
			VND	VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,745,567,179,101)	(2,431,335,434,183)
Collections on disposals of fixed assets and other long-term assets	22		72,200,302,477	69,971,614,662
(Payments for)/collections from term deposits	23		(1,064,859,165,664)	2,501,452,434,889
Receipts from collecting loans	24		1,995,088,037	1,330,130,038
Receipts from sales of debt instruments of other entities	24		-	190,785,778,116
Payment for investments in other entities	25		(1,483,285,189,230)	(12,250,000,000)
Collections from investments in other entities	26		6,607,824,875	1,215,000,000
Receipts of interest and dividends	27		276,868,781,859	454,928,374,068
Net cash flows from investing activities	30		(3,936,039,536,747)	776,097,897,590
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchase of treasury shares	32		(1,159,248,760)	(2,691,774,640)
Proceeds from capital contribution from non-controlling interests	32		127,856,925,000	-
Proceeds from borrowings	33		7,632,965,899,295	2,350,575,244,345
Payments to settle loan principals	34		(4,626,991,858,681)	(1,702,376,501,754)
Payments of dividends	36		(7,836,250,770,500)	(7,256,172,407,500)
Net cash flows from financing activities	40		(4,703,579,053,646)	(6,610,665,439,549)

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the nine-month period ended 30 September 2019
(Indirect method – continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Nine-month period ended 30/9/2019 VND	30/9/2018 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50		(475,212,627,750)	(333,516,447,064)
Cash and cash equivalents at the beginning of the period	60		1,522,610,167,671	963,335,914,164
Effect of exchange rate fluctuations on cash and cash equivalents	61		(425,206,619)	(113,641,193)
Currency translation differences	62		(3,498,565,939)	1,078,838,911
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61 + 62)	70	V.1	1,043,473,767,363	630,784,664,818

30 October 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 consolidated interim financial statements

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019

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

These notes form an integral part of and should be read in conjunction with the accompanying consolidated 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 the Company and its subsidiaries (collectively referred to as “the Group”) 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 as a joint stock company and began operating under Enterprise Laws of Vietnam and its Business Registration Certificate No. 4103001932 was issued by Ho Chi Minh City Planning and Investment Department.
- 28 December 2005: The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPNY.
- 19 January 2006: The Company’s shares were listed on Ho Chi Minh City Stock Exchange.
- 12 December 2006: International Real Estates One Member Limited Company was established in accordance with the Business License No. 4104000260 issued by the Department of Investment and Planning of Ho Chi Minh City.
- 14 December 2006: Vietnam Dairy Cow One Member Limited Company was established in accordance with the Business License No. 150400003 issued by the Department of Planning and Investment of Tuyen Quang Province.
- 26 February 2007: Lam Son Dairy Joint Stock Company was established in accordance with the Business License No. 2603000521 issued by the Department of Planning and Investment of Thanh Hoa Province.
- 24 June 2010: Lam Son Dairy Joint Stock Company was renamed as Lam Son Dairy One Member Company Limited.
- 30 September 2010: Dielac Dairy One Member Company Limited was established based on the re-registration of F&N Food Vietnam Limited Company in accordance with the Investment Certificate No. 463041000209 issued by the Management of Vietnam – Singapore Industrial Park.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

Form B 09a – DN/HN

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

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

- **31 July 2017:** On 23 March 2017, the Company received its first revised offshore investment registration certificate dated 10 March 2017 issued by the Ministry of Planning and Investment of Vietnam, in relation to Angkor Dairy Products Co., Ltd. (“Angkormilk”). Accordingly, the Company’s total investment capital increased from USD10,210,000 to USD20,995,390. The reason of capital increase was to purchase the entire capital contribution of the local partner in Angkormilk. As at 31 July 2017, the Company completed the transfer of its investment, bringing the total investment to USD20.9 million and increased ownership percentage in Angkormilk from 51% to 100%.
- **20 October 2017:** On 30 September 2017, the Company entered into an agreement to acquire the remaining 3.89% of its equity interest in Thong Nhat Thanh Hoa Limited Company from non-controlling shareholders. The transaction was completed on 21 October 2017.
- **1 November 2017:** On 25 October 2017, the Company entered into an agreement to purchase newly issued shares of Khanh Hoa Sugar Joint Stock Company and took 65% equity interest. The transaction was completed on 1 November 2017. From 14 November 2017, Khanh Hoa Sugar Joint Stock Company changed its name to Viet Nam Sugar Joint Stock Company.
- **23 November 2018:** In July 2018, the Company entered into an agreement to acquire 51% equity interest of Lao-Jagro Development Xiengkhouang Co., Ltd to develop a high-tech beef – dairy farm complex. The transaction was completed on 23 November 2018.
- **12 September 2019:** On 12 September 2019, the Company received the second revised Oversea Investment Registration Certificate no. 201600140 in which the Company’s investment in its 100% owned subsidiary named Driftwood Dairy Holding Corporation in California, United States increased from USD10 million to USD20 million. As at 30 September 2019, the Company completed the transfer of its investment.

2. Principal activities

The principal activities of the Group are to:

- Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- Trade in food technology, spare parts, equipment, materials and chemicals;
- Trade in real estate, own or lease land use rights (according to 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);

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

- Raise cattle, cultivation;
- Retail sugar, milk and products from milk, bread, jam, candy and products processed from cereal, flour, starch and other food; and
- Retail alcoholic drinks, non-alcoholic drinks (carbonated and non-carbonated soft drinks), natural mineral water, low-alcoholic or non-alcoholic wine and beer.

3. Normal operating cycle

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

4. Group structure

As at 30 September 2019, the Group had 7 subsidiaries and 4 associates (1/1/2019: 7 subsidiaries and 3 associates) and dependent units as follows:

(a) Subsidiaries

Name	Location	Principal activities	% of ownership/ voting rights	
			30/9/2019	1/1/2019
▪ Vietnam Dairy Cow One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Dairy cow raising	100.00%	100.00%
▪ Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province	Milk production and cattle raising	100.00%	100.00%
▪ Driftwood Dairy Holding Corporation	No. 10724, Street Lower Azusa and El Monte Boulevards Intersection, California 91731-1390, United States	Milk production	100.00%	100.00%
▪ Angkor Dairy Products Co., Ltd.	Lot P2-096 and P2-097, Phnom Penh Special Economic Zone (PPSEZ), National Highway 4, Khan posenchey, Phnom Penh, Kingdom of Cambodia	Milk production	100.00%	100.00%
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Ul, Gwiazdzista 7a/401-651 Warszawa, Poland	Dairy raw materials and animal trading	100.00%	100.00%

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

Name	Location	Principal activities	% of ownership/ voting rights	
			30/9/2019	1/1/2019
▪ Vietnam Sugar Joint Stock Company	Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province	Sugar producing and refining	65.00%	65.00%
▪ Lao-Jagro Development Xiengkhouang Co., Ltd.	Boungvene Village, Paek District, Xiengkhouang Province, Lao PDR	Dairy cow raising and agricultural products trading	51.00%	51.00%

(b) Associates

Name	Location	Principal activities	% of ownership/ voting rights	
			30/9/2019	1/1/2019
▪ Miraka Holdings Limited	108 Tuwharetoa, Taupo, New Zealand	Milk production	22.81%	22.81%
▪ APIS Corporation	No. 18A, VSIP II-A, 27 Street, Viet Nam – Singapore II-A Industrial Zone, Vinh Tan Ward, Tan Uyen District, Binh Duong Province	Food raw materials trading	20.00%	20.00%
▪ Asia Coconut Processing Joint Stock Company	Giao Long Industrial Zone, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam	Coconut-based products manufacturing and trading	25.00%	25.00%
▪ GTNFoods Joint Stock Company	9 th floor, Vinatea Building, 92 Vo Thi Sau, Thanh Nhan Ward, Hai Ba Trung District, Ha Noi	Manufacturing and trading products from milk, tea and wine	40.53%	-

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

(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.
- 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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

As at 30 September 2019, the Group had 8,393 employees (1/1/2019: 8,082 employees).

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Annual accounting period

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

2. Accounting and presentation currency

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

III. ACCOUNTING STANDARDS AND SYSTEM

1. Statement of compliance

The consolidated 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 financial reporting.

2. Basis of measurement

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Basis of consolidation

(a) Subsidiaries

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

(b) Non-controlling interests

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

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

(c) Loss of control

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

(d) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies, generally evidenced by holding 20% to 50% of voting rights in these entities. Associates are accounted for using the equity method. The consolidated interim financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

(e) Transactions eliminated on consolidation

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

(f) Business combination

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

2. Foreign currency

(a) 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 and its subsidiaries most frequently conduct transactions and has the largest outstanding balance of foreign currencies at the reporting date.

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

(b) Foreign operations

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

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

3. Cash and cash equivalents

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

4. Investments

(a) Trading securities

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

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

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

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

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

(c) Loans receivable

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

(d) Investment in equity instruments of other entities

Investment in equity instruments of other entities 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 Group'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.

5. Accounts receivable

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

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

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

6. Inventories

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

The Group applies the perpetual method of accounting for inventories.

7. Tangible fixed assets

(a) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the consolidated statement of income in the 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 – 20 years
▪ motor vehicles	4 – 10 years
▪ office equipment	3 – 12 years
▪ livestock	3 – 6 years
▪ others	3 – 20 years

8. Finance lease tangible fixed assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in accounting policy IV.7.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

9. 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 – 8 years.

(c) Others

Others represented trademark and customer relationship, which are acquired through business combination and are initially recognised at fair value. Trademark and customer relationship are amortised on a straight-line basis over 4 – 10 years.

10. Investment property

(a) Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair and maintenance, is charged to the consolidated statement of income in the 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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

(b) Depreciation

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

- | | |
|---------------------------------|---------------|
| ▪ definite life land use rights | 13 – 50 years |
| ▪ infrastructure | 8 – 10 years |
| ▪ buildings | 6 – 50 years |

Indefinite life land use rights are not amortised.

11. 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.

12. Prepaid expenses

(a) Prepaid land costs

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

(b) Tools and instruments

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

(c) Others

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

13. Goodwill

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

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

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

14. Trade and other payables

Accounts payable are monitored in details by payable terms, payable parties, original currency and other factors depending on the Group's managerial requirements. Accounts payable to suppliers include trade payables arising from transaction of buying-selling transactions and payables for import through 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 consolidated statement of financial position based on the remaining period of these payables at the reporting date.

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

15. 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.

16. Provisions

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

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their average salary for the nine-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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

17. 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.

18. Taxation

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

Current tax is the expected tax payable on the taxable income for the 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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

19. Revenue and other income

(a) Goods sold

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

(b) Services rendered

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

(c) Rental income

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

(d) Interest income

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

(e) Dividend income

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

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

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

20. 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 occur in the following period, revenue deductions are recognised in the reporting period only if such payments occur prior to the issuance of the consolidated interim financial statements.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

21. 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.

22. Operating lease payments

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

23. 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.

24. Dividend distribution

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

Dividends are declared and paid based on the estimated earnings of the period. 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.

25. 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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

26. Earnings per share

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

27. Segment reporting

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

28. Related parties

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

V. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

1. Cash and cash equivalents

	30/9/2019	1/1/2019
	VND	VND
Cash on hand	1,749,185,913	1,853,588,837
Cash in bank	986,124,581,450	988,996,467,314
Cash in transit	-	81,760,111,520
Cash equivalents	55,600,000,000	450,000,000,000
	1,043,473,767,363	1,522,610,167,671

2. Accounts receivable from customers

(a) Accounts receivable from customers – short-term

	30/9/2019	1/1/2019
	VND	VND
Receivables from customers	4,296,365,444,224	3,380,017,354,930

(b) Accounts receivable from customer – long-term

	30/9/2019	1/1/2019
	VND	VND
SIG Combibloc Ltd	-	67,658,410,631

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

(c) Allowance for doubtful debts

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

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Opening balance	(11,263,181,092)	(13,193,973,536)
Increase in allowance during the period	(2,503,584,547)	(3,169,553,963)
Allowance utilised during the period	2,509,509,023	5,877,185,576
Allowance written back during the period	742,213,824	-
Currency translation differences	(221,243)	(142,387,793)
Closing balance	(10,515,264,035)	(10,628,729,716)

3. Other receivables

(a) Other short-term receivables

	30/9/2019	1/1/2019
	VND	VND
Interest income from deposits	443,431,227,362	202,996,875,720
Rebate income receivable from suppliers	58,439,226,548	67,394,546,080
Advances to employees	44,891,502,324	39,971,327,489
Receivables from employees	4,636,058,038	3,086,744,596
Short-term deposits	4,486,763,750	5,056,861,106
Import tax refundable	927,983,840	6,487,398,794
Others	96,528,716,430	69,541,718,153
	653,341,478,292	394,535,471,938

(b) Other long-term receivables

	30/9/2019	1/1/2019
	VND	VND
Collateral, deposits	14,115,749,995	12,641,321,463
Others	5,000,000,000	5,000,000,000
	19,115,749,995	17,641,321,463

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

4. Investments

(a) Trading securities

	30/9/2019			1/1/2019		
	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term investments in shares:						
▪ Bao Viet Joint Stock Commercial Bank (*)	442,000,000,000	442,000,000,000	-	442,000,000,000	442,000,000,000	-
▪ Others	1,154,506,731	548,647,618	(605,859,113)	1,154,262,451	548,543,733	(605,728,258)
	443,154,506,731	442,548,647,618	(605,859,113)	443,154,262,451	442,548,543,733	(605,728,258)

(*) At the reporting date, the Group 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.18). The fair value of the securities represented the expected realisable amount.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

(b) Held-to-maturity investments

	Note	30/9/2019 VND	1/1/2019 VND
Held-to-maturity investments – short-term			
▪ term deposits	(*)	9,795,737,200,486	8,231,378,417,697
<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 1 to 12 months and earned interest at rates ranging from 4.00% to 8.60% per annum (for the year ended 31 December 2018: from 3.80% to 8.00% per annum).

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

(c) Investments in other entities

		30/9/2019				1/1/2019		
	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND		Cost VND	Fair value VND	Allowance for diminution in value VND
Investments in associates								
▪ Miraka Holdings Limited	22.81%	364,885,336,944	(*)	-	22.81%	383,178,796,529	(*)	-
▪ Asia Coconut Processing Joint Stock Company	25.00%	85,708,032,404	(*)	-	25.00%	90,176,090,417	(*)	-
▪ APIS Corporation	20.00%	26,336,972,917	(*)	-	20.00%	24,143,852,671	(*)	-
▪ GTNFOODS Joint Stock Company	40.53%	1,478,845,680,032	(*)	-		-		-
		1,955,776,022,297		-		497,498,739,617		-
Equity investment in other entities								
▪ Asia Saigon Food Ingredients Joint Stock Company		69,261,607,154	(*)	-		69,261,607,154	(*)	-
▪ An Khang Clinic – Pharmacy		300,000,000	(*)	-		300,000,000	(*)	-
▪ Mien Trung Bovine Breeding JSC		1,688,700,000	(*)	(1,290,042,734)		1,688,700,000	(*)	(921,571,652)
▪ Others		833,400,000	(*)	-		833,220,000	(*)	-
		72,083,707,154		(1,290,042,734)		72,083,527,154		(921,571,652)
		2,027,859,729,451		(1,290,042,734)		569,582,266,771		(921,571,652)

(*) At the reporting date, the Group has not determined fair values of these financial instruments for disclosure in the consolidated 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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

In accordance with Vietnamese Accounting Standard 11 – *Business combination*, the Group accounted for the business combination using fair values based on information available at the reporting date. Upon determination of the purchase price allocation, the Group will recognise all adjustments retrospectively to those amounts within 12 months of the acquisition date by restating the comparative information.

Movements of equity investments in associates during the period were as follows:

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Opening balance	497,498,739,617	481,282,722,569
Investments	1,478,190,581,740	12,250,000,000
Dividends received	-	(1,215,000,000)
Share of (loss)/profit in associates	(19,913,299,060)	10,914,152,985
Closing balance	1,955,776,022,297	503,231,875,554

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

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Opening balance	(605,728,258)	(675,708,019)
Currency translation differences	(130,855)	(18,633,025)
Closing balance	(605,859,113)	(694,341,044)

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

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Opening balance	(921,571,652)	(8,121,391,011)
Increase in allowance during the period	(368,471,082)	-
Allowance utilised during the period	-	7,501,517,042
Closing balance	(1,290,042,734)	(619,873,969)

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

5. Inventories

	30/9/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	907,320,312,289	-	1,238,073,977,728	-
Raw materials	2,618,838,150,276	(11,789,107,544)	2,768,993,402,085	(6,086,246,473)
Tools and supplies	29,879,497,550	-	28,371,666,681	-
Work in progress	174,211,955,737	-	104,353,403,803	-
Finished goods	1,226,970,870,030	(3,214,812,692)	1,338,140,872,718	(6,372,143,153)
Merchandise inventories	45,129,866,637	(165,094,158)	59,011,157,448	-
Goods on consignment	3,453,339,541	-	1,359,868,517	-
	5,005,803,992,060	(15,169,014,394)	5,538,304,348,980	(12,458,389,626)

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

	Nine-month period ended	
	30/9/2019 VND	30/9/2018 VND
Opening balance	(12,458,389,626)	(20,243,661,977)
Increase in allowance during the period	(25,837,173,767)	(23,431,258,891)
Written back during the period	23,084,743,456	29,433,272,597
Allowance utilised during the period	41,805,543	2,437,951,960
Closing balance	(15,169,014,394)	(11,803,696,311)

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

6. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Livestock VND	Others VND	Total VND
Cost							
Opening balance	4,495,227,310,593	15,705,241,140,444	1,091,063,924,291	645,341,744,810	999,183,103,832	16,303,226,342	22,952,360,450,312
Additions	13,312,749,856	279,662,129,058	46,188,261,890	24,800,600,594	44,269,381,035	1,008,939,000	409,242,061,433
Transfer from inventories	-	-	-	-	276,889,321,502	-	276,889,321,502
Transfer from investment properties	63,784,035,554	2,055,143,625	-	-	-	-	65,839,179,179
Transfer from construction in progress	103,556,485,612	489,180,347,383	17,019,876,827	1,165,962,343	-	-	610,922,672,165
Transfer to finance lease tangible fixed assets	-	-	(4,759,686,896)	-	-	-	(4,759,686,896)
Other increases	-	-	-	-	173,955,000	-	173,955,000
Reclassification	(350,646,086)	641,964,291	(64,200,000)	(227,118,205)	-	-	-
Disposals	(4,960,261,571)	(20,816,327,991)	(12,846,779,979)	(2,675,190,988)	(177,270,940,180)	(2,059,290,737)	(220,628,791,446)
Other decreases	-	-	-	(39,876,516)	(1,317,296,993)	-	(1,357,173,509)
Currency translation differences	14,021,638	91,730,454	29,840,998	(1,792,322)	7,053,912	(8,935,315)	131,919,365
Closing balance	4,670,583,695,596	16,456,056,127,264	1,136,631,237,131	668,364,329,716	1,141,934,578,108	15,243,939,290	24,088,813,907,105
Accumulated depreciation							
Opening balance	1,440,392,325,920	7,137,290,803,408	555,678,581,045	454,853,028,048	314,811,353,523	1,562,926,932	9,904,589,018,876
Charge for the period	174,197,855,948	1,000,920,017,104	75,720,293,934	42,019,370,908	131,480,689,896	541,402,444	1,424,879,630,234
Transfer from investment properties	39,325,113,984	1,894,488,466	-	-	-	-	41,219,602,450
Other increases	-	-	-	-	32,584,323	-	32,584,323
Transfer to finance lease tangible fixed assets	-	-	(176,084,267)	-	-	-	(176,084,267)
Reclassification	(5,844,100)	79,169,380	(52,965,000)	(20,360,280)	-	-	-
Disposals	(3,436,643,189)	(18,967,728,136)	(10,076,256,667)	(2,664,563,955)	(78,295,233,070)	(242,941,082)	(113,683,366,099)
Other decreases	-	-	(33,640,578)	(201,226,869)	(433,002,030)	-	(667,869,477)
Currency translation differences	(10,673,494)	30,973,795	9,316,330	(7,066,223)	(7,377,867)	(7,114,619)	8,057,922
Closing balance	1,650,462,135,069	8,121,247,724,017	621,069,244,797	493,979,181,629	367,589,014,775	1,854,273,675	11,256,201,573,962
Net book value							
Opening balance	3,054,834,984,673	8,567,950,337,036	535,385,343,246	190,488,716,762	684,371,750,309	14,740,299,410	13,047,771,431,436
Closing balance	3,020,121,560,527	8,334,808,403,247	515,561,992,334	174,385,148,087	774,345,563,333	13,389,665,615	12,832,612,333,143

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

Included in the cost of tangible fixed assets were assets costing VND3,243,524 million which were fully depreciated as at 30 September 2019 (1/1/2019: VND3,051,391 million), but which are still in active use.

7. Intangible fixed assets

	Land use rights VND	Software VND	Others VND	Total VND
Cost				
Opening balance	275,787,746,133	149,557,040,259	50,224,650,000	475,569,436,392
Additions	154,390,500,600	778,078,240	-	155,168,578,840
Transfer from construction in progress	-	1,796,970,000	-	1,796,970,000
Reclassification from long- term prepaid expenses	112,529,876,900	-	-	112,529,876,900
Currency translation differences	46,073,566	404,900	10,850,000	57,328,466
Closing balance	542,754,197,199	152,132,493,399	50,235,500,000	745,122,190,598
Accumulated amortisation				
Opening balance	11,313,596,385	112,650,522,345	34,023,150,000	157,987,268,730
Charge for the period	4,933,584,609	11,561,783,751	-	16,495,368,360
Reclassification from long- term prepaid expenses	331,039,633	-	-	331,039,633
Currency translation differences	-	(284,779)	7,350,000	7,065,221
Closing balance	16,578,220,627	124,212,021,317	34,030,500,000	174,820,741,944
Net book value				
Opening balance	264,474,149,748	36,906,517,914	16,201,500,000	317,582,167,662
Closing balance	526,175,976,572	27,920,472,082	16,205,000,000	570,301,448,654

Included in the cost of intangible fixed assets were assets costing VND86,112 million which were fully amortised as at 30 September 2019 (1/1/2019: VND54,118 million), but which are still in use.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

8. Investment property

	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening balance	39,821,793,375	6,464,218,561	101,034,438,687	147,320,450,623
Transfer to tangible fixed assets	-	(5,994,290,197)	(59,844,888,982)	(65,839,179,179)
Closing balance	39,821,793,375	469,928,364	41,189,549,705	81,481,271,444
Accumulated depreciation				
Opening balance	4,610,911,366	5,798,297,944	46,663,040,554	57,072,249,864
Charge for the period	649,254,516	208,760,946	2,196,999,341	3,055,014,803
Transfer to tangible fixed assets	-	(5,540,114,287)	(35,679,488,163)	(41,219,602,450)
Closing balance	5,260,165,882	466,944,603	13,180,551,732	18,907,662,217
Net book value				
Opening balance	35,210,882,009	665,920,617	54,371,398,133	90,248,200,759
Closing balance	34,561,627,493	2,983,761	28,008,997,973	62,573,609,227

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

At the reporting date, the Group has not determined fair values of investment property held to earn rental for disclosure in the consolidated 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 VND351 million which were fully depreciated as at 30 September 2019 (1/1/2019: VND7,892 million), but which are still in active use.

9. Long-term work in progress

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

10. Construction in progress

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Opening balance	653,847,678,004	1,746,890,968,380
Additions	1,073,701,645,920	2,142,943,900,669
Transfer to tangible fixed assets	(610,922,672,165)	(1,883,088,741,525)
Transfer to intangible fixed assets	(1,796,970,000)	(2,446,680,000)
Transfer to inventories	(4,409,106,766)	(6,467,934,786)
Transfer to short-term prepaid expenses	(17,068,029,812)	(1,555,400,321)
Transfer to long-term prepaid expenses	(17,300,886,857)	(86,295,397,532)
Disposal	(2,870,704,841)	(19,032,372,938)
Other decreases	(7,657,222,698)	(5,175,710,630)
Currency translation differences	(106,038,887)	249,971,073
Closing balance	1,065,417,691,898	1,886,022,602,390

Major constructions in progress were as follows:

	30/9/2019	1/1/2019
	VND	VND
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	339,113,791,541	199,731,336,725
Vietnam Dairy Powder Factory	225,618,084,675	7,713,675
Vietnam Dairy Cow One Member Limited Company	114,067,978,399	102,154,976,125
Others	386,617,837,283	454,108,627,604
	1,065,417,691,898	653,847,678,004

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

11. Prepaid expenses

(a) Short-term prepaid expenses

	30/9/2019	1/1/2019
	VND	VND
Software deployment and networks maintenance	14,227,777,499	5,593,701,960
Advertising	6,796,427,499	1,760,281,563
Operating lease	4,112,002,178	1,604,474,481
Tools and supplies	9,713,797,146	17,012,413,694
Renovation and repair	17,542,281,819	11,759,637,267
Other short-term prepaid expenses	52,611,725,359	17,090,611,292
	105,004,011,500	54,821,120,257

(b) Long-term prepaid expenses

	Land costs	Tools and	Other expenses	Total
	VND	instruments	VND	VND
Opening balance	422,774,698,476	227,889,846,740	99,934,931,088	750,599,476,304
Additions	170,691,200	78,830,638,845	35,567,900,850	114,569,230,895
Transfer from construction in progress	-	5,093,013,644	12,207,873,213	17,300,886,857
Amortisation for the period	(6,695,229,329)	(103,161,845,690)	(33,389,164,558)	(143,246,239,577)
Other decreases	-	(775,555)	(2,466,900,934)	(2,467,676,489)
Reclassification to intangible fixed assets	(112,198,837,267)	-	-	(112,198,837,267)
Currency translation differences	8,138,535	3,156,974	(291,249)	11,004,260
Closing balance	304,059,461,615	208,654,034,958	111,854,348,410	624,567,844,983

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

12. Deferred tax assets and liabilities

(a) Deferred tax assets

	30/9/2019	1/1/2019
	VND	VND
Deferred tax assets		
Foreign exchange differences	4,159,132,028	4,506,066,449
Accrued expenses and provisions	12,754,815,922	31,954,599,399
Net deferred tax assets	16,913,947,950	36,460,665,848

(b) Deferred tax liabilities

	30/9/2019	1/1/2019
	VND	VND
Deferred tax assets		
Accounts receivable	1,528,640,800	1,172,386,830
Inventories	911,068,250	941,746,905
Tax losses carry forwards	29,989,320,250	31,369,020,270
Accrued expenses	6,873,096,100	5,670,987,900
Others	2,858,677,750	2,500,562,655
Total deferred tax assets	42,160,803,150	41,654,704,560
Deferred tax liabilities		
Fixed assets	(218,374,581,233)	(221,960,420,440)
Others	(24,457,280,500)	(24,451,998,151)
Total deferred tax liabilities	(242,831,861,733)	(246,412,418,591)
Net deferred tax liabilities	(200,671,058,583)	(204,757,714,031)

Deferred tax liabilities have been recognised on taxable temporary differences and tax losses using the effective tax rate of Driftwood Dairy Holding Corporation, Angkor Dairy Products Co., Ltd., Lao-Jagro Development Xiengkhouang Co., Ltd. and Vietnam Sugar Joint Stock Company, subsidiaries incorporated and operating in the United States of America, Cambodia, Laos and Vietnam, respectively.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

13. Goodwill

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Opening balance	538,340,102,319	474,930,098,235
Charge for the period	(50,963,938,785)	(41,939,073,882)
Closing balance	487,376,163,534	432,991,024,353

14. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant supplier

	30/9/2019		1/1/2019	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
	VND	VND	VND	VND
Other suppliers	3,690,036,928,929	3,690,036,928,929	3,991,064,706,111	3,991,064,706,111

(b) Accounts payable to related parties

	30/9/2019	1/1/2019
	VND	VND
Associates		
APIS Corporation	12,362,064,763	17,295,725,739
Asia Coconut Processing Joint Stock Company	1,776,358,247	-

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

15. Borrowings and finance lease liabilities

(a) Short-term borrowings

	1/1/2019 VND	Incurred VND	Paid VND	Currency translation differences VND	30/9/2019 VND
Short-term borrowings	1,002,185,152,329	7,351,315,126,897	(4,224,163,805,582)	(151,397,587)	4,129,185,076,057
Current portion of long-term borrowings	57,862,500,000	57,985,000,000	(57,985,000,000)	12,500,000	57,875,000,000
Finance lease principals due within 12 months	-	1,089,833,600	-	(2,067,461)	1,087,766,139
	1,060,047,652,329	7,410,389,960,497	(4,282,148,805,582)	(140,965,048)	4,188,147,842,196

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

Lenders	Note	Currency	Annual interest rate	30/9/2019 VND	1/1/2019 VND
Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch	(i)	USD	2.70%	2,320,900,000,000	-
The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch	(i)	USD	2.90%	1,398,120,000,000	-
HSBC Bank USA	(ii)	USD	3.78%	154,475,269,071	-
Joint Stock Commercial Bank for Investment and Development of Vietnam, Khanh Hoa Branch	(iii)	VND	6.50%	95,708,800,574	135,014,812,812
HSBC Bank (Vietnam) Limited, Khanh Hoa Branch	(iv)	VND	5.70%	88,987,500,000	-
HSBC Bank (Vietnam) Limited, Ho Chi Minh City Branch	(iv)	VND	5.50%	70,993,506,412	-
The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch	(i)	VND	5.15% – 5.30%	-	700,000,000,000
Vietnam Bank for Agriculture and Rural Development, Khanh Hoa Branch	(iii)	VND	5.50% – 6.50%	-	100,000,000,000
Wells Fargo		USD	4.57%	-	67,170,339,517
				4,129,185,076,057	1,002,185,152,329

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

- (i) These loans were unsecured.
- (ii) This loan was secured by assets with carrying amount of VND847,055 million as at 30 September 2019.
- (iii) These loans were secured by fixed assets with carrying amount of VND234,977 million as at 30 September 2019 (1/1/2019: VND250,736 million).
- (iv) These loans were secured by inventories with amount of VND160,000 million as at 30 September 2019.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

(b) Long-term borrowings and finance lease liabilities

	1/1/2019 VND	Addition VND	Paid VND	Currency translation differences VND	30/9/2019 VND
Long-term borrowings (*)	273,661,419,361	278,328,000,000	(401,920,935,759)	289,600,000	150,358,083,602
Long-term finance lease liabilities (**)	-	2,232,938,798	(907,117,340)	(2,515,098)	1,323,306,360
Current portion of long-term borrowings	(57,862,500,000)	(57,985,000,000)	57,985,000,000	(12,500,000)	(57,875,000,000)
	215,798,919,361	222,575,938,798	(344,843,053,099)	274,584,902	93,806,389,962

(*) Long-term borrowings

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

Lenders	Note	Currency	Annual interest rate	Year of maturity	30/9/2019 VND	1/1/2019 VND
HSBC Bank USA	(i)	USD	4.11%	2020	144,108,750,000	-
Individuals	(ii)	VND	5.40%	2039	6,249,333,602	7,493,919,361
Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch		USD	4.33%	2020	-	266,167,500,000
					150,358,083,602	273,661,419,361

(i) This loan was secured by assets with carrying amount of VND847,055 million as at 30 September 2019.

(ii) These loans were unsecured.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

() Finance lease liabilities**

The future minimum lease payments under non-cancellable finance leases are:

	Payments VND	30/9/2019 Interest VND	Principal VND	Payments VND	1/1/2019 Interest VND	Principal VND
Within one year	1,352,658,608	264,892,469	1,087,766,139	-	-	-
Within two to five years	1,429,875,695	106,569,335	1,323,306,360	-	-	-
	2,782,534,303	371,461,804	2,411,072,499	-	-	-

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

16. Taxes payable to State Treasury

	1/1/2019 VND	Incurred VND	Paid VND	Currency translation differences VND	30/9/2019 VND
Value added tax	72,767,678,106	1,810,904,186,564	(1,686,513,505,273)	402,580	197,158,761,977
Corporate income tax	240,617,447,257	1,753,017,198,055	(1,203,118,118,925)	68,761,458	790,585,287,845
Personal income tax	13,883,959,734	206,612,275,851	(181,317,099,530)	(58,460)	39,179,077,595
Import tax	12,600,974,855	183,512,580,961	(186,714,946,960)	278,394	9,398,887,250
Other taxes	1,798,987,671	38,861,807,793	(38,973,861,267)	444,996	1,687,379,193
	341,669,047,623	3,992,908,049,224	(3,296,637,531,955)	69,828,968	1,038,009,393,860

17. Accrued expenses

(a) Short-term accrued expenses

	30/9/2019 VND	1/1/2019 VND
Sale incentives, promotion	593,823,342,527	776,107,581,197
Advertising expenses	532,201,848,902	94,497,076,043
Transportation expenses	90,503,556,659	79,971,625,109
Rental fees	43,412,315,540	4,735,827,809
Expenses for outsourced employees	41,246,591,228	102,360,840,273
Repair and maintenance expenses	42,340,993,032	28,619,830,706
Fuel expenses	11,573,598,566	13,191,035,875
Interest expense – short-term	121,231,382,602	230,824,640,480
Others	100,485,231,647	106,924,075,242
	1,576,818,860,703	1,437,232,532,734

(b) Long-term accrued expenses

	30/9/2019 VND	1/1/2019 VND
Interest expense – long-term	13,708,650,325	-
Others	-	2,054,753,617
	13,708,650,325	2,054,753,617

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

18. Other short-term payables

	30/9/2019	1/1/2019
	VND	VND
Other payables relating to financial investments (*)	461,267,419,155	461,267,419,155
Short-term deposits received	23,687,544,390	35,007,209,187
Insurance and trade union fees	10,249,460,513	3,967,101,640
Dividend payables	-	1,741,407,855,000
Outstanding cheques in exceed of bank balance	-	43,268,352,898
Import duty payables	-	13,862,123,850
Others	83,525,300,353	241,547,890,202
	578,729,724,411	2,540,327,951,932

- (*) Other payables relating to financial investments included an advance payment of VND447,822 million from a third party in respect of the future transfer of the Group's investment in Bao Viet Joint Stock Commercial Bank (Note V.4(a)).

19. Provisions

Provisions – short-term represented:

	30/9/2019	1/1/2019
	VND	VND
Provision for severance allowance (*)	2,119,410,836	4,502,303,315
Provision for regular fixed assets maintenance	5,442,965,284	-
	7,562,376,120	4,502,303,315

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

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Opening balance	7,014,989,703	102,523,428,175
Increase in provision during the period	1,583,936,760	1,259,465,247
Provision utilised during the period	(3,588,765,752)	(2,164,548,793)
Provision written back during the period	(136,708,245)	(95,155,903,798)
Closing balance	4,873,452,466	6,462,440,831
Of which:		
Provision – short-term	2,119,410,836	3,552,681,692
Provision – long-term	2,754,041,630	2,909,759,139

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

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:

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Opening balance	507,013,437,050	692,489,769,561
Appropriation	826,150,470,094	777,894,006,515
Other increases	-	149,174,000
Utilisation	(968,134,201,520)	(1,094,080,222,290)
Closing balance	365,029,705,624	376,452,727,786

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

21. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
As at 1 January 2018	14,514,534,290,000	260,699,620,761	(7,159,821,800)	18,367,457,133	2,851,905,410,228	5,736,920,629,462	497,790,228,077	23,873,057,813,861
Capital increase from bonus shares	2,902,343,640,000	(260,699,620,761)	-	-	(2,641,644,019,239)	-	-	-
Purchase of treasury shares	-	-	(2,691,774,640)	-	-	-	-	(2,691,774,640)
Net profit for the period	-	-	-	-	-	7,927,796,548,818	(6,443,949,107)	7,921,352,599,711
Appropriation to equity funds	-	-	-	-	761,601,079,627	(761,601,079,627)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	-	(777,894,006,515)	-	(777,894,006,515)
Dividends (Note V.23)	-	-	-	-	-	(5,079,254,627,500)	-	(5,079,254,627,500)
Currency translation differences	-	-	-	15,639,281,359	-	-	-	15,639,281,359
As at 30 September 2018	17,416,877,930,000	-	(9,851,596,440)	34,006,738,492	971,862,470,616	7,045,967,464,638	491,346,278,970	25,950,209,286,276
Purchase of treasury shares	-	-	(634,110,920)	-	-	-	-	(634,110,920)
Net profit for the period	-	-	-	-	-	2,299,484,602,646	(15,207,491,118)	2,284,277,111,528
Appropriation to equity funds	-	-	-	-	219,809,902,977	(219,809,902,977)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(228,799,995,051)	-	(228,799,995,051)
Other increases from business acquisition	-	-	-	-	-	-	14,095,761,802	14,095,761,802
Dividends	-	-	-	-	-	(1,741,407,855,000)	-	(1,741,407,855,000)
Currency translation differences	-	-	-	(6,370,906,708)	-	-	-	(6,370,906,708)
As at 1 January 2019	17,416,877,930,000	-	(10,485,707,360)	27,635,831,784	1,191,672,373,593	7,155,434,314,256	490,234,549,654	26,271,369,291,927

Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

	Share capital VND	Share premium VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
As at 1 January 2019	17,416,877,930,000		- (10,485,707,360)	27,635,831,784	1,191,672,373,593	7,155,434,314,256	490,234,549,654	26,271,369,291,927
Capital contribution	-	-	-	-	-	-	127,856,925,000	127,856,925,000
Purchase of treasury shares	-	-	(1,159,248,760)	-	-	-	-	(1,159,248,760)
Net profit for the period	-	-	-	-	-	8,379,659,924,352	(1,763,604,173)	8,377,896,320,179
Appropriation to equity funds	-	-	-	-	800,223,507,876	(800,223,507,876)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	-	(826,150,470,094)	-	(826,150,470,094)
Other increases/(decreases)	-	-	-	-	-	26,276,250,001	(35,791,467,980)	(9,515,217,979)
Dividends (Note V.23)	-	-	-	-	-	(6,094,842,915,500)	-	(6,094,842,915,500)
Currency translation differences	-	-	-	(4,826,438,891)	-	-	-	(4,826,438,891)
As at 30 September 2019	17,416,877,930,000		- (11,644,956,120)	22,809,392,893	1,991,895,881,469	7,840,153,595,139	580,536,402,501	27,840,628,245,882

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

22. Share capital

The Company's authorised and issued share capital are:

	30/9/2019		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	(296,108)	(11,644,956,120)	(276,210)	(10,485,707,360)
Shares currently in circulation				
Ordinary shares	1,741,391,685	17,405,232,973,880	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:

	30/9/2019 and 1/1/2019	
	VND	%
The State's capital	6,270,638,350,000	36.00%
Other shareholders' capital	11,146,239,580,000	64.00%
	17,416,877,930,000	100.00%

23. Dividends

Pursuant to the Resolution of Annual General Meeting of Shareholders, the Board of Management of the Company on 19 April 2019 and 3 September 2019 resolved to distribute dividends in relation to 2018 and 2019 profits, totally amounting to VND6,094,843 million (VND1,500 per share for the remaining distribution for the fiscal year 2018 and VND2,000 per share for the first advance distribution for the fiscal year 2019) (for the nine-month period ended 30 September 2018: VND5,079,255 million (VND1,500 per share for the remaining distribution for the fiscal year 2017 and VND2,000 per share for the first advance distribution for the fiscal year 2018)).

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

24. Off balance sheet items

Foreign currencies

	30/9/2019		1/1/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
▪ USD	4,420,170.20	102,326,940,130	5,789,336.73	133,994,198,570
▪ EUR	9,691.94	244,333,807	3,219.93	84,845,156
		102,571,273,937		134,079,043,726

**VI. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE
CONSOLIDATED 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:

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Total revenue		
▪ Sales of finished goods	40,370,751,664,474	38,113,135,278,010
▪ Sales of merchandise goods	1,594,089,337,587	1,275,400,953,311
▪ Other services	39,796,369,664	45,777,028,224
▪ Rental income from investment property	8,400,316,108	12,884,952,252
▪ Others	131,491,644,246	166,710,000,597
	42,144,529,332,079	39,613,908,212,394
Less revenue deductions		
▪ Sale discounts	(35,263,008,788)	(24,237,902,259)
▪ Sale returns	(30,105,038,709)	(31,427,392,113)
	(65,368,047,497)	(55,665,294,372)
Net revenue	42,079,161,284,582	39,558,242,918,022

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

Form B 09a – DN/HN

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

In which revenue from sales to a related party was as follows:

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Associate		
APIS Corporation	233,768,125	237,653,750

2. Cost of sales

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Total cost of sales		
▪ Finished goods sold	19,803,596,738,856	19,701,448,983,876
▪ Merchandise goods sold	2,096,562,070,742	1,105,638,888,608
▪ Costs of promotional goods and merchandise	181,228,922,199	182,260,446,381
▪ Under-capacity costs	32,172,495,734	31,136,419,353
▪ Operating costs of investment property	3,743,135,359	6,488,104,500
▪ Other services	3,330,325,161	9,517,405,196
▪ Increase/(decrease) of allowance for inventories	2,752,430,311	(6,002,013,706)
▪ Other cost of sales	63,861,137,041	78,856,038,250
▪ Inventories losses	-	77,588,612
	22,187,247,255,403	21,109,421,861,070

3. Financial income

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Interest income from deposits	516,387,158,346	511,715,019,302
Foreign exchange gains	32,174,562,134	42,676,343,419
Gain on disposal of financial investment	1,523,144,012	-
Dividends	19,805,125	19,577,990
Interest income from corporate bonds	-	10,936,582,192
Others	23,635,432,489	15,216,872,687
	573,740,102,106	580,564,395,590

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

4. Financial expenses

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Interest expense on borrowings	72,986,497,554	37,809,378,934
Interest expense on deposits received	139,049,590	1,167,200,813
Foreign exchange losses	29,557,601,157	50,973,172,072
Payment discounts for customers	12,150,224,890	864,778,233
Others	982,784,240	1,982,981,082
	115,816,157,431	92,797,511,134

5. Selling expenses

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Staff costs	494,952,075,283	434,163,381,409
Materials expenses	43,025,914,151	44,578,263,329
Tools and supplies expenses	72,800,103,648	97,419,643,740
Depreciation expenses	25,318,210,624	31,208,999,696
Expenses of damaged goods	31,030,749,537	33,931,300,501
Transportation expenses	480,044,971,829	474,696,027,116
Outside service expenses	400,293,285,684	347,133,353,602
Advertising and market research expenses	1,463,670,156,014	1,409,923,640,656
Promotion, product display expenses, support and commission expenses for distributors	6,281,160,958,538	6,032,149,538,563
	9,292,296,425,308	8,905,204,148,612

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

6. General and administration expenses

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Staff costs	375,944,402,536	308,119,382,749
Materials expenses	29,804,013,385	33,831,741,059
Office supplies	15,108,110,369	15,331,676,085
Depreciation expenses	69,286,240,109	68,564,343,661
Taxes, fees and duties	11,942,645,408	9,520,084,527
Allowance for doubtful debts and provision for severance allowance	3,210,524,238	4,493,234,031
Transportation expenses	34,026,038,044	29,278,489,955
Outside service expenses	198,865,157,141	171,759,759,213
Loading expenses	22,483,579,043	17,772,493,197
Per-diem allowances	39,368,619,258	35,499,184,555
Bank charges	11,797,474,322	8,856,541,404
Others	102,653,425,543	99,793,196,100
	914,490,229,396	802,820,126,536

7. Other income

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Proceeds from disposals of fixed assets and construction in progress	73,551,413,588	167,483,878,892
Rebate income from suppliers	79,000,000,000	52,401,102,533
Compensations received from other parties	5,003,974,962	4,967,770,661
Others	26,463,845,459	122,635,401,593
	184,019,234,009	347,488,153,679

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

8. Other expenses

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Book value of fixed assets and construction in progress disposed	109,816,130,188	204,823,623,608
Others	50,970,343,837	10,945,708,204
	160,786,474,025	215,769,331,812

9. Production and business costs by element

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Raw material costs included in production costs	17,328,327,161,003	17,047,370,619,406
Labour costs and staff costs	1,771,667,436,614	1,529,095,934,795
Depreciation and amortisation	1,439,144,849,183	1,184,697,505,224
Outside services	1,972,683,695,690	1,806,787,469,070
Other expenses	8,401,040,850,838	8,108,554,001,159

10. Income tax

(a) Recognised in the consolidated interim statement of income

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Current tax expense		
Current period	1,651,716,481,466	1,428,705,839,777
Under provision in prior periods	101,300,716,589	16,558,782,595
	1,753,017,198,055	1,445,264,622,372
Deferred tax expense		
Origination and reversal of temporary differences	15,457,261,840	4,579,419,029
Income tax expense	1,768,474,459,895	1,449,844,041,401

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

(b) Reconciliation of effective tax rate

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Accounting profit before tax	10,146,370,780,074	9,371,196,641,112
Tax at the Company's tax rate	2,029,274,156,015	1,874,239,328,222
Tax rate differential applied to Company's subsidiaries, branches and factories	(48,513,462,039)	(20,194,805,424)
Tax exempt income	(3,961,025)	(3,915,598)
Non-deductible expenses	9,487,493,282	6,822,981,966
Tax incentives	(283,036,522,810)	(378,012,273,943)
Deferred tax assets not previously recognised	(40,033,960,117)	(49,566,056,417)
Under provision in prior periods	101,300,716,589	16,558,782,595
	1,768,474,459,895	1,449,844,041,401

(c) Applicable tax rates

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

11. Basic earnings per share

The calculation of earnings per share for the nine-month period ended 30 September 2019 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares outstanding, calculated as follows:

(a) Net profit attributable to ordinary shareholders

	Nine-month period ended	
	30/9/2019	30/9/2018
	VND	VND
Net profit for the period – attributable to ordinary shareholders before appropriation to bonus and welfare fund	8,379,659,924,352	7,927,796,548,818
Appropriation to bonus and welfare fund	(826,150,470,094)	(777,894,006,515)
Net profit for the period attributable to ordinary shareholders after appropriation to bonus and welfare fund	7,553,509,454,258	7,149,902,542,303

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the nine-month period ended
30 September 2019 (continued)

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

(b) Weighted average number of ordinary shares

	Nine-month period ended	
	30/9/2019	30/9/2018
	Number of	Number of
	shares	shares
Issued ordinary shares at the beginning of the period	1,741,411,583	1,451,278,520
Effect of bonus shares issues during the period	-	290,255,305
Effect of treasury shares repurchased during the period	(15,666)	(39,216)
Weighted average number of ordinary shares for the nine-month period ended 30 September	1,741,395,917	1,741,494,609

As at 30 September 2019, the Group did not have potentially dilutive ordinary shares.

VII. OTHER INFORMATION

1. Significant transactions with related parties

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

Related party	Relationship	Nature of transaction	Nine-month period ended	
			30/9/2019	30/9/2018
			VND	VND
Miraka Holdings Limited	Associate	Purchases of goods	71,979,909,120	92,116,872,865
APIS Corporation	Associate	Purchases of goods	68,514,061,435	340,755,451,311
		Capital contribution	-	12,250,000,000
Asia Coconut Processing Joint Stock Company	Associate	Purchases of services	8,848,838,086	-
Members of Board of Management and Board of Directors		Compensation	89,201,585,868	89,517,082,296
The State Capital Investment Corporation		Dividends	2,821,787,257,500	2,612,765,980,000

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the nine-month period ended 30 September 2019 (continued)

Form B 09a – DN/HN

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

2. Segment information

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

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

Geographical segments

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

	Domestic (Customers located in Vietnam)		Overseas (Customers located in countries other than Vietnam)		Total	
	Nine-month period ended		Nine-month period ended		Nine-month period ended	
	30/9/2019	30/9/2018	30/9/2019	30/9/2018	30/9/2019	30/9/2018
	VND	VND	VND	VND	VND	VND
Net revenue	35,820,650,466,762	33,867,044,274,929	6,258,510,817,820	5,691,198,643,093	42,079,161,284,582	39,558,242,918,022
Cost of sales	(18,842,841,946,729)	(18,188,975,466,376)	(3,344,405,308,674)	(2,920,446,394,694)	(22,187,247,255,403)	(21,109,421,861,070)
Segment gross profit	16,977,808,520,033	15,678,068,808,553	2,914,105,509,146	2,770,752,248,399	19,891,914,029,179	18,448,821,056,952

30 October 2019

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by:



Mai Kieu Lien
Chief Executive Officer