

Vietnam Dairy Products Joint Stock Company

Separate interim financial statements
for the three-month period ended
31 March 2020

Vietnam Dairy Products Joint Stock Company

TABLE OF CONTENTS	PAGE
CORPORATE INFORMATION	2
STATEMENT OF THE BOARD OF MANAGEMENT	3
INTERIM FINANCIAL STATEMENTS REVIEW REPORT	4 – 5
SEPARATE STATEMENT OF FINANCIAL POSITION	6 – 8
SEPARATE STATEMENT OF INCOME	9
SEPARATE STATEMENT OF CASH FLOWS	10 – 12
NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS	13 – 52

Vietnam Dairy Products Joint Stock Company Corporate Information

Business Registration

Certificate No.	4103001932	20 November 2003
	0300588569	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 certificate 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. Alain Xavier Cany	Member

Board of Management

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

Registered Office

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

Auditor

KPMG Limited
Vietnam

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

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

The Board of Management is responsible for the separate interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) which give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2020 and of the unconsolidated results of operations and unconsolidated cash flows for the three-month period then ended. In preparing these separate interim financial statements, the Board of Management is required to:

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

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

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements set out on pages 6 to 52, which give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2020, and of the unconsolidated results of operations and unconsolidated cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Management



Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 29 April 2020

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Vietnam Dairy Products Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”), which comprise the separate statement of financial position as at 31 March 2020, the separate statements of income and cash flows for the three-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 29 April 2020, as set out on pages 6 to 52.

Management’s Responsibility

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

Auditor’s Responsibility

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

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of Vietnam Dairy Products Joint Stock Company as at 31 March 2020 and of its unconsolidated results of operations and its unconsolidated cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Review Report No.: 18-01-00231-20-13



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, 29 April 2020

ẤP
Y T
AC
01

Vietnam Dairy Products Joint Stock Company
Separate statement of financial position as at 31 March 2020

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

	Code	Note	31/3/2020 VND	1/1/2020 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		21,327,548,132,963	19,828,855,240,231
Cash and cash equivalents	110	V.1	860,444,955,017	957,162,717,036
Cash	111		660,444,955,017	957,162,717,036
Cash equivalents	112		200,000,000,000	-
Short-term financial investments	120		11,800,000,000,000	11,100,023,488,016
Trading securities	121		-	23,488,016
Held-to-maturity investments	123	V.4(a)	11,800,000,000,000	11,100,000,000,000
Accounts receivable – short-term	130		4,069,487,054,312	3,809,794,002,288
Accounts receivable from customers	131	V.2	3,363,748,854,518	3,116,906,545,692
Prepayments to suppliers	132		252,300,971,831	409,722,725,814
Other short-term receivables	136	V.3(a)	453,577,031,565	283,304,534,384
Allowance for doubtful debts	137	V.2(b)	(139,803,602)	(139,803,602)
Inventories	140	V.5	4,494,815,202,562	3,876,560,751,360
Inventories	141	V.5	4,501,194,510,194	3,882,519,278,278
Allowance for inventories	149	V.5	(6,379,307,632)	(5,958,526,918)
Other current assets	150		102,800,921,072	85,314,281,531
Short-term prepaid expenses	151	V.10(a)	47,667,699,469	31,700,457,310
Deductible value added tax	152		55,133,221,603	53,613,824,221

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

Vietnam Dairy Products Joint Stock Company
Separate statement of financial position as at 31 March 2020 (continued)

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

	Code	Note	31/3/2020 VND	1/1/2020 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		19,262,505,436,507	19,586,255,455,000
Accounts receivable – long-term	210		6,486,461,595	6,742,857,595
Long-term loan receivables	215		308,320,000	545,312,000
Other long-term receivables	216	V.3(b)	6,178,141,595	6,197,545,595
Fixed assets	220		8,406,012,558,183	8,729,549,347,732
Tangible fixed assets	221	V.6	8,338,151,206,588	8,658,937,515,564
<i>Cost</i>	222		16,821,482,316,191	16,824,777,629,185
<i>Accumulated depreciation</i>	223		(8,483,331,109,603)	(8,165,840,113,621)
Intangible fixed assets	227	V.7	67,861,351,595	70,611,832,168
<i>Cost</i>	228		175,341,470,053	175,341,470,053
<i>Accumulated amortisation</i>	229		(107,480,118,458)	(104,729,637,885)
Investment property	230	V.8	60,453,456,104	60,967,035,923
Cost	231		77,501,658,989	77,501,658,989
Accumulated depreciation	232		(17,048,202,885)	(16,534,623,066)
Long-term work in progress	240		151,100,372,990	158,002,285,957
Construction in progress	242	V.9	151,100,372,990	158,002,285,957
Long-term financial investments	250		10,234,782,542,531	10,220,035,050,693
Investments in subsidiaries	251	V.4(b)	9,674,186,706,638	9,609,186,706,638
Investments in associates	252	V.4(b)	400,369,808,669	400,369,808,669
Equity investments in other entities	253	V.4(b)	18,300,000,000	18,300,000,000
Allowance for diminution in the value of long-term financial investments	254	V.4(b)	(8,073,972,776)	(7,821,464,614)
Held-to-maturity investments	255	V.4(a)	150,000,000,000	200,000,000,000
Other non-current assets	260		403,670,045,104	410,958,877,100
Long-term prepaid expenses	261	V.10(b)	402,668,799,061	387,424,859,768
Deferred tax assets	262	V.11	1,001,246,043	23,534,017,332
TOTAL ASSETS (270 = 100 + 200)	270		40,590,053,569,470	39,415,110,695,231

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

Vietnam Dairy Products Joint Stock Company
Separate statement of financial position as at 31 March 2020 (continued)

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

	Code	Note	31/3/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310)	300		11,631,289,722,192	12,870,779,480,737
Current liabilities	310		11,631,289,722,192	12,870,779,480,737
Accounts payable to suppliers	311	V.12	3,496,807,052,276	3,223,078,473,685
Advances from customers	312		56,052,919,249	55,509,701,261
Taxes payable to State Treasury	313	V.13	739,771,666,043	599,157,184,017
Payables to employees	314		135,867,377,988	174,859,917,864
Accrued expenses	315	V.14	1,245,583,883,782	1,589,775,971,235
Short-term unearned revenue	318		7,404,265,238	2,111,168,658
Other short-term payables	319	V.15	43,919,172,116	1,778,358,243,046
Short-term borrowings	320	V.16	5,680,620,000,000	4,875,100,000,000
Provision – short-term	321	V.17	6,756,143,197	6,334,876,472
Bonus and welfare fund	322	V.18	218,507,242,303	566,493,944,499
EQUITY (400 = 410)	400		28,958,763,847,278	26,544,331,214,494
Owners' equity	410	V.19	28,958,763,847,278	26,544,331,214,494
Share capital	411	V.20	17,416,877,930,000	17,416,877,930,000
Treasury shares	415	V.20	(11,644,956,120)	(11,644,956,120)
Investment and development fund	418		2,466,027,380,332	2,197,757,087,800
Retained profits	421		9,087,503,493,066	6,941,341,152,814
- Retained profits brought forward	421a		6,941,341,152,814	4,097,346,237,994
- Profit for the current period	421b		2,146,162,340,252	2,843,994,914,820
TOTAL RESOURCES (440 = 300 + 400)	440		40,590,053,569,470	39,415,110,695,231

29 April 2020

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Separate statement of income for the three-month period ended 31 March 2020

Form B 02a – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Three-month period ended	
			31/3/2020 VND	31/3/2019 VND
Revenue from sales of goods and provision of services	01	VI.1	12,035,687,760,133	11,827,778,296,297
Revenue deductions	02	VI.1	43,681,354,778	35,703,754,377
Net revenue (10 = 01 - 02)	10	VI.1	11,992,006,405,355	11,792,074,541,920
Cost of sales	11	VI.2	5,933,804,061,502	6,147,141,902,717
Gross profit (20 = 10 - 11)	20		6,058,202,343,853	5,644,932,639,203
Financial income	21	VI.3	238,146,573,750	169,687,403,666
Financial expenses	22	VI.4	111,546,855,864	(1,936,933,169)
<i>In which: Interest expense</i>	23		<i>31,612,203,034</i>	<i>10,326,643,110</i>
Selling expenses	25	VI.5	2,720,679,232,676	2,526,322,105,327
General and administration expenses	26	VI.6	206,886,837,831	178,711,854,792
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		3,257,235,991,232	3,111,523,015,919
Other income	31	VI.7	58,789,100,075	14,636,531,280
Other expenses	32	VI.8	59,953,345,249	4,517,767,179
Results of other activities (40 = 31 - 32)	40		(1,164,245,174)	10,118,764,101
Profit before tax (50 = 30 + 40)	50		3,256,071,746,058	3,121,641,780,020
Income tax expense – current	51	VI.10	550,836,049,453	518,474,991,510
Income tax expense – deferred	52	VI.10	22,532,771,289	20,593,667,320
Net profit after tax (60 = 50 - 51 - 52)	60		2,682,702,925,316	2,582,573,121,190

29 April 2020

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the three-month period ended 31 March 2020
(Indirect method)

Form B 03a – DN

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

	Code	Note	Three-month period ended	
			31/3/2020 VND	31/3/2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		3,256,071,746,058	3,121,641,780,020
Adjustments for				
Depreciation and amortisation	02		354,027,053,156	328,005,367,242
Allowances and provisions	03		761,835,174	(11,145,295,373)
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04		67,487,856,959	(1,135,808,431)
Losses on disposals of fixed assets	05		2,105,305,263	2,757,601,494
Dividends and interest income	05		(217,163,876,225)	(160,618,509,977)
Interest expense	06		31,612,203,034	10,326,643,110
Operating profit before changes in working capital	08		3,494,902,123,419	3,289,831,778,085
Change in receivables	09		(145,042,754,342)	(544,029,142,553)
Change in inventories	10		(618,863,556,592)	273,708,740,620
Change in payables and other liabilities	11		34,695,879,477	(316,701,228,024)
Change in prepaid expenses	12		(31,211,181,452)	4,506,475,913
Change in trading securities	13		23,488,016	-
Interest paid	14		(16,708,029,350)	(4,990,136,986)
Income tax paid	15	V.13	(460,339,314,030)	(406,888,940,769)
Other payments for operating activities	17		(617,247,875,106)	(537,265,845,026)
Net cash flows from operating activities	20		1,640,208,780,040	1,758,171,701,260

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the three-month period ended 31 March 2020
(Indirect method – continued)

Form B 03a – DN

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

	Code	Note	Three-month period ended	
			31/3/2020 VND	31/3/2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(170,720,496,038)	(515,977,103,678)
Collections on/(payments for) disposals of fixed assets	22		55,307,718,949	(860,461,716)
Payments for term deposits	23		(650,000,000,000)	(450,000,000,000)
Receipts from collecting loans	24		236,992,000	709,224,499
Payments for debt instruments of other entities	24		-	(75,558,716,069)
Payments for investments in other entities	25		(65,000,000,000)	(186,546,847,500)
Receipts of interest and dividends	27		91,002,917,316	55,857,331,896
Net cash flows from investing activities	30		(739,172,867,773)	(1,172,376,572,568)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchase of treasury shares	32		-	(321,638,440)
Proceeds from borrowings	33		743,776,000,000	1,592,000,000,000
Payments to settle loan principals	34		-	(700,000,000,000)
Payments of dividends	36		(1,741,377,694,000)	(1,741,407,855,000)
Net cash flows from financing activities	40		(997,601,694,000)	(849,729,493,440)

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the three-month period ended 31 March 2020
(Indirect method – continued)

Form B 03a – DN

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

	Code	Note	Three-month period ended	
			31/3/2020 VND	31/3/2019 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50		(96,565,781,733)	(263,934,364,748)
Cash and cash equivalents at the beginning of the period	60		957,162,717,036	1,011,235,212,807
Effect of exchange rate fluctuations on cash and cash equivalents	61		(151,980,286)	(360,415,047)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	V.1	860,444,955,017	746,940,433,012

29 April 2020

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020

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

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

I. CORPORATE INFORMATION

1. Ownership structure

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

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

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

2. Principal activities

The principal activities of the Company are to:

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

3. Normal operating cycle

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

4. Group structure

As at 31 March 2020, the Company had 10 subsidiaries and 14 associates (1/1/2020: 10 subsidiaries and 14 associates) and dependent units as follows:

(a) Subsidiaries

Name	Location	Principal activities	Economic interest	
			31/3/2020	1/1/2020
Directly owned subsidiaries				
▪ 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 Sugar Joint Stock Company	Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province	Sugar producing and refining	65.00%	65.00%

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

Name	Location	Principal activities	Economic interest	
			31/3/2020	1/1/2020
▪ 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%
▪ 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	75.00%	75.00%

Indirectly owned subsidiaries through GTNFoods Joint Stock Company

▪ Vietnam Livestock Corporation – Joint Stock Company	519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi	Manufacturing, breeding, processing and trading of cattle and poultry products	55.87%	55.87%
▪ Moc Chau Dairy Cattle Breeding Joint Stock Company	Km194 Moc Chau Farm Town, Moc Chau District, Phieng Luong, Moc Chau, Son La	Processing of milk and dairy products	28.49%	28.49%

(b) Associates

Name	Location	Principal activities	Economic interest	
			31/3/2020	1/1/2020
Directly owned associates				
▪ 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%

Indirectly owned associates through GTNFoods Joint Stock Company

There are 11 associates indirectly owned through GTNFoods Joint Stock Company

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/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.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

Raw milk center:

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

As at 31 March 2020, the Company had 5,739 employees (1/1/2020: 5,772 employees).

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Annual accounting period

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

2. Accounting and presentation currency

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

III. ACCOUNTING STANDARDS AND SYSTEM

1. Statement of compliance

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirement applicable to interim financial reporting. The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.

2. Basis of measurement

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

3. Accounting form

The Company applies computerised accounting form.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

1. Foreign currency transactions

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

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

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

2. Cash and cash equivalents

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

3. Investments

(a) Trading securities

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

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

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

(b) Held-to-maturity investments

Held-to-maturity investments are those that the Company's Board of Management has intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. 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) Investments in subsidiaries and associates

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

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

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

(e) Investment in equity instruments of other entities

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

4. Accounts receivable

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

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

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

5. Inventories

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

The Company applies the perpetual method of accounting for inventories.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

6. Tangible fixed assets

(a) Cost

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

(b) Depreciation

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

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

7. Intangible fixed assets

(a) Land use rights

Land use rights comprise:

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

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

(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.

8. Investment property

(a) Cost

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

(b) Depreciation

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

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

9. Construction in progress

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

10. Prepaid expenses

(a) Prepaid land costs

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

(b) Tools and instruments

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

11. Trade and other payables

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

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

12. Accrued expenses

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

13. Provisions

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

Severance allowance

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

14. Share capital

(a) Ordinary shares

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

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

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

15. Taxation

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

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

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

16. Revenue and other income

(a) Goods sold

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

(b) Services rendered

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

(c) Rental income

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

(d) Interest income

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

(e) Dividend income

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

(f) 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 separate statement of income when significant risks and rewards of ownership have been transferred to the buyer. Significant risks and rewards of ownership have been transferred upon the completion of trading transaction (for listed securities) or the completion of the agreement on transfer of assets (for non-listed securities).

17. Revenue deductions

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

18. Cost of sales

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

19. Operating lease payments

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

20. Borrowing costs

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

21. Dividend distribution

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

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

22. Funds

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

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

23. Segment reporting

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

24. Related parties

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

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

1. Cash and cash equivalents

	31/3/2020	1/1/2020
	VND	VND
Cash on hand	736,668,183	501,171,096
Cash in banks	659,708,286,834	956,661,545,940
Cash equivalents	200,000,000,000	-
	<hr/> 860,444,955,017	<hr/> 957,162,717,036 <hr/>

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

2. Accounts receivable from customers

(a) Accounts receivable from related parties

	31/3/2020	1/1/2020
	VND	VND
Subsidiaries		
Angkor Dairy Products Co., Ltd.	26,444,522,211	-
Driftwood Dairy Holding Corporation	1,492,031,920	1,868,875,606
Vietnam Sugar Joint Stock Company	145,700,000	218,330,000
Vietnam Dairy Cow One Member Limited Company	41,837,400	119,600,000
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	14,331,112	34,144,154
	<hr/>	<hr/>

The trade related amounts due from the related parties were unsecured, interest free and receivable within 30 days from invoice date.

(b) Allowance for doubtful debts

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

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Opening balance	(139,803,602)	(1,009,926,164)
Allowance used during the period	-	950,010,334
	<hr/>	<hr/>
Closing balance	(139,803,602)	(59,915,830)
	<hr/> <hr/>	<hr/> <hr/>

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

3. Other receivables

(a) Other short-term receivables

	31/3/2020	1/1/2020
	VND	VND
Interest income from deposits	380,229,452,050	254,068,493,141
Receivables from employees	626,294,668	622,798,767
Advances to employees	2,432,668,613	3,258,678,200
Short-term deposits	191,000,000	161,500,000
Import tax refundable	405,637,222	218,673,683
Rebate income receivable from suppliers	57,184,942,499	15,861,480,319
Others	12,507,036,513	9,112,910,274
	453,577,031,565	283,304,534,384

(b) Other long-term receivables

	31/3/2020	1/1/2020
	VND	VND
Long-term deposits	1,678,141,595	1,697,545,595
Others	4,500,000,000	4,500,000,000
	6,178,141,595	6,197,545,595

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

4. Investments

(a) Held-to-maturity investments

	Note	31/3/2020 VND	1/1/2020 VND
Held-to-maturity investments – short-term			
▪ term deposits	(*)	11,800,000,000,000	11,100,000,000,000
<hr/>			
Held-to-maturity investments – long-term			
▪ term deposits	(**)	150,000,000,000	200,000,000,000
<hr/>			

(*) The amounts represented term deposits at banks with the remaining term to maturity of less than 12 months and earned interest at rates ranging from 7.10% to 8.65% per annum (for the year ended 31 December 2019: from 7.10% to 8.60% per annum).

(**) The amounts represented term deposits at banks with the remaining term to maturity of over 12 months and earned interest at 7.40% per annum (for the year ended 31 December 2019: 7.80% per annum).

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2020 (continued)

Form B 09a – DN

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

(b) Long-term financial investments

	31/3/2020			1/1/2020		
	Cost VND	Fair value VND	Allowance for diminution in value VND	Cost VND	Fair value VND	Allowance for diminution in value VND
Investments in subsidiaries						
▪ Vietnam Dairy Cow One Member Limited Company	2,250,780,000,000	(*)	-	2,250,780,000,000	(*)	-
▪ Driftwood Dairy Holding Corporation	458,395,918,429	(*)	-	458,395,918,429	(*)	-
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	66,463,150,000	(*)	-	66,463,150,000	(*)	-
▪ Angkor Dairy Products Co., Ltd.	464,289,241,751	(*)	-	464,289,241,751	(*)	-
▪ Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	1,181,682,699,703	(*)	-	1,116,682,699,703	(*)	(1,598,149,668)
▪ Vietnam Sugar Joint Stock Company	1,253,306,061,273	(*)	-	1,253,306,061,273	(*)	-
▪ Lao-Jagro Development Xiengkhouang Co., Ltd.	551,937,690,646	(*)	-	551,937,690,646	(*)	-
▪ GTNFoods Joint Stock Company	3,447,331,944,836	(*)	-	3,447,331,944,836	(*)	-
	<u>9,674,186,706,638</u>		<u>-</u>	<u>9,609,186,706,638</u>		<u>(1,598,149,668)</u>

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2020 (continued)

Form B 09a – DN

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

	31/3/2020			1/1/2020		
	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	293,189,808,669	(*)	-	293,189,808,669	(*)	-
▪ APIS Corporation	20,350,000,000	(*)	-	20,350,000,000	(*)	-
▪ Asia Coconut Processing Joint Stock Company	86,830,000,000	(*)	(8,073,972,776)	86,830,000,000	(*)	(6,223,314,946)
	<u>400,369,808,669</u>		<u>(8,073,972,776)</u>	<u>400,369,808,669</u>		<u>(6,223,314,946)</u>
Equity investments in other entities						
▪ Asia Saigon Food Ingredients Joint Stock Company	18,000,000,000	(*)	-	18,000,000,000	(*)	-
▪ An Khang Clinic – Pharmacy	300,000,000	(*)	-	300,000,000	(*)	-
	<u>18,300,000,000</u>		<u>-</u>	<u>18,300,000,000</u>		<u>-</u>
	<u>10,092,856,515,307</u>		<u>(8,073,972,776)</u>	<u>10,027,856,515,307</u>		<u>(7,821,464,614)</u>

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN

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

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

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

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Opening balance	(7,821,464,614)	(19,842,623,474)
Increase in allowance during the period	(1,850,657,830)	-
Written back	1,598,149,668	19,283,415,678
Closing balance	(8,073,972,776)	(559,207,796)

5. Inventories

	31/3/2020		1/1/2020	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	760,779,525,631	-	725,343,304,250	-
Raw materials	2,695,198,002,017	(2,508,542,322)	2,128,189,777,650	(2,926,396,042)
Tools and supplies	2,282,249,145	-	2,260,586,573	-
Work in progress	35,463,467,344	-	9,601,645,101	-
Finished goods	990,389,977,136	(3,721,005,993)	1,000,517,578,788	(3,032,130,876)
Merchandise inventories	15,637,432,867	(149,759,317)	8,861,339,123	-
Goods on consignment	1,443,856,054	-	7,745,046,793	-
	4,501,194,510,194	(6,379,307,632)	3,882,519,278,278	(5,958,526,918)

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

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Opening balance	(5,958,526,918)	(5,340,501,158)
Increase in allowance during the period	(4,904,206,127)	(11,283,769,992)
Written back	4,394,879,115	3,145,649,687
Allowance utilised during the period	88,546,298	26,008,968
Closing balance	(6,379,307,632)	(13,452,612,495)

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2020 (continued)

Form B 09a – DN

(Issued under Circular No. 200/2014/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	Total VND
Cost					
Opening balance	2,351,218,754,150	12,910,856,813,644	937,606,636,520	625,095,424,871	16,824,777,629,185
Additions	12,326,415,692	39,462,122,817	8,566,119,684	2,267,045,455	62,621,703,648
Transfer from construction in progress	2,807,191,636	21,645,737,812	81,074,904	114,000,000	24,648,004,352
Reclassification	2,689,734,274	(2,689,734,274)	-	-	-
Disposals	(1,042,319,099)	(84,980,344,926)	(3,031,247,589)	(1,511,109,380)	(90,565,020,994)
Closing balance	2,367,999,776,653	12,884,294,595,073	943,222,583,519	625,965,360,946	16,821,482,316,191
Accumulated depreciation					
Opening balance	846,396,138,515	6,366,582,398,734	499,532,745,383	453,328,830,989	8,165,840,113,621
Charge for the period	26,196,310,586	292,167,401,258	20,630,454,616	11,768,826,304	350,762,992,764
Reclassification	1,013,131,341	(1,013,131,341)	-	-	-
Disposals	(649,036,653)	(29,709,152,393)	(1,402,698,356)	(1,511,109,380)	(33,271,996,782)
Closing balance	872,956,543,789	6,628,027,516,258	518,760,501,643	463,586,547,913	8,483,331,109,603
Net book value					
Opening balance	1,504,822,615,635	6,544,274,414,910	438,073,891,137	171,766,593,882	8,658,937,515,564
Closing balance	1,495,043,232,864	6,256,267,078,815	424,462,081,876	162,378,813,033	8,338,151,206,588

Included in the cost of tangible fixed assets were assets costing VND2,102,777 million which were fully depreciated as at 31 March 2020 (1/1/2020: VND2,063,567 million), but which are still in active use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

7. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening and closing balances	57,582,565,109	117,758,904,944	175,341,470,053
Accumulated amortisation			
Opening balance	11,608,069,186	93,121,568,699	104,729,637,885
Charge for the period	-	2,750,480,573	2,750,480,573
Closing balance	11,608,069,186	95,872,049,272	107,480,118,458
Net book value			
Opening balance	45,974,495,923	24,637,336,245	70,611,832,168
Closing balance	45,974,495,923	21,886,855,672	67,861,351,595

Included in the cost of intangible fixed assets were assets costing VND56,683 million which were fully amortised as at 31 March 2020 (1/1/2020: VND55,826 million), but which are still in use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/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 and closing balances	38,884,288,170	469,928,364	38,147,442,455	77,501,658,989
Accumulated depreciation				
Opening balance	5,025,860,377	469,928,364	11,038,834,325	16,534,623,066
Charge for the period	198,389,226	-	315,190,593	513,579,819
Closing balance	5,224,249,603	469,928,364	11,354,024,918	17,048,202,885
Net book value				
Opening balance	33,858,427,793	-	27,108,608,130	60,967,035,923
Closing balance	33,660,038,567	-	26,793,417,537	60,453,456,104

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

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

Included in the cost of investment property held to earn rental was assets costing VND470 million which were fully depreciated as at 31 March 2020 (1/1/2020: VND470 million), but which are still in active use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

9. Construction in progress

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Opening balance	158,002,285,957	275,020,774,555
Additions	17,746,091,385	223,166,416,099
Transfer to tangible fixed assets	(24,648,004,352)	(15,021,790,393)
Transfer to intangible fixed assets	-	(468,870,000)
Other decreases	-	(68,401,514)
Closing balance	151,100,372,990	482,628,128,747

Major constructions in progress were as follows:

	31/3/2020	1/1/2020
	VND	VND
Can Tho Dairy Branch	52,079,729,352	52,079,729,352
Tien Son Dairy Factory	36,438,110,443	37,118,350,865
Da Nang Dairy Factory	32,953,111,462	25,819,098,480
Binh Dinh Dairy Factory	19,295,792,424	25,026,902,205
Other constructions in progress	10,333,629,309	17,958,205,055
	151,100,372,990	158,002,285,957

10. Prepaid expenses

(a) Short-term prepaid expenses

	31/3/2020	1/1/2020
	VND	VND
Software deployment and networks maintenance	24,924,399,683	9,538,009,172
Advertising	1,837,746,844	2,819,866,227
Maintenance	55,622,351	101,029,555
Operating lease	6,354,555,311	5,271,685,508
Tools and supplies	2,440,652,514	4,036,633,172
Renovation and repair	7,228,787,762	8,718,925,773
Other short-term prepaid expenses	4,825,935,004	1,214,307,903
	47,667,699,469	31,700,457,310

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

(b) Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	205,841,527,310	136,283,131,359	45,300,201,099	387,424,859,768
Additions	153,611,900	42,040,194,082	1,733,730,827	43,927,536,809
Amortisation for the period	(1,435,902,182)	(20,375,134,634)	(6,872,560,700)	(28,683,597,516)
Closing balance	204,559,237,028	157,948,190,807	40,161,371,226	402,668,799,061

11. Deferred tax assets

	31/3/2020 VND	1/1/2020 VND
Deferred tax assets		
Foreign exchange differences	(140,949,871)	424,139,024
Accrued expenses and provisions	1,142,195,914	23,109,878,308
	1,001,246,043	23,534,017,332

12. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant supplier

	31/3/2020		1/1/2020	
	Carrying amount VND	Amount within payment capacity VND	Carrying amount VND	Amount within payment capacity VND
Dai Tan Viet Joint Stock Company	723,227,641,661	723,227,641,661	309,230,151,630	309,230,151,630
Other suppliers	2,773,579,410,615	2,773,579,410,615	2,913,848,322,055	2,913,848,322,055
	3,496,807,052,276	3,496,807,052,276	3,223,078,473,685	3,223,078,473,685

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

(b) Accounts payable to related parties

	31/3/2020	1/1/2020
	VND	VND
Subsidiaries		
Vietnam Dairy Cow One Member Limited Company	64,731,677,114	69,728,083,242
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	17,670,478,400	14,291,904,900
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	6,699,944,160	12,593,281,086
Vietnam Sugar Joint Stock Company	546,840,000	690,060,000
Moc Chau Dairy Cattle Breeding Joint Stock Company	12,667,315,050	-
Associates		
APIS Corporation	18,109,760,200	12,521,521,944
Asia Coconut Processing Joint Stock Company	1,707,887,817	2,406,761,280
The Vietnam National Tea – Joint Stock Corporation	10,725,000	-

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

13. Taxes payable to State Treasury

	1/1/2020	Incurred	Paid	31/3/2020
	VND	VND	VND	VND
Value added tax	132,498,697,408	513,942,097,182	(460,110,470,888)	186,330,323,702
Import tax	7,128,920,841	35,988,164,857	(30,226,037,169)	12,891,048,529
Corporate income tax	444,290,449,035	550,836,049,453	(460,339,314,030)	534,787,184,458
Personal income tax	13,352,313,548	180,071,489,963	(188,139,185,993)	5,284,617,518
Other taxes	1,886,803,185	5,032,588,691	(6,440,900,040)	478,491,836
	599,157,184,017	1,285,870,390,146	(1,145,255,908,120)	739,771,666,043

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

14. Accrued expenses

	31/3/2020	1/1/2020
	VND	VND
Sale incentives, promotion	683,940,660,366	762,945,217,493
Advertising expenses	303,588,717,127	520,279,675,672
Transportation expenses	74,350,292,596	80,462,406,538
Rental fees	18,647,733,448	11,421,374,844
Expenses for outsourced employees	39,442,218,730	75,439,919,727
Repair and maintenance expenses	26,619,484,695	20,974,135,952
Interest expense	35,133,568,079	20,229,394,395
Fuel expenses	15,184,142,724	8,880,609,260
Others	48,677,066,017	89,143,237,354
	1,245,583,883,782	1,589,775,971,235

15. Other short-term payables

	31/3/2020	1/1/2020
	VND	VND
Short-term deposits received	20,948,357,419	21,269,886,407
Insurances and trade union fees	5,556,594,740	2,904,299,000
Dividend payables	-	1,741,377,694,000
Others	17,414,219,957	12,806,363,639
	43,919,172,116	1,778,358,243,046

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2020 (continued)

Form B 09a – DN

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

16. Short-term borrowings

	1/1/2020 VND	Incurred VND	Foreign exchange differences VND	31/3/2020 VND
The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch				
▪ USD Borrowings (i)	2,554,200,000,000	743,776,000,000	61,744,000,000	3,359,720,000,000
Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch				
▪ USD Borrowing (ii)	2,320,900,000,000	-	-	2,320,900,000,000
	4,875,100,000,000	743,776,000,000	61,744,000,000	5,680,620,000,000

(i) These borrowings had term of 7 – 12 months, were unsecured and bore interest at rates ranging from 1.41% – 2.36% per annum.

(ii) This borrowing had term of 12 months, was unsecured and bore interest at 2.70% per annum.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

17. Provisions – short-term

	31/3/2020	1/1/2020
	VND	VND
Provision for severance allowance (*)	3,563,978,806	4,654,637,561
Provision for regular fixed assets maintenance	3,192,164,391	1,680,238,911
	6,756,143,197	6,334,876,472

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

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Opening balance	4,654,637,561	4,502,303,315
Provision used during the period	(1,090,658,755)	(1,004,800,000)
Closing balance	3,563,978,806	3,497,503,315

18. Bonus and welfare fund

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

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

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Opening balance	566,493,944,499	502,448,397,758
Appropriation	268,270,292,532	258,257,312,119
Utilisation	(616,256,994,728)	(538,930,185,100)
Closing balance	218,507,242,303	221,775,524,777

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2020 (continued)

Form B 09a – DN

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

19. Changes in owners' equity

	Share capital VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1 January 2019	17,416,877,930,000	(10,485,707,360)	1,189,241,088,198	6,709,433,765,494	25,305,067,076,332
Purchase treasury shares	-	(321,638,440)	-	-	(321,638,440)
Net profit for the period	-	-	-	2,582,573,121,190	2,582,573,121,190
Appropriation to equity funds	-	-	258,257,312,119	(258,257,312,119)	-
Appropriation to bonus and welfare fund	-	-	-	(258,257,312,119)	(258,257,312,119)
Balance at 1 April 2019	17,416,877,930,000	(10,807,345,800)	1,447,498,400,317	8,775,492,262,446	27,629,061,246,963
Purchase treasury shares	-	(837,610,320)	-	-	(837,610,320)
Net profit for the period	-	-	-	7,502,586,874,834	7,502,586,874,834
Appropriation to equity funds	-	-	750,258,687,483	(750,258,687,483)	-
Appropriation to bonus and welfare fund	-	-	-	(750,258,687,483)	(750,258,687,483)
Dividends	-	-	-	(7,836,220,609,500)	(7,836,220,609,500)
Balance at 1 January 2020	17,416,877,930,000	(11,644,956,120)	2,197,757,087,800	6,941,341,152,814	26,544,331,214,494
Net profit for the period	-	-	-	2,682,702,925,316	2,682,702,925,316
Appropriation to equity funds	-	-	268,270,292,532	(268,270,292,532)	-
Appropriation to bonus and welfare fund	-	-	-	(268,270,292,532)	(268,270,292,532)
Balance at 31 March 2020	17,416,877,930,000	(11,644,956,120)	2,466,027,380,332	9,087,503,493,066	28,958,763,847,278

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

20. Share capital

The Company's authorised and issued share capital are:

	31/3/2020 and 1/1/2020	
	Number of shares	VND
Authorised share capital	1,741,687,793	17,416,877,930,000
<hr/>		
Issued shares		
Ordinary shares	1,741,687,793	17,416,877,930,000
Treasury shares		
Ordinary shares	(310,099)	(11,644,956,120)
<hr/>		
Shares currently in circulation		
Ordinary shares	1,741,377,694	17,405,232,973,880
<hr/>		

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

Details of share capital:

	31/3/2020 and 1/1/2020	
	VND	%
The State's capital	6,270,638,350,000	36.00%
Other shareholders' capital	11,146,239,580,000	64.00%
<hr/>		
	17,416,877,930,000	100.00%
<hr/>		

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

21. Off balance sheet items

Foreign currencies

	31/3/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
Foreign currencies				
▪ USD	3,582,173.12	84,181,068,320	18,300,184.98	423,100,276,738
▪ EUR	233,133.80	5,976,811,598	770.07	19,832,383
		90,157,879,918		423,120,109,121

VI. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE STATEMENT OF INCOME

1. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	Three-month period ended	
	31/3/2020 VND	31/3/2019 VND
Total revenue		
▪ Sales of finished goods	11,916,931,692,361	11,616,003,381,798
▪ Sales of merchandise goods	92,467,223,278	182,449,802,158
▪ Other services	7,925,192,189	9,109,018,060
▪ Rental income from investment property	2,260,604,727	3,592,606,654
▪ Others	16,103,047,578	16,623,487,627
	12,035,687,760,133	11,827,778,296,297
Less revenue deductions		
▪ Sale discounts	38,813,506,898	34,634,328,067
▪ Sale returns	4,867,847,880	1,069,426,310
	43,681,354,778	35,703,754,377
Net revenue	11,992,006,405,355	11,792,074,541,920

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

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

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Subsidiaries		
Vietnam Dairy Cow One Member Limited Company	419,704,000	22,555,616,853
Thong Nhat Thanh Hoa Dairy Cow Limited Company	699,362,840	599,906,640
Vietnam Sugar Joint Stock Company	145,700,000	490,000
Angkor Dairy Products Co., Ltd.	57,490,054,420	87,331,804,975
Driftwood Dairy Holding Corporation	1,512,550,451	2,293,703,651
	<hr/>	<hr/>
Total revenue from sales to subsidiaries	60,267,371,711	112,781,522,119
	<hr/>	<hr/>
Associate		
APIS Corporation	83,381,250	66,455,000
	<hr/>	<hr/>

2. Cost of sales

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Total cost of sales		
▪ Finished goods sold	5,805,449,900,097	5,920,843,559,083
▪ Merchandise goods sold	83,296,539,132	160,869,443,069
▪ Cost of promotional goods	42,708,812,789	53,788,916,616
▪ Other services	1,325,902,653	1,417,614,452
▪ Operating costs of investment property	513,579,819	2,084,249,192
▪ Increase in allowance for inventories	509,327,012	8,138,120,305
	<hr/>	<hr/>
	5,933,804,061,502	6,147,141,902,717
	<hr/>	<hr/>

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

3. Financial income

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Interest income from deposits	217,163,876,225	160,618,509,977
Foreign exchange gains	12,466,299,638	5,371,111,805
Other financial income	8,516,397,887	3,697,781,884
	238,146,573,750	169,687,403,666

4. Financial expenses

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Interest expense on borrowings	31,612,203,034	10,326,643,110
Interest expense on deposits received	60,124,056	82,223,767
Foreign exchange losses	75,047,228,694	3,914,027,150
Increase/(decrease) in allowance for diminution in value of financial investments – net	252,508,162	(19,283,415,678)
Payment discounts for customers	4,552,294,271	3,023,588,482
Other financial expenses	22,497,647	-
	111,546,855,864	(1,936,933,169)

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

5. Selling expenses

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Staff costs	93,850,300,048	84,492,439,763
Materials	12,144,947,147	11,173,245,129
Tools and supplies	16,975,328,179	17,384,263,534
Depreciation expenses	5,559,315,997	5,924,551,532
Warranty expenses	6,613,679,262	7,503,846,215
Transportation expenses	135,556,956,878	125,250,696,182
Outside service expenses	135,070,480,661	103,779,011,149
Advertising and marketing research expenses	335,537,275,197	322,334,548,072
Promotion, product display expenses and sale support expenses	1,979,370,949,307	1,848,479,503,751
	2,720,679,232,676	2,526,322,105,327

6. General and administration expenses

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Staff costs	88,187,164,167	78,820,512,285
Materials	8,364,752,099	7,040,264,446
Office supplies	1,110,786,237	1,438,904,262
Depreciation expenses	14,827,552,055	15,871,755,574
Taxes, fees and duties	3,099,863,428	2,786,651,467
Transportation expenses	8,999,047,456	10,252,070,000
Outside service expenses	47,466,579,200	37,307,956,743
Loading expenses	5,634,822,060	5,408,623,663
Per-diem allowances	9,226,291,335	9,612,200,281
Bank charges	1,213,617,661	1,272,222,983
Others	18,756,362,133	8,900,693,088
	206,886,837,831	178,711,854,792

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

7. Other income

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Proceeds from disposals of fixed assets	56,346,793,349	94,538,284
Compensations received from other parties	1,531,476,623	2,206,276,915
Tax refunded	-	4,532,009,470
Others	910,830,103	7,803,706,611
	58,789,100,075	14,636,531,280

8. Other expenses

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Book value of fixed assets disposed	57,293,024,212	1,897,139,778
Expense incurred relating to disposal of fixed assets	1,159,074,400	955,000,000
Others	1,501,246,637	1,665,627,401
	59,953,345,249	4,517,767,179

9. Production and business costs by element

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Raw material costs included in production costs	5,308,277,917,848	5,093,186,446,468
Labour costs and staff costs	397,910,877,127	361,201,562,760
Depreciation and amortisation	351,732,522,572	326,790,937,784
Outside services	531,615,015,650	433,463,422,115
Other expenses	2,433,686,503,540	2,290,777,591,461

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

10. Income tax

(a) Recognised in the separate statement of income

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Current tax expense	550,836,049,453	518,474,991,510
<i>In which: (decrease)/increase of current tax expense relating to taxable income of prior periods</i>	(2,455,656,916)	14,974,593,161
Deferred tax expense		
Origination and reversal of temporary differences	22,532,771,289	20,593,667,320
Income tax expense	573,368,820,742	539,068,658,830

(b) Reconciliation of effective tax rate

	Three-month period ended	
	31/3/2020	31/3/2019
	VND	VND
Accounting profit before tax	3,256,071,746,058	3,121,641,780,020
Tax at the Company's tax rate	651,214,349,212	624,328,356,004
Tax rate differential applied to Company's branches and factories	(13,455,910,426)	(8,293,830,304)
Non-deductible expenses	3,840,270,232	3,212,894,743
Tax incentives	(61,482,893,135)	(80,178,761,613)
Deferred tax assets not previously recognised	(4,291,338,225)	(14,974,593,161)
(Decrease)/increase of current tax expenses relating to taxable income of prior periods	(2,455,656,916)	14,974,593,161
	573,368,820,742	539,068,658,830

(c) Applicable tax rates

The Company is required to pay income tax at rates ranging from 15% to 20% (for the three-month period ended 31 March 2019: from 15% to 20%), depending on principal activities of its factories, on taxable profits.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2020 (continued)

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

VII. OTHER INFORMATION

1. Significant transactions with related parties

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

Related party	Relationship	Nature of transaction	Three-month period ended	
			31/3/2020 VND	31/3/2019 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Purchases of goods and services	420,379,195,798	401,613,978,024
Thong Nhat Thanh Hoa Dairy Cow Company Limited	Subsidiary	Purchases of goods Capital contribution	106,416,469,300 65,000,000,000	69,463,845,200 -
Vietnam Sugar Joint Stock Company	Subsidiary	Purchases of goods	3,999,000,000	5,916,900,000
Angkor Dairy Products Co., Ltd.	Subsidiary	Sales of tangible fixed assets Purchases of goods	55,116,264,590 -	- 52,775,267,256
Lao-Jagro Development Xieng Khouang Co., Ltd	Subsidiary	Capital contribution	-	51,546,847,500
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	Purchases of goods	24,381,947,449	134,351,463,400
Moc Chau Dairy Cattle Breeding Joint Stock Company	Subsidiary	Purchases of goods	50,055,783,300	-
APIS Corporation	Associate	Purchases of goods	23,390,158,600	26,632,909,053
Asia Coconut Processing Joint Stock Company	Associate	Purchases of services	2,554,537,182	407,572,704
The Vietnam National Tea – Joint Stock Corporation	Associate	Purchases of goods	9,750,000	-
Members of Board of Management and Board of Directors		Compensation	76,313,055,514	58,644,906,897

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2020 (continued)

Form B 09a – DN

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

2. Segment information

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

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

Geographical segments

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

	Domestic		Overseas		Total	
	(Customers located in Vietnam)		(Customers located in countries other than Vietnam)			
	Three-month period ended		Three-month period ended		Three-month period ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	VND	VND	VND	VND	VND	VND
Net revenue	10,911,274,561,022	10,786,531,135,093	1,080,731,844,333	1,005,543,406,827	11,992,006,405,355	11,792,074,541,920
Cost of sales	(5,525,911,111,921)	(5,758,524,943,103)	(407,892,949,581)	(388,616,959,614)	(5,933,804,061,502)	(6,147,141,902,717)
Segment gross profit	5,385,363,449,101	5,028,006,191,990	672,838,894,752	616,926,447,213	6,058,202,343,853	5,644,932,639,203

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

29 April 2020

Approved by:



Mai Kieu Lien
Chief Executive Officer