

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

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

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

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## **Vietnam Dairy Products Joint Stock Company and its subsidiaries Corporate Information**

### **Business Registration**

<b>Certificate No.</b>	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 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 31 March 2020 and of the consolidated results of operations and consolidated cash flows for the three-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 Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **APPROVAL OF THE CONSOLIDATED 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 31 March 2020, and of the consolidated results of operations and consolidated 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 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 statement of financial position as at 31 March 2020, the consolidated 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 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 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 31 March 2020 and of their consolidated results of operations and their consolidated 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.: 18-01-00231-20-14



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

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**Vietnam Dairy Products Joint Stock Company and its subsidiaries**  
**Consolidated statement of financial position as at 31 March 2020**

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

	Code	Note	31/3/2020 VND	1/1/2020 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>26,461,638,721,175</b>	<b>24,721,565,376,552</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>V1</b>	<b>1,379,711,866,875</b>	<b>2,665,194,638,452</b>
Cash	111		1,028,411,866,875	2,378,583,764,655
Cash equivalents	112		351,300,000,000	286,610,873,797
<b>Short-term financial investments</b>	<b>120</b>		<b>14,370,288,608,530</b>	<b>12,435,744,328,964</b>
Trading securities	121	V.4(a)	1,148,118,350	1,153,041,048
Allowance for diminution in the value of trading securities	122	V.4(a)	(854,402,660)	(840,586,787)
Held-to-maturity investments	123	V.4(b)	14,369,994,892,840	12,435,431,874,703
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>4,711,713,537,853</b>	<b>4,503,154,728,959</b>
Accounts receivable from customers	131		3,742,853,911,024	3,474,498,518,959
Prepayments to suppliers	132		388,901,000,559	576,013,061,394
Short-term loans receivable	135		15,814,336,327	31,170,336,327
Other short-term receivables	136	V.3(a)	581,646,262,940	438,267,517,904
Allowance for doubtful debts	137	V.2	(17,501,972,997)	(16,794,705,625)
<b>Inventories</b>	<b>140</b>	<b>V.5</b>	<b>5,733,793,403,343</b>	<b>4,983,044,403,917</b>
Inventories	141	V.5	5,743,959,650,794	4,996,114,799,978
Allowance for inventories	149	V.5	(10,166,247,451)	(13,070,396,061)
<b>Other current assets</b>	<b>150</b>		<b>266,131,304,574</b>	<b>134,427,276,260</b>
Short-term prepaid expenses	151	V.11(a)	191,908,873,075	68,634,341,838
Deductible value added tax	152		70,282,162,639	60,875,991,566
Taxes receivable from State Treasury	153		3,940,268,860	4,916,942,856

*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 31 March 2020 (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	31/3/2020 VND	1/1/2020 VND
<b>Long-term assets</b>				
<b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>19,612,088,297,814</b>	<b>19,978,308,009,482</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>19,717,282,895</b>	<b>21,169,968,995</b>
Long-term loan receivables	215		308,320,000	545,312,000
Other long-term receivables	216	V.3(b)	19,408,962,895	20,624,656,995
<b>Fixed assets</b>	<b>220</b>		<b>14,589,591,346,307</b>	<b>14,893,540,216,703</b>
Tangible fixed assets	221	V.6	13,450,030,775,841	13,743,909,618,601
Cost	222		26,435,499,204,338	26,227,436,154,249
Accumulated depreciation	223		(12,985,468,428,497)	(12,483,526,535,648)
Intangible fixed assets	227	V.7	1,139,560,570,466	1,149,630,598,102
Cost	228		1,302,021,946,086	1,297,664,982,735
Accumulated amortisation	229		(162,461,375,620)	(148,034,384,633)
<b>Investment property</b>	<b>230</b>	<b>V.8</b>	<b>61,465,607,996</b>	<b>62,018,116,736</b>
Cost	231		81,481,271,444	81,481,271,444
Accumulated depreciation	232		(20,015,663,448)	(19,463,154,708)
<b>Long-term work in progress</b>	<b>240</b>		<b>1,037,746,525,983</b>	<b>943,845,551,903</b>
Long-term work in progress	241	V.9	220,291,487,919	249,633,893,396
Construction in progress	242	V.10	817,455,038,064	694,211,658,507
<b>Long-term financial investments</b>	<b>250</b>		<b>922,935,784,641</b>	<b>986,676,290,429</b>
Investments in associates	252	V.4(c)	678,593,095,686	688,112,587,059
Equity investments in other entities	253	V.4(c)	104,558,824,212	104,537,010,212
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(10,216,135,257)	(5,973,306,842)
Held-to-maturity investments	255	V.4(b)	150,000,000,000	200,000,000,000
<b>Other non-current assets</b>	<b>260</b>		<b>2,980,631,749,992</b>	<b>3,071,057,864,716</b>
Long-term prepaid expenses	261	V.11(b)	678,291,118,285	678,630,479,869
Deferred tax assets	262	V.12(a)	3,645,227,753	26,367,280,852
Goodwill	269	V.13	2,298,695,403,954	2,366,060,103,995
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>46,073,727,018,989</b>	<b>44,699,873,386,034</b>

*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 31 March 2020 (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	31/3/2020 VND	1/1/2020 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>13,826,962,983,067</b>	<b>14,968,618,181,670</b>
<b>Current liabilities</b>	<b>310</b>		<b>13,314,973,420,207</b>	<b>14,442,851,833,360</b>
Short-term accounts payable to suppliers	311	V.14	3,981,497,996,603	3,648,445,576,699
Advances from customers	312		223,415,731,424	245,247,666,160
Taxes payable to State Treasury	313	V.16	793,593,104,065	619,393,665,850
Payables to employees	314		183,126,208,062	239,520,745,753
Short-term accrued expenses	315	V.17	1,522,689,934,927	1,738,321,908,844
Short-term unearned revenue	318		7,479,265,238	2,111,168,658
Other short-term payables	319	V.18	183,733,169,783	1,956,364,398,828
Short-term borrowings	320	V.15(a)	6,149,806,942,796	5,351,461,260,191
Provision – short-term	321	V.19	8,438,020,491	8,048,885,766
Bonus and welfare fund	322	V.20	261,193,046,818	633,936,556,611
<b>Long-term liabilities</b>	<b>330</b>		<b>511,989,562,860</b>	<b>525,766,348,310</b>
Long-term accounts payable to suppliers	331		-	427,916,520
Other long-term payables	337		21,656,151,705	27,418,573,520
Long-term borrowings	338	V.15(b)	119,643,482,893	122,992,982,893
Deferred tax liabilities	341	V.12(b)	370,689,928,262	374,926,875,377
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>32,246,764,035,922</b>	<b>29,731,255,204,364</b>
<b>Owners' equity</b>	<b>410</b>	<b>V.21</b>	<b>32,246,764,035,922</b>	<b>29,731,255,204,364</b>
Share capital	411	V.22	17,416,877,930,000	17,416,877,930,000
Treasury shares	415	V.22	(11,644,956,120)	(11,644,956,120)
Foreign exchange differences	417		44,454,590,088	23,174,494,894
Investment and development fund	418		2,469,800,368,828	2,200,188,373,195
Retained profits	421		10,090,990,636,691	7,875,462,401,924
- Retained profits brought forward	421a		7,875,462,401,924	4,543,346,786,755
- Profit for the current period	421b		2,215,528,234,767	3,332,115,615,169
Non-controlling interest	429		2,236,285,466,435	2,227,196,960,471
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>46,073,727,018,989</b>	<b>44,699,873,386,034</b>

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 consolidated interim financial statements*

**Vietnam Dairy Products Joint Stock Company and its subsidiaries**  
**Consolidated statement of income for the three-month period ended 31 March 2020**

**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	
			31/3/2020 VND	31/3/2019 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>VI.1</b>	<b>14,206,192,026,063</b>	<b>13,230,084,714,897</b>
<b>Revenue deductions</b>	<b>02</b>	<b>VI.1</b>	<b>53,092,072,488</b>	<b>40,784,427,090</b>
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>VI.1</b>	<b>14,153,099,953,575</b>	<b>13,189,300,287,807</b>
<b>Cost of sales</b>	<b>11</b>	<b>VI.2</b>	<b>7,547,288,345,650</b>	<b>7,034,297,778,254</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>6,605,811,607,925</b>	<b>6,155,002,509,553</b>
Financial income	21	VI.3	284,879,682,275	176,287,359,587
Financial expenses	22	VI.4	122,428,728,401	28,768,197,631
<i>In which: Interest expense</i>	23		<i>42,061,538,321</i>	<i>19,835,521,940</i>
Share of loss in associates	24	V.4(c)	(11,789,710,907)	(12,607,699,916)
Selling expenses	25	VI.5	3,004,141,744,869	2,670,436,444,735
General and administration expenses	26	VI.6	389,344,385,755	278,242,221,928
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>3,362,986,720,268</b>	<b>3,341,235,304,930</b>
Other income	31	VI.7	36,671,885,321	42,944,840,145
Other expenses	32	VI.8	41,399,602,611	41,397,280,968
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>		<b>(4,727,717,290)</b>	<b>1,547,559,177</b>
<b>Profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>3,358,259,002,978</b>	<b>3,342,782,864,107</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>VI.10</b>	<b>564,338,684,243</b>	<b>522,861,656,123</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>VI.10</b>	<b>17,113,759,408</b>	<b>22,540,309,094</b>
<b>Net profit after tax (60 = 50 - 51 - 52)</b> <b>(carried forward to next page)</b>	<b>60</b>		<b>2,776,806,559,327</b>	<b>2,797,380,898,890</b>

*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 three-month period ended 31 March 2020**  
**(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	
			31/3/2020 VND	31/3/2019 VND
<b>Net profit after tax (60 = 50 - 51 - 52)</b> <b>(brought forward from previous page)</b>	<b>60</b>		<b>2,776,806,559,327</b>	<b>2,797,380,898,890</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		2,764,911,978,211	2,790,729,116,151
Non-controlling interest	62		11,894,581,116	6,651,782,739
<b>Basic earnings per share</b>	<b>70</b>	<b>VI.11</b>	<b>1,427</b>	<b>1,452</b>

29 April 2020

Prepared by:



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

Approved by:



Mai Kieu Lien  
*Chief Executive Officer*

**Vietnam Dairy Products Joint Stock Company and its subsidiaries**  
**Consolidated statement of cash flows for the three-month period ended 31 March 2020**  
**(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	Three-month period ended	
			31/3/2020 VND	31/3/2019 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>3,358,259,002,978</b>	<b>3,342,782,864,107</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		555,460,462,969	472,348,259,477
Allocation of goodwill	02	V.13	67,364,700,041	16,987,979,595
Allowances and provisions	03		1,003,914,771	5,001,735,507
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04		67,852,556,191	(1,204,432,181)
Losses on disposals of fixed assets and construction in progress	05		8,717,274,881	13,753,677,997
Dividends, interest income and other investment activities	05		(255,224,496,408)	(163,912,220,570)
Share of loss in associates	05		11,789,710,907	12,607,699,916
Interest expense	06	VI.4	42,061,538,321	19,835,521,940
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>3,857,284,664,651</b>	<b>3,718,201,085,788</b>
Change in receivables	09		(98,128,897,274)	(736,900,175,446)
Change in inventories	10		(817,204,595,821)	104,156,418,177
Change in payables and other liabilities	11		226,768,277,649	(618,843,746,648)
Change in prepaid expenses	12		(121,073,448,246)	(95,636,203,348)
Change in trading securities	13		23,488,016	-
Interest paid	14		(47,206,055,606)	(18,379,368,663)
Income tax paid	15	V.16	(466,046,765,343)	(408,800,744,034)
Other payments for operating activities	17		(654,774,677,678)	(545,135,630,656)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>1,879,641,990,348</b>	<b>1,398,661,635,170</b>

*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 three-month period ended 31 March 2020**  
**(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	<b>Three-month period ended</b>	
			<b>31/3/2020</b>	<b>31/3/2019</b>
			<b>VND</b>	<b>VND</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(387,926,108,738)	(677,758,728,707)
Collections on disposals of fixed assets and other long-term assets	22		28,572,651,322	21,601,148,510
Payments for term deposits	23		(1,875,408,172,827)	(492,856,250,615)
Receipts from collecting loans	24		15,592,992,000	709,224,499
Payment for debt instruments of other entities	24		-	(75,558,716,069)
Payments for investments in other entities	25		(8,134,000)	-
Receipts of interest and dividends	27		118,860,284,353	59,192,929,151
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(2,100,316,487,890)</b>	<b>(1,164,670,393,231)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments for repurchase of treasury shares	32		-	(321,638,440)
Proceeds from capital contribution from non-controlling interests	32		-	127,669,500,000
Proceeds from borrowings	33		960,114,694,496	2,476,161,669,254
Payments to settle loan principals	34		(231,397,975,055)	(1,408,133,072,360)
Payments of dividends	36		(1,790,475,448,000)	(1,741,407,855,000)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(1,061,758,728,559)</b>	<b>(546,031,396,546)</b>

*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 three-month period ended 31 March 2020**  
**(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	Three-month period ended	
			31/3/2020 VND	31/3/2019 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50		(1,282,433,226,101)	(312,040,154,607)
Cash and cash equivalents at the beginning of the period	60		2,665,194,638,452	1,522,610,167,671
Effect of exchange rate fluctuations on cash and cash equivalents	61		(152,989,692)	(368,966,499)
Currency translation differences	62		(2,896,555,784)	(1,046,640,253)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61 + 62)	70	V.1	1,379,711,866,875	1,209,154,406,312

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 consolidated interim financial statements*

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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 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.

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



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- 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%.
- 21 October 2017: On 30 September 2017, the Company entered into an agreement to acquire the remaining 3.89% of its equity interest in Thong Nhat Thanh Hoa Limited Company from non-controlling shareholders. The transaction was completed on 21 October 2017.
- 1 November 2017: On 25 October 2017, the Company entered into an agreement to purchase newly issued shares of Khanh Hoa Sugar Joint Stock Company and took 65% equity interest. The transaction was completed on 1 November 2017. From 14 November 2017, Khanh Hoa Sugar Joint Stock Company changed its name to Viet Nam Sugar Joint Stock Company.
- 23 November 2018: In July 2018, the Company entered into an agreement to acquire 51% equity interest of Lao-Jagro Development Xiengkhouang Co., Ltd to develop a high-tech beef – dairy farm complex. The transaction was completed on 23 November 2018. On 29 January 2019 and 7 October 2019, the Company invested VND51,547 million and VND128,899 million, respectively, representing its percentage of equity interest in this entity following the shareholders’ decision. On 1 April 2019, the Company paid VND154,391 million to the former owners according to the Share Purchase Agreement.
- 12 September 2019: On 12 September 2019, the Company received the second revised Oversea Investment Registration Certificate no. 201600140 in which the Company’s investment in its 100% owned subsidiary named Driftwood Dairy Holding Corporation in California, United States increased from USD10 million to USD20 million. As at 30 September 2019, the Company completed the transfer of its investment.
- 19 December 2019: The Company completed its acquisitions of 75% of equity interest of GTNFoods Joint Stock Company through various acquisition transactions.

## **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;

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- 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;
- Retail sugar, milk and products from milk, bread, jam, candy and products processed from cereal, flour, starch and other food;
- Retail alcoholic drinks, non-alcoholic drinks (carbonated and non-carbonated soft drinks), natural mineral water, low-alcoholic or non-alcoholic wine and beer;
- Manufacture and trade products from tea and wine; and
- Manufacture, breed, process and trade cattle and poultry products and premix products for livestock.

**3. Normal operating cycle**

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

**4. Group structure**

As at 31 March 2020, the Group 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
<b>Directly owned subsidiaries</b>				
▪ Vietnam Dairy Cow One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Dairy cow raising	100.00%	100.00%
▪ Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province	Milk production and cattle raising	100.00%	100.00%
▪ Driftwood Dairy Holding Corporation	No. 10724, Street Lower Azusa and El Monte Boulevards Intersection, California 91731-1390, United States	Milk production	100.00%	100.00%

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Name	Location	Principal activities	Economic interest	
			31/3/2020	1/1/2020
▪ 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 Spółstka 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%
▪ 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 <sup>th</sup> 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%
<b>Indirectly owned subsidiaries through GTNFoods Joint Stock Company</b>				
▪ 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%

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**(b) Associates**

Name	Location	Principal activities	Economic interest	
			31/3/2020	1/1/2020
<b>Directly owned associates</b>				
▪ 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

**(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.

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- 7/ Binh Dinh Dairy Factory – 87 Hoang Van Thu, Quang Trung Ward, Quy Nhon City, Binh Dinh Province.
- 8/ Vietnam Beverage Factory – My Phuoc II Industrial Park, Binh Duong Province.
- 9/ Tien Son Dairy Factory – Tien Son Industrial Park, Bac Ninh Province.
- 10/ Da Nang Dairy Factory – Hoa Khanh Industrial Park, Da Nang City.
- 11/ Vietnam Powdered Milk Factory – 9 Tu Do Boulevard - Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province.
- 12/ Vietnam Dairy Factory – My Phuoc II Industrial Park, Binh Duong Province.
- 13/ Lam Son Dairy Factory – Le Mon Industrial Zone, Thanh Hoa City, Thanh Hoa Province.

***Warehouses:***

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

***Clinic:***

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

***Raw milk center:***

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

As at 31 March 2020, the Group had 9,485 employees (1/1/2020: 9,483 employees).

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

### **1. 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 interim financial statement presentation purpose.

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**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 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.

**(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.

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**(c) Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of income. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the consolidated 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.

**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.

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Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the 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 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.

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.



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

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

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

**(c) Loans receivable**

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

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

Investment in equity instruments of other entities 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.

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**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	2 – 12 years
▪ livestock	6 years
▪ others	3 – 20 years

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**8. 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;
- 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; and
- land lease right acquired through business combination.

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

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

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

**(b) Trademark**

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

**(c) Raw material area**

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

**(d) Software**

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

**(e) Others**

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

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**9. Investment property**

**(a) Cost**

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair and maintenance, is charged to the consolidated statement of income in the 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 | 13 – 50 years |
| ▪ infrastructure                | 8 – 10 years  |
| ▪ buildings                     | 6 – 50 years  |

Indefinite life land use rights are not amortised.

**10. Construction in progress**

Construction in progress represents the costs of 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.

**11. Prepaid expenses**

**(a) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under 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.

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**(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.

**12. 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.

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

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

**13. Trade and other payables**

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

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

**14. Accrued expenses**

Accrued expenses include those made for goods, services received from suppliers in the 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.

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**15. Provisions**

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

***Severance allowance***

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

**16. Share capital**

**(a) Ordinary shares**

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

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

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.

**17. 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.

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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.

**18. Revenue and other income**

**(a) Goods sold**

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

**(b) Services rendered**

Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the end of the 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.

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

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

**19. Revenue deductions**

Revenue deductions 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.

**20. 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.

**21. Operating lease payments**

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

**22. 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.

**23. Dividend distribution**

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

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



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**24. 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.

**25. Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company (after appropriation to bonus and welfare fund for the annual accounting period) by the weighted average number of ordinary shares outstanding during the 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.

**26. Segment reporting**

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

**27. Related parties**

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

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

**1. Cash and cash equivalents**

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	2,164,383,648	2,104,240,925
Cash in bank	1,026,247,483,227	2,376,479,523,730
Cash equivalents	351,300,000,000	286,610,873,797
	<b>1,379,711,866,875</b>	<b>2,665,194,638,452</b>

**2. Allowance for doubtful debts**

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

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	(16,794,705,625)	(11,263,181,092)
Increase in allowance during the period	(698,040,000)	(694,800,000)
Allowance used during the period	88,150,585	1,639,980,084
Currency translation differences	(97,377,957)	(3,668,423)
<b>Closing balance</b>	<b>(17,501,972,997)</b>	<b>(10,321,669,431)</b>

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**3. Other receivables**

**(a) Other short-term receivables**

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits and dividends	431,502,856,688	294,654,536,498
Receivables from employees	4,171,569,406	1,439,352,746
Advances to employees	48,429,043,580	46,455,711,459
Short-term deposits	9,598,614,060	8,068,620,202
Import tax refundable	1,146,677,292	947,730,977
Rebate income receivable from suppliers	57,184,942,499	16,220,762,319
Others	29,612,559,415	70,480,803,703
	<b>581,646,262,940</b>	<b>438,267,517,904</b>

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

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Collateral and deposits	14,903,962,895	16,119,656,995
Others	4,505,000,000	4,505,000,000
	<b>19,408,962,895</b>	<b>20,624,656,995</b>

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**4. Investments**

**(a) Trading securities**

	<b>31/3/2020</b>			<b>1/1/2020</b>		
	<b>Carrying amount VND</b>	<b>Fair value VND</b>	<b>Allowance for diminution in value VND</b>	<b>Carrying amount VND</b>	<b>Fair value VND</b>	<b>Allowance for diminution in value VND</b>
Short-term investments in shares	1,148,118,350	293,715,690	(854,402,660)	1,153,041,048	312,492,361	(840,586,787)

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

	<b>Note</b>	<b>31/3/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Held-to-maturity investments – short-term			
▪ term deposits	(*)	14,369,994,892,840	12,435,431,874,703
<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).

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**(c) Investments in other entities**

	% of equity owned and voting rights	31/3/2020			1/1/2020			
		Cost VND	Fair value VND	Allowance for diminution in value VND	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND
<b>Investment in associates</b>								
▪ Miraka Holdings Limited	22.81%	358,691,371,700	(*)	-	22.81%	368,041,190,003	(*)	-
▪ APIS Corporation	20.00%	28,570,276,082	(*)	-	20.00%	27,129,550,095	(*)	-
▪ Asia Coconut Processing Joint Stock Company	25.00%	80,967,546,265	(*)	-	25.00%	83,857,374,574	(*)	-
▪ Indirectly owned associates through GTNFoods Joint Stock Company		210,363,901,639	(*)	-		209,084,472,387	(*)	-
		678,593,095,686		-		688,112,587,059		-
<b>Equity investment in other entities</b>								
▪ Asia Saigon Food Ingredients Joint Stock Company	14.71%	69,261,607,154	(*)	-	14.71%	69,261,607,154	(*)	-
▪ An Khang Clinic – Pharmacy		300,000,000	(*)	-		300,000,000	(*)	-
▪ Others		34,997,217,058	(*)	(10,216,135,257)		34,975,403,058	(*)	(5,973,306,842)
		104,558,824,212		(10,216,135,257)		104,537,010,212		(5,973,306,842)
		<b>783,151,919,898</b>		<b>(10,216,135,257)</b>		<b>792,649,597,271</b>		<b>(5,973,306,842)</b>

(\*) 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.

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

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	688,112,587,059	497,498,739,617
Share of loss in associates	(11,789,710,907)	(12,607,699,916)
Other increases	2,270,219,534	-
<b>Closing balance</b>	<b>678,593,095,686</b>	<b>484,891,039,701</b>

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

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	(840,586,787)	(605,728,258)
Currency translation differences	(13,815,873)	(392,565)
<b>Closing balance</b>	<b>(854,402,660)</b>	<b>(606,120,823)</b>

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

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	(5,973,306,842)	(921,571,652)
Other increases	(4,242,828,415)	-
<b>Closing balance</b>	<b>(10,216,135,257)</b>	<b>(921,571,652)</b>

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**5. Inventories**

	<b>31/3/2020</b>		<b>1/1/2020</b>	
	<b>Cost VND</b>	<b>Allowance VND</b>	<b>Cost VND</b>	<b>Allowance VND</b>
Goods in transit	770,549,048,662	-	749,979,994,029	-
Raw materials	3,139,937,447,989	(6,295,482,141)	2,661,481,393,725	(10,038,265,185)
Tools and supplies	43,995,599,719	-	36,772,262,332	-
Work in progress	240,058,391,984	-	170,681,379,523	-
Finished goods	1,504,036,279,181	(3,721,005,993)	1,340,143,116,595	(3,032,130,876)
Merchandise inventories	36,639,261,631	(149,759,317)	29,311,606,981	-
Goods on consignment	8,743,621,628	-	7,745,046,793	-
	<b>5,743,959,650,794 (10,166,247,451)</b>		<b>4,996,114,799,978 (13,070,396,061)</b>	

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

	<b>Three-month period ended</b>	
	<b>31/3/2020 VND</b>	<b>31/3/2019 VND</b>
Opening balance	(13,070,396,061)	(12,458,389,626)
Increase in allowance during the period	(4,904,206,127)	(13,005,523,440)
Written back	4,598,331,356	8,793,618,181
Allowance used during the period	3,210,023,381	26,008,968
<b>Closing balance</b>	<b>(10,166,247,451)</b>	<b>(16,644,285,917)</b>



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**6. Tangible fixed assets**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Livestock VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Cost</b>							
Opening balance	5,219,430,942,320	17,817,352,159,485	1,217,353,397,778	704,976,051,847	1,248,752,246,495	19,571,356,324	26,227,436,154,249
Additions	12,326,415,692	68,095,760,429	12,693,397,524	3,273,448,995	-	-	96,389,022,640
Transfer from construction in progress	21,401,522,845	54,512,356,564	1,471,074,904	114,000,000	-	-	77,498,954,313
Transfer from inventories	-	-	-	-	100,009,768,123	-	100,009,768,123
Reclassification	2,689,734,274	7,095,468,524	-	(9,785,202,798)	-	-	-
Disposals	(2,546,459,253)	(17,533,889,548)	(3,031,247,589)	(1,511,109,380)	(62,112,883,485)	-	(86,735,589,255)
Other decreases	-	-	-	-	(218,155,098)	-	(218,155,098)
Currency translation differences	3,128,309,912	15,067,368,722	1,267,442,199	445,049,426	1,195,398,515	15,480,592	21,119,049,366
<b>Closing balance</b>	<b>5,256,430,465,790</b>	<b>17,944,589,224,176</b>	<b>1,229,754,064,816</b>	<b>697,512,238,090</b>	<b>1,287,626,374,550</b>	<b>19,586,836,916</b>	<b>26,435,499,204,338</b>
<b>Accumulated depreciation</b>							
Opening balance	1,919,973,990,771	8,980,673,313,432	661,654,957,104	505,765,713,054	408,560,151,566	6,898,409,721	12,483,526,535,648
Charge for the period	67,957,621,878	372,121,479,530	33,889,721,780	13,449,791,682	52,829,132,025	194,329,665	540,442,076,560
Reclassification	1,013,131,341	4,998,325,599	288,230,960	(6,299,687,900)	-	-	-
Disposals	(1,788,625,312)	(16,219,861,322)	(1,402,698,356)	(1,511,109,380)	(29,195,761,433)	-	(50,118,055,803)
Other decreases	-	-	-	-	(68,419,016)	-	(68,419,016)
Currency translation differences	1,198,051,716	8,763,863,300	806,547,561	347,109,673	577,309,942	(6,591,084)	11,686,291,108
<b>Closing balance</b>	<b>1,988,354,170,394</b>	<b>9,350,337,120,539</b>	<b>695,236,759,049</b>	<b>511,751,817,129</b>	<b>432,702,413,084</b>	<b>7,086,148,302</b>	<b>12,985,468,428,497</b>
<b>Net book value</b>							
Opening balance	3,299,456,951,549	8,836,678,846,053	555,698,440,674	199,210,338,793	840,192,094,929	12,672,946,603	13,743,909,618,601
Closing balance	3,268,076,295,396	8,594,252,103,637	534,517,305,767	185,760,420,961	854,923,961,466	12,500,688,614	13,450,030,775,841

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Included in the cost of tangible fixed assets were assets costing VND3,860,511 million which were fully depreciated as at 31 March 2020 (1/1/2020: VND3,784,674 million), but which are still in active use.

**7. Intangible fixed assets**

	<b>Land use rights VND</b>	<b>Trademark VND</b>	<b>Raw material area VND</b>	<b>Software VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Cost</b>						
Opening balance	683,056,767,164	276,413,594,392	164,964,058,635	123,060,162,544	50,170,400,000	1,297,664,982,735
Currency translation differences	3,501,590,951	-	-	30,772,400	824,600,000	4,356,963,351
Closing balance	686,558,358,115	276,413,594,392	164,964,058,635	123,090,934,944	50,995,000,000	1,302,021,946,086
<b>Accumulated amortisation</b>						
Opening balance	18,541,632,958	-	-	95,506,351,675	33,986,400,000	148,034,384,633
Charge for the period	3,934,321,343	4,064,905,800	2,749,400,977	3,093,692,705	-	13,842,320,825
Currency translation differences	-	-	-	26,070,162	558,600,000	584,670,162
Closing balance	22,475,954,301	4,064,905,800	2,749,400,977	98,626,114,542	34,545,000,000	162,461,375,620
<b>Net book value</b>						
Opening balance	664,515,134,206	276,413,594,392	164,964,058,635	27,553,810,869	16,184,000,000	1,149,630,598,102
Closing balance	664,082,403,814	272,348,688,592	162,214,657,658	24,464,820,402	16,450,000,000	1,139,560,570,466

Included in the cost of intangible fixed assets were assets costing VND57,124 million which were fully amortised as at 31 March 2020 (1/1/2020: VND56,267 million), but which are still in use.

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**8. Investment property**

	<b>Land use rights VND</b>	<b>Infrastructure VND</b>	<b>Buildings VND</b>	<b>Total VND</b>
<b>Cost</b>				
Opening and closing balances	39,821,793,375	469,928,364	41,189,549,705	81,481,271,444
<b>Accumulated depreciation</b>				
Opening balance	5,476,584,047	469,928,364	13,516,642,297	19,463,154,708
Charge for the period	216,418,173	-	336,090,567	552,508,740
Closing balance	5,693,002,220	469,928,364	13,852,732,864	20,015,663,448
<b>Net book value</b>				
Opening balance	34,345,209,328	-	27,672,907,408	62,018,116,736
Closing balance	34,128,791,155	-	27,336,816,841	61,465,607,996

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

At the reporting date, the Group has not determined fair values of investment property held to earn rental for disclosure in the consolidated 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.

**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.

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**10. Construction in progress**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	694,211,658,507	653,847,678,004
Additions	206,840,118,957	373,825,043,302
Transfer to tangible fixed assets	(77,498,954,313)	(98,032,222,629)
Transfer to intangible fixed assets	-	(468,870,000)
Transfer to inventories	(422,888,199)	(652,672,087)
Transfer to short-term prepaid expenses	-	(12,786,614,038)
Transfer to long-term prepaid expenses	(1,009,725,140)	(14,147,727,129)
Disposal	(1,295,949,599)	(204,792,536)
Other decreases	(5,209,128,467)	(6,765,854,827)
Currency translation differences	1,839,906,318	35,528,093
<b>Closing balance</b>	<b>817,455,038,064</b>	<b>894,649,496,153</b>

Major constructions in progress were as follows:

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	401,451,354,357	334,702,066,025
Vietnam Dairy Cow One Member Limited Company	176,053,244,873	133,837,220,407
Others	239,950,438,834	225,672,372,075
	<b>817,455,038,064</b>	<b>694,211,658,507</b>

**11. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Software deployment and networks maintenance	24,941,499,684	9,572,209,173
Advertising	5,116,982,981	9,658,640,649
Operating lease	6,543,654,354	5,626,854,948
Tools and supplies	13,354,743,525	14,812,274,870
Renovation and repair	7,228,787,762	8,718,925,773
Cows isolated for testing	109,804,866,534	51,960,817
Other short-term prepaid expenses	24,918,338,235	20,193,475,608
	<b>191,908,873,075</b>	<b>68,634,341,838</b>

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

	<b>Prepaid land costs VND</b>	<b>Tools and instruments VND</b>	<b>Others VND</b>	<b>Total VND</b>
Opening balance	304,887,582,562	245,659,909,842	128,082,987,465	678,630,479,869
Additions	1,535,411,900	51,768,656,954	3,959,929,289	57,263,998,143
Transfer from construction in progress	-	1,009,725,140	-	1,009,725,140
Amortisation for the period	(2,030,815,741)	(39,051,498,545)	(16,563,009,240)	(57,645,323,526)
Reclassification	-	(6,823,239,850)	6,823,239,850	-
Other decreases	(1,835,219,119)	-	(3,989,239)	(1,839,208,358)
Currency translation differences	525,887,360	334,167,092	11,392,565	871,447,017
<b>Closing balance</b>	<b>303,082,846,962</b>	<b>252,897,720,633</b>	<b>122,310,550,690</b>	<b>678,291,118,285</b>

**12. Deferred tax assets and liabilities**

**(a) Deferred tax assets**

	<b>31/3/2020 VND</b>	<b>1/1/2020 VND</b>
Deferred tax assets		
Foreign exchange differences	2,503,031,839	3,257,402,544
Accrued expenses and provisions	1,142,195,914	23,109,878,308
<b>Net deferred tax assets</b>	<b>3,645,227,753</b>	<b>26,367,280,852</b>

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**(b) Deferred tax liabilities**

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Deferred tax assets		
Accounts receivable	1,524,445,000	1,526,659,840
Inventories	852,580,000	909,887,600
Tax losses carry forwards	41,960,895,000	29,950,457,200
Accrued expenses	5,511,149,500	6,864,189,280
Others	3,781,502,500	2,854,973,200
	<hr/>	<hr/>
Total deferred tax assets	53,630,572,000	42,106,167,120
	<hr/>	<hr/>
Deferred tax liabilities		
Fixed assets	(399,493,455,262)	(392,607,456,097)
Others	(24,827,045,000)	(24,425,586,400)
	<hr/>	<hr/>
Total deferred tax liabilities	(424,320,500,262)	(417,033,042,497)
	<hr/>	<hr/>
<b>Net deferred tax liabilities</b>	<b>(370,689,928,262)</b>	<b>(374,926,875,377)</b>

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

**13. Goodwill**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	2,366,060,103,995	538,340,102,319
Charge for the period	(67,364,700,041)	(16,987,979,595)
	<hr/>	<hr/>
<b>Closing balance</b>	<b>2,298,695,403,954</b>	<b>521,352,122,724</b>

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**14. 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	3,258,270,354,942	3,258,270,354,942	3,339,215,425,069	3,339,215,425,069
	<b>3,981,497,996,603</b>	<b>3,981,497,996,603</b>	<b>3,648,445,576,699</b>	<b>3,648,445,576,699</b>

**(b) Accounts payable to related parties**

	31/3/2020 VND	1/1/2020 VND
<b>Associates</b>		
APIS Corporation	18,109,760,200	12,362,064,763
Asia Coconut Processing Joint Stock Company	1,707,887,817	1,776,358,247
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.

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**15. Borrowings**

**(a) Short-term borrowings**

	<b>1/1/2020 VND</b>	<b>Incurred VND</b>	<b>Paid VND</b>	<b>Foreign exchange differences VND</b>	<b>Currency translation differences VND</b>	<b>31/3/2020 VND</b>
Short-term borrowings	5,330,653,260,191	973,976,623,871	(240,024,604,430)	61,744,000,000	2,307,663,164	6,128,656,942,796
Current portion of long-term borrowings	20,808,000,000	5,235,300,000	(5,235,300,000)	-	342,000,000	21,150,000,000
	<b>5,351,461,260,191</b>	<b>979,211,923,871</b>	<b>(245,259,904,430)</b>	<b>61,744,000,000</b>	<b>2,649,663,164</b>	<b>6,149,806,942,796</b>

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

<b>Lenders</b>	<b>Note</b>	<b>Currency</b>	<b>Annual interest rate</b>	<b>31/3/2020 VND</b>	<b>1/1/2020 VND</b>
The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch	(i)	USD	1.41% – 2.36%	3,359,720,000,000	2,554,200,000,000
Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch	(i)	USD	2.70%	2,320,900,000,000	2,320,900,000,000
HSBC Bank (Vietnam) Limited, Ho Chi Minh City Branch	(ii)	VND	4.90% – 5.68%	241,824,293,467	159,981,006,412
HSBC Bank USA	(iii)	USD	2.46%	142,710,748,300	140,403,085,136
Joint Stock Commercial Bank for Investment and Development of Vietnam, Khanh Hoa Branch	(iv)	VND	6.50%	63,501,901,029	155,169,168,643
				<b>6,128,656,942,796</b>	<b>5,330,653,260,191</b>



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- (i) These borrowings were unsecured.
- (ii) These borrowings were secured by inventories with amount of VND250,000 million as at 31 March 2020 (1/1/2020: VND160,000 million).
- (iii) This borrowing was secured by assets with carrying amount of VND956,810 million as at 31 March 2020 (1/1/2020: VND750,071 million).
- (iv) These borrowings were secured by fixed assets with carrying amount of VND224,471 million as at 31 March 2020 (1/1/2020: VND229,928 million).

**(b) Long-term borrowings**

	<b>1/1/2020 VND</b>	<b>Incurred VND</b>	<b>Reclassified</b>	<b>Paid VND</b>	<b>Currency translation differences VND</b>	<b>31/3/2020 VND</b>
Long-term borrowings	143,800,982,893	-	(5,235,300,000)	-	2,227,800,000	140,793,482,893
Current portion of long-term borrowings	(20,808,000,000)	(5,235,300,000)	-	5,235,300,000	(342,000,000)	(21,150,000,000)
	<b>122,992,982,893</b>	<b>(5,235,300,000)</b>	<b>(5,235,300,000)</b>	<b>5,235,300,000</b>	<b>1,885,800,000</b>	<b>119,643,482,893</b>

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

<b>Lenders</b>	<b>Note</b>	<b>Currency</b>	<b>Annual interest rate</b>	<b>Year of maturity</b>	<b>31/3/2020 VND</b>	<b>1/1/2020 VND</b>
HSBC Bank USA	(i)	USD	4.11%	2022	135,712,500,000	138,720,000,000
Individuals	(ii)	VND	5.40%	2039	5,080,982,893	5,080,982,893
					<b>140,793,482,893</b>	<b>143,800,982,893</b>

(i) This borrowing was secured by assets with carrying amount of VND956,810 million as at 31 March 2020 (1/1/2020: VND750,071 million).

(ii) These borrowings were unsecured.

**16. Taxes payable to State Treasury**

	<b>1/1/2020 VND</b>	<b>Incurred VND</b>	<b>Paid VND</b>	<b>Currency translation differences VND</b>	<b>31/3/2020 VND</b>
Value added tax	142,973,049,479	609,279,167,973	(535,130,541,548)	142,860,061	217,264,535,965
Corporate income tax	448,267,946,159	564,338,684,243	(466,046,765,343)	(33,987,868)	546,525,877,191
Personal income tax	15,098,503,826	195,095,626,566	(198,512,380,192)	6,186,017	11,687,936,217
Import tax	9,010,997,736	36,424,728,328	(30,764,342,297)	29,919,347	14,701,303,114
Other taxes	4,043,168,650	8,648,137,855	(9,300,914,326)	23,059,399	3,413,451,578
	<b>619,393,665,850</b>	<b>1,413,786,344,965</b>	<b>(1,239,754,943,706)</b>	<b>168,036,956</b>	<b>793,593,104,065</b>

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**17. Accrued expenses**

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Sale incentives and promotion	722,175,305,630	772,113,174,851
Advertising expenses	307,586,615,852	528,630,512,164
Interest expense	106,588,461,693	111,732,978,978
Transportation expenses	74,708,058,003	80,462,406,538
Repair and maintenance expenses	33,667,857,085	27,555,234,704
Expenses for outsourced employees	40,831,474,440	75,439,919,727
Rental fees	18,647,733,448	11,421,374,844
Fuel expenses	15,450,915,899	9,088,689,260
Others	203,033,512,877	121,877,617,778
	<b>1,522,689,934,927</b>	<b>1,738,321,908,844</b>

**18. Other short-term payables**

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Short-term deposits received	23,789,834,919	23,018,045,907
Insurance and trade union fees	13,197,089,314	6,257,352,031
Mutual fund collected and managed on behalf of farmers	51,057,607,600	53,845,326,860
Dividend payables	-	1,790,475,448,000
Others	95,688,637,950	82,768,226,030
	<b>183,733,169,783</b>	<b>1,956,364,398,828</b>

**19. Provision**

	<b>31/3/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Provision for severance allowance (*)	4,100,257,380	5,223,048,135
Provision for regular fixed assets maintenance	3,192,164,391	1,680,238,911
Others	1,145,598,720	1,145,598,720
	<b>8,438,020,491</b>	<b>8,048,885,766</b>

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

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	5,223,048,135	7,014,989,703
Increase in provision during the period	-	95,030,248
Provision used during the period	(1,122,790,755)	(1,031,277,750)
<b>Closing balance</b>	<b>4,100,257,380</b>	<b>6,078,742,201</b>

**20. Bonus and welfare fund**

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

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

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	633,936,556,611	507,013,437,050
Appropriation	281,008,155,510	262,635,304,389
Utilisation	(653,751,665,303)	(546,449,283,276)
<b>Closing balance</b>	<b>261,193,046,818</b>	<b>223,199,458,163</b>

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**21. Changes in owners' equity**

	Share capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
<b>As at 1 January 2019</b>	<b>17,416,877,930,000</b>	<b>(10,485,707,360)</b>	<b>27,635,831,784</b>	<b>1,191,672,373,593</b>	<b>7,155,434,314,256</b>	<b>490,234,549,654</b>	<b>26,271,369,291,927</b>
Capital contribution	-	-	-	-	-	127,669,500,000	127,669,500,000
Purchase of treasury shares	-	(321,638,440)	-	-	-	-	(321,638,440)
Net profit for the period	-	-	-	-	2,790,729,116,151	6,651,782,739	2,797,380,898,890
Appropriation to equity funds	-	-	-	258,257,312,119	(258,257,312,119)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	(262,635,304,389)	-	(262,635,304,389)
Other increases/(decreases)	-	-	-	-	26,276,250,000	(35,791,467,980)	(9,515,217,980)
Currency translation differences	-	-	(716,706,515)	-	-	-	(716,706,515)
<b>As at 1 April 2019</b>	<b>17,416,877,930,000</b>	<b>(10,807,345,800)</b>	<b>26,919,125,269</b>	<b>1,449,929,685,712</b>	<b>9,451,547,063,899</b>	<b>588,764,364,413</b>	<b>28,923,230,823,493</b>
Increase from business acquisition	-	-	-	-	-	1,544,159,444,895	1,544,159,444,895
Capital contribution	-	-	-	-	-	127,768,725,000	127,768,725,000
Purchase of treasury shares	-	(837,610,320)	-	-	-	-	(837,610,320)
Net profit for the period	-	-	-	-	7,790,446,555,838	(33,495,573,837)	7,756,950,982,001
Appropriation to equity funds	-	-	-	750,258,687,483	(750,258,687,483)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	(780,051,920,826)	-	(780,051,920,826)
Dividends	-	-	-	-	(7,836,220,609,504)	-	(7,836,220,609,504)
Currency translation differences	-	-	(3,744,630,375)	-	-	-	(3,744,630,375)
<b>As at 1 January 2020</b>	<b>17,416,877,930,000</b>	<b>(11,644,956,120)</b>	<b>23,174,494,894</b>	<b>2,200,188,373,195</b>	<b>7,875,462,401,924</b>	<b>2,227,196,960,471</b>	<b>29,731,255,204,364</b>

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

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

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	<b>Share capital VND</b>	<b>Treasury shares VND</b>	<b>Foreign exchange differences VND</b>	<b>Investment and development fund VND</b>	<b>Retained profits VND</b>	<b>Non-controlling interest VND</b>	<b>Total VND</b>
<b>As at 1 January 2020</b>	<b>17,416,877,930,000</b>	<b>(11,644,956,120)</b>	<b>23,174,494,894</b>	<b>2,200,188,373,195</b>	<b>7,875,462,401,924</b>	<b>2,227,196,960,471</b>	<b>29,731,255,204,364</b>
Net profit for the period	-	-	-	-	2,764,911,978,211	11,894,581,116	2,776,806,559,327
Appropriation to equity funds	-	-	-	269,611,995,633	(269,611,995,633)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	(279,771,747,811)	(1,236,407,699)	(281,008,155,510)
Other decreases	-	-	-	-	-	(1,569,667,453)	(1,569,667,453)
Currency translation differences	-	-	21,280,095,194	-	-	-	21,280,095,194
<b>As at 31 March 2020</b>	<b>17,416,877,930,000</b>	<b>(11,644,956,120)</b>	<b>44,454,590,088</b>	<b>2,469,800,368,828</b>	<b>10,090,990,636,691</b>	<b>2,236,285,466,435</b>	<b>32,246,764,035,922</b>

**Vietnam Dairy Products Joint Stock Company and its subsidiaries**  
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**22. Share capital**

The Company's authorised and issued share capital are:

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

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

**Dairy Products Joint Stock Company and its subsidiaries**  
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**23. Off balance sheet items**

**Foreign currencies**

	31/3/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
▪ USD	3,670,663.96	86,260,603,060	18,849,582.01	427,479,136,071
▪ EUR	233,673.24	5,990,641,129	1,070.24	27,562,961
		<b>92,251,244,189</b>		<b>427,506,699,032</b>

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

**1. Revenue from sales of goods and provision of services**

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

Net revenue comprised:

	Three-month period ended	
	31/3/2020 VND	31/3/2019 VND
Total revenue		
▪ Sales of finished goods	13,783,592,824,945	12,656,594,028,567
▪ Sales of merchandise goods	344,216,960,000	494,356,533,719
▪ Other services	10,443,561,772	11,471,614,996
▪ Rental income from investment property	2,335,604,727	3,667,606,654
▪ Others	65,603,074,619	63,994,930,961
	<b>14,206,192,026,063</b>	<b>13,230,084,714,897</b>
Less revenue deductions		
▪ Sale discounts	40,369,882,018	34,725,731,146
▪ Sale returns	12,722,190,470	6,058,695,944
	<b>53,092,072,488</b>	<b>40,784,427,090</b>
<b>Net revenue</b>	<b>14,153,099,953,575</b>	<b>13,189,300,287,807</b>



**Dairy Products Joint Stock Company and its subsidiaries**  
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In which revenue from sales to a related party was as follows:

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Associate</b>		
APIS Corporation	83,381,250	66,455,000

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**2. Cost of sales**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Finished goods sold	7,120,226,804,414	6,510,596,267,272
▪ Merchandise goods sold	318,652,735,888	417,163,164,580
▪ Costs of promotional goods	42,716,235,281	53,793,946,253
▪ Operating costs of investment property	552,508,740	2,123,178,113
▪ Other services	1,155,276,812	794,753,648
▪ Increase of allowance for inventories	305,874,771	4,211,905,259
▪ Expenses over normal capacity	6,329,002,161	-
▪ Other cost of sales	57,349,907,583	45,614,563,129
	<b>7,547,288,345,650</b>	<b>7,034,297,778,254</b>

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**3. Financial income**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits	255,137,878,636	163,456,482,838
Foreign exchange gains	18,456,068,897	8,677,357,133
Dividends	71,422,770	6,592,031
Others	11,214,311,972	4,146,927,585
	<b>284,879,682,275</b>	<b>176,287,359,587</b>

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**Dairy Products Joint Stock Company and its subsidiaries**  
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**4. Financial expenses**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Interest expense on borrowings	42,061,538,321	19,835,521,940
Interest expense on deposits received	60,124,056	82,223,767
Foreign exchange losses	75,732,261,724	5,773,555,838
Payment discounts for customers	4,552,294,271	3,023,588,482
Others	22,510,029	53,307,604
	<b>122,428,728,401</b>	<b>28,768,197,631</b>

**5. Selling expenses**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Staff costs	182,661,549,435	169,224,519,374
Materials expenses	12,851,315,660	11,525,352,781
Tools and supplies expenses	19,248,607,071	24,833,770,416
Depreciation expenses	34,080,916,799	9,260,692,957
Expenses of damaged goods	8,056,227,929	9,223,220,660
Transportation expenses	150,811,943,831	141,191,089,611
Outside service expenses	149,983,129,186	108,743,802,090
Advertising and market research expenses	344,437,845,096	322,786,247,413
Promotion, product display expenses, support and commission expenses for distributors	2,102,010,209,862	1,873,647,749,433
	<b>3,004,141,744,869</b>	<b>2,670,436,444,735</b>

**Dairy Products Joint Stock Company and its subsidiaries**  
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**6. General and administration expenses**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Staff costs	145,152,611,722	127,526,326,014
Materials expenses	9,755,916,332	4,928,461,966
Office supplies	4,658,133,498	4,782,476,559
Depreciation expenses	24,262,384,087	22,893,938,065
Taxes, fees and duties	4,004,759,579	3,500,357,053
Allowance for doubtful debts and provision for severance allowance	698,040,000	789,830,248
Transportation expenses	8,999,047,456	10,292,070,000
Outside service expenses	74,839,569,524	51,042,099,837
Loading expenses	5,634,822,060	5,408,623,663
Per-diem allowances	10,659,379,519	11,068,362,806
Bank charges	3,138,285,388	3,227,287,288
Others	97,541,436,590	32,782,388,429
	<b>389,344,385,755</b>	<b>278,242,221,928</b>

**7. Other income**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Proceeds from disposals of fixed assets	29,731,699,938	22,556,148,510
Compensations received from other parties	1,979,640,503	2,206,276,915
Tax refunded	-	4,532,009,470
Others	4,960,544,880	13,650,405,250
	<b>36,671,885,321</b>	<b>42,944,840,145</b>

**Dairy Products Joint Stock Company and its subsidiaries**  
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**8. Other expenses**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Book value of fixed assets disposed	36,617,533,452	35,150,033,971
Expense incurred relating to disposal of fixed assets	1,159,074,400	955,000,000
Book value of construction in progress disposed	1,295,949,599	204,792,536
Others	2,327,045,160	5,087,454,461
	<b>41,399,602,611</b>	<b>41,397,280,968</b>

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

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Raw material costs included in production costs	6,306,859,197,436	5,412,681,484,355
Labour costs and staff costs	698,384,761,719	601,496,525,403
Depreciation and amortisation	552,542,375,541	471,141,042,576
Outside services	705,443,838,408	545,165,033,514
Other expenses	2,735,439,900,772	2,390,222,374,517

**Dairy Products Joint Stock Company and its subsidiaries**  
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**10. Income tax**

**(a) Recognised in the consolidated interim statement of income**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>	564,338,684,243	522,861,656,123
<i>In which: (decrease)/increase of current tax expenses relating to taxable income of prior periods</i>	<i>(2,442,466,808)</i>	<i>16,027,372,054</i>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	17,113,759,408	22,540,309,094
<b>Income tax expense</b>	<b>581,452,443,651</b>	<b>545,401,965,217</b>

**(b) Reconciliation of effective tax rate**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	3,358,259,002,978	3,342,782,864,107
Tax at the Company's tax rate	671,651,800,596	668,556,572,821
Tax rate differential applied to Company's subsidiaries, branches and factories	(19,805,220,096)	(15,991,448,559)
Tax exempt income	(14,284,554)	(1,318,406)
Non-deductible expenses	4,028,734,807	3,312,795,930
Tax incentives	(91,174,995,705)	(107,042,858,648)
Deferred tax assets not previously recognised	19,208,875,411	(19,459,149,975)
(Decrease)/increase of current tax expenses relating to taxable income of prior periods	(2,442,466,808)	16,027,372,054
	<b>581,452,443,651</b>	<b>545,401,965,217</b>

**(c) Applicable tax rates**

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

**Dairy Products Joint Stock Company and its subsidiaries**  
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**11. Basic earnings per share**

The calculation of earnings per share for the three-month period ended 31 March 2020 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**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>VND</b>	<b>VND</b>
Net profit for the period – attributable to ordinary shareholders before appropriation to bonus and welfare fund	2,764,911,978,211	2,790,729,116,151
Appropriation to bonus and welfare fund	(279,771,747,811)	(262,635,304,389)
<b>Net profit for the period attributable to ordinary shareholders after appropriation to bonus and welfare fund</b>	<b>2,485,140,230,400</b>	<b>2,528,093,811,762</b>

**(b) Weighted average number of ordinary shares**

	<b>Three-month period ended</b>	
	<b>31/3/2020</b>	<b>31/3/2019</b>
	<b>Number of shares</b>	<b>Number of shares</b>
Issued ordinary shares at the beginning of the period	1,741,377,694	1,741,411,583
Effect of treasury shares repurchased during the period	-	(3,314)
<b>Weighted average number of ordinary shares</b>	<b>1,741,377,694</b>	<b>1,741,408,269</b>

As at 31 March 2020, the Group did not have potentially dilutive ordinary shares.

**Dairy Products Joint Stock Company and its subsidiaries**  
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**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	Three-month period ended	
			31/3/2020 VND	31/3/2019 VND
Miraka Holdings Limited	Associate	Purchases of goods	71,979,909,120	-
APIS Corporation	Associate	Purchases of goods	48,421,928,450	26,632,909,053
Asia Coconut Processing Joint Stock Company	Associate	Purchases of services	6,009,995,184	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	58,644,906,897	58,644,906,897

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

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

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**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	
	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	12,092,356,618,338	11,211,959,762,772	2,060,743,335,237	1,977,340,525,035	14,153,099,953,575	13,189,300,287,807
Cost of sales	(6,387,943,230,719)	(5,963,853,953,861)	(1,159,345,114,931)	(1,070,443,824,393)	(7,547,288,345,650)	(7,034,297,778,254)
<b>Segment gross profit</b>	<b>5,704,413,387,619</b>	<b>5,248,105,808,911</b>	<b>901,398,220,306</b>	<b>906,896,700,642</b>	<b>6,605,811,607,925</b>	<b>6,155,002,509,553</b>

29 April 2020

Prepared by:



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

Approved by:



Mai Kieu Lien  
*Chief Executive Officer*