



Vietnam Dairy Products Joint Stock Company

Separate financial statements
for the year ended 31 December 2020



Vietnam Dairy Products Joint Stock Company

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Vietnam Dairy Products Joint Stock Company Corporate Information

Business Registration

Certificate No.	4103001932	20 November 2003
	0300588569	26 October 2020

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 26 October 2020. The business registration certification and its updates were issued by Ho Chi Minh City Planning and Investment Department.

Board of Directors

Mdm. Le Thi Bang Tam	Chairwoman
Mdm. Mai Kieu Lien	Member
Mr. Lee Meng Tat	Member
Ms. Dang Thi Thu Ha	Member
Mr. Le Thanh Liem	Member
Mr. Michael Chye Hin Fah	Member
Mr. Nguyen Ba Duong	Member (until 17 September 2020)
Mr. Do Le Hung	Member
Mr. Alain Xavier Cany	Member
Ms. Nguyen Thi Tham	Member (from 26 June 2020)

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 – Sales
Mr. Le Thanh Liem	Executive Director – Finance
Mr. Phan Minh Tien	Executive Director – Marketing
Ms. Nguyen Thi Thanh Hoa	Executive Director – Supply chain
Mr. Tran Minh Van	Executive Director – Production
Mr. Nguyen Quoc Khanh	Executive Director – Research and Development
Mr. Trinh Quoc Dung	Executive Director – Raw Materials Development

Registered Office

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

Auditor

KPMG Limited
Vietnam

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

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

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

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

The Board of Management is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the unconsolidated financial position of the Company and which enable these separate financial statements to be prepared which comply with Vietnamese Accounting Standard, 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

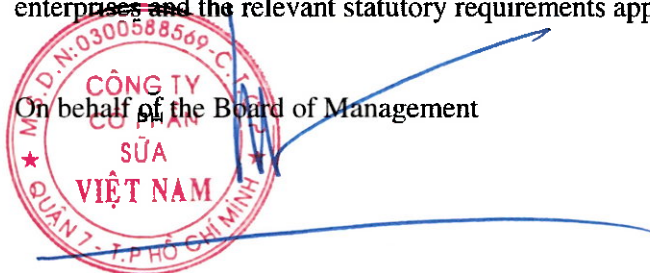
APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying separate financial statements set out on pages 6 to 54, which give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2020, and of the unconsolidated results of operations and unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

On behalf of the Board of Management

Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 1 March 2021



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Vietnam Dairy Products Joint Stock Company

We have audited the accompanying separate financial statements of Vietnam Dairy Products Joint Stock Company ("the Company"), which comprise the separate statement of financial position as at 31 December 2020, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 1 March 2021, as set out on pages 6 to 54.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Vietnam Dairy Products Joint Stock Company as at 31 December 2020 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 18-01-00231-21-19



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2018-007-1
Deputy General Director

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

Ho Chi Minh City, 1 March 2021



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

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		23,931,776,664,071	19,828,855,240,231
Cash and cash equivalents	110	V.1	464,705,252,766	957,162,717,036
Cash	111		464,705,252,766	957,162,717,036
Short-term financial investments	120		15,100,000,000,000	11,100,023,488,016
Trading securities	121		-	23,488,016
Held-to-maturity investments	123	V.4(a)	15,100,000,000,000	11,100,000,000,000
Accounts receivable – short-term	130		4,464,257,444,861	3,809,794,002,288
Accounts receivable from customers	131	V.2(a)	3,784,522,654,190	3,116,906,545,692
Prepayments to suppliers	132		380,200,228,905	409,722,725,814
Other short-term receivables	136	V.3(a)	299,734,281,198	283,304,534,384
Allowance for doubtful debts	137	V.2(b)	(199,719,432)	(139,803,602)
Inventories	140	V.5	3,856,553,157,650	3,876,560,751,360
Inventories	141	V.5	3,876,800,971,692	3,882,519,278,278
Allowance for inventories	149	V.5	(20,247,814,042)	(5,958,526,918)
Other current assets	150		46,260,808,794	85,314,281,531
Short-term prepaid expenses	151	V.10(a)	25,986,284,925	31,700,457,310
Deductible value added tax	152		20,274,523,869	53,613,824,221

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

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Vietnam Dairy Products Joint Stock Company

Separate statement of financial position as at 31 December 2020 (continued)

Form B 01 – DN

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		19,084,600,246,322	19,586,255,455,000
Accounts receivable – long-term	210		5,754,196,695	6,742,857,595
Long-term loans receivable	215		-	545,312,000
Other long-term receivables	216	V.3(b)	5,754,196,695	6,197,545,595
Fixed assets	220		7,638,105,002,753	8,729,549,347,732
Tangible fixed assets	221	V.6	7,576,206,866,426	8,658,937,515,564
Cost	222		16,978,295,307,142	16,824,777,629,185
Accumulated depreciation	223		(9,402,088,440,716)	(8,165,840,113,621)
Intangible fixed assets	227	V.7	61,898,136,327	70,611,832,168
Cost	228		176,146,314,953	175,341,470,053
Accumulated amortisation	229		(114,248,178,626)	(104,729,637,885)
Investment property	230	V.8	59,101,608,904	60,967,035,923
Cost	231		77,501,658,989	77,501,658,989
Accumulated depreciation	232		(18,400,050,085)	(16,534,623,066)
Long-term work in progress	240		172,902,613,971	158,002,285,957
Construction in progress	242	V.9	172,902,613,971	158,002,285,957
Long-term financial investments	250		10,726,805,860,481	10,220,035,050,693
Investments in subsidiaries	251	V.4(b)	10,115,756,530,626	9,609,186,706,638
Investments in associates	252	V.4(b)	400,369,808,669	400,369,808,669
Equity investments in other entities	253	V.4(b)	18,300,000,000	18,300,000,000
Allowance for diminution in the value of long-term financial investments	254	V.4(b)	(7,620,478,814)	(7,821,464,614)
Held-to-maturity investments	255	V.4(a)	200,000,000,000	200,000,000,000
Other non-current assets	260		481,930,963,518	410,958,877,100
Long-term prepaid expenses	261	V.10(b)	457,076,792,798	387,424,859,768
Deferred tax assets	262	V.11	24,854,170,720	23,534,017,332
TOTAL ASSETS (270 = 100 + 200)	270		43,016,376,910,393	39,415,110,695,231

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

Vietnam Dairy Products Joint Stock Company

Separate statement of financial position as at 31 December 2020 (continued)

Form B 01 – DN

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310)	300		12,911,012,291,043	12,870,779,480,737
Current liabilities	310		12,911,012,291,043	12,870,779,480,737
Accounts payable to suppliers	311	V.12	2,679,418,875,070	3,223,078,473,685
Advances from customers	312		73,056,041,052	55,509,701,261
Taxes payable to State Treasury	313	V.13	648,560,717,153	599,157,184,017
Payables to employees	314		213,466,744,323	174,859,917,864
Accrued expenses	315	V.14	1,782,095,501,876	1,589,775,971,235
Short-term unearned revenue	318		15,927,234,779	2,111,168,658
Other short-term payables	319	V.15	48,155,864,364	1,778,358,243,046
Short-term borrowings	320	V.16	6,960,536,000,000	4,875,100,000,000
Provision – short-term	321	V.17	4,378,163,013	6,334,876,472
Bonus and welfare fund	322	V.18	485,417,149,413	566,493,944,499
EQUITY (400 = 410)	400		30,105,364,619,350	26,544,331,214,494
Owners' equity	410	V.19	30,105,364,619,350	26,544,331,214,494
Share capital	411	V.20	20,899,554,450,000	17,416,877,930,000
Treasury shares	415	V.20	(11,644,956,120)	(11,644,956,120)
Investment and development fund	418		3,270,629,902,672	2,197,757,087,800
Retained profits	421		5,946,825,222,798	6,941,341,152,814
- Retained profits brought forward	421a		846,598,091,814	4,097,346,237,994
- Profit for the current year	421b		5,100,227,130,984	2,843,994,914,820
TOTAL RESOURCES (440 = 300 + 400)	440		43,016,376,910,393	39,415,110,695,231

1 March 2021

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Separate statement of income for the year ended 31 December 2020

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

	Code	Note	2020 VND	2019 VND
Revenue from sales of goods and provision of services	01	VI.1	51,591,632,836,823	50,822,277,571,090
Revenue deductions	02	VI.1	59,640,693,105	50,767,036,640
Net revenue (10 = 01 - 02)	10	VI.1	51,531,992,143,718	50,771,510,534,450
Cost of sales	11	VI.2	26,120,319,280,754	25,736,367,936,729
Gross profit (20 = 10 - 11)	20		25,411,672,862,964	25,035,142,597,721
Financial income	21	VI.3	1,073,060,130,924	773,077,891,495
Financial expenses	22	VI.4	246,959,253,502	130,431,951,674
<i>In which: Interest expense</i>	23		108,283,456,807	71,983,360,977
Selling expenses	25	VI.5	12,362,401,883,240	12,422,237,224,199
General and administration expenses	26	VI.6	912,116,412,115	964,848,126,716
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		12,963,255,445,031	12,290,703,186,627
Other income	31	VI.7	108,033,981,038	118,809,957,905
Other expenses	32	VI.8	75,187,182,376	98,356,079,077
Results of other activities (40 = 31 - 32)	40		32,846,798,662	20,453,878,828
Profit before tax (50 = 30 + 40)	50		12,996,102,243,693	12,311,157,065,455
Income tax expense – current	51	VI.10	2,268,694,248,353	2,217,172,815,691
Income tax (benefits)/expenses – deferred	52	VI.10	(1,320,153,388)	8,824,253,740
Net profit after tax (60 = 50 - 51 - 52)	60		10,728,728,148,728	10,085,159,996,024

1 March 2021

Prepared by:



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for year ended 31 December 2020
(Indirect method)

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

	Code	Note	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		12,996,102,243,693	12,311,157,065,455
Adjustments for				
Depreciation and amortisation	02		1,391,769,975,313	1,347,561,213,895
Allowances and provisions	03		20,168,296,460	(5,959,719,949)
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(1,070,830,403)	6,409,032,532
Gains from disposals of investments	05		-	(1,513,217,384)
Losses on disposals and write off of fixed assets and construction in progress	05		3,280,918,198	6,248,250,428
Dividends and interest income	05		(997,404,726,356)	(702,846,983,082)
Interest expense	06		108,283,456,807	71,983,360,977
Operating profit before changes in working capital	08		13,521,129,333,712	13,033,039,002,872
Change in receivables	09		(603,712,577,272)	557,858,555,937
Change in inventories	10		4,419,413,733	647,726,425,423
Change in payables and other liabilities	11		(16,951,200,769)	191,265,618,099
Change in prepaid expenses	12		(44,935,663,863)	(28,333,100,424)
Change in trading securities	13		23,488,016	(4,480,040,000)
Interest paid	14		(110,218,529,719)	(52,247,802,195)
Income tax paid	15	V.13	(2,244,091,000,963)	(2,025,224,469,158)
Other payments for operating activities	17		(1,158,910,089,673)	(941,387,753,076)
Net cash flows from operating activities	20		9,346,753,173,202	11,378,216,437,478

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



Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the year ended 31 December 2020
(Indirect method – continued)

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

	Code	Note	2020 VND	2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(622,532,071,569)	(1,479,041,601,356)
Collections on disposals of fixed assets	22		57,060,946,819	932,534,017
Payments for term deposits	23		(4,000,000,000,000)	(2,666,000,000,000)
Receipts from collecting loans	24		545,312,000	2,598,197,548
Payments for investments in other entities	25		(506,569,823,988)	(4,279,763,341,926)
Collections on investments in other entities	26		-	6,607,824,873
Receipts of interest and dividends	27		979,391,986,629	651,733,478,997
Net cash flows from investing activities	30		(4,092,103,650,109)	(7,762,932,907,847)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchase of treasury shares	32		-	(1,159,248,760)
Proceeds from borrowings	33		6,960,536,000,000	7,860,050,000,000
Payments to settle loan principals	34		(4,869,930,000,000)	(3,690,120,000,000)
Payments of dividends	36		(7,836,199,623,000)	(7,836,250,770,500)
Net cash flows from financing activities	40		(5,745,593,623,000)	(3,667,480,019,260)

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

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Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the year ended 31 December 2020
(Indirect method – continued)

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

	Code	Note	2020 VND	2019 VND
Net cash flows during the year (50 = 20 + 30 + 40)	50		(490,944,099,907)	(52,196,489,629)
Cash and cash equivalents at the beginning of the year	60		957,162,717,036	1,011,235,212,807
Effect of exchange rate fluctuations on cash and cash equivalents	61		(1,513,364,363)	(1,876,006,142)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	V.1	464,705,252,766	957,162,717,036

1 March 2021

Prepared by:



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

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2020

Form B 09 – DN

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

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

I. CORPORATE INFORMATION

1. Ownership structure

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

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

- 20 August 1976: The Company was established on the basis of three dairy factories: Thong Nhat Dairy Factory, Truong Tho Dairy Factory, Dielac Powdered Milk Factory.
- 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.

2. Principal activities

The principal activities of the Company are to:

- Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- Trade in food technology, spare parts, equipment, chemicals and materials;
- Trade in real estate, own or lease land use rights (according to Article no. 11.3 of 2014 Real Estate Law);
- Trade in warehouse, yards;
- Provide internal transportation by cars for manufacturing and consuming own 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 at the head office);
- Provide healthcare clinic services (not at the head office);

Vietnam Dairy Products Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

- Raise cattle, cultivation; and
- Retail sugar, milk and products from milk, bread, jam, candy and products processed from cereal, flour, starch and other food.

3. Normal operating cycle

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

4. Group structure

As at 31 December 2020, the Company had 10 subsidiaries and 9 associates (1/1/2020: 10 subsidiaries and 14 associates) and dependent units as follows:

(a) Subsidiaries

Name	Location	Principal activities	Economic interest	
			31/12/2020	1/1/2020
Directly owned subsidiaries				
▪ Vietnam Dairy Cow One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Dairy cow raising	100.00%	100.00%
▪ Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province	Milk production and cattle raising	100.00%	100.00%
▪ Driftwood Dairy Holding Corporation	No. 10724, Street Lower Azusa and El Monte Boulevards Intersection, California 91731-1390, United States	Milk production	100.00%	100.00%
▪ Angkor Dairy Products Co., Ltd.	Lot P2-096 and P2-097, Phnom Penh Special Economic Zone (PPSEZ), National Highway 4, Khan Posenchey, Phnom Penh, Kingdom of Cambodia	Milk production	100.00%	100.00%
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Ul, Gwiazdzista 7a/401-651 Warszawa, Poland	Dairy raw materials and animal trading	100.00%	100.00%
▪ Vietnam Sugar Joint Stock Company	Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province	Sugar producing and refining	65.00%	65.00%

Vietnam Dairy Products Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

Name	Location	Principal activities	Economic interest	
			31/12/2020	1/1/2020
▪ Lao-Jagro Development Xiangkhouang Co., Ltd.	Boungvene Village, Paek District, Xiangkhouang Province, Lao PDR	Dairy cow raising and agricultural products trading	80.29%	51.00%
▪ GTNFoods Joint Stock Company	18 th floor, A Tower, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Ha Noi	Manufacturing and trading products from milk, tea and wine	75.30%	75.00%
Indirectly owned subsidiaries through GTNFoods Joint Stock Company				
▪ Vietnam Livestock Corporation – Joint Stock Company	519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi	Manufacturing, breeding, processing and trading of cattle and poultry products	56.09%	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	28.61%	28.49%

(b) Associates

Name	Location	Principal activities	Economic interest		
			31/12/2020	1/1/2020	
Directly owned associates					
▪ Miraka Holdings Limited	108 Tuwharetoa, Taupo, New Zealand	Milk production	22.81%	22.81%	
▪ APIS Corporation	No. 18A, VSIP II-A, 27 Street, Viet Nam – Singapore II-A Industrial Zone, Vinh Tan Ward, Tan Uyen District, Binh Duong Province	Food raw materials trading	20.00%	20.00%	
▪ Asia Coconut Processing Joint Stock Company	Giao Long Industrial Zone, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam	Coconut-based products manufacturing and trading	25.00%	25.00%	

Indirectly owned associates through GTNFoods Joint Stock Company

There are 6 associates indirectly owned through GTNFoods Joint Stock Company.

Vietnam Dairy Products Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2020
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(c) Dependent units:

Sales branches:

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

Manufacturing factories:

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

Warehouses:

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

Clinic:

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2020
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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 December 2020, the Company had 5,776 employees (1/1/2020: 5,772 employees).

II. ACCOUNTING YEAR AND ACCOUNTING CURRENCY

1. Annual accounting year

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

2. Accounting and presentation currency

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

III. ACCOUNTING STANDARDS AND SYSTEM

1. Statement of compliance

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

2. Basis of measurement

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

3. Accounting form

The Company applies computerised accounting form.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2020
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1. Foreign currency transactions

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

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

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

2. Cash and cash equivalents

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

3. Investments

(a) Trading securities

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

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

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

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

(b) Held-to-maturity investments

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

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

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Vietnam Dairy Products Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2020
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(c) Loans receivable

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

(d) Investments in subsidiaries and associates

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

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

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

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

(e) Investment in equity instruments of other entities

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



Vietnam Dairy Products Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2020

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4. Accounts receivable

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

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

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

5. Inventories

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

The Company applies the perpetual method of accounting for inventories.

6. Tangible fixed assets

(a) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the separate statement of income in the year 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.

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Notes to the separate financial statements for the year ended 31 December 2020
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(b) Depreciation

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

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

7. Intangible fixed assets

(a) Land use rights

Land use rights comprise:

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

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

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

(b) Software

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

8. Investment property

(a) Cost

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

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Notes to the separate financial statements for the year ended 31 December 2020
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(b) Depreciation

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

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

9. Construction in progress

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

10. Prepaid expenses

(a) Prepaid land costs

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

(b) Tools and instruments

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

(c) Others

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

11. Trade and other payables

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

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Notes to the separate financial statements for the year ended 31 December 2020
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Trade and other payables are stated at their cost. Trade and other payables classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

12. Accrued expenses

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

13. Provisions

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

Severance allowance

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

14. Share capital

(a) Ordinary shares

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

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

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

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Notes to the separate financial statements for the year ended 31 December 2020
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15. Taxation

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

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

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 year.

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.

16. Revenue and other income

(a) Goods sold

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

(b) Services rendered

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

(c) Rental income

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

(d) Interest income

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



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(e) Dividend income

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

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

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

17. Revenue deductions

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

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

18. Cost of sales

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

19. Operating lease payments

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

20. Borrowing costs

Borrowing costs are recognised as an expense in the year 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 year of construction are capitalised as part of the cost of the assets concerned.

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Notes to the separate financial statements for the year ended 31 December 2020
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21. Dividend distribution

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

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

22. Funds

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

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

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

23. Segment reporting

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

24. Related parties

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

25. Comparative information

Comparative information in these separate financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current period separate financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's separate financial position, results of operation or cash flows for the prior year.

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Vietnam Dairy Products Joint Stock Company
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V. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE STATEMENT OF FINANCIAL POSITION

1. Cash and cash equivalents

	31/12/2020 VND	1/1/2020 VND
Cash on hand	420,399,278	501,171,096
Cash in banks	464,284,853,488	956,661,545,940
	464,705,252,766	957,162,717,036

2. Accounts receivable from customers

(a) Accounts receivable from related parties

	31/12/2020 VND	1/1/2020 VND
Subsidiaries		
Angkor Dairy Products Co., Ltd.	44,619,873,850	-
Driftwood Dairy Holding Corporation	1,447,912,534	1,868,875,606
Moc Chau Dairy Cattle Breeding Joint Stock Company	1,000,000,000	-
Vietnam Dairy Cow One Member Limited Company	168,864,990	119,600,000
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	16,717,995	34,144,154
Vietnam Sugar Joint Stock Company	-	218,330,000
	-	218,330,000

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

(b) Short-term allowance for doubtful debts

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

	2020 VND	2019 VND
Opening balance	(139,803,602)	(1,009,926,164)
Increase in allowance during the year	(59,915,830)	(79,887,772)
Allowance used during the year	-	950,010,334
Closing balance	(199,719,432)	(139,803,602)

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3. Other receivables

(a) Other short-term receivables

	31/12/2020 VND	1/1/2020 VND
Interest income from deposits	272,081,232,868	254,068,493,141
Receivables from employees	757,329,193	622,798,767
Advances to employees	1,635,853,245	3,258,678,200
Short-term deposits	207,000,000	161,500,000
Import tax refundable	175,068,495	218,673,683
Rebate income receivable from suppliers	20,395,323,959	15,861,480,319
Others	4,482,473,438	9,112,910,274
	299,734,281,198	283,304,534,384

(b) Other long-term receivables

	31/12/2020 VND	1/1/2020 VND
Long-term deposits	1,754,196,695	1,697,545,595
Others	4,000,000,000	4,500,000,000
	5,754,196,695	6,197,545,595

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4. Investments

(a) Held-to-maturity investments

	31/12/2020	1/1/2020
	VND	VND
Held-to-maturity investments – short-term		
▪ term deposits	15,100,000,000,000	11,100,000,000,000
	<hr/>	
Held-to-maturity investments – long-term		
▪ term deposits	200,000,000,000	200,000,000,000
	<hr/>	



Vietnam Dairy Products Joint Stock Company

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(b) Long-term financial investments

		31/12/2020				1/1/2020			
	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND	
Investments in subsidiaries									
▪ Vietnam Dairy Cow One Member Limited Company	100.00%	2,250,780,000,000	(*)	-	100.00%	2,250,780,000,000	(*)	-	
▪ Driftwood Dairy Holding Corporation	100.00%	458,395,918,429	(*)	-	100.00%	458,395,918,429	(*)	-	
▪ Vinamilk Europe Spółska Z Ograniczona Odpowiedzialnoscia (i)	100.00%	66,463,150,000	(*)	-	100.00%	66,463,150,000	(*)	-	
▪ Angkor Dairy Products Co., Ltd.	100.00%	464,289,241,751	(*)	-	100.00%	464,289,241,751	(*)	-	
▪ Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company (ii)	100.00%	1,181,682,699,703	(*)	-	100.00%	1,116,682,699,703	(*)	(1,598,149,668)	
▪ Vietnam Sugar Joint Stock Company	65.00%	1,253,306,061,273	(*)	-	65.00%	1,253,306,061,273	(*)	-	
▪ Lao-Jagro Development Xiengkhouang Co., Ltd. (iii)	80.29%	993,507,514,634	(*)	-	51.00%	551,937,690,646	(*)	-	
▪ GTNFoods Joint Stock Company (iv)	75.30%	3,447,331,944,836	(*)	-	75.00%	3,447,331,944,836	(*)	-	
		10,115,756,530,626		-		9,609,186,706,638		(1,598,149,668)	

Vietnam Dairy Products Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2020 (continued)

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		31/12/2020				1/1/2020		
	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND	% of equity owned and voting rights	Cost VND	Fair value VND	Allowance for diminution in value VND
Investment in associates								
▪ Miraka Holdings Limited	22.81%	293,189,808,669	(*)	-	22.81%	293,189,808,669	(*)	-
▪ APIS Corporation	20.00%	20,350,000,000	(*)	-	20.00%	20,350,000,000	(*)	-
▪ Asia Coconut Processing Joint Stock Company	25.00%	86,830,000,000	(*)	(7,620,478,814)	25.00%	86,830,000,000	(*)	(6,223,314,946)
		<hr/>		<hr/>		<hr/>		<hr/>
		400,369,808,669		(7,620,478,814)		400,369,808,669		(6,223,314,946)
Equity investment in other entities								
▪ Asia Saigon Food Ingredients Joint Stock Company	14.71%	18,000,000,000	(*)	-	14.71%	18,000,000,000	(*)	-
▪ An Khang Clinic – Pharmacy		300,000,000	(*)	-		300,000,000	(*)	-
		<hr/>		<hr/>		<hr/>		<hr/>
		18,300,000,000		-		18,300,000,000		-
		<hr/>		<hr/>		<hr/>		<hr/>
		10,534,426,339,295		(7,620,478,814)		10,027,856,515,307		(7,821,464,614)

Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC**dated 22 December 2014 of the Ministry of Finance)*

- (*) At the reporting date, the Company has not determined fair values of these financial instruments for disclosure in the separate interim financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their carrying amounts.
- (i) On 19 November 2020, the Company's Board of Directors approved the resolution to close this subsidiary. As at the issuance date of these separate financial statements, the dissolution was not completed.
- (ii) On 17 January 2020 and 17 March 2020, the Company contributed capital amounting to VND50,000 million and VND15,000 million, respectively, to Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company.
- (iii) On 3 September 2020 and 28 December 2020, the Company contributed capital and paid the second tranche of shares purchase amounting to VND432,686 million and VND8,884 million, respectively, to Lao-Jagro Development Xiengkhouang Co., Ltd. As the result, the Company's equity interest in Lao-Jagro Development Xiengkhouang Co., Ltd increased from 51% to 80.29% as other investors did not continue to contribute capital to this subsidiary.
- (iv) On 11 May 2020, GTNFoods Joint Stock Company repurchased 1,000,000 treasury shares from non-controlling interests. As the result, the Company's equity interest in GTNFoods Joint Stock Company increased from 75% to 75.3%.

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

	2020 VND	2019 VND
Opening balance	(7,821,464,614)	(19,842,623,474)
Increase in allowance during the year	(3,830,970,493)	(14,850,897,794)
Allowance written back during the year	4,031,956,293	26,872,056,654
Closing balance	(7,620,478,814)	(7,821,464,614)

Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	31/12/2020		1/1/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	496,773,816,936	-	725,343,304,250	-
Raw materials	2,379,983,022,792	(621,903,349)	2,128,189,777,650	(2,926,396,042)
Tools and supplies	180,255,104	-	2,260,586,573	-
Work in progress	11,935,324,877	-	9,601,645,101	-
Finished goods	941,677,231,020	(19,496,775,829)	1,000,517,578,788	(3,032,130,876)
Merchandise inventories	36,028,093,757	(129,134,864)	8,861,339,123	-
Goods on consignment	10,223,227,206	-	7,745,046,793	-
	3,876,800,971,692	(20,247,814,042)	3,882,519,278,278	(5,958,526,918)

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

	2020 VND	2019 VND
Opening balance	(5,958,526,918)	(5,340,501,158)
Increase in allowance during the year	(32,975,733,135)	(22,225,403,812)
Allowance written back during the year	17,475,625,089	20,666,291,090
Allowance utilised during the year	1,210,820,922	941,086,962
Closing balance	(20,247,814,042)	(5,958,526,918)

Vietnam Dairy Products Joint Stock Company

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6. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	2,351,218,754,150	12,910,856,813,644	937,606,636,520	625,095,424,871	16,824,777,629,185
Additions	27,197,144,678	151,330,237,965	33,521,190,593	16,805,997,874	228,854,571,110
Transfer from construction in progress	22,597,968,130	99,671,769,986	5,186,724,904	941,371,470	128,397,834,490
Reclassification	2,689,734,274	(2,689,734,274)	-	-	-
Transfer to intangible fixed assets	-	-	-	(72,900,000)	(72,900,000)
Disposals/write off	(8,495,611,069)	(130,121,647,958)	(5,683,276,588)	(59,070,353,851)	(203,370,889,466)
Other decreases	-	(290,938,177)	-	-	(290,938,177)
Closing balance	2,395,207,990,163	13,028,756,501,186	970,631,275,429	583,699,540,364	16,978,295,307,142
Accumulated depreciation					
Opening balance	846,396,138,515	6,366,582,398,734	499,532,745,383	453,328,830,989	8,165,840,113,621
Charge for the year	103,581,021,187	1,148,246,112,896	82,100,448,443	45,584,706,487	1,379,512,289,013
Reclassification	1,013,131,341	(1,013,131,341)	-	-	-
Transfer to intangible fixed assets	-	-	-	(4,860,000)	(4,860,000)
Disposals/write off	(7,351,089,112)	(72,550,447,731)	(4,054,727,355)	(59,062,289,288)	(143,018,553,486)
Other decreases	-	(240,548,432)	-	-	(240,548,432)
Closing balance	943,639,201,931	7,441,024,384,126	577,578,466,471	439,846,388,188	9,402,088,440,716
Net book value					
Opening balance	1,504,822,615,635	6,544,274,414,910	438,073,891,137	171,766,593,882	8,658,937,515,564
Closing balance	1,451,568,788,232	5,587,732,117,060	393,052,808,958	143,853,152,176	7,576,206,866,426

Included in the cost of tangible fixed assets were assets costing VND2,987,215 million which were fully depreciated as at 31 December 2020 (1/1/2020: VND2,063,567 million), but which are still in active use.



Vietnam Dairy Products Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2020

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7. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	57,582,565,109	117,758,904,944	175,341,470,053
Additions	-	1,610,523,440	1,610,523,440
Transfer from tangible fixed assets	-	72,900,000	72,900,000
Disposals/write off	-	(878,578,540)	(878,578,540)
Closing balance	57,582,565,109	118,563,749,844	176,146,314,953
Accumulated amortisation			
Opening balance	11,608,069,186	93,121,568,699	104,729,637,885
Charge for the year	-	10,392,259,281	10,392,259,281
Transfer from tangible fixed assets	-	4,860,000	4,860,000
Disposals/write off	-	(878,578,540)	(878,578,540)
Closing balance	11,608,069,186	102,640,109,440	114,248,178,626
Net book value			
Opening balance	45,974,495,923	24,637,336,245	70,611,832,168
Closing balance	45,974,495,923	15,923,640,404	61,898,136,327

Included in the cost of intangible fixed assets were assets costing VND82,651 million which were fully amortised as at 31 December 2020 (1/1/2020: VND55,826 million), but which are still in use.



Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening and closing balances	38,884,288,170	469,928,364	38,147,442,455	77,501,658,989
Accumulated depreciation				
Opening balance	5,025,860,377	469,928,364	11,038,834,325	16,534,623,066
Charge for the year	793,556,901	-	1,071,870,118	1,865,427,019
Closing balance	5,819,417,278	469,928,364	12,110,704,443	18,400,050,085
Net book value				
Opening balance	33,858,427,793	-	27,108,608,130	60,967,035,923
Closing balance	33,064,870,892	-	26,036,738,012	59,101,608,904

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

At the reporting date, the Company has not determined fair values of investment property held to earn rental for disclosure in the separate 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 VND3,875 million which were fully depreciated as at 31 December 2020 (1/1/2020: VND470 million), but which are still in active use.

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Vietnam Dairy Products Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2020

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9. Construction in progress

	2020 VND	2019 VND
Opening balance	158,002,285,957	275,020,774,555
Additions	165,004,760,411	784,528,252,575
Transfer to tangible fixed assets	(128,397,834,490)	(897,699,647,452)
Transfer to intangible fixed assets	-	(1,796,970,000)
Transfer to short-term prepaid expenses	(1,270,972,586)	(196,046,220)
Transfer to long-term prepaid expenses	(17,680,734,451)	-
Transfer to inventories	(37,177,827)	(1,430,250,727)
Disposals	(1,830,114,013)	-
Other decreases	(887,599,030)	(423,826,774)
Closing balance	172,902,613,971	158,002,285,957

Major constructions in progress were as follows:

	31/12/2020 VND	1/1/2020 VND
Truong Tho Dairy Factory	70,290,706,398	8,661,411
Can Tho Dairy Branch	52,079,729,352	52,079,729,352
Other constructions in progress	50,532,178,221	105,913,895,194
	172,902,613,971	158,002,285,957

10. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2020 VND	1/1/2020 VND
Software deployment and networks maintenance	13,395,224,545	9,538,009,172
Advertising	1,248,709,116	2,819,866,227
Maintenance	24,750,000	101,029,555
Operating lease	1,913,894,660	5,271,685,508
Tools and supplies	3,295,112,877	4,036,633,172
Renovation and repair	2,467,885,300	8,718,925,773
Other short-term prepaid expenses	3,640,708,427	1,214,307,903
	25,986,284,925	31,700,457,310

Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Long-term prepaid expenses**

	Prepaid land costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	205,841,527,310	136,283,131,359	45,300,201,099	387,424,859,768
Additions	654,668,100	162,224,993,964	13,647,765,844	176,527,427,908
Transfer from construction in progress	17,653,734,451	27,000,000	-	17,680,734,451
Amortisation for the year	(6,458,236,511)	(91,484,828,920)	(26,613,163,898)	(124,556,229,329)
Closing balance	217,691,693,350	207,050,296,403	32,334,803,045	457,076,792,798

11. Deferred tax assets

	31/12/2020 VND	1/1/2020 VND
Deferred tax assets		
Foreign exchange differences	303,463,416	424,139,024
Accrued expenses and provisions	24,550,707,304	23,109,878,308
	24,854,170,720	23,534,017,332

12. Accounts payable to suppliers**Accounts payable to related parties**

	31/12/2020 VND	1/1/2020 VND
Subsidiaries		
Vietnam Dairy Cow One Member Limited Company	46,300,407,977	69,728,083,242
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	16,778,193,200	14,291,904,900
Moc Chau Dairy Cattle Breeding Joint Stock Company	7,233,431,100	-
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	1,152,079,200	12,593,281,086
Vietnam Sugar Joint Stock Company	1,566,120,000	690,060,000
Associates		
Miraka Holdings Limited	15,801,851,520	-
APIS Corporation	11,757,967,902	12,521,521,944
Asia Coconut Processing Joint Stock Company	2,964,852,019	2,406,761,280

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

Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	1/1/2020 VND	Incurred VND	Paid VND	31/12/2020 VND
Value added tax	132,498,697,408	2,289,058,803,979	(2,278,476,982,939)	143,080,518,448
Import tax	7,128,920,841	111,716,976,381	(116,817,749,603)	2,028,147,619
Corporate income tax	444,290,449,035	2,268,694,248,353	(2,244,091,000,963)	468,893,696,425
Personal income tax	13,352,313,548	271,308,528,990	(250,546,607,647)	34,114,234,891
Other taxes	1,886,803,185	21,063,081,115	(22,505,764,530)	444,119,770
	599,157,184,017	4,961,841,638,818	(4,912,438,105,682)	648,560,717,153

14. Accrued expenses

	31/12/2020 VND	1/1/2020 VND
Sale incentives, promotion	1,049,537,477,855	762,945,217,493
Advertising expenses	371,838,819,801	520,279,675,672
Transportation expenses	80,137,873,178	80,462,406,538
Rental fees	27,254,550,442	11,421,374,844
Expenses for outsourced employees	116,189,367,411	75,439,919,727
Repair and maintenance expenses	23,839,471,662	20,974,135,952
Interest expense	18,294,321,483	20,229,394,395
Fuel expenses	6,209,149,218	8,880,609,260
Others	88,794,470,826	89,143,237,354
	1,782,095,501,876	1,589,775,971,235

15. Other short-term payables

	31/12/2020 VND	1/1/2020 VND
Insurance and trade union fees	3,887,466,301	2,904,299,000
Short-term deposits received	18,231,250,273	21,269,886,407
Dividend payables	-	1,741,377,694,000
Others	26,037,147,790	12,806,363,639
	48,155,864,364	1,778,358,243,046



Vietnam Dairy Products Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2020 (continued)

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16. Short-term borrowings

	1/1/2020 VND	Incurred VND	Paid VND	Foreign exchange differences VND	31/12/2020 VND
The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch					
▪ USD Borrowings (i)	2,554,200,000,000	1,670,816,000,000	(2,549,030,000,000)	(5,170,000,000)	1,670,816,000,000
DBS Bank, Singapore					
▪ USD Borrowing (i)	-	1,159,500,000,000	-	-	1,159,500,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam, Ho Chi Minh City Branch					
▪ VND Borrowings (ii)	-	2,100,000,000,000	(100,000,000,000)	-	2,000,000,000,000
Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch					
▪ USD Borrowing (i)	2,320,900,000,000	2,130,220,000,000	(2,320,900,000,000)	-	2,130,220,000,000
	4,875,100,000,000	7,060,536,000,000	(4,969,930,000,000)	(5,170,000,000)	6,960,536,000,000

(i) These borrowings had terms of 12 months and were unsecured.

(ii) These borrowings had terms of 9 – 12 months and were unsecured.



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Notes to the separate financial statements for the year ended 31 December 2020
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17. Provisions – short-term

	31/12/2020 VND	1/1/2020 VND
Provision for severance allowance (*)	4,378,163,013	4,654,637,561
Provision for regular fixed assets maintenance	-	1,680,238,911
	4,378,163,013	6,334,876,472

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

	2020 VND	2019 VND
Opening balance	4,654,637,561	4,502,303,315
Increase in provision during the year	5,087,951,052	4,576,511,169
Provision used during the year	(5,085,732,932)	(4,270,104,171)
Provision written back during the year	(278,692,668)	(154,072,752)
Closing balance	4,378,163,013	4,654,637,561

18. Bonus and welfare fund

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

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

	2020 VND	2019 VND
Opening balance	566,493,944,499	502,448,397,758
Appropriation (Note V.19)	1,072,872,814,872	1,008,515,999,602
Utilisation	(1,153,949,609,958)	(944,470,452,861)
Closing balance	485,417,149,413	566,493,944,499

Vietnam Dairy Products Joint Stock Company

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19. Changes in owners' equity

	Share capital VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1 January 2019	17,416,877,930,000	(10,485,707,360)	1,189,241,088,198	6,709,433,765,494	25,305,067,076,332
Purchase treasury shares	-	(1,159,248,760)	-	-	(1,159,248,760)
Net profit for the year	-	-	-	10,085,159,996,024	10,085,159,996,024
Appropriation to equity funds	-	-	1,008,515,999,602	(1,008,515,999,602)	-
Appropriation to bonus and welfare fund (Note V.18)	-	-	-	(1,008,515,999,602)	(1,008,515,999,602)
Dividends by cash (Note V.21)	-	-	-	(7,836,220,609,500)	(7,836,220,609,500)
Balance at 1 January 2020	17,416,877,930,000	(11,644,956,120)	2,197,757,087,800	6,941,341,152,814	26,544,331,214,494
Shares issued to existing shareholders (Note V.20)	3,482,676,520,000	-	-	(3,482,676,520,000)	-
Net profit for the year	-	-	-	10,728,728,148,728	10,728,728,148,728
Appropriation to equity funds	-	-	1,072,872,814,872	(1,072,872,814,872)	-
Appropriation to bonus and welfare fund (Note V.18)	-	-	-	(1,072,872,814,872)	(1,072,872,814,872)
Dividends by cash (Note V.21)	-	-	-	(6,094,821,929,000)	(6,094,821,929,000)
Balance at 31 December 2020	20,899,554,450,000	(11,644,956,120)	3,270,629,902,672	5,946,825,222,798	30,105,364,619,350

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2019
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20. Share capital

The Company's authorised and issued share capital are:

	31/12/2020		1/1/2020	
	Number of shares	VND	Number of shares	VND
Authorised share capital	2,089,955,445	20,899,554,450,000	1,741,687,793	17,416,877,930,000
Issued shares				
Ordinary shares	2,089,955,445	20,899,554,450,000	1,741,687,793	17,416,877,930,000
Treasury shares				
Ordinary shares	(310,099)	(11,644,956,120)	(310,099)	(11,644,956,120)
Shares currently in circulation				
Ordinary shares	2,089,645,346	20,887,909,493,880	1,741,377,694	17,405,232,973,880

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

Details of share capital:

	31/12/2020		1/1/2020	
	VND	%	VND	%
The State Capital Investment Corporation	7,524,766,020,000	36.00%	6,270,638,350,000	36.00%
Other shareholders' capital	13,374,788,430,000	64.00%	11,146,239,580,000	64.00%
	20,899,554,450,000	100.00%	17,416,877,930,000	100.00%

Vietnam Dairy Products Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019
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Movements of share capital during the year were as follows:

	2020 VND	2019 VND
Balance at beginning of the year	17,416,877,930,000	17,416,877,930,000
Shares issued to existing shareholders	3,482,676,520,000	-
	<hr/>	<hr/>
Balance at end of the year	20,899,554,450,000	17,416,877,930,000

On 26 June 2020, at the Company's Annual General Meeting, the Company's shareholders approved to issue shares to its existing shareholders from retained profits. Accordingly, each existing shareholder who own 5 shares as at 30 September 2020 (the date of finalisation of shareholder list) received 1 additional share. On 5 October 2020, the Company reported the result of the above share issuance program to the State Securities Commission, in which 348,267,652 shares have been successfully issued to existing shareholders.

21. Dividends

Pursuant to the Resolution of the Company's Annual General Meeting dated 26 June 2020, the Board of Management of the Company resolved to distribute dividends in relation to 2019 and 2020 profits, in total amounting to VND6,094,822 million (VND1,500 per share for the remaining distribution for the fiscal year 2019 and VND2,000 per share for the first advance distribution for the fiscal year 2020) (2019: VND7,836,221 million (VND1,500 per share for the remaining distribution for the fiscal year 2018, VND2,000 per share for the first distribution for the fiscal year 2019 and VND1,000 per share for the second advance distribution for the fiscal year 2019)).

On 7 December 2020, the Board of Management of the Company resolved to advance the second dividends for 2020 amounting to VND1,000 per share. The final registration date for this dividend was 6 January 2021, therefore, estimated dividend payable of VND2,089,676 has not been recorded in these separate financial statements.



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22. Off balance sheet items

(a) Leases

The future minimum leases payments under non-cancellable operating leases are:

	31/12/2020 VND	1/1/2020 VND
Within 1 year	27,982,857,480	25,481,092,637
From 2 to 5 years	61,272,284,967	57,104,756,068
Over 5 years	315,919,232,931	340,416,685,454
	405,174,375,378	423,002,534,159

(b) Foreign currencies

	31/12/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
Foreign currencies				
▪ USD	7,033,105.11	161,831,748,581	18,300,184.98	423,100,276,738
▪ EUR	11,548.39	322,904,995	770.07	19,832,383
		162,154,653,576		423,120,109,121

(c) Capital commitments

At the reporting date, the Company had following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2020 VND	1/1/2020 VND
Approved and contracted	527,272,736,479	1,142,808,721,825



Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC**dated 22 December 2014 of the Ministry of Finance)***VI. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE STATEMENT OF INCOME****1. Revenue from sales of goods and provision of services**

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

Net revenue comprised:

	2020 VND	2019 VND
Total revenue		
▪ Sales of finished goods	51,019,355,572,355	50,163,071,024,539
▪ Sales of merchandise goods	443,837,768,893	522,816,432,676
▪ Other services	39,337,724,967	45,941,841,010
▪ Rental income from investment property	8,550,628,654	10,781,348,335
▪ Others	80,551,141,954	79,666,924,530
	<hr/>	<hr/>
	51,591,632,836,823	50,822,277,571,090
	<hr/>	<hr/>
Less revenue deductions		
▪ Sale discounts	45,343,302,615	34,988,189,516
▪ Sale returns	14,297,390,490	15,778,847,124
	<hr/>	<hr/>
	59,640,693,105	50,767,036,640
	<hr/>	<hr/>
Net revenue	51,531,992,143,718	50,771,510,534,450

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

	2020 VND	2019 VND
Subsidiaries		
Angkor Dairy Products Co., Ltd.	311,973,375,006	371,520,806,417
Driftwood Dairy Holding Corporation	9,940,522,310	6,413,002,938
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	2,630,661,330	2,745,155,210
Moc Chau Dairy Cattle Breeding Joint Stock Company	3,933,170,560	-
Vietnam Dairy Cow One Member Limited Company	902,409,508	30,560,337,927
Vietnam Sugar Joint Stock Company	145,700,000	218,820,000
Total revenue from sales to subsidiaries	329,525,838,715	411,458,122,492
Associate		
APIS Corporation	632,878,546	302,263,750

2. Cost of sales

	2020 VND	2019 VND
Total cost of sales		
▪ Finished goods sold	25,175,607,254,618	25,024,281,462,101
▪ Merchandise goods sold	398,946,374,421	455,661,103,790
▪ Costs of promotional goods and merchandise	523,113,088,263	245,301,554,070
▪ Other services	5,287,028,387	5,421,791,872
▪ Operating costs of investment property	1,865,427,019	4,142,912,174
▪ Allowance for inventories	15,500,108,046	1,559,112,722
	26,120,319,280,754	25,736,367,936,729

Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	2020 VND	2019 VND
Interest income from deposits	979,404,726,356	702,846,983,082
Dividends	18,000,000,000	-
Foreign exchange gains	37,988,207,647	35,239,503,728
Gain on disposal of financial investment	-	6,003,184,012
Others	37,667,196,921	28,988,220,673
	1,073,060,130,924	773,077,891,495

4. Financial expenses

	2020 VND	2019 VND
Interest expense on borrowings	108,283,456,807	71,983,360,977
Interest expense on deposits received	211,599,639	209,154,467
Foreign exchange losses	21,815,538,893	53,540,793,683
Allowance for diminution in value of financial investments	(200,985,800)	(12,021,158,860)
Payment discounts for customers	18,515,111,685	16,644,639,654
Others	98,334,532,278	75,161,753
	246,959,253,502	130,431,951,674

Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	2020 VND	2019 VND
Promotion, product display expenses and sale support expenses	9,156,008,626,169	8,694,778,886,617
Advertising and marketing research expenses	1,415,463,403,934	2,082,547,385,353
Outside service expenses	641,117,035,745	534,551,026,610
Transportation expenses	577,074,881,639	565,524,787,503
Staff costs	378,675,911,147	353,140,655,219
Tools and supplies expenses	83,660,723,942	72,821,383,341
Materials expenses	50,937,225,101	56,917,677,098
Warranty expenses	37,405,188,900	38,005,435,594
Depreciation expenses	22,058,886,663	23,949,986,864
	12,362,401,883,240	12,422,237,224,199

6. General and administration expenses

	2020 VND	2019 VND
Staff costs	337,871,770,985	391,600,839,916
Outside service expenses	273,091,133,933	258,277,701,324
Depreciation expenses	58,060,414,343	63,307,642,622
Transportation expenses	37,357,693,175	42,897,711,789
Per-diem allowances	35,714,874,637	49,916,320,143
Materials expenses	32,043,094,458	34,836,713,639
Loading expenses	30,596,558,141	30,058,845,129
Fees and duties	14,518,069,091	13,002,294,677
Office supplies	6,679,534,046	7,429,775,801
Allowance for doubtful debts and provision for severance allowance	4,869,174,214	4,502,326,189
Bank charges	4,778,166,518	4,918,484,195
Others	76,535,928,574	64,099,471,292
	912,116,412,115	964,848,126,716



Vietnam Dairy Products Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2020****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	2020 VND	2019 VND
Rebate income from suppliers	38,926,748,666	91,200,000,000
Compensations received from other parties	4,886,619,995	6,090,919,888
Tax refunded	-	4,532,009,470
Proceeds from disposals of fixed assets and construction in progress	60,077,242,560	2,403,645,128
Others	4,143,369,817	14,583,383,419
	108,033,981,038	118,809,957,905

8. Other expenses

	2020 VND	2019 VND
Net book value of fixed assets and construction in progress disposed and written off	62,182,449,993	7,300,784,445
Others	13,004,732,383	91,055,294,632
	75,187,182,376	98,356,079,077

9. Production and business costs by element

	2020 VND	2019 VND
Raw material costs included in production costs	22,606,268,316,224	22,199,038,065,321
Labour costs and staff costs	1,566,744,397,862	1,534,500,898,013
Depreciation and amortisation	1,383,288,616,540	1,336,532,604,257
Outside services	2,375,447,187,418	2,241,387,836,049
Other expenses	11,453,690,219,282	11,367,817,588,818

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10. Income tax

(a) Recognised in the separate statement of income

	2020 VND	2019 VND
Current tax expense	2,268,694,248,353	2,217,172,815,691
<i>In which: current tax (income)/expense relating to taxable income prior years</i>	<i>(2,455,656,916)</i>	<i>123,867,447,121</i>
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(1,320,153,388)	8,824,253,740
Income tax expense	2,267,374,094,965	2,225,997,069,431

(b) Reconciliation of effective tax rate

	2020 VND	2019 VND
Accounting profit before tax	12,996,102,243,693	12,311,157,065,455
Tax at the Company's tax rate	2,599,220,448,739	2,462,231,413,091
Tax rate differential applied to Company's branches and factories	(47,497,405,382)	(36,502,738,144)
Tax exempt income	(3,600,000,000)	-
Non-deductible expenses	9,587,945,699	14,552,924,827
Tax incentives	(283,589,898,950)	(323,177,384,303)
Changes in deferred tax assets not recognised	(4,291,338,225)	(14,974,593,161)
Current tax (income)/expense relating to taxable income prior years	(2,455,656,916)	123,867,447,121
	2,267,374,094,965	2,225,997,069,431

(c) Applicable tax rates

The Company is required to pay income tax at rates ranging from 15% to 20% (2019: from 15% to 20%), depending on principal activities of its branches and factories, on taxable profits.

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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 separate financial statements, the Company had the following significant transactions with related parties during the year:

Related party	Relationship	Nature of transaction	2020 VND	2019 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Purchases of goods and services	1,583,122,407,300	1,495,849,392,031
		Sales of fixed assets	160,800,000	1,069,757,134
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	Subsidiary	Purchases of goods	540,710,334,200	285,074,050,500
		Capital contribution	65,000,000,000	260,000,000,000
		Sales of fixed assets	-	43,636,363
Vietnam Sugar Joint Stock Company	Subsidiary	Purchases of goods	15,944,261,000	19,033,269,600
		Sales of fixed assets	-	209,000,000
Angkor Dairy Products Co., Ltd.	Subsidiary	Purchases of goods	-	108,683,092,336
		Sales of fixed assets	57,001,849,566	123,726,495
Lao-Jagro Development Xiengkhouang Co., Ltd.	Subsidiary	Capital contribution	441,569,823,988	334,836,789,600
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	Purchases of goods	360,518,145,708	366,264,739,197
Driftwood Dairy Holding Corporation	Subsidiary	Capital contribution	-	232,500,000,000
Moc Chau Dairy Cattle Breeding Joint Stock Company	Subsidiary	Purchases of goods	206,311,293,766	-
Miraka Holdings Limited	Associate	Purchases of goods	325,836,306,170	71,979,909,120
APIS Corporation	Associate	Purchases of goods and services	77,113,561,028	86,589,779,905
Asia Coconut Processing Joint Stock Company	Associate	Purchases of services	24,243,112,320	14,275,545,286

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Related party	Relationship	Nature of transaction	2020 VND	2019 VND
Asia Saigon Food Ingredients JSC	Other investment	Dividend income	18,000,000,000	-
The State Capital Investment Corporation	Shareholder	Dividends by cash	2,194,723,422,500	2,821,787,257,500
Members of Board of Management and Board of Directors		Compensation	133,708,261,443	107,144,571,099

2. Post balance sheet event

In January 2021, the Company, GTNFoods Joint Stock Company and Vietnam Livestock Corporation – Joint Stock Company has completed the acquisition of 9.7 million, 29.5 million and 1.7 million additional shares issued by Moc Chau Dairy Cattle Breeding Joint Stock Company, respectively.

Vietnam Dairy Products Joint Stock Company

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3. Segment information

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

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

Geographical segments

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

	Domestic (Customers located in Vietnam)		Overseas (Customers located in countries other than Vietnam)		Total	
	2020	2019	2020	2019	2020	2019
	VND	VND	VND	VND	VND	VND
Net revenue	45,971,231,210,047	45,596,183,348,109	5,560,760,933,671	5,175,327,186,341	51,531,992,143,718	50,771,510,534,450
Cost of sales	(23,946,273,967,685)	(23,759,923,513,926)	(2,174,045,313,069)	(1,976,444,422,803)	(26,120,319,280,754)	(25,736,367,936,729)
Segment gross profit	22,024,957,242,362	21,836,259,834,183	3,386,715,620,602	3,198,882,763,538	25,411,672,862,964	25,035,142,597,721

1 March 2021

Prepared by:



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

Approved by:



Mai Kieu Lien
Chief Executive Officer

