

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

**CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012**

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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement by management	2
Auditor's review report	3
Consolidated and company balance sheet	4
Consolidated income statement	8
Company income statement	9
Consolidated and company cash flow statements	11
Selected notes to the consolidated and company interim financial statements	14

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

### CORPORATE INFORMATION

<b>Business Registration Certificate No.</b>	4103001932 dated 20 November 2003 issued by the Planning and Investment Department of Ho Chi Minh City.	
	The Business Registration Certificate has been amended several times and its latest amendment no. 0300588569 dated 7 March 2012 issued by the Planning and Investment Department of Ho Chi Minh City.	
<b>Board of Management</b>	Mdm Mai Kieu Lien Mr Le Song Lai Mr Hoang Nguyen Hoc Ms Ngo Thi Thu Trang Mr Wang Eng Chin Mr Le Anh Minh	Chairwoman Member (appointed on 23 March 2012) Member (resigned on 23 March 2012) Member Member Member
<b>Board of Directors</b>	Mdm Mai Kieu Lien Ms Nguyen Thi Thanh Hoa Ms Nguyen Thi Nhu Hang  Ms Ngo Thi Thu Trang Mr Tran Minh Van Mr Nguyen Quoc Khanh  Ms Nguyen Huu Ngoc Tran Mr Mai Hoai Anh  Mr Pham Phu Tuan	Chief Executive Officer Executive Director - Supply Chain Executive Director Dairy Farm Development Executive Director - Finance Executive Director - Project Acting Executive Director Production and Products Development Acting Executive Director - Marketing Acting Executive Director - Sales (appointed on 21 May 2012) Acting Executive Director - Sales (resigned on 21 May 2012)
<b>Legal representative</b>	Mdm Mai Kieu Lien	Chief Executive Officer
<b>Registered office</b>	10, Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam	
<b>Auditor</b>	PricewaterhouseCoopers (Vietnam) Limited	

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS


The Board of Directors is responsible for the company interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and the consolidated interim financial statements of the Company and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the financial positions of the Company and the Group as at 30 September 2012 and of the consolidated and company results and cash flows for the nine-month period then ended. In preparing these consolidated and company interim financial statements, the Board of Directors is required to:

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

The Board of Directors is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial positions of the Company and the Group and which enable the consolidated and company interim financial statements to be prepared which complies with the basis of accounting set out in Note 2 to the consolidated and company interim financial statements. We are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated and company interim financial statements set out on pages 4 to 50 which give a true and fair view of the financial positions of the Company and the Group as at 30 September 2012, and of the consolidated and company results of operations and cash flows for the nine-month period ended 30 September 2012 in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*.

On behalf of the Board of Directors 



\_\_\_\_\_  
Mai Kieu Lien  
Chief Executive Officer

Ho Chi Minh City, SR Vietnam  
1 November 2012



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

We have reviewed the accompanying company interim financial statements of Vietnam Dairy Products Joint Stock Company ("the Company") and consolidated interim financial statements of the Company and its subsidiaries (together referred to as "the Group") which were approved by the Board of Directors on 1 November 2012. These interim financial statements include the consolidated and company balance sheets as at 30 September 2012, the related consolidated and company income statements and cash flow statements for the nine-month period then ended, and selected notes to these consolidated and company interim financial statements, as set out on pages 4 to 50. The Board of Directors is responsible for the preparation and presentation of these consolidated and company interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in SR Vietnam. Our responsibility is to express a conclusion on these consolidated and company interim financial statements based on our review.


### Scope of Review

We conducted our review in accordance with Vietnamese Auditing Standard No. 910 - Engagement to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether these interim financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated and company interim financial statements are not presented fairly, in all material respects, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in SR Vietnam.



  
Ian S. Lydall  
AC No. N.0559/KTV  
Chairman



Quach Thanh Chau  
AC No. N.0875/KTV

PricewaterhouseCoopers (Vietnam) Limited  
Ho Chi Minh City, SR Vietnam  
Review report number HCMC3368  
1 November 2012

As indicated in Note 2.1 to the consolidated and company interim financial statements, the accompanying consolidated and company interim financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in jurisdictions other than SR Vietnam.

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Form B 01a – DN/HN

## CONSOLIDATED AND COMPANY BALANCE SHEETS

Code	ASSETS	Note	The Group		The Company	
			30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>8,758,053,279,580</b>	<b>9,467,682,996,094</b>	<b>8,586,605,151,708</b>	<b>9,279,160,021,716</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>555,133,933,126</b>	<b>3,156,515,396,990</b>	<b>540,917,231,149</b>	<b>3,101,435,901,849</b>
111	Cash		555,133,933,126	790,515,396,990	540,917,231,149	771,435,901,849
112	Cash equivalents		-	2,366,000,000,000	-	2,330,000,000,000
<b>120</b>	<b>Short-term investments</b>	4(a)	<b>2,029,334,564,892</b>	<b>736,033,188,192</b>	<b>2,029,334,564,892</b>	<b>736,033,188,192</b>
121	Short-term investments		2,103,902,256,312	815,277,431,792	2,103,902,256,312	815,277,431,792
129	Provision for diminution in value of short-term investments		(74,567,691,420)	(79,244,243,600)	(74,567,691,420)	(79,244,243,600)
<b>130</b>	<b>Accounts receivable</b>		<b>2,400,760,925,119</b>	<b>2,169,205,076,812</b>	<b>2,375,470,420,574</b>	<b>2,126,947,803,251</b>
131	Trade accounts receivable	5	1,222,011,984,931	1,143,168,467,855	1,227,517,630,935	1,152,632,033,803
132	Prepayments to suppliers		812,307,839,050	795,149,182,591	783,753,353,057	743,668,199,436
135	Other receivables	6	370,331,200,067	232,805,433,796	368,069,124,075	232,545,166,006
139	Provision for doubtful debts		(3,890,098,929)	(1,918,007,430)	(3,869,687,493)	(1,897,595,994)
<b>140</b>	<b>Inventories</b>	7	<b>3,539,650,095,234</b>	<b>3,272,495,674,110</b>	<b>3,409,901,161,138</b>	<b>3,186,792,095,368</b>
141	Inventories		3,543,932,114,387	3,277,429,580,780	3,414,183,180,291	3,191,726,002,038
149	Provision for decline in value of inventories		(4,282,019,153)	(4,933,906,670)	(4,282,019,153)	(4,933,906,670)
<b>150</b>	<b>Other current assets</b>		<b>233,173,761,209</b>	<b>133,433,659,990</b>	<b>230,981,773,955</b>	<b>127,951,033,056</b>
151	Short-term prepayments	8(a)	77,169,886,755	56,909,099,519	75,771,719,932	56,321,028,026
152	Value Added Tax to be reclaimed		154,130,657,509	74,772,661,634	154,117,004,349	70,615,030,542
158	Other current assets		1,873,216,945	1,751,898,837	1,093,049,674	1,014,974,488

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Form B 01a – DN/HN

CONSOLIDATED AND COMPANY BALANCE SHEETS  
(continued)

Code	ASSETS (continued)	Note	The Group		The Company	
			30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>8,327,691,411,772</b>	<b>6,114,988,554,657</b>	<b>8,577,240,300,191</b>	<b>6,285,158,103,799</b>
<b>220</b>	<b>Fixed assets</b>		<b>7,480,167,057,275</b>	<b>5,044,762,028,869</b>	<b>6,926,574,255,739</b>	<b>4,571,226,735,584</b>
221	Tangible fixed assets	9(a)	4,173,027,730,107	3,493,628,542,454	3,716,016,498,270	3,140,742,111,001
222	Cost		6,332,575,836,431	5,301,826,836,260	5,699,753,952,713	4,819,396,220,602
223	Accumulated depreciation		(2,159,548,106,324)	(1,808,198,293,806)	(1,983,737,454,443)	(1,678,654,109,601)
227	Intangible fixed assets	9(b)	255,106,240,236	256,046,089,531	209,157,509,404	209,380,741,295
228	Cost		386,594,477,184	383,409,370,867	308,688,551,560	305,503,445,243
229	Accumulated depreciation		(131,488,236,948)	(127,363,281,336)	(99,531,042,156)	(96,122,703,948)
230	Construction in progress	9(c)	3,052,033,086,932	1,295,087,396,884	3,001,400,248,065	1,221,103,883,288
<b>240</b>	<b>Investment properties</b>	10	<b>97,703,613,697</b>	<b>100,671,287,539</b>	<b>70,214,463,697</b>	<b>73,182,137,539</b>
241	Cost		117,666,487,460	117,666,487,460	90,177,337,460	90,177,337,460
242	Accumulated depreciation		(19,962,873,763)	(16,995,199,921)	(19,962,873,763)	(16,995,199,921)
<b>250</b>	<b>Long-term investments</b>	4(b)	<b>592,755,414,215</b>	<b>846,713,756,424</b>	<b>1,455,011,877,826</b>	<b>1,550,368,535,378</b>
251	Investment in subsidiaries		-	-	1,025,818,014,080	823,752,380,127
252	Investments in joint ventures and associates		216,069,036,461	205,418,475,253	214,466,955,551	214,466,955,551
258	Other long-term investments		466,052,373,800	783,646,073,800	466,052,373,800	783,611,273,800
259	Provision for diminution in value of long-term investments		(89,365,996,046)	(142,350,792,629)	(251,325,465,605)	(271,462,074,100)
<b>260</b>	<b>Goodwill</b>	11	<b>14,122,473,829</b>	<b>15,503,335,522</b>	-	-
<b>270</b>	<b>Other long-term assets</b>		<b>142,942,852,756</b>	<b>107,338,146,303</b>	<b>125,439,702,929</b>	<b>90,380,695,298</b>
271	Long-term prepayments	8(b)	40,271,022,637	25,598,314,795	22,767,872,810	13,955,996,238
272	Deferred income tax assets	12	101,595,410,119	80,643,411,508	101,595,410,119	75,328,279,060
278	Other long-term assets		1,076,420,000	1,096,420,000	1,076,420,000	1,096,420,000
<b>280</b>	<b>TOTAL ASSETS</b>		<b>17,085,744,691,352</b>	<b>15,582,671,550,751</b>	<b>17,163,845,451,899</b>	<b>15,564,318,125,515</b>

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Form B 01a – DN/HN

CONSOLIDATED AND COMPANY BALANCE SHEETS  
(continued)

Code	RESOURCES	Note	The Group		The Company	
			30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
<b>300</b>	<b>LIABILITIES</b>		<b>3,076,514,929,719</b>	<b>3,105,466,354,267</b>	<b>3,245,304,255,980</b>	<b>3,152,169,943,075</b>
<b>310</b>	<b>Current liabilities</b>		<b>2,883,604,075,620</b>	<b>2,946,537,015,499</b>	<b>3,052,802,438,881</b>	<b>2,993,592,789,307</b>
312	Trade accounts payable	13	1,442,323,438,803	1,830,959,100,474	1,638,544,375,826	1,882,755,381,787
313	Advances from customers		21,292,200,789	116,844,952,210	21,292,200,789	116,844,952,210
314	Taxes and other payables to the State Budget	14	393,878,816,237	287,462,890,828	392,025,513,987	287,182,837,552
315	Payable to employees		90,448,153,069	44,740,312,110	86,438,712,052	42,008,506,653
316	Accrued expenses	15	338,716,578,878	260,678,009,293	336,681,402,045	260,206,170,893
319	Other payables	16	262,245,339,556	59,478,925,315	243,488,437,894	58,284,825,493
320	Bonus and welfare fund		334,699,548,288	346,372,825,269	334,331,796,288	346,310,114,719
<b>330</b>	<b>Long-term liabilities</b>		<b>192,910,854,099</b>	<b>158,929,338,768</b>	<b>192,501,817,099</b>	<b>158,577,153,768</b>
333	Other long-term liabilities	17	125,822,000,000	92,000,000,000	125,822,000,000	92,000,000,000
336	Provision for severance allowances	18	67,018,423,367	66,923,897,268	66,620,386,367	66,571,712,268
338	Unearned revenue		70,430,732	5,441,500	59,430,732	5,441,500
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>14,009,229,761,633</b>	<b>12,477,205,196,484</b>	<b>13,918,541,195,919</b>	<b>12,412,148,182,440</b>
<b>410</b>	<b>Capital and reserves</b>		<b>14,009,229,761,633</b>	<b>12,477,205,196,484</b>	<b>13,918,541,195,919</b>	<b>12,412,148,182,440</b>
411	Share capital	19, 20	5,561,147,540,000	5,561,147,540,000	5,561,147,540,000	5,561,147,540,000
412	Share premium	20	1,276,994,100,000	1,276,994,100,000	1,276,994,100,000	1,276,994,100,000
414	Treasury shares	19, 20	(4,422,553,000)	(2,521,794,000)	(4,422,553,000)	(2,521,794,000)
417	Investment and development fund	20	1,484,445,131,462	908,024,236,384	1,484,445,131,462	908,024,236,384
418	Financial reserve fund	20	556,114,754,000	556,114,754,000	556,114,754,000	556,114,754,000
420	Undistributed earnings	20	5,134,950,789,171	4,177,446,360,100	5,044,262,223,457	4,112,389,346,056
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>17,085,744,691,352</b>	<b>15,582,671,550,751</b>	<b>17,163,845,451,899</b>	<b>15,564,318,125,515</b>

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.



**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
(continued)

**OFF BALANCE SHEET ITEMS**

Included in cash and cash equivalents are balances held in following foreign currencies:

	<b>The Group and the Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>
USD	16,453,305.19	27,989,325.30
EUR	981,588.02	1,482,877.52

\_\_\_\_\_  
Le Thanh Liem  
Chief Accountant

\_\_\_\_\_  
Ngo Thi Thu Trang  
Executive Director - Finance

\_\_\_\_\_  
Mai Kieu Lien  
Chief Executive Officer  
1 November 2012

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

## CONSOLIDATED INCOME STATEMENT

Code	Note	Three-month period ended		Nine-month period ended	
		30.9.2012 VND	30.9.2011 VND	30.9.2012 VND	30.9.2011 VND
<b>01</b>	<b>Sales</b>	<b>6,761,165,682,379</b>	<b>5,812,690,485,346</b>	<b>19,897,242,164,822</b>	<b>15,980,078,869,434</b>
02	Less deductions	(142,324,311,523)	(116,149,317,871)	(391,132,098,521)	(327,707,966,955)
<b>10</b>	<b>Net sales</b>	<b>6,618,841,370,856</b>	<b>5,696,541,167,475</b>	<b>19,506,110,066,301</b>	<b>15,652,370,902,479</b>
<b>11</b>	<b>Cost of sales</b>	<b>(4,277,327,756,300)</b>	<b>(4,023,539,000,543)</b>	<b>(12,943,339,579,980)</b>	<b>(10,768,130,269,951)</b>
<b>20</b>	<b>Gross profit</b>	<b>2,341,513,614,556</b>	<b>1,673,002,166,932</b>	<b>6,562,770,486,321</b>	<b>4,884,240,632,528</b>
21	Financial income	71,601,592,379	176,499,198,727	365,377,031,434	507,989,959,140
22	Financial expenses	(18,640,324,279)	(22,891,996,736)	(19,318,969,416)	(204,778,095,958)
23	- <i>In which:</i> Interest expenses on loans	(90,566,597)	(3,166,499,773)	(3,114,837,973)	(13,191,919,262)
24	Selling expenses	(601,583,863,177)	(504,547,655,162)	(1,645,548,048,183)	(1,265,807,547,708)
25	General and administration expenses	(140,311,483,328)	(119,586,465,882)	(387,386,512,610)	(322,699,740,828)
<b>30</b>	<b>Operating profit</b>	<b>1,652,579,536,151</b>	<b>1,202,475,247,879</b>	<b>4,875,893,987,546</b>	<b>3,598,945,207,174</b>
31	Other income	36,219,882,193	76,240,416,600	198,742,094,959	231,381,674,359
32	Other expenses	(20,557,163,884)	(13,444,622,130)	(50,020,804,040)	(66,882,528,955)
<b>40</b>	<b>Net other income</b>	<b>15,662,718,309</b>	<b>62,795,794,470</b>	<b>148,721,290,919</b>	<b>164,499,145,404</b>
<b>41</b>	<b>Share of profits/(losses) in associates and joint ventures</b>	<b>(2,708,864,311)</b>	<b>(7,250,185,674)</b>	<b>10,650,561,208</b>	<b>(11,146,607,157)</b>
<b>50</b>	<b>Net accounting profit before tax</b>	<b>1,665,533,390,149</b>	<b>1,258,020,856,675</b>	<b>5,035,265,839,673</b>	<b>3,752,297,745,421</b>
<b>51</b>	<b>Business income tax - current</b>	<b>(256,582,439,536)</b>	<b>(201,418,538,486)</b>	<b>(884,710,921,628)</b>	<b>(589,937,030,979)</b>
<b>52</b>	<b>Business income tax - deferred</b>	<b>(13,563,419,082)</b>	<b>5,890,579,713</b>	<b>20,951,998,611</b>	<b>13,789,155,543</b>
<b>60</b>	<b>Net profit after tax</b>	<b>1,395,387,531,531</b>	<b>1,062,492,897,902</b>	<b>4,171,506,916,656</b>	<b>3,176,149,869,985</b>
<b>70</b>	<b>Basic earnings per share (VND)</b>	<b>2,511</b>	<b>1,911</b>	<b>7,506</b>	<b>5,845</b>

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

## COMPANY INCOME STATEMENT

Code	Note	Three-month period ended		Nine-month period ended	
		30.9.2012 VND	30.9.2011 VND	30.9.2012 VND	30.9.2011 VND
<b>01</b>	<b>Sales</b>	<b>6,831,421,186,233</b>	<b>5,871,983,297,360</b>	<b>20,098,274,178,889</b>	<b>16,117,375,472,777</b>
02	Less deductions	(142,324,311,523)	(116,149,317,871)	(391,132,098,521)	(327,707,966,955)
<b>10</b>	<b>Net sales</b>	<b>6,689,096,874,710</b>	<b>5,755,833,979,489</b>	<b>19,707,142,080,368</b>	<b>15,789,667,505,822</b>
<b>11</b>	<b>Cost of sales</b>	<b>(4,343,916,660,442)</b>	<b>(4,089,476,877,457)</b>	<b>(13,163,544,748,512)</b>	<b>(10,933,644,339,226)</b>
<b>20</b>	<b>Gross profit</b>	<b>2,345,180,214,268</b>	<b>1,666,357,102,032</b>	<b>6,543,597,331,856</b>	<b>4,856,023,166,596</b>
21	Financial income	71,449,923,591	176,458,116,623	364,003,194,736	507,380,261,073
22	Financial expenses	(44,001,419,148)	(51,809,590,995)	(52,166,840,837)	(286,264,127,512)
23	- <i>In which:</i> Interest expenses on loans	(90,566,597)	(3,166,499,773)	(3,114,521,306)	(13,191,919,262)
24	Selling expenses	(601,600,138,177)	(504,547,655,162)	(1,645,564,323,183)	(1,265,807,547,708)
25	General and administration expenses	(123,540,138,341)	(114,059,761,592)	(354,934,269,637)	(304,745,367,669)
<b>30</b>	<b>Operating profit</b>	<b>1,647,488,442,193</b>	<b>1,172,398,210,906</b>	<b>4,854,935,092,935</b>	<b>3,506,586,384,780</b>
31	Other income	124,607,108,120	75,041,064,557	302,586,520,417	264,550,841,216
32	Other expenses	(110,233,639,345)	(10,512,965,502)	(155,945,521,424)	(62,943,590,381)
<b>40</b>	<b>Net other income</b>	<b>14,373,468,775</b>	<b>64,528,099,055</b>	<b>146,640,998,993</b>	<b>201,607,250,835</b>
<b>50</b>	<b>Net accounting profit before tax</b>	<b>1,661,861,910,968</b>	<b>1,236,926,309,961</b>	<b>5,001,576,091,928</b>	<b>3,708,193,635,615</b>
<b>51</b>	<b>Business income tax - current</b>	<b>(255,506,680,161)</b>	<b>(201,234,234,290)</b>	<b>(881,967,858,011)</b>	<b>(589,752,726,783)</b>
<b>52</b>	<b>Business income tax - deferred</b>	<b>(13,563,419,082)</b>	<b>5,890,579,713</b>	<b>26,267,131,059</b>	<b>13,789,155,543</b>
<b>60</b>	<b>Net profit after tax</b>	<b>1,392,791,811,725</b>	<b>1,041,582,655,384</b>	<b>4,145,875,364,976</b>	<b>3,132,230,064,375</b>
<b>70</b>	<b>Basic earnings per share (VND)</b>	<b>2,506</b>	<b>1,873</b>	<b>7,459</b>	<b>5,764</b>

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

CONSOLIDATED AND COMPANY INCOME STATEMENTS  
(continued)



Le Thanh Liem  
Chief Accountant

Ngo Thi Thu Trang  
Executive Director - Finance

Mai Kieu Lien  
Chief Executive Officer  
1 November 2012

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS**  
 (Indirect method)

Code					
	The Group		The Company		
	Nine-month period ended		Nine-month period ended		
	30.9.2012	30.9.2011	30.9.2012	30.9.2011	
	VND	VND	VND	VND	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>01</b>	<b>Net profit before tax</b>	<b>5,035,265,839,673</b>	<b>3,752,297,745,421</b>	<b>5,001,576,091,928</b>	<b>3,708,193,635,615</b>
	Adjustments for:				
02	Depreciation and amortisation	389,080,884,554	301,954,151,169	340,600,151,872	263,309,844,971
03	(Reversal of provisions)/provisions	(56,051,707,912)	26,408,163,186	(23,203,519,824)	107,895,624,740
04	Unrealised foreign exchange gains	11,809,532,150	9,155,118,602	11,809,532,150	9,155,118,599
05	Losses/(gains) from disposal of fixed assets	16,712,297,650	17,281,779,612	14,600,304,001	(17,416,355,774)
05	Interest and dividend income	(281,016,952,345)	(359,639,813,366)	(279,643,115,727)	(359,030,115,299)
05	(Profits)/losses from other investing activities	(14,809,576,613)	12,327,470,099	(5,539,877,098)	(143,272,489)
06	Interest expense	3,114,837,973	13,191,919,262	3,114,521,306	13,191,919,262
<b>08</b>	<b>Operating profit before changes in working capital</b>	<b>5,104,105,155,130</b>	<b>3,772,976,533,985</b>	<b>5,063,314,088,608</b>	<b>3,725,156,399,625</b>
09	Increase in receivables	(321,300,557,350)	(1,071,584,225,574)	(342,873,318,936)	(1,078,917,443,239)
10	Increase in inventories	(328,007,703,597)	(1,205,801,051,571)	(222,817,809,218)	(1,115,414,571,994)
11	(Decrease)/increase in payables	(351,045,833,467)	422,375,222,602	(285,327,005,266)	509,355,671,936
12	Increase in prepaid expenses	(30,413,275,389)	(55,518,328,814)	(26,053,238,387)	(49,943,087,139)
13	Interest paid	(3,114,837,973)	(13,355,207,156)	(3,114,521,306)	(13,355,207,156)
14	Business income tax paid	(816,759,314,626)	(590,645,694,099)	(815,138,914,309)	(588,734,320,000)
15	Other receipts from operating activities	3,704,175,480	1,150,647,240	3,704,175,480	1,150,647,240
16	Other payments on operating activities	(426,442,618,981)	(284,384,278,390)	(426,747,660,421)	(284,326,277,385)
<b>20</b>	<b>Net cash inflows from operating activities</b>	<b>2,830,725,189,227</b>	<b>975,213,618,223</b>	<b>2,944,945,796,245</b>	<b>1,104,971,811,888</b>

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

## VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Form B 03a – DN/HN

**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS**  
 (Indirect method)  
 (continued)

Code		The Group		The Company	
		Nine-month period ended		Nine-month period ended	
		30.9.2012 VND	30.9.2011 VND	30.9.2012 VND	30.9.2011 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
21	Purchases of fixed assets and constructions	(2,535,847,331,423)	(1,183,695,037,673)	(2,455,768,790,172)	(1,176,852,522,724)
22	Proceeds from disposals of fixed assets	11,664,845,541	37,709,348,747	62,002,327,054	43,806,536,156
23	Loans granted to associates	-	(18,000,000,000)	-	(18,000,000,000)
24	(Increase)/decrease in deposits at banks	(1,260,000,000,000)	1,044,408,000,000	(1,260,000,000,000)	1,044,408,000,000
24	Collection of loans granted to associates	18,000,000,000	-	18,000,000,000	-
24	Proceeds from disposal of long-term investments	23,024,623,470	-	23,024,623,470	-
24	Proceeds from bonds matured	200,000,000,000	100,000,000,000	200,000,000,000	100,000,000,000
25	Investments in other entities	-	-	(202,400,000,000)	(119,699,995,567)
27	Dividends and interest received	335,656,455,800	328,752,780,214	334,282,619,182	328,143,082,147
<b>30</b>	<b>Net cash (outflows)/inflows from investing activities</b>	<b>(3,207,501,406,612)</b>	<b>309,175,091,288</b>	<b>(3,280,859,220,466)</b>	<b>201,805,100,012</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
31	Proceeds from issuance of shares	-	1,454,528,400,000	-	1,454,528,400,000
32	Payment for share returns and repurchases	20 (1,900,759,000)	(657,063,000)	(1,900,759,000)	(657,063,000)
33	Proceeds from borrowings	-	729,005,000,000	-	729,005,000,000
34	Repayments of borrowings	-	(1,002,635,000,000)	-	(1,002,635,000,000)
36	Dividends paid	20 (2,222,994,056,000)	(741,428,260,000)	(2,222,994,056,000)	(741,428,260,000)
<b>40</b>	<b>Net cash (outflows)/inflows from financing activities</b>	<b>(2,224,894,815,000)</b>	<b>438,813,077,000</b>	<b>(2,224,894,815,000)</b>	<b>438,813,077,000</b>
<b>50</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,601,671,032,385)</b>	<b>1,723,201,786,511</b>	<b>(2,560,808,239,221)</b>	<b>1,745,589,988,900</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>3 3,156,515,396,990</b>	<b>263,472,368,080</b>	<b>3,101,435,901,849</b>	<b>234,843,207,079</b>
61	Effect of foreign exchange differences	289,568,521	(386,235,456)	289,568,521	(386,235,456)
<b>70</b>	<b>Cash and cash equivalents at end of period</b>	<b>3 555,133,933,126</b>	<b>1,986,287,919,135</b>	<b>540,917,231,149</b>	<b>1,980,046,960,523</b>

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS**  
(Indirect method)  
(continued)

The image shows three handwritten signatures in blue ink on a white background. The first signature is on the left, the second is in the middle, and the third is on the right. To the right of the signatures is a red circular stamp. The stamp contains the text: "M.S.D.N: 0300580500" at the top, "CÔNG TY CỔ PHẦN SỮA VIỆT NAM" in the center, "VINAMILK" in large letters below that, and "QUẬN 7 - TP. HỒ CHÍ MINH" at the bottom. There are two stars on either side of the bottom text. A blue line is drawn across the bottom of the signatures and the stamp.

\_\_\_\_\_  
Le Thanh Liem  
Chief Accountant

\_\_\_\_\_  
Ngo Thi Thu Trang  
Executive Director - Finance

\_\_\_\_\_  
Mai Kieu Lien  
Chief Executive Officer  
1 November 2012

The notes on pages 14 to 50 are an integral part of these consolidated and company interim financial statements.

**SELECTED NOTES TO THE CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012****1 GENERAL INFORMATION**

Vietnam Dairy Products Joint Stock Company (“the Company”, or “Vinamilk”) was initially established as a State Owned Enterprise under the control of the Ministry of Industry of the Socialist Republic of Vietnam (“SR Vietnam” or “the State”) in accordance with Decision No. 420/CNN/TCLD dated 29 April 1993. On 1 October 2003, the Company was equitised following Decision No. 155/2003/QD-BCN issued by the Ministry of Industry. On 20 November 2003, the Company was incorporated as a joint stock company under the Law on Enterprises of SR Vietnam according to Business Registration Certificate No. 4103001932 issued by the Planning and Investment Department of Ho Chi Minh City. The Company was subsequently listed on the Ho Chi Minh City Stock Exchange on 19 January 2006 according to the Listing Licence No. 42/UBCK-GPNY dated 28 December 2005 issued by the State Securities Commission.

On 19 April 2011, the Planning and Investment Department of Ho Chi Minh City issued another amended Business Registration Certificate No. 0300588569 approving the change in the Company’s registered office and the increase in owners’ capital to 3,565,706,400 thousand Vietnamese Dong.

On 23 August 2011, the Planning and Investment Department of Ho Chi Minh City issued another amended Business Registration Certificate No. 0300588569 approving the increase in owners’ capital to 3,708,255,500 thousand Vietnamese Dong.

On 30 November 2011, the Planning and Investment Department of Ho Chi Minh City issued another amended Business Registration Certificate No. 0300588569 approving the additions of new business activities and business locations.

In December 2011, the Company increased the share capital to 5,561,147,540 thousand Vietnamese Dong by issuing bonus shares to existing shareholders at ratio 2:1 as approved by relevant authorities. The amended Business Registration Certificate No. 0300588569 for such increase in share capital was issued by the Planning and Investment Department of Ho Chi Minh City on 7 March 2012.

The principal activities of the Company and its subsidiaries are:

- Manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- Trading in food technology, spare parts, equipment, materials and chemicals;
- Trading in houses, brokerage and leasing of real estate
- Warehousing, transportation services and loading;
- Manufacture, sell and distribute beverages, grocery and processing foods, roasted-ground-filtered and instant coffee;
- Manufacture and sell plastic packages and label printing;
- Manufacture and sell plastic products;
- Health care clinic operations;
- Cattle raising and agricultural operations;
- Activities supporting agricultural operations such as: supply of seeds of cultivated crops, guidance on cultivation techniques, cultivation harvest, soil working, irrigation;
- Cattle raising: supply of breeding animals and breeding techniques;
- Post-harvest services;
- Treatments on seeds for multiplication purposes; and
- Manufacture biscuits.



**1 GENERAL INFORMATION (continued)**

The consolidated interim financial statements for the nine-month period ended 30 September 2012 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities as listed below:

Name	Address	30.9.2012		31.12.2011	
		% of ownership	% of voting right	% of ownership	% of voting right
<b>Subsidiaries:</b>					
Vietnam Dairy Cow One Member Limited Company	10, Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Lam Son Dairy One Member Company Limited	Le Mon Industry Zone, Thanh Hoa Province, Vietnam	100%	100%	100%	100%
International Real Estate One Member Limited Company	10, Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Dielac Dairy One Member Company Limited (*)	9, Tu Do Venue, Vietnam - Singapore Industrial Zone, Thuan An, Binh Duong	100%	100%	100%	100%
<b>Jointly controlled entities:</b>					
Dairy Cow Development Project	Tu Tra Ward, Don Duong District, Lam Dong Province, Vietnam	25%	25%	25%	25%
Horizon Apartment Business Cooperation Contract	214, Tran Quang Khai, District 1, Ho Chi Minh City, Vietnam	24.5%	24.5%	24.5%	24.5%
<b>Associates:</b>					
Asia Saigon Food Ingredients Joint Stock Company	Lot C, 9E My Phuoc 3 Industrial Zone Ben Cat District, Binh Duong Province, Vietnam	15%	15%	15.79%	15.79%
Miraka Limited	Becker Findlay Allen C Tower 109 Tuwharetoa St, PO Box 1091, Taupo, New Zealand	19.3%	19.3%	19.3%	19.3%

(\*) On 18 September 2012, the Company has issued the decision to liquidate Dielac Dairy One Member Company Limited to convert it into a factory of the Company. The liquidation procedures are in the progress.

As at 30 September 2012, the Group had 4,916 employees (at 31 December 2011: 4,638 employees).

**2 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES**

The consolidated and company interim financial statements have been prepared in accordance with Vietnamese Accounting Standard 27 – Interim Financial Reporting. The consolidated and company interim financial statements should be read in conjunction with the annual consolidated and company financial statements for the year ended 31 December 2011, which have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and applicable regulations in SR Vietnam.

The accounting policies applied are consistent with those of the annual consolidated and company financial statements for the year ended 31 December 2011, as described in those annual consolidated and company financial statements. Users of these interim financial statements should read them together with the annual consolidated and company financial statements of the Company and its subsidiaries for the year ended 31 December 2011 in order to obtain full information of the accounting policies of the Group and the Company.

The accompanying consolidated and company interim financial statements are not intended to present the financial positions and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam. The accounting principles and practices utilised in SR Vietnam may differ from those generally accepted in countries and jurisdictions other than SR Vietnam.

**3 CASH AND CASH EQUIVALENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Cash on hand	785,785,370	748,676,117	599,573,741	545,856,573
Cash at bank	554,348,147,756	789,766,720,873	540,317,657,408	770,890,045,276
Cash equivalents (*)	-	2,366,000,000,000	-	2,330,000,000,000
	<u>555,133,933,126</u>	<u>3,156,515,396,990</u>	<u>540,917,231,149</u>	<u>3,101,435,901,849</u>

(\*) Cash equivalents include term deposits with an original maturity of 3 months or less.

**4 INVESTMENTS****(a) Short-term investments**

	<b>The Group and the Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>
Investment in unlisted equity securities	82,283,660,000	82,283,660,000
Investment in listed equity securities	21,618,596,312	24,993,771,792
Short-term deposits at banks	1,700,000,000,000	440,000,000,000
Bonds issued by local corporates	-	50,000,000,000
Bonds issued by local credit institutions	300,000,000,000	200,000,000,000
Other short-term investments (Note 32(a))	-	18,000,000,000
	<u>2,103,902,256,312</u>	<u>815,277,431,792</u>
Provision for diminution in value of short-term investments	(74,567,691,420)	(79,244,243,600)
	<u>2,029,334,564,892</u>	<u>736,033,188,192</u>

**4 INVESTMENTS (continued)****(a) Short-term investments (continued)**

Provision for diminution in value of short-term investments has been made to reflect the fall in market prices of the related shares as at the end of the reporting period.

Movements in the provision for diminution in value of short-term investments were as follows:

	<b>The Group and the Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>
Opening balance	79,244,243,600	70,657,669,500
Increase	-	8,586,574,100
Reversal	(4,676,552,180)	-
Closing balance	<u>74,567,691,420</u>	<u>79,244,243,600</u>

## 4 INVESTMENTS (continued)

## (b) Long-term investments

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
<i>Long-term equity investments in subsidiaries:</i>				
Vietnam Dairy Cow One Member Limited Company	-	-	684,500,000,000	522,000,000,000
Lam Son Dairy One Member Limited Company	-	-	90,800,000,000	90,800,000,000
International Real Estate One Member Limited Company	-	-	46,000,000,000	46,000,000,000
Dielac Dairy One Member Company Limited	-	-	204,518,014,080	164,952,380,127
	-	-	1,025,818,014,080	823,752,380,127
<i>Long-term equity investments in associates and joint venture:</i>				
Miraka Limited	180,306,707,639	173,228,494,143	179,315,000,000	179,315,000,000
Asia Saigon Food Ingredients Joint Stock Company	18,610,373,271	15,038,025,559	18,000,000,000	18,000,000,000
Horizon Apartment – Business Cooperation Contract	9,942,684,826	9,942,684,826	9,942,684,826	9,942,684,826
Dairy Cow Development Project	7,209,270,725	7,209,270,725	7,209,270,725	7,209,270,725
	216,069,036,461	205,418,475,253	214,466,955,551	214,466,955,551

## 4 INVESTMENTS (continued)

## (b) Long-term investments (continued)

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
<i>Other long-term investments:</i>				
Long-term bonds issued by local corporates	50,000,000,000	50,000,000,000	50,000,000,000	50,000,000,000
Long-term bonds issued by local credit institutions	-	300,000,000,000	-	300,000,000,000
Other long-term investments:				
Listed securities	189,402,373,800	206,996,073,800	189,402,373,800	206,961,273,800
Investment funds	106,350,000,000	106,350,000,000	106,350,000,000	106,350,000,000
Others	120,300,000,000	120,300,000,000	120,300,000,000	120,300,000,000
	<u>466,052,373,800</u>	<u>783,646,073,800</u>	<u>466,052,373,800</u>	<u>783,611,273,800</u>
<i>Provision for diminution in value of long-term investments</i>	<u>(89,365,996,046)</u>	<u>(142,350,792,629)</u>	<u>(251,325,465,605)</u>	<u>(271,462,074,100)</u>
	<u>592,755,414,215</u>	<u>846,713,756,424</u>	<u>1,455,011,877,826</u>	<u>1,550,368,535,378</u>

The movements in the provision for diminution in value of long-term investments are as follows:

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
Opening balance	142,350,792,629	108,580,084,548	271,462,074,100	151,998,226,912
Increase	-	34,898,977,981	41,911,444,946	120,592,117,088
Reversal	(52,984,796,583)	(1,128,269,900)	(62,048,053,441)	(1,128,269,900)
Closing balance	<u>89,365,996,046</u>	<u>142,350,792,629</u>	<u>251,325,465,605</u>	<u>271,462,074,100</u>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

**Form B 09a – DN/HN**

**5 TRADE ACCOUNTS RECEIVABLE**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Third parties	1,222,011,984,931	1,143,168,467,855	1,221,978,770,531	1,143,141,655,655
Related parties	-	-	5,538,860,404	9,490,378,148
	<u>1,222,011,984,931</u>	<u>1,143,168,467,855</u>	<u>1,227,517,630,935</u>	<u>1,152,632,033,803</u>
	<u><u>1,222,011,984,931</u></u>	<u><u>1,143,168,467,855</u></u>	<u><u>1,227,517,630,935</u></u>	<u><u>1,152,632,033,803</u></u>

**6 OTHER RECEIVABLES**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Dividends receivable	-	6,144,600	-	6,144,600
Interest income on deposits	18,349,999,999	39,118,333,339	18,349,999,999	39,118,333,339
Interest income receivable on bonds and loans granted to associates	19,689,223,743	53,480,095,630	19,689,223,743	53,480,095,630
Import tax refundable	271,150,066,888	128,535,499,715	271,150,066,888	128,535,499,715
Others	61,141,909,437	11,665,360,512	58,879,833,445	11,405,092,722
	<u>370,331,200,067</u>	<u>232,805,433,796</u>	<u>368,069,124,075</u>	<u>232,545,166,006</u>
	<u><u>370,331,200,067</u></u>	<u><u>232,805,433,796</u></u>	<u><u>368,069,124,075</u></u>	<u><u>232,545,166,006</u></u>

**7 INVENTORIES**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Goods in transit	467,150,743,607	972,360,197,401	466,939,831,291	972,269,280,990
Raw materials	2,376,855,837,463	1,590,350,151,377	2,320,185,745,406	1,554,537,858,729
Tools and supplies	4,870,222,399	1,833,344,075	1,026,478,596	319,202,861
Work in progress	99,011,523,535	61,562,596,516	37,042,997,569	23,368,489,862
Finished goods	583,651,612,834	579,265,915,242	577,151,271,363	569,780,981,699
Merchandise inventories	12,392,174,549	23,686,995,937	11,836,856,066	23,079,807,665
Goods on consignment	-	48,370,380,232	-	48,370,380,232
	<u>3,543,932,114,387</u>	<u>3,277,429,580,780</u>	<u>3,414,183,180,291</u>	<u>3,191,726,002,038</u>
Provision for decline in value of inventory	(4,282,019,153)	(4,933,906,670)	(4,282,019,153)	(4,933,906,670)
	<u>3,539,650,095,234</u>	<u>3,272,495,674,110</u>	<u>3,409,901,161,138</u>	<u>3,186,792,095,368</u>
	<u><u>3,539,650,095,234</u></u>	<u><u>3,272,495,674,110</u></u>	<u><u>3,409,901,161,138</u></u>	<u><u>3,186,792,095,368</u></u>

**7 INVENTORIES (continued)**

Movements in the provision for inventories during the period/year were as follows:

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
Opening balance	4,933,906,670	4,133,214,915	4,933,906,670	4,102,608,915
Increase	6,849,947,372	10,074,642,239	6,849,947,372	10,074,642,239
Reversal	(7,229,398,431)	(8,018,602,015)	(7,229,398,431)	(7,987,996,015)
Written-off	(272,436,458)	(1,255,348,469)	(272,436,458)	(1,255,348,469)
Closing balance	4,282,019,153	4,933,906,670	4,282,019,153	4,933,906,670

**8 PREPAYMENTS****(a) Short-term prepayments**

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
Advertising expenses	3,943,362,500	8,320,100,182	3,943,362,500	8,320,100,182
Freezers and coolers	50,421,547,277	34,676,924,998	50,421,547,277	34,676,924,998
Land, warehouse and other rental expenses	3,206,652,134	2,414,274,654	3,206,652,134	2,414,274,654
Software development and server maintenance expenses	5,542,537,996	3,862,183,375	5,542,537,996	3,862,183,375
Tool and supplies	9,281,843,239	4,255,096,359	9,146,850,824	4,315,576,310
Repair and maintenance expenses	771,037,434	1,381,630,958	771,037,434	1,381,630,958
Other expenses	4,002,906,175	1,998,888,993	2,739,731,767	1,350,337,549
	77,169,886,755	56,909,099,519	75,771,719,932	56,321,028,026

**(b) Long-term prepayments**

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
Land rental	2,189,861,340	2,434,012,586	2,189,861,340	2,434,012,586
Freezers and coolers	20,465,876,480	11,241,646,159	20,465,876,480	11,241,646,159
Other expenses	17,615,284,817	11,922,656,050	112,134,990	280,337,493
	40,271,022,637	25,598,314,795	22,767,872,810	13,955,996,238

**8 PREPAYMENTS (continued)****(b) Long-term prepayments (continued)**

Movement of long-term prepayment was as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Opening balance	25,598,314,795	97,740,813,322	13,955,996,238	94,165,141,674
Increase	79,810,153,838	75,772,676,087	67,765,356,852	64,037,517,524
Charge to income statement	(6,183,965,716)	(3,668,511,654)	-	-
Transfer to intangible fixed assets	-	(82,680,130,919)	-	(82,680,130,919)
Transfer to short-term prepayments (*)	(58,953,480,280)	(61,566,532,041)	(58,953,480,280)	(61,566,532,041)
Closing balance	40,271,022,637	25,598,314,795	22,767,872,810	13,955,996,238

(\*) Represented a portion of long-term prepayment to be allocated within a year.



**9 FIXED ASSETS****(a) Tangible fixed assets****(i) Tangible fixed assets – the Group**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Livestock VND</b>	<b>Total VND</b>
<b>Historical cost</b>						
At 1 January 2012	910,815,133,889	3,595,320,134,802	342,750,559,768	257,437,883,086	195,503,124,715	<b>5,301,826,836,260</b>
New purchases	13,820,935,490	110,219,700,326	21,212,844,100	28,132,808,475	135,631,338	<b>173,521,919,729</b>
Transfers from construction in progress (Note 9(c))	230,944,210,386	624,616,747,000	14,839,734,720	2,809,073,846	-	<b>873,209,765,952</b>
Transfers from inventory	-	-	-	-	61,477,702,006	<b>61,477,702,006</b>
Reclassifications	2,201,083,457	(2,372,344,889)	251,261,432	(80,000,000)	-	-
Disposals	(9,668,418,939)	(1,330,396,258)	(46,491,560,374)	(2,878,972,277)	(17,043,206,388)	<b>(77,412,554,236)</b>
Other decreases	-	(3,584,680)	-	(44,248,600)	-	<b>(47,833,280)</b>
At 30 September 2012	<u>1,148,112,944,283</u>	<u>4,326,450,256,301</u>	<u>332,562,839,646</u>	<u>285,376,544,530</u>	<u>240,073,251,671</u>	<u><b>6,332,575,836,431</b></u>
<b>Accumulated depreciation</b>						
At 1 January 2012	217,612,580,950	1,285,791,657,838	143,083,992,356	120,979,925,716	40,730,136,946	<b>1,808,198,293,806</b>
Charge for the period	34,786,761,131	263,890,753,475	22,336,453,363	33,246,501,991	26,456,928,660	<b>380,717,398,620</b>
Reclassifications	67,482,521	(121,152,237)	67,003,048	(13,333,332)	-	-
Disposals	(1,876,902,268)	(1,304,432,130)	(18,076,060,114)	(2,878,972,277)	(5,229,990,185)	<b>(29,366,356,974)</b>
Other decreases	-	-	-	(1,229,128)	-	<b>(1,229,128)</b>
At 30 September 2012	<u>250,589,922,334</u>	<u>1,548,256,826,946</u>	<u>147,411,388,653</u>	<u>151,332,892,970</u>	<u>61,957,075,421</u>	<u><b>2,159,548,106,324</b></u>
<b>Net book value</b>						
At 1 January 2012	<u>693,202,552,939</u>	<u>2,309,528,476,964</u>	<u>199,666,567,412</u>	<u>136,457,957,370</u>	<u>154,772,987,769</u>	<u><b>3,493,628,542,454</b></u>
At 30 September 2012	<u><u>897,523,021,949</u></u>	<u><u>2,778,193,429,355</u></u>	<u><u>185,151,450,993</u></u>	<u><u>134,043,651,560</u></u>	<u><u>178,116,176,250</u></u>	<u><u><b>4,173,027,730,107</b></u></u>

Included in the Group's tangible fixed assets were assets costing VND657,172,547,636 which were fully depreciated as at 30 September 2012 (31 December 2011: VND628,995,160,327), but which are still in active use.

**9 FIXED ASSETS (continued)****(a) Tangible fixed assets (continued)****(ii) Tangible fixed assets – the Company**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Total VND</b>
<b>Historical cost</b>					
At 1 January 2012	762,922,587,776	3,474,955,502,074	329,173,371,192	252,344,759,560	<b>4,819,396,220,602</b>
New purchases	13,491,185,890	109,605,915,545	21,212,844,100	27,102,220,152	<b>171,412,165,687</b>
Transfers from construction in progress (Note 9(c))	158,560,562,767	603,277,956,942	13,508,809,265	2,809,073,846	<b>778,156,402,820</b>
Reclassifications	2,201,083,457	(2,372,344,889)	251,261,432	(80,000,000)	-
Disposals	(9,668,418,939)	(9,290,957,711)	(47,372,487,469)	(2,878,972,277)	<b>(69,210,836,396)</b>
At 30 September 2012	<u>927,507,000,951</u>	<u>4,176,176,071,961</u>	<u>316,773,798,520</u>	<u>279,297,081,281</u>	<b><u>5,699,753,952,713</u></b>
<b>Accumulated depreciation</b>					
At 1 January 2012	189,461,623,334	1,234,934,979,633	135,277,665,228	118,979,841,406	<b>1,678,654,109,601</b>
Charge for the period	26,337,510,659	253,172,769,097	21,234,374,794	32,208,628,792	<b>332,953,283,342</b>
Reclassifications	67,482,521	(121,152,237)	67,003,048	(13,333,332)	-
Disposals	(1,876,902,268)	(4,550,823,470)	(18,563,240,485)	(2,878,972,277)	<b>(27,869,938,500)</b>
At 30 September 2012	<u>213,989,714,246</u>	<u>1,483,435,773,023</u>	<u>138,015,802,585</u>	<u>148,296,164,589</u>	<b><u>1,983,737,454,443</u></b>
<b>Net book value</b>					
At 1 January 2012	<u>573,460,964,442</u>	<u>2,240,020,522,441</u>	<u>193,895,705,964</u>	<u>133,364,918,154</u>	<b><u>3,140,742,111,001</u></b>
At 30 September 2012	<u>713,517,286,705</u>	<u>2,692,740,298,938</u>	<u>178,757,995,935</u>	<u>131,000,916,692</u>	<b><u>3,716,016,498,270</u></b>

Included in the Company's tangible fixed assets were assets costing VND656,421,092,219 which were fully depreciated as at 30 September 2012 (31 December 2011: VND628,682,409,973), but which are still in active use.

**9 FIXED ASSETS (continued)****(b) Intangible fixed assets****(i) Intangible fixed assets – the Group**

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
At 1 January 2012	324,478,280,840	58,931,090,027	<b>383,409,370,867</b>
Additions	-	4,455,962,797	<b>4,455,962,797</b>
Disposals	-	(1,270,856,480)	<b>(1,270,856,480)</b>
	<hr/>	<hr/>	<hr/>
At 30 September 2012	324,478,280,840	62,116,196,344	<b>386,594,477,184</b>
	<hr/>	<hr/>	<hr/>
<b>Accumulated amortisation</b>			
At 1 January 2012	78,679,820,739	48,683,460,597	<b>127,363,281,336</b>
Charge for the period	2,881,188,683	2,514,623,409	<b>5,395,812,092</b>
Disposals	-	(1,270,856,480)	<b>(1,270,856,480)</b>
	<hr/>	<hr/>	<hr/>
At 30 September 2012	81,561,009,422	49,927,227,526	<b>131,488,236,948</b>
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 1 January 2012	245,798,460,101	10,247,629,430	<b>256,046,089,531</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 September 2012	242,917,271,418	12,188,968,818	<b>255,106,240,236</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**9 FIXED ASSETS (continued)****(b) Intangible fixed assets (continued)****(ii) Intangible fixed assets – the Company**

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
At 1 January 2012	246,572,355,216	58,931,090,027	<b>305,503,445,243</b>
Additions	-	4,455,962,797	<b>4,455,962,797</b>
Disposals	-	(1,270,856,480)	<b>(1,270,856,480)</b>
	<hr/>	<hr/>	<hr/>
At 30 September 2012	246,572,355,216	62,116,196,344	<b>308,688,551,560</b>
	<hr/>	<hr/>	<hr/>
<b>Accumulated amortisation</b>			
At 1 January 2012	47,439,243,351	48,683,460,597	<b>96,122,703,948</b>
Charge for the period	2,164,571,279	2,514,623,409	<b>4,679,194,688</b>
Disposals	-	(1,270,856,480)	<b>(1,270,856,480)</b>
	<hr/>	<hr/>	<hr/>
At 30 September 2012	49,603,814,630	49,927,227,526	<b>99,531,042,156</b>
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 1 January 2012	199,133,111,865	10,247,629,430	<b>209,380,741,295</b>
	<hr/>	<hr/>	<hr/>
At 30 September 2012	196,968,540,586	12,188,968,818	<b>209,157,509,404</b>
	<hr/>	<hr/>	<hr/>

Included in the Group and the Company's intangible fixed assets were assets costing VND45,221,516,597, which were fully depreciated as at 30 September 2012 (31 December 2011: VND43,568,790,597), but which are still in active use.

**(c) Construction in progress**

	<u>The Group</u>		<u>The Company</u>	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
Opening balance	1,295,087,396,884	665,282,453,729	1,221,103,883,288	653,359,231,400
Additions	2,635,005,253,989	1,765,978,487,062	2,614,696,280,783	1,673,918,817,918
Transfers to tangible fixed assets (Note 9(a))	(873,209,765,952)	(1,130,614,746,336)	(778,156,402,820)	(1,095,656,690,548)
Transfers to inventory		(4,529,164,165)	-	-
Disposals		-	(54,034,183,095)	(10,517,475,482)
Other decreases	(4,849,797,989)	(1,029,633,406)	(2,209,330,091)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	3,052,033,086,932	1,295,087,396,884	3,001,400,248,065	1,221,103,883,288
	<hr/>	<hr/>	<hr/>	<hr/>

**9 FIXED ASSETS (continued)****(c) Construction in progress (continued)**

Main projects relate to the following locations:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Vietnam milk factory	1,483,465,858,049	252,972,591,210	1,483,465,858,049	252,972,591,210
Dielac 2 powder milk factory	1,395,717,511,771	383,594,721,240	1,395,717,511,771	383,594,721,240
Can Tho branch	45,086,527,051	44,989,951,351	45,086,527,051	44,989,951,351
Vietnam Dairy Cow One Member Company Limited	43,413,957,053	28,940,680,077	-	-
Da Nang milk factory	16,575,599,187	237,931,390,899	16,575,599,187	237,931,390,899
Dairy cow farms	7,405,754,731	15,893,206,674	7,405,754,731	15,893,206,674
Sai Gon milk factory	972,954,096	80,403,563,112	972,954,096	80,403,563,112
Tien Son milk factory	-	81,555,694,010	-	81,555,694,010
Nghe An milk factory	-	35,495,060,435	-	35,495,060,435
Dielac milk factory	-	33,679,200,351	-	33,679,200,351

**10 INVESTMENT PROPERTY****(a) Investment property – the Group**

	<b>Land use rights</b>	<b>Infrastructure</b>	<b>Buildings</b>	<b>Total</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Historical cost</b>				
At 1 January 2012 and 30 September 2012	27,489,150,000	5,994,290,197	84,183,047,263	<b>117,666,487,460</b>
<b>Accumulated depreciation</b>				
At 1 January 2012	-	1,144,301,491	15,850,898,430	<b>16,995,199,921</b>
Charge for the period	-	449,571,762	2,518,102,080	<b>2,967,673,842</b>
At 30 September 2012	-	1,593,873,253	18,369,000,510	<b>19,962,873,763</b>
<b>Net book value</b>				
At 1 January 2012	27,489,150,000	4,849,988,706	68,332,148,833	<b>100,671,287,539</b>
At 30 September 2012	27,489,150,000	4,400,416,944	65,814,046,753	<b>97,703,613,697</b>

The land use rights represented freehold land in Hai Chau District, Da Nang City and was carried at cost and not amortised.

**10 INVESTMENT PROPERTY (continued)****(b) Investment property – the Company**

	Infrastructure VND	Buildings VND	Total VND
<b>Historical cost</b>			
At 1 January 2012 and 30 September 2012	5,994,290,197	84,183,047,263	<b>90,177,337,460</b>
<b>Accumulated depreciation</b>			
At 1 January 2012	1,144,301,491	15,850,898,430	<b>16,995,199,921</b>
Charge for the period	449,571,762	2,518,102,080	<b>2,967,673,842</b>
At 30 September 2012	1,593,873,253	18,369,000,510	<b>19,962,873,763</b>
<b>Net book value</b>			
At 1 January 2012	4,849,988,706	68,332,148,833	<b>73,182,137,539</b>
At 30 September 2012	4,400,416,944	65,814,046,753	<b>70,214,463,697</b>

Included in the Group and the Company's investment properties were assets costing VND6,976,800,000, which were fully depreciated as at 30 September 2012 (31 December 2011: VND6,976,800,000), but which are still in active use.

**11 GOODWILL**

Movements of goodwill were as follows:

	<b>The Group</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>
Opening balance	15,503,335,522	19,556,808,664
Decrease	-	(2,269,050,480)
Charged to the income statement	(1,380,861,693)	(1,784,422,662)
Closing balance	14,122,473,829	15,503,335,522

**12 DEFERRED INCOME TAX ASSETS**

The gross movement in the deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Opening balance	80,643,411,508	62,865,036,536	75,328,279,060	62,865,036,536
Income statement credit	20,951,998,611	17,778,374,972	26,267,131,059	12,463,242,524
Closing balance	<u>101,595,410,119</u>	<u>80,643,411,508</u>	<u>101,595,410,119</u>	<u>75,328,279,060</u>

The deferred income tax asset mainly arises from the unrealised foreign exchange, the provisions and accruals.

**13 TRADE ACCOUNTS PAYABLE**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Third parties	1,439,014,707,326	1,722,763,113,643	1,408,245,714,591	1,702,718,373,420
Related parties (Note 32(b))	3,308,731,477	108,195,986,831	230,298,661,235	180,037,008,367
	<u>1,442,323,438,803</u>	<u>1,830,959,100,474</u>	<u>1,638,544,375,826</u>	<u>1,882,755,381,787</u>

**14 TAXES AND OTHER PAYABLES TO STATE BUDGET**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Value Added Tax	113,163,465,392	78,912,830,769	112,497,311,861	78,689,870,892
Import duty	4,500,856,761	5,819,918,779	4,500,856,761	5,819,918,779
Business income tax	256,582,439,536	188,626,252,026	255,506,680,161	188,614,922,393
Personal income tax	19,602,191,968	13,715,531,182	19,490,802,624	13,669,767,416
Others	29,862,580	388,358,072	29,862,580	388,358,072
	<u>393,878,816,237</u>	<u>287,462,890,828</u>	<u>392,025,513,987</u>	<u>287,182,837,552</u>

## 15 ACCRUED EXPENSES

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
Sales incentives for customers	142,475,480,281	166,981,423,467	142,475,480,281	166,981,423,467
Expenses for product display	4,141,135,792	138,181,804	4,141,135,792	138,181,804
Advertising expenses	121,204,508,303	29,428,701,502	121,204,508,303	29,428,701,502
Transportation expenses	25,760,425,259	25,359,546,962	25,725,695,259	25,290,506,962
Fuel expenses	6,951,040,343	5,795,564,015	6,951,040,343	5,795,564,015
Repair and maintenance expenses	9,599,202,318	6,357,023,147	9,599,202,318	6,357,023,147
Expenses for outsourced employees	9,428,349,020	7,252,173,600	9,428,349,020	7,252,173,600
Others	19,156,437,562	19,365,394,796	17,155,990,729	18,962,596,396
	<u>338,716,578,878</u>	<u>260,678,009,293</u>	<u>336,681,402,045</u>	<u>260,206,170,893</u>

Other accrued expenses as at 30 September 2012 mainly comprised of land rentals and general and administration expenses.

## 16 OTHER PAYABLES

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
Deposits received from customers	15,969,053,405	13,510,621,271	15,772,053,405	13,285,621,271
Import duty payables	218,296,865,501	31,891,388,948	218,296,865,501	31,891,388,948
Payables to minority shareholders of subsidiaries	-	34,800,000	-	-
Other payables relating to financial investments	185,419,155	184,859,155	185,419,155	184,859,155
Staff insurances and trade union fee	1,050,233,957	615,429,742	661,144,745	530,051,230
Others	26,743,767,538	13,241,826,199	8,572,955,088	12,392,904,889
	<u>262,245,339,556</u>	<u>59,478,925,315</u>	<u>243,488,437,894</u>	<u>58,284,825,493</u>



**17 OTHER LONG-TERM LIABILITIES**

Other long term liabilities represented an advance payment received from a third party in respect of the future transfer of the Company's investment in a bank. The transfer can only be effective upon approval by the bank's Annual General Meeting or Board of Management and its founding shareholders; or after five years from the date of establishment of the bank, whichever comes first.

**18 PROVISION FOR SEVERANCE ALLOWANCES**

Movements for provision for severance allowances during the period/year were as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Opening balance	66,923,897,268	51,373,933,083	66,571,712,268	51,058,625,583
Increases	1,194,819,670	16,618,656,982	1,148,967,670	16,576,979,482
Payment during the period/year	(609,785,501)	(1,068,692,797)	(609,785,501)	(1,063,892,797)
Reversal	(490,508,070)	-	(490,508,070)	-
Closing balance	67,018,423,367	66,923,897,268	66,620,386,367	66,571,712,268

**19 SHARE CAPITAL**

The Company's authorised and issued share capital is:

	<b>30.9.2012</b>		<b>31.12.2011</b>	
	<b>Number of shares</b>	<b>VND</b>	<b>Number of shares</b>	<b>VND</b>
<b>Authorised share capital</b>	556,114,754	5,561,147,540,000	556,114,754	5,561,147,540,000
<b>Issued share capital</b>				
Ordinary shares	556,114,754	5,561,147,540,000	556,114,754	5,561,147,540,000
<b>Treasury shares</b>				
Ordinary shares	(430,120)	(4,422,553,000)	(247,140)	(2,521,794,000)
<b>Shares currently in circulation</b>				
Ordinary shares	555,684,634	5,556,724,987,000	555,867,614	5,558,625,746,000

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

**20 MOVEMENTS IN OWNERS' EQUITY****(a) Movements in owners' equity – the Group**

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Financial reserve fund VND	Undistributed earnings VND	Total VND
As at 1 January 2011	3,530,721,200,000	-	(669,051,000)	2,172,290,789,865	353,072,120,000	1,909,021,531,417	<b>7,964,436,590,282</b>
Capital increase during the year	2,030,426,340,000	1,276,994,100,000	(1,852,743,000)	(1,852,892,040,000)	-	-	<b>1,452,675,657,000</b>
Profit for the year	-	-	-	-	-	4,218,181,708,937	<b>4,218,181,708,937</b>
Appropriations to reserves	-	-	-	588,625,486,519	203,042,634,000	(1,208,328,620,254)	<b>(416,660,499,735)</b>
Dividends paid	-	-	-	-	-	(741,428,260,000)	<b>(741,428,260,000)</b>
As at 31 December 2011	5,561,147,540,000	1,276,994,100,000	(2,521,794,000)	908,024,236,384	556,114,754,000	4,177,446,360,100	<b>12,477,205,196,484</b>
Purchases of treasury shares	-	-	(1,900,759,000)	-	-	-	<b>(1,900,759,000)</b>
Profit for the period	-	-	-	-	-	4,171,506,916,656	<b>4,171,506,916,656</b>
Appropriations to reserves	-	-	-	576,420,895,078	-	(991,008,431,585)	<b>(414,587,536,507)</b>
Dividends paid (Note 21)	-	-	-	-	-	(2,222,994,056,000)	<b>(2,222,994,056,000)</b>
As at 30 September 2012	5,561,147,540,000	1,276,994,100,000	(4,422,553,000)	1,484,445,131,462	556,114,754,000	5,134,950,789,171	<b>14,009,229,761,633</b>

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Form B 09a – DN/HN

20 MOVEMENTS IN OWNERS' EQUITY (continued)

(b) Movements in owners' equity – the Company

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Financial reserve fund VND	Undistributed earnings VND	Total VND
As at 1 January 2011	3,530,721,200,000	-	(669,051,000)	2,172,290,789,865	353,072,120,000	1,895,541,229,005	<b>7,950,956,287,870</b>
Capital increase during the year	2,030,426,340,000	1,276,994,100,000	(1,852,743,000)	(1,852,892,040,000)	-	-	<b>1,452,675,657,000</b>
Profit for the year	-	-	-	-	-	4,166,604,997,301	<b>4,166,604,997,301</b>
Appropriations to reserves	-	-	-	588,625,486,519	203,042,634,000	(1,208,328,620,250)	<b>(416,660,499,731)</b>
Dividends paid	-	-	-	-	-	(741,428,260,000)	<b>(741,428,260,000)</b>
As at 31 December 2011	5,561,147,540,000	1,276,994,100,000	(2,521,794,000)	908,024,236,384	556,114,754,000	4,112,389,346,056	<b>12,412,148,182,440</b>
Purchases of treasury shares	-	-	(1,900,759,000)	-	-	-	<b>(1,900,759,000)</b>
Profit for the period	-	-	-	-	-	4,145,875,364,976	<b>4,145,875,364,976</b>
Appropriations to reserves	-	-	-	576,420,895,078	-	(991,008,431,575)	<b>(414,587,536,497)</b>
Dividends paid (Note 21)	-	-	-	-	-	(2,222,994,056,000)	<b>(2,222,994,056,000)</b>
As at 30 September 2012	5,561,147,540,000	1,276,994,100,000	(4,422,553,000)	1,484,445,131,462	556,114,754,000	5,044,262,223,457	<b>13,918,541,195,919</b>

**21 DIVIDENDS**

On 23 March 2012, the Company's Annual General Meeting ("AGM") approved the final dividends of 20% in cash for the year ended 31 December 2011 (including 10% according to the Resolution of AGM in 2011 and an addition of 10%). The Company paid the dividends in April 2012.

On 27 July 2012, the Company's Board of Management approved the interim dividends of 20% in cash for the year ending 31 December 2012. The dividends were paid in September 2012.

**22 REVENUE****(a) Net sales**

	The Group		The Company	
	Nine-month period ended		Nine-month period ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	VND	VND	VND	VND
<b>Sales</b>				
Sales of merchandise goods	305,775,582,527	213,525,658,020	504,383,885,988	350,859,351,812
Sales of finished goods	19,567,826,734,673	15,746,463,584,395	19,570,297,445,279	15,746,446,493,946
Sales from provision of real estate services	9,035,582,061	6,637,976,586	8,988,582,061	6,617,976,586
Sales from provision of other services	14,604,265,561	13,451,650,433	14,604,265,561	13,451,650,433
	19,897,242,164,822	15,980,078,869,434	20,098,274,178,889	16,117,375,472,777
<b>Sales deductions</b>				
Trade discounts	(386,270,358,732)	(326,811,654,047)	(386,270,358,732)	(326,811,654,047)
Sales returns	(4,861,739,789)	(896,312,908)	(4,861,739,789)	(896,312,908)
	(391,132,098,521)	(327,707,966,955)	(391,132,098,521)	(327,707,966,955)
<b>Net sales</b>	19,506,110,066,301	15,652,370,902,479	19,707,142,080,368	15,789,667,505,822

**(b) Financial income**

	The Group		The Company	
	Nine-month period ended		Nine-month period ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	VND	VND	VND	VND
Interest income on deposits	193,022,239,357	266,989,649,554	191,648,402,659	266,379,951,487
Interest income on bonds	64,989,683,668	72,866,716,702	64,989,683,668	72,866,716,702
Interest income on loans granted	345,000,000	1,755,000,000	345,000,000	1,755,000,000
Gains on disposal of securities	8,790,592,000	-	8,790,592,000	-
Dividends income	22,660,029,400	18,028,447,110	22,660,029,400	18,028,447,110
Realised foreign exchange gains	75,495,333,381	97,984,472,748	75,495,333,381	97,984,472,747
Gains from foreign currency translation at period-end	-	50,222,093,037	-	50,222,093,038
Others	74,153,628	143,579,989	74,153,628	143,579,989
	365,377,031,434	507,989,959,140	364,003,194,736	507,380,261,073

## 23 COST OF SALES

	The Group		The Company	
	Nine-month period ended		Nine-month period ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	VND	VND	VND	VND
Merchandise goods sold	251,192,337,801	206,660,461,450	445,102,789,093	343,784,259,688
Finished goods sold	12,647,698,905,373	10,508,026,147,246	12,699,438,089,348	10,570,809,399,678
Real estate services provided	4,233,076,344	3,591,544,941	4,233,076,344	3,591,544,941
Other services provided	661,645,960	1,036,368,101	661,645,960	1,036,368,101
Inventories deficiencies	2,630,792,251	1,579,819,941	11,666,430	30,672,000
Expenses in excess of normal value	37,302,273,310	45,883,008,760	14,476,932,396	13,039,175,306
(Reversal of provision)/provision for the decline in value of inventory	(379,451,059)	1,352,919,512	(379,451,059)	1,352,919,512
	<u>12,943,339,579,980</u>	<u>10,768,130,269,951</u>	<u>13,163,544,748,512</u>	<u>10,933,644,339,226</u>

## 24 FINANCIAL EXPENSES

	The Group		The Company	
	Nine-month period ended		Nine-month period ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	VND	VND	VND	VND
Payment discounts for distributors	24,685,160,237	21,668,131,261	24,685,160,237	21,668,131,261
Interest expenses on loans	3,114,837,973	13,191,919,262	3,114,521,306	13,191,919,262
Interest expense on deposit received	712,465,808	1,030,428,671	712,465,808	1,030,428,671
Realised foreign exchange losses	34,043,857,467	85,583,168,760	34,043,857,467	85,581,738,762
Losses from foreign currency translation at period-end	11,809,532,150	59,377,211,639	11,809,532,150	59,377,211,637
(Reversal of provision)/provision for diminution in value of investments	(57,661,348,763)	23,893,241,365	(24,813,160,675)	105,380,702,919
Others	2,614,464,544	33,995,000	2,614,464,544	33,995,000
	<u>19,318,969,416</u>	<u>204,778,095,958</u>	<u>52,166,840,837</u>	<u>286,264,127,512</u>

**VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY**

**Form B 09a – DN/HN**

**25 SELLING EXPENSES**

	<b>The Group</b>		<b>The Company</b>	
	<b>Nine-month period ended</b>		<b>Nine-month period ended</b>	
	<b>30.9.2012</b>	<b>30.9.2011</b>	<b>30.9.2012</b>	<b>30.9.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Advertising expenses	392,121,009,119	307,824,576,055	392,121,009,119	307,824,576,055
Promotion expenses	462,892,231,458	326,589,691,316	462,892,231,458	326,589,691,316
Support and commission expenses for distributors	264,617,449,905	221,800,559,553	264,617,449,905	221,800,559,553
Staff costs	111,627,969,282	91,885,015,549	111,627,969,282	91,885,015,549
Material expenses	41,317,762,414	34,546,715,330	41,317,762,414	34,546,715,330
Tools and supplies expenses	43,535,567,986	23,909,906,023	43,535,567,986	23,909,906,023
Depreciation expenses	19,029,423,857	19,295,269,161	19,029,423,857	19,295,269,161
Expenses of damaged goods	10,111,610,844	6,861,260,931	10,111,610,844	6,861,260,931
Transportation for goods sold	230,369,707,244	178,628,279,936	230,369,707,244	178,628,279,936
Outside service expenses	69,925,316,074	54,466,273,854	69,941,591,074	54,466,273,854
	<b>1,645,548,048,183</b>	<b>1,265,807,547,708</b>	<b>1,645,564,323,183</b>	<b>1,265,807,547,708</b>

**26 GENERAL AND ADMINISTRATION EXPENSES**

	<b>The Group</b>		<b>The Company</b>	
	<b>Nine-month period ended</b>		<b>Nine-month period ended</b>	
	<b>30.9.2012</b>	<b>30.9.2011</b>	<b>30.9.2012</b>	<b>30.9.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Staff costs	121,454,229,671	102,745,311,544	111,339,249,382	96,275,720,416
Material expenses	9,067,969,630	7,824,379,936	8,710,227,933	7,563,458,924
Office supplies	2,857,137,599	3,242,951,367	2,396,788,917	2,819,189,937
Depreciation expenses	44,080,247,800	36,597,185,541	42,167,650,731	35,274,703,189
Fees and duties	12,449,735,021	4,081,529,382	2,275,147,014	1,859,174,126
Provision for doubtful debts and severance allowance	2,703,416,946	5,291,649,077	2,657,564,946	5,291,649,077
Transportation for internal transfer of goods	39,101,394,257	36,509,908,159	39,101,394,257	36,509,908,159
Outside service expenses	89,158,506,954	66,892,889,690	82,733,447,498	62,352,726,423
Loading expenses	20,400,160,721	26,881,909,000	20,400,160,721	26,881,909,000
Per diem allowances	12,372,035,073	8,951,008,835	12,372,035,073	8,951,008,835
Bank charges	5,154,107,588	5,282,348,121	5,154,107,588	5,282,348,121
Others	28,587,571,350	18,398,670,176	25,626,495,577	15,683,571,462
	<b>387,386,512,610</b>	<b>322,699,740,828</b>	<b>354,934,269,637</b>	<b>304,745,367,669</b>

## 27 NET OTHER INCOME

	The Group		The Company	
	Nine-month period ended		Nine-month period ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	VND	VND	VND	VND
<b>Other income</b>				
Proceeds from disposals of fixed assets	31,334,554,157	47,194,601,899	26,741,248,439	41,010,802,660
Proceeds from disposals of construction in progress	-	-	54,034,183,096	10,212,075,000
Proceeds from sales of tools, supplies and scraps	72,603,816,437	59,948,079,569	72,065,678,383	62,720,126,405
Compensation received from other parties	560,186,906	1,274,088,291	560,186,906	1,274,088,291
Rebate income from suppliers	83,297,566,668	114,686,538,293	83,297,566,668	114,498,174,596
Sundry income	10,945,970,791	8,278,366,307	65,887,656,925	34,835,574,264
	<u>198,742,094,959</u>	<u>231,381,674,359</u>	<u>302,586,520,417</u>	<u>264,550,841,216</u>
<b>Other expenses</b>				
Net book value of fixed assets disposed	(48,046,197,262)	(64,476,381,511)	(41,340,897,896)	(23,724,166,404)
Cost of construction in progress disposed	-	-	(54,034,183,095)	(10,082,355,482)
Cost of tools, supplies and scraps disposed	(52,817,138)	(1,360,559,369)	-	(1,329,579,899)
Fines due to contract breach	-	(335,750,000)	-	(335,750,000)
Sundry expenses	(1,921,789,640)	(709,838,075)	(60,570,440,433)	(27,471,738,596)
	<u>(50,020,804,040)</u>	<u>(66,882,528,955)</u>	<u>(155,945,521,424)</u>	<u>(62,943,590,381)</u>
<b>Net other income</b>	<u>148,721,290,919</u>	<u>164,499,145,404</u>	<u>146,640,998,993</u>	<u>201,607,250,835</u>

**28 BUSINESS INCOME TAX**

The Group is required to pay business income tax (“BIT”) at rates ranging from 15% to 25%, depending on locations of the factories, on taxable profits. In the Group, only the Company and Lam Son Dairy One Member Company Limited incurred the business income tax charges. Other companies have no taxable income.

The tax on the Group’s and the Company’s profit before tax differs from the theoretical amount that would arise using the normal tax rate of 25% as regulated in current tax regulations as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>Nine-month period ended</b>		<b>Nine-month period ended</b>	
	<b>30.9.2012</b>	<b>30.9.2011</b>	<b>30.9.2012</b>	<b>30.9.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Net accounting profit before tax	5,035,265,839,673	3,752,297,745,421	5,001,576,091,928	3,708,193,635,615
Tax calculated at the tax rate of 25%	1,258,816,459,918	938,074,436,355	1,250,394,022,982	927,048,408,904
Effect of:				
Different tax rates applicable for branches and subsidiaries	(215,852,516,779)	(171,058,662,142)	(216,020,179,697)	(169,856,349,447)
Income not subject to tax	(14,380,081,324)	(21,237,324,511)	(5,665,007,350)	(4,494,211,778)
Expenses not deductible for tax purposes	2,343,626,554	2,851,162,057	2,343,626,554	2,851,162,057
Tax incentives	(189,107,725,075)	(192,276,160,995)	(186,488,737,576)	(184,999,230,629)
Deferred income tax asset was not previously recognised	-	-	(7,099,509,502)	-
Current tax losses in subsidiaries for which no deferred income tax asset was recognised	3,702,648,182	14,380,632,538	-	-
Under provision in previous years	18,236,511,541	5,413,792,134	18,236,511,541	5,413,792,133
Business income tax charge	<u>863,758,923,017</u>	<u>576,147,875,436</u>	<u>855,700,726,952</u>	<u>575,963,571,240</u>
Charged/(credited) to the income statement:				
Business income tax - current	884,710,921,628	589,937,030,979	881,967,858,011	589,752,726,783
Business income tax - deferred	(20,951,998,611)	(13,789,155,543)	(26,267,131,059)	(13,789,155,543)
	<u>863,758,923,017</u>	<u>576,147,875,436</u>	<u>855,700,726,952</u>	<u>575,963,571,240</u>



**28 BUSINESS INCOME TAX (continued)**

The Group's and the Company's business income tax charge for the period is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

**29 BASIC EARNINGS PER SHARE**

The calculation of basic earnings per share at 30 September 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

	<u>Nine-month period ended</u>	
	<b>30.9.2012</b>	<b>30.9.2011</b>
<b>The Group</b>		
Net profit attributable to shareholders (VND)	4,171,506,916,656	3,176,149,869,985
Weighted average number of ordinary shares in issuance	555,784,668	362,278,781
Basic earnings per share based on weighted average number of ordinary shares in issuance (VND)	7,506	8,767
Weighted average number of ordinary shares in issuance recalculated based on the assumption that the bonus shares issued in December 2011 had been issued since 1 January 2011	555,784,668	543,418,171
Basic earnings per share recalculated based on assumption that the bonus shares issued in December 2011 had been issued since 1 January 2011 (VND)	<u>7,506</u>	<u>5,845</u>
<b>The Company</b>		
Net profit attributable to shareholders (VND)	4,145,875,364,976	3,132,230,064,375
Weighted average number of ordinary shares in issuance	555,784,668	362,278,781
Basic earnings per share based on weighted average number of ordinary shares in issuance (VND)	7,459	8,646
Weighted average number of ordinary shares in issuance recalculated based on the assumption that the bonus shares issued in December 2011 had been issued since 1 January 2011	555,784,668	543,418,171
Basic earnings per share recalculated based on assumption that the bonus shares issued in December 2011 had been issued since 1 January 2011 (VND)	<u>7,459</u>	<u>5,764</u>

The Group and the Company do not have potentially dilutive ordinary shares.

## 30 COST OF GOODS MANUFACTURED BY FACTORS

	The Group		The Company	
	Nine-month period ended		Nine-month period ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	VND	VND	VND	VND
Raw materials	12,096,620,524,087	10,211,021,521,106	12,374,333,375,366	10,415,502,700,563
Labour costs	537,643,229,473	443,283,149,493	512,426,796,640	427,868,953,134
Depreciation expenses	389,080,884,554	298,096,976,778	340,600,151,872	263,309,844,971
Outside service expenses	674,813,273,777	524,882,006,583	643,011,321,876	507,502,342,048
Other cash expenses	1,266,446,486,065	971,949,176,319	1,262,748,414,332	968,583,243,690
	<u>14,964,604,397,956</u>	<u>12,449,232,830,279</u>	<u>15,133,120,060,086</u>	<u>12,582,767,084,406</u>

## 31 SEGMENTAL REPORTING

Segment information is presented in respect of the Group's and the Company's geographical segment. The primary format, geographical segments, is based on the Group's management and internal reporting structure.

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, 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 ("Export").

	Domestic		Export		Total	
	Nine-month period ended		Nine-month period ended		Nine-month period ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	VND	VND	VND	VND	VND	VND
<b>The Group</b>						
Sales revenue	16,641,367,421,437	13,820,322,467,536	2,864,742,644,864	1,832,048,434,943	19,506,110,066,301	15,652,370,902,479
Cost of sales	(10,684,690,328,579)	(9,310,339,842,396)	(2,258,649,251,401)	(1,457,790,427,555)	(12,943,339,579,980)	(10,768,130,269,951)
Segment income	5,956,677,092,858	4,509,982,625,140	606,093,393,463	374,258,007,388	6,562,770,486,321	4,884,240,632,528
<b>The Company</b>						
Sales revenue	16,842,399,435,504	13,957,619,070,879	2,864,742,644,864	1,832,048,434,943	19,707,142,080,368	15,789,667,505,822
Cost of sales	(10,904,895,497,111)	(9,475,853,911,671)	(2,258,649,251,401)	(1,457,790,427,555)	(13,163,544,748,512)	(10,933,644,339,226)
Segment income	5,937,503,938,393	4,481,765,159,208	606,093,393,463	374,258,007,388	6,543,597,331,856	4,856,023,166,596

**32 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES**

The largest shareholder of the Company is the State Capital Investment Corporation (“SCIC”) which owns 45.04% of the Company’s share capital. The SCIC is controlled by the Government of SR Vietnam.

**(a) Related party transactions**

During the period, the following transactions were carried out with related parties:

***i) Purchases of goods and services***

	<b>Nine-month period ended</b>	
	<b>30.9.2012</b>	<b>30.9.2011</b>
	<b>VND</b>	<b>VND</b>
<b>Joint ventures:</b>		
Dairy Cow Development Project	2,776,827,535	2,542,559,993
<b>Associates:</b>		
Miraka Limited	374,654,961,201	-
Asia Saigon Food Ingredients Joint Stock Company	30,005,077,045	4,532,500,000
	<u>407,436,865,781</u>	<u>7,075,059,993</u>

***ii) Compensation of key management***

	<b>Nine-month period ended</b>	
	<b>30.9.2012</b>	<b>30.9.2011</b>
	<b>VND</b>	<b>VND</b>
Compensation to members of Board of Management and Board of Directors	45,246,447,718	34,285,967,608
	<u>45,246,447,718</u>	<u>34,285,967,608</u>

***iii) Collection of loans granted to an associate***

During the period ended 30 September 2012, Asia Saigon Food Ingredients Joint Stock Company has paid off the loan of VND18 billion granted by the Company in 2011.

***iv) Payment of dividends***

	<b>Nine-month period ended</b>	
	<b>30.9.2012</b>	<b>30.9.2011</b>
	<b>VND</b>	<b>VND</b>
The State Capital Investment Corporation	1,001,952,000,000	333,984,000,000
	<u>1,001,952,000,000</u>	<u>333,984,000,000</u>

**32 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)****(b) Period/year-end balances with related parties**

	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>
<b>Trade accounts payable (Note 13)</b>		
<b>Joint-ventures:</b>		
Dairy Cow Development Project	1,510,800,727	145,509,003
<b>Associates:</b>		
Miraka Limited	-	108,050,477,828
Asia Saigon Food Ingredients Joint Stock Company	1,797,930,750	-
	<u>3,308,731,477</u>	<u>108,195,986,831</u>

**33 FINANCIAL RISK MANAGEMENT****Financial risk factors****Overview**

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Market risk
- Liquidity risk
- Credit risk

The Board of Directors ("the Board") has overall responsibility for the establishment and oversight of the Group and the Company's risk management framework. The Board establishes policies to identify and analyse the risks faced by the Group and the Company, to set up appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and the Company's activities.

**(a) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(i) Currency risk**

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the VND. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Euro ("EUR").

The Group and the Company ensures that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. The Board does not enter into currency hedging transactions since it considers that the cost of such instruments outweigh the potential risk of exchange rate fluctuations.

**33 FINANCIAL RISK MANAGEMENT (continued)****(a) Market risk (continued)****(i) Currency risk (continued)**

The Group and the Company's currency exposure to the USD and EUR is as follows:

	<b>The Group and the Company</b>			
	<b>As at 30 September 2012</b>			
	<b>Original currency</b>		<b>Equivalent to VND</b>	
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
<b>Financial assets</b>				
Cash and bank deposits	16,453,305	981,588	342,689,440,497	26,573,550,877
Trade and other receivables	29,936,036	4,411,054	623,507,765,946	119,416,045,766
	<u>46,389,341</u>	<u>5,392,642</u>	<u>966,197,206,443</u>	<u>145,989,596,643</u>
<b>Financial liabilities</b>				
Trade and other payables	(18,668,697)	(14,731,070)	(388,831,628,584)	(398,799,515,670)
<b>Currency exposure</b>	<u>27,720,644</u>	<u>(9,338,428)</u>	<u>577,365,577,859</u>	<u>(252,809,919,027)</u>

	<b>The Group and the Company</b>			
	<b>As at 31 December 2011</b>			
	<b>Original currency</b>		<b>Equivalent to VND</b>	
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
<b>Financial assets</b>				
Cash and bank deposits	27,989,325	1,482,878	582,961,667,350	40,976,354,510
Trade and other receivables	35,512,893	8,543,383	739,662,534,214	236,079,314,321
	<u>63,502,218</u>	<u>10,026,261</u>	<u>1,322,624,201,564</u>	<u>277,055,668,831</u>
<b>Financial liabilities</b>				
Trade and other payables	(43,076,331)	(12,606,518)	(897,193,813,131)	(348,355,921,842)
<b>Currency exposure</b>	<u>20,425,887</u>	<u>(2,580,257)</u>	<u>425,430,388,433</u>	<u>(71,300,253,011)</u>

At 30 September 2012, if the USD had strengthened/weakened by 10% against the VND with all other variables including tax rate being held constant, the Group and the Company's profit after tax for the financial year would have been VND43,302,418,339 higher/lower as a result of currency translation gains/losses on the USD-denominated financial instruments.

At 30 September 2012, if the EUR had strengthened/weakened by 10% against the VND with all other variables including tax rate being held constant, the Group and the Company's profit after tax for the financial year would have been VND18,960,743,927 lower/higher as a result of currency translation losses/gains on the EUR-denominated financial instruments.

**33 FINANCIAL RISK MANAGEMENT (continued)****(a) Market risk (continued)****(ii) Price risk**

The Group and the Company invests in equity investments of listed and non-listed companies and is exposed to risks of price fluctuations of these investments. The risk factors affecting the performance of these investments include financial performance and position of invested companies and market conditions. The Board manages the former factor by selecting industries and entities to invest in. The latter factor is itself affected by general economic conditions in Vietnam and behaviors of investors, which are all out of the Board's control. These factors have caused market conditions to be volatile in the past two years.

For the investments in listed securities, if the share prices had increased/decreased by 10% with all other variables including tax rate being held constant, the Group and the Company's profit after tax would have been VND10,607,300,475 higher/lower.

**(iii) Interest rate risk**

The Group and the Company are not exposed to significant interest rate risk on its borrowings as the Group and the Company did not have any outstanding borrowings at 30 September 2012.

**(b) Credit risk**

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company's receivables from customers.

*Trade and other receivables*

The Group and the Company's exposure to credit risk are influenced mainly by the individual characteristics of each customer.

The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group and the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Board. Customers that fail to meet the Group and the Company's benchmark creditworthiness may transact with the Group and the Company only on a prepayment basis.

The Group and the Company establish an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for the Group and the Company of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

*Investments*

The Group and the Company limit its exposure to credit risk by investing only in liquid securities and only with counter parties that have good creditworthiness. The Board actively monitors credit risk and does not expect any counter party failing to meet its obligations.

**33 FINANCIAL RISK MANAGEMENT (continued)****(b) Credit risk (continued)***Balances with banks*

All the bank balances are placed with local financial institutions. The Board does not expect any losses arising from performance of these financial institutions.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Group and the Company's major classes of financial assets are bank deposits and trade and other receivables, and investments.

**(i) Financial assets that are neither past due nor impaired**

Bank deposits and investments in bonds that are neither past due nor impaired are mainly term deposits and investments in bonds issued by local banks which have high credit-ratings in Vietnam. Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group and the Company.

The Group's trade and other receivables not past due amounted to VND1,373,876,543,401 (2011: VND1,353,317,082,254).

The Company's trade and other receivables not past due amounted to VND1,379,114,874,849 (2011: VND1,362,540,791,848).

**(ii) Financial assets that are past due and/or impaired**

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

Trade and other receivables that are past due but not impaired are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.9.2012</b>	<b>31.12.2011</b>	<b>30.9.2012</b>	<b>31.12.2011</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Past due 1 to 30 days	208,628,925,069	15,058,558,138	208,628,925,069	15,058,558,138
Past due 31 to 60 days	172,084,011	287,717,434	172,084,011	287,717,434
Past due 61 to 90 days	-	630,000	-	630,000
Past due over 90 days	2,199,001,567	3,727,445,863	224,651,567	3,727,445,863
	<u>211,000,010,647</u>	<u>19,074,351,435</u>	<u>209,025,660,647</u>	<u>19,074,351,435</u>



**33 FINANCIAL RISK MANAGEMENT (continued)****(b) Credit risk (continued)****(ii) Financial assets that are past due and/or impaired (continued)**

The carrying amount of trade and other receivables determined to be impaired and the movement in the related allowance for impairment are as follows:

	The Group		The Company	
	30.9.2012 VND	31.12.2011 VND	30.9.2012 VND	31.12.2011 VND
<b>Carrying amount</b>				
Gross amount	7,466,630,950	3,582,467,962	7,446,219,514	3,562,056,526
Less: Allowance for impairment	(3,890,098,929)	(1,918,007,430)	(3,869,687,493)	(1,897,595,994)
	<u>3,576,532,021</u>	<u>1,664,460,532</u>	<u>3,576,532,021</u>	<u>1,664,460,532</u>
<b>Allowance for impairment</b>				
Beginning of period/year	1,918,007,430	596,556,111	1,897,595,994	576,144,675
Allowance made	1,989,091,910	1,833,346,777	1,989,091,910	1,833,346,777
Written-off	(17,000,411)	(511,895,458)	(17,000,411)	(511,895,458)
End of period/year	<u>3,890,098,929</u>	<u>1,918,007,430</u>	<u>3,869,687,493</u>	<u>1,897,595,994</u>

**(c) Liquidity risk**

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Group and the Company's policy is to regularly monitor current and expected liquidity requirements to ensure that the Group and the Company maintain sufficient reserves of cash to meet its liquidity requirements in the short and medium term. The Group and the Company's holdings of cash, together with net cash flows from operations, are expected to be sufficient to cover the Group and the Company's liabilities due in the next financial year.

The table below analyses the Group and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	The Group		The Company	
	Less than 1 year VND	Between 1 and 2 years VND	Less than 1 year VND	Between 1 and 2 years VND
<b>As at 30 September 2012</b>				
Trade and other liabilities	<u>2,155,096,141,827</u>	<u>125,822,000,000</u>	<u>2,326,504,559,338</u>	<u>125,822,000,000</u>
<b>As at 31 December 2011</b>				
Trade and other liabilities	<u>2,312,706,740,902</u>	<u>92,000,000,000</u>	<u>2,360,105,278,536</u>	<u>92,000,000,000</u>

**33 FINANCIAL RISK MANAGEMENT (continued)****(d) Fair value measurements**

The carrying value less provision of trade receivables, deposits and trade and other payables approximate to their fair values.

Below are the fair values of the Group's and the Company's short-term and long-term investments:

	Book value VND	Compared to market value		Market value VND	Provision VND
		Increase VND	Decrease VND		
<b>The Group and the Company</b>					
<b>As at 30 September 2012</b>					
<b>Short-term investments</b>					
Listed equity securities	21,618,596,312	14,318,458,708	(7,480,002,020)	28,457,053,000	(7,480,002,020)
Unlisted equity securities	82,283,660,000	-	(67,087,689,400)	15,195,970,600	(67,087,689,400)
<b>Other long-term investments</b>					
Listed equity securities	189,402,373,800	4,015,050,100	(48,507,484,500)	144,909,939,400	(48,507,484,500)
Investment funds	106,350,000,000	-	(40,858,511,546)	65,491,488,454	(40,858,511,546)
<b>Total</b>	<b>399,654,630,112</b>	<b>18,333,508,808</b>	<b>(163,933,687,466)</b>	<b>254,054,451,454</b>	<b>(163,933,687,466)</b>

## 33 FINANCIAL RISK MANAGEMENT (continued)

## (d) Fair value measurements (continued)

	Book value VND	Compared to market value		Market value VND	Provision VND
		Increase VND	Decrease VND		
<b>As at 31 December 2011</b>					
<b>The Group</b>					
<b>Short-term investments</b>					
Listed equity securities	24,993,771,792	11,762,802,708	(10,685,976,400)	26,070,598,100	(10,685,976,400)
Unlisted equity securities	82,283,660,000	-	(68,558,267,200)	13,725,392,800	(68,558,267,200)
<b>Other long-term investments</b>					
Listed equity securities	206,996,073,800	5,973,328,500	(96,442,805,500)	116,526,596,800	(96,442,805,500)
Investment funds	106,350,000,000	-	(45,907,987,129)	60,442,012,871	(45,907,987,129)
<b>Total</b>	<b>420,623,505,592</b>	<b>17,736,131,208</b>	<b>(221,595,036,229)</b>	<b>216,764,600,571</b>	<b>(221,595,036,229)</b>
<b>The Company</b>					
<b>Short-term investments</b>					
Listed equity securities	24,993,771,792	11,762,802,708	(10,685,976,400)	26,070,598,100	(10,685,976,400)
Unlisted equity securities	82,283,660,000	-	(68,558,267,200)	13,725,392,800	(68,558,267,200)
<b>Other long-term investments</b>					
Listed equity securities	206,961,273,800	5,972,806,500	(96,442,805,500)	116,491,274,800	(96,442,805,500)
Investment funds	106,350,000,000	-	(45,907,987,129)	60,442,012,871	(45,907,987,129)
<b>Total</b>	<b>420,588,705,592</b>	<b>17,735,609,208</b>	<b>(221,595,036,229)</b>	<b>216,729,278,571</b>	<b>(221,595,036,229)</b>

Market value of equity securities listed on the Ho Chi Minh Stock Exchange is based on the closing prices of the last official trading date of the period/year at the Ho Chi Minh Stock Exchange.

Market value of unlisted equity securities is based on the average of trading prices provided by 3 securities companies.

Market value of investment funds is based on Net Asset Value of funds portfolio which is verified by the appointed securities company and supervising bank.

**34 SUBSEQUENT EVENTS**

On 23 October 2012, the Company's Annual General Meeting approved the shares issuance to increase the share capital with the ratio of 2:1 at a maximum of 278,057,377 shares, using the investment and development funds and undistributed earnings. However, as at the date of this report, the Company has not yet finalised the shareholders who will receive the shares.

The consolidated and company interim financial statements were approved by the Board of Directors on 1 November 2012.

The image shows three handwritten signatures in blue ink on a white background. To the right of the signatures is a red circular stamp. The stamp contains the text: 'M.S.D.N: 0300580508' at the top, 'CÔNG TY CỔ PHẦN SỮA VIỆT NAM' in the center, 'VINAMILK' in a larger font below it, and 'QUẬN 7 - TP. HỒ CHÍ MINH' at the bottom. There are two small stars on either side of the bottom text.

Le Thanh Liem  
Chief Accountant

Ngo Thi Thu Trang  
Executive Director - Finance

Mai Kieu Lien  
Chief Executive Officer