

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

**CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012**

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

**CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS
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VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

CORPORATE INFORMATION

Business Registration Certificate No.

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.

Board of Management

Mdm Mai Kieu Lien	Chairwoman
Mr Le Song Lai	Member (appointed on 23 March 2012)
Mr Hoang Nguyen Hoc	Member (resigned on 23 March 2012)
Ms Ngo Thi Thu Trang	Member
Mr Wang Eng Chin	Member
Mr Le Anh Minh	Member

Board of Directors

Mdm Mai Kieu Lien	Chief Executive Officer
Ms Nguyen Thi Thanh Hoa	Executive Director - Supply Chain
Ms Nguyen Thi Nhu Hang	Executive Director Dairy Farm Development
Ms Ngo Thi Thu Trang	Executive Director - Finance
Mr Tran Minh Van	Executive Director - Project
Mr Nguyen Quoc Khanh	Acting Executive Director Production and Products Development
Ms Nguyen Huu Ngoc Tran	Acting Executive Director - Marketing
Mr Pham Phu Tuan	Acting Executive Director - Sales (resigned on 21 May 2012)
Mr Mai Hoai Anh	Acting Executive Director - Sales (appointed on 21 May 2012)

Legal representative

Mdm Mai Kieu Lien	Chief Executive Officer
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Registered office

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

Auditor

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 June 2012 and of the consolidated and company results and cash flows for the six-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 51 which give a true and fair view of the financial positions of the Company and the Group as at 30 June 2012, and of the consolidated and company results of operations and cash flows for the six-month period ended 30 June 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 August 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 August 2012. These interim financial statements include the consolidated and company balance sheets as at 30 June 2012, the related consolidated and company income statements and cash flow statements for the six-month period then ended, and selected notes to these consolidated and company interim financial statements, as set out on pages 4 to 51. 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 HCM3313
1 August 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	
			30.6.2012 VND	31.12.2011 VND	30.6.2012 VND	31.12.2011 VND
100	CURRENT ASSETS		10,140,518,022,705	9,467,682,996,094	9,949,984,537,142	9,279,160,021,716
110	Cash and cash equivalents	3	2,143,732,190,431	3,156,515,396,990	2,123,112,215,061	3,101,435,901,849
111	Cash		745,732,190,431	790,515,396,990	733,112,215,061	771,435,901,849
112	Cash equivalents		1,398,000,000,000	2,366,000,000,000	1,390,000,000,000	2,330,000,000,000
120	Short-term investments	4(a)	931,730,788,492	736,033,188,192	931,730,788,492	736,033,188,192
121	Short-term investments		1,003,902,256,312	815,277,431,792	1,003,902,256,312	815,277,431,792
129	Provision for diminution in value of short-term investments		(72,171,467,820)	(79,244,243,600)	(72,171,467,820)	(79,244,243,600)
130	Accounts receivable		2,430,088,289,807	2,169,205,076,812	2,404,327,509,454	2,126,947,803,251
131	Trade accounts receivable	5	1,574,759,755,571	1,143,168,467,855	1,586,019,541,711	1,152,632,033,803
132	Prepayments to suppliers		640,555,843,972	795,149,182,591	603,887,721,420	743,668,199,436
135	Other receivables	6	218,707,510,260	232,805,433,796	218,334,654,883	232,545,166,006
139	Provision for doubtful debts		(3,934,819,996)	(1,918,007,430)	(3,914,408,560)	(1,897,595,994)
140	Inventories	7	4,316,253,766,478	3,272,495,674,110	4,189,954,357,758	3,186,792,095,368
141	Inventories		4,320,893,402,295	3,277,429,580,780	4,194,593,993,575	3,191,726,002,038
149	Provision for decline in value of inventories		(4,639,635,817)	(4,933,906,670)	(4,639,635,817)	(4,933,906,670)
150	Other current assets		318,712,987,497	133,433,659,990	300,859,666,377	127,951,033,056
151	Short-term prepayments	8(a)	83,390,393,636	56,909,099,519	79,942,506,822	56,321,028,026
152	Value Added Tax to be reclaimed		233,278,321,426	74,772,661,634	219,641,766,314	70,615,030,542
158	Other current assets		2,044,272,435	1,751,898,837	1,275,393,241	1,014,974,488

The notes on pages 14 to 51 are an integral part of these consolidated and company interim financial statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS
 (continued)

Code	ASSETS (continued)	Note	The Group		The Company	
			30.6.2012 VND	31.12.2011 VND	30.6.2012 VND	31.12.2011 VND
200	LONG-TERM ASSETS		7,981,748,979,178	6,114,988,554,657	8,095,467,005,257	6,285,158,103,799
220	Fixed assets		7,115,904,929,665	5,044,762,028,869	6,529,240,535,071	4,571,226,735,584
221	Tangible fixed assets	9(a)	3,892,323,861,151	3,493,628,542,454	3,525,107,078,283	3,140,742,111,001
222	Cost		5,928,571,833,231	5,301,826,836,260	5,404,507,204,748	4,819,396,220,602
223	Accumulated depreciation		(2,036,247,972,080)	(1,808,198,293,806)	(1,879,400,126,465)	(1,678,654,109,601)
227	Intangible fixed assets	9(b)	253,379,232,144	256,046,089,531	207,191,628,844	209,380,741,295
228	Cost		383,903,973,867	383,409,370,867	305,998,048,243	305,503,445,243
229	Accumulated depreciation		(130,524,741,723)	(127,363,281,336)	(98,806,419,399)	(96,122,703,948)
230	Construction in progress	9(c)	2,970,201,836,370	1,295,087,396,884	2,796,941,827,944	1,221,103,883,288
240	Investment properties	10	98,692,838,311	100,671,287,539	71,203,688,311	73,182,137,539
241	Cost		117,666,487,460	117,666,487,460	90,177,337,460	90,177,337,460
242	Accumulated depreciation		(18,973,649,149)	(16,995,199,921)	(18,973,649,149)	(16,995,199,921)
250	Long-term investments	4(b)	593,698,177,503	846,713,756,424	1,351,441,237,719	1,550,368,535,378
251	Investment in subsidiaries		-	-	898,652,380,127	823,752,380,127
252	Investments in joint ventures and associates		218,777,900,772	205,418,475,253	214,466,955,551	214,466,955,551
258	Other long-term investments		469,400,773,800	783,646,073,800	469,400,773,800	783,611,273,800
259	Provision for diminution in value of long-term investments		(94,480,497,069)	(142,350,792,629)	(231,078,871,759)	(271,462,074,100)
260	Goodwill	11	14,582,761,060	15,503,335,522	-	-
270	Other long-term assets		158,870,272,639	107,338,146,303	143,581,544,156	90,380,695,298
271	Long-term prepayments	8(b)	42,615,023,438	25,598,314,795	27,326,294,955	13,955,996,238
272	Deferred income tax assets	12	115,158,829,201	80,643,411,508	115,158,829,201	75,328,279,060
278	Other long-term assets		1,096,420,000	1,096,420,000	1,096,420,000	1,096,420,000
280	TOTAL ASSETS		18,122,267,001,883	15,582,671,550,751	18,045,451,542,399	15,564,318,125,515

The notes on pages 14 to 51 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	
			30.6.2012 VND	31.12.2011 VND	30.6.2012 VND	31.12.2011 VND
300	LIABILITIES		4,257,462,008,609	3,105,466,354,267	4,268,739,395,033	3,152,169,943,075
310	Current liabilities		4,098,349,242,682	2,946,537,015,499	4,110,052,166,106	2,993,592,789,307
311	Short-term borrowings	13	208,280,000,000	-	208,280,000,000	-
312	Trade accounts payable	14	2,412,079,296,816	1,830,959,100,474	2,431,473,965,210	1,882,755,381,787
313	Advances from customers		104,921,000,124	116,844,952,210	104,921,000,124	116,844,952,210
314	Taxes and other payables to the State Budget	15	456,273,718,964	287,462,890,828	454,081,712,193	287,182,837,552
315	Payable to employees		76,683,338,736	44,740,312,110	73,320,096,609	42,008,506,653
316	Accrued expenses	16	391,860,797,557	260,678,009,293	390,474,030,908	260,206,170,893
319	Other payables	17	128,094,774,299	59,478,925,315	127,451,705,426	58,284,825,493
320	Bonus and welfare fund		320,156,316,186	346,372,825,269	320,049,655,636	346,310,114,719
330	Long-term liabilities		159,112,765,927	158,929,338,768	158,687,228,927	158,577,153,768
333	Other long-term liabilities	18	92,000,000,000	92,000,000,000	92,000,000,000	92,000,000,000
336	Provision for severance allowances	19	66,986,372,301	66,923,897,268	66,588,335,301	66,571,712,268
338	Unearned revenue		126,393,626	5,441,500	98,893,626	5,441,500
400	OWNERS' EQUITY		13,864,804,993,274	12,477,205,196,484	13,776,712,147,366	12,412,148,182,440
410	Capital and reserves		13,864,804,993,274	12,477,205,196,484	13,776,712,147,366	12,412,148,182,440
411	Share capital	20, 21	5,561,147,540,000	5,561,147,540,000	5,561,147,540,000	5,561,147,540,000
412	Share premium	21	1,276,994,100,000	1,276,994,100,000	1,276,994,100,000	1,276,994,100,000
414	Treasury shares	20, 21	(4,147,039,000)	(2,521,794,000)	(4,147,039,000)	(2,521,794,000)
417	Investment and development fund	21	1,287,543,063,275	908,024,236,384	1,287,543,063,275	908,024,236,384
418	Financial reserve fund	21	556,114,754,000	556,114,754,000	556,114,754,000	556,114,754,000
420	Undistributed earnings	21	5,187,152,574,999	4,177,446,360,100	5,099,059,729,091	4,112,389,346,056
440	TOTAL RESOURCES		18,122,267,001,883	15,582,671,550,751	18,045,451,542,399	15,564,318,125,515


The notes on pages 14 to 51 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:

	The Group and the Company	
	30.6.2012	31.12.2011
USD	26,209,736.08	27,989,325.30
AUD	445.91	-
EUR	685,699.44	1,482,877.52



Le Thanh Liem
Chief Accountant



Ngo Thi Thu Trang
Executive Director - Finance



Mai Kieu Lien
Chief Executive Officer
1 August 2012

The notes on pages 14 to 51 are an integral part of these consolidated and company interim financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	Three-month period ended		Six-month period ended	
		30.6.2012 VND	30.6.2011 VND	30.6.2012 VND	30.6.2011 VND
01	Sales	7,151,522,050,444	5,537,945,291,164	13,136,076,482,443	10,167,388,384,088
02	Less deductions	(140,571,096,741)	(117,544,034,709)	(248,807,786,998)	(211,558,649,084)
10	Net sales	7,010,950,953,703	5,420,401,256,455	12,887,268,695,445	9,955,829,735,004
11	Cost of sales	(4,589,449,004,173)	(3,718,548,432,860)	(8,666,011,823,680)	(6,744,591,269,408)
20	Gross profit	2,421,501,949,530	1,701,852,823,595	4,221,256,871,765	3,211,238,465,596
21	Financial income	147,739,324,531	198,208,327,224	293,775,439,055	331,490,760,413
22	Financial expenses	(13,271,817,324)	(82,395,365,806)	(678,645,137)	(181,886,099,222)
23	- <i>In which:</i> Interest expenses on loans	(2,932,562,278)	(6,191,119,505)	(3,024,271,376)	(10,025,419,489)
24	Selling expenses	(625,531,961,287)	(418,830,640,419)	(1,043,964,185,006)	(761,259,892,546)
25	General and administration expenses	(133,771,942,298)	(113,847,055,056)	(247,075,029,282)	(203,113,274,946)
30	Operating profit	1,796,665,553,152	1,284,988,089,538	3,223,314,451,395	2,396,469,959,295
31	Other income	53,704,594,626	67,527,569,929	162,522,212,766	155,141,257,759
32	Other expenses	(20,634,182,916)	(40,902,631,337)	(29,463,640,156)	(53,437,906,825)
40	Net other income	33,070,411,710	26,624,938,592	133,058,572,610	101,703,350,934
41	Share of profits/(losses) in associates and joint ventures	204,022,778	(3,397,263,685)	13,359,425,519	(3,896,421,483)
50	Net accounting profit before tax	1,829,939,987,640	1,308,215,764,445	3,369,732,449,524	2,494,276,888,746
51	Business income tax - current	(354,621,567,478)	(207,679,082,421)	(628,128,482,092)	(388,518,492,493)
52	Business income tax - deferred	30,336,769,543	6,666,173,842	34,515,417,693	7,898,575,830
60	Net profit after tax	1,505,655,189,705	1,107,202,855,866	2,776,119,385,125	2,113,656,972,083
70	Basic earnings per share (VND)	2,709	2,043	4,995	3,936

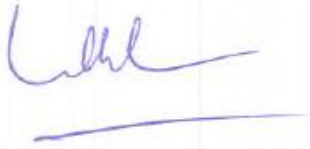
The notes on pages 14 to 51 are an integral part of these consolidated and company interim financial statements.

COMPANY INCOME STATEMENT

Code	Note	Three-month period ended		Six-month period ended	
		30.6.2012 VND	30.6.2011 VND	30.6.2012 VND	30.6.2011 VND
01	Sales	7,237,419,904,149	5,581,368,032,405	13,266,852,992,656	10,245,392,175,417
02	Less deductions	(140,571,096,741)	(117,544,034,709)	(248,807,786,998)	(211,558,649,084)
10	Net sales	7,096,848,807,408	5,463,823,997,696	13,018,045,205,658	10,033,833,526,333
11	Cost of sales	(4,686,645,133,187)	(3,769,942,655,372)	(8,819,628,088,070)	(6,844,167,461,769)
20	Gross profit	2,410,203,674,221	1,693,881,342,324	4,198,417,117,588	3,189,666,064,564
21	Financial income	147,458,172,956	198,113,186,504	292,553,271,145	330,922,144,450
22	Financial expenses	(29,209,184,959)	(130,663,266,646)	(8,165,421,689)	(234,454,536,517)
23	- <i>In which:</i> Interest expenses on loans	(2,932,562,278)	(6,191,119,505)	(3,023,954,709)	(10,025,419,489)
24	Selling expenses	(625,531,961,287)	(418,830,640,419)	(1,043,964,185,006)	(761,259,892,546)
25	General and administration expenses	(126,247,194,972)	(107,094,627,343)	(231,394,131,296)	(190,685,606,077)
30	Operating profit	1,776,673,505,959	1,235,405,994,420	3,207,446,650,742	2,334,188,173,874
31	Other income	59,858,007,600	71,618,344,633	177,979,412,297	189,509,776,659
32	Other expenses	(27,066,556,396)	(12,800,320,461)	(45,711,882,079)	(52,430,624,879)
40	Net other income	32,791,451,204	58,818,024,172	132,267,530,218	137,079,151,780
50	Net accounting profit before tax	1,809,464,957,163	1,294,224,018,592	3,339,714,180,960	2,471,267,325,654
51	Business income tax - current	(353,341,930,881)	(207,679,082,421)	(626,461,177,850)	(388,518,492,493)
52	Business income tax – deferred	35,651,901,991	6,666,173,842	39,830,550,141	7,898,575,830
60	Net profit after tax	1,491,774,928,273	1,093,211,110,013	2,753,083,553,251	2,090,647,408,991
70	Basic earnings per share (VND)	30	2,684	2,018	3,893

The notes on pages 14 to 51 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 August 2012

The notes on pages 14 to 51 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)

Code		The Group		The Company	
		Six-month period ended		Six-month period ended	
		30.6.2012	30.6.2011	30.6.2012	30.6.2011
		VND	VND	VND	VND
	CASH FLOWS FROM OPERATING ACTIVITIES				
01	Net profit before tax	3,369,732,449,524	2,494,276,888,746	3,339,714,180,960	2,471,267,325,654
	Adjustments for:				
02	Depreciation and amortisation 9, 10	249,082,423,024	196,947,250,047	218,216,971,097	172,340,577,301
03	(Reversal of provisions)/provisions	(53,020,781,388)	45,546,813,197	(45,533,688,169)	98,116,680,492
04	Unrealised foreign exchange gains 23, 25	(5,956,138,285)	(6,787,282,870)	(5,956,138,285)	(6,787,282,870)
05	Losses/(gains) from disposal of fixed assets 28	6,986,890,037	33,568,552,124	5,203,746,342	(565,880,635)
05	Interest and dividend income 23(b)	(219,082,647,730)	(224,108,537,221)	(217,860,479,820)	(223,539,921,258)
05	(Profits)/losses from other investing activities	(18,566,677,626)	4,680,000,523	(6,127,826,569)	(80,269,160)
06	Interest expense 25	3,024,271,376	10,025,419,489	3,023,954,709	10,025,419,489
08	Operating profit before changes in working capital	3,332,199,788,932	2,554,149,104,035	3,290,680,720,265	2,520,776,649,013
09	Increase in receivables	(451,773,466,487)	(847,196,256,289)	(470,951,814,149)	(890,091,293,654)
10	Increase in inventories	(1,067,405,113,720)	(1,790,383,217,072)	(1,003,111,387,152)	(1,711,709,636,079)
11	Increase in payables	518,763,263,271	375,044,505,981	560,704,440,630	430,045,426,203
12	Increase in prepaid expenses	(40,178,898,920)	(65,727,677,005)	(34,782,447,422)	(63,475,544,697)
13	Interest paid	(2,085,568,320)	(6,894,493,169)	(2,085,251,653)	(6,894,493,169)
14	Business income tax paid	(463,655,712,761)	(386,210,921,489)	(463,256,715,483)	(384,324,825,499)
15	Other receipts from operating activities	3,684,175,480	800,647,240	3,684,175,480	800,647,240
16	Other payments on operating activities	(301,734,216,630)	(207,200,086,408)	(301,778,166,621)	(207,142,085,403)
20	Net cash inflows/(outflows) from operating activities	1,527,814,250,845	(373,618,394,176)	1,579,103,553,895	(312,015,156,045)

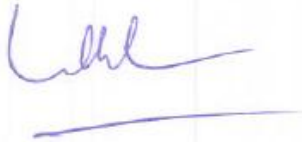
The notes on pages 14 to 51 are an integral part of these consolidated and company interim financial statements.

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

Code	The Group		The Company		
	Six-month period ended		Six-month period ended		
	30.6.2012 VND	30.6.2011 VND	30.6.2012 VND	30.6.2011 VND	
CASH FLOWS FROM INVESTING ACTIVITIES					
21	Purchases of fixed assets and constructions	(2,030,337,650,430)	(665,781,560,384)	(1,966,033,247,152)	(660,195,685,056)
22	Proceeds from disposals of fixed assets	6,839,832,475	10,038,645,425	1,827,813,748	17,306,372,334
23	Loans granted to associates	-	(18,000,000,000)	-	(18,000,000,000)
24	Decrease/(increase) in deposits at banks	90,000,000,000	(1,019,592,000,000)	90,000,000,000	(1,019,592,000,000)
24	Collection of loans granted to associates	18,000,000,000	-	18,000,000,000	-
24	Proceeds from disposal of long-term investments	20,280,948,816	-	20,280,948,816	-
25	Investments in other entities	-	-	(74,900,000,000)	(55,699,995,567)
27	Dividends and interest received	259,065,554,069	188,656,260,462	257,843,386,239	188,087,644,499
30	Net cash outflows from investing activities	(1,636,151,315,070)	(1,504,678,654,497)	(1,652,981,098,349)	(1,548,093,663,790)
CASH FLOWS FROM FINANCING ACTIVITIES					
31	Proceeds from issuance of shares	-	1,454,528,400,000	-	1,454,528,400,000
32	Payment for share returns and repurchases	21 (1,625,245,000)	(385,205,000)	(1,625,245,000)	(385,205,000)
33	Proceeds from borrowings	208,500,000,000	938,485,000,000	208,500,000,000	938,485,000,000
34	Repayments of borrowings	-	(585,000,000,000)	-	(585,000,000,000)
36	Dividends paid	21 (1,111,585,988,000)	-	(1,111,585,988,000)	-
40	Net cash (outflows)/inflows from financing activities	(904,711,233,000)	1,807,628,195,000	(904,711,233,000)	1,807,628,195,000
50	Net decrease in cash and cash equivalents	(1,013,048,297,225)	(70,668,853,673)	(978,588,777,454)	(52,480,624,835)
60	Cash and cash equivalents at beginning of period	3 3,156,515,396,990	263,472,368,080	3,101,435,901,849	234,843,207,079
61	Effect of foreign exchange differences	265,090,666	(55,542,624)	265,090,666	(55,542,624)
70	Cash and cash equivalents at end of period	3 2,143,732,190,431	192,747,971,783	2,123,112,215,061	182,307,039,620

The notes on pages 14 to 51 are an integral part of these consolidated and company interim financial statements.

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



Le Thanh Liem
Chief Accountant



Ngo Thi Thu Trang
Executive Director - Finance



Mai Kieu Lien
Chief Executive Officer
1 August 2012

The notes on pages 14 to 51 are an integral part of these consolidated and company interim financial statements.

**SELECTED NOTES TO THE CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 six-month period ended 30 June 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	30.6.2012		31.12.2011	
		% of ownership	% of voting right	% of ownership	% of voting right
Subsidiaries:					
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%
Jointly controlled entities:					
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%
Associates:					
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%

As at 30 June 2012, the Group had 4,845 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

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Cash on hand	764,062,185	748,676,117	536,674,428	545,856,573
Cash at bank	744,968,128,246	789,766,720,873	732,575,540,633	770,890,045,276
Cash equivalents (*)	1,398,000,000,000	2,366,000,000,000	1,390,000,000,000	2,330,000,000,000
	<u>2,143,732,190,431</u>	<u>3,156,515,396,990</u>	<u>2,123,112,215,061</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**

	The Group and the Company	
	30.6.2012	31.12.2011
	VND	VND
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	350,000,000,000	440,000,000,000
Bonds issued by local corporates	50,000,000,000	50,000,000,000
Bonds issued by local credit institutions	500,000,000,000	200,000,000,000
Other short-term investments (Note 33(a))	-	18,000,000,000
	<u>1,003,902,256,312</u>	<u>815,277,431,792</u>
Provision for diminution in value of short-term investments	<u>(72,171,467,820)</u>	<u>(79,244,243,600)</u>
	<u>931,730,788,492</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:

	The Group and the Company	
	30.6.2012	31.12.2011
	VND	VND
Opening balance	79,244,243,600	70,657,669,500
Increase	-	8,586,574,100
Reversal	(7,072,775,780)	-
Closing balance	<u>72,171,467,820</u>	<u>79,244,243,600</u>

4 INVESTMENTS (continued)

(b) Long-term investments

	The Group		The Company	
	30.6.2012 VND	31.12.2011 VND	30.6.2012 VND	31.12.2011 VND
<i>Long-term equity investments in subsidiaries:</i>				
Vietnam Dairy Cow One Member Limited Company	-	-	557,000,000,000	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	-	-	204,852,380,127	164,952,380,127
	-	-	898,652,380,127	823,752,380,127
<i>Long-term equity investments in associates and joint venture:</i>				
Miraka Limited	184,245,868,250	173,228,494,143	179,315,000,000	179,315,000,000
Asia Saigon Food Ingredients Joint Stock Company	17,380,076,971	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
	218,777,900,772	205,418,475,253	214,466,955,551	214,466,955,551

4 INVESTMENTS (continued)

(b) Long-term investments (continued)

	The Group		The Company	
	30.6.2012 VND	31.12.2011 VND	30.6.2012 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	192,750,773,800	206,996,073,800	192,750,773,800	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>469,400,773,800</u>	<u>783,646,073,800</u>	<u>469,400,773,800</u>	<u>783,611,273,800</u>
<i>Provision for diminution in value of long-term investments</i>	<u>(94,480,497,069)</u>	<u>(142,350,792,629)</u>	<u>(231,078,871,759)</u>	<u>(271,462,074,100)</u>
	<u>593,698,177,503</u>	<u>846,713,756,424</u>	<u>1,351,441,237,719</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	
	30.6.2012 VND	31.12.2011 VND	30.6.2012 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	15,921,029,303	120,592,117,088
Reversal	(47,870,295,560)	(1,128,269,900)	(56,304,231,644)	(1,128,269,900)
Closing balance	<u>94,480,497,069</u>	<u>142,350,792,629</u>	<u>231,078,871,759</u>	<u>271,462,074,100</u>

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY
Form B 09a – DN/HN
5 TRADE ACCOUNTS RECEIVABLE

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Third parties	1,574,759,755,571	1,143,168,467,855	1,574,695,711,171	1,143,141,655,655
Related parties	-	-	11,323,830,540	9,490,378,148
	<u>1,574,759,755,571</u>	<u>1,143,168,467,855</u>	<u>1,586,019,541,711</u>	<u>1,152,632,033,803</u>

6 OTHER RECEIVABLES

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Dividends receivable	-	6,144,600	-	6,144,600
Interest income on deposits	16,914,166,667	39,118,333,339	16,914,166,667	39,118,333,339
Interest income receivable on bonds and loans granted to associates	35,764,878,236	53,480,095,630	35,764,878,236	53,480,095,630
Import tax refundable	158,120,599,876	128,535,499,715	158,120,599,876	128,535,499,715
Others	7,907,865,481	11,665,360,512	7,535,010,104	11,405,092,722
	<u>218,707,510,260</u>	<u>232,805,433,796</u>	<u>218,334,654,883</u>	<u>232,545,166,006</u>

7 INVENTORIES

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Goods in transit	1,016,451,466,497	972,360,197,401	1,016,420,167,130	972,269,280,990
Raw materials	2,368,972,875,531	1,590,350,151,377	2,325,140,756,906	1,554,537,858,729
Tools and supplies	6,047,079,610	1,833,344,075	584,476,748	319,202,861
Work in progress	111,748,114,292	61,562,596,516	29,067,620,537	23,368,489,862
Finished goods	739,485,384,735	579,265,915,242	728,254,315,223	569,780,981,699
Merchandise inventories	42,611,006,750	23,686,995,937	59,549,182,151	23,079,807,665
Goods on consignment	35,577,474,880	48,370,380,232	35,577,474,880	48,370,380,232
	<u>4,320,893,402,295</u>	<u>3,277,429,580,780</u>	<u>4,194,593,993,575</u>	<u>3,191,726,002,038</u>
Provision for decline in value of inventory	(4,639,635,817)	(4,933,906,670)	(4,639,635,817)	(4,933,906,670)
	<u>4,316,253,766,478</u>	<u>3,272,495,674,110</u>	<u>4,189,954,357,758</u>	<u>3,186,792,095,368</u>

7 INVENTORIES (continued)

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

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Opening balance	4,933,906,670	4,133,214,915	4,933,906,670	4,102,608,915
Increase	4,558,669,891	10,074,642,239	4,558,669,891	10,074,642,239
Reversal	(4,670,192,916)	(8,018,602,015)	(4,670,192,916)	(7,987,996,015)
Written-off	(182,747,828)	(1,255,348,469)	(182,747,828)	(1,255,348,469)
Closing balance	<u>4,639,635,817</u>	<u>4,933,906,670</u>	<u>4,639,635,817</u>	<u>4,933,906,670</u>

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

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Advertising expenses	3,327,441,666	8,320,100,182	3,327,441,666	8,320,100,182
Freezers and coolers	54,505,703,070	34,676,924,998	54,505,703,070	34,676,924,998
Land, warehouse and other rental expenses	3,735,131,385	2,414,274,654	3,735,131,385	2,414,274,654
Software development and server maintenance expenses	7,009,430,133	3,862,183,375	7,009,430,133	3,862,183,375
Tool and supplies	6,485,598,217	4,255,096,359	6,236,372,752	4,315,576,310
Repair and maintenance expenses	959,969,744	1,381,630,958	959,969,744	1,381,630,958
Other expenses	7,367,119,421	1,998,888,993	4,168,458,072	1,350,337,549
	<u>83,390,393,636</u>	<u>56,909,099,519</u>	<u>79,942,506,822</u>	<u>56,321,028,026</u>

(b) Long-term prepayments

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Land rental	946,413,549	2,434,012,586	946,413,549	2,434,012,586
Freezers and coolers	26,211,678,915	11,241,646,159	26,211,678,915	11,241,646,159
Other expenses	15,456,930,974	11,922,656,050	168,202,491	280,337,493
	<u>42,615,023,438</u>	<u>25,598,314,795</u>	<u>27,326,294,955</u>	<u>13,955,996,238</u>

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

Movement of long-term prepayment was as follows:

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Opening balance	25,598,314,795	97,740,813,322	13,955,996,238	94,165,141,674
Increase	66,386,983,479	75,772,676,087	58,935,084,622	64,037,517,524
Charge to income statement	(3,805,488,931)	(3,668,511,654)	-	-
Transfer to intangible fixed assets	-	(82,680,130,919)	-	(82,680,130,919)
Transfer to short-term prepayments (*)	(45,564,785,905)	(61,566,532,041)	(45,564,785,905)	(61,566,532,041)
Closing balance	<u>42,615,023,438</u>	<u>25,598,314,795</u>	<u>27,326,294,955</u>	<u>13,955,996,238</u>

(*) 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**

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Livestock VND	Total VND
Historical cost						
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	5,301,826,836,260
New purchases	6,215,671,562	62,803,167,904	11,783,992,281	15,648,629,156	53,077,920	96,504,538,823
Transfers from construction in progress (Note 9(c))	58,019,222,178	475,909,684,336	13,508,809,265	2,576,353,639	-	550,014,069,418
Transfers from inventory	-	-	-	-	23,697,896,590	23,697,896,590
Reclassifications	2,201,083,457	(2,372,344,889)	251,261,432	(80,000,000)	-	-
Disposals	(1,178,342,575)	(906,907,948)	(31,175,454,919)	(342,462,416)	(9,868,340,002)	(43,471,507,860)
At 30 June 2012	<u>976,072,768,511</u>	<u>4,130,753,734,205</u>	<u>337,119,167,827</u>	<u>275,240,403,465</u>	<u>209,385,759,223</u>	<u>5,928,571,833,231</u>
Accumulated depreciation						
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	1,808,198,293,806
Charge for the period	22,531,839,451	167,727,809,525	15,080,795,973	21,823,791,780	16,778,276,680	243,942,513,409
Reclassifications	67,482,521	(121,152,237)	67,003,048	(13,333,332)	-	-
Disposals	(631,691,075)	(880,943,820)	(10,957,805,715)	(342,462,416)	(3,079,932,109)	(15,892,835,135)
At 30 June 2012	<u>239,580,211,847</u>	<u>1,452,517,371,306</u>	<u>147,273,985,662</u>	<u>142,447,921,748</u>	<u>54,428,481,517</u>	<u>2,036,247,972,080</u>
Net book value						
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>3,493,628,542,454</u>
At 30 June 2012	<u>736,492,556,664</u>	<u>2,678,236,362,899</u>	<u>189,845,182,165</u>	<u>132,792,481,717</u>	<u>154,957,277,706</u>	<u>3,892,323,861,151</u>

Included in the Group's tangible fixed assets were assets costing VND645,320,475,478 which were fully depreciated as at 30 June 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

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
At 1 January 2012	762,922,587,776	3,474,955,502,074	329,173,371,192	252,344,759,560	4,819,396,220,602
New purchases	6,215,671,562	62,238,555,643	11,783,992,281	15,386,703,294	95,624,922,780
Transfers from construction in progress (Note 9(c))	37,484,003,556	469,509,194,764	13,508,809,265	2,576,353,639	523,078,361,224
Reclassifications	2,201,083,457	(2,372,344,889)	251,261,432	(80,000,000)	-
Disposals	(1,178,342,575)	(896,039,948)	(31,175,454,919)	(342,462,416)	(33,592,299,858)
At 30 June 2012	<u>807,645,003,776</u>	<u>4,003,434,867,644</u>	<u>323,541,979,251</u>	<u>269,885,354,077</u>	<u>5,404,507,204,748</u>
Accumulated depreciation					
At 1 January 2012	189,461,623,334	1,234,934,979,633	135,277,665,228	118,979,841,406	1,678,654,109,601
Charge for the period	17,138,194,235	160,875,595,303	14,381,737,760	21,159,279,120	213,554,806,418
Reclassifications	67,482,521	(121,152,237)	67,003,048	(13,333,332)	-
Disposals	(631,691,075)	(876,830,348)	(10,957,805,715)	(342,462,416)	(12,808,789,554)
At 30 June 2012	<u>206,035,609,015</u>	<u>1,394,812,592,351</u>	<u>138,768,600,321</u>	<u>139,783,324,778</u>	<u>1,879,400,126,465</u>
Net book value					
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>	<u>3,140,742,111,001</u>
At 30 June 2012	<u>601,609,394,761</u>	<u>2,608,622,275,293</u>	<u>184,773,378,930</u>	<u>130,102,029,299</u>	<u>3,525,107,078,283</u>

Included in the Company's tangible fixed assets were assets costing VND644,897,403,302, which were fully depreciated as at 30 June 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
Historical cost			
At 1 January 2012	324,478,280,840	58,931,090,027	383,409,370,867
Additions	-	494,603,000	494,603,000
	<hr/>	<hr/>	<hr/>
At 30 June 2012	324,478,280,840	59,425,693,027	383,903,973,867
	<hr/>	<hr/>	<hr/>
Accumulated amortisation			
At 1 January 2012	78,679,820,739	48,683,460,597	127,363,281,336
Charge for the period	1,447,176,653	1,714,283,734	3,161,460,387
	<hr/>	<hr/>	<hr/>
At 30 June 2012	80,126,997,392	50,397,744,331	130,524,741,723
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 January 2012	245,798,460,101	10,247,629,430	256,046,089,531
	<hr/>	<hr/>	<hr/>
At 30 June 2012	244,351,283,448	9,027,948,696	253,379,232,144
	<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
Historical cost			
At 1 January 2012	246,572,355,216	58,931,090,027	305,503,445,243
Additions	-	494,603,000	494,603,000
At 30 June 2012	<u>246,572,355,216</u>	<u>59,425,693,027</u>	<u>305,998,048,243</u>
Accumulated amortisation			
At 1 January 2012	47,439,243,351	48,683,460,597	96,122,703,948
Charge for the period	969,431,717	1,714,283,734	2,683,715,451
At 30 June 2012	<u>48,408,675,068</u>	<u>50,397,744,331</u>	<u>98,806,419,399</u>
Net book value			
At 1 January 2012	<u>199,133,111,865</u>	<u>10,247,629,430</u>	<u>209,380,741,295</u>
At 30 June 2012	<u><u>198,163,680,148</u></u>	<u><u>9,027,948,696</u></u>	<u><u>207,191,628,844</u></u>

Included in the Group and the Company's intangible fixed assets were assets costing VND45,818,822,277, which were fully depreciated as of 30 June 2012 (31 December 2011: VND43,568,790,597), but which are still in active use.

(c) Construction in progress

	The Group		The Company	
	30.6.2012 VND	31.12.2011 VND	30.6.2012 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	2,228,466,679,685	1,765,978,487,062	2,103,672,808,697	1,673,918,817,918
Transfers to tangible fixed assets (Note 9(a))	(550,014,069,418)	(1,130,614,746,336)	(523,078,361,224)	(1,095,656,690,548)
Transfers to inventory	-	(4,529,164,165)	-	-
Disposals	-	-	(2,547,172,726)	(10,517,475,482)
Other decreases	(3,338,170,781)	(1,029,633,406)	(2,209,330,091)	-
Closing balance	<u>2,970,201,836,370</u>	<u>1,295,087,396,884</u>	<u>2,796,941,827,944</u>	<u>1,221,103,883,288</u>

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

Main projects belong to the following locations:

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Vietnam milk factory	1,349,025,583,665	252,972,591,210	1,349,025,583,665	252,972,591,210
Dielac 2 powder milk factory	1,225,509,682,664	383,594,721,240	1,099,146,608,054	383,594,721,240
Da Nang milk factory	118,062,186,948	237,931,390,899	118,062,186,948	237,931,390,899
Nghe An milk factory	58,366,488,698	35,495,060,435	58,366,488,698	35,495,060,435
Dairy cow farms	46,377,829,591	15,893,206,674	43,830,656,865	15,893,206,674
Can Tho branch	45,086,527,051	44,989,951,351	45,086,527,051	44,989,951,351
Tien Son milk factory	31,084,320,689	81,555,694,010	31,084,320,689	81,555,694,010
Sai Gon milk factory	30,345,598,115	80,403,563,112	30,345,598,115	80,403,563,112
Dielac milk factory	-	33,679,200,351	-	33,679,200,351

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

	Land use rights	Infrastructure	Buildings	Total
	VND	VND	VND	VND
Historical cost				
At 1 January 2012 and 30 June 2012	27,489,150,000	5,994,290,197	84,183,047,263	117,666,487,460
Accumulated depreciation				
At 1 January 2012	-	1,144,301,491	15,850,898,430	16,995,199,921
Charge for the period	-	299,714,508	1,678,734,720	1,978,449,228
At 30 June 2012	-	1,444,015,999	17,529,633,150	18,973,649,149
Net book value				
At 1 January 2012	27,489,150,000	4,849,988,706	68,332,148,833	100,671,287,539
At 30 June 2012	27,489,150,000	4,550,274,198	66,653,414,113	98,692,838,311

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
Historical cost			
At 1 January 2012 and 30 June 2012	5,994,290,197	84,183,047,263	90,177,337,460
Accumulated depreciation			
At 1 January 2012	1,144,301,491	15,850,898,430	16,995,199,921
Charge for the period	299,714,508	1,678,734,720	1,978,449,228
At 30 June 2012	1,444,015,999	17,529,633,150	18,973,649,149
Net book value			
At 1 January 2012	4,849,988,706	68,332,148,833	73,182,137,539
At 30 June 2012	4,550,274,198	66,653,414,113	71,203,688,311

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

11 GOODWILL

Movements of goodwill were as follows:

	The Group	
	30.6.2012	31.12.2011
	VND	VND
Opening balance	15,503,335,522	19,556,808,664
Decrease	-	(2,269,050,480)
Charged to the income statement	(920,574,462)	(1,784,422,662)
Closing balance	14,582,761,060	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:

	<u>The Group</u>		<u>The Company</u>	
	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>
	VND	VND	VND	VND
Opening balance	80,643,411,508	62,865,036,536	75,328,279,060	62,865,036,536
Income statement credit	34,515,417,693	17,778,374,972	39,830,550,141	12,463,242,524
Closing balance	<u>115,158,829,201</u>	<u>80,643,411,508</u>	<u>115,158,829,201</u>	<u>75,328,279,060</u>

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

13 SHORT-TERM BORROWINGS

	<u>The Group and the Company</u>	
	<u>30.6.2012</u>	<u>31.12.2011</u>
	VND	VND
Short-term borrowings	208,280,000,000	-

The Group's and the Company's balance of short-term borrowings as at 30 June 2012 represented a three-month borrowing from a branch of a foreign bank amounting to US\$10 million with the interest rate of 1.95% per annum.

14 TRADE ACCOUNTS PAYABLE

	<u>The Group</u>		<u>The Company</u>	
	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>
	VND	VND	VND	VND
Third parties	2,352,895,329,252	1,722,763,113,643	2,281,864,272,092	1,702,718,373,420
Related parties (Note 33(b))	59,183,967,564	108,195,986,831	149,609,693,118	180,037,008,367
	<u>2,412,079,296,816</u>	<u>1,830,959,100,474</u>	<u>2,431,473,965,210</u>	<u>1,882,755,381,787</u>

15 TAXES AND OTHER PAYABLES TO STATE BUDGET

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Value Added Tax	94,483,008,275	78,912,830,769	93,648,156,401	78,689,870,892
Import duty	5,594,526,283	5,819,918,779	5,594,526,283	5,819,918,779
Business income tax	353,103,601,866	188,626,252,026	351,819,384,760	188,614,922,393
Personal income tax	3,060,650,475	13,715,531,182	2,987,712,684	13,669,767,416
Others	31,932,065	388,358,072	31,932,065	388,358,072
	<u>456,273,718,964</u>	<u>287,462,890,828</u>	<u>454,081,712,193</u>	<u>287,182,837,552</u>

16 ACCRUED EXPENSES

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Sales incentives for customers	177,102,769,759	166,981,423,467	177,102,769,759	166,981,423,467
Expenses for product display	8,233,180,680	138,181,804	8,233,180,680	138,181,804
Advertising expenses	132,122,646,761	29,428,701,502	132,122,646,761	29,428,701,502
Transportation expenses	28,420,466,468	25,359,546,962	28,375,706,468	25,290,506,962
Interest expenses	938,703,056	-	938,703,056	-
Fuel expenses	8,234,468,132	5,795,564,015	8,234,468,132	5,795,564,015
Repair and maintenance expenses	9,233,138,627	6,357,023,147	9,233,138,627	6,357,023,147
Expenses for outsourced employees	9,636,614,336	7,252,173,600	9,636,614,336	7,252,173,600
Others	17,938,809,738	19,365,394,796	16,596,803,089	18,962,596,396
	<u>391,860,797,557</u>	<u>260,678,009,293</u>	<u>390,474,030,908</u>	<u>260,206,170,893</u>

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

17 OTHER PAYABLES

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Deposits received from customers	15,947,456,806	13,510,621,271	15,719,456,806	13,285,621,271
Import duty payables	104,223,917,987	31,891,388,948	104,223,917,987	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	990,505,505	615,429,742	772,891,643	530,051,230
Others	6,747,474,846	13,241,826,199	6,550,019,835	12,392,904,889
	<u>128,094,774,299</u>	<u>59,478,925,315</u>	<u>127,451,705,426</u>	<u>58,284,825,493</u>

18 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.

19 PROVISION FOR SEVERANCE ALLOWANCES

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

	The Group		The Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	VND	VND	VND	VND
Opening balance	66,923,897,268	51,373,933,083	66,571,712,268	51,058,625,583
Increases	980,047,890	16,618,656,982	934,195,890	16,576,979,482
Payment during the period/year	(439,210,501)	(1,068,692,797)	(439,210,501)	(1,063,892,797)
Reversal	(478,362,356)	-	(478,362,356)	-
Closing balance	<u>66,986,372,301</u>	<u>66,923,897,268</u>	<u>66,588,335,301</u>	<u>66,571,712,268</u>

20 SHARE CAPITAL

The Company's authorised and issued share capitals are:

	30.6.2012		31.12.2011	
	Number of shares	VND	Number of shares	VND
Authorised share capital	556,114,754	5,561,147,540,000	556,114,754	5,561,147,540,000
Issued share capital				
Ordinary shares	556,114,754	5,561,147,540,000	556,114,754	5,561,147,540,000
Treasury shares				
Ordinary shares	(403,790)	(4,147,039,000)	(247,140)	(2,521,794,000)
Shares currently in circulation				
Ordinary shares	555,710,964	5,557,000,501,000	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.

21 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	7,964,436,590,282
Capital increase during the year	2,030,426,340,000	1,276,994,100,000	(1,852,743,000)	(1,852,892,040,000)	-	-	1,452,675,657,000
Profit for the year	-	-	-	-	-	4,218,181,708,937	4,218,181,708,937
Appropriations to reserves	-	-	-	588,625,486,519	203,042,634,000	(1,208,328,620,254)	(416,660,499,735)
Dividends paid	-	-	-	-	-	(741,428,260,000)	(741,428,260,000)
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	12,477,205,196,484
Purchases of treasury shares	-	-	(1,625,245,000)	-	-	-	(1,625,245,000)
Profit for the period	-	-	-	-	-	2,776,119,385,125	2,776,119,385,125
Appropriations to reserves	-	-	-	379,518,826,891	-	(654,827,182,226)	(275,308,355,335)
Dividends paid (Note 22)	-	-	-	-	-	(1,111,585,988,000)	(1,111,585,988,000)
As at 30 June 2012	5,561,147,540,000	1,276,994,100,000	(4,147,039,000)	1,287,543,063,275	556,114,754,000	5,187,152,574,999	13,864,804,993,274

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Form B 09a – DN/HN

21 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	7,950,956,287,870
Capital increase during the year	2,030,426,340,000	1,276,994,100,000	(1,852,743,000)	(1,852,892,040,000)	-	-	1,452,675,657,000
Profit for the year	-	-	-	-	-	4,166,604,997,301	4,166,604,997,301
Appropriations to reserves	-	-	-	588,625,486,519	203,042,634,000	(1,208,328,620,250)	(416,660,499,731)
Dividends paid	-	-	-	-	-	(741,428,260,000)	(741,428,260,000)
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	12,412,148,182,440
Purchases of treasury shares	-	-	(1,625,245,000)	-	-	-	(1,625,245,000)
Profit for the period	-	-	-	-	-	2,753,083,553,251	2,753,083,553,251
Appropriations to reserves	-	-	-	379,518,826,891	-	(654,827,182,216)	(275,308,355,325)
Dividends paid (Note 22)	-	-	-	-	-	(1,111,585,988,000)	(1,111,585,988,000)
As at 30 June 2012	5,561,147,540,000	1,276,994,100,000	(4,147,039,000)	1,287,543,063,275	556,114,754,000	5,099,059,729,091	13,776,712,147,366

22 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 will be paid in September 2012.

23 REVENUE**(a) Net sales**

	The Group		The Company	
	Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND
Sales				
Sales of merchandise goods	191,866,701,802	118,831,482,698	320,898,774,572	196,718,510,204
Sales of finished goods	12,929,689,814,357	10,036,816,078,527	12,931,464,751,800	10,036,937,842,350
Sales from provision of real estate services	6,202,269,870	4,042,755,838	6,171,769,870	4,037,755,838
Sales from provision of other services	8,317,696,414	7,698,067,025	8,317,696,414	7,698,067,025
	<u>13,136,076,482,443</u>	<u>10,167,388,384,088</u>	<u>13,266,852,992,656</u>	<u>10,245,392,175,417</u>
Sales deductions				
Trade discounts	(245,968,259,789)	(211,041,677,370)	(245,968,259,789)	(211,041,677,370)
Sales returns	(2,839,527,209)	(516,971,714)	(2,839,527,209)	(516,971,714)
	<u>(248,807,786,998)</u>	<u>(211,558,649,084)</u>	<u>(248,807,786,998)</u>	<u>(211,558,649,084)</u>
Net sales	<u>12,887,268,695,445</u>	<u>9,955,829,735,004</u>	<u>13,018,045,205,658</u>	<u>10,033,833,526,333</u>

(b) Financial income

	The Group		The Company	
	Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND
Interest income on deposits	146,848,398,680	158,787,413,296	145,626,230,770	158,218,797,333
Interest income on bonds	49,229,227,050	47,699,036,815	49,229,227,050	47,699,036,815
Interest income on loans granted	345,000,000	1,065,000,000	345,000,000	1,065,000,000
Gains on disposal of securities	8,790,592,000	-	8,790,592,000	-
Dividends income	22,660,022,000	16,557,087,110	22,660,022,000	16,557,087,110
Realised foreign exchange gains	54,158,177,845	60,912,222,860	54,158,177,845	60,912,222,860
Gains from foreign currency translation at period-end	11,686,643,727	46,389,423,672	11,686,643,727	46,389,423,672
Others	57,377,753	80,576,660	57,377,753	80,576,660
	<u>293,775,439,055</u>	<u>331,490,760,413</u>	<u>292,553,271,145</u>	<u>330,922,144,450</u>

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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24 COST OF SALES

	The Group		The Company	
	Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND
Merchandise goods sold	155,444,066,230	113,103,781,984	282,636,209,623	190,903,614,759
Finished goods sold	8,489,373,709,886	6,600,314,359,947	8,524,499,669,922	6,640,905,569,496
Real estate services provided	2,780,017,005	2,440,674,059	2,780,017,005	2,440,674,059
Other services provided	376,892,307	448,572,921	376,892,307	448,572,921
Inventories deficiencies	1,424,558,762	1,230,685,788	8,242,889	30,672,000
Expenses in excess of normal value	16,724,102,515	25,474,008,781	9,438,579,349	7,859,172,606
(Reversal of provision)/provision for the decline in value of inventory	(111,523,025)	1,579,185,928	(111,523,025)	1,579,185,928
	<u>8,666,011,823,680</u>	<u>6,744,591,269,408</u>	<u>8,819,628,088,070</u>	<u>6,844,167,461,769</u>

25 FINANCIAL EXPENSES

	The Group		The Company	
	Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND
Payment discounts for distributors	14,918,796,190	14,430,332,580	14,918,796,190	14,430,332,580
Interest expenses on loans	3,024,271,376	10,025,419,489	3,023,954,709	10,025,419,489
Interest expense on deposit received	450,219,563	605,910,985	450,219,563	605,910,985
Realised foreign exchange losses	29,488,184,708	74,285,610,082	29,488,184,708	74,284,180,082
Losses from foreign currency translation at period-end	5,730,505,442	39,602,140,802	5,730,505,442	39,602,140,802
(Reversal of provision)/provision for diminution in value of investments	(54,943,071,340)	42,902,690,284	(47,455,978,121)	95,472,557,579
Others	2,009,739,198	33,995,000	2,009,739,198	33,995,000
	<u>678,645,137</u>	<u>181,886,099,222</u>	<u>8,165,421,689</u>	<u>234,454,536,517</u>

26 SELLING EXPENSES

	The Group and the Company	
	Six-month period ended	
	30.6.2012	30.6.2011
	VND	VND
Advertising expense	227,371,372,153	187,665,517,426
Promotion expense	313,186,798,625	169,850,964,143
Support and commission expenses for distributors	168,034,728,320	143,082,144,370
Staff costs	71,231,292,140	59,744,168,354
Material expenses	26,728,703,104	21,637,215,779
Tools and supplies expenses	25,674,803,590	13,369,943,216
Depreciation expenses	12,976,344,913	12,927,642,772
Expenses of damaged goods	6,304,641,934	4,204,469,141
Transportation for goods sold	150,404,477,781	113,539,329,043
Outside service expenses	42,051,022,446	35,238,498,302
	<u>1,043,964,185,006</u>	<u>761,259,892,546</u>

27 GENERAL AND ADMINISTRATION EXPENSES

	The Group		The Company	
	Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND
Staff costs	78,059,364,362	66,815,100,612	71,643,504,866	62,682,182,888
Material expenses	5,540,322,055	4,077,452,183	5,332,637,811	3,901,194,463
Office supplies	1,912,644,982	2,025,122,194	1,684,426,432	1,778,185,474
Depreciation expense	28,852,245,961	23,947,764,030	27,612,967,212	23,180,157,746
Fees and duties	3,127,734,276	3,374,575,432	1,411,848,245	1,228,424,832
Provision for doubtful debts and severance allowance	2,545,511,947	1,064,936,985	2,499,659,947	1,064,936,985
Transportation for internal transfer of goods	26,215,964,191	24,011,718,479	26,215,964,191	24,011,718,479
Outside service expenses	56,996,780,676	40,860,808,896	53,113,542,369	37,779,004,991
Loading expenses	13,947,969,482	17,446,906,351	13,947,969,482	17,446,906,351
Per diem allowances	7,207,117,294	5,478,210,866	7,207,117,294	5,478,210,866
Bank charges	3,848,554,060	3,737,445,771	3,848,554,060	3,737,445,771
Others	18,820,819,996	10,273,233,147	16,875,939,387	8,397,237,231
	<u>247,075,029,282</u>	<u>203,113,274,946</u>	<u>231,394,131,296</u>	<u>190,685,606,077</u>

28 NET OTHER INCOME

	The Group		The Company	
	Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND
Other income				
Proceeds from disposals of fixed assets	20,592,437,233	19,512,783,563	15,580,418,506	15,776,598,824
Proceeds from disposals of construction in progress	-	-	2,547,172,727	10,212,075,000
Proceeds from sales of tools, supplies and scraps	50,301,668,124	38,859,275,478	50,608,707,157	40,433,415,208
Compensation received from other parties	416,292,316	463,763,676	416,292,316	463,763,676
Rebate income from suppliers	82,504,432,630	92,220,387,212	82,504,432,630	92,220,387,212
Sundry income	8,707,382,463	4,085,047,830	26,322,388,961	30,403,536,739
	<u>162,522,212,766</u>	<u>155,141,257,759</u>	<u>177,979,412,297</u>	<u>189,509,776,659</u>
Other expenses				
Net book value of fixed assets disposed	(27,578,672,725)	(53,081,335,687)	(20,783,510,304)	(15,340,437,707)
Cost of construction in progress disposed	-	-	(2,547,172,726)	(10,082,355,482)
Cost of tools, supplies and scraps disposed	(13,780,000)	(22,499,470)	-	-
Sundry expenses	(1,871,187,431)	(334,071,668)	(22,381,199,049)	(27,007,831,690)
	<u>(29,463,640,156)</u>	<u>(53,437,906,825)</u>	<u>(45,711,882,079)</u>	<u>(52,430,624,879)</u>
Net other income	<u><u>133,058,572,610</u></u>	<u><u>101,703,350,934</u></u>	<u><u>132,267,530,218</u></u>	<u><u>137,079,151,780</u></u>

29 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:

	The Group		The Company	
	Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND
Net accounting profit before tax	3,369,732,449,524	2,494,276,888,746	3,339,714,180,960	2,471,267,325,654
Tax calculated at the tax rate of 25%	842,433,112,381	623,569,222,187	834,928,545,240	617,816,831,414
Effect of:				
Different tax rates applicable for branches and subsidiaries	(140,228,586,577)	(116,887,500,570)	(139,189,663,677)	(115,757,779,306)
Income not subject to tax	(10,479,500,886)	(15,527,113,170)	(5,665,005,500)	(4,126,371,778)
Expenses not deductible for tax purposes	4,153,493,176	1,678,188,228	4,153,493,175	1,678,188,228
Tax incentives	(120,274,379,759)	(128,657,108,101)	(118,699,745,320)	(124,404,744,029)
Deferred income tax asset was not previously recognised	(7,133,507,750)	-	(7,133,507,750)	-
Current tax losses in subsidiaries for which no deferred income tax asset was recognised	6,905,922,273	11,030,435,955	-	-
Under provision in previous years	18,236,511,541	5,413,792,134	18,236,511,541	5,413,792,134
Business income tax charge	593,613,064,399	380,619,916,663	586,630,627,709	380,619,916,663

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.

30 BASIC EARNINGS PER SHARE

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

	<u>Six-month period ended</u>	
	<u>30.6.2012</u>	<u>30.6.2011</u>
The Group		
Net profit attributable to shareholders (VND)	2,776,119,385,125	2,113,656,972,083
Weighted average number of ordinary shares in issuance	555,822,174	357,988,990
Basic earnings per share based on weighted average number of ordinary shares in issuance (VND)	4,995	5,904
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	555,822,174	536,983,485
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>4,995</u>	<u>3,936</u>
The Company		
Net profit attributable to shareholders (VND)	2,753,083,553,251	2,090,647,408,991
Weighted average number of ordinary shares in issuance	555,822,174	357,988,990
Basic earnings per share based on weighted average number of ordinary shares in issuance (VND)	4,953	5,840
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	555,822,174	536,983,485
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>4,953</u>	<u>3,893</u>

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

31 COST OF GOODS MANUFACTURED BY FACTORS

	The Group		The Company	
	Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND
Raw materials	8,317,126,265,839	6,385,563,505,846	8,504,216,991,226	6,499,824,757,455
Labour costs	343,540,140,409	289,595,243,509	327,468,543,467	279,196,572,582
Depreciation expenses	249,082,423,024	196,947,250,466	218,216,971,097	172,340,577,301
Outside service expenses	432,582,719,518	330,440,425,734	413,504,826,467	319,011,575,550
Other cash expenses	803,442,462,504	570,563,079,612	799,995,756,596	566,254,353,387
	<u>10,145,774,011,294</u>	<u>7,773,109,505,167</u>	<u>10,263,403,088,853</u>	<u>7,836,627,836,275</u>

32 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	
	Six-month period ended		Six-month period ended		Six-month period ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	VND	VND	VND	VND	VND	VND
The Group						
Sales revenue	10,567,117,419,239	8,845,049,059,756	2,320,151,276,206	1,110,780,675,248	12,887,268,695,445	9,955,829,735,004
Cost of sales	(6,852,036,335,589)	(5,877,295,728,147)	(1,813,975,488,091)	(867,295,541,261)	(8,666,011,823,680)	(6,744,591,269,408)
Segment income	<u>3,715,081,083,650</u>	<u>2,967,753,331,609</u>	<u>506,175,788,115</u>	<u>243,485,133,987</u>	<u>4,221,256,871,765</u>	<u>3,211,238,465,596</u>
The Company						
Sales revenue	10,697,893,929,452	8,923,052,851,085	2,320,151,276,206	1,110,780,675,248	13,018,045,205,658	10,033,833,526,333
Cost of sales	(7,005,652,599,979)	(5,976,871,920,508)	(1,813,975,488,091)	(867,295,541,261)	(8,819,628,088,070)	(6,844,167,461,769)
Segment income	<u>3,692,241,329,473</u>	<u>2,946,180,930,577</u>	<u>506,175,788,115</u>	<u>243,485,133,987</u>	<u>4,198,417,117,588</u>	<u>3,189,666,064,564</u>

33 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

	Six-month period ended	
	30.06.2012	30.06.2011
	VND	VND
Joint ventures:		
Dairy Cow Development Project	1,979,279,711	9,432,109,434
Associates:		
Miraka Limited	290,084,130,234	-
Asia Saigon Food Ingredients Joint Stock Company	23,952,887,045	-
	<u>316,016,296,990</u>	<u>9,432,109,434</u>

ii) Compensation of key management

	Six-month period ended	
	30.06.2012	30.06.2011
	VND	VND
Compensation to members of Board of Management and Board of Directors	<u>32,909,765,368</u>	<u>25,635,048,321</u>

iii) Collection of loans granted to an associate

During the period ended 30 June 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

	Six-month period ended	
	30.06.2012	30.06.2011
	VND	VND
The State Capital Investment Corporation	<u>500,976,000,000</u>	<u>-</u>

33 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)**(b) Year-end balances with related parties**

	30.06.2012 VND	31.12.2011 VND
Trade accounts payable (Note 14)		
Joint-ventures:		
Dairy Cow Development Project	1,353,039,239	145,509,003
Associates:		
Miraka Limited	51,441,124,575	108,050,477,828
Asia Saigon Food Ingredients Joint Stock Company	6,389,803,750	-
	<u>59,183,967,564</u>	<u>108,195,986,831</u>

34 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.

34 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:

The Group and the Company				
As at 30 June 2012				
	Original currency		Equivalent to VND	
	USD	EUR	USD	EUR
Financial assets				
Cash and bank deposits	26,209,736	685,699	545,896,383,074	18,123,721,899
Trade and other receivables	45,093,178	7,081,391	939,200,716,784	187,168,244,464
	<u>71,302,914</u>	<u>7,767,090</u>	<u>1,485,097,099,858</u>	<u>205,291,966,363</u>
Financial liabilities				
Borrowings	(10,000,000)	-	(208,280,000,000)	-
Trade and other payables	(54,882,270)	(16,841,154)	(1,143,087,922,124)	(445,128,551,153)
	<u>(64,882,270)</u>	<u>(16,841,154)</u>	<u>(1,351,367,922,124)</u>	<u>(445,128,551,153)</u>
Currency exposure	<u>6,420,644</u>	<u>(9,074,064)</u>	<u>133,729,177,734</u>	<u>(239,836,584,790)</u>
The Group and the Company				
As at 31 December 2011				
	Original currency		Equivalent to VND	
	USD	EUR	USD	EUR
Financial assets				
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>
Financial liabilities				
Trade and other payables	(43,076,331)	(12,606,518)	(897,193,813,131)	(348,355,921,842)
Currency exposure	<u>20,425,887</u>	<u>(2,580,257)</u>	<u>425,430,388,433</u>	<u>(71,300,253,011)</u>

At 30 June 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 VND10,029,688,330 higher/lower as a result of currency translation gains/losses on the USD-denominated financial instruments.

At 30 June 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 VND17,987,743,859 lower/higher as a result of currency translation losses/gains on the EUR-denominated financial instruments.

34 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 VND10,542,477,795 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's policy is to maintain 100% of fixed-rate borrowings.

(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.

34 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 VND1,469,467,081,286 (2011: VND1,353,317,082,254).

The Company's trade and other receivables not past due amounted to VND1,480,374,423,485 (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:

	The Group and the Company	
	30.06.2012	31.12.2011
	VND	VND
Past due 1 to 30 days	292,192,438,163	15,058,558,138
Past due 31 to 60 days	23,846,176,726	287,717,434
Past due 61 to 90 days	82,677,417	630,000
Past due over 90 days	411,653,011	3,727,445,863
	<u>316,532,945,317</u>	<u>19,074,351,435</u>

34 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	
	30.06.2012 VND	31.12.2011 VND	30.06.2012 VND	31.12.2011 VND
Carrying amount				
Gross amount	7,467,239,228	3,582,467,962	7,446,827,792	3,562,056,526
Less: Allowance for impairment	(3,934,819,996)	(1,918,007,430)	(3,914,408,560)	(1,897,595,994)
	<u>3,532,419,232</u>	<u>1,664,460,532</u>	<u>3,532,419,232</u>	<u>1,664,460,532</u>
Allowance for impairment				
Beginning of period/year	1,918,007,430	596,556,111	1,897,595,994	576,144,675
Allowance made	2,033,812,977	1,833,346,777	2,033,812,977	1,833,346,777
Written-off	(17,000,411)	(511,895,458)	(17,000,411)	(511,895,458)
End of period/year	<u>3,934,819,996</u>	<u>1,918,007,430</u>	<u>3,914,408,560</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
As at 30 June 2012				
Borrowings	208,280,000,000	-	208,280,000,000	-
Trade and other liabilities	3,113,765,601,158	92,000,000,000	3,127,739,691,903	92,000,000,000
	<u>3,322,045,601,158</u>	<u>92,000,000,000</u>	<u>3,336,019,691,903</u>	<u>92,000,000,000</u>
As at 31 December 2011				
Trade and other liabilities	2,312,706,740,902	92,000,000,000	2,360,105,278,536	92,000,000,000
	<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>

34 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		
The Group and the Company					
As at 30 June 2012					
Short-term investments					
Listed equity securities	21,618,596,312	20,899,978,708	(7,534,741,420)	34,983,833,600	(7,534,741,420)
Unlisted equity securities	82,283,660,000	-	(64,636,726,400)	17,646,933,600	(64,636,726,400)
Other long-term investments					
Listed equity securities	192,750,773,800	5,674,164,300	(52,665,447,500)	145,759,490,600	(52,665,447,500)
Investment funds	106,350,000,000	-	(41,815,049,569)	64,534,950,431	(41,815,049,569)
Total	403,003,030,112	26,574,143,008	(166,651,964,889)	262,925,208,231	(166,651,964,889)

34 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		
As at 31 December 2011					
The Group					
Short-term investments					
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)
Other long-term investments					
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)
Total	420,623,505,592	17,736,131,208	(221,595,036,229)	216,764,600,571	(221,595,036,229)
The Company					
Short-term investments					
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)
Other long-term investments					
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)
Total	420,588,705,592	17,735,609,208	(221,595,036,229)	216,729,278,571	(221,595,036,229)

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.

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



Le Thanh Liem
Chief Accountant



Ngo Thi Thu Trang
Executive Director - Finance



Mai Kieu Lien
Chief Executive Officer