

Vietnam Dairy Products Joint Stock Company

Separate interim financial statements
for the nine-month period ended
30 September 2013

Vietnam Dairy Products Joint Stock Company Corporate Information

Business Registration Certificate No.

4103001932
0300588569

20 November 2003
29 May 2013

The Company's business registration certificate has been amended several times, the most recent of which is by business registration certificate No. 0300588569. The business registration certification was issued by Ho Chi Minh City Planning and Investment Department dated 29 May 2013.

Members' Council

Mdm Mai Kieu Lien	Chairwoman
Mr Le Song Lai	Member
Ms Ngo Thi Thu Trang	Member
Mr Pascal De Petrini	Member (until 23 May 2013)
Mr Ng Jui Sia	Member (from 23 May 2013)
Mr Le Anh Minh	Member
Ms Le Thi Bang Tam	Member
Mr Ha Van Tham	Member

Board of Directors

Mdm Mai Kieu Lien	Chief Executive Officer
Mr Nguyen Thi Thanh Hoa	Executive Director Production and Products Development
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
Ms Nguyen Quoc Khanh	Executive Director – Supply chain
Ms Nguyen Huu Ngoc Tran	Acting Executive Director - Marketing
Mr Mai Hoai Anh	Executive Director – Sales

Registered Office

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

Auditors

KPMG Limited
Vietnam

**Vietnam Dairy Products Joint Stock Company
Statement of the Board of Directors**

**STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN
RESPECT OF THE SEPARATE INTERIM FINANCIAL STATEMENTS**

The Board of Directors is responsible for the separate interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) which give a true and fair view of the separate financial position of the Company as of 30 September 2013 and of the separate results of operations and cash flows for the nine-month period then ended. In preparing these separate 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 separate interim financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the separate financial position of the Company and which enable these separate interim financial statements to be prepared which complies with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements set out on pages 4 to 55 which give a true and fair view of the separate financial position of the Company as at 30 September 2013, and of the separate results of operations and cash flows for the nine-month period ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements.

On behalf of the Board of Directors



Maí Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 28 October 2013

SEPERATE INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders
Vietnam Dairy Products Joint Stock Company

Introduction

We have reviewed the accompanying separate balance sheet of Vietnam Dairy Products Joint Stock Company (“the Company”) as of 30 September 2013, the related separate statements of income and cash flows for the nine-month period then ended and the relevant explanatory notes thereto (“the separate interim financial statements”) which were authorised for issue by the Company’s management on 28 October 2013, as set out on pages 4 to 55. These separate interim financial statements are the responsibility of the Company’s management. Our responsibility is to issue a report on these separate interim financial statements based on our review. The separate interim financial statements of the Company as of and for the nine-month period ended 30 September 2012 were reviewed by another firm of auditors whose report dated 1 November 2012 expressed an unqualified conclusion on those statements.

Scope of review

We conducted our review in accordance with Vietnamese Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the separate interim financial statements are free of material misstatement. 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 separate interim financial statements do not give a true and fair view of the separate financial position of Vietnam Dairy Products Joint Stock Company as of 30 September 2013 and the separate results of its operations and its cash flows for the nine-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements.

KPMG Limited
Vietnam
Investment Certificate No: 011043000345
Review Report No: 13-01-237



Chang Hung Chun
Practicing Registration No. 0863-2013-007-1
Deputy General Director


Nguyen Thanh Nghi
Practicing Registration No. 0304-2013-007-1

Ho Chi Minh City, 28 October 2013

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 30 September 2013

Form B 01a – DN

	Code	Note	30/9/2013 VND	31/12/2012 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		11,342,712,836,371	10,957,605,189,780
Cash and cash equivalents	110	5	1,610,374,924,402	1,224,462,285,364
Cash	111		510,374,924,402	824,462,285,364
Cash equivalents	112		1,100,000,000,000	400,000,000,000
Short-term investments	120	6	3,869,716,691,608	3,909,275,954,492
Short-term investments	121		4,013,292,575,718	4,039,304,630,112
Allowance for diminution in the value of short-term investments	129		(143,575,884,110)	(130,028,675,620)
Accounts receivable	130	7	2,474,092,568,855	2,238,818,141,954
Accounts receivable – trade	131		1,742,146,600,253	1,274,574,429,461
Prepayments to suppliers	132		456,512,247,694	550,939,005,745
Other receivables	135		277,358,929,879	417,136,879,198
Allowance for doubtful debts	139	35(b)	(1,925,208,971)	(3,832,172,450)
Inventories	140	8	3,142,391,921,549	3,357,506,580,186
Inventories	141		3,145,896,413,604	3,360,961,745,571
Allowance for inventories	149		(3,504,492,055)	(3,455,165,385)
Other current assets	150		246,136,729,957	227,542,227,784
Short-term prepayments	151		106,896,207,357	70,612,136,982
Deductible value added tax	152		137,846,668,332	154,117,902,324
Other current assets	158		1,393,854,268	2,812,188,478

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

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 30 September 2013 (continued)

Form B 01a – DN

	Code	Note	30/9/2013 VND	31/12/2012 VND
Long-term assets (200 = 220 + 240 + 250 + 260)	200		9,180,266,408,958	8,825,031,622,819
Fixed assets	220		7,784,362,301,421	7,446,795,167,863
Tangible fixed assets	221	9	7,167,061,031,851	3,748,756,576,222
<i>Cost</i>	222		9,677,520,061,716	5,844,850,660,156
<i>Accumulated depreciation</i>	223		(2,510,459,029,865)	(2,096,094,083,934)
Intangible fixed assets	227	10	297,928,227,692	207,666,924,724
<i>Cost</i>	228		405,897,809,495	309,274,097,560
<i>Accumulated amortisation</i>	229		(107,969,581,803)	(101,607,172,836)
Construction in progress	230	11	319,373,041,878	3,490,371,666,917
Investment property	240	12	107,232,051,323	69,225,239,090
<i>Cost</i>	241		132,849,190,358	90,177,337,460
<i>Accumulated depreciation</i>	242		(25,617,139,035)	(20,952,098,370)
Long-term investments	250	13	1,066,126,656,137	1,182,017,661,007
Investments in subsidiaries	251		991,800,000,000	1,078,318,014,080
Investments in associates and joint-ventures	252		205,297,684,826	214,466,955,551
Other long-term investments	258		26,322,737,046	80,840,000,000
Allowance for diminution in the value of long-term investments	259		(157,293,765,735)	(191,607,308,624)
Other long-term assets	260		222,545,400,077	126,993,554,859
Long-term prepayments	261	14	72,943,250,768	17,915,187,787
Deferred tax assets	262	15	148,525,729,309	108,001,947,072
Other long-term assets	268		1,076,420,000	1,076,420,000
TOTAL ASSETS (270 = 100 + 200)	270		20,522,979,245,329	19,782,636,812,599

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

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 30 September 2013 (continued)

Form B 01a – DN

	Code	Note	30/9/2013 VND	31/12/2012 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		3,782,002,125,589	4,388,182,540,872
Current liabilities	310		3,712,553,573,902	4,328,837,208,960
Accounts payable – trade	312	16	1,721,391,418,119	2,442,335,842,075
Advances from customers	313		23,274,465,152	21,589,364,414
Taxes payable to State Treasury	314	17	467,672,948,434	331,870,328,102
Payables to employees	315		104,443,501,463	100,460,928,431
Accrued expenses	316	18	519,411,632,299	364,013,161,247
Other payables	319	19	629,951,083,760	662,625,268,582
Bonus and welfare fund	323	20	246,408,524,675	405,942,316,109
Long-term liabilities	330		69,448,551,687	59,345,331,912
Provision for severance allowance	337	21	69,389,089,416	59,325,269,500
Unearned revenue	338		59,462,271	20,062,412
EQUITY (400 = 410)	400		16,740,977,119,740	15,394,454,271,727
Owners' equity	410	22	16,740,977,119,740	15,394,454,271,727
Share capital	411	23	8,339,557,960,000	8,339,557,960,000
Share premium	412		1,276,994,100,000	1,276,994,100,000
Treasury shares	414	23	(4,953,649,959)	(4,504,115,000)
Investment and development fund	417		764,826,880,531	93,889,017,729
Financial reserve	418		833,955,796,000	588,402,022,008
Retained profits	420		5,530,596,033,168	5,100,115,286,990
TOTAL RESOURCES (440 = 300 + 400)	440		20,522,979,245,329	19,782,636,812,599

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

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 30 September 2013 (continued)

Form B 01a – DN

OFF BALANCE SHEET ITEMS

	30/9/2013	31/12/2012
Foreign currencies included in cash and cash equivalents:		
USD	7,109,651	11,737,838
EUR	119,630	49,848

28 October 2013

Prepared by:  

Approved by: 

Le Thanh Liem
Chief Accountant
Ngo Thi Thu Trang
Executive Director - Finance
Mai Kieu Lien
Chief Executive Officer



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

Vietnam Dairy Products Joint Stock Company

Separate statement of income for the nine-month period ended 30 September 2013

Form B 02a – DN

	Code	Note	Three-month period ended		Nine-month period ended	
			30/9/2013	30/9/2012	30/9/2013	30/9/2012
			VND	VND	VND	VND
Total revenue	01	25	8,216,873,767,684	6,831,421,186,233	23,369,225,639,323	20,098,274,178,889
Less revenue deductions	02	25	162,862,218,618	142,324,311,523	467,829,729,695	391,132,098,521
Net revenue (10 = 01 - 02)	10	25	8,054,011,549,066	6,689,096,874,710	22,901,395,909,628	19,707,142,080,368
Cost of sales	11	26	5,118,774,087,933	4,343,916,660,442	14,430,034,811,143	13,163,544,748,512
Gross profit (20 = 10 - 11)	20		2,935,237,461,133	2,345,180,214,268	8,471,361,098,485	6,543,597,331,856
Financial income	21	27	132,381,374,976	71,449,923,591	372,908,447,677	364,003,194,736
Financial expenses	22	28	42,753,624,188	44,001,419,148	82,668,265,738	52,166,840,837
<i>In which: Interest expense</i>	23		-	90,566,597	-	3,114,521,306
Selling expenses	24	29	876,242,733,210	601,600,138,177	2,323,735,657,203	1,645,564,323,183
General and administration expenses	25	30	140,489,444,534	123,540,138,341	413,316,004,390	354,934,269,637
Net operating profit {30 = 20 + (21 - 22) - (24 + 25)}	30		2,008,133,034,177	1,647,488,442,193	6,024,549,618,831	4,854,935,092,935
Other income	31	31	40,504,615,326	124,607,108,120	137,340,326,342	302,586,520,417
Other expenses	32	32	14,385,298,563	110,233,639,345	40,834,672,210	155,945,521,424
Results of other activities (40 = 31 - 32)	40		26,119,316,763	14,373,468,775	96,505,654,132	146,640,998,993

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

Vietnam Dairy Products Joint Stock Company
Separate statement of income for the nine-month period ended 30 September 2013 (continued)

Form B 02a – DN

	Code	Note	Three-month period ended		Nine-month period ended	
			30/9/2013 VND	30/9/2012 VND	30/9/2013 VND	30/9/2012 VND
Profit before tax (50 = 30 + 40 + 41)	50		2,034,252,350,940	1,661,861,910,968	6,121,055,272,963	5,001,576,091,928
Income tax expense – current	51	33	380,979,808,952	255,506,680,161	1,145,836,296,565	881,967,858,011
Income tax benefit – deferred	52	33	(15,732,732,250)	13,563,419,082	(40,523,782,237)	(26,267,131,059)
Net profit after tax (60 = 50 - 51 - 52)	60		1,669,005,274,238	1,392,791,811,725	5,015,742,758,635	4,145,875,364,976
Basic earnings per share	70	34	2,002	1,671	6,018	4,973

Prepared by: 
 Le Thanh Liem
 Chief Accountant

28 October 2013

 Ngo Thi Thu Trang
 Executive Director - Finance

Approved by: 

 Mai Kieu Lien
 Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the nine-month period ended 30 September 2013
(Indirect method)

Form B 03a – DN

	Code	Note	Nine-month period ended	
			30/9/2013 VND	30/9/2012 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		6,121,055,272,963	5,001,576,091,928
Adjustments for				
Depreciation and amortisation	02		490,638,439,435	340,600,151,872
Allowances and provisions	03		26,823,567,484	(23,203,519,824)
Unrealised foreign exchange losses	04		11,218,423,101	11,809,532,150
Losses on disposal of fixed assets	05		1,113,570,042	14,600,304,001
Dividends and interest income	05		(296,292,037,311)	(279,643,115,727)
Losses/(profits) from other investing activities	05		2,806,542,610	(5,539,877,098)
Interest expense	06		-	3,114,521,306
Operating profit before changes in working capital	08		6,357,363,778,324	5,063,314,088,608
Change in receivables	09		(188,494,144,445)	(342,873,318,936)
Change in inventories	10		214,355,144,869	(222,817,809,218)
Change in payables and other liabilities	11		(500,338,830,027)	285,327,005,266
Change in prepayments	12		(34,249,883,590)	(26,053,238,387)
			5,848,636,065,131	4,756,896,727,333
Interest paid	13		-	(3,114,521,306)
Income tax paid	14		(1,017,074,592,271)	(815,138,914,309)
Other receipts from operating activities	15		20,969,913,520	3,704,175,480
Other payments for operating activities	16		(660,941,834,557)	(426,747,660,421)
Net cash flows from operating activities	20		4,191,589,551,823	2,944,945,796,245

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the nine-month period ended 30 September 2013
(Indirect method - continued)

Form B 03a – DN

	Code	Note	Nine-month period ended	
			30/9/2013	30/9/2012
			VND	VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(1,001,812,133,445)	(2,455,768,790,172)
Proceeds from disposals of fixed assets and other long-term investments	22		27,090,909,460	62,002,327,054
(Increase)/decrease on time deposits	23		(273,100,000,000)	(1,260,000,000,000)
Proceeds from sales of debt instruments of other entities	24		4,531,896,380	23,024,623,470
Payments for investments in other entities	25		(118,000,000,000)	(202,400,000,000)
Collections on investments in other entities	26		133,786,051,481	-
Proceeds from matured bonds	26		300,000,000,000	200,000,000,000
Collections on loan to other entity	26		30,000,000,000	18,000,000,000
Receipts of interests and dividends	27		260,190,675,696	334,282,619,182
Net cash flows from investing activities	30		(637,312,600,428)	(3,280,859,220,466)

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the nine-month period ended 30 September 2013
(Indirect method - continued)

Form B 03a – DN

	Code	Note	Nine-month period ended	
			30/9/2013 VND	30/9/2012 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for shares repurchases	32		(410,584,959)	(1,900,759,000)
Payments of dividends	36		(3,167,235,049,800)	(2,222,994,056,000)
Net cash flows from financing activities	40		(3,167,645,634,759)	(2,224,894,815,000)
Net cash flows during the period (50 = 20 + 30 + 40)	50		386,631,316,636	(2,560,808,239,221)
Cash and cash equivalents at the beginning of the period	60		1,224,462,285,364	3,101,435,901,849
Effect of exchange rate fluctuations on cash and cash equivalents	61		(718,677,598)	289,568,521
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	5	1,610,374,924,402	540,917,231,149

28 October 2013


Prepared by:


 Le Thanh Liem
 Chief Accountant


 Ngo Thi Thu Trang
 Executive Director - Finance



Approved by:


 Mai Kieu Lien
 Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
30 September 2013

Form B 09a – DN

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

1. Reporting Entity

Vietnam Dairy Products Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam. The principal activities of the Company are:

- Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- Trade in food technology, spare parts, equipment, materials and chemicals;
- Trade in houses, brokerage and leasing of real estate;
- Provide warehousing, transportation and loading service;
- Manufacture, sell and distribute beverages, grocery and processing foods, roasted-ground-filtered and instant coffee;
- Manufacture and sell plastic package and label printing;
- Manufacture and sell plastic products;
- Provide health care clinic services;
- Provide supporting agricultural operations such as: supply of seeds of cultivated crops, guidance on cultivation techniques, cultivation harvest, soil working, irrigation;
- Raise cattle: supply of breeding animals and breeding techniques, run agricultural operations;
- Provide post-harvest services;
- Treat seeds for multiplication purposes; and
- Manufacture biscuits.

As at 30 September 2013, the Company had 3 subsidiaries:

Subsidiaries	Principal activities	Ownership of legal capital by the Company
Vietnam Dairy Cow One Member Limited Company	Milk production	100%
Lamson Dairy Products One Member Company Limited	Milk production	100%
International Real Estate One Member Limited Company	Real estate trading	100%

The Company’s representative office in Cambodia was established and approved on 5 March 2013.

As at 30 September 2013, the Company had 5,018 employees (31 December 2012: 4,494 employees).

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
30 September 2013 (continued)

Form B 09a – DN

2. Basis of preparation

(a) Statement of compliance

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirement applicable to interim financial statements.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting currency

The separate interim financial statements are prepared and presented in Vietnam Dong (“VND”).

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the period have been translated into VND at rates of exchange ruling at the transaction dates.

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

(b) Cash and cash equivalents

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
30 September 2013 (continued)

Form B 09a – DN

(c) Short-term and long-term investments

(i) Classification

The Company classifies its investments in shares listed or non-listed, bonds, and investment funds as short-term investments or long-term investments depending on the Company's intention and investment strategy in respect of relevant investees.

(ii) Recognition

The Company recognises trading securities, short-term and long-term investments on the date it becomes a party to the contractual provisions of the investments (trade date accounting).

(iii) Measurement

Short-term and long-term investments are stated at cost less allowance for diminution in value.

Cost of short-term and long-term investments are determined on a weighted average basis.

(iv) Impairment

The allowance for diminution of publicly traded securities is made in accordance with the current regulation as issued by the Ministry of Finance. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(v) Derecognition

Trading securities, short-term and long-term investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
30 September 2013 (continued)

Form B 09a – DN

(e) Inventories

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

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

▪ buildings and structures	10 – 50 years
▪ machinery and equipment	8 – 10 years
▪ motor vehicles	10 years
▪ office equipment	3 – 8 years

(g) Intangible fixed assets

(i) Land use rights

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

Land use rights with indefinite period are not amortised.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
30 September 2013 (continued)

Form B 09a – DN

(ii) Software

Cost of acquiring of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 6 years.

(h) Investment property

(i) Cost

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

(ii) Depreciation

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

- infrastructure 10 years
- buildings 10 – 50 years

(i) Construction in progress

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

(j) Long-term prepayments

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the separate statement of income on a straight-line basis over the term of the lease.

(ii) Tools and supplies

Tools and supplies represent the cost of tools used for production and administration processes and are amortised on a straight line basis over two years.

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Notes to the separate interim financial statements for the nine-month period ended
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(iii) Others

Others are recorded at cost and amortised on a straight-line basis over 2 years.

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provisions

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

Severance allowance

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

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of 30 September 2013 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

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Notes to the separate interim financial statements for the nine-month period ended
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(m) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Company classifies its financial instruments as follows:

(i) *Financial assets*

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as financial assets at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has the positive intention and ability to hold to maturity, other than:

- those that the Company upon initial recognition designates as financial assets at fair value through profit or loss;
- those that the Company designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Company intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as financial assets at fair value through profit or loss;
- that the Company upon initial recognition designates as available-for-sale; or
- for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

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Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that is not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) *Financial liabilities*

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as financial liabilities at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised costs.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

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Notes to the separate interim financial statements for the nine-month period ended
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(n) Taxation

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

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

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

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

(o) Share capital and treasury shares

Ordinary shares in issue are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds.

Where the Company purchase the Company's equity share capital (treasury shares), the consideration paid, including directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the share are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received less any directly attributable incremental transaction costs is included in equity attributable to the Company's equity holders.

(p) Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in the separate statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

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Notes to the separate interim financial statements for the nine-month period ended
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(ii) *Services rendered*

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

(iii) *Rental income*

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

(q) *Financial income*

(i) *Interest income*

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

(ii) *Dividend income*

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

(iii) *Revenue from disposal of short-term and long-term investments*

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

(r) *Operating lease payments*

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

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Notes to the separate interim financial statements for the nine-month period ended
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(s) Dividend distribution

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

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

(t) Equity funds

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

Investment and development fund	10% of profit after tax
Financial reserve	up to 5% of profit after tax

Appropriation to financial reserve will cease when the amount reaches 10% of the Company's paid in capital. Utilisation of the above reserve funds requires approval of the shareholders, the Board of Directors or the Chief Executive Officer, depending on the nature and magnitude of the transactions involved as stated in the Company's Charter and financial regulations.

(u) Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

(v) Segment reporting

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

(w) Related parties

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
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4. Segment reporting

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

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling, 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	
	30/9/2013	30/9/2012	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	VND	VND	VND	VND	VND	VND
Net sales	19,547,688,988,002	16,790,277,074,953	3,353,706,921,626	2,916,865,005,415	22,901,395,909,628	19,707,142,080,368
Cost of sales	(11,897,999,193,441)	(10,861,460,057,196)	(2,532,035,617,702)	(2,302,084,691,316)	(14,430,034,811,143)	(13,163,544,748,512)
Segment income	7,649,689,794,561	5,928,817,017,757	821,671,303,924	614,780,314,099	8,471,361,098,485	6,543,597,331,856

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
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5. Cash and cash equivalents

	30/9/2013	31/12/2012
	VND	VND
Cash on hand	917,028,669	838,995,064
Cash in banks	509,457,895,733	822,873,290,300
Cash in transit	-	750,000,000
Cash equivalents	1,100,000,000,000	400,000,000,000
	<hr/>	<hr/>
	1,610,374,924,402	1,224,462,285,364
	<hr/> <hr/>	<hr/> <hr/>

6. Short-term investments

	30/9/2013	31/12/2012
	VND	VND
Short-term investments in:		
▪ Listed securities	188,758,772,692	211,020,970,112
▪ Unlisted securities	82,533,803,026	82,283,660,000
▪ Term deposits	3,250,000,000,000	2,974,000,000,000
▪ Institution bonds	50,000,000,000	300,000,000,000
▪ Other short-term investments	442,000,000,000	472,000,000,000
	<hr/>	<hr/>
	4,013,292,575,718	4,039,304,630,112
Allowance for diminution in value of short-term investments	(143,575,884,110)	(130,028,675,620)
	<hr/>	<hr/>
	3,869,716,691,608	3,909,275,954,492
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Movements in the allowance for diminution in value of short-term investments during the period were as follows:

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Opening balance	130,028,675,620	79,244,243,600
Increase in allowance during the period	24,082,943,610	-
Allowance utilised during the period	(1,449,609,300)	-
Written back	(9,086,125,820)	(4,676,552,180)
	<hr/>	<hr/>
Closing balance	143,575,884,110	74,567,691,420
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Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
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7. Accounts receivable

Accounts receivable included the following amounts due from related parties:

	30/9/2013	31/12/2012
	VND	VND
Amount due from related parties		
Trade	5,455,665,077	4,796,944,849

The trade related amount due from related parties were unsecured, interest free and receivable on demand from invoice date.

Other receivables comprised:

	30/9/2013	31/12/2012
	VND	VND
Shortage of assets awaiting for resolution	98,750,870	-
Interest income on deposits	118,418,894,596	55,733,508,797
Interest income receivable on bonds and loans granted to other entities	1,002,739,726	27,586,763,700
Import tax refundable	150,603,483,415	235,708,097,835
Rebates receivable from suppliers	-	76,841,890,627
Others	7,235,061,272	21,266,618,239
	277,358,929,879	417,136,879,198

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
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8. Inventories

	30/9/2013	31/12/2012
	VND	VND
Goods in transit	492,675,166,484	702,632,670,110
Raw materials	1,794,663,508,979	1,995,612,794,941
Tools and supplies	3,980,645,769	4,602,995,846
Work in progress	82,339,096,231	27,269,565,141
Finished goods	746,647,014,565	588,692,556,146
Merchandise inventories	25,590,981,576	20,308,535,581
Goods on consignment	-	21,842,627,806
	<hr/>	<hr/>
	3,145,896,413,604	3,360,961,745,571
Allowance for inventories	(3,504,492,055)	(3,455,165,385)
	<hr/>	<hr/>
	3,142,391,921,549	3,357,506,580,186
	<hr/> <hr/>	<hr/> <hr/>

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

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Opening balance	3,455,165,385	4,933,906,670
Increase in allowance during the period	4,260,059,262	6,849,947,372
Allowance utilised during the period	(473,954,358)	(272,436,458)
Written back	(3,736,778,234)	(7,229,398,431)
	<hr/>	<hr/>
Closing balance	3,504,492,055	4,282,019,153
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Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the nine-month period ended 30 September 2013 (continued)

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9. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	939,940,834,043	4,250,265,466,056	345,175,460,283	309,468,899,774	5,844,850,660,156
Additions	16,246,375,979	150,037,176,267	27,967,895,643	71,773,929,494	266,025,377,383
Transfers from construction in progress	699,800,136,192	2,764,044,331,683	176,786,971,718	21,497,642,340	3,662,129,081,933
Transfers to investment property	(3,317,636,364)	(469,928,364)	-	-	(3,787,564,728)
Transfers to long-term prepayments (*)	(676,822,966)	(8,293,817,315)	(1,053,481,000)	(39,741,567,464)	(49,765,688,745)
Disposals	(48,181,818)	(23,250,846,401)	(11,920,881,253)	(6,947,440,811)	(42,167,350,283)
Reclassifications	24,286,147	(1,615,293,099)	1,195,238,095	631,314,857	235,546,000
Closing balance	1,651,968,991,213	7,130,717,088,827	538,151,203,486	356,682,778,190	9,677,520,061,716
Accumulated depreciation					
Opening balance	223,709,623,613	1,572,259,870,643	141,145,720,330	158,978,869,348	2,096,094,083,934
Charge for the period	40,096,608,015	375,796,742,978	27,639,844,668	36,862,006,710	480,395,202,371
Transfers to investment property	(1,322,945,996)	(293,316,235)	-	-	(1,616,262,231)
Transfers to long-term prepayments (*)	(435,173,969)	(3,631,708,118)	(233,767,506)	(27,186,233,016)	(31,486,882,609)
Disposals	(43,965,901)	(17,873,639,423)	(8,119,201,221)	(6,890,305,055)	(32,927,111,600)
Reclassifications	4,144,043	(1,012,102,832)	946,573,604	61,385,185	-
Closing balance	262,008,289,805	1,925,245,847,013	161,379,169,875	161,825,723,172	2,510,459,029,865
Net book value					
Opening balance	716,231,210,430	2,678,005,595,413	204,029,739,953	150,490,030,426	3,748,756,576,222
Closing balance	1,389,960,701,408	5,205,471,241,814	376,772,033,611	194,857,055,018	7,167,061,031,851

Vietnam Dairy Products Joint Stock Company
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- (*) The transfers to long-term prepayments represents net book value of existing fixed assets which do not meet one of the criteria for recognition as fixed assets as regulated in Article 2 of Circular 45, i.e. costing less than VND30 million. These assets are reclassified to long-term prepayments (Note 14).

Included in the cost of tangible fixed assets were assets costing VND797,802,480,972 which were fully depreciated as of 30 September 2013 (31 December 2012: VND669,872,114,995), but which are still in active use.

10. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	246,572,355,216	62,701,742,344	309,274,097,560
Additions	37,683,017,909	7,592,114,000	45,275,131,909
Transfers from construction in progress	30,097,930,832	22,453,203,066	52,551,133,898
Transfers to long-term prepayments (*)	-	(264,952,072)	(264,952,072)
Disposals	-	(702,055,800)	(702,055,800)
Reclassifications	-	(235,546,000)	(235,546,000)
Closing balance	314,353,303,957	91,544,505,538	405,897,809,495
Accumulated amortisation			
Opening balance	50,798,954,196	50,808,218,640	101,607,172,836
Charge for the period	3,898,938,798	3,295,519,832	7,194,458,630
Transfers to long-term prepayments (*)	-	(129,993,863)	(129,993,863)
Disposals	-	(702,055,800)	(702,055,800)
Closing balance	54,697,892,994	53,271,688,809	107,969,581,803
Net book value			
Opening balance	195,773,401,020	11,893,523,704	207,666,924,724
Closing balance	259,655,410,963	38,272,816,729	297,928,227,692

- (*) The transfers to long-term prepayments represents net book value of existing fixed assets which do not meet one of the criteria for recognition as fixed assets as regulated in Article 2 of Circular 45, i.e. costing less than VND30 million. These assets are reclassified to long-term prepayments (Note 14).

Included in the cost of intangible fixed assets were assets costing VND47,181,268,915 which were fully amortised as of 30 September 2013 (31 December 2012: VND45,221,516,597), but which are still in use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
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11. Construction in progress

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Opening balance	3,490,371,666,917	1,221,103,883,288
Additions	645,822,330,099	2,614,696,280,783
Transfers to tangible fixed assets	(3,662,129,081,933)	(778,156,402,820)
Transfers to intangible fixed assets	(52,551,133,898)	-
Transfer to investment property	(38,884,288,170)	-
Disposals	(24,406,365,716)	(54,034,183,095)
Other decreases	(38,850,085,421)	(2,209,330,091)
Closing balance	319,373,041,878	3,001,400,248,065

Major constructions in progress relate to the following locations:

	30/9/2013	31/12/2012
	VND	VND
Vietnam milk factory	13,606,101,782	1,819,204,239,183
Vietnam powder milk factory	93,414,685,394	1,509,809,070,248
Can Tho branch	45,164,072,740	45,086,527,051
Dairy Cow farms	35,387,917,941	35,366,294,536
Lam Son milk factory	51,646,733,362	4,045,436,097
Da Nang milk factory	-	21,448,226,014
Saigon milk factory	62,750,400	591,352,078
Tien Son milk factory	60,479,640,260	-
Others	19,611,139,999	54,820,521,710
	319,373,041,878	3,490,371,666,917

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
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12. Investment property

	Land use rights	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening balance	-	5,994,290,197	84,183,047,263	90,177,337,460
Transfers from tangible fixed assets	-	469,928,364	3,317,636,364	3,787,564,728
Transfers from construction in progress	38,884,288,170	-	-	38,884,288,170
Closing balance	38,884,288,170	6,464,218,561	87,500,683,627	132,849,190,358
Accumulated depreciation				
Opening balance	-	1,743,730,508	19,208,367,862	20,952,098,370
Charge for the period	66,129,742	453,487,831	2,529,160,861	3,048,778,434
Transfers from tangible fixed assets	-	293,316,235	1,322,945,996	1,616,262,231
Closing balance	66,129,742	2,490,534,574	23,060,474,719	25,617,139,035
Net book value				
Opening balance	-	4,250,559,689	64,974,679,401	69,225,239,090
Closing balance	38,818,158,428	3,973,683,987	64,440,208,908	107,232,051,323

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

The fair value of investment property has not been determined as there was no recent market transaction for similar property in the same location as the Company's investment property.

Included in the cost of investment property was assets costing VND7,228,577,143 which were fully depreciated as of 30 September 2013 (31 December 2012: VND6,976,800,000), but which are still in active use.

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13. Long-term investments

	% of ownership	% of voting right	30/9/2013 VND	31/12/2012 VND
Long-term equity investments in subsidiaries				
▪ Vietnam Dairy Cow One Member Limited Company	100%	100%	855,000,000,000	737,000,000,000
▪ Lamson Dairy Products One Member Company Limited	100%	100%	90,800,000,000	90,800,000,000
▪ International Real Estate One Member Limited Company	100%	100%	46,000,000,000	46,000,000,000
▪ Dielac Dairy One Member Limited Company	100%	100%	-	204,518,014,080
			<hr/>	<hr/>
			991,800,000,000	1,078,318,014,080
<hr/>				
Long-term equity investments in associates and a jointly control entity				
▪ Miraka Limited	19.3% (*)	19.3% (*)	179,315,000,000	179,315,000,000
▪ Asia Saigon Food Ingredients Joint Stock Company	15.0% (*)	15.0% (*)	18,000,000,000	18,000,000,000
▪ Horizon Apartment – Business Cooperation Contract	24.5%	24.5%	7,982,684,826	9,942,684,826
▪ Dairy Cow Development Project	-	-	-	7,209,270,725
			<hr/>	<hr/>
			205,297,684,826	214,466,955,551
<hr/>				
Other long-term investments				
▪ Long-term corporate bonds			-	50,000,000,000
▪ Investment funds			26,022,737,046	30,540,000,000
▪ Others			300,000,000	300,000,000
			<hr/>	<hr/>
			26,322,737,046	80,840,000,000
			<hr/>	<hr/>
			1,223,420,421,872	1,373,624,969,631
			<hr/>	<hr/>
Allowance for diminution in value of long-term investments			(157,293,765,735)	(191,607,308,624)
			<hr/>	<hr/>
			1,066,126,656,137	1,182,017,661,007
			<hr/>	<hr/>

(*) Management assessed that the Company had significant influence over these two entities because two members of the Company's Board of Directors are Board of Management members of these two entities.

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Notes to the separate interim financial statements for the nine-month period ended
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Movements in the allowance for diminution in value of long-term investments during the period were as follows:

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Opening balance	191,607,308,624	271,462,074,100
Increase in allowance during the period	9,869,468,922	41,911,444,946
Allowance utilised during the period	(43,761,237,842)	-
Written back	(421,773,969)	(62,048,053,441)
	<hr/>	<hr/>
Closing balance	157,293,765,735	251,325,465,605
	<hr/> <hr/>	<hr/> <hr/>

14. Long-term prepayments

	Prepaid land rental	Tools and supplies	Other prepayments	Total
Opening balance	2,159,885,571	15,699,234,727	56,067,489	17,915,187,787
Additions	5,484,732,312	76,305,320,904	28,174,313,308	109,964,366,524
Transfer from tangible fixed assets (*)	-	18,278,806,136	-	18,278,806,136
Transfer from intangible fixed assets (*)	-	134,958,209	-	134,958,209
Transfers to short-term prepayments	(771,537,916)	(64,742,318,404)	(888,389,963)	(66,402,246,283)
Transfers to expenses	(417,344,745)	(4,269,333,961)	(2,261,142,899)	(6,947,821,605)
	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	6,455,735,222	41,406,667,611	25,080,847,935	72,943,250,768
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(*) Transfers from fixed assets represents the net book value of existing fixed assets which do not meet one of the criteria for recognition as fixed assets, i.e. costing less than VND30 million, as regulated in Article 2 of Circular 45. These assets were reclassified from tangible and intangible fixed assets during the period (Note 9 and Note 10). The remaining net book values of these assets are amortised on a straight line basis over their remaining estimated useful lives, but not exceeding three years.

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15. Deferred tax assets

Deferred tax assets were recognised on the following:

	30/9/2013	31/12/2012
	VND	VND
Foreign exchange differences	1,325,548,881	2,593,255,781
Accrued expenses and provisions	147,200,180,428	105,408,691,291
	<hr/>	<hr/>
	148,525,729,309	108,001,947,072
	<hr/>	<hr/>

16. Accounts payable – trade

Accounts payable – trade included the following amounts due to related parties:

	30/9/2013	31/12/2012
	VND	VND
Amounts due to related parties	92,863,743,267	238,581,093,077
	<hr/>	<hr/>

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

17. Taxes payable to State Treasury

	30/9/2013	31/12/2012
	VND	VND
Value added tax	61,216,426,128	57,814,604,737
Import tax	679,693,355	3,932,727,653
Income tax	380,943,574,672	252,181,870,378
Personal income tax	24,664,066,104	17,908,520,534
Natural resources tax	29,932,675	29,604,800
Other taxes	139,255,500	3,000,000
	<hr/>	<hr/>
	467,672,948,434	331,870,328,102
	<hr/>	<hr/>

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18. Accrued expenses

	30/9/2013	31/12/2012
	VND	VND
Sale incentives for distributors	172,786,029,719	172,183,794,781
Display expenses	4,635,570,460	-
Advertising expenses	213,389,151,010	116,910,036,213
Transportation expenses	34,352,185,960	23,903,854,607
Fuel expenses	18,162,906,654	7,115,522,438
Repairs and maintenance expenses	16,622,565,838	5,797,227,711
Expenses for outsourced employees	13,136,864,000	11,164,299,513
Others	46,326,358,658	26,938,425,984
	<hr/>	<hr/>
	519,411,632,299	364,013,161,247
	<hr/>	<hr/>

19. Other payables

	30/9/2013	31/12/2012
	VND	VND
Short-term deposits received	18,413,524,217	18,439,185,025
Import duty payables	151,241,683,704	176,541,502,888
Other payables relating to financial investments (*)	448,007,419,155	448,007,419,155
Insurance and trade union fees	549,581,320	465,314,243
Others	11,738,875,364	19,171,847,271
	<hr/>	<hr/>
	629,951,083,760	662,625,268,582
	<hr/>	<hr/>

(*) Other payables relating to financial investments included an advance payment of VND447,822,000,000 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.

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20. Bonus and welfare fund

This fund is established by appropriating from retained profits as approved by the Shareholders. This fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies. Movements of bonus and welfare fund during the period were as follows:

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Opening balance	405,942,316,109	346,310,114,719
Appropriation from retained profits	501,574,275,863	414,587,536,497
Utilisation	(661,108,067,297)	(426,565,854,928)
Closing balance	246,408,524,675	334,331,796,288

21. Provision for severance allowance

Movements of the provision during the period were as follows:

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Opening balance	59,325,269,500	66,571,712,268
Provision made during the period	10,510,406,716	1,148,967,670
Provision used during the period	(446,586,800)	(609,785,501)
Written back	-	(490,508,070)
Closing balance	69,389,089,416	66,620,386,367

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22. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Financial reserve VND	Retained profits VND	Total VND
Balance at 1 January 2012	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
Purchase of treasury shares	-	-	(1,900,759,000)	-	-	-	(1,900,759,000)
Net profit for the period	-	-	-	-	-	4,145,875,364,976	4,145,875,364,976
Appropriation to equity funds and bonus and welfare fund	-	-	-	576,420,895,078	-	(991,008,431,575)	(414,587,536,497)
Dividends	-	-	-	-	-	(2,222,994,056,000)	(2,222,994,056,000)
Balance 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	13,918,541,195,919
Bonus share issued	2,778,410,420,000	-	-	(1,628,883,194,992)	-	(1,149,527,225,008)	-
Purchase of treasury shares	-	-	(81,562,000)	-	-	-	(81,562,000)
Net profit for the period	-	-	-	-	-	1,639,994,042,009	1,639,994,042,009
Appropriation to equity funds and bonus and welfare fund	-	-	-	238,327,081,259	32,287,268,008	(434,613,753,468)	(163,999,404,201)
Balance at 1 January 2013	8,339,557,960,000	1,276,994,100,000	(4,504,115,000)	93,889,017,729	588,402,022,008	5,100,115,286,990	15,394,454,271,727
Decrease in bonus share issued	-	-	(38,950,000)	22,835,000	-	16,115,000	-
Purchase of treasury shares	-	-	(410,584,959)	-	-	-	(410,584,959)
Net profit for the period	-	-	-	-	-	5,015,742,758,635	5,015,742,758,635
Appropriation to equity funds and bonus and welfare fund	-	-	-	670,915,027,802	245,553,773,992	(1,418,043,077,657)	(501,574,275,863)
Dividends (Note 24)	-	-	-	-	-	(3,167,235,049,800)	(3,167,235,049,800)
Balance at 30 September 2013	8,339,557,960,000	1,276,994,100,000	(4,953,649,959)	764,826,880,531	833,955,796,000	5,530,596,033,168	16,740,977,119,740

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23. Share capital

The Company's authorised and issued share capital is:

	30/9/2013		31/12/2012	
	Number of shares	VND	Number of shares	VND
Authorised share capital	833,955,796	8,339,557,960,000	833,955,796	8,339,557,960,000
<hr/>				
Issued ordinary shares				
Ordinary shares	833,955,796	8,339,557,960,000	833,955,796	8,339,557,960,000
Treasury ordinary shares				
Ordinary shares	(480,055)	(4,953,649,959)	(430,120)	(4,504,115,000)
<hr/>				
Shares currently in circulation				
Ordinary shares	833,475,741	8,334,604,310,041	833,525,676	8,335,053,845,000
<hr/>				

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

24. Dividends

The Shareholders of the Company on 26 April 2013 and 31 July 2013 resolved to distribute dividends amounting to VND1.5 billion (VND1,800 per share) and VND1.6 billion (VND2,000 per share), respectively.

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25. Total revenue

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

Net sales comprised

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Total revenue		
▪ Sales of finished goods	22,943,460,223,241	19,570,297,445,279
▪ Sales of merchandise goods	401,502,151,468	504,383,885,988
▪ Rental income from investment property	8,328,834,696	8,988,582,061
▪ Other services	15,934,429,918	14,604,265,561
	<hr/>	<hr/>
	23,369,225,639,323	20,098,274,178,889
	<hr/>	<hr/>
Less sales deductions		
▪ Sale discounts	(453,597,197,766)	(386,270,358,732)
▪ Sale returns	(14,232,531,929)	(4,861,739,789)
	<hr/>	<hr/>
	(467,829,729,695)	(391,132,098,521)
	<hr/>	<hr/>
Net sales	22,901,395,909,628	19,707,142,080,368
	<hr/> <hr/>	<hr/> <hr/>

26. Cost of sales

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Total cost of sales		
▪ Finished goods sold	14,038,001,084,405	12,699,438,089,348
▪ Merchandise goods sold	356,764,196,959	445,102,789,093
▪ Rental of investment property	5,164,108,466	4,233,076,344
▪ Other services	897,105,489	661,645,960
▪ Inventories losses	-	11,666,430
▪ Under-capacity cost	28,685,034,796	14,476,932,396
▪ Increase/(written back) of allowance for inventories	523,281,028	(379,451,059)
	<hr/>	<hr/>
	14,430,034,811,143	13,163,544,748,512
	<hr/> <hr/>	<hr/> <hr/>

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27. Financial income

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Interest income from deposits	259,492,097,575	191,648,402,659
Interest income from bonds	21,924,315,067	64,989,683,668
Interest income on loans granted	625,185,469	345,000,000
Gains on disposal of securities	12,258,500	8,790,592,000
Dividends	14,250,439,200	22,660,029,400
Realised foreign exchange gains	76,604,151,228	75,495,333,381
Others	638	74,153,628
	<hr/>	<hr/>
	372,908,447,677	364,003,194,736
	<hr/>	<hr/>

28. Financial expenses

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Payment discounts for distributors	21,428,536,272	24,685,160,237
Interest expense on loans	-	3,114,521,306
Interest expense on deposits received	638,377,901	712,465,808
Realised foreign exchange losses	22,089,496,474	34,043,857,467
Unrealised foreign exchange losses	11,218,423,101	11,809,532,150
Allowance/(write back allowance) for short-term and long-term investments	24,444,512,743	(24,813,160,675)
Others	2,848,919,247	2,614,464,544
	<hr/>	<hr/>
	82,668,265,738	52,166,840,837
	<hr/>	<hr/>

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29. Selling expenses

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Advertising expenses	649,365,244,962	392,121,009,119
Promotion expenses	645,903,156,809	462,892,231,458
Support and commission expenses for distributors	360,218,279,604	264,617,449,905
Staff costs	140,411,023,990	111,627,969,282
Material expenses	45,007,546,614	41,317,762,414
Tools and supplies expenses	58,996,771,447	43,535,567,986
Depreciation expenses	18,945,327,899	19,029,423,857
Expenses of damaged goods	10,048,771,650	10,111,610,844
Transportation expenses	279,371,039,992	230,369,707,244
Outside service expenses	115,468,494,236	69,941,591,074
	<hr/>	<hr/>
	2,323,735,657,203	1,645,564,323,183
	<hr/> <hr/>	<hr/> <hr/>

30. General and administration expenses

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Staff costs	136,032,965,536	111,339,249,382
Material expenses	12,107,350,017	8,710,227,933
Office supplies	5,065,784,043	2,396,788,917
Depreciation expenses	45,675,058,965	42,167,650,731
Fees and duties	3,721,290,335	2,275,147,014
Allowance for doubtful debts and provision for severance allowance	12,366,180,429	2,657,564,946
Transportation for internal transfers of goods	33,417,353,851	39,101,394,257
Outside service expenses	100,643,966,711	82,733,447,498
Loading expenses	15,185,385,543	20,400,160,721
Per-diem allowances	13,120,082,283	12,372,035,073
Bank charges	2,759,846,783	5,154,107,588
Others	33,220,739,894	25,626,495,577
	<hr/>	<hr/>
	413,316,004,390	354,934,269,637
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31. Other income

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Proceeds from disposals of tangible fixed assets	8,128,032,277	26,741,248,439
Proceeds from disposals of construction in progress	24,406,365,716	54,034,183,096
Proceeds from disposals of tools, supplies and technical equipments	72,661,202,188	72,065,678,383
Compensations received from other parties	484,683,795	560,186,906
Rebate income	26,587,323,772	83,297,566,668
Others	5,072,718,594	65,887,656,925
	137,340,326,342	302,586,520,417

32. Other expenses

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Book value of tangible fixed assets disposed	9,240,238,683	41,340,897,896
Book value of construction in progress disposed	24,406,365,716	54,034,183,095
Others	7,188,067,811	60,570,440,433
	40,834,672,210	155,945,521,424

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33. Income tax

(i) Recognised in the statement of income

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Current tax expense		
Current period	1,133,881,071,195	863,731,346,470
Under provision in prior year	11,955,225,370	18,236,511,541
	<hr/>	<hr/>
	1,145,836,296,565	881,967,858,011
	<hr/>	<hr/>
Deferred tax benefit		
Origination and reversal of temporary differences	(40,523,782,237)	(26,267,131,059)
	<hr/>	<hr/>
Income tax expense	1,105,312,514,328	855,700,726,952
	<hr/> <hr/>	<hr/> <hr/>

(ii) Reconciliation of effective tax rate

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Profit before tax	6,121,055,272,963	5,001,576,091,928
	<hr/>	<hr/>
Tax at the Company's tax rate	1,530,263,818,241	1,250,394,022,982
Tax rate differential applied to Company's branches and factories	(225,787,669,247)	(216,020,179,697)
Non-taxable income	(3,562,609,800)	(5,665,007,350)
Non-deductible expenses	5,597,856,233	2,343,626,554
Tax incentives	(202,162,773,586)	(186,488,737,576)
Deferred tax assets not previously recognised	(10,991,332,883)	(7,099,509,502)
Under provision in prior year	11,955,225,370	18,236,511,541
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	1,105,312,514,328	855,700,726,952
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(iii) Applicable tax rates

The Company and its branches have obligation to pay the Government income tax as follows:

Entity	Current tax rate	Tax incentives
The head office	25%	None
Can Tho Milk factory	15% until 2014 and 22% afterwards	Exemption from 2004 to 2006 and 50% reduction from 2007 to 2013.
Dielac Milk factory	15% until 2014 and 22% afterwards	Exemption from 2004 to 2006 and 50% reduction from 2007 to 2013.
Saigon Milk factory	25%	Exemption from 2003 to 2005 and 50% reduction from 2006 to 2012.
Nghe An Milk factory	25%	None
Binh Dinh Milk factory	25%	None
Thong Nhat Milk factory	25%	None
Truong Tho Milk factory	25%	None
Ha Noi branch	25%	None
Da Nang branch	25%	None
Can Tho branch	25%	None
HCM Logistics Enterprise	25%	None
Hanoi Logistics Enterprise	25%	None
An Khang Clinic	25%	None
Tien Son Milk factory	25%	Exemption from 2008 to 2010 and 50% reduction from 2011 to 2015.
Vietnam Dairy Factory	25%	None
Vietnam beverage factory	25%	None
Da Nang Dairy factory	25%	None
Vietnam powder milk factory	25%	None

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34. Basic earnings per share

The calculation of basic earnings per share for the period ended 30 September 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Net profit for the period – attributable to ordinary shareholders	5,015,742,758,635	4,145,875,364,976

(ii) Weighted average number of ordinary shares

	Nine-month period ended	
	30/9/2013	30/9/2012
Number of ordinary shares at the beginning of the period	833,525,676	555,867,614
Effect of bonus shares issued	-	277,892,334
Purchase of treasury shares	(9,609)	(82,946)
Weighted average number of ordinary shares at the end of the period	833,516,067	833,677,002

As of 30 September 2013, the Company did not have potentially dilutive ordinary shares.

35. Financial instruments

(a) Financial risk management

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks.

The Company's Board of Management oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set 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 Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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(b) Credit risk

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

(i) Exposure to credit risk

The total of carrying amounts of financial assets issued represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	30/9/2013 VND	31/12/2012 VND
Cash and cash equivalents	(ii)	1,609,457,895,733	1,223,623,290,300
Term deposits	(ii)	3,250,000,000,000	2,974,000,000,000
Trade and other receivables	(iii)	2,017,580,321,161	1,687,879,136,209
Short-term investments – debt instruments	(iv)	50,000,000,000	300,000,000,000
Long-term investments – debt instruments	(iv)	-	50,000,000,000
		6,927,038,216,894	6,235,502,426,509
		6,927,038,216,894	6,235,502,426,509

(ii) Cash and cash equivalents and term deposits

Cash and cash equivalents and term deposits at banks of the Company are mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

(iii) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In response to the risk, the Company's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit purchase limit is established for each customer, which represents the maximum open amount without requiring approval from the Chief Executive Officer. The limit is reviewed in needed. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

Trade and other receivables that are neither past due nor impaired are mostly companies with good collection track records with the Company. Management believes that those receivables are of high credit quality.

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The aging of trade and other receivables at period-end that were past due but not impaired is as follows:

	30/9/2013 VND	31/12/2012 VND
Past due 1 – 30 days	13,777,290,069	13,392,747,256
Past due 31 – 60 days	23,856,000	214,534,274
Past due 61 – 90 days	309,539,181	574,491,413
Past due more than 90 days	148,901,632	-
	<hr/>	<hr/>
	14,259,586,882	14,181,772,943
	<hr/>	<hr/>

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

	Nine-month period ended	
	30/9/2013	30/9/2012
	VND	VND
Opening balance	3,832,172,450	1,897,595,994
Increase in allowance during the period	1,855,773,713	1,989,091,910
Written off	(3,762,737,192)	(17,000,411)
	<hr/>	<hr/>
Closing balance	1,925,208,971	3,869,687,493
	<hr/>	<hr/>

(iv) Short-term and long-term investments – debt instruments

The Company's exposure to credit risk by investing in bonds is influenced by individual characteristics of instrument issuers. In managing this risk, the Company management analyses the creditworthiness of the issuers before acquiring the instruments. Management assessed that the issuers had good track records and believe that credit risk on those instruments is low.

There is no allowance for diminution in the value of the investments in debt instruments during the period.

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(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The financial liabilities with fixed or determinable payments have the following contractual maturities:

30 September 2013

	Carrying Amount VND	Contractual cash flows VND	Within 1 year VND
Accounts payable – trade	1,721,391,418,119	1,721,391,418,119	1,721,391,418,119
Payables to employees	104,443,501,463	104,443,501,463	104,443,501,463
Accrued expenses	519,411,632,299	519,411,632,299	519,411,632,299
Other payables	629,951,083,760	629,951,083,760	629,951,083,760
	2,975,197,635,641	2,975,197,635,641	2,975,197,635,641

31 December 2012

	Carrying Amount VND	Contractual cash flows VND	Within 1 year VND
Accounts payable – trade	2,442,335,842,075	2,442,335,842,075	2,442,335,842,075
Payables to employees	100,460,928,431	100,460,928,431	100,460,928,431
Accrued expenses	364,013,161,247	364,013,161,247	364,013,161,247
Other payables	662,625,268,582	662,625,268,582	662,625,268,582
	3,569,435,200,335	3,569,435,200,335	3,569,435,200,335

The Company manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short-term and long-term investments.

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(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's results of operations or the value of its holdings of financial instruments. 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 Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the accounting currency of the Company, which is the VND. The currencies in which these transactions primarily are denominated are U.S Dollars (USD) and Euro (EUR).

The Company's exposure to currency risk is managed by keeping the exposure to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term over-exposures.

Exposure to currency risk

At 30 September 2013, the Company had the following net monetary asset position exposed to currency risk:

	30 September 2013		31 December 2012	
	USD	EUR	USD	EUR
Cash and cash in banks	7,109,651	119,630	11,737,838	49,848
Trade and other receivables	41,495,293	-	26,862,852	9,151
Trade and other payables	(18,647,740)	(6,434,162)	(35,559,707)	(12,185,695)
	29,957,204	(6,314,532)	3,040,983	(12,126,696)

The followings are the significant exchange rates applied by the Company:

	Exchange rate as at	
	30/9/2013	31/12/2012
	VND	VND
USD 1	21,085	20,800
EUR 1	28,243	27,301

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Below is an analysis of the possible impact on the net profit of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at reporting date. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases:

	Effect to net profit VND
30 September 2013	
USD (5% strengthening)	23,686,786,903
EUR (5% strengthening)	(6,687,799,752)
	<hr/> <hr/>
31 December 2012	
USD (5% strengthening)	2,371,967,217
EUR (5% weakening)	12,415,160,621
	<hr/> <hr/>

The opposite movement of the currencies would have the equal but opposite effect to the net profit of the Company.

(ii) Interest rate risk

The changes of interest rates would not have significant impact on the net profit of the Company.

(iii) Price risk

The Company invests in equity investments of listed and unlisted companies and is exposed to risks of price fluctuation 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 condition of Vietnam and behaviours of investors, which are all out of the Board's control. These factors have caused conditions to be volatile in the past two years.

For investments in listed securities, if the share prices had increased/decreased by 10% with all other variables including tax rate being held constant, the Company's separated net profit would have been VND7,655,446,875 higher/lower (31 December 2012: VND10,425,695,430).

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(e) Fair values versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Note	30/9/2013		31/12/2012	
		Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Categorised as financial assets at fair value through profit or loss:					
- Short-term investments in listed equity instruments	(ii)	9,521,269,292	24,278,496,000	9,521,269,292	23,839,728,000
Categorised as held-to-maturity investments:					
- Term deposits	(i)	3,250,000,000,000	3,250,000,000,000	2,974,000,000,000	2,974,000,000,000
- Institution bonds	(v)	50,000,000,000	Note (v)	300,000,000,000	Note (v)
- Long-term corporate bonds	(v)	-	Note (v)	50,000,000,000	Note (v)
Categorised as loans and receivables:					
- Cash and cash equivalents	(i)	1,609,457,895,733	1,609,457,895,733	1,223,623,290,300	1,223,623,290,300
- Trade and other receivables	(i)	2,017,580,321,161	2,017,580,321,161	1,687,879,136,209	1,687,879,136,209
Categorised as available-for-sale					
- Short-term investments in listed equity instruments	(ii)	179,237,503,400	102,072,653,800	201,499,700,820	140,029,324,400
- Short-term investments in unlisted equity instruments	(iii)	82,533,803,026	16,122,773,916	82,283,660,000	13,725,392,800
- Other short-term investments	(v)	442,000,000,000	Note (v)	472,000,000,000	Note (v)
- Long-term investments in investment funds	(iv)	26,022,737,046	11,436,755,562	30,540,000,000	16,184,115,533
- Other long-term investments	(v)	300,000,000	Note (v)	300,000,000	Note (v)
Categorised as liabilities at amortised cost:					
- Trade and other payables	(i)	(2,975,197,635,641)	(2,975,197,635,641)	(3,569,435,200,335)	(3,569,435,200,335)

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(i) *Cash and cash equivalents, term deposits, trade and other receivables, trade and other payables*

The carrying amounts of these financial assets and financial liabilities approximate their respective fair values due to the short-term maturity of these instruments.

(ii) *Short-term investments in listed equity securities*

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.

(iii) *Short-term investments in unlisted equity securities*

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

(iv) *Investment funds*

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

(v) *Institution bonds, other short-term investments, long-term corporate bonds and other long-term investments*

The Company has not determined fair values of these financial assets for disclosure in accordance with Article 28 of Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance because (i) quoted prices in active market is not available for these financial assets and liabilities; and (ii) Vietnamese Accounting Standards and the Vietnamese Accounting System do not provide guidance on measurement of fair values in the case where quoted prices in active market is not available. Fair value of these financial instruments may be different from their carrying values.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the nine-month period ended
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36. Significant transactions with related parties

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

Related Party	Relationship	Nature of transaction	Nine-month period ended	
			30/9/2013 VND	30/9/2012 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Sale of goods and fixed assets	52,291,585,097	152,982,151,627
		Purchase of goods	206,299,379,442	134,011,245,715
		Capital contribution	118,000,000,000	162,500,000,000
Lamson Dairy Products One Member Company Limited	Subsidiary	Sale of goods and fixed assets	108,206,427,032	170,060,025,817
		Purchase of goods	215,591,125,960	260,327,575,205
Miraka Limited	Associate	Purchase of goods	144,640,037,360	374,654,961,201
Asia Saigon Food Ingredients Joint Stock Company	Associate	Purchase of goods	11,414,335,000	29,797,622,500
		Sale of services and goods	148,282,989	-
Board of Management's and Board of Directors' members		Compensation	51,308,331,520	45,493,947,718
The State Capital Investment Corporation		Payment of dividends	1,427,781,600,000	1,001,952,000,000

Vietnam Dairy Products Joint Stock Company
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36. Production and business costs by element

	Nine-month period ended	
	30/9/2013 VND	30/9/2012 VND
Raw material costs included in production costs	13,583,538,450,462	12,376,125,363,835
Labour costs and staff costs	671,492,042,423	512,426,796,640
Depreciation and amortisation	484,985,540,960	340,600,151,872
Outside services	820,127,369,800	643,011,321,876
Other expenses	1,847,815,609,157	1,262,748,414,332

28 October 2013

Prepared by:

Approved by:



Le Thanh Liem
Chief Accountant

Ngo Thi Thu Trang
Executive Director - Finance

Mai Kieu Lien
Chief Executive Officer