

Vietnam Dairy Products Joint Stock Company

Separate interim financial statements
for the six-month period ended 30 June 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
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	Executive Director Production and Products Development
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 at 30 June 2013 and of the separate results of operations and cash flows for the six-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 27 – *Interim Financial Reporting*, 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 53 which give a true and fair view of the separate interim financial position of the Company as at 30 June 2013, and of the separate results of operations and cash flows for the six-month period ended in accordance with Vietnamese Accounting Standards 27 – *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements.



On behalf of the Board of Directors

**CÔNG TY
CỔ PHẦN
SỮA VIỆT NAM
VINAMILK**

QUẬN 7 - TP. HỒ CHÍ MINH

Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 12 August 2013



KPMG Limited Branch
10th Floor, Sun Wah Tower
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District 1, Ho Chi Minh City
The Socialist Republic of Vietnam

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THE INDEPENDENT AUDITORS' REPORT ON REVIEW OF SEPARATE INTERIM FINANCIAL STATEMENTS

**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 June 2013, the related separate statements of income and cash flows for the six-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 12 August 2013, as set out on pages 4 to 53. 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 six-month period ended 30 June 2012 were reviewed by another firm of auditors whose report dated 1 August 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 June 2013 and the results of its operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, 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
Practising Auditor Registration
No. 0863-2013-007-1
Deputy General Director


Nguyen Thanh Nghi
Practising Auditor Registration
No. 0304-2013-007-1

Ho Chi Minh City, 12 August 2013

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

Form B 01a – DN

	Code	Note	30/6/2013 VND	31/12/2012 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		11,785,692,221,653	10,957,605,189,780
Cash and cash equivalents	110	5	716,646,310,657	1,224,462,285,364
Cash	111		716,646,310,657	824,462,285,364
Cash equivalents	112		-	400,000,000,000
Short-term investments	120	6	4,690,836,761,292	3,909,275,954,492
Short-term investments	121		4,833,330,632,402	4,039,304,630,112
Allowance for diminution in the value of short-term investments	129		(142,493,871,110)	(130,028,675,620)
Accounts receivable	130	7	2,322,327,824,735	2,238,818,141,954
Accounts receivable – trade	131		1,491,372,884,224	1,274,574,429,461
Prepayments to suppliers	132		583,806,378,125	550,939,005,745
Other receivables	135		252,830,058,549	417,136,879,198
Allowance for doubtful debts	139	34(b)	(5,681,496,163)	(3,832,172,450)
Inventories	140	8	3,778,160,491,112	3,357,506,580,186
Inventories	141		3,781,493,467,577	3,360,961,745,571
Allowance for inventories	149		(3,332,976,465)	(3,455,165,385)
Other current assets	150		277,720,833,857	227,542,227,784
Short-term prepayments	151		107,025,273,607	70,612,136,982
Deductible value added tax	152		169,557,811,981	154,117,902,324
Other current assets	158		1,137,748,269	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 June 2013 (continued)

Form B 01a – DN

	Code	Note	30/6/2013 VND	31/12/2012 VND
Long-term assets (200 = 220 + 240 + 250 + 260)	200		9,226,312,274,522	8,825,031,622,819
Fixed assets	220		7,851,037,214,667	7,446,795,167,863
Tangible fixed assets	221	9	5,589,908,131,071	3,748,756,576,222
<i>Cost</i>	222		7,913,528,973,211	5,844,850,660,156
<i>Accumulated depreciation</i>	223		(2,323,620,842,140)	(2,096,094,083,934)
Intangible fixed assets	227	10	273,202,393,980	207,666,924,724
<i>Cost</i>	228		378,238,074,429	309,274,097,560
<i>Accumulated amortisation</i>	229		(105,035,680,449)	(101,607,172,836)
Construction in progress	230	11	1,987,926,689,616	3,490,371,666,917
Investment property	240	12	67,240,495,440	69,225,239,090
<i>Cost</i>	241		90,177,337,460	90,177,337,460
<i>Accumulated depreciation</i>	242		(22,936,842,020)	(20,952,098,370)
Long-term investments	250	13	1,133,213,726,565	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		207,257,684,826	214,466,955,551
Other long-term investments	258		78,503,484,679	80,840,000,000
Allowance for diminution in the value of long-term investments	259		(144,347,442,940)	(191,607,308,624)
Other long-term assets	260		174,820,837,850	126,993,554,859
Long-term prepayments	261	14	40,951,420,791	17,915,187,787
Deferred tax assets	262	15	132,792,997,059	108,001,947,072
Other long-term assets	268		1,076,420,000	1,076,420,000
TOTAL ASSETS (270 = 100 + 200)	270		21,012,004,496,175	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 June 2013 (continued)

Form B 01a – DN

	Code	Note	30/6/2013 VND	31/12/2012 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		4,106,050,794,249	4,388,182,540,872
Current liabilities	310		4,036,406,617,698	4,328,837,208,960
Accounts payable – trade	312	16	2,068,577,195,779	2,442,335,842,075
Advances from customers	313		32,845,817,190	21,589,364,414
Taxes payable to State Treasury	314	17	542,982,845,848	331,870,328,102
Payables to employees	315		92,853,030,950	100,460,928,431
Accrued expenses	316	18	467,764,106,642	364,013,161,247
Other payables	319	19	593,192,717,266	662,625,268,582
Bonus and welfare funds	323	20	238,190,904,023	405,942,316,109
Long-term liabilities	330		69,644,176,551	59,345,331,912
Provision for severance allowance	337	21	69,545,314,416	59,325,269,500
Unearned revenue	338		98,862,135	20,062,412
EQUITY (400 = 410)	400		16,905,953,701,926	15,394,454,271,727
Owners' equity	410	22	16,905,953,701,926	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	(4,784,852,959)	(4,504,115,000)
Investment and development fund	417		539,193,296,167	93,889,017,729
Financial reserve	418		755,738,896,227	588,402,022,008
Retained profits	420		5,999,254,302,491	5,100,115,286,990
TOTAL RESOURCES (440 = 300 + 400)	440		21,012,004,496,175	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 June 2013 (continued)**

Form B 01a – DN

OFF BALANCE SHEET ITEMS

	30/6/2013	31/12/2012
Foreign currencies included in cash and cash equivalents:		
USD	10,444,883	11,737,838
EUR	2,586,524	49,848

12 August 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 six-month period ended 30 June 2013

Form B 02a – DN

	Code	Note	Six-month period ended	
			30/6/2013 VND	30/6/2012 VND
Total revenue	01	24	15,152,351,871,639	13,266,852,992,656
Less revenue deductions	02	24	304,967,511,077	248,807,786,998
Net revenue (10 = 01 - 02)	10		14,847,384,360,562	13,018,045,205,658
Cost of sales	11	25	9,311,260,723,210	8,819,628,088,070
Gross profit (20 = 10 - 11)	20		5,536,123,637,352	4,198,417,117,588
Financial income	21	26	240,527,072,701	292,553,271,145
Financial expenses	22	27	39,914,641,550	8,165,421,689
<i>In which: Interest expense</i>	23		-	3,023,954,709
Selling expenses	24	28	1,447,492,923,993	1,043,964,185,006
General and administration expenses	25	29	272,826,559,856	231,394,131,296
Net operating profit {30 = 20 + (21 - 22) - (24 + 25)}	30		4,016,416,584,654	3,207,446,650,742
Other income	31	30	96,835,711,016	177,979,412,297
Other expenses	32	31	26,449,373,647	45,711,882,079
Results of other activities (40 = 31 - 32)	40		70,386,337,369	132,267,530,218
Profit before tax (50 = 30 + 40 + 41)	50		4,086,802,922,023	3,339,714,180,960
Income tax expense – current	51	32	764,856,487,613	626,461,177,850
Income tax benefit – deferred	52	32	(24,791,049,987)	(39,830,550,141)
Net profit after tax (60 = 50 - 51 - 52)	60		3,346,737,484,397	2,753,083,553,251
Basic earnings per share	70	33	4,015	3,302

12 August 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
Separate statement of cash flows for the six-month period ended 30 June 2013
(Indirect method)

Form B 03a – DN

	Code	Note	Six-month period ended	
			30/6/2013 VND	30/6/2012 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		4,086,802,922,023	3,339,714,180,960
Adjustments for				
Depreciation and amortisation	02		293,531,496,997	218,216,971,097
Allowances and provisions	03		11,720,223,342	(45,533,688,169)
Unrealised foreign exchange losses	04		(3,592,823,387)	(5,956,138,285)
Losses on disposal of fixed assets	05		1,031,150,930	5,203,746,342
Dividends and interest income	05		(193,247,678,950)	(217,860,479,820)
Losses/(profits) from other investing activities	05		3,988,344,312	(6,127,826,569)
Interest expense	06		-	3,023,954,709
Operating profit before changes in working capital	08		4,200,233,635,267	3,290,680,720,265
Change in receivables	09		(94,949,862,736)	(470,951,814,149)
Change in inventories	10		(421,038,879,857)	(1,003,111,387,152)
Change in payables and other liabilities	11		(459,110,495,746)	560,704,440,630
Change in prepayments	12		(41,069,545,126)	(34,782,447,422)
			3,184,064,851,802	2,342,539,512,172
Interest paid	13		-	(2,085,251,653)
Income tax paid	14		(577,450,354,533)	(463,256,715,483)
Other receipts from operating activities	15		1,698,001,520	3,684,175,480
Other payments for operating activities	16		(502,344,023,575)	(301,778,166,621)
Net cash flows from operating activities	20		2,105,968,475,214	1,579,103,553,895

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 six-month period ended 30 June 2013
(Indirect method - continued)

Form B 03a – DN

	Code	Note	Six-month period ended	
			30/6/2013	30/6/2012
			VND	VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(547,964,947,026)	(1,966,033,247,152)
Proceeds from disposals of fixed assets and other long-term investments	22		18,173,205,973	1,827,813,748
(Increase)/decrease on time deposits	23		(1,123,100,000,000)	90,000,000,000
Proceeds from sales of debt instruments of other entities	24		302,336,515,321	20,280,948,816
Payments for investments in other entities	25		(118,000,000,000)	(74,900,000,000)
Collections on investments in other entities	26		130,658,883,205	-
Collections on loan to other entity	26		30,000,000,000	18,000,000,000
Receipts of dividends and interest	27		193,631,840,547	257,843,386,239
Net cash flows from investing activities	30		(1,114,264,501,980)	(1,652,981,098,349)

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 six-month period ended 30 June 2013
(Indirect method - continued)

Form B 03a – DN

	Code	Note	Six-month period ended	
			30/6/2013 VND	30/6/2012 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for shares repurchases	32		(280,737,959)	(1,625,245,000)
Proceeds from short-term and long-term borrowings	33		-	208,500,000,000
Payments of dividends	36		(1,500,283,567,800)	(1,111,585,988,000)
Net cash flows from financing activities	40		(1,500,564,305,759)	(904,711,233,000)
Net cash flows during the period (50 = 20 + 30 + 40)	50		(508,860,332,525)	(978,588,777,454)
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		1,044,357,818	265,090,666
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	5	716,646,310,657	2,123,112,215,061

12 August 2013

Prepared 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

Notes to the separate interim financial statements for the six-month period ended 30 June 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 June 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 June 2013, the Company had 4,877 employees (31 December 2012: 4,494 employees).

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 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 Standard 27 - *Interim Financial Reporting*, 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 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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 expenditures 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.

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

Form B 09a – DN

(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. The contribution to be paid by each party is calculated at 1% of the lower of an employee’s basic salary and 20 times the general minimum salary level as specified by the Government from time to time. 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 June 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.

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

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

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

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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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 Chief Executive Officer, the Board of Directors or the shareholders 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 six-month period ended 30 June 2013 (continued)

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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	
	Six-month period ended		Six-month period ended		Six-month period ended	
	30/6/2013	30/6/2012	30/6/2013	30/6/2012	30/6/2013	30/6/2012
	VND	VND	VND	VND	VND	VND
Net sales	12,934,736,173,910	10,664,712,684,745	1,912,648,186,652	2,353,332,520,913	14,847,384,360,562	13,018,045,205,658
Cost of sales	(7,853,851,506,010)	(6,977,852,196,302)	(1,457,409,217,200)	(1,841,775,891,768)	(9,311,260,723,210)	(8,819,628,088,070)
Segment income	5,080,884,667,900	3,686,860,488,443	455,238,969,452	511,556,629,145	5,536,123,637,352	4,198,417,117,588

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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5. Cash and cash equivalents

	30/6/2013	31/12/2012
	VND	VND
Cash on hand	981,911,970	838,995,064
Cash in banks	715,664,398,687	822,873,290,300
Cash in transit	-	750,000,000
Cash equivalents	-	400,000,000,000
	<hr/>	<hr/>
	716,646,310,657	1,224,462,285,364
	<hr/>	<hr/>

6. Short-term investments

	30/6/2013	31/12/2012
	VND	VND
Short-term investments in:		
▪ Listed securities	208,820,293,992	211,020,970,112
▪ Unlisted securities	82,510,338,410	82,283,660,000
▪ Term deposits	4,100,000,000,000	2,974,000,000,000
▪ Institution bonds	-	300,000,000,000
▪ Other short-term investments	442,000,000,000	472,000,000,000
	<hr/>	<hr/>
	4,833,330,632,402	4,039,304,630,112
Allowance for diminution in value of short-term investments	(142,493,871,110)	(130,028,675,620)
	<hr/>	<hr/>
	4,690,836,761,292	3,909,275,954,492
	<hr/>	<hr/>

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

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Opening balance	130,028,675,620	79,244,243,600
Increase in allowance during the period	18,517,620,410	-
Allowance utilised during the period	(670,000,000)	-
Written back	(5,382,424,920)	(7,072,775,780)
	<hr/>	<hr/>
Closing balance	142,493,871,110	72,171,467,820
	<hr/>	<hr/>

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

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7. Accounts receivable

Accounts receivable included the following amounts due from related parties:

	30/6/2013	31/12/2012
	VND	VND
Amount due from related parties		
Trade	5,459,073,714	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:

	30/6/2013	31/12/2012
	VND	VND
Shortage of assets awaiting for resolution	594,092,975	-
Interest income on deposits	82,936,111,110	55,733,508,797
Interest income receivable on bonds and loans granted to other entities	-	27,586,763,700
Import tax refundable	158,982,155,283	235,708,097,835
Rebates receivable from suppliers	-	76,841,890,627
Others	10,317,699,181	21,266,618,239
	252,830,058,549	417,136,879,198

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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8. Inventories

	30/6/2013	31/12/2012
	VND	VND
Goods in transit	735,170,334,246	702,632,670,110
Raw materials	2,291,337,461,138	1,995,612,794,941
Tools and supplies	1,045,296,540	4,602,995,846
Work in progress	94,869,434,366	27,269,565,141
Finished goods	619,722,284,408	588,692,556,146
Merchandise inventories	15,657,752,759	20,308,535,581
Goods on consignment	23,690,904,120	21,842,627,806
	<hr/>	<hr/>
	3,781,493,467,577	3,360,961,745,571
Allowance for inventories	(3,332,976,465)	(3,455,165,385)
	<hr/>	<hr/>
	3,778,160,491,112	3,357,506,580,186
	<hr/> <hr/>	<hr/> <hr/>

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

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Opening balance	3,455,165,385	4,933,906,670
Increase in allowance during the period	2,780,108,963	4,558,669,891
Allowance utilised during the period	(346,020,901)	(182,747,828)
Written back	(2,556,276,982)	(4,670,192,916)
	<hr/>	<hr/>
Closing balance	3,332,976,465	4,639,635,817
	<hr/> <hr/>	<hr/> <hr/>

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 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	15,919,904,656	141,668,967,483	20,070,660,908	24,126,974,775	201,786,507,822
Transfers from construction in progress	312,772,863,737	1,573,636,260,531	63,172,973,808	2,776,292,372	1,952,358,390,448
Transfers to long-term prepayments	(676,822,966)	(8,293,817,315)	(1,008,227,882)	(39,741,567,464)	(49,720,435,627)
Disposals	(48,181,818)	(21,382,263,378)	(7,705,746,248)	(6,845,504,144)	(35,981,695,588)
Reclassifications	24,286,147	(1,926,497,259)	1,195,238,095	942,519,017	235,546,000
Closing balance	1,267,932,883,799	5,933,968,116,118	420,900,358,964	290,727,614,330	7,913,528,973,211
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	24,732,964,234	220,601,095,980	16,415,069,356	25,537,066,501	287,286,196,071
Transfers to long-term prepayments	(435,173,969)	(3,631,708,118)	(222,454,230)	(27,186,233,016)	(31,475,569,333)
Disposals	(43,965,901)	(16,034,416,496)	(5,383,906,749)	(6,821,579,386)	(28,283,868,532)
Reclassifications	4,144,043	(1,841,046,613)	1,464,313,225	372,589,345	-
Closing balance	247,967,592,020	1,771,353,795,396	153,418,741,932	150,880,712,792	2,323,620,842,140
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	1,019,965,291,779	4,162,614,320,722	267,481,617,032	139,846,901,538	5,589,908,131,071

Included in the cost of tangible fixed assets were assets costing VND683,371,099,210 which were fully depreciated as of 30 June 2013 (31 December 2012: VND669,872,114,995), but which are still in active use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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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	2,385,582,000	40,068,599,909
Transfers from construction in progress	30,097,930,832	-	30,097,930,832
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)
	<hr/>		
Closing balance	314,353,303,957	63,884,770,472	378,238,074,429
	<hr/>		
Accumulated amortisation			
Opening balance	50,798,954,196	50,808,218,640	101,607,172,836
Charge for the period	2,468,659,152	1,791,898,124	4,260,557,276
Transfers to long-term prepayments	-	(129,993,863)	(129,993,863)
Disposals	-	(702,055,800)	(702,055,800)
	<hr/>		
Closing balance	53,267,613,348	51,768,067,101	105,035,680,449
	<hr/>		
Net book value			
Opening balance	195,773,401,020	11,893,523,704	207,666,924,724
Closing balance	261,085,690,609	12,116,703,371	273,202,393,980
	<hr/>		

Included in the cost of intangible fixed assets were assets costing VND47,142,964,915 which were fully amortised as of 30 June 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 six-month period ended 30 June 2013
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11. Construction in progress

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Opening balance	3,490,371,666,917	1,221,103,883,288
Additions	492,261,392,095	2,103,672,808,697
Transfers to tangible fixed assets	(1,952,358,390,448)	(523,078,361,224)
Transfers to intangible fixed assets	(30,097,930,832)	-
Disposals	(12,048,448,116)	(2,547,172,726)
Other decreases	(201,600,000)	(2,209,330,091)
	<hr/>	<hr/>
Closing balance	1,987,926,689,616	2,796,941,827,944
	<hr/>	<hr/>

Major constructions in progress relate to the following locations:

	30/6/2013	31/12/2012
	VND	VND
Vietnam milk factory	720,517,099,011	1,819,204,239,183
Vietnam powder milk factory	1,068,849,105,001	1,509,809,070,248
Can Tho branch	45,164,072,740	45,086,527,051
Dairy Cow farms	42,205,457,959	35,366,294,536
Lam Son milk factory	43,884,003,069	4,045,436,097
Da Nang milk factory	1,175,768,237	21,448,226,014
Saigon milk factory	-	591,352,078
Others	66,131,183,599	54,820,521,710
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	1,987,926,689,616	3,490,371,666,917
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Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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12. Investment property

	Infrastructure VND	Buildings VND	Total VND
Cost			
Opening and closing balance	5,994,290,197	84,183,047,263	90,177,337,460
<hr/>			
Accumulated depreciation			
Opening balance	1,743,730,508	19,208,367,862	20,952,098,370
Charge for the period	299,714,508	1,685,029,142	1,984,743,650
<hr/>			
Closing balance	2,043,445,016	20,893,397,004	22,936,842,020
<hr/>			
Net book value			
Opening balance	4,250,559,689	64,974,679,401	69,225,239,090
Closing balance	3,950,845,181	63,289,650,259	67,240,495,440
<hr/>			

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 properties were assets costing VND7,228,577,143 which were fully depreciated as of 30 June 2013 (31 December 2012: VND6,976,800,000), but which are still in active use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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13. Long-term investments

	% of ownership	% of voting right	30/6/2013 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
			991,800,000,000	1,078,318,014,080
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%	9,942,684,826	9,942,684,826
▪ Dairy Cow Development Project	-	-	-	7,209,270,725
			207,257,684,826	214,466,955,551
Other long-term investments				
▪ Long-term corporate bonds			50,000,000,000	50,000,000,000
▪ Investment funds			28,203,484,679	30,540,000,000
▪ Others			300,000,000	300,000,000
			78,503,484,679	80,840,000,000
			1,277,561,169,505	1,373,624,969,631
Allowance for diminution in value of long-term investments			(144,347,442,940)	(191,607,308,624)
			1,133,213,726,565	1,182,017,661,007

(*) 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.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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Movements in the allowance for diminution in value of long-term investments during the period were as follows:

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Opening balance	191,607,308,624	271,462,074,100
Increase in allowance during the period	309,731,888	15,921,029,303
Allowance utilised during the period	(43,761,237,842)	-
Written back	(3,808,359,730)	(56,304,231,644)
Closing balance	144,347,442,940	231,078,871,759

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	476,595,357	53,368,488,084	928,087,018	54,773,170,459
Transfer from tangible fixed assets	-	18,244,866,294	-	18,244,866,294
Transfer from intangible fixed assets	-	134,958,209	-	134,958,209
Transfers to short-term prepayments	(690,770,834)	(47,753,292,020)	(871,490,339)	(49,315,553,193)
Transfers to expenses	-	(801,208,765)	-	(801,208,765)
Closing balance	1,945,710,094	38,893,046,529	112,664,168	40,951,420,791

15. Deferred tax assets

Deferred tax assets were recognised on the following:

	30/6/2013	31/12/2012
	VND	VND
Foreign exchange differences	(1,534,358,206)	2,593,255,781
Accrued expenses and provisions	134,327,355,265	105,408,691,291
	132,792,997,059	108,001,947,072

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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16. Accounts payable – trade

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

	30/6/2013	31/12/2012
	VND	VND
Amounts due to related parties	61,503,897,445	238,581,093,077

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

	30/6/2013	31/12/2012
	VND	VND
Value added tax	87,749,082,317	57,814,604,737
Import tax	6,270,083,769	3,932,727,653
Income tax	439,588,003,458	252,181,870,378
Personal income tax	9,203,964,314	17,908,520,534
Natural resources tax	32,456,490	29,604,800
Other taxes	139,255,500	3,000,000
	542,982,845,848	331,870,328,102

18. Accrued expenses

	30/6/2013	31/12/2012
	VND	VND
Sales incentives for distributors	173,740,803,444	172,183,794,781
Display expenses	27,272,731	-
Advertising expenses	187,380,509,592	116,910,036,213
Transportation expenses	39,453,512,148	23,903,854,607
Fuel expenses	12,959,102,685	7,115,522,438
Repairs and maintenance expenses	11,989,877,056	5,797,227,711
Expenses for outsourced employees	13,518,705,201	11,164,299,513
Others	28,694,323,785	26,938,425,984
	467,764,106,642	364,013,161,247

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Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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19. Other payables

	30/6/2013	31/12/2012
	VND	VND
Short-term deposits received	17,260,111,577	18,439,185,025
Import duty payables	105,813,084,304	176,541,502,888
Other payables relating to financial investments (*)	448,007,419,155	448,007,419,155
Insurance and trade union fees	917,375,271	465,314,243
Others	21,194,726,959	19,171,847,271
	<hr/>	<hr/>
	593,192,717,266	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.

20. Bonus and welfare funds

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Opening balance	405,942,316,109	346,310,114,719
Appropriation from retained profits	334,673,748,439	275,308,355,335
Other increases	10,000,000	-
Utilisation	(502,435,160,525)	(301,568,814,418)
	<hr/>	<hr/>
Closing balance	238,190,904,023	320,049,655,636
	<hr/>	<hr/>

21. Provision for severance allowance

Movements of the provision during the period were as follows:

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Opening balance	59,325,269,500	66,571,712,268
Provision made during the period	10,541,348,383	934,195,890
Provision used during the period	(290,361,800)	(439,210,501)
Reversal	(30,941,667)	(478,362,356)
	<hr/>	<hr/>
Closing balance	69,545,314,416	66,588,335,301
	<hr/>	<hr/>

Vietnam Dairy Products Joint Stock Company

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

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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	-	-	(1,625,245,000)	-	-	-	(1,625,245,000)
Net profit for the period	-	-	-	-	-	2,753,083,553,251	2,753,083,553,251
Appropriation to equity funds and bonus and welfare fund	-	-	-	379,518,826,891	-	(654,827,182,216)	(275,308,355,325)
Dividends	-	-	-	-	-	(1,111,585,988,000)	(1,111,585,988,000)
Balance 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
Bonus share issued	2,778,410,420,000	-	-	(1,628,883,194,992)	-	(1,149,527,225,008)	-
Purchase of treasury shares	-	-	(357,076,000)	-	-	-	(357,076,000)
Net profit for the period	-	-	-	-	-	3,032,785,853,734	3,032,785,853,734
Appropriation to equity funds and bonus and welfare fund	-	-	-	435,229,149,446	32,287,268,008	(770,795,002,827)	(303,278,585,373)
Dividends	-	-	-	-	-	(1,111,408,068,000)	(1,111,408,068,000)
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
Purchase of treasury shares	-	-	(280,737,959)	-	-	-	(280,737,959)
Net profit for the period	-	-	-	-	-	3,346,737,484,397	3,346,737,484,397
Appropriation to equity funds and bonus and welfare fund	-	-	-	445,304,278,438	167,336,874,219	(947,314,901,096)	(334,673,748,439)
Dividends	-	-	-	-	-	(1,500,283,567,800)	(1,500,283,567,800)
Balance at 30 June 2013	8,339,557,960,000	1,276,994,100,000	(4,784,852,959)	539,193,296,167	755,738,896,227	5,999,254,302,491	16,905,953,701,926

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Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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23. Share capital

The Company's authorised and issued share capital is:

	30/6/2013		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	(430,120)	(4,784,852,959)	(430,120)	(4,504,115,000)
<hr/>				
Shares currently in circulation				
Ordinary shares	833,525,676	8,334,773,107,041	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.

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Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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24. Total revenue

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

Net sales comprised

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Total revenue		
▪ Sales of finished goods	14,832,553,503,950	12,931,464,751,800
▪ Sales of merchandise goods	305,431,262,832	320,898,774,572
▪ Rental income from investment property	5,523,513,815	6,171,769,870
▪ Other services	8,843,591,042	8,317,696,414
	<hr/>	<hr/>
	15,152,351,871,639	13,266,852,992,656
Less sales deductions		
▪ Sales discounts	(299,039,349,901)	(245,968,259,789)
▪ Sales returns	(5,928,161,176)	(2,839,527,209)
	<hr/>	<hr/>
	(304,967,511,077)	(248,807,786,998)
Net sales	<hr/> <hr/>	<hr/> <hr/>
	14,847,384,360,562	13,018,045,205,658

25. Cost of sales

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Total cost of sales		
▪ Finished goods sold	9,013,560,827,952	8,524,499,669,922
▪ Merchandise goods sold	269,981,414,042	282,636,209,623
▪ Rental of investment property	3,044,381,510	2,780,017,005
▪ Other services	590,317,590	376,892,307
▪ Inventories losses	-	8,242,889
▪ Under-capacity cost	23,859,950,135	9,438,579,349
▪ Increase/(written back) of allowance for inventories	223,831,981	(111,523,025)
	<hr/>	<hr/>
	9,311,260,723,210	8,819,628,088,070

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26. Financial income

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Interest income from deposits	159,855,127,981	145,626,230,770
Interest income from bonds	20,411,986,300	49,229,227,050
Interest income on loans granted	625,185,469	345,000,000
Gains on disposal of securities	12,258,500	8,790,592,000
Dividends	12,355,379,200	22,660,022,000
Realised foreign exchange gains	43,674,274,065	54,158,177,845
Unrealised foreign exchange gains	3,592,823,387	11,686,643,727
Others	37,799	57,377,753
	<hr/>	<hr/>
	240,527,072,701	292,553,271,145
	<hr/> <hr/>	<hr/> <hr/>

27. Financial expenses

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Payment discounts for distributors	15,347,931,131	14,918,796,190
Interest expense on loans	-	3,023,954,709
Interest expense on deposits received	455,671,011	450,219,563
Realised foreign exchange losses	10,482,277,474	29,488,184,708
Unrealised foreign exchange losses	-	5,730,505,442
Allowance/(write back allowance) for short-term and long-term investments	9,636,567,648	(47,455,978,121)
Others	3,992,194,286	2,009,739,198
	<hr/>	<hr/>
	39,914,641,550	8,165,421,689
	<hr/> <hr/>	<hr/> <hr/>

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28. Selling expenses

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Advertising expenses	393,813,121,267	227,371,372,153
Promotion expenses	383,354,672,560	313,186,798,625
Support and commission expenses for distributors	246,037,612,266	168,034,728,320
Staff costs	91,992,354,002	71,231,292,140
Material expenses	28,417,286,908	26,728,703,104
Tools and supplies expenses	37,897,097,807	25,674,803,590
Depreciation expenses	12,962,757,109	12,976,344,913
Expenses of damaged goods	6,592,393,974	6,304,641,934
Transportation expenses	172,510,087,139	150,404,477,781
Outside service expenses	73,915,540,961	42,051,022,446
	<hr/>	<hr/>
	1,447,492,923,993	1,043,964,185,006
	<hr/>	<hr/>

29. General and administration expenses

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Staff costs	90,077,959,259	71,643,504,866
Material expenses	7,711,300,190	5,332,637,811
Office supplies	2,381,060,386	1,684,426,432
Depreciation expenses	31,604,243,880	27,612,967,212
Fees and duties	2,577,986,541	1,411,848,245
Allowance for doubtful debts and provision for severance allowance	12,370,230,429	2,499,659,947
Transportation for internal transfers of goods	23,263,629,147	26,215,964,191
Outside service expenses	62,683,172,034	53,113,542,369
Loading expenses	9,914,271,414	13,947,969,482
Per-diem allowances	8,480,334,845	7,207,117,294
Bank charges	1,811,050,431	3,848,554,060
Others	19,951,321,300	16,875,939,387
	<hr/>	<hr/>
	272,826,559,856	231,394,131,296
	<hr/>	<hr/>

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30. Other income

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Proceeds from disposals of tangible fixed assets	6,666,676,126	15,580,418,506
Proceeds from disposals of construction in progress	12,048,448,116	2,547,172,727
Proceeds from disposals of tools, supplies and technical equipments	47,668,677,395	50,608,707,157
Compensations received from other parties	209,469,232	416,292,316
Rebate income	26,560,408,695	82,504,432,630
Others	3,682,031,452	26,322,388,961
	<hr/>	<hr/>
	96,835,711,016	177,979,412,297
	<hr/> <hr/>	<hr/> <hr/>

31. Other expenses

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Book value of tangible fixed assets disposed	7,697,827,056	20,783,510,304
Book value of construction in progress disposed	12,048,448,116	2,547,172,726
Others	6,703,098,475	22,381,199,049
	<hr/>	<hr/>
	26,449,373,647	45,711,882,079
	<hr/> <hr/>	<hr/> <hr/>

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32. Income tax

(i) *Recognised in the statement of income*

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Current tax expense		
Current period	753,828,269,100	608,224,666,309
Under provision in prior year	11,028,218,513	18,236,511,541
	764,856,487,613	626,461,177,850
Deferred tax benefit		
Origination and reversal of temporary differences	(24,791,049,987)	(39,830,550,141)
	740,065,437,626	586,630,627,709

(ii) *Reconciliation of effective tax rate*

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Profit before tax	4,086,802,922,023	3,339,714,180,960
Tax at the Company's tax rate	1,021,700,730,506	834,928,545,240
Tax rates difference between Company's branches and factories	(147,543,607,610)	(139,189,663,677)
Non-taxable income	(3,088,844,800)	(5,665,005,500)
Non-deductible expenses	1,802,466,716	4,153,493,175
Tax incentives	(132,842,192,816)	(118,699,745,320)
Deferred tax assets not previously recognised	(10,991,332,883)	(7,133,507,750)
Under provision in prior year	11,028,218,513	18,236,511,541
	740,065,437,626	586,630,627,709

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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 25% afterwards	Exemption from 2004 to 2006 and 50% reduction from 2007 to 2013.
Dielac Milk factory	15% until 2014 and 25% afterwards	Exemption from 2004 to 2006 and 50% reduction from 2007 to 2013.
Saigon Milk factory	15% until 2012 and 25% afterwards	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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Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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33. Basic earnings per share

The calculation of basic earnings per share for the period ended 30 June 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

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Net profit for the period – attributable to ordinary shareholders	3,346,737,484,397	2,753,083,553,251

(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2013	30/6/2012
Number of ordinary shares at the beginning of the period	833,525,676	555,867,614
Effect of bonus shares issued	-	277,911,087
Purchase of treasury shares	-	(45,440)
Weighted average number of ordinary shares at the end of the period	833,525,676	833,733,261

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

34. 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 presented 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	30/6/2013 VND	31/12/2012 VND
Cash and cash equivalents	(ii)	715,664,398,687	1,223,623,290,300
Term deposits	(ii)	4,100,000,000,000	2,974,000,000,000
Trade and other receivables	(iii)	1,738,521,446,610	1,687,879,136,209
Short-term investments – debt instruments	(iv)	-	300,000,000,000
Long-term investments – debt instruments	(iv)	50,000,000,000	50,000,000,000
		6,604,185,845,297	6,235,502,426,509
		6,604,185,845,297	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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Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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The aging of trade and other receivables at period-end that were past due but not impaired is as follows:

	30/6/2013 VND	31/12/2012 VND
Past due 1 – 30 days	10,597,761,933	13,392,747,256
Past due 31 – 60 days	183,567,518	214,534,274
Past due 61 – 90 days	30,574,304	574,491,413
Past due more than 90 days	1,092,747,014	-
	<hr/> <hr/> 11,904,650,769	<hr/> <hr/> 14,181,772,943

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

	Six-month period ended	
	30/6/2013 VND	30/6/2012 VND
Opening balance	3,832,172,450	1,897,595,994
Increase in allowance during the period	1,859,823,713	2,033,812,977
Written off	(10,500,000)	(17,000,411)
	<hr/> <hr/> 5,681,496,163	<hr/> <hr/> 3,914,408,560

(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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Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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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 including the estimated interest payments:

30 June 2013

	Carrying Amount VND	Contractual cash flows VND	Within 1 year VND
Accounts payable – trade	2,068,577,195,779	2,068,577,195,779	2,068,577,195,779
Payables to employees	92,853,030,950	92,853,030,950	92,853,030,950
Accrued expenses	467,764,106,642	467,764,106,642	467,764,106,642
Other payables	593,192,717,266	593,192,717,266	593,192,717,266
	3,222,387,050,637	3,222,387,050,637	3,222,387,050,637

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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Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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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 June 2013, the Company had the following net monetary asset position exposed to currency risk:

	30 June 2013		31 December 2012	
	USD	EUR	USD	EUR
Cash and cash in banks	10,444,883	2,586,524	11,737,838	49,848
Trade and other receivables	30,685,835	-	26,862,852	9,151
Trade and other payables	(30,888,082)	(10,669,640)	(35,559,707)	(12,185,695)
	10,242,636	(8,083,116)	3,040,983	(12,126,696)

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

	Exchange rate as at	
	30/6/2013 VND	31/12/2012 VND
USD 1	21,150	20,800
EUR 1	27,541	27,301

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended 30 June 2013
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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 June 2013	
USD (5% strengthening)	8,123,690,997
EUR (5% strengthening)	(8,348,141,672)
<hr/>	
31 December 2012	
USD (5% strengthening)	2,371,967,217
EUR (5% weakening)	12,415,160,621
<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 VND9,334,397,595 higher/lower (31 December 2012: VND10,425,695,430).

Vietnam Dairy Products Joint Stock Company

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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	30/6/2013		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	25,741,056,000	9,521,269,292	23,839,728,000
Categorised as held-to-maturity investments:					
- Term deposits	(i)	4,100,000,000,000	4,100,000,000,000	2,974,000,000,000	2,974,000,000,000
- Institution bonds	(v)	-	Note (v)	300,000,000,000	Note (v)
- Long-term corporate bonds	(v)	50,000,000,000	Note (v)	50,000,000,000	Note (v)
Categorised as loans and receivables:					
- Cash and cash equivalents	(i)	715,664,398,687	715,664,398,687	1,223,623,290,300	1,223,623,290,300
- Trade and other receivables	(i)	1,738,521,446,610	1,738,521,446,610	1,687,879,136,209	1,687,879,136,209
Categorised as available-for-sale					
- Short-term investments in listed equity instruments	(ii)	199,299,024,700	124,458,665,800	201,499,700,820	140,029,324,400
- Short-term investments in unlisted equity instruments	(iii)	82,510,338,410	14,856,834,000	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)	28,203,484,679	13,537,868,324	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)	(3,222,387,050,637)	(3,222,387,050,637)	(3,569,435,200,335)	(3,569,435,200,335)

Vietnam Dairy Products Joint Stock Company
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(continued)

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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 six-month period ended 30 June 2013
(continued)

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35. 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	Six-month period ended	
			30/6/2013 VND	30/6/2012 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Sale of goods and fixed assets	31,923,144,800	49,858,064,827
		Purchase of goods	149,407,000,775	97,350,973,280
		Capital contribution	118,000,000,000	35,000,000,000
Lamson Dairy Products One Member Company Limited	Subsidiary	Sale of goods and fixed assets	87,142,360,157	107,141,775,719
		Purchase of goods	160,731,183,314	166,842,099,420
Miraka Limited	Associate	Purchase of goods	106,307,306,170	290,084,130,234
Asia Saigon Food Ingredients Joint Stock Company	Associate	Purchase of goods	9,510,655,000	23,745,432,500
Board of Management's and Board of Directors' members		Compensation	40,157,034,015	33,157,265,368
The State Capital Investment Corporation		Payment of dividends	676,317,600,000	500,976,000,000

36. Production and business costs by element

	Six-month period ended	
	30/6/2013	30/6/2012
	VND	VND
Raw material costs included in production costs	8,690,490,995,268	8,503,993,367,405
Labour costs and staff costs	429,349,186,665	327,468,543,467
Depreciation and amortisation	287,818,835,673	218,216,971,097
Outside services	510,120,768,336	413,504,826,467
Other expenses	1,145,915,392,975	799,995,756,596

12 August 2013

Prepared by:

Approved by:



Le Thanh Liem
Chief Accountant

Ngo Thi Thu Trang
Executive Director - Finance

Mai Kieu Lien
Chief Executive Officer

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