

Vietnam Dairy Products Joint Stock Company

Separate interim financial statements
for the three-month period
ended 31 March 2015

Vietnam Dairy Products Joint Stock Company Corporate Information

Business Registration

Certificate No.	4103001932	20 November 2003
	0300588569	25 November 2014

The Company's business registration certificate has been amended several times, the most recent of which is by business registration certificate No. 0300588569 dated 25 November 2014. The business registration certification was issued by Ho Chi Minh City Planning and Investment Department.

Board of Management	Mdm Mai Kieu Lien	Chairwoman
	Mr Le Song Lai	Member
	Ms Ngo Thi Thu Trang	Member
	Mr Ng Jui Sia	Member
	Mr Le Anh Minh	Member
	Ms Le Thi Bang Tam	Member

Board of Directors	Mdm Mai Kieu Lien	Chief Executive Officer
	Ms Nguyen Thi Thanh Hoa	Executive Director – Supply chain
	Mr Trinh Quoc Dung	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
	Mr Mai Hoai Anh	Executive Director – Sales
	Mr Phan Minh Tien	Executive Director – Marketing

Registered Office	10 Tan Trao Tan Phu Ward, District 7 Ho Chi Minh City Vietnam
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Auditors	KPMG Limited Vietnam
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**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 unconsolidated financial position of the Company as at 31 March 2015 and of the unconsolidated results of operations and unconsolidated cash flows for the three-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 unconsolidated financial position of the Company and which enable these separate interim financial statements to be prepared which complies with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises 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 56 which give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2015, and of the unconsolidated results of operations and cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Directors

Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 28 May 2015

FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Vietnam Dairy Products Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”), which comprise the separate balance sheet as at 31 March 2015, the related separate statements of income and cash flows for the three-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 28 May 2015, as set out on pages 4 to 56. 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.

We conducted our review in accordance with the Vietnamese Standards on Auditing applicable to Review Engagements. The standards require that we plan and perform the review to obtain moderate assurance as to whether the separate interim financial statements are free of material misstatements. A review primarily involves inquiries of the Company’s personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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, in all material respects, of the unconsolidated financial position of Vietnam Dairy Products Joint Stock Company as at 31 March 2015 and of its unconsolidated results of operations and its unconsolidated cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial statements.

KPMG Limited’s Branch in Ho Chi Minh City
Vietnam

Operating registration certificate No.: 4114000230

Review Report No.: 15-01-226/02



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

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

Ho Chi Minh City, 28 May 2015

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 31 March 2015

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

	Code	Note	31/3/2015 VND	31/12/2014 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		15,776,803,548,363	14,598,577,355,598
Cash and cash equivalents	110	6	973,560,267,365	1,298,826,375,540
Cash	111		773,560,267,365	798,826,375,540
Cash equivalents	112		200,000,000,000	500,000,000,000
Short-term investments	120		8,382,095,913,926	7,414,562,935,026
Trading securities	121	7(a)	677,294,467,409	703,771,306,426
Allowance for diminution in the value of trading securities	122	7(a)	(145,198,553,483)	(139,208,371,400)
Held-to-maturity investments	123	7(b)	7,850,000,000,000	6,850,000,000,000
Accounts receivable – short-term	130		2,640,346,176,796	2,464,315,694,358
Accounts receivable from customers	131	8	1,902,178,809,483	1,745,599,580,608
Prepayments to suppliers	132		420,362,128,655	368,348,817,693
Other short-term receivables	136	9(a)	315,793,677,784	349,123,850,343
Allowance for doubtful debts	137	10	(3,572,214,552)	(2,507,733,503)
Shortage of assets awaiting for resolution	139	11	5,583,775,426	3,751,179,217
Inventories	140	12	3,731,036,116,550	3,376,827,382,764
Inventories	141		3,742,107,064,830	3,389,805,269,417
Allowance for inventories	149		(11,070,948,280)	(12,977,886,653)
Other current assets	150		49,765,073,726	44,044,967,910
Short-term prepaid expenses	151	17(a)	36,765,079,711	40,219,219,619
Deductible value added tax	152		12,999,994,015	3,825,748,291

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

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 31 March 2015 (continued)

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

	Code	Note	31/3/2015 VND	31/12/2014 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		9,960,937,676,907	9,884,064,037,686
Accounts receivable – long-term	210		17,616,312,438	15,625,291,697
Long-term loans receivable	215		9,371,916,340	7,395,303,671
Other long-term receivables	216	9(b)	8,244,396,098	8,229,988,026
Fixed assets	220		6,635,630,304,490	6,822,236,890,236
Tangible fixed assets	221	13	6,341,330,400,373	6,532,456,859,451
<i>Cost</i>	222		10,028,584,493,698	10,034,979,836,758
<i>Accumulated depreciation</i>	223		(3,687,254,093,325)	(3,502,522,977,307)
Intangible fixed assets	227	14	294,299,904,117	289,780,030,785
<i>Cost</i>	228		422,662,988,826	414,548,323,336
<i>Accumulated amortisation</i>	229		(128,363,084,709)	(124,768,292,551)
Investment property	230	15	143,375,232,754	144,512,770,233
Cost	231		176,272,511,838	176,189,140,358
Accumulated depreciation	232		(32,897,279,084)	(31,676,370,125)
Long-term work in progress	240		353,334,622,757	284,106,071,554
Construction in progress	242	16	353,334,622,757	284,106,071,554
Long-term financial investments	250		2,494,082,492,855	2,309,628,312,934
Investments in subsidiaries	251	7(c)	1,996,918,560,990	1,840,531,569,524
Investments in associates and joint-ventures	252	7(c)	231,028,307,770	231,028,307,770
Equity investments in other entities	253	7(c)	10,859,408,600	10,859,408,600
Allowance for diminution in the value of long-term financial investments	254	7(c)	(91,319,784,505)	(119,386,972,960)
Held-to-maturity investments	255	7(b)	346,596,000,000	346,596,000,000
Other long-term assets	260		316,898,711,613	307,954,701,032
Long-term prepaid expenses	261	17(b)	155,692,856,361	157,161,532,623
Deferred tax assets	262	18	161,205,855,252	150,793,168,409
TOTAL ASSETS (270 = 100 + 200)	270		25,737,741,225,270	24,482,641,393,284

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

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 31 March 2015 (continued)

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

	Code	Note	31/3/2015 VND	31/12/2014 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		4,897,161,589,315	5,033,777,484,833
Current liabilities	310		4,820,414,290,320	4,956,669,690,333
Accounts payable to suppliers	311	19	1,954,127,493,478	1,647,920,447,124
Advances from customers	312		11,915,375,359	16,268,617,018
Taxes payable to State Treasury	313	20	461,120,939,912	499,301,151,862
Payables to employees	314		93,767,972,835	146,782,641,213
Accrued expenses	315	21	728,971,744,091	603,190,794,539
Unearned revenue	318		148,470,445	17,424,992
Other payables	319	22	579,874,118,877	575,553,064,671
Short-term borrowings	320	23	790,320,000,000	1,110,720,000,000
Provision – short-term	321	24(a)	6,027,114,922	4,122,882,763
Bonus and welfare fund	322	25	194,141,060,401	352,792,666,151
Long-term liabilities	330		76,747,298,995	77,107,794,500
Provision – long-term	342	24(b)	76,747,298,995	77,107,794,500
EQUITY (400 = 410)	400		20,840,579,635,955	19,448,863,908,451
Owners' equity	410	26	20,840,579,635,955	19,448,863,908,451
Share capital	411	27	10,006,413,990,000	10,006,413,990,000
Treasury shares	415	27	(5,388,109,959)	(5,388,109,959)
Investment and development fund	418	28	2,676,353,447,778	2,521,718,366,944
Retained profits	420		8,163,200,308,136	6,926,119,661,466
TOTAL RESOURCES	440		25,737,741,225,270	24,482,641,393,284
(440 = 300 + 400)				

28 May 2015

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 income for the three-month period ended 31 March 2015

Form B 02a – DN

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

	Code	Note	Three-month period ended	
			31/3/2015 VND	31/3/2014 VND
Revenue from sales of goods and provision of services	01	30	8,120,447,196,576	6,992,282,695,769
Revenue deductions	02	30	45,250,419,209	9,440,538,251
Net revenue (10 = 01 - 02)	10	30	8,075,196,777,367	6,982,842,157,518
Cost of sales	11	31	5,197,053,661,143	4,752,099,896,650
Gross profit (20 = 10 - 11)	20		2,878,143,116,224	2,230,742,260,868
Financial income	21	32	137,388,275,910	126,102,815,951
Financial expenses	22	33	(8,755,688,781)	(37,242,503,345)
<i>In which: Interest expense</i>	23		3,035,219,685	-
Selling expenses	25	34	1,053,759,216,810	570,852,230,848
General and administration expenses	26	35	138,790,958,462	133,069,446,004
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		1,831,736,905,643	1,690,165,903,312
Other income	31	36	56,805,927,669	26,867,492,871
Other expenses	32	37	4,960,770,754	9,376,218,703
Results of other activities (40 = 31 - 32)	40		51,845,156,915	17,491,274,168
Profit before tax (50 = 30 + 40)	50		1,883,582,062,558	1,707,657,177,480
Income tax expense – current	51	39	347,643,941,063	344,615,095,468
Income tax (benefit)/expense – deferred	52	39	(10,412,686,843)	1,810,864,830
Net profit after tax (60 = 50 - 51 - 52)	60		1,546,350,808,338	1,361,231,217,182

28 May 2015

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
Separate statement of cash flows for the three-month period ended 31 March 2015
(Indirect method)

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

	Code Note	Three-month period ended	
		31/3/2015 VND	31/3/2014 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	1,883,582,062,558	1,707,657,177,480
Adjustments for			
Depreciation and amortisation	02	217,956,688,528	215,197,605,190
Allowances and provisions	03	(16,550,931,596)	(42,780,013,476)
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	21,503,375	(1,860,468,523)
(Gains)/losses on disposals of tangible fixed assets and construction in progress	05	(389,938,532)	340,742,320
Gain on fixed assets revaluation for investments in other entities	05	(17,009,161,149)	-
Dividends and interest income	05	(130,441,457,737)	(120,278,687,937)
Interest expense	06	3,035,219,685	-
Operating profit before changes in working capital	08	1,940,203,985,132	1,758,276,355,054
Change in receivables	09	(93,897,168,797)	350,446,843,239
Change in inventories	10	(352,598,661,743)	(567,891,809,879)
Change in payables and other liabilities	11	391,644,034,302	(45,522,782,291)
Change in prepayments	12	4,922,816,170	37,038,559,454
Change in trading securities	13	22,765,700,000	-
		1,913,040,705,064	1,532,347,165,577
Interest paid	14	(5,101,599,457)	-
Income tax paid	15	(416,189,208,897)	(366,632,927,887)
Other payments for operating activities	17	(313,129,356,004)	(370,266,318,436)
Net cash flows from operating activities	20	1,178,620,540,706	795,447,919,254

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 three-month period ended 31 March 2015
(Indirect method – continued)

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

	Code Note	Three-month period ended	
		31/3/2015 VND	31/3/2014 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(92,533,592,976)	(103,536,335,712)
Collections on disposals of fixed assets and other long-term assets	22	5,342,982,013	51,722,860,228
Increase in time deposits	23	(1,000,000,000,000)	(1,600,000,000,000)
Payments for granting loans	23	(1,976,612,669)	(3,406,876,001)
Payments for investments in other entities	25	(136,780,041,375)	(157,382,928,000)
Collections on investments in other entities	26	-	735,000,000
Receipts of interest and dividends	27	41,235,934,524	23,299,198,145
Net cash flows from investing activities	30	(1,184,711,330,483)	(1,788,569,081,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for shares repurchases	32	-	(243,814,000)
Payments to settle loan principals	34	(320,400,000,000)	-
Payments of dividends	36	-	(666,771,088,800)
Net cash flows from financing activities	40	(320,400,000,000)	(667,014,902,800)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(326,490,789,777)	(1,660,136,064,886)
Cash and cash equivalents at the beginning of the period	60	1,298,826,375,540	2,649,635,556,014
Effect of exchange rate fluctuations on cash and cash equivalents	61	1,224,681,602	(122,491,110)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70 6	973,560,267,365	989,377,000,018

28 May 2015

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 three-month period ended
31 March 2015

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

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

1. Reporting Entity

(a) Ownership structure

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

(b) Principal activities

The principal activities of the Company are to:

- Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- Trade in food technology, spare parts, equipment, 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.

(c) Normal operating cycle

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

(d) Group structure

As at 31 March 2015, the Company had 6 subsidiaries and 2 associates (31 December 2014: 7 subsidiaries and 2 associates) as listed in Note 7(c).

As at 31 March 2015, the Company had 5,042 employees (31/12/2014: 5,072 employees).

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

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 for enterprises 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. Adoption of new guidance on accounting system for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises (“Circular 200”). Circular 200 replaced previous guidance on Vietnamese Accounting System for enterprises under Decision No. 15/2006-QD/BTC dated 20 March 2006 (“Decision 15”) and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is applicable for annual accounting periods beginning on or after 1 January 2015.

The Company has adopted the applicable requirements of Circular 200 effective from 1 January 2015 on a prospective basis. The significant changes to the Company’s accounting policies and the effects on the separate interim financial statements, if any, are disclosed in the following note to the separate interim financial statements.

- Recognition of foreign exchange differences (Note 4(a))

The Circular also brought change in presentation of certain items in the separate interim balance sheet and the separate interim statement of income. Corresponding figures have been reclassified to conform to the current period presentation. Details of reclassification of corresponding figures are disclosed in Note 44 to these separate interim financial statements.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

4. 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

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

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at actual rates of exchange ruling at the balance sheet date. The actual rates of exchange applied to retranslate monetary items denominated in foreign currency at reporting date are determined as follows:

- For monetary assets (cash on hand and receivables): the foreign currency buying rate at the reporting date quoted by the commercial bank where the Company has the largest outstanding balance. Cash at bank and bank deposits are retranslated using the foreign currency buying rate of the bank where the Company deposits the money or maintains those bank accounts.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at reporting date quoted by the commercial bank where the Company has the largest outstanding balance.

All foreign exchange differences are recorded in the separate interim 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.

(c) Investments

(i) Trading securities

Trading securities are those held by the Company for trading purpose i.e. purchased for resale with the aim of making profits. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(ii) *Held to maturity investments*

Held to maturity investments are those that the Company's management has intention and ability to hold until maturity. Held to maturity investments include term deposits at bank, bonds, redeemable preference shares which the issuers are required to repurchase at a certain date and granting loans held to maturity. These investments are stated at costs less allowance for impairment.

(iii) *Investments in equity instruments of other entities*

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

(d) *Accounts receivable*

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

(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.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(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 comprise:

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

Land use rights with definite period 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 stated at cost and not amortised.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(ii) Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 1 to 3 years.

(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 the 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 at 31 March 2015 will be determined based on the eligible employees’ years of service as at 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 three-month period ended
31 March 2015 (continued)

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

(m) Share capital

(i) Ordinary shares

Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

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

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(n) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the separate interim 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.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(o) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the separate interim 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.

(ii) Services rendered

Revenue from services rendered is recognised in the separate interim 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 interim 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.

(iv) Interest income

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

(v) Dividend income

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

(vi) 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 interim 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).

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(p) Operating lease payments

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

(q) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalized as part of the cost of the assets concerned.

(r) Dividend distribution

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

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

(s) Funds

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

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

Under Circular 200, financial reserve is no longer used. Outstanding balance of this reserve is transferred to the investment and development fund. 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.

(t) 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.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

Form B 09a – DN

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

(u) Related parties

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

Vietnam Dairy Products Joint Stock Company**Notes to the separate interim financial statements for the three-month period ended 31 March 2015 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***5. 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 (“Overseas”).

	Domestic		Overseas		Total	
	Three-month period ended		Three-month period ended		Three-month period ended	
	31/3/2015	31/3/2014	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	VND	VND	VND	VND	VND	VND
Net revenue	6,867,806,599,911	6,313,600,102,695	1,207,390,177,456	669,242,054,823	8,075,196,777,367	6,982,842,157,518
Cost of sales	(4,475,106,069,923)	(4,242,326,731,292)	(721,947,591,220)	(509,773,165,358)	(5,197,053,661,143)	(4,752,099,896,650)
Segment income	2,392,700,529,988	2,071,273,371,403	485,442,586,236	159,468,889,465	2,878,143,116,224	2,230,742,260,868

6. Cash and cash equivalents

	31/3/2015	31/12/2014
	VND	VND
Cash on hand	1,354,255,063	730,356,102
Cash in banks	772,206,012,302	798,096,019,438
Cash equivalents	200,000,000,000	500,000,000,000
	973,560,267,365	1,298,826,375,540

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2015 (continued)

Form B 09a – DN

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

7. Investments

(a) Trading securities

	31/3/2015				31/12/2014			
	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term investments in shares:								
▪ Thanh Thanh Cong Tay Ninh Joint Stock Company	6,844,090	150,569,980,000	74,600,581,000	(75,969,399,000)	6,844,090	150,569,980,000	88,288,761,000	(62,281,219,000)
▪ An Binh Commercial Joint Stock Bank	2,450,963	82,283,660,000	13,480,296,500	(68,803,363,500)	2,450,963	82,283,660,000	12,745,007,600	(69,538,652,400)
▪ Bao Viet Joint Stock Commercial Bank	44,200,000	442,000,000,000	(*)	-	44,200,000	442,000,000,000	(*)	-
▪ Others	120,862	2,440,827,409	2,015,096,426	(425,790,983)	1,319,212	28,917,666,426	21,529,215,026	(7,388,500,000)
		<u>677,294,467,409</u>		<u>(145,198,553,483)</u>		<u>703,771,306,426</u>		<u>(139,208,371,400)</u>

(*) At the reporting date, fair value of this investment was not available.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(b) Held to maturity investments

	31/3/2015	31/12/2014
	VND	VND
Held-to-maturity investments – short-term		
▪ term deposits	7,850,000,000,000	6,850,000,000,000
<hr style="border-top: 3px double #000;"/>		
Held-to-maturity investments – long-term		
▪ term deposits	46,596,000,000	46,596,000,000
▪ bonds	300,000,000,000	300,000,000,000
<hr style="border-top: 3px double #000;"/>		
	346,596,000,000	346,596,000,000
<hr style="border-top: 3px double #000;"/>		

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2015 (continued)

Form B 09a – DN

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

(c) Investments in other entities

31 March 2015		% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:						
Subsidiaries						
▪ Vietnam Dairy Cow One Member Limited Company		100.00%	100.00%	1,256,170,000,000	(*)	(86,457,399,615)
▪ Lamson Dairy Products One Member Company Limited		100.00%	100.00%	370,800,000,000	(*)	-
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia		100.00%	100.00%	9,834,270,000	(*)	-
▪ Thong Nhat Thanh Hoa Dairy Cow Company Limited		96.11%	96.11%	17,800,000,000	(*)	-
▪ Driftwood Dairy Holdings Corporation		70.00%	70.00%	157,750,560,000	(*)	-
▪ Angkor Dairy Products Co, Ltd.		51.00%	51.00%	184,563,730,990	(*)	-
				1,996,918,560,990		(86,457,399,615)
Associates						
▪ Miraka Limited	(**)	19.30%	19.30%	213,028,307,770	(*)	-
▪ Asia Saigon Food Ingredients Joint Stock Company	(**)	15.00%	15.00%	18,000,000,000	(*)	-
				231,028,307,770		-
Others						
▪ Vietnam Growth Investment Fund				10,559,408,600	(*)	(4,862,384,890)
▪ An Khang Clinic				300,000,000	(*)	-
				10,859,408,600		(4,862,384,890)
				2,238,806,277,360		(91,319,784,505)

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2015 (continued)

Form B 09a – DN

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

			% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
31 December 2014							
Equity investments in:							
Subsidiaries							
▪ Vietnam Dairy Cow One Member Limited Company			100.00%	100.00%	1,174,000,000,000	(*)	(112,185,246,815)
▪ Lamson Dairy Products One Member Company Limited			100.00%	100.00%	370,800,000,000	(*)	-
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia			100.00%	100.00%	9,834,270,000	(*)	-
▪ Thong Nhat Thanh Hoa Dairy Cow Company Limited			96.11%	96.11%	17,800,000,000	(*)	-
▪ Driftwood Dairy Holdings Corporation			70.00%	70.00%	157,750,560,000	(*)	-
▪ Angkor Dairy Products Co, Ltd.			51.00%	51.00%	107,918,932,500	(*)	-
▪ International Real Estate One Member Limited Company			100.00%	100.00%	2,427,807,024	(*)	(2,344,435,544)
					1,840,531,569,524		(114,529,682,359)
Associates							
▪ Miraka Limited	(**)		19.30%	19.30%	213,028,307,770	(*)	-
▪ Asia Saigon Food Ingredients Joint Stock Company	(**)		15.00%	15.00%	18,000,000,000	(*)	-
					231,028,307,770		-
Others							
▪ Vietnam Growth Investment Fund					10,559,408,600	(*)	(4,857,290,601)
▪ An Khang Clinic					300,000,000	(*)	-
					10,859,408,600		(4,857,290,601)
					2,082,419,285,894		(119,386,972,960)

(*) At the reporting date, fair value of these investments was not available.

(**) 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 three-month period ended
31 March 2015 (continued)

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

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

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Opening balance	139,208,371,400	145,974,953,400
Increase in allowance during the period	13,688,180,000	-
Written back	(3,986,858,900)	(8,755,459,300)
Allowance utilised during the period	(3,711,139,017)	-
Closing balance	145,198,553,483	137,219,494,100

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

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Opening balance	119,386,972,960	142,645,293,067
Increase in allowance during the period	5,094,289	-
Written back	(25,727,847,200)	(35,588,971,182)
Allowance utilised during the period	(2,344,435,544)	-
Closing balance	91,319,784,505	107,056,321,885

8. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	31/3/2015	31/12/2014
	VND	VND
Abdulkarim Alwan Foodstuff Trading (LLC)	253,630,001,098	348,172,272,000
Other customers	1,648,548,808,385	1,397,427,308,608
	1,902,178,809,483	1,745,599,580,608

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(b) Accounts receivable from customers who are related parties:

	31/3/2015	31/12/2014
	VND	VND
Subsidiaries		
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	95,683,103,450	61,983,027,713
Vietnam Dairy Cow One Member Limited Company	7,700,315,610	3,618,842,250
Thong Nhat Thanh Hoa Dairy Cow Limited Company	40,466,156	-
Angkor Dairy Products Co., Ltd.	-	1,265,902,536
Associate		
Asia Saigon Food Ingredients Joint Stock Company	-	1,008,001,984

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

9. Other receivables

(a) Other short-term receivables comprised:

	31/3/2015	31/12/2014
	VND	VND
Rebates receivable from suppliers	6,656,955,000	133,509,529,151
Interest income from deposits	201,907,427,828	118,619,712,835
Import tax refundable	68,918,828,695	71,950,068,975
Interest income from bonds	17,600,000,004	11,682,191,784
Receivables from employees	2,528,524,360	2,224,415,209
Short-term deposits	139,500,000	562,340,000
Others	18,042,441,897	10,575,592,389
	315,793,677,784	349,123,850,343

(b) Other long-term receivables comprised:

	31/3/2015	31/12/2014
	VND	VND
Receivables from an investment	7,247,684,826	7,247,684,826
Long-term deposits	990,303,200	982,303,200
Others	6,408,072	-
	8,244,396,098	8,229,988,026

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2015 (continued)

Form B 09a – DN

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

10. Bad and doubtful debts

	Overdue days	31/3/2015			Overdue days	31/12/2014		
		Carrying amount VND	Recoverable amount VND	Allowance VND		Carrying amount VND	Recoverable amount VND	Allowance VND
Overdue debts								
Phuoc Long Port Company Limited	Over 3 years	3,470,244,813	-	3,470,244,813	2 – 3 years	3,470,244,813	1,041,073,444	2,429,171,369
Others	Over 3 years	101,969,739	-	101,969,739	2 – 3 years	104,969,739	26,407,605	78,562,134
		<u>3,572,214,552</u>	<u>-</u>	<u>3,572,214,552</u>		<u>3,575,214,552</u>	<u>1,067,481,049</u>	<u>2,507,733,503</u>
Of which:								
Allowance for doubtful debts – short-term				<u>3,572,214,552</u>				<u>2,507,733,503</u>

11. Shortage of assets awaiting resolution

	31/3/2015 VND	31/12/2014 VND
Inventories	5,583,775,426	3,751,179,217
	<u>5,583,775,426</u>	<u>3,751,179,217</u>

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

12. Inventories

	31/3/2015		31/12/2014	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	926,290,502,295	-	479,836,716,027	-
Raw materials	1,730,814,985,704	(5,694,113,127)	1,834,075,105,321	(6,864,301,705)
Tools and supplies	307,568,984	-	584,442,313	-
Work in progress	98,729,662,851	-	24,800,077,770	-
Finished goods	951,539,629,767	(5,373,835,153)	1,022,920,173,470	(6,110,584,948)
Merchandise inventories	34,375,215,229	(3,000,000)	25,845,426,968	(3,000,000)
Goods on consignment	49,500,000	-	1,743,327,548	-
	<u>3,742,107,064,830</u>	<u>(11,070,948,280)</u>	<u>3,389,805,269,417</u>	<u>(12,977,886,653)</u>

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

	Three-month period ended	
	31/3/2015 VND	31/3/2014 VND
Opening balance	12,977,886,653	10,376,905,544
Increase in allowance during the period	1,811,424,778	4,628,934,640
Written back	(3,405,405,612)	(3,789,385,166)
Allowance utilised during the period	(312,957,539)	(712,399)
Closing balance	<u>11,070,948,280</u>	<u>11,215,742,619</u>

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2015 (continued)

Form B 09a – DN

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

13. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	1,776,321,761,158	7,264,828,497,628	580,370,029,517	413,459,548,455	10,034,979,836,758
Additions	963,676,002	8,515,028,768	6,208,536,363	2,319,811,129	18,007,052,262
Transfers from construction in progress	63,996,458	10,261,646,674	1,226,400,000	-	11,552,043,132
Transfers to construction in progress	-	(14,749,965,952)	-	-	(14,749,965,952)
Disposals	-	(15,103,450,317)	(5,635,671,051)	(465,351,134)	(21,204,472,502)
Closing balance	1,777,349,433,618	7,253,751,756,801	582,169,294,829	415,314,008,450	10,028,584,493,698
Accumulated depreciation					
Opening balance	355,336,235,822	2,710,692,539,601	211,687,161,072	224,807,040,812	3,502,522,977,307
Charge for the period	19,699,192,793	166,145,434,728	13,260,467,369	14,035,892,521	213,140,987,411
Disposals	-	(11,925,273,243)	(3,853,077,371)	(465,351,134)	(16,243,701,748)
Transfers to construction in progress	-	(12,166,169,645)	-	-	(12,166,169,645)
Closing balance	375,035,428,615	2,852,746,531,441	221,094,551,070	238,377,582,199	3,687,254,093,325
Net book value					
Opening balance	1,420,985,525,336	4,554,135,958,027	368,682,868,445	188,652,507,643	6,532,456,859,451
Closing balance	1,402,314,005,003	4,401,005,225,360	361,074,743,759	176,936,426,251	6,341,330,400,373

Included in the cost of tangible fixed assets were assets costing VND930,224,285,205 which were fully depreciated as at 31 March 2015 (31/12/2014: VND917,825,635,829), but which are still in active use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

14. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	314,353,303,957	100,195,019,379	414,548,323,336
Transfer from construction in progress	-	8,114,665,490	8,114,665,490
Closing balance	314,353,303,957	108,309,684,869	422,662,988,826
Accumulated amortisation			
Opening balance	61,432,120,972	63,336,171,579	124,768,292,551
Charge for the period	1,273,840,800	2,320,951,358	3,594,792,158
Closing balance	62,705,961,772	65,657,122,937	128,363,084,709
Net book value			
Opening balance	252,921,182,985	36,858,847,800	289,780,030,785
Closing balance	251,647,342,185	42,652,561,932	294,299,904,117

Included in the cost of intangible fixed assets were assets costing VND47,704,588,915 which were fully amortised as at 31 March 2015 (31/12/2014: VND47,704,588,915), but which are still in use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

15. Investment property

	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening balance	82,224,238,170	6,464,218,561	87,500,683,627	176,189,140,358
Additions	-	-	83,371,480	83,371,480
Closing balance	82,224,238,170	6,464,218,561	87,584,055,107	176,272,511,838
Accumulated depreciation				
Opening balance	1,058,075,872	3,298,561,894	27,319,732,359	31,676,370,125
Charge for the period	198,389,226	161,605,461	860,914,272	1,220,908,959
Closing balance	1,256,465,098	3,460,167,355	28,180,646,631	32,897,279,084
Net book value				
Opening balance	81,166,162,298	3,165,656,667	60,180,951,268	144,512,770,233
Closing balance	80,967,773,072	3,004,051,206	59,403,408,476	143,375,232,754

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 at 31 March 2015 (31/12/2014: VND7,228,577,143), but which are still in use.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

16. Construction in progress

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Opening balance	284,106,071,554	260,702,889,656
Additions	91,510,481,273	39,249,614,572
Transfer from tangible fixed assets	2,583,796,307	-
Transfer to tangible fixed assets	(11,552,043,132)	(137,707,587,813)
Transfer to intangible fixed assets	(8,114,665,490)	-
Transfer to investments in a subsidiary	(5,025,595,966)	-
Transfer to inventories	(173,421,789)	-
Disposals	-	(8,225,418,386)
Closing balance	353,334,622,757	154,019,498,029

Major constructions in progress were as follows:

	31/3/2015	31/12/2014
	VND	VND
Office building project – Can Tho Branch	52,079,729,352	52,079,729,352
Parallel milking system – Ha Tinh Dairy Cow Farm	49,934,000,405	46,977,774,276
Construction costs – Vietnam Milk Factory	43,532,964,374	-
Site clearance costs – Ha Tinh Dairy Cow Farm	-	32,532,497,173
Others	207,787,928,626	152,516,070,753
	353,334,622,757	284,106,071,554

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

17. Prepaid expenses

(a) Short-term prepaid expenses

	31/3/2015	31/12/2014
	VND	VND
Prepaid tools and supplies expenses	8,682,882,191	7,910,098,436
Prepaid software deployment and networks maintenance expenses	8,079,231,285	3,060,841,120
Prepaid renovation and repair expenses	6,396,217,451	4,391,038,491
Prepaid operating lease expenses	3,285,292,945	6,243,320,990
Prepaid advertising expenses	1,375,513,713	1,108,065,215
Other short-term prepaid expenses	8,945,942,126	17,505,855,367
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	36,765,079,711	40,219,219,619
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(b) Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Other prepayments VND	Total VND
Opening balance	4,419,837,879	86,292,281,445	66,449,413,299	157,161,532,623
Additions	-	8,400,827,151	16,625,952,951	25,026,780,102
Amortisation for the period	(484,987,764)	(14,522,823,387)	(11,373,139,255)	(26,380,950,406)
Other decreases	(114,505,958)	-	-	(114,505,958)
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Closing balance	3,820,344,157	80,170,285,209	71,702,226,995	155,692,856,361
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Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

18. Deferred tax assets and liabilities

	Tax rate	31/3/2015 VND	31/12/2014 VND
Deferred tax assets:			
Foreign exchange differences	20% - 22%	-	226,023,828
Accrued expenses and provisions	20% - 22%	161,917,202,707	150,567,144,581
Total deferred tax assets		161,917,202,707	150,793,168,409
Deferred tax liabilities:			
Foreign exchange differences	20% - 22%	(711,347,455)	-
Net deferred tax assets		161,205,855,252	150,793,168,409

19. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	31/3/2015		31/12/2014	
	Carrying amount VND	Repayable amount VND	Carrying amount VND	Repayable amount VND
New Viet Dairy JSC	122,560,835,100	122,560,835,100	262,229,809,299	262,229,809,299
Other suppliers	1,831,566,658,378	1,831,566,658,378	1,385,690,637,825	1,385,690,637,825
		1,954,127,493,478	1,647,920,447,124	1,647,920,447,124

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(b) Accounts payable to suppliers who are related parties

	31/3/2015	31/12/2014
	VND	VND
Subsidiaries		
Lamson Dairy Products One Member Company Limited	139,769,057,852	114,752,093,275
Vietnam Dairy Cow One Member Limited Company	16,234,809,659	11,144,230,565
Driftwood Dairy Holdings Corporation	1,285,710,408	-
Associate		
Miraka Limited	179,512,336,669	53,275,711,500

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

20. Taxes payable to State Treasury

	31/12/2014	Incurred	Paid	31/3/2015
	VND	VND	VND	VND
Value added tax	97,705,192,489	365,642,824,919	(333,892,611,009)	129,455,406,399
Corporate income tax	395,750,399,000	347,643,941,063	(416,189,208,897)	327,205,131,166
Personal income tax	5,740,856,627	79,385,579,690	(80,701,222,715)	4,425,213,602
Import tax	67,059,641	40,903,078,261	(40,970,137,902)	-
Other taxes	37,644,105	2,442,451,443	(2,444,906,803)	35,188,745
	499,301,151,862	836,017,875,376	(874,198,087,326)	461,120,939,912

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

21. Accrued expenses

	31/3/2015	31/12/2014
	VND	VND
Sale incentives, promotion	320,506,228,917	372,079,159,616
Advertising expenses	243,954,287,163	43,092,205,601
Transportation expenses	58,487,121,586	58,016,454,874
Repair and maintenance expenses	26,097,690,295	15,277,558,615
Fuel expenses	16,055,946,088	14,714,178,145
Expenses for outsourced employees	20,365,160,852	16,259,721,436
Rental fee	10,536,552,744	530,000,015
Interest expense	2,422,590,819	4,488,970,591
Others	30,546,165,627	78,732,545,646
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	728,971,744,091	603,190,794,539
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22. Other payables

	31/3/2015	31/12/2014
	VND	VND
Other payables relating to financial investments (*)	448,007,419,155	448,007,419,155
Import duty payables	65,450,598,905	66,891,229,438
Short-term deposits received	54,821,417,481	51,152,051,092
Insurance and trade union fees	1,339,917,591	535,355,764
Others	10,254,765,745	8,967,009,222
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	579,874,118,877	575,553,064,671
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(*) 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.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

23. Short-term borrowings

	31/12/2014	Addition	Paid	31/3/2015
	VND	VND	VND	VND
Short-term borrowings	1,110,720,000,000	-	(320,400,000,000)	790,320,000,000

Terms and conditions of outstanding short-term borrowings were as follows:

Lenders	Currency	Annual interest rate	31/3/2015	31/12/2014
			VND	VND
The Bank of Tokyo-Mitsubishi UFJ Ltd. – Ho Chi Minh City Branch	(a) USD	1.47%	790,320,000,000	790,320,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	(b) USD	1.30%	-	320,400,000,000
			790,320,000,000	1,110,720,000,000

(a) This short-term loan has a maximum facility of USD50 million and is unsecured.

(b) This loan has a maximum facility of VND3,300 billion and is unsecured.

24. Provisions

(a) Short-term provision

	31/3/2015	31/12/2014
	VND	VND
Fixed asset overhaul	6,027,114,922	4,122,882,763

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(b) Long-term provision

Movements of long-term provisions during the period were as follows:

	Severance allowance VND
Opening balance	77,107,794,500
Provision used during the period	(360,495,505)
	76,747,298,995
Closing balance	76,747,298,995

25. Bonus and welfare fund

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

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

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Opening balance	352,792,666,151	357,339,218,191
Appropriation	154,635,080,834	136,123,121,722
Utilisation	(313,286,686,584)	(373,242,105,093)
	194,141,060,401	120,220,234,820
Closing balance	194,141,060,401	120,220,234,820

Vietnam Dairy Products Joint Stock Company

Notes to the separate interim financial statements for the three-month period ended 31 March 2015 (continued)

Form B 09a – DN

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

26. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1 January 2014	8,339,557,960,000	1,276,994,100,000	(5,068,507,959)	1,784,193,779,612	5,989,129,613,873	17,384,806,945,526
Purchase of treasury shares	-	-	(243,814,000)	-	-	(243,814,000)
Net profit for the period	-	-	-	-	1,361,231,217,182	1,361,231,217,182
Appropriation to equity funds	-	-	-	136,123,121,722	(136,123,121,722)	-
Appropriation to bonus and welfare fund	-	-	-	-	(136,123,121,722)	(136,123,121,722)
Balance at 1 April 2014	8,339,557,960,000	1,276,994,100,000	(5,312,321,959)	1,920,316,901,334	7,078,114,587,611	18,609,671,226,986
Bonus shares issued	1,666,856,030,000	(1,276,994,100,000)	-	-	(389,861,930,000)	-
Purchase of treasury shares	-	-	(75,788,000)	-	-	(75,788,000)
Net profit for the period	-	-	-	-	4,636,676,792,735	4,636,676,792,735
Appropriation to equity funds	-	-	-	601,401,465,610	(601,401,465,610)	-
Appropriation to bonus and welfare fund	-	-	-	-	(463,667,679,270)	(463,667,679,270)
Dividends	-	-	-	-	(3,333,740,644,000)	(3,333,740,644,000)
Balance at 1 January 2015	10,006,413,990,000	-	(5,388,109,959)	2,521,718,366,944	6,926,119,661,466	19,448,863,908,451
Net profit for the period	-	-	-	-	1,546,350,808,338	1,546,350,808,338
Appropriation to equity funds	-	-	-	154,635,080,834	(154,635,080,834)	-
Appropriation to bonus and welfare fund	-	-	-	-	(154,635,080,834)	(154,635,080,834)
Balance at 31 March 2015	10,006,413,990,000	-	(5,388,109,959)	2,676,353,447,778	8,163,200,308,136	20,840,579,635,955

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

27. Share capital

The Company's authorised and issued share capital are:

	31/3/2015		31/12/2014	
	Number of shares	VND	Number of shares	VND
Authorised share capital	1,000,641,399	10,006,413,990,000	1,000,641,399	10,006,413,990,000
Issued ordinary shares				
Ordinary shares	1,000,641,399	10,006,413,990,000	1,000,641,399	10,006,413,990,000
Treasury ordinary shares				
Ordinary shares	(522,795)	(5,388,109,959)	(522,795)	(5,388,109,959)
Shares currently in circulation				
Ordinary shares	1,000,118,604	10,001,025,880,041	1,000,118,604	10,001,025,880,041

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.

28. Investment and development fund

In accordance with the Company's Charter, the Company appropriated 10% of its net profit after tax for the purpose of future business expansion and presented as Investment and development fund in the equity section. When the fund is utilised for business expansion, the amount utilised is transferred to share capital.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

29. Off balance sheet items

	31/3/2015		31/12/2014	
	Original currency	VND equivalent	Original currency	VND equivalent
Foreign currencies				
USD	8,270,885	178,072,153,836	3,735,730	79,795,184,897
EUR	15,166	348,923,013	20,792	537,979,711
		178,421,076,848		80,333,164,608
		178,421,076,848		80,333,164,608

30. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	Three-month period ended	
	31/3/2015 VND	31/3/2014 VND
Total revenue		
▪ Sales of finished goods	7,939,635,481,496	6,786,954,043,937
▪ Sales of merchandise goods	152,929,129,019	173,220,023,312
▪ Rental income from investment property	2,973,672,564	3,886,592,537
▪ Other services	5,472,091,731	5,963,488,433
▪ Sales of scraps	19,436,821,766	22,258,547,550
	8,120,447,196,576	6,992,282,695,769
Less revenue deductions		
▪ Sale returns	(45,250,419,209)	(9,440,538,251)
	8,075,196,777,367	6,982,842,157,518
Net revenue	8,075,196,777,367	6,982,842,157,518

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

31. Cost of sales

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Total cost of sales		
▪ Finished goods sold	5,066,188,202,545	4,591,888,692,419
▪ Merchandise goods sold	126,819,977,359	151,631,421,886
▪ Rental of investment property	2,033,277,900	1,591,205,083
▪ Other services	661,191,994	577,020,824
▪ Under-capacity cost	2,944,992,179	5,572,006,964
▪ (Decrease)/increase of allowance for inventories	(1,593,980,834)	839,549,474
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	5,197,053,661,143	4,752,099,896,650
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32. Financial income

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Interest income from deposits	124,523,649,517	119,197,437,937
Interest income from bonds	5,917,808,220	-
Foreign exchange gains	6,946,818,173	5,824,128,014
Dividends	-	1,081,250,000
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	137,388,275,910	126,102,815,951
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Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

33. Financial expenses

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Interest expense on borrowings	3,035,219,685	-
Interest expense on deposits received	366,214,237	169,122,383
Foreign exchange losses	4,091,793,126	2,831,670,933
Payment discounts for distributors	(273,015,418)	4,101,133,821
Write back allowance for investments	(16,021,431,811)	(44,344,430,482)
Others	45,531,400	-
	(8,755,688,781)	(37,242,503,345)
	(8,755,688,781)	(37,242,503,345)

34. Selling expenses

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Staff costs	61,237,271,593	50,154,861,036
Materials expenses	10,115,691,760	14,292,509,491
Tools and supplies expenses	6,583,347,836	24,581,539,813
Depreciation expenses	6,021,295,963	6,123,254,108
Expenses of damaged goods	4,042,230,922	3,485,992,350
Transportation expenses	113,133,144,691	80,823,057,347
Outside service expenses	64,069,747,258	40,387,532,375
Advertising expenses	256,236,506,173	120,844,989,963
Market research expenses	7,089,885,319	2,273,807,928
Promotion expenses	1,182,277,299	1,108,102,804
Product display expenses	84,175,424,258	86,989,042,915
Support and commission expenses for distributors	439,872,393,738	139,787,540,718
	1,053,759,216,810	570,852,230,848
	1,053,759,216,810	570,852,230,848

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

35. General and administrative expenses

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Staff costs	53,717,797,433	47,213,004,787
Materials expenses	3,912,247,336	3,632,350,452
Office supplies	3,984,233,716	1,917,614,358
Depreciation expenses	15,996,730,825	13,990,001,872
Fees and duties	1,122,537,656	1,055,034,616
Allowance for doubtful debts and provision for severance allowance	1,064,481,049	724,867,532
Transportation expenses	8,532,990,764	8,695,099,584
Outside service expenses	30,947,863,630	35,789,616,795
Loading expenses	3,618,066,762	3,294,082,667
Per-diem allowances	5,716,712,700	4,847,816,129
Bank charges	873,592,106	942,321,383
Others	9,303,704,485	10,967,635,829
	138,790,958,462	133,069,446,004
	138,790,958,462	133,069,446,004

36. Other income

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Rebate income	25,438,335,468	14,789,355,201
Gain on revaluation of fixed assets for investments in other entities	17,009,161,149	-
Compensations received from other parties	8,494,268,698	705,916,183
Proceeds from disposals of tangible fixed assets	5,350,709,286	810,057,997
Proceeds from disposals of construction in progress	-	8,225,418,386
Others	513,453,068	2,336,745,104
	56,805,927,669	26,867,492,871
	56,805,927,669	26,867,492,871

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

37. Other expenses

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Book value of tangible fixed assets disposed	4,960,770,754	1,150,800,317
Book value of construction in progress disposed	-	8,225,418,386
	4,960,770,754	9,376,218,703
	4,960,770,754	9,376,218,703

38. Production and business costs by element

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Raw material costs included in production costs	4,447,891,057,668	4,326,062,029,737
Labour costs and staff costs	263,104,423,259	242,326,205,035
Depreciation and amortisation	217,956,688,528	215,197,605,190
Outside services	346,287,905,615	265,422,257,016
Other expenses	835,142,579,791	418,629,676,657
	835,142,579,791	418,629,676,657

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

39. Income tax

(i) Recognised in the separate interim statement of income

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Current tax expense		
Current period	347,205,131,166	344,049,522,401
Under provision in prior period	438,809,897	565,573,067
	347,643,941,063	344,615,095,468
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(10,412,686,843)	1,810,864,830
	337,231,254,220	346,425,960,298
	337,231,254,220	346,425,960,298

(ii) Reconciliation of effective tax rate

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Profit before tax	1,883,582,062,558	1,707,657,177,480
Tax at the Company's tax rate	414,388,053,763	375,684,579,046
Tax rate differential applied to Company's branches and factories	(5,142,938,567)	(23,861,286,956)
Write down of deferred tax assets due to reduction in tax rate from 22% to 20%	16,119,367,334	-
Non-taxable income	-	(237,875,000)
Non-deductible expenses	506,164,226	972,989,142
Tax incentives	(89,078,260,664)	(6,698,019,001)
Under provision in prior year	438,868,128	565,573,067
	337,231,254,220	346,425,960,298
	337,231,254,220	346,425,960,298

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(iii) Applicable tax rates

The Company is required to pay income tax at rates ranging from 15% to 22%, depending on principal activities of its factories, on taxable profits.

40. Financial risk management

(a) 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.

(b) 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.

(c) 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.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(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	31/3/2015 VND	31/12/2014 VND
Cash and cash equivalents	(ii)	972,206,012,302	1,298,096,019,438
Held to maturity investments	(iii)	8,196,596,000,000	7,196,596,000,000
Accounts receivable from customers and other receivables	(iv)	2,232,016,585,153	2,107,840,989,145
		11,400,818,597,455	10,602,533,008,583

(ii) Cash and cash equivalents

Cash and cash equivalents 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) Held to maturity investments

Held to maturity investments include corporate bonds and term deposits. The Company's exposure to credit risk from held to maturity investments is influenced by individual characteristics of the instrument issuer. In managing this risk, the Company management analyses the creditworthiness of the issuer before acquiring the instruments. Management assessed that the issuers had good track records and believe that credit risk on those instruments is low. Held to maturity investments that are term deposits at bank are mainly held with well-know 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.

There was no allowance for diminution in the value of held to maturity investments as at 31 March 2015 and 31 December 2014.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

Form B 09a – DN

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

(iv) Accounts receivable from customers and other receivables

The Company's exposure to credit risk from accounts receivable from customers and other receivables 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 if needed. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

Accounts receivable from customers 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.

The aging of accounts receivable from customers and other receivables at period-end that were past due but not impaired was as follows:

	31/3/2015	31/12/2014
	VND	VND
Past due 1 – 30 days	21,675,248,881	45,894,578,078
Past due 31 – 60 days	1,174,167,695	3,325,354,948
Past due 61 – 90 days	736,409,506	-
Past due more than 90 days	41,832,724	-
	<hr/>	<hr/>
	23,627,658,806	49,219,933,026
	<hr/>	<hr/>

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

	Three-month period ended	
	31/3/2015	31/3/2014
	VND	VND
Opening balance	2,507,733,503	1,920,158,971
Increase in allowance during the period	1,064,481,049	724,867,532
	<hr/>	<hr/>
Closing balance	3,572,214,552	2,645,026,503
	<hr/>	<hr/>

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(d) 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 estimate interest payments:

31 March 2015

	Carrying Amount VND	Contractual cash flows VND	Within 1 year VND
Short-term borrowings	790,320,000,000	793,779,203,928	793,779,203,928
Accounts payable to suppliers	1,954,127,493,478	1,954,127,493,478	1,954,127,493,478
Payables to employees	93,767,972,835	93,767,972,835	93,767,972,835
Accrued expenses	728,971,744,091	728,971,744,091	728,971,744,091
Other payables	579,874,118,877	579,874,118,877	579,874,118,877
	4,147,061,329,281	4,150,520,533,209	4,150,520,533,209

31 December 2014

	Carrying Amount VND	Contractual cash flows VND	Within 1 year VND
Short-term borrowings	1,110,720,000,000	1,117,186,057,719	1,117,186,057,719
Accounts payable to suppliers	1,647,920,447,124	1,647,920,447,124	1,647,920,447,124
Payables to employees	146,782,641,213	146,782,641,213	146,782,641,213
Accrued expenses	603,190,794,539	603,190,794,539	603,190,794,539
Other payables	575,553,064,671	575,553,064,671	575,553,064,671
	4,084,166,947,547	4,090,633,005,266	4,090,633,005,266

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.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(e) 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.

The principal amounts of the Company's USD bank loans have been fully hedged using forward contracts that mature on the same dates that the loans are due for repayment.

Exposure to currency risk

At the reporting dates, the Company had the following net monetary asset/(liability) position exposed to currency risk:

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Cash and cash in banks	8,270,885	15,166	3,735,730	20,792
Accounts receivable from customers and other receivables	15,429,634	-	25,695,472	-
Accounts payable to suppliers and other payables	(30,803,505)	(1,863,822)	(20,657,877)	(523,391)
	(7,102,986)	(1,848,656)	8,773,325	(502,599)

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

	Exchange rate as at		31/12/2014 VND Buying rate
	31/3/2015 VND Selling rate	31/3/2015 VND Buying rate	
USD 1	21,590	21,530	21,360
EUR 1	23,257	23,007	25,874

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

Form B 09a – DN

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

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
31 March 2015	
USD (1% strengthening)	(1,207,248,815)
EUR (11% weakening)	3,689,226,416
<hr/>	
31 December 2014	
USD (1% strengthening)	1,461,659,878
EUR (11% weakening)	1,115,763,242
<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 after tax 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 net profit after tax would have been VND5,956,505,178 higher/lower (2014: VND8,546,285,358).

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

41. 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	Three-month period ended	
			31/3/2015 VND	31/3/2014 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Sales of goods and fixed assets	18,412,762,714	20,555,323,208
		Purchases of goods	132,412,794,396	116,845,166,097
		Capital contribution	82,170,000,000	-
Lamson Dairy Products One Member Company Limited	Subsidiary	Sales of goods and fixed assets	33,200,469,281	43,224,624,973
		Purchases of goods	101,439,921,232	82,050,957,192
		Capital contribution	-	100,000,000,000
Thong Nhat Thanh Hoa Dairy Cow Company Limited	Subsidiary	Sales of goods and fixed assets	547,572,038	-
		Capital contribution	-	3,500,000,000
Angkor Dairy Products Co., Ltd.	Subsidiary	Sales of goods and fixed assets	8,597,348,217	-
		Capital contribution	76,644,798,490	53,882,928,000
Driftwood Dairy Holdings Corporation	Subsidiary	Purchases of goods	1,285,710,408	-
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	Purchases of goods	230,476,190,994	-
Miraka Limited	Associate	Purchases of goods	290,089,239,956	153,170,930,880
		Capital contribution	-	-
Asia Saigon Food Ingredients Joint Stock Company	Associate	Sales of services and goods	128,378,524	127,348,524
Board of Management's and Board of Directors' members		Compensations	27,862,333,561	28,364,392,935
The State Capital Investment Corporation		Payments of dividends	-	300,585,600,000

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

42. Post balance sheet event

Subsequent to the period ended 31 March 2015, dividends of VND2,001 billion (VND2,000 per share) were declared on 27 April 2015. The amount payable has not been accrued in the separate interim financial statements.

43. Corresponding figures

As described in Note 3, the Company adopted prospectively Circular 200 effective from 1 January 2015. As a result, the presentation of certain financial statement captions have been changed. Certain corresponding figures as at 31 December 2014 and for the period ended 31 March 2014 have been reclassified to conform to the requirements of Circular 200 in respect of financial statement presentation. A comparison of the amounts previously reported and as reclassified is as follows:

(a) Separate balance sheet

	31/12/2014 VND (as reclassified)	31/12/2014 VND (as previously reported)
Trading securities	703,771,306,426	-
Short-term investments	-	7,553,771,306,426
Held-to-maturity investments – short-term	6,850,000,000,000	-
Other short-term receivables	349,123,850,343	350,794,021,307
Shortage of assets awaiting resolution	3,751,179,217	-
Other current assets	-	2,081,008,253
Long-term loans receivable	7,395,303,671	-
Other long-term receivables	8,229,988,026	7,395,303,671
Long-term work in progress	284,106,071,554	-
Investments in associates and joint-ventures	231,028,307,770	238,275,992,596
Other long-term investments	-	357,455,408,600
Equity investments in other entities	10,859,408,600	-
Held-to-maturity investments – long-term	346,596,000,000	-
Other long-term assets	-	982,303,200
Accrued expenses	603,190,794,539	607,313,677,302
Provision for severance allowance	-	77,107,794,500
Provision – short-term	4,122,882,763	-
Provision – long-term	77,107,794,500	-
Investment and development fund	2,521,718,366,944	1,550,028,784,604
Financial reserve	-	971,689,582,340

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the three-month period ended
31 March 2015 (continued)

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

(b) Separate statement of income

	Three- month period ended	
	31/3/2014	31/3/2014
	VND	VND
	(as reclassified)	(as previously reported)
Revenue from sales of goods and provision of services	6,992,282,695,769	7,114,392,108,804
Revenue deductions	9,440,538,251	153,808,498,836
Cost of sales	4,752,099,896,650	4,587,601,667,982
Selling expenses	570,852,230,848	735,350,459,516
Other income	26,867,492,871	49,126,040,421

28 May 2015

Prepared by:



Le Thanh Liem
Chief Accountant



Ngo Thi Thu Trang
Executive Director - Finance



Mai Kieu Lien
Chief Executive Officer