

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2015

OFFICIAL

29 - 7 - 2015

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

INTERIM FINANCIAL STATEMENTS

FROM 01/01/2015 TO 30/6/2015

(IN FULL)

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2015

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VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2015

INTERIM BALANCE SHEET*(In full)**As at 30 June 2015***FORM B01a-DN***Unit : VND*

| ASSETS | Code | Note | Closing balance | Opening balance |
|--|-------------|-------------|---------------------------|---------------------------|
| 1 | 2 | 3 | 4 | 5 |
| A- CURRENT ASSETS (100=110+120+130+140+150) | 100 | | 15,951,541,665,100 | 14,598,577,355,598 |
| I. Cash and cash equivalents | 110 | VI.1 | 1,608,270,283,617 | 1,298,826,375,540 |
| 1. Cash | 111 | | 408,270,283,617 | 798,826,375,540 |
| 2. Cash equivalents | 112 | | 1,200,000,000,000 | 500,000,000,000 |
| II. Short-term financial investments | 120 | VI.6 | 7,799,197,855,026 | 7,414,562,935,026 |
| 1. Trading securities | 121 | VI.6(a) | 675,680,691,532 | 703,771,306,426 |
| 2. Allowance for diminution in the value of trading securities (*) | 122 | VI.6(a) | (126,482,836,506) | (139,208,371,400) |
| 2. Held-to-maturity investments | 123 | VI.6(c) | 7,250,000,000,000 | 6,850,000,000,000 |
| III. Accounts receivable – short-term | 130 | | 2,888,440,959,884 | 2,464,315,694,358 |
| 1. Accounts receivable from customers | 131 | VI.2 | 2,256,815,506,537 | 1,745,599,580,608 |
| 2. Prepayments to suppliers | 132 | | 243,200,718,207 | 368,348,817,693 |
| 3. Intra-company receivables | 133 | | - | - |
| 4. Receivables on construction contracts according to stages of completion | 134 | | - | - |
| 5. Loans receivable | 135 | VI.6(c) | - | - |
| 6. Other receivables | 136 | VI.3 | 390,951,575,887 | 349,123,850,343 |
| 7. Allowance for doubtful debts (*) | 137 | | (3,568,214,551) | (2,507,733,503) |
| 8. Shortage of assets awaiting resolution | 139 | VI.4 | 1,041,373,804 | 3,751,179,217 |
| IV. Inventories | 140 | VI.7 | 3,608,510,666,744 | 3,376,827,382,764 |
| 1. Inventories | 141 | | 3,619,061,613,685 | 3,389,805,269,417 |
| 2. Allowance for inventories (*) | 149 | | (10,550,946,941) | (12,977,886,653) |
| V. Other current assets | 150 | | 47,121,899,829 | 44,044,967,910 |
| 1. Short-term prepaid expenses | 151 | VI.12(a) | 43,506,964,043 | 40,219,219,619 |
| 2. Deductible value added tax | 152 | | 3,614,935,786 | 3,825,748,291 |
| 3. Taxes and other receivables from State Treasury | 153 | | - | - |
| 4. Government bonds under purchase and resale agreements | 154 | | - | - |
| 5. Other current assets | 155 | | - | - |

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2015

INTERIM BALANCE SHEET (continued)
As at 30 June 2015
FORM B01a-DN
Unit : VND

| ASSETS | Code | Note | Closing balance | Opening balance |
|---|------------|--------------|---------------------------|---------------------------|
| 1 | 2 | 3 | 4 | 5 |
| B- LONG-TERM ASSETS (200 = 210+220+240+250+260) | 200 | | 10,086,407,179,892 | 9,884,064,037,686 |
| I. Accounts receivable – long-term | 210 | | 16,345,152,369 | 15,625,291,697 |
| 1. Loans receivable – long-term | 215 | VI.6(c) | 8,101,164,343 | 7,395,303,671 |
| 2. Other long-term receivables | 216 | | 8,243,988,026 | 8,229,988,026 |
| 3. Allowance for doubtful long-term debts (*) | 219 | | - | - |
| II. Fixed assets | 220 | | 6,400,322,532,113 | 6,822,236,890,236 |
| 1. Tangible fixed assets | 221 | VI.9 | 6,218,527,649,455 | 6,532,456,859,451 |
| - Cost | 222 | | 10,118,007,432,377 | 10,034,979,836,758 |
| - Accumulated depreciation (*) | 223 | | (3,899,479,782,922) | (3,502,522,977,307) |
| 2. Finance lease fixed assets | 224 | | - | - |
| - Cost | 225 | | - | - |
| - Accumulated depreciation (*) | 226 | | - | - |
| 3. Intangible fixed assets | 227 | VI.10 | 181,794,882,658 | 289,780,030,785 |
| - Cost | 228 | | 275,470,716,134 | 414,548,323,336 |
| - Accumulated amortisation (*) | 229 | | (93,675,833,476) | (124,768,292,551) |
| III. Investment property | 230 | VI.11 | 142,154,323,795 | 144,512,770,233 |
| - Cost | 231 | | 176,272,511,838 | 176,189,140,358 |
| - Accumulated depreciation (*) | 232 | | (34,118,188,043) | (31,676,370,125) |
| IV. Long-term work in progress | 240 | | 302,640,035,957 | 284,106,071,554 |
| 1. Long-term work in progress | 241 | | - | - |
| 2. Construction in progress | 242 | VI.8 | 302,640,035,957 | 284,106,071,554 |
| V. Long-term financial investments | 250 | VI.6 | 2,686,760,234,110 | 2,309,628,312,934 |
| 1. Investments in subsidiaries | 251 | | 2,198,353,852,591 | 1,840,531,569,524 |
| 2. Investments in associates, joint-ventures | 252 | | 231,028,307,770 | 231,028,307,770 |
| 3. Equity investments in other entities | 253 | | 10,859,408,600 | 10,859,408,600 |
| 4. Allowance for diminution in the value of long-term financial investments (*) | 254 | | (100,077,334,851) | (119,386,972,960) |
| 5. Held-to-maturity investments | 255 | | 346,596,000,000 | 346,596,000,000 |
| V. Other long-term assets | 260 | | 538,184,901,548 | 307,954,701,032 |
| 1. Long-term prepaid expenses | 261 | VI.12(b) | 295,356,481,065 | 157,161,532,623 |
| 2. Deferred tax assets | 262 | VI.20(a) | 242,828,420,483 | 150,793,168,409 |
| 3. Long-term tools, supplies and spare parts | 263 | | - | - |
| 4. Other long-term assets | 268 | | - | - |
| TOTAL ASSETS (100+200) | 270 | | 26,037,948,844,992 | 24,482,641,393,284 |

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2015

INTERIM BALANCE SHEET (continued)*As at 30 June 2015***FORM B01a-DN***Unit : VND*

| RESOURCES | Code | Note | Closing balance | Opening balance |
|---|-------------|--------------|---------------------------|---------------------------|
| 1 | 2 | 3 | 4 | 5 |
| C- LIABILITIES (300 = 310 + 330) | 300 | | 5,294,253,367,678 | 5,033,777,484,833 |
| I. Current liabilities | 310 | | 5,207,112,745,928 | 4,956,669,690,333 |
| 1. Accounts payable to suppliers | 311 | VI.13 | 1,622,644,849,178 | 1,647,920,447,124 |
| 2. Advances from customers | 312 | | 22,701,444,626 | 16,268,617,018 |
| 3. Taxes payable to State Treasury | 313 | VI.15 | 640,336,292,201 | 499,301,151,862 |
| 4. Payables to employees | 314 | | 109,119,170,171 | 146,782,641,213 |
| 5. Accrued expenses | 315 | VI.16 | 1,125,536,762,823 | 603,190,794,539 |
| 6. Intra-company payables | 316 | | - | - |
| 7. Payables on construction contracts according to stages of completion | 317 | | - | - |
| 8. Unearned revenue – short-term | 318 | VI.17 | 115,061,350 | 17,424,992 |
| 9. Other payables – short-term | 319 | VI.18 | 575,030,386,565 | 575,553,064,671 |
| 10. Short-term borrowings and finance lease liabilities | 320 | VI.14 | 790,320,000,000 | 1,110,720,000,000 |
| 11. Provisions – short-term | 321 | VI.19(a) | 7,939,522,975 | 4,122,882,763 |
| 12. Bonus and welfare funds | 322 | | 313,369,256,039 | 352,792,666,151 |
| 13. Price stabilization fund | 323 | | - | - |
| 14. Government bonds under sale and repurchase agreements | 324 | | - | - |
| II. Long-term liabilities | 330 | | 87,140,621,750 | 77,107,794,500 |
| 1. Long-term accounts payable to suppliers | 331 | | - | - |
| 2. Long-term advances from customers | 332 | | - | - |
| 3. Long-term accrued expenses | 333 | | - | - |
| 4. Intra-company payables for operating capital received | 334 | | - | - |
| 5. Long-term intra-company payables | 335 | | - | - |
| 6. Long-term unearned revenue | 336 | | - | - |
| 7. Other payables – long-term | 337 | | - | - |
| 8. Long-term borrowings and finance lease liabilities | 338 | | - | - |
| 9. Convertible bonds | 339 | | - | - |
| 10. Preference shares | 340 | | - | - |
| 11. Deferred tax liabilities | 341 | VI.20(b) | - | - |
| 12. Provisions – long-term | 342 | VI.19(b) | 87,140,621,750 | 77,107,794,500 |
| 13. Science and technology development fund | 343 | | - | - |
| D- EQUITY (400 = 410+430) | 400 | VI.21 | 20,743,695,477,314 | 19,448,863,908,451 |
| I. Owners' equity | 410 | | 20,743,695,477,314 | 19,448,863,908,451 |
| 1. Share capital | 411 | | 10,006,413,990,000 | 10,006,413,990,000 |
| - Ordinary shares with voting rights | 411a | | 10,006,413,990,000 | 10,006,413,990,000 |
| - Preference shares | 411b | | - | - |

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

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For the accounting period ended 30 June 2015

| RESOURCES | Code | Note | Closing balance | Opening balance |
|---|-------------|-------------|---------------------------|---------------------------|
| 1 | 2 | 3 | 4 | 5 |
| 2. Share premium | 412 | | - | - |
| 3. Options to convert bonds into shares | 413 | | - | - |
| 4. Other capital | 414 | | - | - |
| 5. Treasury shares (*) | 415 | | (5,388,109,959) | (5,388,109,959) |
| 6. Differences upon asset revaluation | 416 | | - | - |
| 7. Foreign exchange differences | 417 | | - | - |
| 8. Investment and development fund | 418 | | 2,887,837,119,930 | 2,521,718,366,944 |
| 9. Enterprise reorganization assistance fund | 419 | | - | - |
| 10. Other equity funds | 420 | | - | - |
| 11. Retained profits | 421 | | 7,854,832,477,343 | 6,926,119,661,466 |
| - Retained profits brought forward | 421a | | 4,925,882,453,466 | 3,932,393,041,873 |
| - Retained profit for the current year/period | 421b | | 2,928,950,023,877 | 2,993,726,619,593 |
| 12. Capital expenditure fund | 422 | | - | - |
| II. Non-business expenditure fund and other funds | 430 | | - | - |
| 1. Non-business expenditure fund | 431 | | - | - |
| 2. Non-business expenditure fund invested in fixed assets | 432 | | - | - |
| TOTAL RESOURCES (300+400) | 440 | | 26,037,948,844,992 | 24,482,641,393,284 |

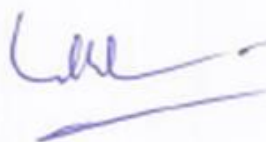
Prepared on 29 July 2015,

Preparer



Nguyen Duc Dieu Tho

Chief Accountant



Le Thanh Liem

Executive Director
- Finance


Ngo Thi Thu Trang

Chief Executive Officer



Mai Kieu Lien

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2015

INTERIM STATEMENT OF INCOME
Second quarter and accumulated six-months of 2015

FORM B02a-DN

Unit: VND

| ITEMS | Code | Note | Second quarter | | Accumulated six months | |
|---|-----------|--------------|---------------------------|--------------------------|---------------------------|---------------------------|
| | | | Current year | Previous year | Current year | Previous year |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. Revenue from sales of goods and provision of services | 01 | VII.1 | 10,016,605,236,974 | 8,671,321,887,143 | 18,137,052,433,550 | 15,663,604,582,912 |
| 2. Revenue deductions | 02 | VII.1 | 10,700,557,057 | 22,660,477,689 | 55,950,976,266 | 32,101,015,940 |
| 3. Net revenue from sales of goods and provision of services (10 = 01 – 02) | 10 | VII.1 | 10,005,904,679,917 | 8,648,661,409,454 | 18,081,101,457,284 | 15,631,503,566,972 |
| 4. Cost of sales | 11 | VII.2 | 5,834,746,004,910 | 5,898,418,765,587 | 11,031,799,666,053 | 10,650,518,662,237 |
| 5. Gross profit from sales of goods and provision of services (20 = 10 – 11) | 20 | | 4,171,158,675,007 | 2,750,242,643,867 | 7,049,301,791,231 | 4,980,984,904,735 |
| 6. Financial income | 21 | VII.3 | 165,380,457,511 | 132,159,419,306 | 302,768,733,421 | 258,262,235,257 |
| 7. Financial expenses | 22 | VII.4 | 20,035,698,300 | 17,124,681,332 | 11,280,009,519 | (20,117,822,013) |
| <i>In which: Interest expense</i> | 23 | VII.4 | 2,992,265,777 | - | 6,027,485,462 | - |
| 8. Selling expenses | 25 | VII.7 | 1,600,234,500,283 | 794,163,169,593 | 2,653,993,717,093 | 1,365,015,400,441 |
| 9. General and administration expenses | 26 | VII.7 | 181,527,694,572 | 153,311,089,834 | 320,318,653,034 | 286,380,535,838 |
| 10. Net operating profit {30 = 20 + (21–22) – (24+25)} | 30 | | 2.534.741.239.363 | 1.917.803.122.414 | 4.366.478.145.006 | 3.607.969.025.726 |

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Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

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For the accounting period ended 30 June 2015

| | | | | | | |
|--|-----------|-------|--------------------------|--------------------------|--------------------------|--------------------------|
| 11. Other income | 31 | VII.5 | 114,622,270,311 | 16,418,173,471 | 171,428,197,980 | 43,285,666,342 |
| 12. Other expenses | 32 | VII.6 | 108,388,527,950 | 8,165,735,091 | 113,349,298,704 | 17,541,953,794 |
| 13. Results of other activities (40 = 31 – 32) | 40 | | 6,233,742,361 | 8,252,438,380 | 58,078,899,276 | 25,743,712,548 |
| 14. Accounting profit before tax (50 = 30 + 40) | 50 | | 2,540,974,981,724 | 1,926,055,560,794 | 4,424,557,044,282 | 3,633,712,738,274 |
| 15. Income tax expense – current | 51 | VII.8 | 507,760,825,444 | 437,426,146,787 | 855,404,766,507 | 782,041,242,255 |
| 16. Income tax expense – deferred | 52 | VII.9 | (81,622,565,231) | (45,913,409,285) | (92,035,252,074) | (44,102,544,455) |
| 17. Net profit after tax (60 = 50 – 51-52) | 60 | | 2,114,836,721,511 | 1,534,542,823,292 | 3,661,187,529,849 | 2,895,774,040,474 |

Preparer



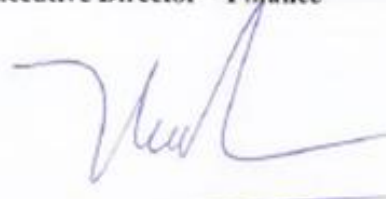
Nguyen Duc Dieu Tho

Chief Accountant



Le Thanh Liem

Executive Director – Finance



Ngo Thi Thu Trang

Prepared on 29 July 2015,



Chief Executive Officer



Mai Kieu Lien

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2015

INTERIM STATEMENT OF CASH FLOWS*(Indirect method)**Accumulate 6 months 2015***FORM B03a-DN***Unit: VND*

| ITEMS | Code | Note | Current period | Previous period |
|--|-----------|------------------------|--------------------------|----------------------------|
| 1 | 2 | 3 | 4 | 5 |
| I. Cash flows from operating activities | | | 4,424,557,044,282 | 3,633,712,738,274 |
| <i>1. Profit before tax</i> | <i>01</i> | | | |
| <i>2. Adjustments for</i> | | | | |
| - Depreciation and amortisation | 02 | VI.9 VI.10 VI.11 | 435,915,941,832 | 431,500,027,930 |
| - Allowances and provisions | 03 | | (15,707,191,445) | (32,100,063,503) |
| - Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies | 04 | | 1,733,882,329 | (4,245,680,474) |
| - (Profits)/losses from investing activities | 05 | | (305,634,644,288) | (243,970,602,989) |
| - Interest expense | 06 | VII.4 | 6,027,485,462 | - |
| - Other adjustments | | | - | - |
| 3. Operating profit before changes in working capital | 08 | | 4,546,892,518,172 | 3,784,896,419,238 |
| - Change in receivables | 09 | | (237,822,264,603) | 397,412,257,062 |
| - Change in inventories | 10 | | (229,567,701,224) | (1,052,055,365,007) |
| - Change in payables (not including interest and corporate income tax payables) | 11 | | 439,863,535,750 | 599,794,143,513 |
| - Change in prepaid expenses | 12 | | (14,126,572,721) | 53,801,765,122 |
| - Change in trading securities | 13 | | 24,081,035,000 | - |
| - Interest paid | 14 | | (8,014,153,742) | - |
| - Income tax paid | 15 | VI.15 | (750,991,720,461) | (688,153,044,057) |
| - Other receipts from operating activities | 16 | | - | - |
| - Other payments for operating activities | 17 | | (406,327,181,887) | (384,602,444,622) |
| Net cash flows from operating activities | 20 | | 3,363,987,494,285 | 2,711,093,731,249 |
| II. Cash flows from investing activities | | | | |
| 1. Payments for additions to fixed assets and other long-term assets | 21 | | (234,666,184,152) | (219,120,219,969) |
| 2. Proceeds from disposals of fixed assets and other long-term assets | 22 | | 102,863,727,450 | 53,937,919,429 |
| 3. Payments for granting loans, purchase of debt instruments of other entities | 23 | | (400,705,860,672) | (1,899,558,017,002) |
| 4. Receipts from collecting loans, sales of debt instruments of other entities | 24 | | - | - |
| 5. Payments for investments in other entities | 25 | | (327,780,041,375) | (272,369,452,500) |
| 6. Collections on investments in other entities | 26 | | - | 735,000,000 |
| 7. Receipts of interests and dividends | 27 | | 126,590,042,058 | 296,115,758,583 |
| Net cash flows from investing activities | 30 | | (733,698,316,691) | (2,040,259,011,459) |

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

Address: 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City

INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2015

| ITEMS | Code | Note | Current period | Previous period |
|--|-----------|------|----------------------------|----------------------------|
| 1 | 2 | 3 | 4 | 5 |
| III. Cash flows from financing activities | | | | |
| 1. Proceeds from shares issued, receipt of capital contributed by owners | 31 | | - | - |
| 2. Payments for capital refunds and shares redemptions | 32 | | - | (319,602,000) |
| 3. Proceeds from borrowings | 33 | | - | - |
| 4. Payments to settle loan principals | 34 | | (320,400,000,000) | - |
| 5. Payments to settle finance lease liabilities | 35 | | - | - |
| 6. Payments of dividends | 36 | | (2,000,237,208,000) | (2,333,645,730,800) |
| <i>Net cash flows from financing activities</i> | 40 | | (2,320,637,208,000) | (2,333,965,332,800) |
| Net cash flows during the period (20+30+40) | 50 | | 309,651,969,594 | (1,663,130,613,010) |
| 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 | 61 | | (208,061,517) | 690,441,619 |
| Cash and cash equivalents at the end of the period (50+60+61) | 70 | | 1,608,270,283,617 | 987,195,384,623 |

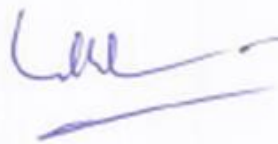
Prepared on 29 July 2015,

Preparer



Nguyen Duc Dieu Tho

Chief Accountant



Le Thanh Liem

Executive Director
- Finance


Ngo Thi Thu Trang

Chief Executive Officer



Mai Kieu Lien

NOTES TO THE INTERIM FINANCIAL STATEMENTS

From 01 January 2015 to 30 June 2015

(These notes form an integral part of and should be read in conjunction with the accompanying interim financial statements)

I. CORPORATE INFORMATION

1. Form of ownership:

The major milestones related to the establishment and development of Vietnam Dairy Products Joint Stock Company (“the Company”) are recognised as follows:

- + 29 April 1993: Vietnam Dairy Products Company (State-owned Enterprise) was established according to Decision No. 420/CNN/TCLD of the Ministry of Light Industry.
- + 1 October 2003: The Company was equitised from a State-owned Enterprise of the Ministry of Industry according to Decision 155/2003/QĐ-BCN.
- + 20 November 2003: The Company was registered to be a joint stock company and began operating under Enterprise Law of Vietnam and its Business Registration Certificate No. 4103001932 was issued by Ho Chi Minh City Planning and Investment Department.
- + 28 December 2005: The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPYN.
- + 19 January 2006: The Company’s shares were listed on Ho Chi Minh City Stock Exchange.

The registered office is located at 10 Tan Trao - Tan Phu Ward - District 7 - Ho Chi Minh City.

2. Principal activities

According to the Business Registration Licence, the Company is allowed to operate in business activities as follows:

- a. Manufacture and distribute milk cake, soya milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- b. Trade in food technology, spare parts, equipment, chemicals (excluding heavily toxic chemicals), materials;
- c. Trade in houses;
- d. Brokerage and leasing of real estate;
- e. Provide warehousing;

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For the accounting period ended 30 June 2015

- f. Provide transportation by automobiles;
- g. Loading service;
- h. Manufacture, sell and distribute beverages, grocery and processing foods, roasted-ground-filtered and instant coffee (not manufacturing and processing at the head office);
- i. Manufacture and sell plastic package;
- j. Label printing;
- k. Manufacture and sell plastic products (not manufacturing paper powder, recycling plastic waste in the head office);
- l. Provide health care clinic services;
- m. Raise cattle, cultivation, supporting agricultural operations;
- n. Provide post-harvest services;
- o. Treat seeds for multiplication purposes.

3. Normal operating cycle

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

4. Company structure:

As at 30 June 2015, the Company had the following subsidiaries, associates and dependent units:

| + Subsidiaries | Principal activities | % of ownership | % of voting rights |
|---|--|-----------------------|---------------------------|
| - Lamson Dairy Products One Member Company Limited | Milk production | 100% | 100% |
| - Vietnam Dairy Cow One Member Limited Company | Dairy cow raising | 100% | 100% |
| - Thong Nhat Thanh Hoa Dairy Cow Limited Company | Milk production, cattle raising | 96.33% | 96.33% |
| - Driftwood Dairy Holdings Corporation | Milk production | 70% | 70% |
| - Angkor Dairy Products Co., Ltd. | Milk production | 51% | 51% |
| - Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia | Dairy raw materials and animal trading | 100% | 100% |
| + Associates: | | | |
| - Asia Saigon Food Ingredients Joint Stock Company | Dairy raw materials production | 15% | 15% |

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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| | | | |
|------------------|-----------------|--------|--------|
| - Miraka Limited | Milk production | 19.29% | 19.29% |
|------------------|-----------------|--------|--------|

+ Dependent units:

Sales branches:

1/ Vietnam Dairy Products Joint Stock Company's Branch in Ha Noi - 11th Floor, Tower B, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City.

2/ Vietnam Dairy Products Joint Stock Company's Branch in Da Nang - 12 Chi Lang, Hai Chau II Ward, Hai Chau District, Da Nang City.

3/ Vietnam Dairy Products Joint Stock Company's Branch in Can Tho - 86D Hung Vuong, Thoi Binh Ward, Ninh Kieu District, Can Tho City.

Manufacturing factories:

1/ Thong Nhat Dairy Factory - 12 Dang Van Bi, Thu Duc District, Ho Chi Minh City.

2/ Truong Tho Dairy Factory - 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.

3/ Dielac Dairy Factory - Bien Hoa I Industrial Park, Dong Nai.

4/ Can Tho Dairy Factory - Tra Noc Industrial Park, Can Tho City.

5/ Sai Gon Dairy Factory - Tan Thoi Hiep Industrial Park, District 12, Ho Chi Minh City.

6/ Nghe An Dairy Factory - Sao Nam Street, Nghi Thu Commune, Cua Lo Town, Nghe An.

7/ Binh Dinh Dairy Factory - 87 Hoang Van Thu, Quang Trung Ward, Quy Nhon City, Binh Dinh.

8/ Vietnam Beverage Factory - My Phuoc II Industrial Park, Binh Duong.

9/ Tien Son Dairy Factory - Tien Son Industrial Park, Bac Ninh.

10/ Da Nang Dairy Factory - Hoa Khanh Industrial Park, Da Nang City.

11/ Vietnam Powdered Milk Factory - 9 Tu Do Boulevard - Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong.

12/ Vietnam Dairy Factory - My Phuoc II Industrial Park, Binh Duong Province.

Warehouses:

1/ Logistic enterprise - 32 Dang Van Bi, Thu Duc District, HCMC.

2/ Ha Noi Logistic enterprise - Km 10 Highway 5, Duong Xa Commune, Gia Lam District, Ha Noi.

Clinics:

An Khang General Clinic - 184-186-188 Nguyen Dinh Chieu, Ward 6, District 3, HCMC.

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5. Statement of comparability of information in the financial statements

- On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on the Vietnamese Accounting System for enterprises. This Circular replaces previous guidance on the Vietnamese Accounting System for enterprises under Decision No. 15/2006-QD/BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is applicable for fiscal year beginning on or after 1 January 2015.
- The Company has adopted guidance of Circular 200 effective from 1 January 2015. In order to have corresponding information in the financial statements, the Company has restated or reclassified certain financial statement captions of the same period in 2014 (prepared under Decision No. 15 and Circular No. 244 by the Ministry of Finance) (see note VII.3 for details), therefore information and accounting figures presented in the financial statements are comparable as being computed and presented consistently.

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Annual accounting period

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

2. Accounting currency

The accounting currency is Vietnam Dong (VND).

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. The accounting system

- The Company had adopted the Vietnamese Accounting System for enterprises in accordance with Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014.
- The financial information has been prepared in accordance with Vietnamese Accounting Standard No. 27 – *Interim Financial Reporting*.

2. Statement of compliance with accounting standards and system

- None of newly issued or amended Vietnamese Accounting Standards are effective for the six-month period ended 30 June 2015.
- The Board of Management assured to comply completely with requirements of Vietnamese Accounting Standards and the Vietnamese Accounting System for enterprises in preparing the financial statements.

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3. Accounting form

The Company applies computerised accounting form.

IV. ACCOUNTING POLICIES APPLIED

1. Basis of preparation

- The financial statements have been prepared and presented in Vietnam Dong (“VND”), in accordance with Vietnamese Accounting System for enterprises, the Vietnamese Accounting Standards and the Vietnamese Accounting Principles generally accepted in Vietnam.
- The financial statements are prepared on a historical cost basis.

2. Foreign exchange rates applied in accounting

a. For foreign currency transactions:

Are translated at rates of exchange ruling at the transaction dates, foreign exchange differences arising from these transactions are recognised as financial income and expense in the statement of income.

b. For revaluation of closing balance of monetary items denominated in foreign currencies:

- At the reporting date, the Company revaluated closing balance of monetary items denominated in foreign currencies as follows:
 - + Capital in cash and loans receivable: Revaluate at buying exchange rates of the commercial bank where the Company opens its accounts and has the largest outstanding balance of foreign currencies at the reporting date.
 - + Accounts payable: Revaluate at selling exchange rates of the commercial bank where the Company opens its accounts has the largest outstanding balance of foreign currencies at the reporting date.
- Foreign exchange differences from revaluation are recorded in Foreign exchange difference account, the closing balance will be transferred to financial expenses or income (in accordance with Circular 179/2012/TT-BTC).

c. Exchange rates used for translation at the reporting date:

| As at | Bank | Buying rate | Selling rate |
|------------|---|---------------|----------------|
| 31/12/2014 | Joint Stock Commercial Bank for Foreign Trade of Vietnam – HCM Branch | 21.360VND/USD | Not applicable |
| 30/6/2015 | Joint Stock Commercial Bank for Foreign Trade of Vietnam – HCM Branch | 21.780VND/USD | 21.840VND/USD |

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3. Cash and cash equivalents recognition principles

a. Cash and cash equivalents recognition principles:

- Cash: comprises cash on hand, cash in banks (call deposits), cash in transit.
- The recognition principles:
 - + Cash on hand: Based on cash receipts and payment slips.
 - + Cash in banks: Based on Debit and Credit Notes from banks together with bank statements or bank confirmation at a particular point of time.
 - + Cash in transit: Based on remittance with outstanding Debit and/or Credit Notes.

b. Cash equivalents:

Are short-term investments, deposits with recoverable period or maturity of less than 3 months that are easily convertible to known amounts of cash and are subject to an insignificant risk of changes in value after purchasing at the reporting date.

4. Financial investment accounting principles

a. Trading securities

- Trading securities are those held for trading purpose (including those with maturity periods more than 12 months that are purchased for resold for making profits), such as: shares, bonds listed in the stock exchange; other securities and financial instruments;
- Trading securities are initially recognised at cost and determined at fair value of payments at the time of transaction. Trading securities shall be recorded when the Company acquires the ownership, in particular:
 - + Listed securities are recognised at the time of order matching (T+0)
 - + Unlisted securities are recognised at the time the ownership is acquired as prescribed in regulations of the law
- Allowance for diminution in value of trading securities is made for each type of listed and unlisted securities whose market values lower than their carrying amounts in accordance with the Circular No. 89/2013/TT-BTC dated 28 June 2013.

b. Held-to-maturity investments

- Including term deposits at bank (treasury bills and promissory notes), bonds, and held-to-maturity loans for the purpose of earning periodic interest and other held-to-maturity investments.

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- Held-to-maturity investments are stated at costs and recognised at fair value based on the recovery of the investments.
- All investments classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

c. Loans receivable

- Are loans receivable under an agreement between parties but are not being traded in the market as securities.
- Allowance for doubtful loans is made for each doubtful debts based on overdue days in payment of principals according to initial debt commitment (exclusive of the debt rescheduling between contracting parties), or based on estimated possible loss may arise.

d. Equity investments in other entities:

- Including investments in subsidiaries; joint ventures, associates and other long-term holding equity investments. Investments are stated at cost.

▪ Subsidiaries

- Subsidiaries are those entities in which the Company has control over the financial and operating policies, generally accompanied with holding more than half of voting rights. In assessing control, potential voting rights that presently are exercisable are taken into account.
- Acquisition accounting method is used by the Company to account for subsidiary acquisition. Cost of the acquisition is recognized at fair value of exchanged assets, issued equity instruments and liabilities incurred or recognized at the date of exchange, plus expenses directly related to acquisition. Identifiable assets, liabilities and contingent liabilities that are recognized at the time of business combination are determined firstly at fair value at acquisition date excluding minority interests. Cost of goodwill represents the excess of the cost of the acquisition over the buyer's interest in the net value of asset. When the buyer's interest in the net fair value of assets is larger than cost of the acquisition, the difference is recognised immediately in the statement of income.

▪ Associates

- Associates are entities in which the Company has significant influence, but not control, normally by holding 20% to 50% of voting rights in these entities. Investments in associates are initially stated at cost and accounted using the equity method in the consolidated financial statements. The Company's investments in associates comprise goodwill arising from investment, less accumulated impairment losses.

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- Allowance for diminution in value of investments in subsidiaries, joint ventures, associates is made when the investees suffer losses to the extent that the investor may lose its equity investments or allowance for diminution in value of investments to these (except where such a loss was anticipated by the Group's management before making the investment). Allowance is made corresponding to the Group's equity portion in the economic organisations according to the Circular 89/2013/TT-BTC dated 28 June 2013.
- Allowance for diminution in value of investments in other entities (fair value of the investments cannot be determined at the reporting date) is based on losses of the investees.
- When disposing an investment, difference between net proceeds and carrying amount of the investment is recognised in financial income (for profit) or financial expenses (for loss).

5. Accounts receivable accounting principles

- The accounts receivable are monitored in detail of receivable terms, receivable parties, kind of currency and other factors upon the Company's managerial requirements.
- The accounts receivable including trade and other receivables are recognised as follows:
 - + Accounts receivable from customers include trade receivables arising from buying-selling transactions such as: Receivables of sales of goods, provision of services, disposal of assets (fixed assets, investment property, investments) between the Company and buyers (those independent with the sellers, including receivables between parent company and subsidiaries, joint ventures, associates). The receivables also include receivable from export sales from trustors through trustess. Trade receivables are recognised in accordance with revenue accounting standard on revenue on recognition timing based on invoices and supporting documents.
 - + Other receivables include non-trade receivables, not related to buying-selling transactions, such as:
 - Financial income receivables such as: interest income from loans and deposits, dividends and share profits;
 - Receivables from paid on behalf of third parties; Receivables by export entrustees on behalf of entrustors;
 - Non-trade receivables such as assets lending, fine receivables, compensatory receivables, shortage of assets awaiting resolution.
- Other receivables are recognised based on reviewed/approved invoices and supporting documents.
- Receivables are classified as Short-term and Long-term in the Balance sheet based on the remaining period of the receivables at the reporting date.

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- Allowance for doubtful debts: is made for each doubtful debt based on overdue days in payment of principles according to initial debt commitment (exclusive of debts rescheduling between contracting parties), or based on estimated loss may arise in accordance with guidance of Circular No. 89/2013/TT-BTC dated 28 June 2013.

6. Inventory recognition principles

a. Inventory recognition principles:

- Inventories are stated at cost which includes purchasing price, processing expenses and all related costs incurred to bringing the inventories to their present location and condition.
- In case the net realisable value is lower than the cost, inventories are stated at the lower (the net realisable value is determined by estimated selling price of inventories less estimated costs of completion and selling expenses).
- In the case of goods produced, cost includes all directly attributable costs and manufacturing overheads at a normal operating level.

b. Inventory valuation method:

- Raw materials, fuel, spare parts, finished goods, tools and supplies, merchandise inventories are determined on a weighted average basis.
- Inventories imported during the period are recognised using the actual exchange rate at the time of transaction, the arising exchange rate differences are recognised in financial income and expense. The import tax payables are determined on import tax rate calculated by the custom authorities under the law regulations.
- Movements of inventories during the period through internal transfer are recognised using the accounting price (transferring price); differences between the accounting price and the average price will be recognised in an account of differences. At the end of the period, the differences are transferred to inventories or cost of goods sold (depending on exporting nature of these inventories).

c. Inventory accounting method:

Perpetual method.

d. Allowance for inventories:

The Company makes allowance for inventories in accordance with the guidance of Circular No. 89/2013/TT-BTC, dated 28 June 2013 issued by the Ministry of Finance.

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7. Fixed asset recognition and depreciation principles

The Company manages, uses and depreciates its fixed assets in accordance with guidance of Circular 45/2013/TT-BTC dated 25 April 2013.

a. Principles of tangible and intangible fixed assets recognition:

▪ **Tangible fixed assets:**

- Tangible fixed assets are stated at: Cost less accumulated depreciation.
- Cost of tangible fixed assets comprises all costs incurred to bring the asset to its working condition for its intended use.
- Cost of imported fixed assets is recognised using the actual exchange rate at the time of transaction, foreign exchange rate differences arising from purchasing fixed assets are recognised in financial income and expense. Expenditure incurred after initial recognition of tangible fixed assets is capitalised if it has resulted in an improvement from the use of tangible fixed assets beyond their originally assessed standard of performance. The expenditure which does not meet the above criteria is recognised as expenses in the period.
- When fixed assets are sold or disposed, the cost and accumulated depreciation are written off and any gains or losses arising from disposal are recognised in other income or other expenses in the period.

▪ **Intangible fixed assets:**

- Land use rights comprise all actual costs that the Company has paid out, directly relating to the land use area, including: purchase price, cost of compensation, site clearance, leveling and registration fees, etc
- Land use rights comprise:
 - + those granted by the State for which land use payments are collected;
 - + those acquired in a legitimate transfer;
 - + rights to use leased land obtained before the effective date of Land Law 2003 for which land rental have been prepaid for a period over 5 years and land use right certificate was issued by authority of competent jurisdiction.
- 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.
- Software is all costs that the Company has pay out til the completion stage of testing and the software is put into use.

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b. Depreciation method:

- Tangible fixed assets are depreciated on a straight-line basis. The useful lives (relating to depreciation rate) are as follows:

| Category | Time (years) |
|------------------------------|--------------|
| Buildings and structure | 10 – 50 |
| Machinery and equipment | 8 – 15 |
| Motor vehicles, transmission | 10 |
| Tools and equipment | 3 – 10 |

- Intangible fixed assets that are land use rights with definite period are amortised on a straight-line basis over the valid term of land use rights certificate. Intangible fixed assets that are land use rights with indefinite period are stated at cost and not amortised.
- Intangible fixed asset that is software is amortised over 6 years.

8. Investment property recognition principles

- Investment property includes land use rights, buildings, or part of buildings or land with buildings, infrastructure held by the Company in order to gain income from leasing or held for price appreciation other than using for manufacturing, providing goods or services, using for management purposes or selling in a normal operation period.
- The cost of an investment property comprise the expenses (cash or cash equivalents) that the Company paid out or fair value of the exchanging amount to obtain the investment property from the time of purchasing and finish constructing of that investment property.
- Expenses relating to the investment property after the initial recognition should be recorded as manufacturing and operating expenses during the period, unless these expenses possibly help the investment property to generate economic benefits in the future more than the initial assessment, the expenses are capitalised to the cost of the investment property.
- Depreciation: Investment property held to earn rental is depreciated on a straight-line basis to reduce its cost of asset over the estimated useful lives. Investment property held for price appreciation is not amortised.
- Disposal: Gains and losses from disposal of investment property are determined by the difference between net proceeds from disposal and carrying amount of the investment property and are recognised as income or expenses in the statement of income.

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9. Deferred income tax accounting principles

- Deferred income tax assets: are income tax refundable in the future based on deductible temporary differences.
- Deferred tax assets are recognised when it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reassessed at the reporting date and reduced to the extent that future taxable profit will be available against which part or all of deferred tax assets therefrom can be utilised.
- Deferred tax assets determined at the estimated tax rate applied for the year of realisation or settlement of assets and liabilities using the tax rates enacted at the end of reporting year.

10. Prepaid expenses recognition principles

- Prepaid expenses represented actual expenses incurring relating to the manufacturing and operating results of a number of accounting periods and the transfers of these expenses into the manufacturing and operating expenses of the subsequent accounting periods.
- Prepaid expenses: are recognised at cost and classified into short term and long term expenses in the Balance sheet based on prepayment period of each contract.
- Amortisation method of prepayments complies with the following principles:
 - + Based on determined useful lives: This method is applied to prepaid housing/land rental.
 - + Based on estimated useful lives: This method is applied to advertising expenses, overhaul expenses, amortised tools and supplies, etc.

11. Payable liabilities recognition principles

- Payable liabilities is monitored in details by terms, suppliers, kind of currency and other factors depending on the Company's managerial demand.
- Accounts payable to suppliers, loans payable and other payables are payable that are determined probably in value and timing and recognised at actual obligation incurred in accordance with the principles:
 - + Account payables to suppliers: include trade payables arising from transaction of trading goods, services and assets between the Company and suppliers (which are independent units to the Company, including payables between the parent company and subsidiaries, joint ventures and associates). These payables include import payables through the trustees (in the entrusted import transactions)

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- + Other payables include non-trade payables which not relating to trading activities such as:
 - Payables related to financial expenses, such as: interest payables, dividends and shared profits payable, payables for investment activities;
 - Payables on behalf of third parties; payables from entrustors to defined parties in entrusted im-export transactions;
 - Non-trade payables such as paybles of borrowed assets, penalty payables, compensations payables, shortage of assets awaiting resolution, social insurance, health insurance, severance allowance, trade union, etc.
- Accounts payable are classified as Short-term and Long-term in the Balance sheet based on the remaining maturity period of these payables at the reporting date.

12. Borrowing and finance lease liabilities recognition principles

- Including borrowings, finance lease liabilities, excluding borrowings in form of bonds issuance or preference shares with a compulsory term that issuers have to repurchase these securities at a particular point of time in the future
- The Group monitor its borrowings and finance lease liabilities in detail by loan owners and classification of short-term and long-term period to settle.
- Expenses directly related to the borrowings are recognized in financial expenses, except those incurred from separate borrowings for the purpose of investing, constructing or manufacturing work in progress are capitalised.

13. Accrued expense recognition principles

- Including accrued expenses for goods, services received from sellers or provided to buyers in the reporting period but not yet actually paid due to lack of receipts or accounting documents, are recorded to manufacturing and operating expense of the reporting period.
- The Company recognises accrued expenses under main categories as follows:
 - Promotional expenses: accrued on progress of sales promotion campaign (mainly based on revenue targets).
 - Advertising expenses: accrued on progress of advertising programme and duration of advertising contracts.
 - Housing and land rental: accrued on the timing stated in contracts.
 - Other expenses: accrued on contracts' terms.

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14. Provision recognition principles and methods

- Provisions are recognized based on the most appropriate estimates of the amount paying out to settle the obligations at the end of the accounting period.
- The Company recognised provisions under main categories as follows:
 - + Severance allowances regulated in Social Insurance Laws and current guidance documents
 - + Regular fixed assets maintenance and repair allowances (technical demand)
 - + Other provisions

15. Unearned revenue recognition principles

- Unearned revenue includes: revenue received in advance (such as: advances received from customers for leasing assets and infrastructures in many accounting periods, interest received in advance in granting capital or purchasing of debt instruments); and other unearned revenue (such as: differences in sales prices between deferred payment and immediate payment, revenue corresponding to value of goods, service or sales discounts for customers in traditional customer programme, etc); excluding: advances received from customers that the Group has not yet provided goods, merchandises, services; revenue not yet received from leasing assets or providing the services in a number of periods.
- Revenue received in advance is amortised on the straight-line basis based on the number of periods of cash collection.

16. Equity recognition principles

The Company's equity includes:

- Share capital: Based on actual contributed capital from shareholders.
 - + Share capital is represented the par value and monitored in details of ordinary shares with voting rights and preference shares. Currently, the Group only has the ordinary shares with voting rights.
 - + Capital surplus: is the difference between contributed capital at par value and at share issued price; difference between buying price of treasury shares and their re-issued price.
- Other capital: is appropriated from operating results or being gifted, donated, sponsored and assets revaluation.
- The Company's profit after tax is appropriated 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.

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- Dividends are declared and paid based on the estimated profits. The official dividends will be declared and paid in the following annual period from the retained profit upon approval by Shareholders at the Company's Annual General Meeting.
- Equity funds appropriated based on the Company's Charter are as follows:
 - Investment and development fund is appropriated from 10% of profit after tax.
 - Bonus and welfare fund is appropriated from 10% of profit after tax.
- The utilisation of the above funds must be approved by Shareholders, the Board of Management or Chief Executive Officer, depending on the nature and scale of the transactions defined in the Charter and Company's Financial regulations.

17. Revenue recognition principles and methods

- For merchandise inventories, finished goods: Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and there are not significant uncertainties regarding payment and related expenses or the possible return of goods.
- For services: Revenue is recognised when there are no significant uncertainties regarding payment of cash or related expenses. In case the services are rendered in a number of accounting periods, revenue amount for each period is determined in proportion to the stage of completion of services at the end of the period.
- For interest, dividends and shared profits: Income is recognised when the Company is able to receive the economic benefits from these activities and the benefits are determined reliably.
 - + Interest: Income is recognised based on duration and interest rate in each period.
 - + Dividends and shared profits: Income is recognised when the Company is entitled to receive dividends or shared profits from capital contribution..

18. Revenue deduction accounting principles

- Revenue deductions included:
 - Sales discounts: are discounts listed for customers who purchase in bulk, excluding sales discounts for customers presented in the VAT or sales invoices.
 - Sales allowances: is deduction for customers who purchase defect products, low-quality and deteriorated goods or goods with incorrect specification as stated in economic contracts; excluding sales discounts for customers presented in VAT or sales invoices.
 - Sales returns: due to violations of commitments, economic contracts, low quality or incorrect types and specifications.

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- In case goods sold or services provided in the previous year/period but sales discounts, sales allowances, sales returns incur in the following year/period, the Company recognises as the following principles:
 - + If incurred before issuance of financial statements: reducing revenue in the financial statements of the reporting period.
 - + If incurred after issuance of financial statements: reducing revenue of the occurrence period.

19. Cost of sales accounting principles

- Including the cost of products, goods, services, investment property sold during the period (including depreciation; repair; expenses for investment property leasing transaction, expenses for transfer and disposal of investment property, etc.) is recorded corresponding to revenue of the period.
- For cost of direct raw materials consumed which is over the normal level, labour cost, manufacturing overheads not allocated to finished goods are recorded directly into the cost of sales (after deducting compensations, if any) even if products and goods are not yet determined to be consumed.

20. Financial expenses accounting principles

- Losses relevant to financial investment activities:
 - + Losses from outside investment capital: Recorded on actual incurred basis.
 - + Losses on securities investments: Made for each of the listed and unlisted securities whose market prices lower than their carrying amounts.
- Borrowing cost: Recorded monthly on loan principles, interest rates and number of actual borrowing days.
- Expenses on capital contribution in joint ventures, associates and securities transfer: on actual incurred basis.
- Foreign exchange losses: recorded when there is a difference between actual transaction rate and accounting rate and when there is a loss in revaluation of monetary items denominated in foreign currencies.

21. Current and deferred income tax recognition principles and method

- Corporate income tax expenses (or corporate income tax income): is total current and deferred income tax expenses (or total current and deferred tax) in determining profit or loss of a period.
 - + Current income tax expenses: is corporate income tax payable calculated on taxable profit during the year and current corporate income tax rate. Current income tax is calculated on taxable income and applicable tax rate during the tax period. Difference between taxable income and accounting profit is from adjustment of differences between accounting profit and taxable income in accordance with current tax policies.

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- + Deferred income tax expenses: is corporate income tax payable in the future arising from: recognising deferred income tax payable during the year; reversing deferred tax assets recognised in previous years/periods; not recognising deferred tax assets or deferred tax liabilities arising from transactions that directly recorded to equity.
- The Company has an obligation to pay income tax at rates ranging from 15% to 22% of taxable profits, depending on principle activities of its factories.

22. Classification of financial instruments

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

a. Financial assets

➤ Financial assets at fair value through profit or loss

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

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

➤ Held-to-maturity investments

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

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

➤ Loans and receivables

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

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

➤ **Available-for-sale financial assets**

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

- Financial assets at fair value through profit or loss;
- Held-to-maturity investments; or
- Loans and receivables.

b. Financial liabilities

➤ **Financial liabilities at fair value through profit or loss**

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

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

➤ **Financial liabilities carried at amortised cost**

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

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

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V. FINANCIAL RISK MANAGEMENT:

Financial risk factors:

- The Company assesses the following risks from its use of financial instruments:
 - Market risk
 - Liquidity risk
 - Credit risk
- The Board of Management has overall responsibility for the establishment and oversight of the risk management principles. The Board of Management has established policies 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.

1. Market risk

- Market risk is the risk that fair value or future cash flows of a financial instrument will be affected by the volatility of market price. Market risk includes 3 types of risk: currency risk, interest rate risk and other market price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
 - a. Currency risk
 - The Company is exposed to currency risk on sales and purchases that are denominated in currencies other than VND. These currencies are mainly USD and EUR (other currencies have insignificant transactions).
 - The Company's exposure to currency risk is managed by retaining the exposure at an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term over-exposures and planning a payment schedule of foreign currencies with the highest possible accuracy. During the year, the Board of Management decided to use USD buying forward contract to settle USD loans when they fall due, in order to hedge the interest rate fluctuations.

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- Exposures to currency risk of the Company from USD and EUR is as follows:

As at 30 Jun 2015

| | Foreign currencies | | VND equivalent | |
|--------------------------------|----------------------|-----------------------|------------------------|-------------------------|
| | USD | EUR | USD | EUR |
| Financial assets | | | | |
| Cash on hand and cash at banks | 3,728,516.92 | 12,512.49 | 81,207,098,518 | 302,827,283 |
| Trade and other receivables | 22,961,051.55 | - | 500,091,702,759 | - |
| | <u>26,689,568.47</u> | <u>12,512.49</u> | <u>581,298,801,277</u> | <u>302,827,283</u> |
| Financial liabilities | | | | |
| Trade and other payables | (18,798,800.82) | (3,443,527.83) | (410,565,809,909) | (84,197,698,971) |
| Currency risk exposure | 7,890,767.65 | (3,431,015.34) | 170,732,991,368 | (83,894,871,688) |

As at 31 Dec 2015

| | Foreign currencies | | VND equivalent | |
|--------------------------------|----------------------|---------------------|------------------------|-------------------------|
| | USD | EUR | USD | EUR |
| Financial assets | | | | |
| Cash on hand and cash at banks | 3,735,729.63 | 20,792.29 | 79,795,184,896 | 537,979,711 |
| Trade and other receivables | 25,695,472.05 | - | 548,849,356,471 | - |
| | <u>29,431,201.68</u> | <u>20,792.29</u> | <u>628,644,541,367</u> | <u>537,979,711</u> |
| Financial liabilities | | | | |
| Trade and other payables | (20,657,876.84) | - | (441,252,249,302) | (13,542,213,300) |
| Currency risk exposure | 8,773,324.84 | (502,598.50) | 187,392,292,065 | (13,004,233,589) |

Major exchange rates applied during the period are as follows:

| | 30/6/2015 | | 31/12/2014 |
|-----|--------------|-------------|-------------|
| | VND | | VND |
| | Selling rate | Buying rate | Buying rate |
| USD | 21,840 | 21,780 | 21,360 |
| EUR | 24,451 | 24,202 | 25,874 |

- As at 30 June 2015, if VND weakens/strengthens by 2% against USD, while all other variables remain constant, profit after tax of the year is lower/higher by VND 2,663,434,665, mainly due to foreign exchange losses/gains in translating trade receivables and payables denominated in USD.
- As at 30 June 2015, if VND weakens/strengthens by 6% against the EUR, while all other variables remain constant, profit after tax of the year is lower/higher by VND 3,926,279,995, mainly due to foreign exchange losses/gains in from translating the trade receivables and payables denominated in EUR.

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b. Price risk

- The Company has equity investments to listed and unlisted companies and is exposed to risk from price fluctuation of these investments. Risk factors impacting these investments' results include operating result and financial position of investees and market conditions. The Board manages risk related to operating result and financial position by selecting industries and entities to invest in. Risk factors related to market conditions are itself impacted by general economic condition of Vietnam and investors' behaviours, which are out of the Board's control. These factors have caused market conditions to be volatile in recent years.
- For investments in listed securities, if the securities' prices increased/decreased by 10% with all other variables (including tax rate) being constant, the Company's net profit after tax would have been VND 7,347,809,118 higher/lower corresponding to the tendency price changes.

c. Interest rate risk

Interest rate fluctuation does not have any significant impact on the Company's net profit after tax.

2. **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 and investments in debt securities.
 - Exposure to credit risk:

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

| | 30/6/2015 | 31/12/2014 |
|-----------------------------|----------------------------------|----------------------------------|
| Cash and cash equivalents | 1,607,557,961,927 | 1,298,096,019,438 |
| Held to maturity investment | 7.596.596.000.000 | 7.196.596.000.000 |
| Trade and other receivables | 2.660.544.020.242 | 2.107.840.989.145 |
| | <u>11.864.697.982.169</u> | <u>10.602.533.008.583</u> |

- 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.

- Held to maturity investments

- Held to maturity investments include corporate bonds and term deposits. 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

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- The Company's exposure to credit risk from investing in bonds is influenced by individual characteristics of the instrument issuer. In managing this risk, the Company management analyses the creditworthiness of the issuer before buying. Management assessed that the issuers had good track records and believe that credit risk on those instruments is low.
- There was no allowance for diminution in value of held to maturity investments during the period.
 - Trade and other receivables
- The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.
- The Company's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit purchase limit is established for each customer, which represents the maximum amount without requiring approval from the Board of Directors. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.
- The Company makes allowance for diminution in value to represent estimated losses from trade and other receivables and investments. Main components of the allowance are specified losses relevant to the specific major losses to each customer and the overall losses of similar financial assets, which are determined when these risks could have been incurred but not identified. The overall losses are determined on statistic data of historical payment of the similar financial assets.
 - a. Financial assets neither past due nor impaired:
 - Cash in banks and investments in bonds that are neither past due nor impaired is bank deposits and bond investments with high credit rating in Vietnam. Trade and other receivables that are neither past due nor impaired are mainly from companies with good collection history with the Company.
 - Trade and other receivables of the Company that are neither past due nor impaired amount to VND 2,585,238,534,840 (2014: VND 2,050,158,271,400)
 - b. Financial assets overdue and/or impaired:
 - There are no other financial assets which are overdue and/or dilutive but receivables.
 - Receivables past due but not impaired are as follows:

| | 30/6/2015 | 31/12/2014 |
|----------------------------|------------------------------|------------------------------|
| Past due 1 to 30 days | 59,545,171,202 | 45,894,578,078 |
| Past due 31 to 60 days | 1,008,613,494 | 3,325,354,948 |
| Past due 61 to 90 days | 4,544,002,875 | - |
| Past due more than 90 days | 3,229,836,688 | - |
| | <u>68,327,624,259</u> | <u>49,219,933,026</u> |

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- Carrying amounts of impaired receivables and related allowance for doubtful debts are as follows:

| | 30/6/2015 | 31/12/2014 |
|---------------------------------------|-----------------------------|-----------------------------|
| Gross amount | 3,568,214,551 | 3,575,214,551 |
| Less: Allowance for dilution in value | <u>(3,568,214,551)</u> | <u>(2,507,733,503)</u> |
| | <u>-</u> | <u>1,067,481,048</u> |
| | | |
| | 30/6/2015 | 31/12/2014 |
| Opening balance | 2,507,733,503 | 1,920,158,971 |
| Increase in allowance | 1,060,481,048 | 711,667,532 |
| Written off bad debts | - | (124,093,000) |
| Closing balance | <u>3,568,214,551</u> | <u>2,507,733,503</u> |

3. 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 policy is frequently oversight current and future liquidity to enable the Company always have sufficient cash reserve to meet its short-term and long-term liquidity. Cash hold and net cash flows generated from operation of the Company are sufficient to pay its due liabilities in the next fiscal year.
- Below is analysis of the Company's financial liabilities with fixed or determined payments according to relevant maturities based on the remaining period from the reporting date to their contractual maturity dates. The amounts stated in the below table are undiscounted contractual cash flows.

| | Carrying amount | Contractual cash flows | Within 1 year |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|
| As at 30 June 2015 | | | |
| - Accounts payable – trade | 1,622,644,849,178 | 1,622,644,849,178 | 1,622,644,849,178 |
| - Payables to employess | 109,119,170,171 | 109,119,170,171 | 109,119,170,171 |
| - Accrued expenses | 1,125,536,762,823 | 1,125,536,762,823 | 1,125,536,762,823 |
| - Other short-term payables | 575,030,386,565 | 575,030,386,565 | 575,030,386,565 |
| - Borrowings | 790,320,000,000 | 790,847,945,527 | 790,847,945,527 |
| | <u>4,222,651,168,737</u> | <u>4,223,179,114,264</u> | <u>4,223,179,114,264</u> |
| As at 31 Dec 2014 | | | |
| - Accounts payable – trade | 1,647,920,447,124 | 1,647,920,447,124 | 1,647,920,447,124 |
| - Payables to employess | 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 short-term payables | 575,553,064,671 | 575,553,064,671 | 575,553,064,671 |
| - Borrowings | 1,110,720,000,000 | 1,117,186,057,719 | 1,117,186,057,719 |
| | <u>4,084,166,947,547</u> | <u>4,090,633,005,266</u> | <u>4,090,633,005,266</u> |

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4. Fair values measurement

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

| | Note | 30/6/2015 | | 31/12/2014 | |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| Categorised as financial assets at fair value through profit or loss: | | | | | |
| - Short-term investments in listed equity instruments held-to-maturity | (ii) | - | - | 28,667,500,000 | 21,279,000,000 |
| Categorised as held-to-maturity investments: | | | | | |
| - Short-term deposits | (i) | 7,250,000,000,000 | 7,250,000,000,000 | 6,850,000,000,000 | 6,850,000,000,000 |
| - Long-term deposits | (i) | 46,596,000,000 | 46,596,000,000 | 46,596,000,000 | 46,596,000,000 |
| - Short-term Corporate bonds | (v) | - | Note (v) | - | Note (v) |
| - Long-term corporate bonds | (v) | 300,000,000,000 | Note (v) | 300,000,000,000 | Note (v) |
| Categorised as loans and receivables: | | | | | |
| - Cash and cash equivalents | (i) | 1,607,557,961,927 | 1,607,557,961,927 | 1,298,096,019,438 | 1,298,096,019,438 |
| - Trade and other receivables | (i) | 2,652,704,501,217 | 2,652,704,501,217 | 2,100,445,685,474 | 2,100,445,685,474 |
| Categorised as available-for-sale: | | | | | |
| - Short-term investments in listed equity instruments available-for-sale | (ii) | 151,146,888,506 | 94,202,759,000 | 150,570,003,400 | 88,288,833,000 |
| - Short-term investments in unlisted equity instruments available-for-sale | (iii) | 82,533,803,026 | 12,995,150,626 | 82,533,803,026 | 12,995,150,626 |
| - Other short-term investments | (v) | - | Note (v) | - | Note (v) |
| - Long-term investments in investment funds | (iv) | 10,559,408,600 | 5,691,554,602 | 10,559,408,600 | 5,702,117,999 |
| - Other long-term investments | (v) | - | Note (v) | - | Note (v) |
| Categorised as liabilities at amortised cost: | | | | | |
| - Trade and other payables | (i) | 4,222,651,168,737 | 4,222,651,168,737 | 4,084,166,947,547 | 4,084,166,947,547 |

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i. Cash and cash equivalents, term deposits, trade and other receivables, trade and other payables

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

ii. Short-term investments in listed equity securities

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

iii. Short-term investments in unlisted equity securities

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

iv. Long-term investments in investment funds

Market value of investment funds is based on net asset value of funds portfolio which is verified by the appointed security company and supervising bank.

v. Short-term corporate bonds, other short-term investments, long-term corporate bonds and other long-term investments

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

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VI. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN THE INTERIM**BALANCE SHEET:****1. Cash and cash equivalents**

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---|---------------------------------|---------------------------------|
| - Cash on hand | 712,321,690 | 730,356,102 |
| - Cash in banks | 407,557,961,927 | 798,096,019,438 |
| - Cash in transit | | - |
| - Cash equivalents | 1,200,000,000,000 | 500,000,000,000 |
| • <i>Deposits with maturity of less than 3 months</i> | <i>1,200,000,000,000</i> | <i>500,000,000,000</i> |
| • <i>Bonds, treasury bill, promissory note</i> | - | - |
| Total | <u>1,608,270,283,617</u> | <u>1,298,826,375,540</u> |

2. Accounts receivable

| | <u>Closing balance</u> | <u>Opening balance</u> |
|--|---------------------------------|---------------------------------|
| Short-term accounts receivable from customers | | |
| - Abdulkarim Alwan Foodstuff Trading (Llc) | 473,078,000,340 | 348,172,272,000 |
| - Other accounts receivable from customers | 1,783,737,506,197 | 1,397,427,308,608 |
| Total | <u>2,256,815,506,537</u> | <u>1,745,599,580,608</u> |

In which, accounts receivable from customers who are related parties:

| | | |
|---|------------------------------|------------------------------|
| Subsidiaries | 66,015,383,498 | 66,867,772,499 |
| - Vietnam Dairy Cow One Member Limited Company | 65,920,558,350 | 3,618,842,250 |
| - Lamson Dairy Products One Member Company Limited | - | - |
| - Thong Nhat Thanh Hoa Dairy Cow Limited Company | 94,825,148 | - |
| - Angkor Dairy Products Co, Ltd | - | 1,265,902,536 |
| - Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia | - | 61,983,027,713 |
| Joint ventures, associates | - | 1,008,001,984 |
| - Asia Saigon Food Ingredients Joint Stock Company | - | 1,008,001,984 |
| Total | <u>66,015,383,498</u> | <u>67,875,774,483</u> |

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3. Other receivables

| | Closing balance | | Opening balance | |
|--|------------------------|------------------------|------------------------|------------------------|
| | Cost | Allowance | Cost | Allowance |
| a. Short-term | 390,951,575,887 | (3,511,598,202) | 349,123,850,343 | (2,467,402,058) |
| - Interest income from deposits | 284,141,895,215 | - | 118,619,712,835 | - |
| - Interest income from bonds, loans | 441,095,888 | - | 11,682,191,784 | - |
| - Receivables from employees | 2,648,574,580 | - | 2,224,415,209 | - |
| - Deposits | 127,000,000 | - | 562,340,000 | - |
| - Import tax refundable | 47,938,561,443 | - | 71,950,068,975 | - |
| - Rebates receivable from suppliers | - | - | 133,509,529,151 | - |
| - Receivables from delegated agreement | 44,039,704,997 | - | - | - |
| - Others | 11,614,743,764 | (3,511,598,202) | 10,575,592,389 | (2,467,402,058) |
| b. Long-term | 8,243,988,026 | - | 8,229,988,026 | - |
| - Deposits | 996,303,200 | - | 982,303,200 | - |
| - Others | 7,247,684,826 | - | 7,247,684,826 | - |
| Total | 399,195,563,913 | (3,511,598,202) | 357,353,838,369 | (2,467,402,058) |

4. Shortage of assets awaiting resolution

| | Closing balance | | Opening balance | |
|---------------|-----------------|----------------------|-----------------|----------------------|
| | Quantity | Cost | Quantity | Cost |
| - Inventories | - | 1,041,373,804 | - | 3,751,179,217 |
| Total | - | 1,041,373,804 | - | 3,751,179,217 |

5. Bad debts

| | Closing balance | | Opening balance | |
|---|-----------------|--------------------|-----------------|--------------------|
| | Cost | Recoverable amount | Cost | Recoverable amount |
| Total value of receivables, loans that are overdue or not pass due but hardly recoverable | 3,568,214,551 | - | 3,575,214,551 | - |

In which:

| | Overdue from 1 to 30 days | Overdue from 31 to 60 days | Overdue from 61 to 90 days | Overdue more than 90 days |
|--|-----------------------------------|----------------------------|----------------------------|---------------------------|
| | - Cang Phuoc Long Limited Company | - | - | - |

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6. Financial investments**a. Trading securities**

| | Closing balance | | | Opening balance | | |
|---|------------------------|------------------------|--------------------------|------------------------|------------------------|--------------------------|
| | Cost | Fair value | Allowance | Cost | Fair value | Allowance |
| - Total value of shares | 233,680,691,532 | 107,197,909,626 | (126,482,836,506) | 261,771,306,426 | 122,562,983,626 | (139,208,371,400) |
| in which : | | | | | | |
| + An Binh Commercial Joint Stock Bank (ABB) | 82,283,660,000 | 12,745,007,600 | (69,538,652,400) | 82,283,660,000 | 12,745,007,600 | (69,538,652,400) |
| + Thanh Thanh Cong Tay Ninh Joint Stock Company (SBT) | 150,569,980,000 | 93,764,033,000 | (56,805,947,000) | 150,569,980,000 | 88,288,761,000 | (62,281,219,000) |
| + Other shares | 827,051,532 | 688,869,026 | (138,237,106) | 28,917,666,426 | 21,529,215,026 | (7,388,500,000) |
| - Total value of bonds | - | - | - | - | - | - |
| - Others | 442,000,000,000 | 442,000,000,000 | - | 442,000,000,000 | 442,000,000,000 | - |
| + Bao Viet Joint Stock Commercial Bank | 442,000,000,000 | 442,000,000,000 | - | 442,000,000,000 | 442,000,000,000 | - |
| Total | 675,680,691,532 | 549,197,909,626 | (126,482,836,506) | 703,771,306,426 | 564,562,983,626 | (139,208,371,400) |

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

| | Current period | Previous period |
|------------------------|--------------------------|--------------------------|
| - Opening balance | (139,208,371,400) | (145,974,953,400) |
| - Allowance made | - | (3,819,781,000) |
| - Written back | 8,715,955,000 | 3,849,250,000 |
| - Allowance utilised | 4,009,579,894 | - |
| Closing balance | (126,482,836,506) | (145,945,484,400) |

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b. Investments in other entities

| | % of | | Closing balance | | | Opening balance | | |
|--|--------------|---------------|--------------------------|----------------|--------------------------|--------------------------|----------------|--------------------------|
| | Equity owned | Voting rights | Cost | Fair value (*) | Allowance | Cost | Fair value (*) | Allowance |
| Investments in subsidiaries | | | 2,198,353,852,591 | - | (95,209,480,853) | 1,840,531,569,524 | - | (114,529,682,359) |
| - Vietnam Dairy Cow One Member Limited Company | 100,00% | 100,00% | 1,391,170,000,000 | - | (95,209,480,853) | 1,174,000,000,000 | - | (112,185,246,815) |
| - Lamson Dairy Products One Member Company Limited | 100,00% | 100,00% | 370,800,000,000 | - | - | 370,800,000,000 | - | - |
| - International Real Estate One Member Limited Company | 100,00% | 100,00% | - | - | - | 2,427,807,024 | - | (2,344,435,544) |
| - Thong Nhat Thanh Hoa Dairy Cow Limited Company | 96,11% | 96,11% | 73,800,000,000 | - | - | 17,800,000,000 | - | - |
| - Driftwood Dairy Holdings Corporation | 70,00% | 70,00% | 157,750,560,000 | - | - | 157,750,560,000 | - | - |
| - Angkor Dairy Products Co, Ltd | 100,00% | 100,00% | 194,999,022,591 | - | - | 107,918,932,500 | - | - |
| - Vinamilk Europe | 100,00% | 100,00% | 9,834,270,000 | - | - | 9,834,270,000 | - | - |
| Investments in joint ventures, associates | | | 241,887,716,370 | - | (4,867,853,998) | 241,887,716,370 | - | (4,857,290,601) |
| Investments in associates | | | 231,028,307,770 | - | - | 231,028,307,770 | - | - |
| - Asia Saigon Food Ingredients Joint Stock Company | 15,00% | 15,00% | 18,000,000,000 | - | - | 18,000,000,000 | - | - |
| - Miraka Limited | 19,29% | 19,29% | 213,028,307,770 | - | - | 213,028,307,770 | - | - |
| Investments in other entities | | | 10,859,408,600 | - | (4,867,853,998) | 10,859,408,600 | - | (4,857,290,601) |
| - Vietnam Growth Investment Fund (VF2) | | | 10,559,408,600 | - | (4,867,853,998) | 10,559,408,600 | - | (4,857,290,601) |
| - An Khang Clinic | | | 300,000,000 | - | - | 300,000,000 | - | - |
| Total | | | 2,440,241,568,961 | - | (100,077,334,851) | 2,082,419,285,894 | - | (119,386,972,960) |

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

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Movements in the allowance for diminution in value of long-term investments are as follows

| | <u>Current period</u> | <u>Previous period</u> |
|------------------------|---------------------------------|---------------------------------|
| - Opening balance | (119,386,972,960) | (142,645,293,067) |
| - Allowance made | (10,563,397) | - |
| - Written back | 16,975,765,962 | 36,167,013,371 |
| - Allowance utilised | 2,344,435,544 | - |
| Closing balance | <u>(100,077,334,851)</u> | <u>(106,478,279,696)</u> |

c. Held to maturity investments

| | <u>Closing balance</u> | | <u>Opening balance</u> | |
|----------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | <u>Cost</u> | <u>Carrying amount</u> | <u>Cost</u> | <u>Carrying amount</u> |
| <i>Short-term</i> | <i>7,250,000,000,000</i> | <i>7,250,000,000,000</i> | <i>6,850,000,000,000</i> | <i>6,850,000,000,000</i> |
| - Term deposits | 7,250,000,000,000 | 7,250,000,000,000 | 6,850,000,000,000 | 6,850,000,000,000 |
| - Bonds | - | - | - | - |
| - Others investments | - | - | - | - |
| <i>Long-term</i> | <i>346,596,000,000</i> | <i>346,596,000,000</i> | <i>346,596,000,000</i> | <i>346,596,000,000</i> |
| - Term deposits | 46,596,000,000 | 46,596,000,000 | 46,596,000,000 | 46,596,000,000 |
| - Bonds | 300,000,000,000 | 300,000,000,000 | 300,000,000,000 | 300,000,000,000 |
| - Others investments | - | - | - | - |
| Total | <u>7,596,596,000,000</u> | <u>7,596,596,000,000</u> | <u>7,196,596,000,000</u> | <u>7,196,596,000,000</u> |

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7. Inventories

| | Closing balance | | Opening balance | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | Cost | Allowance | Cost | Allowance |
| - Goods in transit | 659,688,751,629 | - | 479,836,716,027 | - |
| - Raw materials, fuel, technical materials | 1,858,650,438,788 | (5,570,855,170) | 1,834,075,105,321 | (6,864,301,705) |
| - Tools and supplies | 445,187,090 | - | 584,442,313 | - |
| - Work in progress | 29,751,348,751 | - | 24,800,077,770 | - |
| - Finished goods | 1,039,321,661,416 | (4,980,091,771) | 1,022,920,173,470 | (6,110,584,948) |
| - Merchandise inventories | 22,611,544,824 | - | 25,845,426,968 | (3,000,000) |
| - Goods on consignment | 8,592,681,187 | - | 1,743,327,548 | - |
| Total | 3,619,061,613,685 | (10,550,946,941) | 3,389,805,269,417 | (12,977,886,653) |

Movements in the allowance for inventories are as follows:

| | Current period | Previous period |
|------------------------|-------------------------|-------------------------|
| - Opening balance | (12,977,886,653) | (10,376,905,544) |
| - Allowance made | (4,977,573,463) | (12,388,355,173) |
| - Written back | 7,045,119,475 | 9,011,003,837 |
| - Allowance utilised | 359,393,700 | 110,473,414 |
| Closing balance | (10,550,946,941) | (13,643,783,466) |

8. Construction in progress

| | Current period | Previous period |
|---------------------------------------|------------------------|------------------------|
| - Opening balance | 284,106,071,554 | 260,702,889,656 |
| - Additions | 268,675,313,168 | 102,662,892,243 |
| - Other increases | 2,583,796,307 | - |
| - Transfer to tangible fixed assets | (86,341,912,962) | (168,649,932,696) |
| - Transfer to intangible fixed assets | (8,486,562,931) | - |
| - Transfer to investment property | - | - |
| - Disposals | (103,719,520,870) | (8,225,418,386) |
| - Other decreases | (54,177,148,309) | (143,911,452) |
| Closing balance | 302,640,035,957 | 186,346,519,365 |

Major constructions in progress are as follows:

| | Closing balance | Opening balance |
|--|------------------------|------------------------|
| Machinery and equipment – Ha Tinh Dairy Cow Farm | - | 46,977,774,276 |
| Office building project – Can Tho Branch | 52,079,729,352 | 52,079,729,352 |
| Machinery and equipment – Lam Son Milk Factory | 121,140,045,326 | - |
| Machinery and equipment – Tien Son Milk Factory | 52,573,216,510 | - |

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9. Movements of tangible fixed assets

| | Buildings and structures | Machinery and equipment | Motor vehicles | Office equipment | Total |
|---|---------------------------------|---------------------------------|-------------------------------|-------------------------------|----------------------------------|
| 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 | | | | | |
| -Purchases | 4,838,204,674 | 12,695,405,541 | 14,085,809,090 | 3,180,026,765 | 34,799,446,070 |
| -Transfer from construction in progress | 39,033,235,923 | 40,929,503,421 | 1,226,400,000 | 5,152,773,618 | 86,341,912,962 |
| -Reclassification | - | - | - | - | - |
| -Other increases | - | - | - | - | - |
| +Decreases | | | | | |
| -Transfer to investment property | - | - | - | - | - |
| -Disposals | (160,294,733) | (15,922,371,570) | (6,701,130,864) | (580,000,294) | (23,363,797,461) |
| -Other decreases | - | (14,749,965,952) | - | - | (14,749,965,952) |
| +Closing balance | <u>1,820,032,907,022</u> | <u>7,287,781,069,068</u> | <u>588,981,107,743</u> | <u>421,212,348,544</u> | <u>10,118,007,432,377</u> |
| Accumulated depreciation | | | | | |
| +Opening balance | 355,336,235,822 | 2,710,692,539,598 | 211,687,161,072 | 224,807,040,814 | 3,502,522,977,307 |
| +Additions | | | | | |
| -Charged for the year | 39,586,930,755 | 332,322,590,382 | 26,585,181,615 | 28,032,413,784 | 426,527,116,536 |
| -Reclassification | - | - | - | - | - |
| -Other increases | - | - | - | - | - |
| +Decreases | | | | | |
| -Transfer to investment property | - | - | - | - | - |
| -Disposals | (72,987,770) | (12,215,343,301) | (4,535,809,911) | (580,000,294) | (17,404,141,276) |
| -Other decreases | - | (12,166,169,645) | - | - | (12,166,169,645) |
| +Closing balance | <u>394,850,178,807</u> | <u>3,018,633,617,034</u> | <u>233,736,532,776</u> | <u>252,259,454,305</u> | <u>3,899,479,782,922</u> |
| +Net book value | | | | | |
| +Opening balance | <u>1,420,985,525,336</u> | <u>4,554,135,958,030</u> | <u>368,682,868,445</u> | <u>188,652,507,641</u> | <u>6,532,456,859,451</u> |
| +Closing balance | <u>1,425,182,728,215</u> | <u>4,269,147,452,034</u> | <u>355,244,574,967</u> | <u>168,952,894,239</u> | <u>6,218,527,649,455</u> |

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10. Movements of intangible fixed assets

| | <u>Land use rights</u> | <u>Copyrights, patent</u> | <u>Trademark</u> | <u>Software</u> | <u>Total</u> |
|--|------------------------|-------------------------------|------------------|------------------------|------------------------|
| Cost | | | | | |
| +Opening balance | 314,353,303,957 | - | - | 100,195,019,379 | 414,548,323,336 |
| +Additions | | | | | |
| -Purchases | - | - | - | 281,884,200 | 281,884,200 |
| -Transfer from construction in progress | - | - | - | 8,486,562,931 | 8,486,562,931 |
| -Increase from business combination | - | - | - | - | - |
| -Other increases | - | - | - | - | - |
| +Decreases | | | | | |
| -Disposals | - | - | - | - | - |
| -Other decreases | (147,846,054,333) | - | - | - | (147,846,054,333) |
| +Closing balance | 166,507,249,624 | - | - | 108,963,466,510 | 275,470,716,134 |
| Accumulated amortisation | | | | | |
| +Opening balance | 61,432,120,972 | - | - | 63,336,171,579 | 124,768,292,551 |
| +Additions | | | | | |
| -Amortisation | 2,061,536,682 | - | - | 4,885,470,696 | 6,947,007,378 |
| -Other increases | - | - | - | - | - |
| +Decreases | | | | | |
| -Disposals | - | - | - | - | - |
| -Other decreases | (38,039,466,453) | - | - | - | (38,039,466,453) |
| +Closing balance | 25,454,191,201 | - | - | 68,221,642,275 | 93,675,833,476 |
| +Net book value | | | | | |
| -Opening balance | 252,921,182,985 | - | - | 36,858,847,800 | 289,780,030,785 |
| +Closing balance | 141,053,058,423 | - | - | 40,741,824,235 | 181,794,882,658 |

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11. Investment property

| | <u>Opening balance</u> | <u>Additions</u> | <u>Decreases</u> | <u>Closing balance</u> |
|---------------------------------|------------------------|----------------------|------------------|------------------------|
| Cost | 176,189,140,358 | 83,371,480 | - | 176,272,511,838 |
| - Land use rights | 82,224,238,170 | - | - | 82,224,238,170 |
| - Building | 87,500,683,627 | 83,371,480 | - | 87,584,055,107 |
| - Infrastructure | 6,464,218,561 | - | - | 6,464,218,561 |
| Accumulated depreciation | 31,676,370,125 | 2,441,817,918 | - | 34,118,188,043 |
| - Land use rights | 1,058,075,872 | 396,778,452 | - | 1,454,854,324 |
| - Building | 27,319,732,359 | 1,721,828,544 | - | 29,041,560,903 |
| - Infrastructure | 3,298,561,894 | 323,210,922 | - | 3,621,772,816 |
| Net book value | 144,512,770,233 | - | - | 142,154,323,795 |
| - Land use rights | 81,166,162,298 | - | - | 80,769,383,846 |
| - Building | 60,180,951,268 | - | - | 58,542,494,204 |
| - Infrastructure | 3,165,656,667 | - | - | 2,842,445,745 |

12. Prepayments*a. Short-term prepayments*

| | <u>Opening balance</u> | <u>Additions</u> | <u>Amortised to expenses during the period</u> | <u>Other decreases</u> | <u>Closing balance</u> |
|--|------------------------|-----------------------|--|------------------------|------------------------|
| - Prepaid software deployment and network maintenance expenses | 3,060,841,120 | 15,016,424,900 | 6,680,471,158 | - | 11,396,794,862 |
| - Prepaid advertising expenses | 1,108,065,215 | 3,805,028,298 | 2,060,226,172 | - | 2,852,867,341 |
| - Prepaid consultancy expenses | - | - | - | - | - |
| - Prepaid tools and supplies for selling | - | - | - | - | - |
| - Prepaid operating lease expenses | 6,243,320,990 | 6,870,463,537 | 8,748,729,526 | - | 4,365,055,001 |
| - Prepaid materials, tools and supplies expenses | 7,910,098,436 | 15,019,966,717 | 16,264,644,953 | - | 6,665,420,200 |
| - Prepaid revonation, major repair expenses | 4,391,038,491 | 12,572,079,690 | 7,004,929,133 | - | 9,958,189,048 |
| - Others | 17,505,855,367 | 20,077,301,293 | 29,314,519,069 | - | 8,268,637,591 |
| Total | 40,219,219,619 | 73,361,264,435 | 70,073,520,011 | - | 43,506,964,043 |

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b. Long-term prepayments

| | <u>Opening balance</u> | <u>Additions</u> | <u>Amortised to expenses during the period</u> | <u>Other decreases</u> | <u>Closing balance</u> |
|----------------------------------|-------------------------------|-------------------------------|--|---------------------------|-------------------------------|
| - Leased land and infrastructure | 4,419,837,879 | 123,387,421,425 | 6,814,343,873 | 114,505,958 | 120,878,409,473 |
| - Tools and supplies | 86,292,281,445 | 38,047,985,913 | 25,120,020,004 | - | 99,220,247,354 |
| - Others | 66,449,413,299 | 31,869,244,647 | 23,060,833,708 | - | 75,257,824,238 |
| Total | <u>157,161,532,623</u> | <u>193,304,651,985</u> | <u>54,995,197,585</u> | <u>114,505,958</u> | <u>295,356,481,065</u> |

13. Accounts payable - trade

| | <u>Closing balance</u> | | <u>Opening balance</u> | |
|---|--------------------------|---|--------------------------|---|
| | <u>Value</u> | <u>Amount within payment capacity</u> | <u>Value</u> | <u>Amount within payment capacity</u> |
| a. Short-term accounts payable to suppliers | 1,622,644,849,178 | 1,622,644,849,178 | 1,647,920,447,124 | 1,647,920,447,124 |
| - New Viet Dairy JSC | 55,903,441,705 | 55,903,441,705 | 262,229,809,299 | 262,229,809,299 |
| - Other suppliers | 1,566,741,407,473 | 1,566,741,407,473 | 1,385,690,637,825 | 1,385,690,637,825 |
| b. Accounts payable to suppliers who are related parties | 162,688,331,132 | 162,688,331,132 | 179,172,035,340 | 179,172,035,340 |
| <i>Subsidiaries</i> | <i>132,679,106,432</i> | <i>132,679,106,432</i> | <i>125,896,323,840</i> | <i>125,896,323,840</i> |
| - Vietnam Dairy Cow One Member Limited Company | 12,599,397,515 | 12,599,397,515 | 11,144,230,565 | 11,144,230,565 |
| - Lamson Dairy Products One Member Company Limited | 120,022,924,917 | 120,022,924,917 | 114,752,093,275 | 114,752,093,275 |
| - Driftwood Dairy Holdings Corporation | - | - | - | - |
| - Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia | 56,784,000 | 56,784,000 | - | - |
| <i>Joint ventures, associates</i> | <i>30,009,224,700</i> | <i>30,009,224,700</i> | <i>53,275,711,500</i> | <i>53,275,711,500</i> |
| - Miraka Limited | 30,009,224,700 | 30,009,224,700 | 53,275,711,500 | 53,275,711,500 |

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14. Borrowings and finance lease liabilities

| | Closing balance | | Movement during the year | | Opening balance | |
|--|------------------------|------------------------|--------------------------|------------------------|--------------------------|--------------------------|
| | Carrying value | Repayable amount | Increase | Decrease | Carrying value | Repayable amount |
| Short-term borrowings | 790,320,000,000 | 790,320,000,000 | - | 320,400,000,000 | 1,110,720,000,000 | 1,110,720,000,000 |
| - The Bank of Tokyo-Mitsubishi UFJ Ltd. | 790,320,000,000 | 790,320,000,000 | - | - | 790,320,000,000 | 790,320,000,000 |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam | - | - | - | 320,400,000,000 | 320,400,000,000 | 320,400,000,000 |
| Long-term borrowings | - | - | - | - | - | - |
| Total | 790,320,000,000 | 790,320,000,000 | - | 320,400,000,000 | 1,110,720,000,000 | 1,110,720,000,000 |

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15. Taxes payable to State Treasury

| | <u>Opening balance</u> | <u>Additions</u> | <u>Payments</u> | <u>Closing balance</u> |
|--|-------------------------------|---------------------------------|---------------------------------|-------------------------------|
| - VAT of domestic goods sold | 97,705,192,489 | 635,219,824,783 | 607,347,154,181 | 125,577,863,091 |
| - VAT on import goods | - | 258,550,733,128 | 254,995,078,480 | 3,555,654,648 |
| - Withholding VAT | - | 2,760,482,636 | 2,760,482,636 | - |
| - Import-export tax | 67,059,641 | 107,674,921,281 | 106,016,383,593 | 1,725,597,329 |
| - Corporate income tax | 395,750,399,000 | 855,404,766,508 | 750,991,720,462 | 500,163,445,046 |
| - Withholding corporate income tax | - | 4,161,503,913 | 4,161,503,913 | - |
| - Personal income tax | 5,740,856,627 | 106,940,868,354 | 103,429,063,268 | 9,252,661,713 |
| - Natural resource tax | 37,644,105 | 224,107,640 | 223,997,740 | 37,754,005 |
| - Land tax | - | 33,110,018 | 33,110,018 | - |
| - Land rental charges | - | 1,225,011,187 | 1,201,694,818 | 23,316,369 |
| - Other taxes | - | 132,564,115 | 132,564,115 | - |
| - Fees, charges and other payables to State Treasury | - | 3,373,642,614 | 3,373,642,614 | - |
| Total | <u>499,301,151,862</u> | <u>1,975,701,536,177</u> | <u>1,834,666,395,838</u> | <u>640,336,292,201</u> |

16. Accrued expenses

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---|---------------------------------|-------------------------------|
| - Promotion, sales incentives | 441,162,649,574 | 372,079,159,616 |
| - Rentals of docks, shelves, light box and exhibition stand | 3,878,181,822 | 530,000,015 |
| - Advertising expenses | 489,102,817,873 | 43,092,205,601 |
| - Transportation expenses | 78,063,248,967 | 58,016,454,874 |
| - Repairs and maintenance expenses | 37,200,788,236 | 15,277,558,615 |
| - Interest expense | 2,502,302,311 | 4,488,970,591 |
| - Fuel expenses | 15,837,749,080 | 14,714,178,145 |
| - Expenses for outsourced employees | 27,833,011,346 | 16,259,721,436 |
| - Others | 29,956,013,614 | 78,732,545,646 |
| Total | <u>1,125,536,762,823</u> | <u>603,190,794,539</u> |

17. Unearned revenue

| | <u>Closing balance</u> | <u>Opening balance</u> |
|-------------------------------|---------------------------|--------------------------|
| - Short-term advanced revenue | 115,061,350 | 17,424,992 |
| Total | <u>115,061,350</u> | <u>17,424,992</u> |

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18. Other payables

| | <u>Closing balance</u> | <u>Opening balance</u> |
|--|-------------------------------|-------------------------------|
| - Surplus assets awaiting for solution | - | - |
| - Social insurance, health insurance, unemployment insurance | 1,838,250,507 | 517,740,364 |
| - Trade union fees | 26,628,998 | 17,615,400 |
| - Short-term deposits received | 64,112,584,511 | 51,152,051,092 |
| - Other payables from financial investments | 448,007,419,155 | 448,007,419,155 |
| - Dividends payables | - | - |
| - Import duty payables | 52,255,253,208 | 66,891,229,438 |
| - Other payables | 8,790,250,186 | 8,967,009,222 |
| Total | <u>575,030,386,565</u> | <u>575,553,064,671</u> |

19. Provisions

| | <u>Closing balance</u> | <u>Opening balance</u> |
|--------------------------------------|------------------------------|------------------------------|
| a. Short-term provision | | |
| - Fixed asset maintenance and repair | 7,939,522,975 | 4,122,882,763 |
| b. Long-term provision | | |
| - Severance allowance | 87,140,621,750 | 77,107,794,500 |
| Total | <u>95,080,144,725</u> | <u>81,230,677,263</u> |

20. Deferred tax assets and liabilities**a. Deferred tax assets**

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---|-------------------------------|-------------------------------|
| - Income tax rate used to determine value of deferred tax assets | 20% | 22% |
| - Deferred tax assets related to deductible temporary differences | 242,830,128,866 | 150,793,168,409 |
| - Offset with deferred tax liabilities | (1,708,383) | - |
| Total | <u>242,828,420,483</u> | <u>150,793,168,409</u> |

b. Deferred tax liabilities

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---|------------------------|------------------------|
| - Income tax rate used to determine value of deferred tax liabilities | 20% | 22% |
| - Deferred tax liabilities arising from taxable temporary differences | 1,708,383 | - |
| - Offset with deferred tax liabilities | (1,708,383) | - |
| Total | <u>-</u> | <u>-</u> |

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21. Owners' equity

| Items | Share capital | Share premium | Treasury shares | Investment and development fund | Retained profits | Total |
|---|---------------------------|--------------------------|------------------------|---------------------------------|--------------------------|---------------------------|
| A | 1 | 2 | | 3 | 6 | 9 |
| Opening balance in previous year | 8,339,557,960,000 | 1,276,994,100,000 | (5,068,507,959) | 950,237,983,612 | 5,989,129,613,873 | 16,550,851,149,526 |
| - Additions | 1,666,856,030,000 | (1,276,994,100,000) | - | - | (389,861,930,000) | - |
| - Purchase of treasury shares | - | - | (319,602,000) | - | - | (319,602,000) |
| - Net profit for the year | - | - | - | - | 5,997,908,009,917 | 5,997,908,009,917 |
| - Appropriation to equity funds | - | - | - | 737,524,587,332 | (1,337,315,388,324) | (599,790,800,992) |
| - Other additions | - | - | - | 833,955,796,000 | - | 833,955,796,000 |
| - Dividends | - | - | - | - | (3,333,740,644,000) | (3,333,740,644,000) |
| Opening balance in current year | 10,006,413,990,000 | - | (5,388,109,959) | 2,521,718,366,944 | 6,926,119,661,466 | 19,448,863,908,451 |
| - Additions | - | - | - | - | - | - |
| - Purchase of treasury shares | - | - | - | - | - | - |
| - Net profit for the year | - | - | - | - | 3,661,187,529,849 | 3,661,187,529,849 |
| - Appropriation to equity funds | - | - | - | 366,118,752,986 | (732,237,505,972) | (366,118,752,986) |
| - Other additions | - | - | - | - | - | - |
| - Dividends | - | - | - | - | (2,000,237,208,000) | (2,000,237,208,000) |
| - Other decreases | - | - | - | - | - | - |
| Closing balance | 10,006,413,990,000 | - | (5,388,109,959) | 2,887,837,119,930 | 7,854,832,477,343 | 20,743,695,477,314 |

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For the accounting period ended 30 June 2015

Details of owners' equity

| | <u>Closing balance</u> | <u>Opening balance</u> |
|-------------------------------|----------------------------------|----------------------------------|
| - The State's capital | 4,507,889,502,495 | 4,507,889,502,495 |
| - Other shareholders' capital | 5,498,524,487,505 | 5,498,524,487,505 |
| - Treasury shares | (5,388,109,959) | (5,388,109,959) |
| Total | <u>10,001,025,880,041</u> | <u>10,001,025,880,041</u> |

Capital transactions with shareholders and appropriation of profits and dividends

| | <u>Closing balance</u> | <u>Opening balance</u> |
|-------------------------------|---------------------------|--------------------------|
| Shareholders' capital | 10,006,413,990,000 | 8,339,557,960,000 |
| - Opening balance | 10,006,413,990,000 | 8,339,557,960,000 |
| - Increased during the period | - | - |
| - Decreased during the period | - | - |
| - Closing balance | 10,006,413,990,000 | 8,339,557,960,000 |
| - Dividends shared | - | - |

Shares

| | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
| Registered shares | 1,000,641,399 | 1,000,641,399 |
| Issued shares | 1,000,641,399 | 1,000,641,399 |
| - Ordinary shares | 1,000,641,399 | 1,000,641,399 |
| - Preference shares (classified as equity) | - | - |
| Purchased shares (treasury shares) | (522,795) | (522,795) |
| - Ordinary shares | (522,795) | (522,795) |
| - Preference shares (classified as equity) | - | - |
| Shares in circulation | 1,000,118,604 | 1,000,118,604 |
| - Ordinary shares | 1,000,118,604 | 1,000,118,604 |
| - Preference shares (classified as equity) | - | - |

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INTERIM FINANCIAL STATEMENTS

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VII. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN STATEMENTS OF INCOME:**1. Revenue**

| | <u>Current period</u> | <u>Previous period</u> |
|---|---------------------------|---------------------------|
| Total revenue | 18,137,052,433,550 | 15,663,604,582,912 |
| • Sales of merchandise inventories | 436,181,995,704 | 412,149,989,642 |
| • Sales of finished goods | 17,636,941,227,193 | 15,184,047,477,626 |
| • Service rendered | 15,230,948,942 | 12,604,951,868 |
| • Real estate trading activities | 6,194,931,305 | 7,496,154,837 |
| • Others | 42,503,330,406 | 47,306,008,939 |
| Less sales deductions: | 55,950,976,266 | 32,101,015,940 |
| • Sale discounts | - | - |
| • Sales rebates | 2,161,380,800 | 13,370,424,369 |
| • Sale returns | 53,789,595,466 | 18,730,591,571 |
| Net revenue | 18,081,101,457,284 | 15,631,503,566,972 |
| <i>In which:</i> | | |
| • Sales of merchandise inventories and finished goods | 18,059,675,577,037 | 15,611,402,460,267 |
| • Service rendered | 21,425,880,247 | 20,101,106,705 |

In which revenue with related parties was as follows:

| | <u>Current period</u> | <u>Previous period</u> |
|--|------------------------|------------------------|
| Subsidiaries | 168,671,709,300 | 141,505,179,497 |
| - Vietnam Dairy Cow One Member Limited Company | 47,171,878,305 | 25,236,156,430 |
| - Lamson Dairy Products One Member Company Limited | 111,944,168,525 | 116,269,023,067 |
| - Thong Nhat Thanh Hoa Dairy Cow Company Limited | 958,314,253 | - |
| - Angkor Dairy Products Co, Ltd | 8,597,348,217 | - |
| Joint ventures, associates | 255,727,047 | 331,149,070 |
| - Asia Saigon Food Ingredients Joint Stock Company | 255,727,047 | 331,149,070 |
| Total | 168,927,436,347 | 141,836,328,567 |

2. Cost of goods sold

| | <u>Current period</u> | <u>Previous period</u> |
|--|---------------------------|---------------------------|
| - Cost of merchandise inventories sold | 365,122,066,342 | 357,387,708,703 |
| - Cost of finished goods sold | 10,657,439,116,921 | 10,276,469,708,741 |
| - Cost of services rendered | 1,359,363,183 | 1,186,991,569 |
| - Cost of real estate trading activities | 4,043,548,694 | 3,227,024,003 |
| - Inventories losses | - | - |
| - Under-capacity costs | 5,903,116,925 | 8,869,877,885 |
| - Allowance for inventories | (2,067,546,012) | 3,377,351,336 |
| Total | 11,031,799,666,053 | 10,650,518,662,237 |

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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INTERIM FINANCIAL STATEMENTS

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3. Financial income

| | <u>Current period</u> | <u>Previous period</u> |
|---------------------------------|-------------------------------|-------------------------------|
| - Interest income from deposits | 268,895,994,674 | 239,271,231,424 |
| - Interest income from bonds | 11,882,191,775 | 155,555,556 |
| - Dividends | 46,600,000 | 6,937,981,440 |
| - Foreign exchange gains | 21,897,604,880 | 11,897,466,837 |
| - Others | 46,342,092 | - |
| Total | <u>302,768,733,421</u> | <u>258,262,235,257</u> |

4. Financial expenses

| | <u>Current period</u> | <u>Previous period</u> |
|--|------------------------------|--------------------------------|
| - Interest expense on loans from banks and other organisations | 6,027,485,462 | - |
| - Interest income on deposits received | 1,003,067,830 | 416,150,527 |
| - Transaction fee for trading securities | 48,155,427 | - |
| - Foreign exchange losses | 30,155,473,783 | 6,111,607,602 |
| - Allowance for diminution in value of short-term investments | (8,715,955,000) | (29,469,000) |
| - Allowance for diminution in value of long-term investments | (16,965,202,565) | (36,167,013,371) |
| - Payment discounts | (273,015,418) | 9,550,902,229 |
| Total | <u>11,280,009,519</u> | <u>(20,117,822,013)</u> |

5. Other income

| | <u>Current period</u> | <u>Previous period</u> |
|---|-------------------------------|------------------------------|
| - Proceeds from disposals of fixed assets | 5,746,345,650 | 3,417,236,168 |
| - Proceeds from disposals of construction in progress | 103,835,690,709 | 8,225,418,386 |
| - Income from penalties and compensations | 9,380,152,408 | 8,278,154,540 |
| - Rebate income from suppliers | 25,340,866,170 | 15,160,011,201 |
| - Collection from written-off doubtful debts | 4,000,000 | - |
| - Others | 27,121,143,043 | 8,204,846,047 |
| Total | <u>171,428,197,980</u> | <u>43,285,666,342</u> |

6. Other expenses

| | <u>Current period</u> | <u>Previous period</u> |
|---|-------------------------------|------------------------------|
| - Book value of fixed assets disposed | 5,959,656,185 | 5,743,251,599 |
| - Cost of construction in progress disposed | - | 68,150,000 |
| - Book value of construction in progress disposed | 103,719,520,870 | 8,225,418,386 |
| - Tax from penalties | 3,629,604,475 | 858,622,863 |
| - Others | 40,517,174 | 2,646,510,946 |
| Total | <u>113,349,298,704</u> | <u>17,541,953,794</u> |

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7. Production and business costs by element

| | <u>Current period</u> | <u>Previous period</u> |
|-----------------------------|----------------------------------|----------------------------------|
| - Materials costs | 9,387,473,428,975 | 9,604,940,630,861 |
| - Labour and staff costs | 540,341,834,886 | 510,057,587,143 |
| - Fixed assets depreciation | 435,915,941,832 | 431,500,027,930 |
| - Outside services expenses | 770,600,251,601 | 607,919,043,178 |
| - Other expenses | 2,888,236,357,545 | 1,458,478,581,592 |
| Total | <u>14,022,567,814,839</u> | <u>12,612,895,870,704</u> |

In which:

Production costs:

| | <u>Current period</u> | <u>Previous period</u> |
|-----------------------------|----------------------------------|----------------------------------|
| - Materials costs | 9,356,875,772,328 | 9,565,719,387,541 |
| - Labour and staff costs | 306,259,306,873 | 299,639,777,513 |
| - Fixed assets depreciation | 391,713,873,294 | 391,073,105,006 |
| - Outside services | 288,762,608,577 | 224,452,091,249 |
| - Other expenses | 704,643,883,640 | 480,615,573,116 |
| Total | <u>11,048,255,444,712</u> | <u>10,961,499,934,425</u> |

Selling expenses

| | <u>Current period</u> | <u>Previous period</u> |
|--|---------------------------------|---------------------------------|
| - Labour and staff costs | 125,053,533,391 | 110,523,933,279 |
| - Materials costs | 21,665,196,121 | 31,671,994,771 |
| - Tools and supplies expenses | 22,552,864,692 | 46,128,197,894 |
| - Fixed assets depreciation | 12,094,721,408 | 12,203,413,065 |
| - Maintenance expenses | 9,685,953,323 | 8,564,573,835 |
| - Transportation expenses | 261,259,826,063 | 201,647,352,401 |
| - Other outside services expenses | 122,925,449,487 | 87,192,718,274 |
| - Advertising expenses | 790,597,589,202 | 385,124,342,529 |
| - Market research expenses | 13,795,384,638 | 4,313,323,370 |
| - Promotion expenses | 8,703,055,780 | 7,818,619,065 |
| - Product display expenses | 212,479,169,539 | 174,778,479,139 |
| - Support and commission expenses for distributors | 1,053,180,973,449 | 295,048,452,819 |
| Total | <u>2,653,993,717,093</u> | <u>1,365,015,400,441</u> |

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General and administration expenses

| | <u>Current period</u> | <u>Previous period</u> |
|--|-------------------------------|-------------------------------|
| - Labour and staff costs | 109,028,994,622 | 99,893,876,351 |
| - Materials costs | 8,932,460,526 | 7,549,248,549 |
| - Office supplies | 7,413,859,402 | 3,645,494,355 |
| - Fixes assets depreciation | 32,107,347,130 | 28,223,509,859 |
| - Taxes, fees and charges | 2,367,640,653 | 2,151,876,326 |
| - Allowance expenses | 12,041,512,131 | 9,313,037,149 |
| - Transportation for internal transfers of goods | 22,576,726,915 | 21,678,049,020 |
| - Outside services expenses | 75,075,640,559 | 72,948,832,234 |
| - Loading expenses | 11,515,989,159 | 8,008,589,279 |
| - Per-diem allowances | 13,842,199,998 | 10,429,632,292 |
| - Bank charges | 1,706,319,936 | 1,819,643,376 |
| - Other expenses by cash | 23,709,962,003 | 20,718,747,048 |
| Total | <u>320,318,653,034</u> | <u>286,380,535,838</u> |

8. Current tax expense

| | <u>Current period</u> | <u>Previous period</u> |
|---|-------------------------------|-------------------------------|
| - Income tax expense calculated on taxable income of the current year | 867,407,093,162 | 779,821,076,497 |
| - Adjustment of income tax expense of previous years/periods into income tax expense of current year/period | (12,002,326,655) | 2,220,165,758 |
| Total | <u>855,404,766,507</u> | <u>782,041,242,255</u> |

9. Deferred tax expense

| | <u>Current period</u> | <u>Previous period</u> |
|---|--------------------------------|--------------------------------|
| - Deferred tax expense arising from taxable temporary differences | 1,708,383 | 786,932,179 |
| - Deferred tax expense arising from reversal of deferred tax assets | (533,037,684) | (1,243,254,999) |
| - Deferred tax income arising from deductible temporary differences | (91,503,922,774) | (43,646,221,636) |
| Total | <u>(92,035,252,074)</u> | <u>(44,102,544,455)</u> |

VIII. OTHER INFORMATION**1. Significant transactions with related parties:**

The biggest shareholder of Company is The State Capital Investment Corporation (“SCIC”), which owns 45.05% of the Company’s chartered capital. SCIC is controlled by the Government of The Social Republic of Vietnam.

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a. Transactions with related parties

During the period, following transactions were made with related parties:

i) Purchases of goods and services:

| | <u>Current period</u> | <u>Previous period</u> |
|--|---------------------------------|-------------------------------|
| Subsidiaries | | |
| - Vietnam Dairy Cow One Member Limited Company | 238,914,629,231 | 201,171,397,077 |
| - Lamson Dairy Products One Member Company Limited | 239,169,942,272 | 205,510,065,954 |
| - Thong Nhat Thanh Hoa Dairy Cow Limited Company | - | 17,000,000 |
| - Driftwood Dairy Holdings Corporation | 1,285,710,408 | 246,235,695 |
| - Vinamilk Europe Sp.zo.o | 516,602,834,981 | - |
| Associates: | | |
| - Miraka Limited | 349,814,106,086 | 229,692,619,200 |
| | <u>1,345,787,222,979</u> | <u>636,637,317,926</u> |

ii) Selling fixed assets and construction in progress:

| | <u>Current period</u> | <u>Previous period</u> |
|--|-------------------------------|------------------------------|
| Subsidiaries | | |
| - Vietnam Dairy Cow One Member Limited Company | 103,843,417,982 | 10,811,430,944 |
| - Lamson Dairy Products One Member Company Limited | 3,486,968,444 | - |
| | <u>107,330,386,426</u> | <u>10,811,430,944</u> |

iii) Capital contribution to related parties

| | <u>Current period</u> | <u>Previous period</u> |
|--|-------------------------------|-------------------------------|
| Subsidiaries | | |
| - Vietnam Dairy Cow One Member Limited Company | 217,170,000,000 | - |
| - Lamson Dairy Products One Member Company Limited | - | 150,000,000,000 |
| - Thong Nhat Thanh Hoa Dairy Cow Limited Company | 56,000,000,000 | 7,800,000,000 |
| - Angkor Dairy Products Co, Ltd | 87,080,090,091 | 107,918,932,500 |
| - Vinamilk Europe Sp.zo.o | - | 6,650,520,000 |
| | <u>360,250,090,091</u> | <u>272,369,452,500</u> |

iv) Capital withdrawal from related parties

| | <u>Current period</u> | <u>Previous period</u> |
|--|-----------------------------|------------------------|
| Subsidiaries | | |
| - International Real Estate One Member Limited Company | 2,427,807,024 | - |
| | <u>2,427,807,024</u> | <u>-</u> |

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v) Payments for key management personnel

| | <u>Current period</u> | <u>Previous period</u> |
|--|-----------------------|------------------------|
| Compensation and other gross benefits of Board of Management's and Board of Directors' members | 43,744,453,062 | 36,586,082,401 |

vi) Dividends distribution:

| | <u>Current period</u> | <u>Previous period</u> |
|---|-----------------------|------------------------|
| The State Capital Investment Corporation (SCIC) | 901,756,800,000 | 1,052,049,600,000 |

2. Segment information

| ITEMS | Second quarter 2015 | | Second quarter 2014 | |
|--|---------------------|-------------------|---------------------|-----------------|
| | Domestic | Export | Domestic | Export |
| 1. Revenue on goods sold and service rendered | 8,686,923,248,499 | 1,329,681,988,475 | 7,978,854,453,927 | 842,923,667,945 |
| 2. Revenue deductions | 10,700,557,057 | - | 198,164,173,807 | - |
| 3. Net revenue on goods sold and service rendered (10 = 01 - 03) | 8,676,222,691,442 | 1,329,681,988,475 | 7,780,690,280,120 | 842,923,667,945 |
| 4. Cost of sales | 5,157,132,769,814 | 677,613,235,097 | 4,916,502,145,417 | 701,226,066,153 |
| 5. Gross profit on goods sold and service rendered (20 = 10 - 11) | 3,519,089,921,629 | 652,068,753,378 | 2,864,188,134,703 | 141,697,601,792 |

| ITEMS | Accumulated 6 months 2015 | | Accumulated 6 months 2014 | |
|--|---------------------------|-------------------|---------------------------|-------------------|
| | Domestic | Export | Domestic | Export |
| 1. Revenue on goods sold and service rendered | 15,599,980,267,619 | 2,537,072,165,931 | 14,424,004,507,908 | 1,512,165,722,768 |
| 2. Revenue deductions | 55,950,976,266 | - | 351,972,672,643 | - |
| 3. Net revenue on goods sold and service rendered (10 = 01 - 03) | 15,544,029,291,353 | 2,537,072,165,931 | 14,072,031,835,265 | 1,512,165,722,768 |
| 4. Cost of sales | 9,632,238,839,736 | 1,399,560,826,317 | 8,994,330,648,041 | 1,210,999,231,511 |
| 5. Gross profit on goods sold and service rendered (20 = 10 - 11) | 5,911,790,451,617 | 1,137,511,339,614 | 5,077,701,187,224 | 301,166,491,257 |

3. Corresponding figures:

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

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- The Company has adopted guidance of Circular 200 effective from 1 January 2015. . In order to make the financial statements' information be comparable, the Company had restated/reclassified certain captions in financial statements for the same period in 2014 as follows:

+ Balance sheet as at 31/12/2014 :

| Presented under Decision 15 | | | Presented under Circular 200 | | |
|-----------------------------|---|---------------------------|------------------------------|---|---------------------------|
| Code | Items | 31/12/2014 | Code | Items | 31/12/2014 |
| ASSETS | | | ASSETS | | |
| 120 | II. Short-term investments | 7,414,562,935,026 | 120 | II. Short-term investments | 7,414,562,935,026 |
| 121 | 1. Short-term investments | 7,553,771,306,426 | 121 | 1. Trading securities | 703,771,306,426 |
| | | | 123 | 3. Held-to-maturity investments | 6,850,000,000,000 |
| 130 | III. Short-term receivables | 2,462,234,686,105 | 130 | III. Short-term receivables | 2,464,315,694,358 |
| 135 | 6. Other receivables | 350,794,021,307 | 136 | 6. Other short-term receivables | 349,123,850,343 |
| | | | 139 | 8. Shortage of assets awaiting resolution | 3,751,179,217 |
| 150 | V. Other current assets | 46,125,976,163 | 150 | V. Other current assets | 44,044,967,910 |
| 158 | 5. Other current assets | 2,081,008,253 | 155 | 5. Other current assets | - |
| 210 | I. Long-term receivables | 7,395,303,671 | 210 | I. Long-term receivables | 15,625,291,697 |
| | | | 215 | 5. Long-term loans receivable | 7,395,303,671 |
| 218 | 6. Phải thu dài hạn khác | 7,395,303,671 | 216 | 6. Other long-term receivables | 8,229,988,026 |
| 220 | II. Fixed assets | 7,106,342,961,790 | 220 | II. Fixed assets | 6,822,236,890,236 |
| 230 | 4. Work in progress | 284,106,071,554 | | | |
| | | | 240 | IV. Long-term work in progress | 284,106,071,554 |
| | | | 242 | 2. Work in progress | 284,106,071,554 |
| 250 | IV. Long-term investments | 2,316,875,997,760 | 250 | V. Long-term investments | 2,309,628,312,934 |
| 252 | 2. Investments in associates and joint-ventures | 238,275,992,596 | 252 | 2. Investments in associates and joint-ventures | 231,028,307,770 |
| 258 | 3. Other long-term investments | 357,455,408,600 | 253 | 3. Equity investments in other entities | 10,859,408,600 |
| | | | 255 | 5. Held-to-maturity investments | 346,596,000,000 |
| 260 | V. Other long-term assets | 308,937,004,232 | 260 | VI. Other long-term assets | 307,954,701,032 |
| 268 | 3. Other long-term assets | 982,303,200 | 268 | 4. Other long-term assets | - |
| RESOURCES | | | RESOURCES | | |
| 310 | I. Current liabilities | 4,956,652,265,341 | 310 | I. Current liabilities | 4,956,669,690,333 |
| 316 | 6. Accrued expenses | 607,313,677,302 | 315 | 5. Short-term accrued expenses | 603,190,794,539 |
| | | | 318 | 8. Short-term unearned revenue | 17,424,992 |
| 320 | 10. Provision – Short-term | - | 321 | 11. Provision – Short-term | 4,122,882,763 |
| 330 | II. Long-term liabilities | 77,125,219,492 | 330 | II. Long-term liabilities | 77,107,794,500 |
| 336 | 6. Provision for severance allowance | 77,107,794,500 | | | |
| 337 | 7. Provision – long-term | - | 342 | 12. Provision – long-term | 77,107,794,500 |
| 338 | 8. Unearned revenue | 17,424,992 | | | |
| 410 | I. Owners' equity | 19,448,863,908,451 | 410 | I. Owners' equity | 19,448,863,908,451 |
| 417 | 7. Investment and development fund | 1,550,028,784,604 | 418 | 8. Investment and development fund | 2,521,718,366,944 |
| 418 | 8. Financial reserve | 971,689,582,340 | | | |

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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+ Statement of income for second quarter 2014 :

| Items | Code | Second quarter 2014 | |
|---|-----------|--------------------------|--------------------------|
| | | Under Decision 15 | Under Circular 200 |
| 1. Revenue from sales of goods and provision of services | 1 | 8,821,778,121,872 | 8,671,321,887,143 |
| 2. Revenue deductions | 3 | 198,164,173,807 | 22,660,477,689 |
| 3. Net revenue | 10 | 8,623,613,948,065 | 8,648,661,409,454 |
| 4. Cost of sales | 11 | 5,617,728,211,570 | 5,898,418,765,587 |
| 5. Gross profit | 20 | 3,005,885,736,495 | 2,750,242,643,867 |
| 8. Selling expenses | 24 | 1,074,853,723,610 | 794,163,169,593 |
| 10. Net operating profit | 30 | 1,892,755,661,025 | 1,917,803,122,414 |
| 11. Other income | 31 | 41,465,634,860 | 16,418,173,471 |
| 13. Other profit | 40 | 33,299,899,769 | 8,252,438,380 |
| 14. Accounting profit before tax | 50 | 1,926,055,560,794 | 1,926,055,560,794 |
| 15. EPS | | 1,841 | Not present |

+ Accumulated statement of income for six-month 2014 :

| Items | Code | Accumulated six-month 2014 | |
|---|-----------|----------------------------|---------------------------|
| | | Under Decision 15 | Under Circular 200 |
| 1. Revenue from sales of goods and provision of services | 1 | 15,936,170,230,676 | 15,663,604,582,912 |
| 2. Revenue deductions | 3 | 351,972,672,643 | 32,101,015,940 |
| 3. Net revenue | 10 | 15,584,197,558,033 | 15,631,503,566,972 |
| 4. Cost of sales | 11 | 10,205,329,879,552 | 10,650,518,662,237 |
| 5. Gross profit | 20 | 5,378,867,678,481 | 4,980,984,904,735 |
| 8. Selling expenses | 24 | 1,810,204,183,126 | 1,365,015,400,441 |
| 10. Net operating profit | 30 | 3,560,663,016,787 | 3,607,969,025,726 |
| 11. Other income | 31 | 90,591,675,281 | 43,285,666,342 |
| 13. Other profit | 40 | 73,049,721,487 | 25,743,712,548 |
| 14. Accounting profit before tax | 50 | 3,633,712,738,274 | 3,633,712,738,274 |
| 15. EPS | | 3,474 | Not present |

Prepared on 29 July 2015,

Preparer

Chief Accountant


Executive Director
- Finance

Chief Executive Officer



 Nguyen Duc Dieu Tho


 Le Thanh Liem


 Ngo Thi Thu Trang


 Mai Kieu Lien