

Vietnam Dairy Products Joint Stock Company

Separate interim financial statements
for the six-month period
ended 30 June 2015

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

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

The Board of Directors is responsible for the separate interim financial statements of Vietnam Dairy Products Joint Stock Company ("the Company") which give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2015 and of the unconsolidated results of operations and unconsolidated cash flows for the six-month period then ended. In preparing these separate interim financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate interim financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the unconsolidated financial position and performance of the Company and which enable these separate interim financial statements to be prepared which complies with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying separate interim financial statements set out on pages 4 to 58 which give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2015, and of its unconsolidated results of operations and its unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Directors



Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 31 July 2015



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The Socialist Republic of Vietnam

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FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Vietnam Dairy Products Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Vietnam Dairy Products Joint Stock Company ("the Company"), which comprise the separate balance sheet as at 30 June 2015, the related separate statements of income and separate cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 31 July 2015, as set out on pages 4 to 58. These separate interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these separate interim financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of Vietnam Dairy Products Joint Stock Company as at 30 June 2015 and of its unconsolidated results of operations and its unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City Vietnam

Operating Registration Certificate No.: 4114000230
Review Report No.: 15-01-226/04



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

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

Ho Chi Minh City, 31 July 2015

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 30 June 2015

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

	Code	Note	30/6/2015 VND	1/1/2015 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		15,951,541,665,100	14,598,577,355,598
Cash and cash equivalents	110	6	1,608,270,283,617	1,298,826,375,540
Cash	111		408,270,283,617	798,826,375,540
Cash equivalents	112		1,200,000,000,000	500,000,000,000
Short-term financial investments	120		7,799,197,855,026	7,414,562,935,026
Trading securities	121	7(a)	675,680,691,532	703,771,306,426
Allowance for diminution in the value of trading securities	122	7(a)	(126,482,836,506)	(139,208,371,400)
Held-to-maturity investments	123	7(b)	7,250,000,000,000	6,850,000,000,000
Accounts receivable – short-term	130		2,888,440,959,884	2,464,315,694,358
Accounts receivable from customers	131	8	2,256,815,506,537	1,745,599,580,608
Prepayments to suppliers	132		243,200,718,207	368,348,817,693
Other short-term receivables	136	9(a)	390,951,575,887	349,123,850,343
Allowance for doubtful debts	137	10	(3,568,214,551)	(2,507,733,503)
Shortage of assets awaiting for resolution	139	11	1,041,373,804	3,751,179,217
Inventories	140	12	3,608,510,666,744	3,376,827,382,764
Inventories	141		3,619,061,613,685	3,389,805,269,417
Allowance for inventories	149		(10,550,946,941)	(12,977,886,653)
Other current assets	150		47,121,899,829	44,044,967,910
Short-term prepaid expenses	151	17(a)	43,506,964,043	40,219,219,619
Deductible value added tax	152		3,614,935,786	3,825,748,291

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

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 30 June 2015 (continued)

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

	Code	Note	30/6/2015 VND	1/1/2015 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		10,086,407,179,892	9,884,064,037,686
Accounts receivable – long-term	210		16,345,152,369	15,625,291,697
Long-term loan receivables	215		8,101,164,343	7,395,303,671
Other long-term receivables	216	9(b)	8,243,988,026	8,229,988,026
Fixed assets	220		6,400,322,532,113	6,822,236,890,236
Tangible fixed assets	221	13	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)
Intangible fixed assets	227	14	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)
Investment property	230	15	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)
Long-term work in progress	240		302,640,035,957	284,106,071,554
Construction in progress	242	16	302,640,035,957	284,106,071,554
Long-term financial investments	250		2,686,760,234,110	2,309,628,312,934
Investments in subsidiaries	251	7(c)	2,198,353,852,591	1,840,531,569,524
Investments in associates and joint-ventures	252	7(c)	231,028,307,770	231,028,307,770
Equity investments in other entities	253	7(c)	10,859,408,600	10,859,408,600
Allowance for diminution in the value of long-term financial investments	254	7(c)	(100,077,334,851)	(119,386,972,960)
Held-to-maturity investments	255	7(b)	346,596,000,000	346,596,000,000
Other non-current assets	260		538,184,901,548	307,954,701,032
Long-term prepaid expenses	261	17(b)	295,356,481,065	157,161,532,623
Deferred tax assets	262	18	242,828,420,483	150,793,168,409
TOTAL ASSETS (270 = 100 + 200)	270		26,037,948,844,992	24,482,641,393,284

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

Vietnam Dairy Products Joint Stock Company
Separate balance sheet as at 30 June 2015 (continued)

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

	Code	Note	30/6/2015 VND	1/1/2015 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		5,294,253,367,678	5,033,777,484,833
Current liabilities	310		5,207,112,745,928	4,956,669,690,333
Accounts payable to suppliers	311	19	1,622,644,849,178	1,647,920,447,124
Advances from customers	312		22,701,444,626	16,268,617,018
Taxes payable to State Treasury	313	20	640,336,292,201	499,301,151,862
Payables to employees	314		109,119,170,171	146,782,641,213
Accrued expenses	315	21	1,125,536,762,823	603,190,794,539
Unearned revenue	318		115,061,350	17,424,992
Other short-term payables	319	22	575,030,386,565	575,553,064,671
Short-term borrowings	320	23	790,320,000,000	1,110,720,000,000
Provision – short-term	321	24(a)	7,939,522,975	4,122,882,763
Bonus and welfare fund	322	25	313,369,256,039	352,792,666,151
Long-term liabilities	330		87,140,621,750	77,107,794,500
Provision – long-term	342	24(b)	87,140,621,750	77,107,794,500
EQUITY (400 = 410)	400		20,743,695,477,314	19,448,863,908,451
Owners' equity	410	26	20,743,695,477,314	19,448,863,908,451
Share capital	411	27	10,006,413,990,000	10,006,413,990,000
Treasury shares	415	27	(5,388,109,959)	(5,388,109,959)
Investment and development fund	418	29	2,887,837,119,930	2,521,718,366,944
Retained profits	420		7,854,832,477,343	6,926,119,661,466
TOTAL RESOURCES (440 = 300 + 400)	440		26,037,948,844,992	24,482,641,393,284

31 July 2015

Prepared by:


Le Thanh Liem
Chief Accountant


Ngo Thi Thu Trang
Executive Director – Finance




Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company

Separate statement of income for the six-month period ended 30 June 2015

Form B 02a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Three-month period ended		Six-month period ended	
			30/6/2015	30/6/2014	30/6/2015	30/6/2014
			VND	VND	VND	VND
Revenue from sales of goods and provision of services	01	31	10,016,605,236,974	8,671,321,887,143	18,137,052,433,550	15,663,604,582,912
Revenue deductions	02	31	10,700,557,057	22,660,477,689	55,950,976,266	32,101,015,940
Net revenue (10 = 01 - 02)	10	31	10,005,904,679,917	8,648,661,409,454	18,081,101,457,284	15,631,503,566,972
Cost of sales	11	32	5,834,746,004,910	5,898,418,765,587	11,031,799,666,053	10,650,518,662,237
Gross profit (20 = 10 - 11)	20		4,171,158,675,007	2,750,242,643,867	7,049,301,791,231	4,980,984,904,735
Financial income	21	33	165,380,457,511	132,159,419,306	302,768,733,421	258,262,235,257
Financial expenses	22	34	20,035,698,300	17,124,681,332	11,280,009,519	(20,117,822,013)
<i>In which: Interest expense</i>	23		2,992,265,777	-	6,027,485,462	-
Selling expenses	25	35	1,600,234,500,283	794,163,169,593	2,653,993,717,093	1,365,015,400,441
General and administration expenses	26	36	181,527,694,572	153,311,089,834	320,318,653,034	286,380,535,838
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		2,534,741,239,363	1,917,803,122,414	4,366,478,145,006	3,607,969,025,726
Other income	31	37	114,622,270,311	16,418,173,471	171,428,197,980	43,285,666,342
Other expenses	32	38	108,388,527,950	8,165,735,091	113,349,298,704	17,541,953,794
Results of other activities (40 = 31 - 32)	40		6,233,742,361	8,252,438,380	58,078,899,276	25,743,712,548

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

Vietnam Dairy Products Joint Stock Company

Separate statement of income for the six-month period ended 30 June 2015 (continued)

Form B 02a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Code	Note	Three-month period ended		Six-month period ended	
		30/6/2015	30/6/2014	30/6/2015	30/6/2014
		VND	VND	VND	VND
50	Profit before tax (50 = 30 + 40)	2,540,974,981,724	1,926,055,560,794	4,424,557,044,282	3,633,712,738,274
51	Income tax expense – current	507,760,825,444	437,426,146,787	855,404,766,507	782,041,242,255
52	Income tax benefit – deferred	(81,622,565,231)	(45,913,409,285)	(92,035,252,074)	(44,102,544,455)
60	Net profit after tax (60 = 50 - 51 - 52)	2,114,836,721,511	1,534,542,823,292	3,661,187,529,849	2,895,774,040,474

31 July 2015

Prepared by:

Le Thanh Liem

Le Thanh Liem
Chief Accountant

Ngô Thị Thu Trang

Ngô Thị Thu Trang
Executive Director – Finance



Mai Kiều Liên
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the six-month period ended 30 June 2015
(Indirect method)

Form B 03a – DN

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

	Code Note	Six-month period ended 30/6/2015 VND	30/6/2014 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	4,424,557,044,282	3,633,712,738,274
Adjustments for			
Depreciation and amortisation	02	435,915,941,832	431,500,027,930
Allowances and provisions	03	(15,707,191,445)	(32,100,063,503)
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	1,733,882,329	(4,245,680,474)
Losses on disposals of tangible fixed assets and construction in progress	05	97,140,696	2,394,165,431
Gain on fixed assets revaluation for investments in other entities	05	(24,860,656,443)	-
Dividends and interest income	05	(280,871,128,541)	(246,364,768,420)
Interest expense	06	6,027,485,462	-
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 and other liabilities	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	-
		4,529,320,550,374	3,783,849,219,928
Interest paid	14	(8,014,153,742)	-
Income tax paid	15	(750,991,720,461)	(688,153,044,057)
Other payments for operating activities	17	(406,327,181,886)	(384,602,444,622)
Net cash flows from operating activities	20	3,363,987,494,285	2,711,093,731,249

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


Vietnam Dairy Products Joint Stock Company
Separate statement of cash flows for the six-month period ended 30 June 2015
(Indirect method – continued)

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

	Code Note	Six-month period ended 30/6/2015 VND	30/6/2014 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(234,666,184,152)	(219,120,219,969)
Collections on disposals of fixed assets	22	102,863,727,450	53,937,919,429
Payments for granting loans	23	(705,860,672)	(2,962,017,002)
Payments for purchase of debt instruments of other entities	23	-	(100,000,000,000)
Increase in time deposits	23	(400,000,000,000)	(1,796,596,000,000)
Payments for investments in other entities	25	(327,780,041,375)	(272,369,452,500)
Collections on investments in other entities	26	-	735,000,000
Receipts of interest 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)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for shares repurchases	32	-	(319,602,000)
Payments to settle loan principals	34	(320,400,000,000)	-
Payments of dividends	36	(2,000,237,208,000)	(2,333,645,730,800)
Net cash flows from financing activities	40	(2,320,637,208,000)	(2,333,965,332,800)
Net cash flows during the period (50 = 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 on cash and cash equivalents	61	(208,061,517)	690,441,619
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	1,608,270,283,617	987,195,384,623


31 July 2015

Prepared by:


Le Thanh Liem
Chief Accountant


Ngo Thi Thu Trang
Executive Director – Finance

Approved by:


Mai Kieu Lien
Chief Executive Officer



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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2015

Form B 09a – DN

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

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

1. Reporting Entity

(a) Ownership structure

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

(b) Principal activities

The principal activities of the Company are to:

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

(c) Normal operating cycle

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2015 (continued)

Form B 09a – DN

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

(d) Group structure

As at 30 June 2015, the Company had 6 subsidiaries and 2 associates (1/1/2015: 7 subsidiaries and 2 associates) as listed in Note 7(c).

As at 30 June 2015, the Company had 5,074 employees (1/1/2015: 5,072 employees).

2. Basis of preparation

(a) Statement of compliance

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial statements.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

3. Adoption of new guidance on accounting system for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on the Vietnamese Accounting System for enterprises ("Circular 200"). Circular 200 replaced 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. Circular 200 is applicable for annual accounting periods beginning on or after 1 January 2015.

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

- Recognition of foreign exchange differences (Note 4(a)) - the use of different commercial exchange rates is now provided by Circular 200.

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2015 (continued)

Form B 09a – DN

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

The Circular also brought changes in presentation of certain items in the separate interim balance sheet and the separate interim statement of income. Corresponding figures have been reclassified to conform to the current period presentation. Details of reclassification of corresponding figures are disclosed in Note 43 to these separate interim financial statements.

4. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

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

(b) Cash and cash equivalents

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

Vietnam Dairy Products Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2015 (continued)

Form B 09a – DN

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

(c) Investments

(i) Trading securities

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

(ii) Held-to-maturity investments

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

(iii) Investments in subsidiaries, associates and jointly controlled entities

For the purpose of these separate interim financial statements, investments in subsidiaries, associates and jointly controlled entities are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(iv) Equity investments in other entities

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

Vietnam Dairy Products Joint Stock Company
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(d) Accounts receivable

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

(e) Inventories

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

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

▪ buildings and structures	10 – 50 years
▪ machinery and equipment	8 – 15 years
▪ motor vehicles	10 years
▪ office equipment	3 – 10 years

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(g) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

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

(ii) Software

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

(h) Investment property

(i) Cost

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

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(ii) Depreciation

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

▪ land use rights	49 years
▪ infrastructure	10 years
▪ buildings	10 – 50 years

(i) Construction in progress

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

(j) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land (“Circular 45”). These costs are recognised in the separate interim statement of income on a straight-line basis over the term of the lease.

(ii) Tools and instruments

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

(iii) Others

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

(k) Trade and other payables

Trade and other payables are stated at their cost.

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(l) Provisions

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

Severance allowance

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

Pursuant to the Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as at 30 June 2015 will be determined based on the eligible employees’ years of service as at 31 December 2008 and their average salary for the six-month period prior to the termination date.

(m) Share capital

(i) Ordinary shares

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

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

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

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(n) Taxation

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

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

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

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

(o) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the separate interim statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Services rendered

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

(iii) Rental income

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

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(iv) Interest income

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

(v) Dividend income

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

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

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

(p) Operating lease payments

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

(q) Borrowing costs

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

(r) Dividend distribution

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

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

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(s) Funds

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

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

Under Circular 200, financial reserve is no longer used. Outstanding balance of this reserve is transferred to the investment and development fund. Utilisation of the above reserve funds requires approval of the shareholders, the Board of Directors or the Chief Executive Officer, depending on the nature and magnitude of the transactions involved as stated in the Company's Charter and financial regulations.

(t) Segment reporting

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

(u) Related parties

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

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5. Segment reporting

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

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling, general and administration expenses, other gains or losses, and corporate income tax.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which is located in Vietnam ("Domestic") or countries other than Vietnam ("Overseas").

	Domestic		Overseas		Total	
	Six-month period ended 30/6/2015 VND	30/6/2014 VND	Six-month period ended 30/6/2015 VND	30/6/2014 VND	Six-month period ended 30/6/2015 VND	30/6/2014 VND
Net revenue	15,544,029,291,353	14,119,337,844,204	2,537,072,165,931	1,512,165,722,768	18,081,101,457,284	15,631,503,566,972
Cost of sales	(9,632,238,839,736)	(9,439,519,430,726)	(1,399,560,826,317)	(1,210,999,231,511)	(11,031,799,666,053)	(10,650,518,662,237)
Segment gross profit	5,911,790,451,617	4,679,818,413,478	1,137,511,339,614	301,166,491,257	7,049,301,791,231	4,980,984,904,735

6. Cash and cash equivalents

	30/6/2015 VND	1/1/2015 VND
Cash on hand	712,321,690	730,356,102
Cash in banks	407,557,961,927	798,096,019,438
Cash equivalents	1,200,000,000,000	500,000,000,000
	1,608,270,283,617	1,298,826,375,540

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7. Investments

(a) Trading securities

	30/6/2015		1/1/2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	VND	VND	VND	VND
Short-term investments in shares:				
▪ Thanh Thanh Cong Tay Ninh Joint Stock Company	150,569,980,000	93,764,033,000	150,569,980,000	88,288,761,000
▪ An Binh Commercial Joint Stock Bank	82,283,660,000	12,745,007,600	82,283,660,000	12,745,007,600
▪ Bao Viet Joint Stock Commercial Bank	442,000,000,000	(*)	442,000,000,000	(*)
▪ Others	827,051,532	688,869,026	28,917,666,426	21,529,215,026
	675,680,691,532		703,771,306,426	
			(126,482,836,506)	
				(139,208,371,400)

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

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(b) Held to maturity investments

	30/6/2015 VND	1/1/2015 VND
Held-to-maturity investments – short-term		
▪ term deposits	7,250,000,000,000	6,850,000,000,000
Held-to-maturity investments – long-term		
▪ term deposits	46,596,000,000	46,596,000,000
▪ bonds	300,000,000,000	300,000,000,000
	346,596,000,000	346,596,000,000

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(c) Equity investments in other entities

30 June 2015	Address	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:						
Subsidiaries						
▪ Vietnam Dairy Cow One	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam	100.00%	100.00%	1,391,170,000,000	(*)	(95,209,480,853)
▪ Member Limited Company	Le Mon Industrial Zone, Thanh Hoa Province, Vietnam	100.00%	100.00%	370,800,000,000	(*)	-
▪ Lamson Dairy Products One	Gwiazdzista 7a/4, 01-065 Warszawa, Poland	100.00%	100.00%	9,834,270,000	(*)	-
▪ Member Company Limited	Quarter 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province, Vietnam	96.11%	96.11%	73,800,000,000	(*)	-
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	10724 E.Lower Azusa Rd.El Monte, CA 91731-1390, United States of America	70.00%	70.00%	157,750,560,000	(*)	-
▪ Thong Nhat Thanh Hoa Dairy Cow Company Limited	P2-096, P2-097, PPSEZ Boeung Thom, Posen Chey Phnom Penh, Kingdom of Cambodia	51.00%	51.00%	194,999,022,591	(*)	-
▪ Driftwood Dairy Holdings Corporation						
▪ Angkor Dairy Products Co, Ltd.						
				2,198,353,852,591		(95,209,480,853)

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30 June 2015	Address	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Associates						
▪ Miraka Limited	109 Tuwharetoa, Taupo, New Zealand	(**)	19.30%	213,028,307,770	(*)	-
▪ Asia Saigon Food Ingredients Joint Stock Company	Lot C-9E-CN, My Phuoc 3 Industrial Park, Ben Cat District, Binh Duong Province, Vietnam	(**)	15.00%	18,000,000,000	(*)	-
				231,028,307,770		-
Others						
▪ Vietnam Growth Investment Fund	Melinh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City, Vietnam			10,559,408,600	(*)	(4,867,853,998)
▪ An Khang Clinic – Pharmacy	184-186-188 Nguyen Dinh Chieu Street, District 3, Ho Chi Minh City, Vietnam			300,000,000	(*)	-
				10,859,408,600		(4,867,853,998)
				2,440,241,568,961		(100,077,334,851)

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

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

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1 January 2015	Address	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:						
Subsidiaries						
▪ Vietnam Dairy Cow One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam	100.00%	100.00%	1,174,000,000,000	(*)	(112,185,246,815)
▪ Lamson Dairy Products One Member Company Limited	Le Mon Industrial Zone, Thanh Hoa Province, Vietnam	100.00%	100.00%	370,800,000,000	(*)	-
▪ Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Gwiazdzista 7a/4, 01-065 Warszawa, Poland	100.00%	100.00%	9,834,270,000	(*)	-
▪ Thong Nhat Thanh Hoa Dairy Cow Company Limited	Quarter 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province, Vietnam	96.11%	96.11%	17,800,000,000	(*)	-
▪ Driftwood Dairy Holdings Corporation	10724 E.Lower Azusa Rd.El Monte, CA 91731-1390, United States of America	70.00%	70.00%	157,750,560,000	(*)	-
▪ Angkor Dairy Products Co, Ltd.	P2-096, P2-097, PPSEZ Boeung Thom, Posen Chey Phnom Penh, Kingdom of Cambodia	51.00%	51.00%	107,918,932,500	(*)	-
▪ International Real Estate One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam	100.00%	100.00%	2,427,807,024	(*)	(2,344,435,544)
				<u>1,840,531,569,524</u>		<u>(114,529,682,359)</u>

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1 January 2015	Address	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Associates						
▪ Miraka Limited	109 Tuwharetoa, Taupo, New Zealand	(**)	19.30%	213,028,307,770	(*)	-
▪ Asia Saigon Food Ingredients Joint Stock Company	Lot C-9E-CN, My Phuoc 3 Industrial Park, Ben Cat District, Binh Duong Province, Vietnam	(**)	15.00%	18,000,000,000	(*)	-
				231,028,307,770		-
Others						
▪ Vietnam Growth Investment Fund	Melinh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City, Vietnam			10,559,408,600	(*)	(4,857,290,601)
▪ An Khang Clinic – Pharmacy	184-186-188 Nguyen Dinh Chieu Street, District 3, Ho Chi Minh City, Vietnam			300,000,000	(*)	-
				10,859,408,600		(4,857,290,601)
				2,082,419,285,894		(119,386,972,960)

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

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

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

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Opening balance	139,208,371,400	145,974,953,400
Increase in allowance during the period	-	3,819,781,000
Written back	(8,715,955,000)	(3,849,250,000)
Allowance utilised during the period	(4,009,579,894)	-
Closing balance	126,482,836,506	145,945,484,400

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

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Opening balance	119,386,972,960	142,645,293,067
Increase in allowance during the period	10,563,397	-
Written back	(16,975,765,962)	(36,167,013,371)
Allowance utilised during the period	(2,344,435,544)	-
Closing balance	100,077,334,851	106,478,279,696

8. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	30/6/2015	1/1/2015
	VND	VND
Abdulkarim Alwan Foodstuff Trading (LLC)	473,078,000,340	348,172,272,000
Other customers	1,783,737,506,197	1,397,427,308,608
	2,256,815,506,537	1,745,599,580,608

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

	30/6/2015	1/1/2015
	VND	VND
Subsidiaries		
Vietnam Dairy Cow One Member Limited Company	65,920,558,350	3,618,842,250
Thong Nhat Thanh Hoa Dairy Cow Limited Company	94,825,148	-
Vinamilk Europe Spółka Z Ograniczona		
Odpowiedzialnoscia	-	61,983,027,713
Angkor Dairy Products Co., Ltd.	-	1,265,902,536
Associate		
Asia Saigon Food Ingredients Joint Stock Company	-	1,008,001,984

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

9. Other receivables

(a) Other short-term receivables

	30/6/2015	1/1/2015
	VND	VND
Interest income from deposits	284,141,895,215	118,619,712,835
Import tax refundable	47,938,561,443	71,950,068,975
Receivables from import entrustment	44,039,704,997	-
Receivables from employees	2,648,574,580	2,224,415,209
Interest income from bonds	441,095,888	11,682,191,784
Short-term deposits	127,000,000	562,340,000
Rebates receivable from suppliers	-	133,509,529,151
Others	11,614,743,764	10,575,592,389
	390,951,575,887	349,123,850,343

(b) Other long-term receivables

	30/6/2015	1/1/2015
	VND	VND
Receivables from an investment	7,247,684,826	7,247,684,826
Long-term deposits	996,303,200	982,303,200
	8,243,988,026	8,229,988,026

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10. Bad and doubtful debts

		30/6/2015		1/1/2015	
	Overdue days	Carrying amount VND	Recoverable amount VND	Overdue days	Carrying amount VND
Overdue debts					
▪ Phuoc Long Port Company Limited	Over 3 years	3,470,244,813	-	2 – 3 years	3,470,244,813
					1,041,073,444
					2,429,171,369
<i>Of which:</i>					
Allowance for doubtful debts – short-term		3,470,244,813			2,429,171,369

11. Shortage of assets awaiting resolution

	30/6/2015 VND	1/1/2015 VND
Inventories	1,041,373,804	3,751,179,217

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12. Inventories

	30/6/2015		1/1/2015	
	Carrying amount VND	Allowance VND	Carrying amount VND	Allowance VND
Goods in transit	659,688,751,629	-	479,836,716,027	-
Raw 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	-
	3,619,061,613,685	(10,550,946,941)	3,389,805,269,417	(12,977,886,653)

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

	Six-month period ended	
	30/6/2015 VND	30/6/2014 VND
Opening balance	12,977,886,653	10,376,905,544
Increase in allowance during the period	4,977,573,463	12,388,355,173
Written back	(7,045,119,475)	(9,011,003,837)
Allowance utilised during the period	(359,393,700)	(110,473,414)
Closing balance	10,550,946,941	13,643,783,466

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13. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
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	4,838,204,674	12,695,405,541	14,085,809,090	3,180,026,765	34,799,446,070
Transfers from construction in progress	39,033,235,923	40,929,503,421	1,226,400,000	5,152,773,618	86,341,912,962
Transfers to construction in progress	-	(14,749,965,952)	-	-	(14,749,965,952)
Disposals	(160,294,733)	(15,922,371,570)	(6,701,130,864)	(580,000,294)	(23,363,797,461)
Closing balance	1,820,032,907,022	7,287,781,069,068	588,981,107,743	421,212,348,544	10,118,007,432,377
Accumulated depreciation					
Opening balance	355,336,235,822	2,710,692,539,601	211,687,161,072	224,807,040,812	3,502,522,977,307
Charge for the period	39,586,930,755	332,322,590,382	26,585,181,615	28,032,413,784	426,527,116,536
Transfers to construction in progress	-	(12,166,169,645)	-	-	(12,166,169,645)
Disposals	(72,987,770)	(12,215,343,301)	(4,535,809,911)	(580,000,294)	(17,404,141,276)
Closing balance	394,850,178,807	3,018,633,617,037	233,736,532,776	252,259,454,302	3,899,479,782,922
Net book value					
Opening balance	1,420,985,525,336	4,554,135,958,027	368,682,868,445	188,652,507,643	6,532,456,859,451
Closing balance	1,425,182,728,215	4,269,147,452,031	355,244,574,967	168,952,894,242	6,218,527,649,455

Included in the cost of tangible fixed assets were assets costing VND946,677,757,993 which were fully depreciated as at 30 June 2015 (1/1/2015: VND917,825,635,829), but which are still in active use.

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14. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	314,353,303,957	100,195,019,379	414,548,323,336
Additions	-	281,884,200	281,884,200
Transfer from construction in progress	-	8,486,562,931	8,486,562,931
Reclassification (*)	(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
Charge for the period	2,061,536,682	4,885,470,696	6,947,007,378
Reclassification (*)	(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

- (*) The reclassification represents the net book value of land use rights from long-term land lease contracts obtained after 1 July 2004, the effective date of Land Law 2003, which are not qualified as intangible fixed assets under Circular 45. These assets are reclassified to long-term prepaid expenses (Note 17(b)) during the period.

Included in the cost of intangible fixed assets were assets costing VND48,086,488,915 which were fully amortised as at 30 June 2015 (1/1/2015: VND47,704,588,915), but which are still in use.

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15. Investment property

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

The Company's investment property represents buildings and infrastructure held for earning rental income. The fair value of investment property has not been determined as there was no recent market transaction for similar property in the same location as the Company's investment property.

Included in the cost of investment property held to earn rental was assets costing VND7,228,577,143 which were fully depreciated as at 30 June 2015 (1/1/2015: VND7,228,577,143), but which are still in use.

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16. Construction in progress

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Opening balance	284,106,071,554	260,702,889,656
Additions	268,675,313,168	102,662,892,243
Transfer from tangible fixed assets	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 other short-term receivables	(26,582,788,137)	-
Transfer to long-term prepaid expenses	(17,549,532,265)	-
Transfer to investments in a subsidiary	(7,609,392,273)	-
Transfer to inventories	(211,221,789)	-
Disposals	(103,719,520,870)	(8,225,418,386)
Other decreases	(2,224,213,845)	(143,911,452)
Closing balance	302,640,035,957	186,346,519,365

Major constructions in progress were as follows:

	30/6/2015	1/1/2015
	VND	VND
Machinery and equipment – Lam Son Dairy Factory	121,140,045,326	-
Machinery and equipment – Tien Son Dairy Factory	52,573,216,510	-
Office building project – Can Tho Branch	52,079,729,352	52,079,729,352
Machinery and equipment – Ha Tinh Dairy Cow Farm	-	46,977,774,276
Site clearance costs – Ha Tinh Dairy Cow Farm	-	32,532,497,173
Others	76,847,044,769	152,516,070,753
	302,640,035,957	284,106,071,554

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17. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2015 VND	1/1/2015 VND
Prepaid software deployment and networks maintenance expenses	11,396,794,862	3,060,841,120
Prepaid renovation and repair expenses	9,958,189,048	4,391,038,491
Prepaid tools and supplies expenses	6,665,420,200	7,910,098,436
Prepaid operating lease expenses	4,365,055,001	6,243,320,990
Prepaid advertising expenses	2,852,867,341	1,108,065,215
Other short-term prepaid expenses	8,268,637,591	17,505,855,367
	43,506,964,043	40,219,219,619

(b) Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Other prepayments VND	Total VND
Opening balance	4,419,837,879	86,292,281,445	66,449,413,299	157,161,532,623
Additions	5,473,814,345	38,047,985,913	22,426,731,582	65,948,531,840
Reclassification (*)	109,806,587,880	-	-	109,806,587,880
Transfer from construction in progress	8,107,019,200	-	9,442,513,065	17,549,532,265
Amortisation for the period	(6,814,343,873)	(25,120,020,004)	(23,060,833,708)	(54,995,197,585)
Other decreases	(114,505,958)	-	-	(114,505,958)
Closing balance	120,878,409,473	99,220,247,354	75,257,824,238	295,356,481,065

- (*) The reclassification represents the net book value of land use rights from long term land lease contracts obtained after 1 July 2004, the effective date of Land Law 2003, which are not qualified as intangible fixed assets under Circular 45. These prepaid land costs were reclassified from intangible fixed assets (Note 14) during the period.

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18. Deferred tax assets and liabilities

	Tax rate	30/6/2015 VND	1/1/2015 VND
Deferred tax assets:			
Foreign exchange differences	20% - 22%	294,651,951	226,023,828
Accrued expenses and provisions	20% - 22%	242,535,476,915	150,567,144,581
Total deferred tax assets		242,830,128,866	150,793,168,409
Deferred tax liabilities:			
Foreign exchange differences	20% - 22%	(1,708,383)	-
Net deferred tax assets		242,828,420,483	150,793,168,409

19. Accounts payable to suppliers

Accounts payable to suppliers who are related parties

	30/6/2015 VND	1/1/2015 VND
Subsidiaries		
Lamson Dairy Products One Member Company Limited	120,022,924,917	114,752,093,275
Vietnam Dairy Cow One Member Limited Company	12,599,397,515	11,144,230,565
Vinamilk Europe Spółka Z Ograniczoną Odpowiedzialnością	56,784,000	-
Associate		
Miraka Limited	30,009,224,700	53,275,711,500

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

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20. Taxes payable to State Treasury

	1/1/2015 VND	Incurred VND	Paid VND	30/6/2015 VND
Value added tax	97,705,192,489	896,531,040,547	(865,102,715,297)	129,133,517,739
Corporate income tax	395,750,399,000	855,404,766,507	(750,991,720,461)	500,163,445,046
Personal income tax	5,740,856,627	106,940,868,354	(103,429,063,268)	9,252,661,713
Import tax	67,059,641	107,674,921,281	(106,016,383,593)	1,725,597,329
Other taxes	37,644,105	9,149,939,487	(9,126,513,218)	61,070,374
	499,301,151,862	1,975,701,536,176	(1,834,666,395,837)	640,336,292,201

21. Accrued expenses

	30/6/2015 VND	1/1/2015 VND
Sale incentives, promotion	441,162,649,574	372,079,159,616
Advertising expenses	489,102,817,873	43,092,205,601
Transportation expenses	78,063,248,967	58,016,454,874
Repair and maintenance expenses	37,200,788,236	15,277,558,615
Fuel expenses	15,837,749,080	14,714,178,145
Expenses for outsourced employees	27,833,011,346	16,259,721,436
Rental fee	3,878,181,822	530,000,015
Interest expense	2,502,302,311	4,488,970,591
Others	29,956,013,614	78,732,545,646
	1,125,536,762,823	603,190,794,539

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22. Other payables

	30/6/2015 VND	1/1/2015 VND
Other payables relating to financial investments (*)	448,007,419,155	448,007,419,155
Import duty payables	52,255,253,208	66,891,229,438
Short-term deposits received	64,112,584,511	51,152,051,092
Insurance and trade union fees	1,864,879,505	535,355,764
Others	8,790,250,186	8,967,009,222
	<hr/> 575,030,386,565	<hr/> 575,553,064,671 <hr/>

- (*) Other payables relating to financial investments included an advance payment of VND447,822,000,000 received from a third party in respect of the future transfer of the Company's investment in a bank. The transfer can only be effective upon approval by the bank's Annual General Meeting or Board of Management and its founding shareholders; or after five years from the date of establishment of the bank, whichever comes first.

23. Short-term borrowings

	1/1/2015 VND	Addition VND	Paid VND	30/6/2015 VND
Short-term borrowings	1,110,720,000,000	-	(320,400,000,000)	790,320,000,000

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

Lenders		Currency	Annual interest rate	30/6/2015 VND	1/1/2015 VND
The Bank of Tokyo-Mitsubishi UFJ Ltd. – Ho Chi Minh City Branch	(a)	USD	1.47%	790,320,000,000	790,320,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	(b)	USD	1.30%	-	320,400,000,000
				<hr/> 790,320,000,000	<hr/> 1,110,720,000,000 <hr/>

- (a) This borrowing has a maximum facility of USD50 million and is unsecured.
- (b) This borrowing has a maximum facility of VND3,300 billion and is unsecured.

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24. Provisions

(a) Short-term provision

	30/6/2015	1/1/2015
	VND	VND
Fixed asset overhaul	7,939,522,975	4,122,882,763

(b) Long-term provision

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

	Severance allowance
	VND
Opening balance	77,107,794,500
Increase in provision during the period	10,981,031,083
Provision used during the period	(948,203,833)
Closing balance	87,140,621,750

25. Bonus and welfare fund

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

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

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Opening balance	352,792,666,151	357,339,218,191
Appropriation	366,118,752,986	289,577,404,047
Utilisation	(405,542,163,098)	(387,591,717,079)
Closing balance	313,369,256,039	259,324,905,159

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26. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1 January 2014	8,339,557,960,000	1,276,994,100,000	(5,068,507,959)	1,784,193,779,612	5,989,129,613,873	17,384,806,945,526
Purchase of treasury shares	-	-	(319,602,000)	-	-	(319,602,000)
Net profit for the period	-	-	-	-	2,895,774,040,474	2,895,774,040,474
Appropriation to equity funds	-	-	-	289,577,404,047	(289,577,404,047)	-
Appropriation to bonus and welfare fund	-	-	-	-	(289,577,404,047)	(289,577,404,047)
Dividends	-	-	-	-	(1,666,874,642,000)	(1,666,874,642,000)
Balance at 1 July 2014	8,339,557,960,000	1,276,994,100,000	(5,388,109,959)	2,073,771,183,659	6,638,874,204,253	18,323,809,337,953
Bonus shares issued	1,666,856,030,000	(1,276,994,100,000)	-	-	(389,861,930,000)	-
Net profit for the period	-	-	-	-	3,102,133,969,443	3,102,133,969,443
Appropriation to equity funds	-	-	-	447,947,183,285	(447,947,183,285)	-
Appropriation to bonus and welfare fund	-	-	-	-	(310,213,396,945)	(310,213,396,945)
Dividends	-	-	-	-	(1,666,866,002,000)	(1,666,866,002,000)
Balance at 1 January 2015	10,006,413,990,000	-	(5,388,109,959)	2,521,718,366,944	6,926,119,661,466	19,448,863,908,451
Net profit for the period	-	-	-	-	3,661,187,529,849	3,661,187,529,849
Appropriation to equity funds	-	-	-	366,118,752,986	(366,118,752,986)	-
Appropriation to bonus and welfare fund	-	-	-	-	(366,118,752,986)	(366,118,752,986)
Dividends (Note 28)	-	-	-	-	(2,000,237,208,000)	(2,000,237,208,000)
Balance at 30 June 2015	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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27. Share capital

The Company's authorised and issued share capital are:

	30/6/2015		1/1/2015	
	Number of shares	VND	Number of shares	VND
Authorised share capital	1,000,641,399	10,006,413,990,000	1,000,641,399	10,006,413,990,000
Issued ordinary shares				
Ordinary shares	1,000,641,399	10,006,413,990,000	1,000,641,399	10,006,413,990,000
Treasury ordinary shares				
Ordinary shares	(522,795)	(5,388,109,959)	(522,795)	(5,388,109,959)
Shares currently in circulation				
Ordinary shares	1,000,118,604	10,001,025,880,041	1,000,118,604	10,001,025,880,041

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

28. Dividends

The Shareholders of the Company on 27 April 2015 resolved to distribute dividends amounting to VND2,000 billion (VND2,000 per share) (for the six-month period ended 30 June 2014: VND1,667 billion (VND2,000 per share)).

29. Investment and development fund

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

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30. Off balance sheet items

	30/6/2015		1/1/2015	
	Original currency	VND equivalent	Original currency	VND equivalent
Foreign currencies				
▪ USD	3,728,517	81,207,098,518	3,735,730	79,795,184,897
▪ EUR	12,512	302,827,283	20,792	537,979,711
		<hr/>		<hr/>
		81,509,925,801		80,333,164,608
		<hr/>		<hr/>

31. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Total revenue		
▪ Sales of finished goods	17,636,941,227,193	15,184,047,477,626
▪ Sales of merchandise goods	436,181,995,704	412,149,989,642
▪ Rental income from investment property	6,194,931,305	7,496,154,837
▪ Other services	15,230,948,942	12,604,951,868
▪ Sales of scraps	42,503,330,406	47,306,008,939
	<hr/>	<hr/>
	18,137,052,433,550	15,663,604,582,912
Less revenue deductions		
▪ Sale discounts	(2,161,380,800)	(13,370,424,369)
▪ Sale returns	(53,789,595,466)	(18,730,591,571)
	<hr/>	<hr/>
	(55,950,976,266)	(32,101,015,940)
	<hr/>	<hr/>
Net revenue	18,081,101,457,284	15,631,503,566,972
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32. Cost of sales

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Total cost of sales		
▪ Finished goods sold	10,657,439,116,921	10,276,469,708,741
▪ Merchandise goods sold	365,122,066,342	357,387,708,703
▪ Operating costs of investment property held to earn rental	4,043,548,694	3,227,024,003
▪ Other services	1,359,363,183	1,186,991,569
▪ Under-capacity cost	5,903,116,925	8,869,877,885
▪ (Decrease)/increase of allowance for inventories	(2,067,546,012)	3,377,351,336
	<hr/>	<hr/>
	11,031,799,666,053	10,650,518,662,237
	<hr/>	<hr/>

33. Financial income

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Interest income from deposits	268,895,994,674	239,271,231,424
Interest income from corporate bonds	11,882,191,775	155,555,556
Foreign exchange gains	21,897,604,880	11,897,466,837
Dividends	46,600,000	6,937,981,440
Others	46,342,092	-
	<hr/>	<hr/>
	302,768,733,421	258,262,235,257
	<hr/>	<hr/>

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34. Financial expenses

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Foreign exchange losses	30,155,473,783	6,111,607,602
Interest expense on borrowings	6,027,485,462	-
Interest expense on deposits received	1,003,067,830	416,150,527
Write back allowance for financial investments	(25,681,157,565)	(36,196,482,371)
Payment discounts granted to distributors	(273,015,418)	9,550,902,229
Others	48,155,427	-
	<hr/>	<hr/>
	11,280,009,519	(20,117,822,013)
	<hr/>	<hr/>

35. Selling expenses

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Staff costs	125,053,533,391	110,523,933,279
Materials expenses	21,665,196,121	31,671,994,771
Tools and supplies expenses	22,552,864,692	46,128,197,894
Depreciation expenses	12,094,721,408	12,203,413,065
Expenses of damaged goods	9,685,953,323	8,564,573,835
Transportation expenses	261,259,826,063	201,647,352,401
Outside service 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
	<hr/>	<hr/>
	2,653,993,717,093	1,365,015,400,441
	<hr/>	<hr/>

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36. General and administrative expenses

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Staff costs	109,028,994,622	99,893,876,351
Materials expenses	8,932,460,526	7,549,248,549
Office supplies	7,413,859,402	3,645,494,355
Depreciation expenses	32,107,347,130	28,223,509,859
Fees and duties	2,367,640,653	2,151,876,326
Allowance for doubtful debts and provision for severance allowance	12,041,512,131	9,313,037,149
Transportation expenses	22,576,726,915	21,678,049,020
Outside service 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
Others	23,709,962,003	20,718,747,048
	320,318,653,034	286,380,535,838

37. Other income

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Proceeds from disposals of construction in progress	103,835,690,709	8,225,418,386
Proceeds from disposals of tangible fixed assets	5,746,345,650	3,417,236,168
Gain on revaluation of fixed assets for investments in other entities	24,860,656,443	-
Rebate income	25,340,866,170	15,160,011,201
Compensations received from other parties	9,380,152,408	8,278,154,540
Others	2,264,486,600	8,204,846,047
	171,428,197,980	43,285,666,342

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38. Other expenses

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Book value of tangible fixed assets disposed	5,959,656,185	5,743,251,599
Book value of construction in progress disposed	103,719,520,870	8,225,418,386
Others	3,670,121,649	3,573,283,809
	<hr/>	<hr/>
	113,349,298,704	17,541,953,794
	<hr/>	<hr/>

39. Production and business costs by element

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Raw material costs included in production costs	9,387,473,428,975	9,604,940,630,861
Labour costs and staff costs	540,341,834,886	510,057,587,143
Depreciation and amortisation	435,915,941,832	431,500,027,930
Outside services	770,600,251,601	607,919,043,178
Other expenses	2,888,236,357,545	1,458,478,581,592
	<hr/>	<hr/>

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40. Income tax

(i) Recognised in the separate interim statement of income

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Current tax expense		
Current period	867,394,949,019	779,821,076,497
(Over)/under provision in prior period	(11,990,182,512)	2,220,165,758
	<u>855,404,766,507</u>	<u>782,041,242,255</u>
Deferred tax benefit		
Origination and reversal of temporary differences	(92,035,252,074)	(44,102,544,455)
	<u>763,369,514,433</u>	<u>737,938,697,800</u>

(ii) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Accounting profit before tax	4,424,557,044,282	3,633,712,738,274
Tax at the Company's tax rate	973,402,549,742	799,416,802,420
Tax rate differential applied to Company's branches and factories	(15,501,874,892)	(45,937,729,654)
Write down of deferred tax assets due to reduction in tax rate from 22% to 20%	24,282,842,048	-
Non-taxable income	-	(1,525,602,078)
Non-deductible expenses	2,901,359,404	1,861,006,336
Tax incentives	(209,725,179,357)	(18,095,944,982)
(Over)/under provision in prior period	(11,990,182,512)	2,220,165,758
	<u>763,369,514,433</u>	<u>737,938,697,800</u>

(iii) Applicable tax rates

The Company has an obligation to pay the government income tax at rates ranging from 15% to 22%, depending on principal activities of its factories, on taxable profits.

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41. Financial risk management

(a) Overview

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

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

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

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

(b) Risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(c) Credit risk

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

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(i) Exposure to credit risk

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

	Note	30/6/2015 VND	1/1/2015 VND
Cash and cash equivalents	(ii)	1,607,557,961,927	1,298,096,019,438
Held-to-maturity investments	(iii)	7,596,596,000,000	7,196,596,000,000
Accounts receivable from customers and other receivables	(iv)	2,660,544,020,242	2,107,840,989,145
		<hr/> 11,864,697,982,169	<hr/> 10,602,533,008,583 <hr/>

(ii) Cash and cash equivalents

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

(iii) Held-to-maturity investments

Held-to-maturity investments include corporate bonds and term deposits. The Company's exposure to credit risk from held to maturity investments is influenced by individual characteristics of the instrument issuer. In managing this risk, the Company management analyses the creditworthiness of the issuer before acquiring the instruments. Management assessed that the issuers had good track records and believe that credit risk on those instruments is low. Held-to-maturity investments that are term deposits at bank are mainly held with well-know financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

There was no allowance for diminution in value of held-to-maturity investments as at 30 June 2015 and 1 January 2015.

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(iv) Accounts receivable from customers and other receivables

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

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

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

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

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

	Six-month period ended	
	30/6/2015	30/6/2014
	VND	VND
Opening balance	2,507,733,503	1,920,158,971
Increase in allowance during the period	1,060,481,048	719,067,532
Allowance utilised during the period	-	(74,651,000)
	<hr/>	<hr/>
Closing balance	3,568,214,551	2,564,575,503
	<hr/>	<hr/>

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(d) Liquidity risk

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

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

30 June 2015

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Accounts payable to suppliers	1,622,644,849,178	1,622,644,849,178	1,622,644,849,178
Payables to employees	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
Short-term borrowings	790,320,000,000	790,847,945,527	790,847,945,527
	4,222,651,168,737	4,223,179,114,264	4,223,179,114,264

1 January 2015

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

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

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(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the accounting currency of the Company, which is the VND. The currencies in which these transactions primarily are denominated are U.S Dollars (USD) and Euro (EUR).

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

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

Exposure to currency risk

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

	30/6/2015		1/1/2015	
	USD	EUR	USD	EUR
Cash and cash equivalents	3,728,517	12,512	3,735,730	20,792
Accounts receivable from customers and other receivables	22,961,052	-	25,695,472	-
Accounts payable to suppliers and other payables	(18,798,801)	(3,443,528)	(20,657,877)	(523,391)
	7,890,768	(3,431,016)	8,773,325	(502,599)

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

	Exchange rate as at		1/1/2015
	30/6/2015		VND
	VND		VND
	Buying rate	Selling rate	Buying rate
USD1	21,780	21,840	21,360
EUR1	24,202	24,451	25,874

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

	Effect to net profit VND
30 June 2015	
USD (2% strengthening)	2,663,434,665
EUR (6% weakening)	3,926,279,995
	<hr/>
1 January 2015	
USD (1% strengthening)	1,461,659,878
EUR (11% weakening)	1,115,763,242
	<hr/>

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

(ii) Interest rate risk

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

(iii) Price risk

The Company invests in equity investments of listed and unlisted companies and is exposed to risks of price fluctuation of these investments. The risk factors affecting the performance of these investments include financial performance and position of invested companies and market conditions. The Board manages the former factor by selecting industries and entities to invest in. The latter factor is itself affected by general economic condition of Vietnam and behaviours of investors, which are all out of the Board's control. These factors have caused conditions to be volatile in the past two years.

For investments in listed securities, if the share prices had increased/decreased by 10% with all other variables, including tax rate, being held constant, the Company's net profit after tax would have been VND7,347,809,118 higher/lower (for six-month period ended 30 June 2014: VND8,020,790,544).

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42. Significant transactions with related parties

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

Related Party	Relationship	Nature of transaction	Six-month period ended	
			30/6/2015 VND	30/6/2014 VND
Vietnam Dairy Cow One Member Limited Company	Subsidiary	Sales of goods and fixed assets	151,022,569,014	36,047,587,374
		Purchases of goods	238,914,629,231	201,171,397,077
		Capital contribution	217,170,000,000	-
Lamson Dairy Products One Member Company Limited	Subsidiary	Sales of goods and fixed assets	115,431,136,969	116,269,023,067
		Purchases of goods	239,169,942,272	205,510,065,954
		Capital contribution	-	150,000,000,000
Thong Nhat Thanh Hoa Dairy Cow Company Limited	Subsidiary	Sales of goods and fixed assets	958,314,253	-
		Purchases of goods	-	17,000,000
		Capital contribution	56,000,000,000	7,800,000,000
Angkor Dairy Products Co., Ltd.	Subsidiary	Sales of goods and fixed assets	8,597,348,217	-
		Capital contribution	87,080,090,091	107,918,932,500
Driftwood Dairy Holdings Corporation	Subsidiary	Purchases of goods	1,285,710,408	246,235,695
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	Purchases of goods	516,602,834,981	-
		Capital contribution	-	6,650,520,000
Miraka Limited	Associate	Purchases of goods	349,814,106,086	229,692,619,200
Asia Saigon Food Ingredients Joint Stock Company	Associate	Sales of goods and services	255,727,047	331,149,070
		Compensations	43,744,453,062	36,586,082,401
Board of Management's and Board of Directors' members				
The State Capital Investment Corporation		Payments of dividends	901,756,800,000	1,052,049,600,000

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43. Corresponding figures

As described in Note 3, the Company adopted prospectively Circular 200 from 1 January 2015. As a result, the presentation of certain financial statement captions have been changed. Certain corresponding figures as at 1 January 2015 and for the period ended 30 June 2014 have been reclassified to conform to the requirements of Circular 200 in respect of financial statement presentation. A comparison of the amounts previously reported and as reclassified is as follows:

(a) Separate interim balance sheet

	1/1/2015 VND (as reclassified)	1/1/2015 VND (as previously reported)
Trading securities	703,771,306,426	-
Short-term investments	-	7,553,771,306,426
Held-to-maturity investments – short-term	6,850,000,000,000	-
Other short-term receivables	349,123,850,343	350,794,021,307
Shortage of assets awaiting for resolution	3,751,179,217	-
Other current assets	-	2,081,008,253
Long-term loans receivable	7,395,303,671	-
Other long-term receivables	8,229,988,026	7,395,303,671
Long-term work in progress	284,106,071,554	-
Investments in associates and joint-ventures	231,028,307,770	238,275,992,596
Other long-term investments	-	357,455,408,600
Equity investments in other entities	10,859,408,600	-
Held-to-maturity investments – long-term	346,596,000,000	-
Other non-current assets	-	982,303,200
Accrued expenses	603,190,794,539	607,313,677,302
Provision for severance allowance	-	77,107,794,500
Provision – short-term	4,122,882,763	-
Provision – long-term	77,107,794,500	-
Investment and development fund	2,521,718,366,944	1,550,028,784,604
Financial reserve	-	971,689,582,340

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(b) Separate interim statement of income

	Three-month period ended		Six-month period ended	
	30/6/2014	30/6/2014	30/6/2014	30/6/2014
	VND	VND	VND	VND
	(as	(as previously	(as	(as previously
	reclassified)	reported)	reclassified)	reported)
Revenue from sales of goods and provision of services	8,671,321,887,143	8,821,778,121,872	15,663,604,582,912	15,936,170,230,676
Revenue deductions	22,660,477,689	198,164,173,807	32,101,015,940	351,972,672,643
Cost of sales	5,898,418,765,587	5,617,728,211,570	10,650,518,662,237	10,205,329,879,552
Selling expenses	794,163,169,593	1,074,853,723,610	1,365,015,400,441	1,810,204,183,126
Other income	16,418,173,471	41,465,634,860	43,285,666,342	90,591,675,281

31 July 2015

Prepared by:



Le Thanh Liem
Chief Accountant



Ngo Thi Thu Trang
Executive Director – Finance



Approved by:

Mai Kieu Lien
Chief Executive Officer