

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

OFFICIAL

02 February 2016

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL
STATEMENTS**

FROM 01/01/2015 TO 31/12/2015

(IN FULL)

Ho Chi Minh City, February 2016

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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

CONSOLIDATED FINANCIAL STATEMENTSFor the fiscal year ended 31 December 2015

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VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

CONSOLIDATED BALANCE SHEET*(In full)**As at 31 December 2015***FORM NO. B01-DN/HN***Unit: VND*

ASSETS	Code	Note	CONSOLIDATED	
			Closing balance	Opening balance
1	2	3	4	5
A- CURRENT ASSETS	100		16,731,875,433,624	15,457,989,802,876
I. Cash and cash equivalents	110	VI.1	1,358,682,600,684	1,527,875,428,216
1. Cash	111		1,212,517,600,684	993,333,794,600
2. Cash equivalents	112		146,165,000,000	534,541,633,616
II. Short-term financial investments	120	VI.6	8,668,377,936,330	7,469,006,501,322
1. Trading securities	121		525,980,876,577	704,814,872,722
2. Allowance for diminution in the value of trading securities (*)	122		(72,195,440,247)	(139,208,371,400)
3. Held-to-maturity investments	123		8,214,592,500,000	6,903,400,000,000
III. Accounts receivable – short-term	130		2,685,469,151,432	2,777,099,430,909
1. Accounts receivable from customers	131	VI.2	2,202,396,055,303	1,988,614,362,323
2. Prepayments to suppliers	132		126,289,719,352	420,615,080,215
3. Intra-company receivables	133		-	-
4. Receivables on construction contracts according to stages of completion	134		-	-
5. Loans receivable	135		-	-
6. Other receivables	136	VI.3(a)	359,995,340,900	370,036,643,588
7. Allowance for doubtful debts (*)	137	V.2(b)	(3,211,964,123)	(5,917,834,434)
8. Shortage of assets awaiting resolution	139	VI.4	-	3,751,179,217
IV. Inventories	140	VI.7	3,810,095,215,771	3,554,823,963,018
1. Inventories	141		3,827,369,319,952	3,567,948,334,861
2. Allowance for inventories (*)	149		(17,274,104,181)	(13,124,371,843)
V. Other current assets	150		209,250,529,407	129,184,479,411
1. Short-term prepaid expenses	151	VI.12(a)	156,056,494,506	115,703,239,463
2. Deductible value added tax	152		53,192,367,873	13,465,035,833
3. Taxes and other receivables from State Treasury	153		1,667,028	16,204,115
4. Government bonds under purchase and resale agreements	154		-	-
5. Other current assets	155		-	-

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

CONSOLIDATED BALANCE SHEET*(continued)**As at 31 December 2015***FORM NO. B01-DN/HN***Unit: VND*

ASSETS	Code	Note	CONSOLIDATED	
			Closing balance	Opening balance
1	2	3	4	5
B- LONG-TERM ASSETS	200		10,746,300,510,728	10,312,148,258,081
I. Accounts receivable – long-term	210		20,898,388,770	21,965,907,697
1. Loans receivable – long-term	215		5,573,700,349	7,395,303,671
2. Other long-term receivables	216	VI.3(b)	15,324,688,421	14,570,604,026
3. Allowance for doubtful long-term debts (*)	219		-	-
II. Fixed assets	220		8,214,134,749,497	8,086,395,812,459
1. Tangible fixed assets	221	VI.9	7,795,345,501,520	7,548,188,780,138
- Cost	222		13,059,721,039,709	11,782,649,084,362
- Accumulated depreciation (*)	223		(5,264,375,538,189)	(4,234,460,304,224)
2. Intangible fixed assets	227	VI.10	418,789,247,977	538,207,032,321
- Cost	228		553,684,246,456	691,495,740,057
- Accumulated amortisation (*)	229		(134,894,998,479)	(153,288,707,736)
III. Investment property	230	VI.11	142,368,204,632	147,725,868,615
- Cost	231		179,678,050,557	179,594,679,077
- Accumulated depreciation (*)	232		(37,309,845,925)	(31,868,810,462)
IV. Long-term work in progress	240		843,679,104,973	889,715,794,757
1. Long-term work in progress	241		82,393,992,187	65,283,282,436
2. Construction in progress	242	VI.8	761,285,112,786	824,432,512,321
V. Long-term financial investments	250	VI.6	940,365,020,223	671,339,515,656
1. Investments in subsidiaries	251		-	-
2. Investments in associates, joint-ventures	252		397,130,670,931	317,972,437,657
3. Equity investments in other entities	253		11,378,476,240	11,628,368,600
4. Allowance for diminution in the value of long-term financial investments (*)	254		(4,740,126,948)	(4,857,290,601)
5. Held-to-maturity investments	255		536,596,000,000	346,596,000,000
V. Other long-term assets	260		584,855,042,633	495,005,358,897
1. Long-term prepaid expenses	261	VI.12(b)	417,329,840,261	183,505,250,834
2. Deferred tax assets	262		25,180,187,314	150,793,168,409
3. Long-term tools, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
5. Goodwill	269		142,345,015,058	160,706,939,654
TOTAL ASSETS (100 + 200)	270		27,478,175,944,352	25,770,138,060,957

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CONSOLIDATED BALANCE SHEET**(continued)***As at 31 December 2015***FORM NO. B01-DN/HN***Unit: VND*

RESOURCES	Code	Note	CONSOLIDATED	
			Closing balance	Closing balance
1	2	3	4	5
A- LIABILITIES	300		6,554,260,196,767	5,969,901,577,449
I. Current liabilities	310		6,004,316,835,213	5,453,280,356,023
1. Accounts payable to suppliers	311	VI.13	2,193,602,809,261	1,898,529,392,924
2. Advances from customers	312		19,882,391,510	17,826,386,435
3. Taxes payable to State Treasury	313	VI.14	215,807,811,014	502,643,076,304
4. Payables to employees	314		452,476,117,228	163,476,907,176
5. Accrued expenses	315	VI.15	593,485,587,927	632,991,337,019
6. Intra-company payables	316		-	-
7. Payables on construction contracts according to stages of completion	317		-	-
8. Unearned revenue – short-term	318	VI.16(a)	1,350,893,817	17,424,992
9. Other payables – short-term	319	VI.17(a)	644,468,337,067	598,428,618,781
10. Short-term borrowings, bonds and finance lease liabilities	320	VI.19	1,475,358,507,208	1,279,525,014,840
11. Provisions – short-term	321	VI.18(a)	2,420,017,605	4,122,882,763
12. Bonus and welfare funds	322		405,464,362,576	355,719,314,789
13. Price stabilization fund	323		-	-
14. Government bonds under sale and repurchase agreements	324		-	-
II. Long-term liabilities	330		549,943,361,554	516,621,221,426
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	VI.16(b)	2,598,840,218	-
7. Other payables – long-term	337	VI.17(b)	2,814,519,233	8,192,561,774
8. Long-term borrowings and finance lease liabilities	338	VI.19	368,170,178,853	346,383,586,552
9. Convertible bonds	339		-	-
10. Preference shares	340		-	-
11. Deferred tax liabilities	341		89,034,118,250	84,711,303,600
12. Provisions – long-term	342	VI.18(b)	87,325,705,000	77,333,769,500
13. Science and technology development fund	343		-	-

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CONSOLIDATED BALANCE SHEET**(continued)****As at 31 December 2015****FORM NO. B01-DN/HN**

Unit: VND

RESOURCES	Code	Note	CONSOLIDATED	
			Closing balance	Closing balance
1	2	3	4	5
B- EQUITY	400	VI.20	20,923,915,747,585	19,800,236,483,508
I. Owners' equity	410		20,923,915,747,585	19,800,236,483,508
1. Share capital	411		12,006,621,930,000	10,006,413,990,000
- Ordinary shares with voting rights	411a		12,006,621,930,000	10,006,413,990,000
- Preference shares	411b		-	-
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		8,329,599,322	(161,099,075)
8. Investment and development fund	418		3,291,207,229,973	2,521,718,366,944
9. Enterprise reorganization assistance fund	419		-	-
10. Other equity funds	420		-	-
11. Retained profits	421		5,391,795,573,082	7,157,699,467,945
- Retained profits brought forward	421a		3,154,335,500,192	6,149,811,983,770
- Retained profit for the current year/period	421b		2,237,460,072,890	1,007,887,484,175
12. Capital expenditure fund	422		-	-
13. Non-controlling interest	429		231,349,525,167	119,953,867,653
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		27,478,175,944,352	25,770,138,060,957

Prepared on 02 Feb 2016,

Prepared by



Nguyen Duc Dieu Tho

Acting Executive Director-Finance
cum Chief Accountant


Le Thanh Liem

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

CONSOLIDATED STATEMENT OF INCOME*(In full)***Fourth quarter and accumulated twelve-month of 2015****FORM NO. B02-DN/HN***Unit: VND*

ITEMS	Code	Note	Fourth quarter		Accumulated twelve-month	
			Current year	Previous year	Current year	Previous year
1	2	3	6	7		
1. Revenue from sales of goods and provision of services	1	VII.1	10,353,908,426,479	9,373,900,772,111	40,222,599,525,948	35,187,110,126,252
2. Revenue deductions	2	VII.1	(38,996,898,159)	(15,511,015,929)	(142,215,015,202)	(115,094,611,556)
3. Net revenue from sales of goods and provision of services (10 = 01 + 02)	10	VII.1	10,314,911,528,320	9,358,389,756,182	40,080,384,510,746	35,072,015,514,696
4. Cost of sales	11	VII.2	(5,898,524,081,587)	(6,079,671,460,051)	(23,817,969,568,510)	(23,680,196,877,376)
5. Gross profit from sales of goods and provision of services (20 = 10 + 11)	20		4,416,387,446,733	3,278,718,296,131	16,262,414,942,236	11,391,818,637,320
6. Financial income	21	VII.3	155,171,921,437	132,495,147,774	648,981,742,038	573,569,553,162
7. Financial expenses	22	VII.4	(25,345,170,807)	(8,571,208,310)	(162,840,107,939)	(81,697,752,419)
<i>In which: Interest expense</i>			<i>(8,538,729,589)</i>	<i>(9,075,994,158)</i>	<i>(31,277,451,964)</i>	<i>(39,581,737,758)</i>
8. Share of profit/(loss) in associates and jointly controlled entities	24		(8,199,676,462)	15,412,697,290	12,898,974,260	59,887,377,298
9. Selling expenses	25	VII.7	(1,753,941,065,481)	(1,141,986,137,937)	(6,257,506,620,133)	(3,684,398,847,607)
10. General and administration expenses	26	VII.7	(555,475,193,234)	(218,823,368,089)	(1,232,722,578,041)	(795,365,066,390)
11. Net operating profit {30 = 20 + (21+22) + (24+25)}	30		2,228,598,262,186	2,057,245,426,859	9,271,226,352,421	7,463,813,901,364

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ITEMS	Code	Note	Fourth quarter		Accumulated twelve-month	
			Current year	Previous year	Current year	Previous year
1	2	3	6	7		
12. Other income	31	VII.5	57,090,667,643	169,869,094,881	166,272,240,339	272,372,842,337
13. Other expenses	32	VII.6	123,742,634	(50,193,210,313)	(70,357,536,375)	(122,817,882,783)
14. Results of other activities (40 = 31 + 32)	40		57,214,410,277	119,675,884,568	95,914,703,964	149,554,959,554
15. Accounting profit before tax (50 = 30 + 40)	50		2,285,812,672,463	2,176,921,311,427	9,367,141,056,385	7,613,368,860,918
16. Income tax expense – current	51		(205,263,128,400)	(431,496,798,279)	(1,471,975,323,593)	(1,580,658,440,379)
17. Income tax expense – deferred	52		(179,973,335,784)	(15,456,443,517)	(125,612,981,095)	35,492,545,769
18. Net profit after tax (60 = 50 + 51+ 52)	60		1,900,576,208,279	1,729,968,069,631	7,769,552,751,697	6,068,202,966,308
Attributable to:						
<i>Non-controlling interest</i>			4,501,721,373	235,729,748	(3,856,879,546)	(604,730,533)
<i>Equity holders of the Parent Company</i>			1,896,074,486,906	1,729,732,339,883	7,773,409,631,243	6,068,807,696,841
19. Basic earnings per share	70	VII.8	1,423	1,297	5,837	4,556

Prepared by

Nguyen Duc Dieu Tho

 Acting Executive Director – Finance
cum Chief Accountant

Le Thanh Liem

Chief Executive Officer

Mai Kieu Lien



Prepared on 02 Feb 2016,

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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CONSOLIDATED STATEMENT OF CASH FLOWS*(Indirect method)***Year 2015****FORM NO. B03-DN/HN***Unit: VND*

ITEMS	Code	Note	Current year	Previous year
1	2	3	4	5
I. Cash flows from operating activities				
1. Profit before tax	01		9,367,141,056,385	7,613,368,860,918
2. Adjustments for				
- Depreciation and amortisation	02		1,097,075,552,739	1,032,730,002,039
- Allowances and provisions	03		9,746,294,608	3,786,590,677
- Exchange (gains) / losses arising from revaluation of monetary items denominated in foreign currencies	04		3,971,846,156	(8,404,807,167)
- (Profits) / losses from investing activities	05		(541,097,609,349)	(527,952,718,729)
- Interest expense	06	VII.4	31,277,451,964	39,581,737,758
- Other adjustments			-	-
3. Operating profit before changes in working capital	08		9,968,114,592,503	8,153,109,665,496
- Change in receivables	09		165,561,724,757	(87,870,482,016)
- Change in inventories	10		(498,539,245,611)	(545,317,603,122)
- Change in payables (not including interest and corporate income tax payables)	11		484,339,606,582	(40,800,546,630)
- Change in prepaid expenses	12		(35,873,901,754)	5,506,120,979
- Change in trading securities	13		124,141,507,400	9,521,269,292
- Interest paid	14		(27,330,327,473)	(34,741,971,887)
- Income tax paid	15	VI.15	(1,805,610,651,275)	(1,521,907,400,545)
- Other receipts from operating activities	16		-	-
- Other payments for operating activities	17		(715,652,197,441)	(602,516,873,993)
Net cash flows from operating activities	20		7,659,151,107,688	5,334,982,177,574
II. Cash flows from investing activities				
1. Payments for additions to fixed assets and other long-term assets	21		(1,067,841,221,053)	(858,946,281,717)
2. Proceeds from disposals of fixed assets and other long-term assets	22		44,000,581,044	53,894,284,254
3. Payments for granting loans, purchase of debt instruments of other entities	23		(1,499,442,450,000)	(3,657,175,304,527)
4. Receipts from collecting loans, sales of debt instruments of other entities	24		1,977,370,985	5,296,101,394
5. Payments for investments in other entities	25		(80,161,500,899)	(2,759,659,696)
6. Collections on investments in other entities	26		13,902,241,885	19,748,461,471

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ITEMS	Code	Note	Current year	Previous year
1	2	3	4	5
7. Receipts of interests and dividends	27		460,883,543,055	560,479,407,828
9. Subsidiaries combination	28		-	86,867,562
Net cash flows from investing activities	30		(2,126,681,434,983)	(3,879,376,123,431)
III. Cash flows from financing activities				
1. Proceeds from shares issued, receipt of capital contributed by non-controlling interest	31		107,476,398,854	70,421,503,931
2. Payments for capital refunds and shares redemptions	32		-	(319,602,000)
3. Proceeds from borrowings	33	VI.19	3,973,222,371,269	1,490,974,827,513
4. Payments to settle loan principals	34	VI.19	(3,782,739,882,737)	(233,883,299,908)
5. Payments to settle finance lease liabilities	35		-	-
6. Payments of dividends	36		(6,002,261,574,354)	(4,000,514,074,130)
Net cash flows from financing activities	40		(5,704,302,686,968)	(2,673,320,644,594)
Net cash flows during the year (20+30+40)	50		(171,833,014,263)	(1,217,714,590,451)
Cash and cash equivalents at the beginning of the period	60		1,527,875,428,216	2,745,645,325,950
Effect of exchange rate fluctuations	61		(2,278,224,319)	(186,238,711)
Currency translation differences	62		4,918,411,050	130,931,428
Cash and cash equivalents at the end of the year (50+60+61+62)	70		1,358,682,600,684	1,527,875,428,216

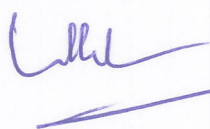
Prepared on 02 Feb 2016,

Prepared by



Nguyen Duc Dieu Tho

 Executive Director-Finance
cum Chief Accountant



Le Thanh Liem



Chief Executive Officer

Mai Kieu Lien

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

From 01 January 2015 to 31 December 2015

(These notes form an integral part of and should be read in conjunction with the accompanying consolidated 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 and its subsidiaries (collectively referred to as “the Group”):

- + 29 April 1993: Vietnam Dairy Products Company was established according to Decision No. 420/CNN/TCLD issued by the Ministry of Light Industry in form of a State-owned Enterprise.
- + 01 October 2003: The Company was equitised from a State-owned Enterprise of the Ministry of Industry according to Decision No. 155/2003/QĐ-BCN.
- + 20 November 2003: The Company was registered to be a joint stock company and began operating under Enterprise Laws of Vietnam and its Business Registration Certificate No. 4103001932 was issued by Ho Chi Minh City Investment and Planning Department.
- + 28 December 2005: The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPYN.
- + 19 January 2006: The Company’s shares was listed on Ho Chi Minh City Stock Exchange.
- + 12 December 2006: International Real Estates One Member Limited Company was established in accordance with the Business License No. 4104000260 issued by the Department of Investment and Planning of Ho Chi Minh City.
- + 14 December 2006: Vietnam Dairy Cow One Member Limited Company was established in accordance with the Business License No. 150400003 issued by the Department of Planning and Investment of Tuyen Quang Province.
- + 26 February 2007: Lam Son Dairy Joint Stock Company was established in accordance with the Business License No. 2603000521 issued by the Department of Planning and Investment of Thanh Hoa Province.
- + 24 June 2010: Lam Son Dairy Joint Stock Company was renamed as Lam Son Dairy One Member Company Limited.

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- + 30 September 2010: Dielac Dairy One Member Company Limited was established based on the re-registration of F&N Food Vietnam Limited Company in accordance with the Investment Certificate No. 463041000209 issued by the Management of Vietnam – Singapore Industrial Park.

- + 18 September 2012: Vietnam Dairy Products Joint Stock Company issued the Decision No. 2482/QD-CTS.KSNB/2012 on the liquidation of the Dieclac Dairy One Member Limited Company to establish a dependent branch of Vietnam Dairy Products Joint Stock Company. On 25 September 2012, the Management of Vietnam – Singapore Industrial Park issued the Decision No. 37/QD-BQL on the termination of operating activities of Dieclac Dairy One Member Limited Company. In July 2013, Dieclac Dairy One Member Limited Company had finalised its process of liquidation.

- + 21 October 2013: Thong Nhat Thanh Hoa Dairy Cow Limited Company was established in accordance to Business Registration Certificate No. 2801971744 issued by the Department of Investment and Planning of Thanh Hoa Province

- + 06 December 2013: Vietnam Dairy Products Joint Stock Company received the Foreign Investment Certificate No. 663/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Drifwood Dairy Holding Corporation in California, the United States of America. As at 31 December 2013, the Company completed a transfer of its investment of USD7,000,000.00 and held 70% of ownership in Drifwood Dairy Holdings Corporation.

- + 06 January 2014: Vietnam Dairy Products Joint Stock Company received the Foreign Investment Certificate No. 667/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Angkor Dairy Products Limited Company in Phnompenh, Cambodia with 51% of ownership.

- + 30 May 2014: Vietnam Dairy Products Joint Stock Company received the Foreign Investment Certificate No. 709//BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, to establish Vinamilk Europe sp.z.o.o in Poland with 100% of ownership.

- + 24 February 2014: The Board of Management of Vietnam Dairy Products Joint Stock Company issued the resolution to liquidate International Real Estate One Member Limited Company. On 14 January 2015, the Department of Planning and Investment of Ho Chi Minh City issued the Notice No. 14191/15 to liquidate International Real Estate One Member Limited Company.

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2. Principal activities:

According to the Business Registration License, the Group is allowed to operate in business activities as follows:

- a. manufacture and trade 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;
- 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 in 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 and supporting agricultural operations;
- n. Provide post-harvest services;
- o. Treat seeds for multiplication purposes.

3. Normal operating cycle

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

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4. Group structure:

As at 31 December 2015, the Group has subsidiaries, associates and dependent units as follows:

+ Subsidiaries	Principal activities	% of ownership	% of voting rights
- Lam Son Dairy Products One Member Company Limited	Milk production	100%	100%
- Vietnam Dairy Cow One Member Limited Company	Cattle raising	100%	100%
- Thong Nhat Thanh Hoa Dairy Cow Limited Company	Milk production and cattle raising	96.11%	96.11%
- Driftwood Dairy Holdings Corporation	Milk production	70%	70%
- Angkor Dairy Products Co., Ltd.	Milk production	51%	51%
- Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	Milk materials and animals trading	100%	100%
+ Associates:			
- Asia Saigon Food Ingredients Joint Stock Company	Milk materials production	15%	15%
- Miraka Limited	Milk production	22.81%	22.81%

+ Dependent units:**Sales branches:**

1/ Vietnam Dairy Products Joint Stock Company's Branch in Hanoi - 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.

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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.
- 5/ Saigon Dairy Factory - Tan Thoi Hiep Industrial Park, District 12, Ho Chi Minh City.
- 6/ Nghe An Dairy Factory - Sao Nam Street, Nghi Thu Ward, Cua Lo Commune, 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 Province.
- 12/ Vietnam Dairy Factory - My Phuoc II Industrial Park, Binh Duong.

Warehouses:

- 1/ Ho Chi Minh logistic enterprise - 32 Dang Van Bi, Thu Duc District, HCMC.
- 2/ Hanoi logistic enterprise - Km 10 Highway 5, Duong Xa Ward, Gia Lam District, Hanoi.

Clinic:

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

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/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 fiscal year beginning on or after 1 January 2015.
- The Group has adopted the applicable requirements of Circular 200 effective from 1 January 2015. In order to have corresponding information in the financial statements, the Group has restated or reclassified certain financial statement captions of the same period in 2014 (prepared under Decision No. 15 and Circular No. 244 of the Ministry of Finance) (see note VIII.3 for details), therefore information and

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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 Group had adopted the Vietnamese Accounting System for enterprises in accordance with the Circular No. 200/2014/TT/BTC issued by the Ministry of Finance on 22 December 2014.
- The Group had prepared the consolidated financial statements for the period ended 31 December 2015 in accordance with Vietnamese Accounting Standard No. 25 – *Consolidated Financial Statements and Accounting the investments in the subsidiaries* and Vietnamese Accounting Standard No. 21 – *Financial Statements Presentation*.

2. Statement of compliance with accounting standards and system

- None of newly issued or amended Vietnamese Accounting Standards are effective for the fiscal year ended 31 December 2015.
- The Board of Directors assured to fully comply with the requirements of Vietnamese Accounting Standards and the Vietnamese Accounting System for enterprises in preparation of the consolidated financial statements.

3. Accounting form

The Group 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.

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- 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 rate 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 Group revaluated the closing balance of monetary items denominated in foreign currencies as follows:
 - + Capital in cash and loans receivable: Revaluated at buying 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: Revaluated at the selling rate of the commercial bank where the Company opens the account and has the largest outstanding balance of foreign currencies at the reporting date.
- Foreign exchange differences arising from revaluation are recorded in Foreign exchange account, the closing balance will be posted into financial expenses or income (in accordance with Circular 179/2012/TT-BTC).

c. Exchange rates using for revaluation 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	21,360 VND/USD	Not applicable
31/12/2015	Joint Stock Commercial Bank for Foreign Trade of Vietnam – HCM Branch	22,450 VND/USD	22,520 VND/USD

3. Cash and cash equivalent 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:

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- + Cash on hand: Based on cash receipts and payments 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 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 recognition principles

a. Trading securities

- Trading securities are those held by the Company for trading purpose (including those with maturity periods more than 12 months that are purchased and resold for making profits), such as: shares, bonds listed in the stock exchange market; 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 promisory notes), bonds and held-to-maturity loans for the purpose of earning periodically interests and other held-to-maturity investments.
- Held-to-maturity investments are stated at cost and recognised at fair value based on recovery of the investments.
- All of investments classified as monetary items denominated in foreign currencies are revaluated at actual exchange rates at the reporting date.

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c. Loan receivables

- Are loan receivables under an agreement between the parties but not being traded in the market as securities.
- Allowance for doubtful debts is made for each of the 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 the estimated possible loss may arise.

d. Equity investments in other entities:

- Including investments in joint ventures, associates and other long-term holding equity investments.
- Associates
 - Associates are entities in which the Group has significant influence, but not control, normally by holding 20% to 50% of the 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 Group's investments in associates comprise goodwill arising from investment, less accumulated impairment losses.
 - Allowance for diminution in value of investment in joint ventures and 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 investment 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 the 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 Group' managerial requirements.
- The accounts receivable including trade other receivables are recognised as follows:
 - + Accounts receivable from customers include trade receivables arising from buying-selling transactions such as: Receivables from sales of goods, provision of services, disposals of assets (fixed assets, investment property, financial investments) between the Group and buyers (those independent with the seller, including receivables between the parent company and subsidiaries,

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joint venturers and associates). The receivables also include receivables from export sales from trustors through trustess. Trade receivables are recognised in accordance with revenue accounting standards on recognition timing based on invoices and supporting documents.

- + Other receivables include non-trade receivables, not relating to buying-selling transactions such as:
 - Financial income receivables such as: interest income from loans and deposits, dividends and shared 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 assets awaiting for resolution.
- Trade receivables are recognised in accordance with revenue accounting standard – VAS 14 about recognition timing of recognition based on invoices and supporting documents.
- Other receivables are recognised based on reviewed/approved invoices and supporting documents.
- Receivables are classified as the Short-term and Long-term in the Balance sheet based on the remaining period of the receivables at the reporting date.
- Allowance for doubtful debts: is made for each of doubtful debt based on overdue days in payment of principles according to initial debt commitment (exclusive of the debt rescheduling between contracting parties), or based on the 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 bring inventories to their present location and condition.
- In case the net realisable value is lower than 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 case of goods produced, cost includes all directly attributable costs and manufacturing overheads at normal operation level.

b. Inventory valuation method:

- Raw materials, fuel, spare parts, finished goods, tools and supplies, merchandise inventories are determined on a weighted average basis.

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- Inventories imported during the period are recognised using the actual exchange rate at the time of transaction, the arising foreign exchange differences are recognised in financial income and expense. The import tax payables are determined on import tax rates calculated by the customs authorities under the law regulations.

- Movements of inventories during the period through internal transfers 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 Group makes allowance for inventories in accordance with Circular No. 89/2013/TT-BTC, dated 28 June 2013 issued by the Ministry of Finance.

7. Fixed asset recognition and depreciation principles:

The Group manages, uses and depreciates its fixed assets in accordance with Circular No. 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 differences arising from purchasing of 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.
- The 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.

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- 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.
- Development costs for cows are capitalised until they reach their mature age and transferred to fixed assets to be depreciated.

➤ **Intangible fixed assets:**

- Land use rights comprise all of actual expenses that the Group has paid out, directly relating to the land use area, including: purchase price, cost of compensation, site clearance cost, 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 Group has paid out til the testing stage and the software is put into use.

b. **Depreciation method:**

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

Category	Timing (years)
Building and structures	10 - 50
Machinery and equipment	8 - 15
Motor vehicles, transmission equipment	10
Tools and equipment	3 - 10
Livestock	6

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

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- Software is amortised over 6 years. Land use rights with indefinite period stated at cost and not amortised.

8. Investment property recognition principles

- Investment property includes land use rights, buildings, or part of buildings or land with buildings, infrastructure held by the Group in order to gain income from leasing or held for price appreciation other than using for manufacturing, providing goods or services, using in management purposes or selling in a normal operation period.
- The cost of an investment property comprise the expenses (cash and cash equivalents) which the Group paid out or the fair value of the exchanging amounts 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 over its estimated useful lives. The Group does not depreciate its investment property held for price appreciation. Investment property, which is land use rights with indefinite period, are stated at cost and not depreciated.
- Disposal: Gains and losses from disposal of investment property are determined by the difference between proceeds from disposal and carrying amount of the investment property and are recognised as income or expenses in the statement of income.

9. Deferred income tax recognition principles

- Deferred income tax assets: is 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.

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10. Prepaid expenses recognition principles

- Prepaid expenses represented actual expenses incurred relating to the manufacturing and operating results of a number of accounting periods and the transfer 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, loan payables and other payables are payables determined probably in value and timing and recognised at actual obligations incurred as follows:
 - + Accounts payable to suppliers: include trade payables from transactions 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 entrustees (in the entrusted import transactions)
 - + Other payables include non-trade payables which not relating to trading activities such as:
 - Payables relating to financial expenses, such as: interest payables, dividends and shared profit payables, 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: payables of borrowed assets, penalty payables, compensations payables, shortage of assets awaiting for 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.

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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 relating to the borrowings are recognised 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 and service received from seller 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 Group 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.

14. Provision recognition principles and methods

- Value of provision is recorded on the most appropriate estimation of the amounts paying out to settle the obligations at the end of the accounting period.
- The Group recognised provision 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

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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 Group's equity capital includes:

- Share capital: Based on actual capital contributed by 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; is the 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 Group'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.
- 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 are appropriated in accordance with the Company's Charter 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.

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- 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 and financial income recognition principles and method

- For merchandise inventories and finished goods: Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding payment, related expenses and possibility of goods return.
- 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 Group 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 Group is entitled to receive dividends or shared profits from capital contribution.

18. Revenue deductions 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.
- 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 Group 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.

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19. Cost of goods sold 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 from securities investment: 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.
 - + 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 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 Group's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Group classifies its financial instruments as follows:

a. Financial assets

➤ **Financial asset 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 Group as financial assets at fair value through profit or loss.

➤ **Held-to-maturity investments**

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

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

➤ **Loans and receivables**

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

- That the Group intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as financial assets at fair value through profit or loss;
- That the Group upon initial recognition designates as available-for-sale; or

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- For which the Group 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 is 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 Group as financial liabilities at fair value through profit or loss.

➤ **Financial liabilities carried at amortised cost**

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

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

23. Consolidation

➤ **Subsidiaries**

- Subsidiaries are the entities that the Group has the power to govern their financial and operating policies, normally with more than half of the voting rights. The existence and effectiveness of potential voting rights which are exercised or converted are considered in assessing whether the Group has a control over these entities or not. Subsidiaries are consolidated fully from the date of that control transferred to the Group. The consolidation ceases when that control is no longer exists.
- Acquisition accounting method is applied by the Group to account the acquisition of subsidiaries. The purchase prices is recognised at fair value of exchanged assets, issued equity instruments and incurred or confirmed liabilities at the exchanging date, plus expenses directly attributable to purchase transaction. Determinable assets, accounts payable and contingent liabilities recognised at consolidation are initially determined at fair value at the purchasing date, regardless of minority interest. Surplus of purchase price over the buyer's interest in net assets value is considered as goodwill. If the buyer's interest in net assets value is higher than purchase price, the difference is recognised promptly to the statement of income.
- Transactions, receivables, payables and interest, unrealised losses incurred between the Group's subsidiaries will be eliminated in consolidation. Subsidiaries's accounting polociies will be changed, if neccessary, to ensure the consistency with the Group's accounting policies.

➤ **Transactions and interest of minority interest**

- The Group applies the same policies with the third parties for transactions with minority interest. Gains or losses from sales of part of minority interest is recognised in the statement of income. The purchasing from minority interest will generates goodwill, which is the surplus of payment and the remaining net asset value stated in the subsidiary' accounting book.

➤ **Associates**

- Associates are entities in which the Group has significant influence, but not control, through the holding of 20% to 50% voting rights of these entities. Investment in associates is accounted using equity method and stated at cost. The Group's investment in associates includes goodwill arising from investment, less accumulated impairment of assets.
- The Group's shared profit from investment in associates is recognised in the consolidated statement of income, and the share of reserve's movements after investing in associates is recognised in the consolidated reserve. Accumulated changes after investing in associates will be adjusted to carrying amount of the investments. When the Group's share of losses from investees equals or exceeds its interest in an equity accounted investees, the Group will not recognise such losses except to the extent that the Group has an obligation or already paid on behalf of the associates.

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- Unrealised gains or losses from transactions between the Group and its associates are eliminated in gains from investment to associates. Subsidiaries's accounting polociies will be changed, if neccessary, to ensure the consistency with the Group's accounting policies.

V. **FINANCIAL RISK MANAGEMENT:**

Financial risk factors:

- The Group 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 establishes policies to identify and analyse the risks faced by the Group, to set appropriate risk controls and limits, and to monitor risks and adherence to risk limits. Risk management system and policies are reviewed regularly to reflect changes of market conditions and the Group'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 included 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 to the Group within acceptable level, while optimising the return.
 - a. Currency risk
- The Group 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 Group'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 Group from USD and EUR is as follows:

As at 31 Dec 2015

	Foreign currencies		VND equivalent	
	USD	EUR	USD	EUR
Financial assets				
Cash on hand and cash in banks	22,791,962.78	19,731.04	511,679,564,411	481,733,342
Trade and other receivables	13,886,927.06	-	311,761,512,396	-
	36,678,889.84	19,731.04	823,441,076,807	481,733,342
Financial liabilities				
Trade and other paybles	(24,515,508.23)	(1,363,804.93)	(552,089,245,340)	(33,700,983,625)
Exposure to currency risk	12,163,381.61	(1,344,073.89)	271,351,831,467	(33,219,250,283)

As at 31 Dec 2014

	Foreign currencies		VND equivalent	
	USD	EUR	USD	EUR
Financial assets				
Cash and cash in 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	-
	29,431,201.68	20,792.29	628,644,541,367	537,979,711
Financial liabilities				
Trade and other paybles	(20,657,876.84)	(523,390.79)	(441,252,249,302)	(13,542,213,300)
Exposure to currency risk	8,773,324.84	(502,598.50)	187,392,292,065	(13,004,233,589)

Major exchange rates applied during the year are as follows:

	31/12/2015		31/12/2014
	VND		VND
	Selling rate	Buying rate	Buying rate
USD	22,520	22,450	21,360
EUR	24,711	24,415	25,874

- As at 31 Dec 2015, if VND weakens/strengthens by 5% against USD, while all other variables remain constant, profit after tax for the year is higher/lower by 10,582,721,426 VND, mainly due to foreign exchange gains/losses from translating trade receivables and payables denominated in USD.
- As at 31 Dec 2015, if VND weakens/strengthens by 6% against the EUR, while all other variables remain constant, profit after tax for the year is lower/ higher by 1,554,660,914 VND, mainly due to foreign exchange losses/ gains from translating the trade receivables and payables denominated in EUR.

b. Price risk

- The Group 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

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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 increase/decrease by 10% while all other variables (including tax rate) remain constant, the Group's consolidated profit after tax is 76,172,039 VND higher/lower corresponding to the tendency of price fluctuation.

c. Interest rate risk

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

2. Credit risk

- Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and mainly arises from the Group's receivables.

- Exposure to credit risk:

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

	31/12/2015	31/12/2014
Cash and cash equivalents	1,357,221,465,842	1,526,525,470,187
Held to maturity investment	8,751,188,500,000	7,249,996,000,000
Trade and other receivables	2,525,445,056,752	2,299,120,747,592
	<u>12,633,855,022,594</u>	<u>11,075,642,217,779</u>

- Cash, cash equivalents and term deposits:

Cash, cash equivalents and term deposits at banks of the Group 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 Group.

- 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 Group.
- The Group's exposure to credit risk from investing in bonds is influenced by individual characteristics of the instrument issuer. In managing this risk, the Group's management analyses the creditworthiness of the issuer

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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 year.
 - Trade and other receivables
- The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.
- The Group's management has established a credit policy under which each new customer is analysed individually for creditworthiness before payment and delivery terms and conditions are offered. Credit purchase limit is established for each customer, which represents the maximum amount without 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 Group makes allowance for diminution in value to present estimated losses from trade and other receivables and investments. Main component of the allowances are a particular loss relevant to particular level of major losses to each customer and overall losses level of similar financial assets, which are determined when these risks could have been incurred but not yet identified. The overall losses level are determined on statistics data of historical payments of similar financial assets.
- a. Financial assets neither past due nor impaired:
 - Cash in banks and investments in bonds which are neither past due nor impaired are deposits at banks with high credit rating in Vietnam. Trade and other receivables which are neither past due nor impaired are mainly from companies having good collection history with the Group.
 - Trade and other receivables of the Group which are neither past due nor impaired amount to 2.447.561.028.120 VND (at 31/12/2014: 2.264.782.864.351 VND).
- b. Financial assets overdue and/or impaired:
 - There are no financial assets which are past due and/or impaired but receivables.
 - Receivables past due but not impaired are as follows:

	31/12/2015	31/12/2014
Past due 1 to 30 days	96,899,185,010	78,962,614,586
Past due 31 to 60 days	23,779,538,115	14,533,446,986
Past due 61 to 90 days	3,602,627,830	6,495,649,478
Past due more than 90 days	2,661,741,428	1,461,719,054
	<u>126,943,092,383</u>	<u>101,453,430,104</u>

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

	31/12/2015	31/12/2014
Gross amount	3,211,964,123	6,985,315,482
Less: allowance for doubtful debts	(3,211,964,123)	(5,917,834,434)
	-	1,067,481,048
	31/12/2015	31/12/2014
Opening balance	5,917,834,434	7,387,087,909
Increase in allowance	36,939,471	2,619,847,532
Written-off bad debts	(2,905,930,653)	(4,145,965,258)
Translation differences	163,120,871	56,864,251
Closing balance	3,211,964,123	5,917,834,434

3. Liquidity risks:

- Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to frequently oversight current and future liquidity to enable the Group to reserve sufficient cash to meet its requirement on short-term and long-term liquidity. Cash hold and net cash flows generated from operating activities of the Group are sufficient to pay its due liabilities in the coming fiscal year.

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- Below is analysis of the Group'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	1 – 2 years	2 – 5 years	More than 5 years
As at 31 Dec 2015						
- Accounts payable – trade	2,193,602,809,261	2,193,602,809,261	2,193,602,809,261	-	-	-
- Payables to employess	452,476,117,228	452,476,117,228	452,476,117,228	-	-	-
- Accrued expenses	593,485,587,927	593,485,587,927	593,485,587,927	-	-	-
- Other short-term payables	644,468,337,067	644,468,337,067	644,468,337,067	-	-	-
- Other long-term payables	2,814,519,233	2,814,519,233	-	2,814,519,233	-	-
- Short-term borrowings and liabilities	1,475,358,507,208	1,493,250,150,278	1,493,250,150,278	-	-	-
- Long-term borrowings and liabilities	368,170,178,853	397,799,646,142	33,297,676,461	101,787,994,278	262,713,975,403	-
	<u>5,730,376,056,777</u>	<u>5,777,897,167,136</u>	<u>5,410,580,678,222</u>	<u>104,602,513,511</u>	<u>262,713,975,403</u>	<u>-</u>
As at 31 Dec 2014						
- Accounts payable – trade	1,898,529,392,924	1,898,529,392,924	1,898,529,392,924	-	-	-
- Payables to employees	163,476,907,176	163,476,907,176	163,476,907,176	-	-	-
- Accrued expenses	632,991,337,019	632,991,337,019	632,991,337,019	-	-	-
- Other short-term payables	598,428,618,781	598,428,618,781	598,428,618,781	-	-	-
- Other long-term payables	8,192,561,774	8,192,561,774	-	8,192,561,774	-	-
- Short-term borrowings and liabilities	1,279,525,014,840	1,302,655,532,729	1,302,655,532,729	-	-	-
- Long-term borrowings and liabilities	346,383,586,552	391,252,736,516	49,911,587,702	48,205,580,041	293,135,568,773	-
	<u>4,927,527,419,066</u>	<u>4,995,527,086,919</u>	<u>4,645,993,376,331</u>	<u>56,398,141,815</u>	<u>293,135,568,773</u>	<u>-</u>

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4. Fair value measurement

Fair value of financial assets and liabilities, together with their carrying amounts shown in the balance sheet, are as follows:

	Note	31/12/2015		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)	-	-	-	-
Categorised as held-to-maturity investments:					
- Corporate bonds	(v)	490,000,000,000	Note (v)	300,000,000,000	Note (v)
- Term deposits	(i)	8,751,188,500,000	8,751,188,500,000	7,249,996,000,000	7,249,996,000,000
Categorised as loans and receivables:					
- Cash and cash equivalents	(i)	1,357,221,465,842	1,357,221,465,842	1,526,525,470,187	1,526,525,470,187
- Trade and other receivables	(i)	2,525,445,056,752	2,525,445,056,752	2,299,120,747,592	2,299,120,747,592
Categorised as available-for-sale:					
- Short-term investments in listed equity instruments available-for-sale	(ii)	1,672,629,461	976,688,804	180,280,001,696	110,610,331,296
- Short-term investments in unlisted equity instruments available-for-sale	(iii)	82,308,247,116	10,808,824,316	82,534,871,026	12,996,218,626
- Other short-term investments	(v)	442,000,000,000	Note (v)	442,000,000,000	Note (v)
- Long-term investments in listed equity instruments available-for-sale	(ii)	-	-	-	-
- Long-term investments in investment funds	(iv)	10,270,276,240	5,530,149,292	10,559,408,600	5,702,117,999
- Other long-term investments	(v)	1,108,200,000	Note (v)	1,068,960,000	Note (v)
Categorised as liabilities at amortised cost:					
- Trade and other payables	(i)	5,730,376,056,777	5,730,376,056,777	4,927,527,419,066	4,927,527,419,066

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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 value due to the short-term maturity of these instruments.

ii. Short-term and long-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 instruments

Market value of unlisted equity securities is based on the average of trading prices provided by 03 (three) securities companies.

iv. Long-term investments in investment funds

Market value of investment funds is based on net assets value of funds portfolio which is certified by the the appointed security company and supervisory bank.

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

The Group 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 value in case where quoted prices in active market are not available. Fair value of these financial instruments may be different from their carrying amounts.

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

	<u>Closing balance</u>	<u>Opening balance</u>
- Cash on hand	1,461,134,841	1,349,958,029
- Cash in banks	1,211,056,465,843	991,980,639,406
- Cash in transit	-	3,197,165
- Cash equivalents	146,165,000,000	534,541,633,616
• Deposits with maturity of less than 3 months	146,165,000,000	534,541,633,616
• Shares, Bonds, treasury bill, promissory note	-	-
Total	<u>1,358,682,600,684</u>	<u>1,527,875,428,216</u>

2. Accounts receivable

	<u>Closing balance</u>	<u>Opening balance</u>
Short-term receivable from customers		
- ABDULKARIM ALWAN FOODSTUFF TRADING (LLC)	203,761,695,760	348,172,272,000
- Other receivables for customers	1,998,634,359,543	1,640,442,090,323
Total	<u>2,202,396,055,303</u>	<u>1,988,614,362,323</u>

In which, receivable from customers who are related parties:

Joint ventures, associates

Asia Saigon Food Ingredients Joint Stock Company	-	1,008,001,984
Total	<u>-</u>	<u>1,008,001,984</u>

3. Other receivables

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>Cost</u>	<u>Allowance</u>	<u>Cost</u>	<u>Allowance</u>
a. Short-term	<u>359,995,340,900</u>	<u>(34,409,000)</u>	<u>370,036,643,588</u>	<u>(2,467,402,058)</u>
- Interest income on deposits	212,366,875,509	-	119,054,965,555	-
- Interest income from bonds and loan receivables	16,252,054,779	-	11,682,191,784	-
- Receivables from employees	851,613,738	-	1,818,360,138	-
- Advances to employees	2,472,642,740	-	1,809,902,469	-
- Collaterals, deposits	3,413,858,029	-	3,440,371,602	-
- Import tax refundable	51,308,507,620	-	71,950,068,975	-
- Rebates receivable from suppliers	54,213,539,996	-	133,509,529,151	-
- Others	19,116,248,489	(34,409,000)	26,771,253,914	(2,467,402,058)
b. Long-term	<u>15,324,688,421</u>	<u>-</u>	<u>14,570,604,026</u>	<u>-</u>
- Collaterals, deposits	8,077,003,595	-	7,322,919,200	-
- Others	7,247,684,826	-	7,247,684,826	-
Total	<u>375,320,029,321</u>	<u>(34,409,000)</u>	<u>384,607,247,614</u>	<u>(2,467,402,058)</u>

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4. Shortage of assets awaiting for resolution

	Closing balance		Opening balance	
	Quantity	Cost	Quantity	Cost
Inventories	-	-	-	3,751,179,217
Total	-	-	-	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	34,409,000	-	3,575,214,551	-
Total	34,409,000	-	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
- <i>Le Van Than farmer</i>	-	-	-	28,909,000

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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	83,980,876,577	11,785,513,120	(72,195,440,247)	262,814,872,722	123,606,549,922	(139,208,371,400)
In which :						
+ <i>An Binh Commercial Joint Stock Bank (ABB)</i>	82,283,660,000	10,784,237,200	(71,499,422,800)	82,283,660,000	12,745,007,600	(69,538,652,400)
+ <i>Thanh Thanh Cong Tay Nin Joint Stock Company (SBT)</i>	-	-	-	150,569,980,000	88,288,761,000	(62,281,219,000)
+ <i>Others</i>	1,697,216,577	1,001,275,920	(696,017,447)	29,961,232,722	22,572,781,322	(7,388,500,000)
- Total value of bonds	-	-	-	-	-	-
- Other investments	442,000,000,000	442,000,000,000	-	442,000,000,000	442,000,000,000	-
+ <i>Bao Viet Commercial Joint Stock Bank</i>	442,000,000,000	442,000,000,000	-	442,000,000,000	442,000,000,000	-
Total	525,980,876,577	453,785,513,120	(72,195,440,247)	704,814,872,722	565,606,549,922	(139,208,371,400)

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

	Current year	Previous year
- Opening balance	(139,208,371,400)	(145,974,953,400)
- Allowance made	(2,444,264,188)	(2,450,963,000)
- Written back	14,723,076,000	9,217,545,000
- Allowance utilised	54,745,741,894	-
- Currency translation differences	(11,622,553)	-
Closing balance	(72,195,440,247)	(139,208,371,400)

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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 associates			397,130,670,931	-	-	317,972,437,657	-	-
- Asia Saigon Food Ingredients Joint Stock Company	15,00%	15,00%	52,497,084,828	-	-	39,474,706,280	-	-
- Miraka Limited	22,81%	22,81%	344,633,586,103	-	-	278,497,731,377	-	-
Investments in other entities			11,378,476,240	-	(4,740,126,948)	11,628,368,600	-	(4,857,290,601)
- Vietnam Growth Investment Fund (VF2)			10,270,276,240	-	(4,740,126,948)	10,559,408,600	-	(4,857,290,601)
- An Khang Clinic - Pharmacy			300,000,000	-	-	300,000,000	-	-
- Others			808,200,000	-	-	768,960,000	-	-
Total			408,509,147,171	-	(4,740,126,948)	329,600,806,257	-	(4,857,290,601)

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

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

	<u>Current year</u>	<u>Previous year</u>
- Opening balance	(4,857,290,601)	(10,248,632,262)
- Allowance made	(16,201,044)	(430,226,565)
- Written back	-	-
- Allowance utilised	133,364,697	5,821,568,226
Closing balance	(4,740,126,948)	(4,857,290,601)

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c. Held-to-maturity investments

	Closing balance		Opening balance	
	Cost	Carrying value	Cost	Carrying value
<i>Short-term</i>	<i>8,214,592,500,000</i>	<i>8,214,592,500,000</i>	<i>6,903,400,000,000</i>	<i>6,903,400,000,000</i>
– Term deposits	8,214,592,500,000	8,214,592,500,000	6,903,400,000,000	6,903,400,000,000
– Bonds	-	-	-	-
– Other investments	-	-	-	-
<i>Long-term</i>	<i>536,596,000,000</i>	<i>536,596,000,000</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	490,000,000,000	490,000,000,000	300,000,000,000	300,000,000,000
– Other investments	-	-	-	-
Total	8,751,188,500,000	8,751,188,500,000	7,249,996,000,000	7,249,996,000,000

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7. Inventories

	Closing balance		Opening balance	
	Cost	Allowance	Cost	Allowance
- Goods in transit	713,368,097,247	-	484,349,482,529	-
- Raw materials, fuel, technical materials	2,043,030,894,821	(4,540,567,450)	1,950,145,008,854	(6,864,301,705)
- Tools and supplies	14,014,670,177	-	7,965,125,849	-
- Work in progress	40,459,630,933	-	44,066,598,480	-
- Finished goods	924,779,281,513	(12,733,536,731)	1,040,310,901,609	(6,257,070,138)
- Merchandise inventories	63,254,608,363	-	39,367,889,991	(3,000,000)
- Goods on consignment	28,462,136,899	-	1,743,327,548	-
Total	3,827,369,319,952	(17,274,104,181)	3,567,948,334,861	(13,124,371,843)

Movements in allowance for inventories during the year are as follows:

	Current year	Previous year
- Opening balance	(13,124,371,843)	(10,376,905,544)
- Allowance made	(25,106,722,157)	(25,521,539,710)
- Written back	14,757,077,585	18,018,441,130
- Allowance utilised	6,199,912,234	4,755,632,281
Closing balance	(17,274,104,181)	(13,124,371,843)

8. Construction in progress

	Current year	Previous year
- Opening balance	824,432,512,321	537,872,350,629
- Additions	1,108,947,131,917	708,721,969,694
- Transfer to tangible fixed assets	(1,021,415,383,817)	(407,890,493,780)
- Transfer to intangible fixed assets	(28,197,705,229)	-
- Transfer to investment property	-	(3,405,538,719)
- Transfer to inventories	(5,153,262,275)	(662,453,566)
- Transfer to long-term prepayments	(93,491,543,348)	(4,342,189,540)
- Disposals	-	-
- Other increases/(decreases)	(25,242,167,757)	(6,187,823,150)
- Translation differences	1,405,530,973	326,690,753
Closing balance	761,285,112,786	824,432,512,321

Major construction in progress are as follows:

	Closing balance	Opening balance
Machinery – Lam Son Dairy Factory	202,058,180,116	3,884,781,060
Tay Ninh Dairy Cow Farm project	236,872,364,848	186,496,474,313
Ha Tinh Dairy Cow Farm project	-	187,850,850,565
Thanh Hoa 2 Dairy Cow Farm project	66,371,324,594	122,067,031,079
Others	255,983,243,228	324,133,375,305

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9. Movements of tangible fixed assets

	Buildings	Machinery and equipment	Motor vehicles	Management equipment	Livestock	Others	Total
<u>I. Cost</u>							
Opening balance	2,296,128,990,261	7,992,774,970,718	674,101,116,647	448,105,106,689	307,446,353,636	64,092,546,411	11,782,649,084,362
Purchase	10,547,977,409	41,759,551,821	49,900,300,862	21,481,804,211	-	8,419,634,038	132,109,268,341
Transfer from construction in progress	448,048,947,964	519,921,452,186	31,837,946,174	16,044,926,847	-	5,562,110,646	1,021,415,383,817
Transfer from inventories (livestock)	-	-	-	-	221,820,298,382	-	221,820,298,382
Increase from business combination	-	-	-	-	-	-	-
Other increases	-	-	-	-	-	-	-
Transfer to investment property	-	-	-	-	-	-	-
Reclassification	(933,081,871)	940,749,973	287,777,159	(295,445,261)	-	-	-
Disposals, transfer	(600,885,151)	(13,582,608,144)	(8,275,593,844)	(1,296,330,831)	(93,085,382,740)	(141,702,039)	(116,982,502,749)
Other decreases	(3,316,231,355)	(16,665,388,098)	(123,649,505)	(404,968,936)	-	-	(20,510,237,894)
Translation differences	5,636,224,932	25,450,401,336	4,009,739,320	826,629,733	-	3,296,750,129	39,219,745,450
Closing balance	2,755,511,942,189	8,550,599,129,792	751,737,636,813	484,461,722,452	436,181,269,278	81,229,339,185	13,059,721,039,709
<u>II. Accumulated depreciation</u>							
Opening balance	470,791,821,035	3,110,236,122,273	254,352,012,607	243,574,378,357	105,115,177,397	50,390,792,555	4,234,460,304,224
Charge for the year	121,585,846,580	745,161,957,332	66,951,574,012	61,429,046,563	70,073,174,545	7,530,426,721	1,072,732,025,753
Other increases	-	-	-	-	-	-	-
Reclassification	(309,867,753)	3,080,484,012	(2,570,871,695)	(199,744,564)	-	-	-
Disposals, transfer	(513,578,188)	(12,893,633,044)	(6,110,272,891)	(1,011,331,831)	(40,247,404,753)	(944,680)	(60,777,165,387)
Other decreases	-	(2,857,078,504)	-	(267,487,526)	-	-	(3,124,566,030)
Translation differences	1,826,518,352	14,497,426,137	1,418,343,435	616,586,163	-	2,726,065,542	21,084,939,629
Closing balance	593,380,740,026	3,857,225,278,207	314,040,785,469	304,141,447,163	134,940,947,189	60,646,340,135	5,264,375,538,189
<u>III. Net book value</u>							
Opening balance	1,825,337,169,226	4,882,538,848,445	419,749,104,040	204,530,728,332	202,331,176,239	13,701,753,856	7,548,188,780,138
Closing balance	2,162,131,202,163	4,693,373,851,585	437,696,851,344	180,320,275,289	301,240,322,089	20,582,999,050	7,795,345,501,520

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10. Movements of intangible fixed assets

	Land use rights	Copyrights, patent	Software	Others	Total
Cost					
+ Opening balance	544,949,520,678	-	100,195,019,379	46,351,200,000	691,495,740,057
+ Additions					
-Purchase	-	-	3,154,788,240	-	3,154,788,240
-Transfer from construction in progress	-	-	28,197,705,229	-	28,197,705,229
-Other increases	-	-	-	-	-
+Decrease					
-Disposals	-	-	-	-	-
-Transfer to investment property	-	-	-	-	-
-Other decreases	(182,506,098,103)	-	-	-	(182,506,098,103)
-Translation differences	10,934,134,573	-	42,676,460	2,365,300,000	13,342,111,033
+Closing balance	373,377,557,148	-	131,590,189,308	48,716,500,000	553,684,246,456
Accumulated amortisation					
+Opening balance	62,163,807,772	-	63,336,171,579	27,788,728,385	153,288,707,736
+Additions					
-Charge for the year	3,150,783,526	-	13,414,498,720	2,337,209,276	18,902,491,522
-Other increases	-	-	-	-	-
+ Decreases					
-Disposals	-	-	-	-	-
-Other decreases	(38,790,438,818)	-	-	-	(38,790,438,818)
-Translation differences	19,285,565	-	711,277	1,474,241,197	1,494,238,039
+Closing balance	26,543,438,045	-	76,751,381,576	31,600,178,858	134,894,998,479
Net book value					
+Opening balance	482,785,712,906	-	36,858,847,800	18,562,471,615	538,207,032,321
+Closing balance	346,834,119,103	-	54,838,807,732	17,116,321,142	418,789,247,977

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11. Investment property:

	Opening balance	Increases	Decreases	Closing balance
Investment property held to earn rental				
Cost	179,594,679,077	3,488,910,199	(3,405,538,719)	179,678,050,557
– Land use rights	85,629,776,889	-	(3,405,538,719)	82,224,238,170
– Buildings	87,500,683,627	3,488,910,199	-	90,989,593,826
– Infrastructure	6,464,218,561	-	-	6,464,218,561
Accumulated depreciation	31,868,810,462	5,633,475,800	(192,440,337)	37,309,845,925
– Land use rights	1,250,516,209	793,556,901	(192,440,337)	1,851,632,773
– Buildings	27,319,732,359	4,193,497,046	-	31,513,229,405
– Infrastructure	3,298,561,894	646,421,853	-	3,944,983,747
Net book value	147,725,868,615	-	(5,357,663,983)	142,368,204,632
– Land use rights	84,379,260,680	-	(4,006,655,283)	80,372,605,397
– Buildings	60,180,951,268	-	(704,586,847)	59,476,364,421
– Infrastructure	3,165,656,667	-	(646,421,853)	2,519,234,814

12. Prepayments*a. Short-term prepayments*

	Opening balance	Additions	Amortised to expenses during the year	Currency translation difference	Closing balance
– Prepaid software deployment and networks maintenance expenses	3,060,841,120	18,278,582,164	17,027,343,515	-	4,312,079,769
– Prepaid advertising expenses	1,108,065,215	8,189,866,097	4,849,025,400	-	4,448,905,912
– Prepaid operating lease expenses	6,243,320,990	36,102,906,701	26,451,805,195	-	15,894,422,496
– Prepaid tools and supplies expenses	10,126,639,233	44,105,053,014	43,589,850,293	5,550,802	10,647,392,756
– Prepaid renovation and repair expenses	4,391,038,491	20,654,748,522	19,955,642,885	-	5,090,144,128
– Others	90,773,334,414	406,111,046,299	381,662,223,372	441,392,104	115,663,549,445
Total	115,703,239,463	533,442,202,797	493,535,890,660	446,942,906	156,056,494,506

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b. Long-term prepayments

	Opening balance	Additions	Amortised to expenses during the year	Other decreases	Translation differences	Closing balance
- Leased land and infrastructure	4,419,837,879	216,906,356,633	12,247,273,773	114,505,958	796,790,162	209,761,204,943
- Tools and supplies	105,048,416,556	113,104,857,349	72,244,006,630	-	42,823,598	145,952,090,873
- Others	74,036,996,398	43,859,285,864	56,436,158,976	-	156,421,158	61,616,544,444
Total	183,505,250,834	373,870,499,846	140,927,439,379	114,505,958	996,034,918	417,329,840,261

13. Accounts payable – trade

	Closing balance		Opening balance	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
Short-term accounts payable to suppliers	2,193,602,809,261	2,193,602,809,261	1,898,529,392,924	1,898,529,392,924
- Dat Viet VAC Media Corp	382,779,457,871	382,779,457,871	137,689,810,878	137,689,810,878
- Other suppliers	1,810,823,351,390	1,810,823,351,390	1,760,839,582,046	1,760,839,582,046

In which, accounts payable to suppliers who are related parties:

Joint ventures, associates	74,684,584,840	74,684,584,840	53,275,711,500	53,275,711,500
- Miraka Limited	74,684,584,840	74,684,584,840	53,275,711,500	53,275,711,500

14. Tax payables to State Treasury

	Opening balance	Additions	Payments	Translation differences	Closing balance
- VAT on domestic goods sold	97,748,080,575	1,382,891,758,230	1,370,852,017,390	569,931	109,788,391,346
- VAT on import goods	-	437,977,049,308	434,173,477,532	-	3,803,571,776
- Withholding VAT	-	4,990,839,265	4,990,839,265	-	-
- Special consumption tax	-	1,562,526,748	1,176,117,212	9,288,776	395,698,312
- Import-export tax	67,059,641	169,915,595,980	166,799,273,605	49,757,232	3,233,139,248
- Corporate income tax	396,387,038,231	1,471,975,323,593	1,805,610,651,275	38,239,461	62,789,950,010
- Withholding corporate income tax	-	7,866,879,977	7,866,879,977	-	-
- Personal income tax	5,935,298,848	167,284,595,517	141,630,896,180	2,681,498	31,591,679,683

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	Opening balance	Additions	Payments	Translation differences	Closing balance
- Natural resource tax	37,644,105	472,153,045	474,743,720	-	35,053,430
- Land tax	-	51,713,605	51,713,605	-	-
- Land rental charges	-	4,702,571,747	4,702,571,747	-	-
- Other taxes	2,467,954,904	3,968,915,701	2,429,488,999	162,945,603	4,170,327,209
- Fees, charges and other payables to State Treasury	-	4,283,575,453	4,283,575,453	-	-
Total	502,643,076,304	3,657,943,498,169	3,945,042,245,960	263,482,501	215,807,811,014

15. Accrued expenses

	Closing balance	Opening balance
- Promotion, sales incentives	303,628,936,160	372,271,399,616
- Rentals of docks, shelves, light box and exhibition stand	740,454,553	530,000,015
- Advertising expenses	54,006,437,728	43,092,205,601
- Transportation expenses	58,991,919,668	58,016,454,874
- Repairs and maintenance expenses	47,714,730,252	15,277,558,615
- Interest expense	8,786,890,362	4,839,765,871
- Fuel expenses	13,355,140,533	14,714,178,145
- Expenses for outsourced employees	34,667,035,675	16,259,721,436
- Others	71,594,042,996	107,990,052,846
Total	593,485,587,927	632,991,337,019

16. Unearned revenue

	Closing balance	Opening balance
a. Short-term unearned revenue		
- Unearned revenue	1,350,893,817	17,424,992
b. Long-term unearned revenue		
- Unearned revenue	2,598,840,218	-
Cộng	3,949,734,035	17,424,992

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17. Other payables

	Closing balance	Opening balance
a. Other short-term payables	644,468,337,067	598,428,618,781
– SI, HI, UI	599,609,452	735,850,588
– Trade union fees	646,867,017	846,851,689
– Short-term deposits received	63,776,967,568	51,454,636,092
– Cash, materials, goods borrowed	22,824,654,805	16,833,321,089
– Other payables from financial investments	448,007,419,155	448,007,419,155
– Dividends payable	-	-
– Import duty payables	58,076,771,700	66,891,229,438
– Other payables	50,536,047,370	13,659,310,730
b. Other long-term payables	2,814,519,233	8,192,561,774
– Long-term deposits received	-	3,534,408,218
– Other payables	2,814,519,233	4,658,153,556
Total	647,282,856,300	606,621,180,555

18. Provisions

	Closing balance	Opening balance
a. Short-term provision		
– Fixed assets maintenance and repair	2,420,017,605	4,122,882,763
b. Long-term provision		
– Severance allowance	87,325,705,000	77,333,769,500
Total	89,745,722,605	81,456,652,263

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19. Borrowings and financial lease liabilities

	Closing balance		During the year			Opening balance	
	Carrying value	Repayable amount	Increase	Decrease	Translation differences	Carrying value	Repayable amount
Short-term borrowings	1,475,358,507,208	1,475,358,507,208	3,942,825,130,654	(3,756,918,659,783)	9,927,021,497	1,279,525,014,840	1,279,525,014,840
– Short-term borrowings from banks	1,453,626,907,208	1,453,626,907,208	3,942,825,130,654	(3,756,918,659,783)	8,871,901,497	1,258,848,534,840	1,258,848,534,840
– Current portion of long-term borrowings	21,731,600,000	21,731,600,000	-	-	1,055,120,000	20,676,480,000	20,676,480,000
Long-term borrowings	368,170,178,853	368,170,178,853	30,397,240,615	(25,821,222,954)	17,210,574,640	346,383,586,552	346,383,586,552
– Long-term borrowings from banks	357,345,203,450	357,345,203,450	17,528,534,650	(12,101,496,000)	17,210,574,640	334,707,590,160	334,707,590,160
– Long-term borrowings	10,824,975,403	10,824,975,403	12,868,705,965	(13,719,726,954)	-	11,675,996,392	11,675,996,392
Total	1,843,528,686,061	1,843,528,686,061	3,973,222,371,269	(3,782,739,882,737)	27,137,596,137	1,625,908,601,392	1,625,908,601,392

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20. Owners' equity

Items	Share capital	Share premium	Treasury shares	Foreign exchange differences	Investment and development fund	Retained profits	Non-controlling minority interest	Total
A	1	2	3	4	5	6	7	8
Opening balance of the previous year	8,339,557,960,000	1,276,994,100,000	(5,068,507,959)	-	1,784,193,779,612	6,149,811,983,770	22,863,933,884	17,568,353,249,307
- Additions	1,666,856,030,000	(1,276,994,100,000)	-	-	-	(389,861,930,000)	103,941,744,900	103,941,744,900
- Purchase of treasury shares	-	-	(319,602,000)	-	-	-	-	(319,602,000)
- Net profit for the year	-	-	-	-	-	6,068,807,696,841	(604,730,533)	6,068,202,966,308
- Appropriation to equity funds	-	-	-	-	737,524,587,332	(1,337,315,388,325)	-	(599,790,800,993)
- Other increases	-	-	-	-	-	-	-	-
- Dividends	-	-	-	-	-	(3,333,740,644,000)	-	(3,333,740,644,000)
- Other decreases	-	-	-	-	-	(2,250,341)	(6,943,440,037)	(6,945,690,378)
- Translation differences	-	-	-	(161,099,075)	-	-	696,359,439	535,260,364
Opening balance of current year	10,006,413,990,000	-	(5,388,109,959)	(161,099,075)	2,521,718,366,944	7,157,699,467,945	119,953,867,653	19,800,236,483,508
- Additions	2,000,207,940,000	-	-	-	-	(2,000,207,940,000)	107,476,398,854	107,476,398,854
- Purchase of treasury shares	-	-	-	-	-	-	-	-
- Net profit for the year	-	-	-	-	-	7,773,409,631,243	(3,856,879,546)	7,769,552,751,697
- Appropriation	-	-	-	-	769,488,863,029	(1,538,393,962,106)	-	(768,905,099,077)
- Other additions	-	-	-	-	-	-	-	-
- Dividends	-	-	-	-	-	(6,000,711,624,000)	(1,549,950,354)	(6,002,261,574,354)
- Other decreases	-	-	-	-	-	-	1,863,569,438	1,863,569,438
- Translation differences	-	-	-	8,490,698,397	-	-	7,462,519,122	15,953,217,519
Closing balance	12,006,621,930,000	-	(5,388,109,959)	8,329,599,322	3,291,207,229,973	5,391,795,573,082	231,349,525,167	20,923,915,747,585

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Details of owners' capital

	<u>Closing balance</u>	<u>Opening balance</u>
- The State's capital	5,410,183,841,658	4,507,889,502,495
- Other shareholders' capital	6,596,438,088,342	5,498,524,487,505
- Treasury shares	(5,388,109,959)	(5,388,109,959)
Total	<u>12,001,233,820,041</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		
- Opening balance	10,006,413,990,000	8,339,557,960,000
- Increased during the year	2,000,207,940,000	1,666,856,030,000
- Decreased during the year	-	-
- Closing balance	12,006,621,930,000	10,006,413,990,000

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
Registered shares	1,200,662,193	1,000,641,399
Issued shares	1,200,662,193	1,000,641,399
- Ordinary shares	1,200,662,193	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	1,200,139,398	1,000,118,604
- Ordinary shares	1,200,139,398	1,000,118,604
- Preference shares (classified as equity)	-	-

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VII. SUPPLEMENT INFORMATION TO ITEMS DISCLOSED IN THE CONSOLIDATED STATEMENT OF INCOME:**1. Revenue**

	<u>Current year</u>	<u>Previous year</u>
Total revenue	40,222,599,525,948	35,187,110,126,252
• Sales of merchandise inventories	759,227,375,698	608,206,650,973
• Sales of finished goods	39,316,828,133,077	34,424,778,249,081
• Service rendered	50,347,479,867	44,837,468,431
• Real estate trading activities	14,338,329,179	14,200,576,247
• Others	81,858,208,127	95,087,181,520
Less sales deductions:	142,215,015,202	115,094,611,556
• Sale discounts	613,913,938	649,046,494
• Sales rebates	2,169,545,595	41,084,348,017
• Sale returns	139,431,555,669	73,361,217,045
Net revenue	40,080,384,510,746	35,072,015,514,696
<i>In which:</i>		
• Sales of merchandises and finished goods	40,015,698,701,700	35,012,977,470,018
• Service rendered	64,685,809,046	59,038,044,678

In which, revenue with related parties is as follows:

	<u>Current year</u>	<u>Previous year</u>
Joint ventures, associates		
– Asia Saigon Food Ingredients Joint Stock Company	523,158,947	11,024,603,438
Total	523,158,947	11,024,603,438

2. Cost of goods sold

	<u>Current year</u>	<u>Previous year</u>
– Cost of merchandise goods sold	416,266,826,683	496,051,729,158
– Cost of finished goods sold	23,327,208,246,282	23,120,145,461,318
– Cost of services rendered	5,297,368,026	3,961,479,739
– Cost of real estate trading activities	8,283,134,306	6,891,621,743
– Inventories losses	15,132,638,514	8,594,376,218
– Under-capacity costs	35,431,710,127	37,049,110,619
– Allowance for inventories	10,349,644,572	7,503,098,580
Total	23,817,969,568,510	23,680,196,877,376

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3. Financial income

	Current year	Previous year
- Interest income from deposits	530,652,635,439	479,778,494,831
- Interest income from bonds	27,693,150,666	11,682,191,784
- Dividends	93,233,390	7,268,336,773
- Gains on disposal of securities	77,215,600	35,816,124,708
- Foreign exchange gains	90,139,210,435	39,024,405,066
- Others	326,296,508	-
Total	648,981,742,038	573,569,553,162

4. Financial expenses

	Current year	Previous year
- Interest expenses on loans from banks and other organisations	31,277,451,964	39,581,737,758
- Interest expenses on deposits received	2,263,051,997	898,188,327
- Transaction fee for trading securities	248,430,803	90,674,788
- Foreign exchange losses	141,526,644,713	31,633,506,791
- Allowance for diminution in value of short-term investments	(12,278,811,812)	(6,766,582,000)
- Allowance for diminution in value of long-term investments	16,201,044	430,226,565
- Payment discounts	(273,015,418)	15,823,678,176
- Others	60,154,648	6,322,014
Total	162,840,107,939	81,697,752,419

5. Other income

	Current year	Previous year
- Proceeds from disposals of fixed assets	44,020,557,044	59,983,306,410
- Proceeds from disposals of construction in progress	-	-
- Income from penalties and compensations	11,881,210,135	16,347,305,098
- Rebate income from suppliers	79,652,573,289	149,336,436,635
- Collection from written-off doubtful debts	508,064,910	212,050,743
- Income from written back accrual expense of previous year being not utilised	467,277	2,158,765,318
- Others	30,209,367,684	44,334,978,133
Total	166,272,240,339	272,372,842,337

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6. Other expenses

	Current year	Previous year
- Book value of fixed assets disposed	56,205,337,362	72,216,913,769
- Cost of fixed assets disposed	19,976,000	68,150,000
- Book value of construction in progress disposed	-	-
- Penalties	15,310,000	19,246,379,198
- Tax from penalties	3,950,980,091	24,081,170,191
- Others	10,165,932,922	7,205,269,625
Total	70,357,536,375	122,817,882,783

7. Production and business costs by element

	Current year	Previous year
- Materials costs	18,812,311,104,227	20,799,884,242,627
- Labour and staff costs	2,080,852,727,244	1,630,921,219,016
- Fixed assets depreciation	1,097,056,580,945	1,032,681,605,562
- Outside services expenses	1,871,499,334,006	1,411,780,643,687
- Other expenses	6,968,632,628,521	3,756,619,512,792
Total	30,830,352,374,943	28,631,887,223,684

*In which:***Production costs:**

	Current year	Previous year
- Materials costs	18,752,076,607,453	20,721,211,299,241
- Labour and staff costs	916,668,640,562	852,159,942,763
- Fixed assets depreciation	980,548,570,948	934,153,278,006
- Outside services	717,872,385,364	497,896,444,594
- Other expenses	1,972,956,962,838	1,146,702,345,084
Total	23,340,123,167,165	24,152,123,309,688

Selling expenses

	Current year	Previous year
- Labour and staff costs	532,045,832,820	473,726,239,410
- Materials costs	42,207,833,043	60,289,821,318
- Tools and supplies expenses	83,076,859,040	118,604,903,127
- Fixed assets depreciation	35,163,159,190	29,968,528,357
- Maintenance expenses	27,852,721,760	16,809,808,460
- Transportation expenses	600,604,238,763	483,498,543,127
- Other outside services expenses	266,802,880,266	207,472,016,659
- Advertising expenses	1,776,620,829,471	973,173,275,414
- Market research expenses	30,511,902,087	20,580,121,049
- Promotion expenses	44,327,187,374	19,062,839,518
- Product display expenses	476,578,494,551	408,465,064,965
- Support and commission expenses for distributors (domestic and export)	2,341,714,681,768	872,747,686,203
Total	6,257,506,620,133	3,684,398,847,607

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General and administration expenses

	Current year	Previous year
- Labour and staff costs	632,138,253,862	305,035,036,843
- Materials costs	18,028,724,493	18,098,831,201
- Office supplies	15,633,222,516	19,321,652,371
- Fixes assets depreciation	81,344,851,071	68,559,799,199
- Taxes, fees and charges	20,831,262,533	10,489,148,731
- Allowance expenses	11,659,260,803	11,774,911,559
- Transportation for internal transfers of goods	46,856,620,341	43,199,705,641
- Outside services expenses	228,283,691,069	177,236,296,708
- Loading expenses	23,293,724,175	19,522,263,773
- Per-diem allowances	35,496,668,568	28,670,584,358
- Bank charges	8,687,186,125	9,598,551,683
- Other expenses by cash	110,469,112,485	83,858,284,323
Total	1,232,722,578,041	795,365,066,390

8. Basic earnings per share

	Current year	Previous year
- Accounting profit after tax	7,773,409,631,243	6,068,807,696,841
- Adjustments for accounting profit after tax to determine profit attributable to ordinary shareholders:		
• <i>Dividends of preferences share</i>	-	-
• <i>The surplus difference between fair value of shareholders' payments and carrying amounts of preference shares</i>	-	-
• <i>The surplus differences between fair value of ordinary shares or other payments under positive benefit convertible conditions</i>	-	-
• <i>The surpluss differences between carrying amounts of preference shares and fair value of shareholders' payments</i>	-	-
- Profit attributable to ordinary shareholders	7,773,409,631,243	6,068,807,696,841
- Appropriation to bonus and welfare fund	767,737,571,177	600,958,328,892
- Weighted average number of ordinary shares in circulation during the year	1,200,139,398	1,200,153,881
Basic earnings per share	5,837	4,556

Ordinary shares in circulation during period are as follows:

	Current year	Previous year
- Ordinary share in circulation at the beginning of year	1,000,118,604	833,467,061
- Effects of bonus shares issued during the year	200,020,794	366,713,385
- Effects of ordinary shares repurchased during the year	-	(26,565)
Ordinary shares in circulation during the year	1,200,139,398	1,200,153,881

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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 charter capital. SCIC is controlled by the Government of The Social Republic of Vietnam.

a. Transaction with related parties

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

i) Purchase of goods and services

	<u>Current year</u>	<u>Previous year</u>
Associates:		
– Miraka Limited	456,404,881,496	282,968,330,700
	<u>456,404,881,496</u>	<u>282,968,330,700</u>

ii) Capital contribution:

	<u>Current year</u>	<u>Previous year</u>
Associates:		
– Miraka Limited	80.161.500.899	-
	<u>80.161.500.899</u>	<u>-</u>

iii) Payments for key management personnel

	<u>Current year</u>	<u>Previous year</u>
Compensation and other gross benefits of Board of Management’s and Board of Directors’ members	67,282,713,861	60,064,426,741
	<u>67,282,713,861</u>	<u>60,064,426,741</u>

iv) Dividends distribution:

	<u>Current year</u>	<u>Previous year</u>
The State Capital Investment Corporation	2,705,270,400,000	1,502,928,000,000
	<u>2,705,270,400,000</u>	<u>1,502,928,000,000</u>

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2. Segment information

Item	Fourth quarter year 2015		Fourth quarter year 2014	
	Domestic	Oversea	Domestic	Oversea
1. Revenue on goods sold and service rendered	8,282,229,264,599	2,071,679,161,880	7,726,384,725,726	1,647,516,046,385
2. Revenue deductions	(25,161,003,530)	(13,835,894,629)	(3,596,681,917)	(11,914,334,012)
3. Net revenue on goods sold and service rendered (3 = 1 + 2)	8,257,068,261,069	2,057,843,267,251	7,722,788,043,809	1,635,601,712,373
4. Cost of sales	(4,788,381,181,363)	(1,110,142,900,225)	(4,907,871,447,113)	(1,171,800,012,938)
5. Gross profit on goods sold and service rendered (5 = 3 + 4)	3,468,687,079,706	947,700,367,026	2,814,916,596,697	463,801,699,434

Item	Year 2015		Year 2014	
	Domestic	Oversea	Domestic	Oversea
1. Revenue on goods sold and service rendered	32,257,355,044,017	7,965,244,481,932	29,452,950,163,854	5,734,159,962,398
2. Revenue deductions	(96,449,806,725)	(45,765,208,477)	(66,080,906,078)	(49,013,705,478)
3. Net revenue on goods sold and service rendered (3 = 1 + 2)	32,160,905,237,292	7,919,479,273,455	29,386,869,257,776	5,685,146,256,920
4. Cost of sales	(19,261,905,095,133)	(4,556,064,473,377)	(19,246,935,114,802)	(4,433,261,762,574)
5. Gross profit on goods sold and service rendered (5 = 3 + 4)	12,899,000,142,158	3,363,414,800,078	10,139,934,142,974	1,251,884,494,346

3. Corresponding information:

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

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+ Consolidated balance sheet as at 31 December 2014 :

Prepared under Decision 15			Prepared under Circular 200		
Code	Items	31/12/2014	Code	Items	31/12/2014
	A-CURRENT ASSETS	15,522,309,519,016		A- CURRENT ASSETS	15,457,989,802,876
120	II. Short-term financial investments	7,467,962,935,026	120	II. Short-term financial investments	7,469,006,501,322
121	1. Short-term investments	7,607,171,306,426	121	1. Trading securities	704,814,872,722
		-	123	3. Held-to-maturity investments	6,903,400,000,000
130	III. Accounts receivable – short-term	2,771,736,892,079	130	III. Accounts receivable – short-term	2,777,099,430,909
135	6. Other receivables	368,425,283,975	136	6. Other receivables	370,036,643,588
		-	139	8. Shortage of assets awaiting resolution	3,751,179,217
140	IV. Inventories	3,620,107,245,454	140	IV. Inventories	3,554,823,963,018
141	1. Inventories	3,633,231,617,297	141	1. Inventories	3,567,948,334,861
150	V. Other current assets	134,627,018,241	150	V. Other current assets	129,184,479,411
158	5. Other current assets	5,442,538,830	155	5. Other current assets	-
	B-LONG-TERM ASSETS	10,247,828,541,941		B- LONG-TERM ASSETS	10,312,068,258,081
210	I. Accounts receivable – long-term	7,395,303,671	210	I. Accounts receivable – long-term	21,965,907,697
		-	215	5. Long-term loan receivables	7,395,303,671
218	6. Other long-term receivables	7,395,303,671	216	6. Other long-term receivables	14,570,604,026
220	II. Fixed assets	8,890,084,022,717	220	II. Fixed assets	8,086,395,812,459
230	4. Construction in progress	803,688,210,258			
			240	IV. Long-term work in progress	889,715,794,757
			241	1. Long-term work in progress	65,283,282,436
			242	2. Construction in progress	824,432,512,321
250	IV. Long-term financial investments	700,375,068,841	250	V. Long-term financial investments	671,339,515,656
252	2. Investments in associates, joint-ventures	325,220,122,483	252	2. Investments in associates, joint-ventures	317,972,437,657
258	3. Other long-term investments	380,012,236,959	253	3. Investments in other entities	11,628,368,600
		-	255	5. Held-to-maturity investments	346,596,000,000
260	V. Other long-term assets	502,248,278,097	260	VI. Other long-term assets	495,005,358,897
268	3. Other long-term assets	7,242,919,200	268	4. Other long-term assets	-
A – LIABILITIES			A – LIABILITIES		
310	I. Current liabilities	5,453,262,931,031	310	I. Current liabilities	5,453,280,356,023
316	6. Accrued expenses	637,114,219,782	315	5. Accrued expenses	632,991,337,019
			318	8. Unearned revenue – short-term	17,424,992
320	10. Provision – short-term	-	321	11. Provision – short-term	4,122,882,763
330	II. Long-term liabilities	516,638,646,418	330	II. Long-term liabilities	516,621,221,426
336	6. Severance allowance	77,333,769,500			
337	7. Provisions – long-term	-	342	12. Provisions – long-term	77,333,769,500
338	8. Unearned revenue	17,424,992			

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	B – OWNERS’ EQUITY	19,680,282,615,855		B – OWNERS’ EQUITY	19,800,236,483,508
410	I. Owners’ equity	19,680,282,615,855	410	I. Owners’ equity	19,800,236,483,508
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 reserves	971,689,582,340			
			429	13. Non-controlling interest	119,953,867,653
	C – MINORITY INTEREST	119,953,867,653			

+ Consolidated statement of income fourth quarter 2014 :

Items	Code	Fourth quarter 2014	
		Prepared under Decision 15	Prepared under Circular 200
1. Revenue from sales of goods and provision of services	1	9,493,406,227,102	9,373,900,772,111
2. Revenue deductions	3	(158,409,123,814)	(15,511,015,929)
3. Net revenue from sales of goods and provision of services	10	9,334,997,103,288	9,358,389,756,182
4. Cost of sales	11	(5,784,904,022,632)	(6,079,671,460,051)
5. Gross profit from sales of goods and provision of services	20	3,550,093,080,656	3,278,718,296,131
8. Profit/(loss) in joint ventures, associates	24		15,412,697,290
9. Selling expenses	25	(1,436,751,699,576)	(1,141,986,137,937)
10. Net operating profit	30	2,018,441,952,455	2,057,245,426,859
11. Other income	31	193,261,747,775	169,869,094,881
12. Other expense	32	(50,195,086,093)	(50,193,210,313)
13. Other profit	40	143,066,661,682	119,675,884,568
Profit/(loss) in joint ventures, associates		15,412,697,290	
14. Profit before tax	50	2,176,921,311,427	2,176,921,311,427
19. Basic earnings per share		1,730	1,297

+ Consolidated statement of income year 2014 :

Items	Code	Year 2014	
		Prepared under Decision 15	Prepared under Circular 200
1. Revenue from sales of goods and provision of services	1	35,703,776,176,355	35,187,110,126,252
2. Revenue deductions	3	(726,847,843,179)	(115,094,611,556)
3. Net revenue from sales of goods and provision of services	10	34,976,928,333,176	35,072,015,514,696
4. Cost of sales	11	(22,668,451,134,488)	(23,680,196,877,376)
5. Gross profit from sales of goods and provision of services	20	12,308,477,198,688	11,391,818,637,320
8. Profit/(loss) in joint ventures, associates	24		59,887,377,298
9. Selling expenses	25	(4,696,142,714,715)	(3,684,398,847,607)

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

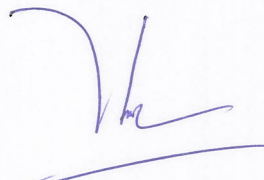
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CONSOLIDATED FINANCIAL STATEMENTS

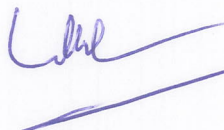
For the fiscal year ended 31 December 2015

Items	Code	Year 2014	
		Prepared under Decision 15	Prepared under Circular 200
10. Net operating profit	30	7,308,841,218,326	7,463,813,901,364
11. Other income	31	367,460,023,857	272,372,842,337
12. Other expense	32	(122,819,758,563)	(122,817,882,783)
13. Other profit	40	244,640,265,294	149,554,959,554
Profit/(loss) in joint ventures, associates		59,887,377,298	
14. Profit before tax	50	7,613,368,860,918	7,613,368,860,918
19. Basic earnings per share		6,068	4,556

Prepared by

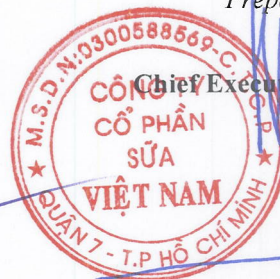


Nguyen Duc Dieu Tho

Executive Director-Finance
cum Chief Accountant

Le Thanh Liem

Chief Executive Officer



Mai Kieu Lien

Prepared on 02 Feb 2016,