



**Vietnam Dairy Products Joint Stock Company
and its subsidiaries**

**Consolidated interim financial statements
for the three-month period
ended 31 March 2016**



Vietnam Dairy Products Joint Stock Company and its subsidiaries Corporate Information

Business Registration	4103001932	20 November 2003
Certificate No.	0300588569	16 November 2015

The Company's business registration certificate has been amended several times, the most recent of which is by business registration certificate No. 0300588569 dated 16 November 2015. The business registration certification was issued by Ho Chi Minh City Planning and Investment Department.

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

Board of Directors	Mdm Mai Kieu Lien	Chief Executive Officer
	Mr Mai Hoai Anh	Chief Operating Officer cum Executive Director – Sales
	Ms Nguyen Thi Thanh Hoa	Executive Director – Supply chain
	Mr Trinh Quoc Dung	Executive Director – Raw Materials Development
	Ms Ngo Thi Thu Trang	Executive Director – Projects
	Mr Tran Minh Van	Executive Director – Production
	Mr Nguyen Quoc Khanh	Executive Director – Research and Development
	Mr Phan Minh Tien	Executive Director – Marketing
	Ms Bui Thi Huong	Executive Director – Human Resource - Administration and Public Relation
	Mr Le Thanh Liem	Acting Executive Director – Finance

Registered Office	10 Tan Trao Tan Phu Ward, District 7 Ho Chi Minh City Vietnam
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Auditor	KPMG Limited Vietnam
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Vietnam Dairy Products Joint Stock Company and its subsidiaries
Statement of the Board of Directors

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Board of Directors is responsible for the consolidated interim financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 March 2016 and of the consolidated results of operations and cash flows for the three-month period then ended. In preparing these consolidated interim financial statements, the Board of Directors is required to:

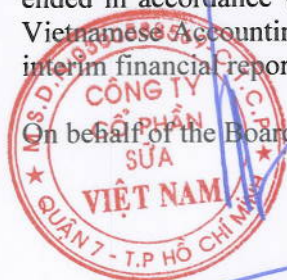
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated interim financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated interim financial statements set out on pages 4 to 58 which give a true and fair view of the consolidated financial position of the Group as at 31 March 2016, and of the consolidated results of operations and cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Directors



Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 29 April 2016



KPMG Limited Branch
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115 Nguyen Hue Street
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The Socialist Republic of Vietnam

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FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders

Vietnam Dairy Products Joint Stock Company and its subsidiaries

We have reviewed the accompanying consolidated interim financial statements of Vietnam Dairy Products Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2016, the related consolidated statements of income and cash flows for the three-month period then ended and the explanatory notes thereto which were authorized for issue by the Company's Board of Directors on 29 April 2016, as set out on pages 4 to 58. These consolidated interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated interim financial statements based on our review.


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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Vietnam Dairy Products Joint Stock Company and its subsidiaries as at 31 March 2016 and of their consolidated results of operations and their consolidated cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the relevant requirements of the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City Vietnam

Review Report No.: 16-01-203/01




Ha Vu Dinh
Practicing Auditor Registration
Certificate No. 0414-2013-007-1
Deputy General Director

Ho Chi Minh City, 29 April 2016



Lam Thi Ngoc Hao
Practicing Auditor Registration
Certificate No. 0866-2013-007-1

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 March 2016

Form B 01a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/3/2016 VND	1/1/2016 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		18,004,264,892,914	16,731,875,433,624
Cash and cash equivalents	110	5	1,228,329,938,789	1,358,682,600,684
Cash	111		1,223,829,938,789	1,212,517,600,684
Cash equivalents	112		4,500,000,000	146,165,000,000
Short-term financial investments	120		9,305,385,263,665	8,668,377,936,330
Trading securities	121	6(a)	525,394,708,812	525,980,876,577
Allowance for diminution in the value of trading securities	122	6(a)	(72,235,445,147)	(72,195,440,247)
Held-to-maturity investments	123	6(b)	8,852,226,000,000	8,214,592,500,000
Accounts receivable – short-term	130		3,370,787,460,751	2,685,469,151,432
Accounts receivable from customers	131	7	2,838,010,264,223	2,202,396,055,303
Prepayments to suppliers	132		230,193,906,487	126,289,719,352
Other short-term receivables	136	8(a)	305,975,242,192	359,995,340,900
Allowance for doubtful debts	137		(3,398,293,226)	(3,211,964,123)
Shortage of assets awaiting for resolution	139		6,341,075	-
Inventories	140	9	4,029,870,340,727	3,810,095,215,771
Inventories	141		4,044,031,533,401	3,827,369,319,952
Allowance for inventories	149		(14,161,192,674)	(17,274,104,181)
Other current assets	150		69,891,888,982	209,250,529,407
Short-term prepaid expenses	151	15(a)	60,821,692,015	156,056,494,506
Deductible value added tax	152		9,069,280,277	53,192,367,873
Taxes receivable from State Treasury	153		916,690	1,667,028

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 March 2016 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/3/2016 VND	1/1/2016 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		11,064,570,661,598	10,746,300,510,728
Accounts receivable – long-term	210		18,573,681,773	20,898,388,770
Long-term loan receivables	215		4,302,948,352	5,573,700,349
Other long-term receivables	216	8(b)	14,270,733,421	15,324,688,421
Fixed assets	220		8,196,789,228,697	8,214,134,749,497
Tangible fixed assets	221	10	7,784,608,836,970	7,795,345,501,520
Cost	222		13,318,044,935,151	13,059,721,039,709
Accumulated depreciation	223		(5,533,436,098,181)	(5,264,375,538,189)
Intangible fixed assets	227	11	412,180,391,727	418,789,247,977
Cost	228		551,505,764,780	553,684,246,456
Accumulated amortisation	229		(139,325,373,053)	(134,894,998,479)
Investment property	230	12	141,015,540,134	142,368,204,632
Cost	231		179,678,050,557	179,678,050,557
Accumulated depreciation	232		(38,662,510,423)	(37,309,845,925)
Long-term work in progress	240		888,170,505,312	843,679,104,973
Long-term work in progress	241	13	122,091,124,286	82,393,992,187
Construction in progress	242	14	766,079,381,026	761,285,112,786
Long-term financial investments	250		1,257,694,829,495	940,365,020,223
Investments in associates	252	6(c)	409,109,083,569	397,130,670,931
Equity investments in other entities	253	6(c)	19,471,636,240	11,378,476,240
Allowance for diminution in the value of long-term financial investments	254	6(c)	(7,481,890,314)	(4,740,126,948)
Held-to-maturity investments	255	6(b)	836,596,000,000	536,596,000,000
Other non-current assets	260		562,326,876,187	584,855,042,633
Long-term prepaid expenses	261	15(b)	400,225,367,875	417,329,840,261
Deferred tax assets	262	16(a)	24,346,974,403	25,180,187,314
Goodwill	269	17	137,754,533,909	142,345,015,058
TOTAL ASSETS (270 = 100 + 200)	270		29,068,835,554,512	27,478,175,944,352

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 31 March 2016 (continued)

Form B 01a – DN/HN
 (Issued under Circular No. 202/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance)

	Code Note	31/3/2016 VND	1/1/2016 VND
RESOURCES			
LIABILITIES (300 = 310 + 330)	300	6,195,900,000,302	6,554,260,196,767
Current liabilities	310	5,760,854,047,953	6,004,316,835,213
Accounts payable to suppliers	311 18	1,432,404,584,830	2,193,602,809,261
Advances from customers	312	15,542,958,257	19,882,391,510
Taxes payable to State Treasury	313 19	538,006,598,095	215,807,811,014
Payables to employees	314	127,798,211,943	452,476,117,228
Accrued expenses	315 20	1,320,006,293,261	593,485,587,927
Unearned revenue	318	1,017,868,583	1,350,893,817
Other short-term payables	319 21	647,683,902,314	644,468,337,067
Short-term borrowings	320 22(a)	1,499,433,453,402	1,475,358,507,208
Provision – short-term	321 23(a)	2,673,879,345	2,420,017,605
Bonus and welfare fund	322 24	176,286,297,923	405,464,362,576
Long-term liabilities	330	435,045,952,349	549,943,361,554
Long-term unearned revenue	336	2,286,984,218	2,598,840,218
Other long-term payables	337	2,251,866,120	2,814,519,233
Long-term borrowings	338 22(b)	255,684,975,403	368,170,178,853
Deferred tax liabilities	341 16(b)	88,280,600,100	89,034,118,250
Provision – long-term	342 23(b)	86,541,526,508	87,325,705,000
EQUITY (400 = 410)	400	22,872,935,554,210	20,923,915,747,585
Owners' equity	410 25	22,872,935,554,210	20,923,915,747,585
Share capital	411 26	12,006,621,930,000	12,006,621,930,000
Treasury shares	415 26	(5,388,109,959)	(5,388,109,959)
Foreign exchange differences	417	9,909,722,464	8,329,599,322
Investment and development fund	418 27	3,503,789,498,072	3,291,207,229,973
Retained profits	420	7,123,820,088,192	5,391,795,573,082
- Retained profits brought forward	421a	5,391,795,573,082	3,154,335,500,192
- Retained profit for the current period	421b	1,732,024,515,110	2,237,460,072,890
Non-controlling interest	429	234,182,425,441	231,349,525,167
TOTAL RESOURCES	440	29,068,835,554,512	27,478,175,944,352
(440 = 300 + 400)			

29 April 2016

Prepared by:

(Signature)

Le Thanh Liem
 Acting Executive Director – Finance
 cum Chief Accountant

Approved by:



Mai Kieu Lien
 Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of income for the three-month period ended 31 March 2016

Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Three-month period ended 31/3/2016 VND	31/3/2015 VND
Revenue from sales of goods and provision of services	01	29	10,369,870,419,298	8,771,338,508,049
Revenue deductions	02	29	36,961,539,682	55,302,594,481
Net revenue (10 = 01 - 02)	10	29	10,332,908,879,616	8,716,035,913,568
Cost of sales	11	30	5,993,498,656,982	5,607,063,936,578
Gross profit (20 = 10 - 11)	20		4,339,410,222,634	3,108,971,976,990
Financial income	21	31	168,672,783,352	143,954,016,127
Financial expenses	22	32	32,919,061,976	28,398,401,871
<i>In which: Interest expense</i>	23		8,313,790,353	8,131,520,374
Share of profit/(loss) in associates	24		11,978,412,638	(5,572,888,422)
Selling expenses	25	33	1,665,160,198,905	1,150,436,002,987
General and administration expenses	26	34	228,558,093,802	201,920,173,771
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		2,593,424,063,941	1,866,598,526,066
Other income	31	35	44,073,835,871	70,601,127,882
Other expenses	32	36	10,984,935,615	32,134,003,356
Results of other activities (40 = 31 - 32)	40		33,088,900,256	38,467,124,526
Accounting profit before tax (50 = 30 + 40)	50		2,626,512,964,197	1,905,065,650,592
Income tax expense – current	51	38	463,895,734,708	355,290,309,090
Income tax expense/(benefit) – deferred	52	38	833,212,911	(10,412,686,843)
Net profit after tax (60 = 50 - 51 - 52)	60		2,161,784,016,578	1,560,188,028,345

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of income for the three-month period ended 31 March 2016
(continued)

Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Three-month period ended 31/3/2016 VND	31/3/2015 VND
Net profit after tax (60 = 50 - 51 - 52)	60		2,161,784,016,578	1,560,188,028,345
Attributable to:				
Non-controlling interest	61		4,594,965,268	3,331,154,106
Equity holders of the Company	62		2,157,189,051,310	1,556,856,874,239
Basic earnings per share	70	39	1,620	1,168

Prepared by:



Le Thanh Liem
*Acting Executive Director – Finance
cum Chief Accountant*

29 April 2016



Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the three-month period ended 31 March 2016
(Indirect method)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code Note	Three-month period ended 31/3/2016 VND	31/3/2015 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	2,626,512,964,197	1,905,065,650,592
Adjustments for			
Depreciation and amortisation	02	289,552,380,294	266,697,914,650
Allowances and provisions	03	2,069,301,682	9,730,802,015
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	4,879,483,004	21,503,375
Losses on disposals of tangible fixed assets and construction in progress	05	1,586,874,770	290,022,345
Dividends and interest income	05	(153,225,694,368)	(131,406,703,383)
Losses from other investing activities	05	4,590,481,149	4,590,481,149
Share of (profit)/loss in associates	05	(11,978,412,638)	5,572,888,422
Interest expense	06	8,313,790,353	8,131,520,374
Operating profit before changes in working capital	08	2,772,301,168,443	2,068,694,079,539
Change in receivables	09	(643,813,097,813)	(80,205,693,234)
Change in inventories	10	(343,931,914,727)	(479,008,754,986)
Change in payables and other liabilities	11	(407,564,684,707)	339,622,288,181
Change in prepaid expenses	12	112,828,925,191	64,253,223,010
Change in trading securities	13	391,650,000	22,765,700,000
		1,490,212,046,387	1,936,120,842,510
Interest paid	14	(4,411,251,035)	(10,192,015,021)
Income tax paid	15	(128,170,725,101)	(422,438,032,200)
Other payments for operating activities	17	(442,089,418,988)	(314,040,258,790)
Net cash flows from operating activities	20	915,540,651,263	1,189,450,536,499

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the three-month period ended 31 March 2016
(Indirect method – continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Three-month period ended 31/3/2016 VND	31/3/2015 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(178,539,539,234)	(212,491,480,427)
Collections on disposals of fixed assets and other long-term assets	22		7,957,839,467	28,530,489,589
Increase in time deposits	23		(937,769,650,000)	(1,032,137,500,000)
Collections from/(payments for) granting loans	23		1,270,751,997	(1,976,612,669)
Payments for investments in other entities	25		(8,100,000,000)	(20,982,476)
Receipts of interest and dividends	27		151,511,215,125	41,664,629,405
Net cash flows from investing activities	30		(963,669,382,645)	(1,176,431,456,578)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital contribution by non-controlling interest	31		-	52,517,495,013
Proceeds from borrowings	33		679,432,646,891	-
Payments to settle loan principals	34		(762,757,530,671)	(363,166,758,519)
Net cash flows from financing activities	40		(83,324,883,780)	(310,649,263,506)
Net cash flows during the period (50 = 20 + 30 + 40)	50		(131,453,615,162)	(297,630,183,585)
Cash and cash equivalents at the beginning of the period	60		1,358,682,600,684	1,527,875,428,216
Effect of exchange rate fluctuations on cash and cash equivalents	61		(2,090,314,169)	1,224,681,602
Currency translation differences	62		3,191,267,436	(3,963,963,341)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61 + 62)	70	5	1,228,329,938,789	1,227,505,962,892

29 April 2016

Prepared by:



Le Thanh Liem
Acting Executive Director – Finance
cum Chief Accountant

Approved by:



Mai Kieu Lien
Chief Executive Officer

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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These notes form an integral part of and should be read in conjunction with the accompanying consolidated interim financial statements.

1. Reporting Entity

(a) Ownership structure

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

(b) Principal activities

The principal activities of the Company are to:

- Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- Trade in food technology, spare parts, equipment, materials and chemicals;
- Trade in real estate which includes freehold and leasehold land use rights;
- Provide warehousing, loading and transportation for the internal usage supporting for the Company’s product manufacturing and distribution;
- Manufacture, sell and distribute beverages, grocery and processing foods, roasted-ground-filtered and instant coffee;
- Manufacture and sell plastic package;
- Manufacture and sell plastic products;
- Provide health care clinic services;
- Raising cattle and agricultural planting;
- Retail sugar, milk and products from milk, bread, jam, candy and products processed from cereal, flour, starch and other food; and
- Retail alcoholic drinks, non-alcoholic drinks (carbonated and non-carbonated soft drinks), natural mineral water, low-alcoholic or non-alcoholic wine and beer.

(c) Normal operating cycle

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(d) Group structure

As at 31 March 2016, the Company had 6 subsidiaries (1/1/2016: 6 subsidiaries) as listed below:

Subsidiaries	% of	
	ownership and voting rights 31/3/2016	1/1/2016
Vietnam Dairy Cow One Member Limited Company	100.00%	100.00%
Lamson Dairy Products One Member Company Limited	100.00%	100.00%
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia	100.00%	100.00%
Thong Nhat Thanh Hoa Dairy Cow Limited Company	96.11%	96.11%
Driftwood Dairy Holdings Corporation	70.00%	70.00%
Angkor Dairy Products Co., Ltd.	51.00%	51.00%

Driftwood Dairy Holdings Corporation is incorporated and operating in the United State of America, Angkor Dairy Products Co., Ltd. is incorporated and operating in Cambodia, Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia is incorporated and operating in Poland, other subsidiaries are incorporated and operating in Vietnam.

As at 31 March 2016, the Company had 2 associates (1/1/2016: 2 associates) as listed in Note 6(c).

As at 31 March 2016, the Group had 6,667 employees (1/1/2016: 6,661 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(iv) *Associates and jointly controlled entities (equity accounted investees)*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) *Transactions eliminated on consolidation*

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

(vi) *Business combination*

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

(b) *Foreign currency*

(i) *Foreign currency transactions*

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

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

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

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to VND at exchange rates at the balance sheet date. The income and expenses of foreign operations are translated to VND at average exchange rates of the period.

Foreign currency differences arising from the translation of foreign operations are recognised in the balance sheet under the caption “Foreign exchange differences” in equity.

(c) Cash and cash equivalents

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

(d) Investments

(i) Trading securities

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

(ii) Held to maturity investments

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(iii) *Equity investments in other entities*

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

(e) *Accounts receivable*

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

(f) *Inventories*

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

The Group applies the perpetual method of accounting for inventories.

(g) *Tangible fixed assets*

(i) *Cost*

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(ii) Depreciation

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

▪ buildings and structures	10 – 50 years
▪ machinery and equipment	5 – 15 years
▪ motor vehicles	10 years
▪ office equipment	3 – 10 years
▪ livestock	6 years
▪ others	3 years

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

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

(ii) Software

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

(iii) Others

Others represented trade mark and customer relationship, which are acquired through business combination and are initially recognised at fair value. Trade mark and customer relationship are amortised on a straight-line basis over 4 – 10 years.

(i) Investment property

(i) Cost

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

(ii) Depreciation

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

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

Land use rights with indefinite period are not amortised.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(j) Construction in progress

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

(k) Long-term prepaid expenses

(i) Prepaid land costs

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

(ii) Tools and instruments

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

(iii) Others

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

(l) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

(m) Trade and other payables

Trade and other payables are stated at their cost.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

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

Pursuant to the Law on Social Insurance, effective from 1 January 2009 the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as at 31 March 2016 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

(o) Share capital

(i) Ordinary shares

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

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

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

(p) Taxation

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

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

(q) Revenue and other income

(i) *Goods sold*

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

(ii) *Services rendered*

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

(iii) *Rental income*

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

(iv) *Interest income*

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

(v) *Dividend income*

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

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

(r) Operating lease payments

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

(s) Borrowing costs

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

(t) Dividend distribution

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

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

(u) Funds

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

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

Utilisation of the above reserve funds requires approval of the shareholders, the Board of Directors or the Chief Executive Officer, depending on the nature and magnitude of the transactions involved as stated in the Group's Charter and financial regulations.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(v) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company after appropriation to bonus and welfare fund by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

Prior to 1 January 2015, the profit or loss attributable to the ordinary shareholders of the Company included amounts appropriated to bonus and welfare fund, if any. Effective from 1 January 2015, the profit or loss attributable to the ordinary shareholders of the Company is determined after deducting any amounts appropriated to bonus and welfare fund.

(w) Segment reporting

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

(x) Related parties

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the three-month period ended 31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

4. Segment reporting

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

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

Geographical segments

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

	Domestic (Customers located in Vietnam)		Overseas (Customers located in countries other than Vietnam)		Total	
	Three-month period ended		Three-month period ended		Three-month period ended	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	VND	VND	VND	VND	VND	VND
Net revenue	8,054,792,168,677	6,827,071,875,720	2,278,116,710,939	1,888,964,037,848	10,332,908,879,616	8,716,035,913,568
Cost of sales	(4,805,462,987,122)	(4,387,478,291,673)	(1,188,035,669,860)	(1,219,585,644,905)	(5,993,498,656,982)	(5,607,063,936,578)
Segment income	3,249,329,181,555	2,439,593,584,047	1,090,081,041,079	669,378,392,943	4,339,410,222,634	3,108,971,976,990

5. Cash and cash equivalents

	31/3/2016 VND	1/1/2016 VND
Cash on hand	1,614,418,537	1,461,134,841
Cash in banks	1,222,215,520,252	1,211,056,465,843
Cash equivalents	4,500,000,000	146,165,000,000
	1,228,329,938,789	1,358,682,600,684

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the three-month period ended 31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

6. Investments

(a) Trading securities

	31/3/2016				1/1/2016			
	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term investments in shares:								
▪ An Binh Commercial Joint Stock Bank	2,450,963	82,283,660,000	10,539,140,900	(71,744,519,100)	2,450,963	82,283,660,000	10,784,237,200	(71,499,422,800)
▪ Bao Viet Joint Stock Commercial Bank	44,200,000	442,000,000,000	(*)	-	44,200,000	442,000,000,000	(*)	-
▪ Others		1,111,048,812	620,192,555	(490,926,047)		1,697,216,577	1,001,275,920	(696,017,447)
		<u>525,394,708,812</u>		<u>(72,235,445,147)</u>		<u>525,980,876,577</u>		<u>(72,195,440,247)</u>

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(b) Held to maturity investments

	31/3/2016 VND	1/1/2016 VND
Held-to-maturity investments – short-term		
▪ term deposits	8,852,226,000,000	8,214,592,500,000
	<hr/>	
Held-to-maturity investments – long-term		
▪ term deposits	346,596,000,000	46,596,000,000
▪ corporate bonds	490,000,000,000	490,000,000,000
	<hr/>	
	836,596,000,000	536,596,000,000
	<hr/>	

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the three-month period ended 31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(c) Investments in other entities

31 March 2016	Address		% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:							
Associates							
▪ Miraka Limited	109 Tuwharetoa, Taupo, New Zealand		22.81%	22.81%	352,149,812,416	(*)	-
▪ Asia Saigon Food Ingredients Joint Stock Company	Lot C-9E-CN, My Phuoc 3 Industrial Park, Ben Cat District, Binh Duong Province, Vietnam	(**)	15.00%	15.00%	56,959,271,153	(*)	-
					<hr/> 409,109,083,569 <hr/>		<hr/> - <hr/>
Others							
▪ Vietnam Growth Investment Fund	Melinh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City, Vietnam				10,270,276,240	(*)	(7,481,890,314)
▪ APIS Corporation	155 Hai Ba Trung, District 3, Ho Chi Minh City, Vietnam				8,100,000,000	(*)	-
▪ An Khang Clinic – Pharmacy	184-186-188 Nguyen Dinh Chieu Street, District 3, Ho Chi Minh City, Vietnam				300,000,000	(*)	-
▪ Others					801,360,000	(*)	-
					<hr/> 19,471,636,240 <hr/>		<hr/> (7,481,890,314) <hr/>
					<hr/> 428,580,719,809 <hr/>		<hr/> (7,481,890,314) <hr/>

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

(**) Management assessed that the Group had significant influence over this entity because a member of the Company's Board of Directors is a Board of Management member of this entity.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

1 January 2016	Address		% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:							
Associates							
▪ Miraka Limited	109 Tuwharetoa, Taupo, New Zealand		22.81%	22.81%	344,633,586,103	(*)	-
▪ Asia Saigon Food Ingredients Joint Stock Company	Lot C-9E-CN, My Phuoc 3 Industrial Park, Ben Cat District, Binh Duong Province, Vietnam	(**)	15.00%	15.00%	52,497,084,828	(*)	-
					<hr/>		<hr/>
					397,130,670,931		-
Others							
▪ Vietnam Growth Investment Fund	Melinh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City, Vietnam				10,270,276,240	(*)	(4,740,126,948)
▪ An Khang Clinic – Pharmacy	184-186-188 Nguyen Dinh Chieu Street, District 3, Ho Chi Minh City, Vietnam				300,000,000	(*)	-
▪ Others					808,200,000	(*)	-
					<hr/>		<hr/>
					11,378,476,240		(4,740,126,948)
					<hr/>		<hr/>
					408,509,147,171		(4,740,126,948)
					<hr/>		<hr/>

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

(**) Management assessed that the Group had significant influence over this entity because a member of the Company's Board of Directors is a Board of Management member of this entity.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Opening balance	72,195,440,247	139,208,371,400
Increase in allowance during the period	245,096,300	13,688,180,000
Written back	(15,666,000)	(3,986,858,900)
Allowance utilised during the period	(185,235,106)	(3,711,139,017)
Translation differences	(4,190,294)	-
	<hr/>	<hr/>
Closing balance	72,235,445,147	145,198,553,483
	<hr/>	<hr/>

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

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Opening balance	4,740,126,948	4,857,290,601
Increase in allowance during the period	2,741,763,366	5,094,289
	<hr/>	<hr/>
Closing balance	7,481,890,314	4,862,384,890
	<hr/>	<hr/>

7. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers

	31/3/2016	1/1/2016
	VND	VND
Abdulkarim Alwan Foodstuff Trading (LLC)	637,961,579,888	203,761,695,760
Other customers	2,200,048,684,335	1,998,634,359,543
	<hr/>	<hr/>
	2,838,010,264,223	2,202,396,055,303
	<hr/>	<hr/>

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

8. Other receivables

(a) Other short-term receivables

	31/3/2016	1/1/2016
	VND	VND
Interest income from deposits	204,794,368,457	212,366,875,509
Interest income from bonds	25,539,041,074	16,252,054,779
Rebates receivable from suppliers	16,344,540,352	54,213,539,996
Import tax refundable	36,375,716,419	51,308,507,620
Short-term deposits	3,647,425,522	3,413,858,029
Receivables from employees	653,369,427	851,613,738
Advances to employees	2,563,741,087	2,472,642,740
Others	16,057,039,854	19,116,248,489
	<hr/>	<hr/>
	305,975,242,192	359,995,340,900
	<hr/>	<hr/>

(b) Other long-term receivables

	31/3/2016	1/1/2016
	VND	VND
Receivables from an investment	6,247,684,826	7,247,684,826
Long-term deposits	8,019,946,595	8,077,003,595
Other	3,102,000	-
	<hr/>	<hr/>
	14,270,733,421	15,324,688,421
	<hr/>	<hr/>

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

9. Inventories

	31/3/2016		1/1/2016	
	Carrying amount VND	Allowance VND	Carrying amount VND	Allowance VND
Goods in transit	219,191,454,881	-	713,368,097,247	-
Raw materials	2,767,464,989,699	(3,264,154,931)	2,042,354,953,351	(4,540,567,450)
Tools and supplies	12,491,530,564	-	14,690,611,647	-
Work in progress	60,915,369,654	-	40,459,630,933	-
Finished goods	908,146,986,376	(10,897,037,743)	924,779,281,512	(12,733,536,731)
Merchandise inventories	67,252,048,458	-	63,254,608,363	-
Goods on consignment	8,569,153,769	-	28,462,136,899	-
	<hr/>		<hr/>	
	4,044,031,533,401	(14,161,192,674)	3,827,369,319,952	(17,274,104,181)
	<hr/>		<hr/>	

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

	Three-month period ended	
	31/3/2016 VND	31/3/2015 VND
Opening balance	17,274,104,181	13,124,371,843
Increase in allowance during the period	677,214,221	1,811,424,778
Written back	(2,362,941,805)	(3,551,890,802)
Allowance utilised during the period	(1,427,183,923)	(312,957,539)
	<hr/>	<hr/>
Closing balance	14,161,192,674	11,070,948,280
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At 31 March 2016, inventories with a carrying value of VND75,736 million (1/1/2016: VND71,923 million) were pledged with banks as security for loans granted to the Group (Note 22).

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the three-month period ended 31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

10. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Livestock VND	Others VND	Total VND
Cost							
Opening 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
Additions	2,249,255,957	11,296,518,676	4,751,487,273	2,954,865,072	-	1,357,786,328	22,609,913,306
Transfer from construction in progress	2,817,482,654	169,166,100,409	4,274,832,727	3,971,904,435	-	-	180,230,320,225
Transfer from inventories	-	-	-	-	84,121,771,020	-	84,121,771,020
Reclassification	11,744,362,577	(7,920,376,172)	-	(3,823,986,405)	-	-	-
Disposals	-	-	(743,720,000)	-	(18,958,401,278)	-	(19,702,121,278)
Other decrease	(575,640,324)	-	-	-	-	-	(575,640,324)
Translation differences	(1,430,223,148)	(5,342,194,882)	(821,672,196)	(157,404,788)	-	(608,852,493)	(8,360,347,507)
Closing balance	2,770,317,179,905	8,717,799,177,823	759,198,564,617	487,407,100,766	501,344,639,020	81,978,273,020	13,318,044,935,151
Accumulated depreciation							
Opening balance	593,380,740,026	3,857,225,278,208	314,040,785,468	304,141,447,160	134,940,947,189	60,646,340,138	5,264,375,538,189
Charge for the period	35,082,174,371	193,658,876,929	18,038,067,491	15,738,807,702	18,924,796,968	2,059,627,188	283,502,350,649
Reclassification	2,473,695,355	1,371,650,006	-	(3,845,345,361)	-	-	-
Disposals	-	-	(743,720,000)	-	(9,807,789,352)	-	(10,551,509,352)
Translation differences	(335,532,896)	(2,665,165,307)	(274,502,716)	(111,576,345)	-	(503,504,041)	(3,890,281,305)
Closing balance	630,601,076,856	4,049,590,639,836	331,060,630,243	315,923,333,156	144,057,954,805	62,202,463,285	5,533,436,098,181
Net book value							
Opening balance	2,162,131,202,163	4,693,373,851,584	437,696,851,345	180,320,275,292	301,240,322,089	20,582,999,047	7,795,345,501,520
Closing balance	2,139,716,103,049	4,668,208,537,987	428,137,934,374	171,483,767,610	357,286,684,215	19,775,809,735	7,784,608,836,970

Included in the cost of tangible fixed assets were assets costing VND1,424,455,162,706 which were fully depreciated as at 31 March 2016 (1/1/2016: VND1,274,052,869,357), but which are still in active use.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

11. Intangible fixed assets

	Land use rights VND	Software VND	Others VND	Total VND
Cost				
Opening balance	373,377,557,148	131,590,189,308	48,716,500,000	553,684,246,456
Translation differences	(1,750,795,476)	(15,386,200)	(412,300,000)	(2,178,481,676)
Closing balance	371,626,761,672	131,574,803,108	48,304,200,000	551,505,764,780
Accumulated amortisation				
Opening balance	26,543,438,045	76,751,381,576	31,600,178,858	134,894,998,479
Charge for the period	544,623,423	3,560,070,524	592,671,198	4,697,365,145
Translation differences	-	(163,311)	(266,827,260)	(266,990,571)
Closing balance	27,088,061,468	80,311,288,789	31,926,022,796	139,325,373,053
Net book value				
Opening balance	346,834,119,103	54,838,807,732	17,116,321,142	418,789,247,977
Closing balance	344,538,700,204	51,263,514,319	16,378,177,204	412,180,391,727

Included in the cost of intangible fixed assets were assets costing VND48,086,488,915 which were fully amortised as at 31 March 2016 (1/1/2016: VND48,086,488,915), but which are still in use.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

12. Investment property

	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening and closing balance	82,224,238,170	6,464,218,561	90,989,593,826	179,678,050,557
Accumulated amortisation				
Opening balance	1,851,632,773	3,944,983,747	31,513,229,405	37,309,845,925
Charge for the period	198,389,226	161,605,461	992,669,811	1,352,664,498
Closing balance	2,050,021,999	4,106,589,208	32,505,899,216	38,662,510,423
Net book value				
Opening balance	80,372,605,397	2,519,234,814	59,476,364,421	142,368,204,632
Closing balance	80,174,216,171	2,357,629,353	58,483,694,610	141,015,540,134

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

Included in the cost of investment property held to earn rental was assets costing VND7,541,595,410 which were fully depreciated as at 31 March 2016 (1/1/2016: VND7,541,595,410), but which are still in active use.

13. Long-term work in progress

	31/3/2016 VND	1/1/2016 VND
Cows under 16 months of age	122,091,124,286	82,393,992,187

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

14. Construction in progress

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Opening balance	761,285,112,786	803,688,210,258
Additions	188,824,050,474	204,593,102,574
Transfers from tangible fixed assets	-	2,583,796,307
Transfers to tangible fixed assets	(180,230,320,225)	(75,681,223,708)
Transfers to intangible fixed assets	-	(8,114,665,490)
Transfers to inventories	(38,239,526)	(222,354,216)
Transfers to prepaid expenses	(812,540,272)	(27,449,281,615)
Disposals	(394,102,311)	(18,452,293,808)
Other decreases	(2,451,361,782)	-
Translation differences	(103,218,118)	701,201,453
Closing balance	766,079,381,026	881,646,491,755

Major constructions in progress were as follows:

	31/3/2016	1/1/2016
	VND	VND
Machinery and equipment – Lam Son Dairy Factory	138,225,519,450	202,058,180,116
Tay Ninh Dairy Cow Farm	-	236,872,364,848
Others	627,853,861,576	322,354,567,822
	766,079,381,026	761,285,112,786

15. Prepaid expenses

(a) Short-term prepaid expenses

	31/3/2016	1/1/2016
	VND	VND
Prepaid tools and supplies expenses	13,450,529,853	10,647,392,756
Prepaid software deployment and networks maintenance expenses	7,254,355,619	4,312,079,769
Prepaid renovation and repair expenses	6,036,736,626	5,090,144,128
Prepaid operating lease expenses	13,176,470,706	15,894,422,496
Prepaid advertising expenses	3,171,049,858	4,448,905,912
Other short-term prepaid expenses	17,732,549,353	115,663,549,445
	60,821,692,015	156,056,494,506

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(b) Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Other prepaid expenses VND	Total VND
Opening balance	209,761,204,943	145,952,090,873	61,616,544,445	417,329,840,261
Additions	76,090,709	18,321,374,458	61,311,671	18,458,776,838
Transfer from construction in progress	-	-	812,540,272	812,540,272
Amortisation for the period	(1,644,528,062)	(19,331,268,698)	(14,634,393,794)	(35,610,190,554)
Other decreases	-	(442,709,762)	-	(442,709,762)
Translation differences	(287,449,549)	(15,446,506)	(19,993,125)	(322,889,180)
Closing balance	207,905,318,041	144,484,040,365	47,836,009,469	400,225,367,875

16. Deferred tax assets and liabilities

(a) Deferred tax assets

	Tax rate	31/3/2016 VND	1/1/2016 VND
Deferred tax assets			
Foreign exchange differences	20%	974,673,627	683,950,320
Accrued expenses and provisions	20%	23,372,300,776	24,496,236,994
Total deferred tax assets		24,346,974,403	25,180,187,314

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(b) Deferred tax liabilities

	Tax rate	31/3/2016 VND	1/1/2016 VND
Deferred tax assets			
Accounts receivable	40%	2,309,172,264	2,328,882,180
Inventories	40%	1,147,777,777	1,157,574,623
Tax losses carry forwards	40%	44,908,409,920	45,291,725,188
Accrued expenses	40%	6,019,866,677	6,071,249,187
Others	40%	493,553,173	497,765,891
Total deferred tax assets		54,878,779,811	55,347,197,069
Valuation allowance	40%	(41,407,210,217)	(41,760,641,032)
Net deferred tax assets		13,471,569,594	13,586,556,037
Deferred tax liabilities			
Fixed assets and goodwill	40%	(101,607,743,698)	(102,475,015,544)
Others	40%	(144,425,996)	(145,658,743)
Total deferred tax liabilities		(101,752,169,694)	(102,620,674,287)
Net deferred tax liabilities		(88,280,600,100)	(89,034,118,250)

17. Goodwill

	Three-month period ended	
	31/3/2016 VND	31/3/2015 VND
Opening balance	142,345,015,058	160,706,939,654
Charge for the period	(4,590,481,149)	(4,590,481,149)
Closing balance	137,754,533,909	156,116,458,505

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

18. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	31/3/2016		1/1/2016	
	Cost VND	Repayable amount VND	Cost VND	Repayable amount VND
Dat Viet VAC Media Corporation	-	-	382,779,457,871	382,779,457,871
New Viet Dairy JSC	156,928,503,795	156,928,503,795	59,894,295,062	59,894,295,062
Other suppliers	1,275,476,081,035	1,275,476,081,035	1,750,929,056,328	1,750,929,056,328
	1,432,404,584,830	1,432,404,584,830	2,193,602,809,261	2,193,602,809,261

(b) Accounts payable to suppliers who are related parties

	31/3/2016 VND	1/1/2016 VND
Associate		
Miraka Limited	-	74,684,584,840

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

19. Taxes payable to State Treasury

	1/1/2016 VND	Incurred VND	Paid VND	Translation differences VND	31/3/2016 VND
Value added tax	113,591,963,122	402,051,544,282	(386,789,357,942)	(215,790)	128,853,933,672
Corporate income tax	62,789,950,010	463,895,734,708	(128,170,725,101)	(16,973,473)	398,497,986,144
Personal income tax	31,591,679,683	218,976,445,274	(243,615,784,451)	(680,395)	6,951,660,111
Import tax	3,233,139,248	30,165,410,833	(31,186,351,309)	(18,147,292)	2,194,051,480
Other taxes	4,601,078,951	4,703,728,925	(7,754,042,660)	(41,798,528)	1,508,966,688
	215,807,811,014	1,119,792,864,022	(797,516,261,463)	(77,815,478)	538,006,598,095

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

20. Accrued expenses

	31/3/2016	1/1/2016
	VND	VND
Sale incentives, promotion	671,420,820,480	303,628,936,160
Advertising expenses	359,066,012,344	54,006,437,728
Transportation expenses	64,722,566,406	58,991,919,668
Repair and maintenance expenses	79,527,223,515	47,714,730,252
Fuel expenses	12,648,193,097	13,355,140,533
Expenses for outsourced employees	35,726,603,086	34,667,035,675
Rental fee	7,489,830,113	740,454,553
Interest expense	12,689,429,680	8,786,890,362
Others	76,715,614,540	71,594,042,996
	<hr/> 1,320,006,293,261	<hr/> 593,485,587,927 <hr/>

21. Other short-term payables

	31/3/2016	1/1/2016
	VND	VND
Other payables relating to financial investments (*)	448,007,419,155	448,007,419,155
Import duty payables	45,278,416,363	58,076,771,700
Short-term deposits received	62,160,423,023	63,776,967,568
Insurance and trade union fees	3,609,529,454	1,246,476,469
Outstanding checks in exceed of bank balance	75,982,122,615	22,824,654,805
Others	12,645,991,704	50,536,047,370
	<hr/> 647,683,902,314	<hr/> 644,468,337,067 <hr/>

- (*) Other payables relating to financial investments included an advance payment of VND447,822,000,000 received from a third party in respect of the future transfer of the Group's investment in Bao Viet Joint Stock Commercial Bank (Note 6(a)). As at the reporting date, the transfer has not been completed.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the three-month period ended 31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

22. Borrowings

(a) Short-term borrowings

	1/1/2016 VND	Incurred VND	Paid VND	Translation differences VND	31/3/2016 VND
Short-term borrowings	1,453,626,907,208	679,432,646,892	(762,757,530,671)	(1,877,151,087)	1,368,424,872,342
Current portion of long-term borrowings	21,731,600,000	109,347,801,297	-	(70,820,237)	131,008,581,060
	1,475,358,507,208	788,780,448,189	(762,757,530,671)	(1,947,971,324)	1,499,433,453,402

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

Lenders		Currency	Annual interest rate	31/3/2016 VND	1/1/2016 VND
The Bank of Tokyo-Mitsubishi UFJ Ltd. – Ho Chi Minh City Branch	(i)	USD	1.280%	564,550,000,000	564,550,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	(ii)	USD	1.280%	677,460,000,000	677,460,000,000
Wells Fargo	(iii)	USD	2.353%	126,414,872,342	122,662,316,960
Deutsche Bank Polska Spółka Akcyjna					
▪ Loan 1	(iv)	EUR	1.100%	-	21,336,313,870
▪ Loan 2	(iv)	PLN	2.810%	-	67,618,276,378
				1,368,424,872,342	1,453,626,907,208

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

- (i) This borrowing has a maximum facility of USD50 million and is unsecured.
- (ii) This borrowing has a maximum facility of VND3,300 billion and is unsecured.
- (iii) As at 31 March 2016, this loan was secured by inventories with carrying amount of VND75,736 million (1/1/2016: VND71,923 million) and accounts receivables with carrying amount of VND291,748 million (1/1/2016: VND226,111 million).
- (iv) These borrowings have a maximum facility of USD4.5 million and are unsecured.

(b) Long-term borrowings

	31/3/2016 VND	1/1/2016 VND
Long-term borrowings	386,693,556,463	389,901,778,853
Repayable within twelve months	(131,008,581,060)	(21,731,600,000)
Repayable after twelve months	255,684,975,403	368,170,178,853

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

			Annual Currency interest rate	Year of maturity	31/3/2016 VND	1/1/2016 VND
Wells Fargo						
▪ Loan 1	(i)	USD	2.603%	2016	97,854,960,000	98,690,200,000
▪ Loan 2	(i)	USD	2.603%	2016	33,153,621,060	33,436,603,450
Sumitomo Mitsui Banking Corporation	(ii)	USD	2.065%	2017	244,860,000,000	246,950,000,000
Individuals	(iii)	VND	None	2039	10,824,975,403	10,824,975,403
					386,693,556,463	389,901,778,853

- (i) These borrowings were secured by assets of Driftwood Dairy Holdings Corporation, a subsidiary, with carrying amount of VND453,848 million as at 31 March 2016 (1/1/2016: VND465,456 million).
- (ii) This borrowing was secured by a long-term deposit with carrying amount of VND46,596 million as at 31 December 2015 (1/1/2016: VND46,596 million).
- (iii) These borrowings are unsecured.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

23. Provisions

(a) Short-term provision

	31/3/2016	1/1/2016
	VND	VND
Fixed asset overhaul	2,673,879,345	2,420,017,605

(b) Long-term provision

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

	Severance allowance VND
Opening balance	87,325,705,000
Provision used during the period	(784,178,492)
Closing balance	86,541,526,508

24. Bonus and welfare fund

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

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

	Three-month period ended	Three-month period ended
	31/3/2016	31/3/2015
	VND	VND
Opening balance	405,464,362,576	355,719,314,789
Appropriation	212,582,268,101	154,635,080,834
Utilisation	(441,760,332,754)	(314,197,589,372)
Closing balance	176,286,297,923	196,156,806,251

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the three-month period ended 31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

25. Changes in owners' equity

	Share capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2015	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
Net profit for the period	-	-	-	-	1,556,856,874,239	3,331,154,106	1,560,188,028,345
Appropriation to investment and development fund	-	-	-	154,635,080,834	(154,635,080,834)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	(154,635,080,834)	-	(154,635,080,834)
Dividends	-	-	-	-	-	1,821,236,839	1,821,236,839
Capital contribution by non-controlling interest	-	-	-	-	-	52,517,495,013	52,517,495,013
Translation differences	-	-	219,111,027	-	-	1,102,883,284	1,321,994,311
Balance at 1 April 2015	10,006,413,990,000	(5,388,109,959)	58,011,952	2,676,353,447,778	8,405,286,180,516	178,726,636,895	21,261,450,157,182
Bonus shares issued	2,000,207,940,000	-	-	-	(2,000,207,940,000)	-	-
Net profit for the period	-	-	-	-	6,216,552,757,004	(7,188,033,652)	6,209,364,723,352
Appropriation to investment and development fund	-	-	-	614,853,782,195	(614,853,782,195)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	(614,270,018,243)	-	(614,270,018,243)
Dividends	-	-	-	-	(6,000,711,624,000)	(3,371,187,193)	(6,004,082,811,193)
Capital contribution by non-controlling interest	-	-	-	-	-	54,958,903,841	54,958,903,841
Adjustments	-	-	-	-	-	1,863,569,438	1,863,569,438
Translation differences	-	-	8,271,587,370	-	-	6,359,635,838	14,631,223,208
Balance at 1 January 2016	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

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Notes to the consolidated interim financial statements for the three-month period ended 31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Share capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2016	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
Net profit for the period	-	-	-	-	2,157,189,051,310	4,594,965,268	2,161,784,016,578
Appropriation to investment and development fund	-	-	-	212,582,268,099	(212,582,268,099)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	(212,582,268,101)	-	(212,582,268,101)
Translation differences	-	-	1,580,123,142	-	-	(1,762,064,994)	(181,941,852)
Balance at 31 March 2016	12,006,621,930,000	(5,388,109,959)	9,909,722,464	3,503,789,498,072	7,123,820,088,192	234,182,425,441	22,872,935,554,210

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

26. Share capital

The Company's authorised and issued share capital is:

	31/3/2016		1/1/2016	
	Number of shares	VND	Number of shares	VND
Authorised share capital	1,200,662,193	12,006,621,930,000	1,200,662,193	12,006,621,930,000
Issued ordinary shares				
Ordinary shares	1,200,662,193	12,006,621,930,000	1,200,662,193	12,006,621,930,000
Treasury ordinary shares				
Ordinary shares	(522,795)	(5,388,109,959)	(522,795)	(5,388,109,959)
Shares currently in circulation				
Ordinary shares	1,200,139,398	12,001,233,820,041	1,200,139,398	12,001,233,820,041

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

27. Investment and development fund

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

28. Off balance sheet items

Foreign currencies

	31/3/2016		1/1/2016	
	Original currency	VND equivalent	Original currency	VND equivalent
▪ USD	28,078,734	625,032,615,278	22,791,963	511,679,564,411
▪ EUR	32,617	821,423,506	19,731	481,733,342
		<u>625,854,038,784</u>		<u>512,161,297,753</u>

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

29. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Total revenue		
▪ Sales of finished goods	10,002,535,878,714	8,589,155,022,357
▪ Sales of merchandise goods	334,579,560,341	150,433,382,844
▪ Rental income from investment property	3,954,556,575	3,115,425,291
▪ Other services	12,101,282,151	8,984,318,485
▪ Sales of scraps	16,699,141,517	19,650,359,072
	<hr/>	<hr/>
	10,369,870,419,298	8,771,338,508,049
Less revenue deductions		
▪ Sale discounts	(137,596,997)	(181,671,345)
▪ Sale returns	(36,823,942,685)	(55,120,923,136)
	<hr/>	<hr/>
	(36,961,539,682)	(55,302,594,481)
	<hr/>	<hr/>
Net revenue	10,332,908,879,616	8,716,035,913,568
	<hr/>	<hr/>

30. Cost of sales

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Total cost of sales		
▪ Finished goods sold	5,743,160,638,449	5,517,134,581,310
▪ Merchandise goods sold	245,712,093,725	78,541,829,706
▪ Rental of investment property	2,060,469,898	2,175,127,107
▪ Other services	1,618,295,987	1,080,884,682
▪ Inventories losses	2,629,805,368	2,983,817,051
▪ Under-capacity costs	3,081,139	6,888,162,746
▪ Decrease of allowance for inventories	(1,685,727,584)	(1,740,466,024)
	<hr/>	<hr/>
	5,993,498,656,982	5,607,063,936,578
	<hr/>	<hr/>

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

31. Financial income

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Interest income from deposits	143,933,453,772	125,483,793,013
Interest income from corporate bonds	9,286,986,295	5,917,808,220
Foreign exchange gains	15,446,307,274	12,509,052,193
Dividends	6,036,011	5,102,150
Others	-	38,260,551
	<hr/>	<hr/>
	168,672,783,352	143,954,016,127
	<hr/>	<hr/>

32. Financial expenses

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Interest expense on borrowings	8,313,790,353	8,131,520,374
Interest expense on deposits received	437,937,521	366,214,237
Foreign exchange losses	21,194,575,527	10,421,735,889
Allowance for diminution in value of financial investments	2,971,193,666	9,706,415,389
Payment discounts for distributors	-	(273,015,418)
Others	1,564,909	45,531,400
	<hr/>	<hr/>
	32,919,061,976	28,398,401,871
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Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

33. Selling expenses

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Staff costs	146,303,802,283	133,236,789,147
Materials expenses	7,330,104,898	10,115,691,760
Tools and supplies expenses	23,227,620,993	13,177,701,278
Depreciation expenses	9,539,058,549	8,422,181,463
Expenses of damaged goods	6,921,505,509	5,274,896,872
Transportation expenses	128,340,071,099	124,799,078,616
Outside service expenses	72,367,495,744	64,072,856,956
Advertising expenses	359,950,729,096	256,707,725,457
Market research expenses	7,691,492,320	7,089,885,319
Promotion expenses	2,277,114,273	3,491,378,099
Product display expenses	195,714,697,389	84,175,424,258
Support and commission expenses for distributors	705,496,506,752	439,872,393,762
	<hr/>	<hr/>
	1,665,160,198,905	1,150,436,002,987
	<hr/>	<hr/>

34. General administrative expenses

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Staff costs	88,757,941,520	83,770,041,488
Materials expenses	2,624,232,160	4,221,797,747
Office supplies	4,247,649,848	5,420,300,941
Depreciation expenses	21,268,286,005	19,106,915,379
Fees and duties	8,631,022,005	1,847,730,767
Allowance for doubtful debts and provision for severance allowance	783,835,600	1,707,231,049
Transportation expenses	9,537,143,179	8,538,764,802
Outside service expenses	59,072,807,738	45,814,757,282
Loading expenses	4,823,042,912	3,618,066,762
Per-diem allowances	8,188,333,754	5,795,585,951
Bank charges	2,945,759,018	2,029,665,368
Others	17,678,040,063	20,049,316,235
	<hr/>	<hr/>
	228,558,093,802	201,920,173,771
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Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

35. Other income

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Proceeds from disposals of tangible fixed assets	7,957,839,465	11,934,209,350
Proceeds from disposals of construction in progress	-	18,452,293,808
Rebate income	29,724,980,343	25,438,335,468
Compensations received from other parties	663,454,395	8,494,268,698
Others	5,727,561,668	6,282,020,558
	<hr/>	<hr/>
	44,073,835,871	70,601,127,882
	<hr/>	<hr/>

36. Other expenses

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Book value of tangible fixed assets disposed	9,150,611,926	12,224,231,695
Book value of construction in progress disposed	394,102,311	18,452,293,808
Others	1,440,221,378	1,457,477,853
	<hr/>	<hr/>
	10,984,935,615	32,134,003,356
	<hr/>	<hr/>

37. Production and business costs by element

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Raw material costs included in production costs	4,201,126,077,010	4,792,831,016,484
Labour costs and staff costs	494,446,117,006	437,108,512,587
Depreciation and amortisation	289,552,380,292	266,697,914,648
Outside services	454,900,453,856	392,758,287,230
Other expenses	2,271,562,120,392	1,225,257,151,590
	<hr/>	<hr/>

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

38. Income tax

(i) Recognised in the consolidated interim statement of income

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Current tax expense		
Current period	436,166,712,942	354,697,288,865
Under provision in prior period	27,729,021,766	593,020,225
	<hr/> 463,895,734,708	<hr/> 355,290,309,090
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	833,212,911	(10,412,686,843)
	<hr/> 464,728,947,619	<hr/> 344,877,622,247

(ii) Reconciliation of effective tax rate

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Accounting profit before tax	2,626,512,964,197	1,905,065,650,592
Tax at the Company's tax rate	525,302,592,839	419,114,443,130
Tax rate differential applied to Company's branches and factories	(937,072,192)	(4,545,949,547)
Non-taxable income	-	11,714,182,776
Non-deductible expenses	1,398,734,474	1,878,821,227
Tax incentives	(83,356,440,684)	(89,537,022,029)
Deferred tax assets not previously recognised	(5,407,888,584)	5,660,126,465
Under provision in prior period	27,729,021,766	593,020,225
	<hr/> 464,728,947,619	<hr/> 344,877,622,247

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(iii) Applicable tax rates

The companies in the Group are required to pay income tax at rates ranging from 15% to 40%, depending on principle activities of its factories, on taxable profits. The Company and all of its subsidiaries incurred the income tax charges.

39. Earnings per share

The calculation of earnings per share for the three-month period ended 31 March 2016 was based on the profit attributable to ordinary shareholders after appropriation to bonus and welfare fund and a weighted average number of ordinary shares outstanding, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Net profit for the period – attributable to ordinary shareholders before appropriation to bonus and welfare fund	2,157,189,051,310	1,556,856,874,239
Allocation to bonus and welfare fund	(212,582,268,101)	(154,635,080,834)
Net profit for the period attributable to ordinary shareholders after appropriation to bonus and welfare fund	1,944,606,783,209	1,402,221,793,405

(ii) Weighted average number of ordinary shares

	Three-month period ended	
	31/3/2016	31/3/2015
Number of ordinary shares at the beginning of the period	1,200,139,398	1,000,118,604
Effect of bonus shares issued (*)	-	200,023,721
Weighted average number of ordinary shares	1,200,139,398	1,200,142,325

(*) On 7 September 2015, 200,020,794 of bonus shares were issued to existing shareholders at the ratio of one new share for every five existing ordinary shares held.

As at 31 March 2016, the Company did not have potentially dilutive ordinary shares.

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

40. Financial risk management

(a) Overview

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

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

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

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

(b) Risk management framework

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

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

(c) Credit risk

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(i) Exposure to credit risk

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

	Note	31/3/2016 VND	1/1/2016 VND
Cash and cash equivalents	(ii)	1,226,715,520,252	1,357,221,465,843
Held to maturity investments	(iii)	9,688,822,000,000	8,751,188,500,000
Accounts receivable from customers and other receivables	(iv)	3,119,568,068,029	2,525,445,056,752
		<hr/>	<hr/>
		14,035,105,588,281	12,633,855,022,595
		<hr/>	<hr/>

(ii) Cash and cash equivalents

Cash and cash equivalents 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.

(iii) Held to maturity investments

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

There was no allowance for diminution in the value of held to maturity investments as at 31 March 2016 and 1 January 2016.

(iv) Accounts receivable from customers and other receivables

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

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

	31/3/2016	1/1/2016
	VND	VND
Past due 1 – 30 days	91,718,565,379	96,899,185,010
Past due 31 – 60 days	10,948,109,605	23,779,538,115
Past due 61 – 90 days	4,404,280,928	3,602,627,830
Past due more than 90 days	1,652,631,271	2,661,741,428
	<hr/>	<hr/>
	108,723,587,183	126,943,092,383
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Movements in the allowance for doubtful debts during the period were as follows:

	Three-month period ended	
	31/3/2016	31/3/2015
	VND	VND
Opening balance	3,211,964,123	5,917,834,434
Increase in allowance during the period	783,835,600	1,764,852,649
Written off	(571,028,593)	(194,053,081)
Translation differences	(26,477,904)	29,339,298
	<hr/>	<hr/>
Closing balance	3,398,293,226	7,517,973,300
	<hr/>	<hr/>

(d) Liquidity risk

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

31 March 2016

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND
Accounts payable – trade	1,432,404,584,830	1,432,404,584,830	1,432,404,584,830	-	-
Payables to employees	127,798,211,943	127,798,211,943	127,798,211,943	-	-
Accrued expenses	1,320,006,293,261	1,320,006,293,261	1,320,006,293,261	-	-
Other short-term payables	647,683,902,314	647,683,902,314	647,683,902,314	-	-
Short-term borrowings	1,499,433,453,402	1,510,419,189,750	1,510,419,189,750	-	-
Other long-term liabilities	2,251,866,120	2,251,866,120	-	2,251,866,120	-
Long-term borrowings	255,684,975,403	270,854,052,403	5,056,359,000	5,056,359,000	260,741,334,403
	5,285,263,287,273	5,311,418,100,621	5,043,368,541,098	7,308,225,120	260,741,334,403

1 January 2016

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND
Accounts payable to suppliers	2,193,602,809,261	2,193,602,809,261	2,193,602,809,261	-	-
Payables to employees	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	-	-
Short-term borrowings	1,475,358,507,208	1,493,250,150,278	1,493,250,150,278	-	-
Other long-term payables	2,814,519,233	2,814,519,233	-	2,814,519,233	-
Long-term borrowings	368,170,178,853	397,799,646,142	33,297,676,461	101,787,994,278	262,713,975,403
	5,730,376,056,777	5,777,897,167,136	5,410,580,678,222	104,602,513,511	262,713,975,403

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

(e) Market risk

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(i) Currency risk

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

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

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

Exposure to currency risk

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

	31/3/2016		1/1/2016	
	USD	EUR	USD	EUR
Cash and cash in banks	28,078,734	32,617	22,791,963	19,731
Accounts receivable from customers and other receivables	31,894,883	-	13,886,927	-
Accounts payable to suppliers and other payables	(7,342,015)	(1,319,146)	(24,515,508)	(1,363,805)
	<hr/> 52,631,602	<hr/> (1,286,529)	<hr/> 12,163,382	<hr/> (1,344,074)

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

	Exchange rate as at			
	31/3/2016		1/1/2016	
	VND		VND	
	Buying rate	Selling rate	Buying rate	Selling rate
USD 1	22,260	22,320	22,450	22,520
EUR 1	25,184	25,455	24,415	24,711

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

	Effect to net profit VND
31 March 2016	
USD (1% weakening)	(9,369,111,493)
EUR (3% strengthening)	(786,178,492)
	<hr/>
1 January 2016	
USD (5% strengthening)	10,582,721,426
EUR (6% weakening)	1,554,660,914
	<hr/>

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

(ii) Interest rate risk

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

(iii) Price risk

The Group invests in equity investments of listed and unlisted companies and is exposed to risks of price fluctuation of these investments. The risk factors affecting the performance of these investments include financial performance and position of invested companies and market conditions. The Board manages the former factor by selecting industries and entities to invest in. The latter factor is itself affected by general economic condition of Vietnam and behaviours of investors, which are all out of the Board's control. These factors have caused conditions to be volatile in the past 2 years.

For investments in listed securities, if the share prices had increased/decreased by 10% with all other variables including tax rate being held constant, the Group's consolidated net profit after tax would not have significant impact (for the three-month period ended 31 March 2015: VND5,956,505,178).

Vietnam Dairy Products Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the three-month period ended
31 March 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

41. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the consolidated interim financial statements, the Group had the following transactions with related parties during the year:

Related Party	Relationship	Nature of transaction	Three-month period ended	
			31/3/2016 VND	31/3/2015 VND
Miraka Limited	Associate	Purchases of goods	24,586,164,960	290,089,239,956
Asia Saigon Food Ingredients Joint Stock Group	Associate	Sales of services and goods	127,348,524	128,378,524
Board of Management's and Board of Directors' members		Compensation	45,328,708,190	27,862,333,561

29 April 2016

Prepared by:



Le Thanh Liem
Acting Executive Director – Finance
cum Chief Accountant



Approved by:



Mai Kieu Lien
Chief Executive Officer