Ma San Group Corporation
and its subsidiaries

Quarterly Financial Statements

for the six-month period ended 30 June 2012

Ma San Group Corporation
Corporate Information

Business Registration Certificate No	0303576603	20 October 2010

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 20 October 2010. The Certificate and its amendments were issued by the Ministry of Planning and Investment. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

Board of Management	Dr Nguyen Dang Quang	Chairman
	Mr Ho Hung Anh	Vice chairman
	Mr Madhur Maini	Member
	Ms Nguyen Hoang Yen	Member
	Mr Nguyen Thieu Nam	Member
	Mr Lars Kjaer	Member

Registered Office

Suite 802, Central Plaza
17 Le Duan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Ma San Group Corporation and its subsidiaries
Balance sheets at 30 June 2012

	Code	Note	Group		Company	
			30/6/2012	31/12/2011	30/6/2012	31/12/2011
			VND million	VND million	VND million	VND million
ASSETS						
Current assets	**100**		**12,494,970**	**12,541,434**	**3,783,899**	**2,291,494**
Cash and cash equivalents	**110**	**3**	**8,916,480**	**9,573,593**	**3,364,152**	**1,510,736**
Cash	111		686,997	175,717	424,125	23,284
Cash equivalents	112		8,229,483	9,397,876	2,940,027	1,487,452
Short-term investments	**120**	**9**	**1,473,000**	**1,222,500**	**48,000**	**373,000**
Accounts receivable	**130**	**4**	**1,030,437**	**903,317**	**336,974**	**387,496**
Accounts receivable - trade	131		148,034	193,615	-	-
Prepayments to suppliers	132		613,691	363,633	104,944	57,977
Other receivables	135		269,631	347,153	232,030	329,519
Allowance for doubtful debts	139		(919)	(1,084)	-	-
Inventories	**140**	**5**	**879,528**	**612,845**	**-**	**-**
Inventories	141		892,213	625,746	-	-
Allowance for inventories	149		(12,685)	(12,901)	-	-
Other current assets	**150**		**195,525**	**229,179**	**34,773**	**20,262**
Short-term prepayments	151		55,482	129,695	5,164	1,391
Deductible value added tax	152		131,552	55,418	27,293	17,739
Taxes and other receivables from State Treasury	154		-	103	-	-
Other current assets	158		8,491	43,963	2,316	1,132

Ma San Group Corporation and its subsidiaries
Balance sheets at 30 June 2012 (continued)

	Code	Note	Group		Company	
			30/6/2012	31/12/2011	30/6/2012	31/12/2011
			VND million	VND million	VND million	VND million
Long-term assets	**200**		**23,680,894**	**21,031,185**	**20,762,969**	**22,289,000**
Accounts receivable – long-term	**210**	**4**	**-**	**-**	**1,148,898**	**2,762,294**
Other receivables	218		-	-	1,148,898	2,762,294
Fixed assets	**220**		**13,419,302**	**11,287,505**	**55,962**	**19,201**
Tangible fixed assets	221	6	1,153,798	879,199	12,704	14,317
Cost	222		1,552,963	1,196,701	16,752	16,519
Accumulated depreciation	223		(399,165)	(317,502)	(4,048)	(2,202)
Intangible fixed assets	227	7	934,903	983,239	1,261	1,316
Cost	228		1,026,262	1,021,469	1,559	1,451
Accumulated amortisation	229		(91,359)	(38,230)	(298)	(135)
Construction in progress	230	8	11,330,601	9,425,067	41,997	3,568
Long-term investments	**250**	**9**	**9,772,748**	**9,321,085**	**19,490,421**	**19,490,421**
Investments in subsidiaries	251		-	-	10,557,997	10,557,997
Investments in an associate	252		9,407,248	9,321,085	8,932,424	8,932,424
Other long-term investments	258		365,500	-	-	-
Other long-term assets	**260**		**488,844**	**422,595**	**67,688**	**17,084**
Long-term prepayments	261	10	137,103	88,066	57,293	7,400
Deferred tax assets	262	11	52,370	24,798	-	-
Other long-term assets	268		34,179	32,626	10,395	9,684
Goodwill	269	12	265,192	277,105	-	-
TOTAL ASSETS	**270**		**36,175,864**	**33,572,619**	**24,546,868**	**24,580,494**

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Balance sheets at 30 June 2012 (continued)

	Code	Note	Group		Company	
			30/6/2012	31/12/2011	30/6/2012	31/12/2011
			VND million	VND million	VND million	VND million
RESOURCES						
LIABILITIES	**300**		**15,554,021**	**12,017,587**	**8,870,908**	**6,821,280**
Current liabilities	**310**		**2,373,933**	**3,625,783**	**321,349**	**3,237,125**
Short-term borrowings and liabilities	311	13	472,095	2,032,397	-	2,630,000
Accounts payable – trade	312		619,473	422,772	1,925	523
Advances from customers	313		16,395	7,994	-	-
Taxes payable to State Treasury	314	14	273,358	291,359	2,452	5,193
Payables to employees	315		31,996	12,618	-	-
Accrued expenses	316	15	924,242	824,384	316,972	339,697
Other payables	319		36,374	34,259	-	261,712
Long-term borrowings and liabilities	**330**		**13,180,088**	**8,391,804**	**8,549,559**	**3,584,155**
Other long-term liabilities	333		221,596	-	1,173,037	256,195
Long-term borrowings and liabilities	334	16	11,919,147	7,409,781	7,376,522	3,327,960
Deferred tax liabilities	335	11	1,031,144	973,459	-	-
Provision for severance allowance	336	17	8,201	8,564	-	-
EQUITY	**400**		**14,650,242**	**15,875,652**	**15,675,960**	**17,759,214**
Owners' equity	**410**		**14,650,242**	**15,875,652**	**15,675,960**	**17,759,214**
Share capital	411	18	6,872,801	5,152,723	6,872,801	5,152,723
Capital surplus	412	18	7,999,167	2,166,136	7,999,167	2,166,136
Other capital	413	19	1,340,352	10,462,804	1,340,352	10,462,804
Foreign exchange differences	416		(13,513)	(16,066)	-	-
Other reserves	418		(7,121,148)	(6,569,981)	(530,235)	-
Retained profits	420		5,572,583	4,680,036	(6,125)	(22,449)
MINORITY INTERESTS	**439**		**5,971,601**	**5,679,380**	-	-
TOTAL RESOURCES	**440**		**36,175,864**	**33,572,619**	**24,546,868**	**24,580,494**

Prepared by:

Doan Thi My Duyen
Chief Accountant

Approved by:

Nguyen Dang Quang
Chairman

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Statements of income for the six-month period ended 30 June 2012

Group

	Code	Note	From 1/4/2012 to 30/6/2012 VND million	From 1/4/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Total revenue	**01**	**20**	**2,402,295**	**1,539,315**	**4,007,379**	**2,878,255**
Less sales deductions	**02**	**20**	**(31,458)**	**(26,611)**	**(98,989)**	**(39,629)**
Net sales	**10**	**20**	**2,370,837**	**1,512,704**	**3,908,390**	**2,838,626**
Cost of sales	**11**	**21**	**(1,374,530)**	**(899,594)**	**(2,353,025)**	**(1,658,410)**
Gross profit	**20**		**996,307**	**613,110**	**1,555,365**	**1,180,216**
Financial income	21	22	274,944	283,013	636,550	469,904
Financial expenses	22	23	(71,235)	(55,465)	(188,525)	(194,764)
Selling expenses	24		(298,106)	(208,762)	(522,493)	(384,890)
General and administration expenses	25		(98,292)	(98,443)	(211,083)	(141,499)
Net operating profit	**30**		**803,618**	**533,453**	**1,269,814**	**928,967**
Results of other activities	**40**					
Other income	31	24	15,956	-	20,725	7,165
Other expenses	32	25	(4,557)	(1,558)	(13,331)	(8,122)
Share of profit in associate	**41**	**26**	**(5,788)**	**5,451**	**86,163**	**43,233**
Profit before tax	**50**		**809,229**	**537,346**	**1,363,371**	**971,243**
Income tax expense – current	**51**		**(93,057)**	**(99,831)**	**(168,324)**	**(144,870)**
Income tax expense – deferred	**52**		**(1,254)**	**(2,445)**	**(30,113)**	**(2,445)**
Net profit (carried forward to next page)	**60**		**714,918**	**435,070**	**1,164,934**	**823,928**

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Statements of income for the six-month period ended 30 June 2012 (continued)

Group

	Code	Note	From 1/4/2012 to 30/6/2012 VND million	From 1/4/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Net profit (brought forward from previous page)	**60**		**714,918**	**435,070**	**1,164,934**	**823,928**
Attributable to:						
Minority interests	61		157,342	119,955	257,413	170,995
Equity holders of the Company	62		557,576	315,115	907,521	652,933
Earnings per share						
Basic earnings per share in VND	70	27	876	471	1,426	976

Prepared by:

Doan Thi My Duyen
Chief Accountant

Approved by:

Nguyen Dang Quang
Chairman

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Ma San Group Corporation and its subsidiaries
Statements of income for the six-month period ended 30 June 2012 (continued)

Group

	Code	Note	From 1/4/2012 to 30/6/2012 VND million	Proforma [1] From 1/4/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Total revenue	01		**2,402,295**	**1,539,315**	**4,007,379**	**2,878,255**
Less sales deductions	02		**(31,458)**	**(26,611)**	**(98,989)**	**(39,629)**
Net sales	10		**2,370,837**	**1,512,704**	**3,908,390**	**2,838,626**
Cost of sales	11		**(1,374,530)**	**(899,594)**	**(2,353,025)**	**(1,658,410)**
Gross profit	20		**996,307**	**613,110**	**1,555,365**	**1,180,216**
Financial income	21		274,944	283,013	636,550	469,904
Financial expenses	22		(71,235)	(55,465)	(188,525)	(194,764)
Selling expenses	24		(298,106)	(208,762)	(522,493)	(384,890)
General and administration expenses	25		(71,491)	(98,443)	(141,150)	(141,499)
Net operating profit	30		**830,419**	**533,453**	**1,339,747**	**928,967**
Results of other activities	40					
Other income	31		15,956	-	20,725	7,165
Other expenses	32		(4,557)	(1,558)	(13,331)	(8,122)
Share of profit in associate	41		**138,283**	**148,427**	**374,306**	**328,902**
Profit before tax	50		**980,101**	**680,322**	**1,721,447**	**1,256,912**
Income tax expense – current	51		**(93,057)**	**(99,831)**	**(168,324)**	**(144,870)**
Income tax expense – deferred	52		**(3,004)**	**(2,445)**	**(34,487)**	**(2,445)**
Net profit (carried forward to next page)	60		**884,040**	**578,046**	**1,518,636**	**1,109,597**

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Statements of income for the six-month period ended 30 Junes 2012 (continued)

Group

	Code	Note	From 1/4/2012 to 30/6/2012 VND million	Proforma [1] From 1/4/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Net profit (brought forward from previous page)	**60**		**884,040**	**578,046**	**1,518,636**	**1,109,597**
Attributable to:						
Minority interests	61		157,342	119,955	257,413	170,995
Equity holders of the Company	62		726,698	458,091	1,261,223	938,602
Earnings per share						
Basic earnings per share in VND	70		1,142	685	1,982	1,403

(1)

a) *Adding back the amortization of goodwill from the transfer of ownership in Techcombank for the six-month period ended 30 June 2012 and 2011 and assuming Masan Group held a 30.61% interest in Techcombank from 1 January 2011,*

b) *Adding back the amortization of goodwill and intangible assets from the acquisition of Vinacafe Bien Hoa JSC for the six-month period ended 30 June 2012.*

Ma San Group Corporation and its subsidiaries
Statements of income for the six-month period ended 30 June 2012 (continued)

Company

	Code	Note	From 1/4/2012 to 30/6/2012 VND million	From 1/4/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Total revenue	**01**	**20**	-	-	-	-
Less sales deductions	**02**	**20**	-	-	-	-
Net sales	**10**	**20**	-	-	-	-
Cost of sales	**11**	**21**	-	-	-	-
Gross profit	**20**		-	-	-	-
Financial income	21	22	363,739	91,301	653,535	178,296
Financial expenses	22	23	(287,385)	(110,752)	(616,766)	(215,280)
Selling expenses	24		-	-	-	-
General and administration expenses	25		(3,992)	(57,231)	(20,445)	(64,946)
Net operating profit/(loss)	**30**		**72,362**	**(76,682)**	**16,324**	**(101,930)**
Results of other activities	**40**					
Other income	31	24	-	-	-	-
Other expenses	32	25	-	(31)	-	(31)
Share of profit in associate	**41**	**26**	-	-	-	-
Profit/(loss) before tax	**50**		**72,362**	**(76,713)**	**16,324**	**(101,961)**
Income tax expense – current	**51**		-	-	-	-
Income tax expense – deferred	**52**		-	-	-	-
Net profit/(loss)	**60**		**72,362**	**(76,713)**	**16,324**	**(101,961)**

Prepared by:

Doan Thi My Duyen
Chief Accountant

Approved by:

S.Đ.K.K.D: 0303576602 C.T.C.P. CÔNG TY CỔ PHẦN TẬP ĐOÀN MA SAN QUẬN 1 TP. HỒ CHÍ MINH

Nguyen Dang Quang
Chairman

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Consolidated statement of changes in equity for the six-month period ended 30 June 2012

Group

	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Other reserves VND million	Retained profits VND million	Equity attributable to equity holders of Company VND million	Minority interests VND million	Total VND million
Balance at 1 January 2011	5,152,723	2,166,136	9,651,713	3,189	(9,062,082)	2,712,006	10,623,685	1,524,803	12,148,488
Issuance of equity instruments	-	-	811,091	-	-	-	811,091	-	811,091
Increase in minority interests from share capital issued by a subsidiary	-	-	-	-	2,555,761	-	2,555,761	2,857,054	5,412,815
Foreign exchange differences in a subsidiary	-	-	-	(18,769)	-	-	(18,769)	(3,893)	(22,662)
Net profit for the period	-	-	-	-	-	652,933	652,933	170,995	823,928
Balance at 30 June 2011	5,152,723	2,166,136	10,462,804	(15,580)	(6,506,321)	3,364,939	14,624,701	4,548,959	19,173,660

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Consolidated statement of changes in equity for the six-month period ended 30 June 2012 (continued)

Group

	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Other Reserves VND million	Retained profits VND million	Equity attributable to equity holders of Company VND million	Minority interests VND million	Total VND million
Balance at 1 January 2012	5,152,723	2,166,136	10,462,804	(16,066)	(6,569,981)	4,680,036	15,875,652	5,679,380	21,555,032
Issuance of new shares due to conversion of convertible loans, convertible bonds and other capital	1,309,078	5,833,031	(6,358,643)	-	-	-	783,466	-	783,466
Issuance of new shares for cash	411,000	-	-	-	-	-	411,000	-	411,000
Redemption of other capital	-	-	(4,104,161)	-	(530,235)	-	(4,634,396)	-	(4,634,396)
Issuance of equity instruments	-	-	1,340,352	-	-	-	1,340,352	-	1,340,352
Increase in minority interest from share capital issued by a subsidiary	-	-	-	-	(20,932)	-	(20,932)	33,432	12,500
Foreign exchange differences in a subsidiary	-	-	-	2,553	-	-	2,553	1,376	3,929
Appropriate to bonus and welfare funds	-	-	-	-	-	(14,974)	(14,974)	-	(14,974)
Net profit for the period	-	-	-	-	-	907,521	907,521	257,413	1,164,934
Balance at 30 June 2012	6,872,801	7,999,167	1,340,352	(13,513)	(7,121,148)	5,572,583	14,650,242	5,971,601	20,621,843

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Separate statement of changes in equity for the six-month period ended 30 June 2012

Company

	Share capital VND million	Capital Surplus VND million	Other capital VND million	Other reserves VND million	Retained profits VND million	Total VND million
Balance at 1 January 2011	5,152,723	2,166,136	9,651,713	-	200,184	17,170,756
Net loss for the period	-	-	-	-	(101,961)	(101,961)
Issuance of equity instruments	-	-	811,091	-	-	811,091
Balance at 30 June 2011	5,152,723	2,166,136	10,462,804	-	98,223	17,879,886
Balance at 1 January 2012	5,152,723	2,166,136	10,462,804	-	(22,449)	17,759,214
Issuance of new shares due to conversion of convertible loans, convertible bonds and other capital	1,309,078	5,833,031	(6,358,643)	-	-	783,466
Issuance of new shares for cash	411,000	-	-	-	-	411,000
Redemption of other capital	-	-	(4,104,161)	(530,235)	-	(4,634,396)
Issuance of equity instruments	-	-	1,340,352	-	-	1,340,352
Net profit for the period	-	-	-	-	16,324	16,324
Balance at 30 June 2012	6,872,801	7,999,167	1,340,352	(530,235)	(6,125)	15,675,960

Prepared by:

Doan Thi My Duyen
Chief Accountant

Approved by:

Nguyen Dang Quang
Chairman

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Statements of cash flows for the six-month period ended 30 June 2012

	Code	Note	Group		Company	
			From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit/(loss) before tax	**01**		**1,363,371**	**971,243**	**16,324**	**(101,961)**
Adjustments for						
Depreciation and amortisation	02		148,438	55,396	6,181	1,811
Allowances and provisions	03		11,458	25,861	-	-
Net unrealised foreign exchange differences	04		-	28,690	-	28,690
(Gain)/loss on disposal of fixed assets and other long-term assets	05		(3,089)	9	-	-
Write-off of fixed assets	05		-	188	-	-
Interest and dividend income	05		(635,471)	(451,468)	(653,483)	(167,837)
Interest expense	06		168,915	159,688	610,714	182,673
Share of profit in an associate	07		(86,163)	(43,233)	-	-
Operating profit/(loss) before changes in working capital	**08**		**967,459**	**746,374**	**(20,264)**	**(56,624)**
Change in receivables and other assets	09		(1,104)	7,135	(60,246)	(23,418)
Change in inventories	10		(278,052)	(197,722)	-	-
Change in payables and other liabilities	11		171,015	(163,704)	(66,834)	(19,136)
			859,318	**392,083**	**(147,344)**	**(99,178)**
Interest paid	13		(166,582)	(114,965)	(29,343)	(23,507)
Corporate income tax paid	14		(204,776)	(115,710)	-	-
Other payments for operating activities	16		(14,973)	(10,122)	-	-
Net cash generated from/(used in) operating activities	**20**		**472,987**	**151,286**	**(176,687)**	**(122,685)**

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Statements of cash flows for the six-month period ended 30 June 2012 (continued)

	Code	Note	Group		Company	
			From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments for additions to fixed assets and other long-term assets	21		(2,094,637)	(535,252)	(38,770)	(12,237)
Proceeds from disposals of fixed assets and other long-term assets	22		5,528	-	-	-
Loans provided to parent company	23		-	(715,000)	-	-
Collection on loans provided to parent company	23		-	715,000	-	-
Loans provided to subsidiaries	23		-	-	-	(136,840)
Collection on loans provided to subsidiaries	23		-	-	2,000,000	97,651
Placements of term deposit to banks	24		(2,817,700)	(18,212,710)	-	-
Withdrawal of term deposit received	24		1,876,700	18,655,210	-	-
Proceed from investments in bonds	24		373,000	-	373,000	-
Payments for investments in bonds	25		(48,000)	(700,000)	(48,000)	(700,000)
Payment for investments in associate	26		-	(1,000,000)	-	(1,000,000)
Receipts of interest and dividend	27		541,469	333,862	155,093	48,388
Net cash (used in)/generated from investing activities	**30**		**(2,163,640)**	**(1,458,890)**	**2,441,323**	**(1,703,038)**

The accompanying notes are an integral part of these quarterly financial statements

Ma San Group Corporation and its subsidiaries
Statements of cash flows for the six-month period ended 30 June 2012 (continued)

	Code	Note	Group		Company	
			From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from issuance of new shares	31		411,000	-	411,000	-
Proceeds from minority interest capital contribution to subsidiaries	31		12,500	5,412,815	-	-
Proceeds from issuance of equity instruments	31		1,666,240	-	1,666,240	-
Payments for redemption of other capital	32		(4,634,396)	-	(4,634,396)	-
Proceeds from short-term and long-term borrowings	33		5,304,329	877,300	2,145,936	2,000,000
Payments to settle debts to banks and other entities	34		(1,726,133)	(957,114)	-	-
Payments to settle debts to parent company	34		-	(211,796)	-	-
Net cash generated from/(used in) financing activities	**40**		**1,033,540**	**5,121,205**	**(411,220)**	**2,000,000**
Net cash flows during the period	**50**		**(657,113)**	**3,813,601**	**1,853,416**	**174,277**
Cash and cash equivalents at the beginning of the period	**60**		**9,573,593**	**3,394,575**	**1,510,736**	**1,037,261**
Effect of exchange rate fluctuation on cash and cash equivalents	**61**		**-**	**21,900**	**-**	**21,890**
Cash and cash equivalents at the end of the period	**70**	**3**	**8,916,480**	**7,230,076**	**3,364,152**	**1,233,428**

The accompanying notes are an integral part of these quarterly financial statements

NON-CASH INVESTING AND FINANCING ACTIVITIES

	Group		Company	
	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Cost of investments acquired by issuing equity instruments	-	811,091	-	811,091
Capital to subsidiaries contributed by waiving receivable	-	487,500	-	-

Prepared by:

Doan Thi My Duyen
Chief Accountant

Approved by:

Nguyen Dang Quang
Chairman

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

1. Reporting entity

Ma San Group Corporation ("the Company") is a joint stock company incorporated in Vietnam. The principal activity of the Company is in investment holding.

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in an associate.

The principal activities of the subsidiaries are described as follows:

Name	Principal activity	Percentage of economic interests at	
		30/6/2012	31/12/2011
Hoa Bang Lang Consultant Company Limited	Investment holding	100%	100%
Orchid Consultant Company Limited	Investment holding	100%	100%
Gerbera Consultant Company Limited (*)	Investment holding	100%	100%
Dahlia Company Limited (*)	Investment holding	100%	100%
Ma San Consumer Corporation (formerly known as Ma San Food Corporation)	Trading and distribution	76.2%	76.5%
Masan Food Company Limited	Food Trading	76.2%	76.5%
Masan Industrial One Member Company Limited	Food sauce and instant noodle manufacturing	76.2%	76.5%
Viet Tien Food Technology One Member Company Limited	Food sauce manufacturing	76.2%	76.5%
Ma San HD One Member Company Limited	Food sauce and instant noodle manufacturing	76.2%	76.5%
Ma San PQ Corporation	Food sauce manufacturing	72.0%	72.3%
Minh Viet Packaging Joint Stock Company	Packaging	76.2%	76.5%
VinaCafe Bien Hoa Joint Stock Company	Beverage manufacturing	38.3%	38.4%

Name	Principal activity	Percentage of economic interests at	
		30/6/2012	31/12/2011
Ma San Horizon Corporation	Investment holding	100%	100%
Ma San Resources Corporation	Investment holding	65%	65%
Ma San Thai Nguyen Resources Company Limited	Investment holding	65%	65%
Thai Nguyen Trading and Investment Company Limited	Investment holding	65%	65%
Nui Phao Mining Company Limited	Exploring and processing mineral	65%	65%

(*) Gerbera Consultant Company Limited and Dahlia Company Limited are not owned by the Company but the Company has been assigned 100% of the voting rights and all economic benefits relating to the ownership in these companies. As such, the Company has control of these companies.

All the subsidiaries are incorporated in Vietnam.

The percentage of economic interests represents the effective percentage of economic interests of the Group both directly and indirectly in the subsidiaries.

2. Summary of significant accounting policies

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

(a) Basis of financial statement preparation

(i) General basis of accounting

The financial statements, expressed in Vietnam Dong rounded to the nearest million ("VND million"), have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements. These financial statements should be read in conjunction with the financial statements of the Group for the year ended 31 December 2011.

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

(ii) Basis of consolidation

Common-control business combination

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard 11 *Business Combination* and in selecting its accounting policy with respect to such transaction, the Group has considered Vietnamese Accounting Standard 01 *Framework* and Vietnamese Accounting Standard 21 *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Any difference between the cost of acquisition and net assets acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in equity.

The consolidated income statements, consolidated statements of changes in equity and consolidated cash flow statements include the results of operations of the combining companies as if the group structure had been in existence from the Controlling Shareholders' perspective throughout the entire periods presented (or where the companies were incorporated at a date later than the beginning of the earliest period presented, for the period from the date of incorporation to the end of the relevant reporting periods).

Non-common control business combination

Non-common control business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Under the purchase method, the assets and liabilities of the acquired entity are consolidated using their fair values. Cost of acquisition consists of the aggregate fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group. Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, *liabilities* and contingent liabilities of the acquired entity. When the excess is negative, it is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations included any costs directly attributable to the combination, such as professional fees paid to accountants, legal advisers, valuers and other consultants to effect the combination. Transaction costs are capitalised into the cost of business combination. General administrative costs and other costs that cannot be directly attributed to the particular *combination* being accounted for are not included in the cost of the combination; they are recognized as an expense when incurred.

(iii) Subsidiaries

Subsidiaries are entities controlled by 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 currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iv) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated financial statements using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated amortisation on the goodwill. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence 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) Minority interests

For changes in the Group's ownership interest in a subsidiary that do not result in change in control, the difference between the cost of acquisition or proceeds on disposal of the interest and the proportionate carrying amount of net assets acquired or disposed at the date of exchange is recorded directly in equity.

(vi) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated 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.

(b) Fiscal year

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

(c) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of income, except when they relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during pre-operating stage, in which case they are recorded in the Foreign Exchange Difference Account in equity until the entity commences operations and the tangible fixed assets are put into use. Once the entity commences operations and the tangible fixed assets are put into use, the related realised foreign exchange differences are transferred to the statement of income, unrealised foreign exchange gains are transferred to the Unearned Revenue Account and unrealised foreign exchange losses are transferred to the Long-term Prepayment Account. The unrealised gains and losses are then amortised on a straight line basis over five years.

(d) 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.

(e) Investments

Investments in term deposits and debt instruments; investments in equity instruments of entities over which the Group has no control or significant influence in the consolidated financial statements; and investments in all equity instruments in the separate financial statements are stated at cost. Allowance is made for reductions in investment values which in the opinion of the management are not temporary. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. 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.

(f) Accounts receivable

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

(g) 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 apply the perpetual method of accounting for inventory.

(h) 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 and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure have 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 are capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

▪ buildings and structures	5-25 years
▪ leasehold improvements	3-5 years
▪ office equipment	3-6 years
▪ machinery and equipment	3-12 years
▪ motor vehicles	3-6 years

(i) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use right. Amortisation is computed on a straight-line basis over their useful lives ranging from 40 to 47 years.

(ii) Software

Cost of acquisition 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 four and five years.

(iii) Brand name

Cost of acquisition of brand name is capitalised and treated as an intangible asset. Brand name is amortised on a straight-line basis over five years.

The fair value of brand name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned. The fair value of brand name acquired in a business combination is recognised as an intangible asset and is amortised on a straight-line basis over ten years.

(iv) Customer relationships

Customer relationships that are acquired by the Group on the acquisition of subsidiary is capitalised and presented as an intangible asset. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationship is amortised on a straight line basis over five years.

(j) Construction in progress

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed and mineral assets under development. No depreciation is provided for construction in progress during the period of construction and installation.

Mineral assets under development comprise mineral reserve and related development costs acquired in a business combination and subsequent development expenditure. These assets qualify for capitalisation when the mineral reserve to which they relate is proven to be commercially and technically viable. They are initially recognised at their fair values as part of business combination accounting and subsequent development expenditures are capitalised net of proceeds from the sale of ore extracted during the development phase. On completion of development, defined as the time when saleable materials begin to be extracted from the mine, all assets are reclassified to tangible fixed assets.

(k) Long-term prepayments

(i) Pre-operating expenses

Pre-operating expenses are recorded in the statement of income, except for establishment costs and expenditures on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepayments, initially stated at cost, and are amortised on a straight line basis over three years staring from the date of commercial operation.

(ii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease from 47 to 50 years.

(iii) Tools and supplies and printing axles

Tools and supplies and printing axles are stated at cost and amortised over their useful lives ranging from six months to two years.

(iv) Borrowing fees

Loan origination costs are incurred in conjunction with the arrangement of long-term borrowings and are amortised on a straight-line basic over the tenure of the borrowings.

(v) Insurance fees

Insurance fees are stated at cost and amortised over their useful lives of two years.

(vi) Website fees

Website fees are stated at cost and amortised over their useful lives of three years.

(l) Goodwill

Goodwill arises on acquisition of subsidiaries and associate in non-common control acquisition.

Goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over ten years. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying value of the investment.

(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 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.

(o) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the 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 year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

(p) Equity

(i) Share capital and capital surplus

Ordinary share capital is classified as equity. The excess of proceeds contributed over the par value of shares issued is recorded as capital surplus. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from capital surplus.

(ii) Other capital

Agreements to issue a fixed number of shares in the future are recognised based on their fair values at the dates of the agreements under other capital if there are no other settlement alternatives.

(iii) Other reserves

Equity movements resulting from common-control business combination and acquisition of/disposal to minority interests and the excess arising on redemption of other capital over the carrying amount are recorded in other reserves in equity.

(q) Revenue

Revenue from the sale of goods is recognised in the 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.

(r) Financial income and financial expenses

(i) Financial income

Financial income comprises interest income from deposits and loans, and foreign exchange gains. Interest income is recognised as it accrues in the statement of income.

(ii) Financial expenses

Financial expenses comprise interest expenses on borrowings and foreign exchange losses. Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of tangible fixed assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

(s) Operating lease payments

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

(t) Earnings per share

The Group present basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(u) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

3. Cash and cash equivalents

	Group		Company	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
	VND million	VND million	VND million	VND million
Cash on hand	5,709	2,804	417	432
Cash in bank	681,288	172,913	423,708	22,852
Cash equivalents	8,229,483	9,397,876	2,940,027	1,487,452
	8,916,480	9,573,593	3,364,152	1,510,736

Cash and cash equivalent at 30 June 2012 of the Group and the Company included amounts denominated in currencies other than VND amounting to VND5,437,686 million (31/12/2011: VND2,334,375 million) and VND1,794,568 million (31/12/2011: VND199,750 million), respectively.

4. Accounts receivable

Other receivables comprised:

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Non-trade receivables from related companies	79,458	232,399	115,278	266,265
Accrued interest receivable from:				
• Deposits	63,376	44,022	4,723	4,931
• Investments in bonds	3,045	13,757	3,045	13,757
Option fee receivable	85,360	-	85,360	-
Services receivable	22,895	44,566	22,895	44,566
Others	15,497	12,409	729	-
	269,631	347,153	232,030	329,519

Other receivables include the following amounts due from related parties:

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Amounts due from Ma San Corporation - parent company				
Non-trade – short-term	79,458	230,446	79,458	230,446
Amounts due from other related companies				
Non-trade – short-term	-	1,953	35,819	35,819
Non-trade – long-term	-	-	1,148,898	2,762,294

The non-trade amounts due from Ma San Corporation were unsecured, interest free and receivable in accordance with contract terms.

At 30 June 2012, the non-trade – long-term loans due from other related companies of the Company amounting to VND1,148,989 million consist of:

a) Facility fee of 15% per annum on unsecured loan facilities made available to a subsidiary;

b) An unsecured funding amount due from subsidiaries is interest free and will be repayable on the maturity date in 2014.

Movement of allowance for doubtful debts was as follows:

	Group From 1/1/2012 to 30/6/2012 VND million	Company From 1/1/2012 to 30/6/2012 VND million
Opening balance	1,084	-
Increase in allowance during the period	88	-
Allowance utilised during the period	(253)	-
Closing balance	919	-

The Group and the Company's exposure to credit risk in relation to receivables is influenced mainly by the individual characteristics of each customer or counter party. In response to the risk, the Group generally transact with customers on cash on delivery terms. For instances where customers are granted credit terms, management has established a credit policy under which each customer is analysed individually for creditworthiness before credit terms are offered.

The carrying amount of the trade and other receivables represents the maximum credit exposure.

The Group and the Company establishes allowance for doubtful debt that represents its estimate of incurred losses in respect of trade and other receivables.

5. Inventories

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Goods in transit	10,538	31,028	-	-
Raw materials	531,067	409,748	-	-
Tools and supplies	1,484	1,152	-	-
Work in progress	70,098	64,939	-	-
Finished goods	279,026	118,879	-	-
	892,213	625,746	-	-
Allowance for inventories	(12,685)	(12,901)	-	-
	879,528	612,845	-	-

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

	Group From 1/1/2012 to 30/6/2012 VND million	Company From 1/1/2012 to 30/6/2012 VND million
Opening balance	12,901	-
Increase in allowance during the period	11,370	-
Allowance utilised during the period	(11,586)	-
Closing balance	12,685	-

6. Tangible fixed assets

Group

	Buildings and structures VND million	Leasehold improvements VND million	Office equipment VND million	Machinery and equipment VND million	Motor vehicles VND million	Total VND million
Cost						
Opening balance	244,496	21,562	38,917	860,263	31,463	1,196,701
Additions	7,868	-	12,336	5,185	4,020	29,409
Transfers from construction in progress	186,886	-	3,464	138,404	-	328,754
Disposals	-	-	-	(1,901)	-	(1,901)
Closing balance	439,250	21,562	54,717	1,001,951	35,483	1,552,963
Accumulated depreciation						
Opening balance	35,162	6,157	15,967	246,934	13,282	317,502
Charge for the period	8,584	2,653	5,305	63,570	3,081	83,193
Disposals	-	-	-	(1,530)	-	(1,530)
Closing balance	43,746	8,810	21,272	308,974	16,363	399,165
Net book value						
Opening balance	209,334	15,405	22,950	613,329	18,181	879,199
Closing balance	395,504	12,752	33,445	692,977	19,120	1,153,798

Included in the cost of tangible fixed assets were assets costing VND43,468 million which were fully depreciated as of 30 June 2012 (31/12/2011: VND39,221 million), but which are still in active use.

The carrying amount of tangible fixed assets retired from active use and held for disposal amounted to VND24,294 million as of 30 June 2012 (31/12/2011: VND23,946 million).

The carrying amount of temporarily idle equipment in tangible fixed assets amounted to VND7,914 million as of 30 June 2012 (31/12/2011: VND7,914 million).

As at 30 June 2012, tangible fixed assets with a carrying value of VND312,378 million (31/12/2011: VND312,378 million) were pledged with banks as security for loans granted to the Group.

Company

	Leasehold improvements VND million	Office equipment VND million	Total VND million
Cost			
Opening balance	14,896	1,623	16,519
Additions	-	233	233
Closing balance	14,896	1,856	16,752
Accumulated depreciation			
Opening balance	1,830	372	2,202
Depreciation for the period	1,568	278	1,846
Closing balance	3,398	650	4,048
Net book value			
Opening balance	13,066	1,251	14,317
Closing balance	11,498	1,206	12,704

7. Intangible fixed assets

Group

	Land use rights VND million	Software VND million	Brand name VND million	Customer relationships VND million	Total VND million
Cost					
Opening balance	142,625	13,762	544,435	320,647	1,021,469
Additions	-	4,793	-	-	4,793
Closing balance	142,625	18,555	544,435	320,647	1,026,262
Accumulated amortisation					
Opening balance	12,053	6,067	9,422	10,688	38,230
Amortisation for the period	1,579	2,108	22,721	26,721	53,129
Closing balance	13,632	8,175	32,143	37,409	91,359
Net book value					
Opening balance	130,572	7,695	535,013	309,959	983,239
Closing balance	128,993	10,380	512,292	283,238	934,903

At 30 June 2012, land use rights with a carrying value of VND55,088 million (31/12/2011: VND55,088 million) were pledged with banks as security for loans granted to the subsidiaries.

Company

	Software VND million
Cost	
Opening balance	1,451
Additions	108
Closing balance	1,559
Accumulated amortisation	
Opening balance	135
Charge for the period	163
Closing balance	298
Net book value	
Opening balance	1,316
Closing balance	1,261

8. Construction in progress

	Group From 1/1/2012 to 30/6/2012 VND million	Company From 1/1/2012 to 30/6/2012 VND million
Opening balance	9,425,067	3,568
Additions during the period	2,234,288	38,429
Transfer to tangible fixed assets	(328,754)	-
Closing balance	11,330,601	41,997

During the period, borrowing costs capitalised into construction in progress amounted to VND330,462 million (2011: VND198,437 million).

9. Investments

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Long-term investments				
Investments in subsidiaries	-	-	10,557,997	10,557,997
Investment in an associate (a)	9,407,248	9,321,085	8,932,424	8,932,424
Other long-term investments (b)	365,500	-	-	-
	9,772,748	9,321,085	19,490,421	19,490,421
Short-term investments				
Short-term investments in bonds (c)	48,000	373,000	48,000	373,000
Term deposits to banks (c)	1,425,000	849,500	-	-
	1,473,000	1,222,500	48,000	373,000

Details of the Company's investments in subsidiaries are as follows:

	30/6/2012 VND million	31/12/2011 VND million
Ma San Consumer Corporation	8,400,824	8,400,824
Hoa Bang Lang Consultant Company Limited	516,600	516,600
Orchid Consultant Company Limited	441,200	441,200
Ma San Horizon Corporation	1,199,373	1,199,373
	10,557,997	10,557,997

(a) Investment in Techcombank's convertible subordinated bonds

Investment in an associate represents investment in 30.61% effective equity interest of Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") as of 30 June 2012.

(b) Other long-term investments

Term deposits to banks represent deposits with original terms to maturity of more than twelve months from their transaction dates. The term deposits are denominated in Vietnam Dong and earned interest at 11% per annum during the period.

(c) Short-term investments

Term deposits to banks represent deposits with original terms to maturity of more than three months from their transaction dates. The term deposits are denominated in Vietnam Dong and earned interest at 9% per annum during the period (2011: 14%).

The short-term investments in bonds represent investment in a non-convertible bond which was unsecured, bore interest at 15% per annum and mature within a year.

The Group has the intention and ability to hold the investment in debt instruments to their maturity. The carrying amount of the deposits and debt instruments represent the maximum credit exposure. At 30 June 2012, the fair value of the short-term investments approximate their carrying values.

10. Long-term prepayments

Group

	Pre-operating expenses VND million	Prepaid land costs VND million	Printing axles VND million	Tools and supplies VND million	Borrowing fees VND million	Insurance fees VND million	Website fees VND million	Total VND million
Opening balance	56,796	2,346	610	3,419	6,720	17,495	680	88,066
Additions	-	-	1,567	7,895	54,065	12,412	-	75,939
Amortisation for the period	-	(35)	-	(1,146)	(3,900)	(19,481)	(272)	(24,834)
Disposal	-	-	(1,476)	(592)	-	-	-	(2,068)
Closing balance	56,796	2,311	701	9,576	56,885	10,426	408	137,103

Company

	Borrowing fees VND million	Website fees VND million	Total VND million
Opening balance	6,720	680	7,400
Additions	54,065	-	54,065
Amortisation for the period	(3,900)	(272)	(4,172)
Closing balance	56,885	408	57,293

11. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Deferred tax assets:				
Allowance for provision doubtful debts	-	206	-	-
Accrued sales discount	5,992	17,469	-	-
Accrued advertising and promotion expenses	20,557	21,740	-	-
Accrued transportation costs	9,869	7,426	-	-
Other accruals	7,510	5,519	-	-
Unrealised profit	26,107	3,591	-	-
Tax losses carried forward	26,029	-	-	-
Less: offset against deferred tax assets	(43,694)	(31,153)	-	-
	52,370	24,798	-	-
Deferred tax liabilities:				
Construction in progress	(751,021)	(751,021)	-	-
Tangible fixed assets	(12,192)	(12,808)	-	-
Intangible fixed assets	(103,027)	(106,785)	-	-
Other receivables	-	(3,533)	-	-
Accrued interest income	(208,598)	(130,465)	-	-
Less: offset against deferred tax liabilities	43,694	31,153	-	-
	(1,031,144)	(973,459)	-	-
	(978,774)	(948,661)	-	-

12. Goodwill

	Group VND million
Cost	
Opening balance/ closing balance	284,728
Accumulated amortisation	
Opening balance	7,623
Amortisation for the period	11,913
Closing balance	19,536
Net book value	
Opening balance	277,105
Closing balance	265,192

13. Short-term borrowings and liabilities

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Short-term borrowings	368,426	1,298,728	-	2,000,000
Current portion of long-term borrowings (Note 16)	103,669	733,669	-	630,000
	472,095	2,032,397	-	2,630,000

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

	Currency	Group		Company	
		30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Bank borrowings:					
VND denominated	VND	215,824	1,298,728	-	-
USD denominated	USD	152,602	-	-	-
Loan from a subsidiary	VND	-	-	-	2,000,000
		368,426	1,298,728	-	2,000,000

14. Taxes payable to State Treasury

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Corporate income tax	166,178	202,630	-	-
Value added tax	55,952	41,071	-	-
Import-export tax	18,143	14,810	-	-
Personal income tax	11,918	11,580	1,497	2,159
Other taxes	21,167	21,268	955	3,034
	273,358	291,359	2,452	5,193

15. Accrued expenses

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Advertising and promotion expenses	165,453	177,364	-	-
Accrued interest payable	384,248	253,095	273,941	244,954
Sales discount	23,964	69,876	-	-
Transportation expenses	39,595	29,703	-	-
Bonus and 13th month salary	14,971	50,755	-	1,470
Consultant fee	69,586	104,942	36,234	66,056
Accrual for construction work	88,472	42,500	-	-
Accrued withholding tax	22,629	33,273	3,269	27,217
Others	115,324	62,876	3,528	-
	924,242	824,384	316,972	339,697

16. Long-term borrowings and liabilities

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Long-term borrowings (a)	5,790,530	3,329,726	4,000,000	2,000,000
Promissory notes	2,855,764	2,855,764	-	-
Convertible bonds and loans (b)	3,376,522	1,957,960	3,376,522	1,957,960
	12,022,816	8,143,450	7,376,522	3,957,960
Repayable within twelve months (Note 13)	(103,669)	(733,669)	-	(630,000)
Repayable after twelve months	11,919,147	7,409,781	7,376,522	3,327,960

a. Long-term borrowings

	Group		Company	
	30/6/2012 VND million	31/12/2011 VND million	30/6/2012 VND million	31/12/2011 VND million
Bank borrowings:				
VND denominated	1,741,107	1,080,302	-	-
USD denominated	4,049,423	2,249,424	-	-
Loan from a subsidiary	-	-	4,000,000	2,000,000
	5,790,530	3,329,726	4,000,000	2,000,000

Loan from a subsidiary is unsecured, bore interest of 13% per annum and payable in accordance with contract terms.

b. Increase in convertible bonds and loans comprise of:

VND2,200 billion bonds, secured against convertible bonds issued by Techcombank and bear semi-annual coupons of 15% per annum. Separately, the Company also issued options to subscribe for VND2,200 billion of primary shares of the Company at a strike price of VND100,000 or VND120,000 per share and subject to customary adjustments and other terms of the definitive agreements.

17. Provision for severance allowance

Movements of provision for severance allowance during the period were as follows:

	Group From 1/1/2012 to 30/6/2012 VND million	Company From 1/1/2012 to 30/6/2012 VND million
Opening balance	8,564	-
Provision used during the period	(363)	-
Closing balance	8,201	-

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more ("eligible employees") voluntarily terminates their labour contracts, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees' compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their current salary level.

Pursuant to 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. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Government from time to time. 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 existing eligible employees as of 31 December 2008 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.

18. Share capital and capital surplus

The Company's authorised and issued share capital comprise:

	30/6/2012		31/12/2011	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	687,280,123	6,872,801	515,272,269	5,152,723
Issued share capital				
Ordinary shares	687,280,123	6,872,801	515,272,269	5,152,723
Capital surplus	-	7,999,167	-	2,166,136

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 dividends 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.

Capital surplus represents the excess of the proceeds on issuance of shares over the par value.

19. Other capital

Other capital represents the fair value of the Company's shares to be issued as consideration for the acquisition of interests in the following subsidiaries and an associate. The fair value of these shares was measured at the date of the related acquisition.

20. Total revenue

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

Net sales comprised:

	Group		Company	
	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Total revenue				
▪ Sales of finished goods	4,007,379	2,878,255	-	-
Less sales deductions				
▪ Sales discounts	(84,422)	(12,459)	-	-
▪ Sales returns and allowances	(14,567)	(27,170)	-	-
Net sales	3,908,390	2,838,626	-	-

21. Cost of sales

	Group		Company	
	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Total cost of sales				
▪ Finished goods sold	2,341,655	1,604,350	-	-
▪ Allowance for returned goods	-	28,478	-	-
▪ Allowance for inventories	11,370	25,582	-	-
	2,353,025	1,658,410	-	-

22. Financial income

	Group		Company	
	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Interest income from:				
• Deposits	523,427	347,792	154,885	50,386
• Loans to a subsidiary	-	-	386,554	13,775
• Loan to parent company	-	20,010	-	20,010
• Recharge to parent company	-	53,891	-	53,891
• Investments in bonds	26,684	29,775	26,684	29,775
• Option fee	85,360	-	85,360	-
Foreign exchange gains	288	10,459	52	10,459
Others	791	7,977	-	-
	636,550	469,904	653,535	178,296

23. Financial expenses

	Group		Company	
	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Interest expenses to:				
• Banks	74,021	77,244	-	-
• Bondholders	94,894	82,444	177,168	82,444
• Subsidiary	-	-	433,546	100,229
Foreign exchange losses	103	31,159	16	28,690
Other financial expenses	19,507	3,917	6,036	3,917
	188,525	194,764	616,766	215,280

24. Other income

	Group		Company	
	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Proceeds on disposal of fixed assets and long-term assets	5,528	-	-	-
Income from scrap sales	9,018	6,279	-	-
Others	6,179	886	-	-
	20,725	7,165	-	-

25. Other expenses

	Group		Company	
	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Net book value of disposed fixed assets and long-term assets	2,439	9	-	-
Cost of scrap sales	7,118	7,133	-	-
Others	3,774	980	-	31
	13,331	8,122	-	31

26. Share of profit in an associate

	Group		Company	
	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Share of profit in an associate	374,306	331,376	-	-
Amortisation of goodwill	(288,143)	(288,143)	-	-
	86,163	43,233	-	-

27. Earnings per share

The calculation of basic earnings per share at 30 June 2012 was based on the profit attributable to ordinary shareholders of VND907,521 million (six-month period ended 30 June 2011: VND652,933 million) of the Group and a weighted average number of ordinary shares outstanding of 636,362,551 shares during the period (six-month period ended 30 Jun 2011: 668,945,004 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	From 1/1/2012 to 30/6/2012 VND million	From 1/1/2011 to 30/6/2011 VND million
Net profit attributable to ordinary shareholders	907,521	652,933

(ii) Weighted average number of ordinary shares

	From 1/1/2012 to 30/6/2012	From 1/1/2011 to 30/6/2011
Issued ordinary shares at the beginning of the period	515,272,269	515,272,269
Effect of share issued solely after the passage of time	23,796,362	153,672,735
Effect of shares issued for cash	451,648	-
Effect of shares issued for conversion of convertible loans and convertible bonds	96,842,272	-
Weighted average number of ordinary shares at the end of the period	636,362,551	668,945,004

Prepared by:

Doan Thi My Duyen
Chief Accountant

Approved by:

Nguyen Dang Quang
Chairman

28. Explanation of the net profit movement

The Group net profit after tax in 2Q2012 is VND715 billion compared with VND435 billion in last corresponding period, growth rate 64.4%:

- Strengthened product portfolio within condiments and convenience food segments with an aim to consolidate fish sauce and instant noodles volume market share.
- Launched first co-branded instant coffee product, "Wake-up Saigon", demonstrating the successful integration of Vinacafe into the Ma San Consumer Corporation platform.

The variance of the Company result in 2Q2012 compared with it in 2Q2011 because of:

- The increasing finance income and decreasing general and administration expenses.

Prepared by:	Approved by:
Doan Thi My Duyen	Nguyen Dang Quang
Chief Accountant	*Chairman*