



Ma San Group Corporation and its subsidiaries

Interim Financial Statements for the six-month
period ended 30 June 2014

Ma San Group Corporation Corporate Information

Business Registration Certificate No

0303576603

20 August 2014

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 20 August 2014. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

Board of Directors

Dr Nguyen Dang Quang	Chairman
Mr Ho Hung Anh	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Nam	Member
Mr Lars Kjaer	Member
Mr Dominic Edward Salter Price	Member (from 25 April 2014)

Registered Office

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

Auditors

KPMG Limited
Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Board of Management is responsible for preparing the interim financial statements of Ma San Group Corporation ("the Company") and its subsidiaries (collectively "the Group") as at and for the six-month period ended 30 June 2014 in accordance with Vietnamese Accounting Standard 27 – Interim Financial Reporting, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial statements. In preparing those interim financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

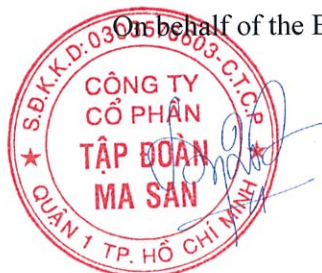
The Board of Management is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and the Group and to ensure that the accounting records comply with the requirements of Vietnamese Accounting Standard 27 – Interim Financial Reporting, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements. It is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirm that they have complied with the above requirements in preparing these interim financial statements.

APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

I, Nguyen Dang Quang, being the Chairman of the Board of Directors and on behalf of the Board of Directors, do hereby approve the accompanying interim financial statements of the Company and the Group as of and for the six-month period ended 30 June 2014, which were prepared in accordance with Vietnamese Accounting Standard 27 – Interim Financial Reporting, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial statements.

On behalf of the Board of Directors



Nguyen Dang Quang
Chairman
Ho Chi Minh City, Vietnam

29 August 2014



KPMG Limited Branch
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115 Nguyen Hue Street
District 1, Ho Chi Minh City
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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Ma San Group Corporation

We have reviewed the accompanying separate and consolidated interim financial statements of Ma San Group Corporation ("the Company") and its subsidiaries (collectively "the Group"), which comprise the separate and consolidated balance sheets as at 30 June 2014, the related separate and consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 29 August 2014, as set out on pages 4 to 94. These interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim financial statements based on our review.

We conducted our review in accordance with Vietnamese Standards on Auditing 910 - Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review primarily involves inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate and consolidated interim financial statements do not give a true and fair view of the financial positions of the Company and the Group as of 30 June 2014 and of their results of operations and their cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – Interim Financial Reporting, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City Vietnam

Operating registration certificate No.: 4114000230

Review Report No: 14-01-398



Auvarin Phor
Practicing Auditor Registration
Certificate No. 2252-2013-007-1
Deputy General Director

Truong Vinh Phuc
Practicing Auditor Registration
Certificate No. 1901-2013-007-1

Ho Chi Minh City, 29 August 2014

Ma San Group Corporation and its subsidiaries
Balance sheets at 30 June 2014

Form B 01a – DN/HN

	Code	Note	<u>Group</u>		<u>Company</u>	
			30/6/2014	31/12/2013	30/6/2014	31/12/2013
			VND million	VND million	VND million	VND million
ASSETS						
Current assets						
(100 = 110 + 120 + 130 + 140 + 150)	100		9,011,832	11,198,630	4,949,701	12,352,670
Cash and cash equivalents	110	5	5,160,730	5,698,563	642,385	1,379,279
Cash	111		282,432	203,577	11,555	11,831
Cash equivalents	112		4,878,298	5,494,986	630,830	1,367,448
Short-term investments	120	12	283,300	3,287,000	-	-
Accounts receivable	130	6	1,522,663	975,138	4,199,296	10,893,087
Accounts receivable - trade	131		720,873	351,434	60,638	-
Prepayments to suppliers	132		344,098	360,236	136,717	139,141
Other receivables	135		459,885	265,252	4,001,941	10,753,946
Allowance for doubtful debts	139		(2,193)	(1,784)	-	-
Inventories	140	7	1,631,769	1,070,334	-	-
Inventories	141		1,645,582	1,091,073	-	-
Allowance for inventories	149		(13,813)	(20,739)	-	-
Other current assets	150		413,370	167,595	108,020	80,304
Short-term prepayments	151		56,007	28,718	4,395	489
Deductible value added tax	152		203,798	100,506	48,876	46,866
Taxes receivables from State Treasury	154		72,096	-	20,702	-
Other current assets	158		81,469	38,371	34,047	32,949

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

Ma San Group Corporation and its subsidiaries
Balance sheets at 30 June 2014 (continued)

Form B 01a – DN/HN

	Code	Note	<u>Group</u>		<u>Company</u>	
			30/6/2014	31/12/2013	30/6/2014	31/12/2013
			VND million	VND million	VND million	VND million
Long-term assets						
(200 = 210 + 220 + 250 + 260 + 269)	200		36,459,339	35,303,511	18,339,002	19,375,093
Accounts receivable – long-term	210	6	712,452	450,183	4,265,124	2,875,015
Other long-term receivables	218		712,452	450,183	4,265,124	2,875,015
Fixed assets	220		21,492,846	23,121,361	12,422	81,122
Tangible fixed assets	221	8	17,571,704	1,731,429	9,608	68,036
Cost	222		18,697,832	2,457,614	20,759	92,565
Accumulated depreciation	223		(1,126,128)	(726,185)	(11,151)	(24,529)
Finance lease tangible fixed assets	224	9	51,597	58,327	-	-
Cost	225		67,300	67,300	-	-
Accumulated depreciation	226		(15,703)	(8,973)	-	-
Intangible fixed assets	227	10	1,470,183	1,288,672	2,814	3,065
Cost	228		1,865,530	1,597,069	4,508	4,214
Accumulated amortisation	229		(395,347)	(308,397)	(1,694)	(1,149)
Construction in progress	230	11	2,399,362	20,042,933	-	10,021
Long-term investments	250	12	10,771,961	10,761,467	14,010,034	16,355,220
Investments in subsidiaries	251		-	-	5,077,610	7,422,796
Investments in associates	252		10,719,361	10,757,867	8,932,424	8,932,424
Other long-term investments	258		52,600	3,600	-	-
Other long-term assets	260		3,071,008	533,381	51,422	63,736
Long-term prepayments	261	13	2,829,957	403,353	42,041	53,311
Deferred tax assets	262	14	196,990	87,572	-	-
Other long-term assets	268		44,061	42,456	9,381	10,425
Goodwill	269	15	411,072	437,119	-	-
TOTAL ASSETS (270 = 100 + 200)	270		45,471,171	46,502,141	23,288,703	31,727,763

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

Ma San Group Corporation and its subsidiaries
Balance sheets at 30 June 2014 (continued)

Form B 01a – DN/HN

	Code	Note	<u>Group</u>		<u>Company</u>	
			30/6/2014	31/12/2013	30/6/2014	31/12/2013
			VND million	VND million	VND million	VND million
RESOURCES						
LIABILITIES (300 = 310 + 330)	300		23,690,979	23,240,644	6,017,522	17,472,541
Current liabilities	310		6,068,695	9,783,892	435,760	3,684,322
Short-term borrowings and liabilities	311	16	2,250,081	6,635,910	188,100	2,311,300
Accounts payable – trade	312		1,204,578	942,375	276	9,286
Advances from customers	313		21,480	22,163	-	-
Taxes payable to State Treasury	314	17	374,155	483,421	19	386
Payables to employees	315		47,938	20,387	-	-
Accrued expenses	316	18	2,023,796	1,578,366	234,286	479,911
Other payables	319	19	146,667	101,270	13,079	883,439
Long-term borrowings and liabilities	330		17,622,284	13,456,752	5,581,762	13,788,219
Other long-term liabilities	333	19	208,652	234,688	81,440	1,812,997
Long-term borrowings and liabilities	334	20	16,198,953	12,067,096	5,500,322	11,975,222
Deferred tax liabilities	335	14	1,211,977	1,151,716	-	-
Provisions – long-term	337	21	2,702	3,252	-	-
EQUITY (400 = 410)	400		14,264,299	14,432,969	17,271,181	14,255,222
Owner's equity	410	22	14,264,299	14,432,969	17,271,181	14,255,222
Share capital	411	23	7,349,113	7,349,113	7,349,113	7,349,113
Capital surplus	412	23	9,601,627	9,601,627	9,601,627	9,601,627
Other capital	413	24	97,703	97,703	97,703	97,703
Foreign exchange differences	416		3,115	(43,098)	-	-
Other reserves	418		(8,799,311)	(8,929,770)	(1,586,675)	(1,586,675)
Retained profits	420		6,012,052	6,357,394	1,809,413	(1,206,546)
MINORITY INTERESTS	439		7,515,893	8,828,528	-	-
TOTAL RESOURCES (440 = 300 + 400 + 439)	440		45,471,171	46,502,141	23,288,703	31,727,763

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

Ma San Group Corporation and its subsidiaries
Balance sheets at 30 June 2014 (continued)

Form B 01a – DN/HN

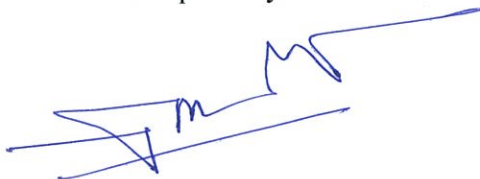
OFF BALANCE SHEET ITEM

Included in the cash and cash equivalents as at 30 June 2014 and 31 December 2013 are amounts denominated in currencies other than VND of:

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Foreign currencies:				
USD	6,753,834	27,222,114	7,969	6,945
EUR	-	7,547	-	-
SGD	-	621	-	621

29 August 2014

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Nguyen Dang Quang
Chairman

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

Ma San Group Corporation and its subsidiaries
Statements of income for the six-month period ended 30 June 2014

Form B 02a – DN/HN

	Code	Note	<u>Group</u>		<u>Company</u>	
			From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Total revenue	01	25	6,943,236	4,354,940	-	-
Less revenue deductions	02	25	104,283	84,861	-	-
Net revenue (10 = 01 – 02)	10	25	6,838,953	4,270,079	-	-
Cost of sales	11	26	4,211,235	2,651,459	-	-
Gross profit (20 = 10 – 11)	20		2,627,718	1,618,620	-	-
Financial income	21	27	272,467	227,117	3,652,541	598,651
Financial expenses	22	28	881,763	156,921	573,650	739,448
<i>In which: Interest expense</i>	23		<i>739,854</i>	<i>115,195</i>	<i>570,743</i>	<i>531,038</i>
Selling expenses	24		1,339,903	732,045	-	-
General and administration expenses	25		505,856	392,468	69,878	111,777
Net operating profit/(loss) {30 = 20 + (21 - 22) - (24 + 25)}	30		172,663	564,303	3,009,013	(252,574)
Other income	31	29	96,652	123,675	67,865	72,723
Other expenses	32	30	74,500	33,745	60,919	-
Results of other activities (40 = 31 - 32)	40		22,152	89,930	6,946	72,723
Share of profit/(loss) in associates	41	31	41,494	(72,953)	-	-
Profit/(loss) before tax (50 = 30 + 40 + 41) (carried forward to next page)	50		236,309	581,280	3,015,959	(179,851)

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

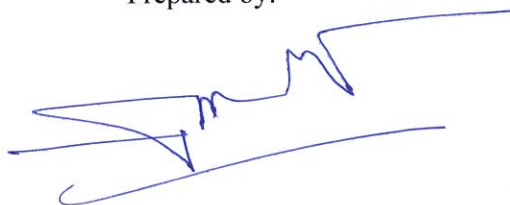
Ma San Group Corporation and its subsidiaries
Statements of income for the six-month period ended 30 June 2014 (continued)

Form B 02a – DN/HN

	Code	Note	<u>Group</u>		<u>Company</u>	
			From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Profit/(loss) before tax (50 = 30 + 40 + 41) (brought forward from previous page)	50		236,309	581,280	3,015,959	(179,851)
Income tax expense – current	51	32	329,488	296,297	-	-
Income tax benefit – deferred	52	32	(49,157)	(16,503)	-	-
Net (loss)/profit after tax (60 = 50 - 51 - 52)	60		(44,022)	301,486	3,015,959	(179,851)
Attributable to:						
Minority interest	61		289,308	165,009	-	-
Equity holders of the Company	62		(333,330)	136,477	-	-
(Loss)/earnings per share						
Basic (loss)/earnings per share in VND	70	34	(447)	187	-	-
Diluted (loss)/earnings per share in VND		34	(447)	164	-	-

29 August 2014

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Nguyen Dang Quang
Chairman

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

Ma San Group Corporation and its subsidiaries

Statements of cash flows for the six-month period ended 30 June 2014 (Indirect method)

Form B 03a – DN/HN

		<u>Group</u>		<u>Company</u>	
	Code	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax	01	236,309	581,280	3,015,959	(179,851)
Adjustments for					
Depreciation and amortisation	02	707,206	214,431	20,479	13,746
Allowances and provisions	03	31,528	6,157	-	-
Net unrealised foreign exchange losses/(gains)	04	41,882	(6,713)	(676)	-
Loss on disposal and written off of fixed assets and other long-term assets	05	2,393	200	1,433	-
Dividends, interest and facility income	05	(241,175)	(189,063)	(3,651,858)	(590,671)
Interest and facility expenses	06	739,854	115,195	573,636	727,338
Share of (profit)/loss in associates	07	(41,494)	72,953	-	-
Operating profit/(loss) before changes in working capital	08	1,476,503	794,440	(41,027)	(29,438)
Change in receivables and other assets	09	(776,323)	(227,570)	(17,894)	(197,773)
Change in inventories	10	(592,554)	(404,196)	-	-
Change in payables and other liabilities	11	571,027	(233,779)	(143,033)	(14,973)
		678,653	(71,105)	(201,954)	(242,184)
Interest paid	13	(928,343)	(776,049)	(455,897)	(327,085)
Corporate income tax paid	14	(420,437)	(583,378)	-	-
Other payments for operating activities	16	(51,235)	(17,730)	-	-
Net cash flows from operating activities	20	(721,362)	(1,448,262)	(657,851)	(569,269)

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

Ma San Group Corporation and its subsidiaries
Statements of cash flows for the six-month period ended 30 June 2014
(Indirect method - continued)

Form B 03a – DN/HN

		<u>Group</u>	<u>Company</u>
		From	From
Code	Note	1/1/2014 to	1/1/2013 to
		30/6/2014	30/6/2013
		VND million	VND million
		From	From
		1/1/2014 to	1/1/2013 to
		30/6/2014	30/6/2013
		VND million	VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(924,786)	(2,329,348)
Proceeds from disposals of fixed assets and other long-term assets	22	1,520	113
Payments for lending loans to subsidiaries	23	-	-
Payments for lending loans to third party	23	(235,799)	(214,494)
Collecting loans provided to subsidiaries	23	-	-
Term deposit to banks	24	(12,638,951)	(24,301,551)
Term deposit received	24	15,593,651	26,142,051
Net cash used in acquisition of subsidiary	26	-	(429,139)
Payments for investment in subsidiaries	26	(287,265)	(207,462)
Receipts of interest and dividend	27	329,638	294,245
Net cash flows from investing activities	30	1,838,008	(1,045,585)

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

Ma San Group Corporation and its subsidiaries
Statements of cash flows for the six-month period ended 30 June 2014
(Indirect method - continued)

Form B 03a – DN/HN

Code	Note	Group		Company		
		From	From	From	From	
		1/1/2014 to 30/6/2014 VND million	1/1/2013 to 30/6/2013 VND million	1/1/2014 to 30/6/2014 VND million	1/1/2013 to 30/6/2013 VND million	
CASH FLOWS FROM FINANCING ACTIVITIES						
	Proceeds from issuance of new shares	31	-	178,608	-	178,608
	Proceeds from issuance of new shares in subsidiaries to minority interest	31	108,566	2,964,725	-	-
	Proceeds from short-term and long-term borrowings	33	11,118,735	3,131,399	735,000	1,050,000
	Payments to settle debts to banks and other entities	34	(11,418,410)	(3,173,714)	(188,100)	-
	Payment for borrowing fee	34	(166,760)	-	-	-
	Payment of dividends to minority interest by subsidiaries	36	(1,298,323)	(14,926)	-	-
	Net cash flows from financing activities	40	(1,656,192)	3,086,092	546,900	1,228,608
	Net cash flows during the period (50 = 20 + 30 + 40)	50	(539,546)	592,245	(736,896)	(1,570,034)
	Cash and cash equivalents at the beginning of the period	60	5,698,563	5,718,717	1,379,279	2,160,026
	Effect of exchange rate fluctuations on cash and cash equivalents	61	1,713	31,278	2	-
	Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	5,160,730	6,342,240	642,385	589,992

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

Ma San Group Corporation and its subsidiaries
Statements of cash flows for the six-month period ended 30 June 2014
(Indirect method -continued)

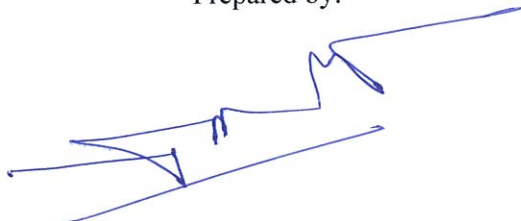
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NON-CASH INVESTING AND FINANCING ACTIVITIES

	<u>Group</u>		<u>Company</u>	
	From	From	From	From
	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	VND million	VND million	VND million	VND million
Conversion of interest payable to loan principal	-	31,106	-	-
Depreciation and amortisation capitalised into construction in progress	-	25,715	-	-
Transfer of equity interests in a subsidiary to another subsidiary	-	-	3,591,682	-
Acquisition of a subsidiary from another subsidiary	-	-	1,246,496	-
Loan repaid to a subsidiary through assignment loans to another subsidiary	-	-	7,709,298	-
Net off dividend with subsidiaries	-	-	1,435,702	-

29 August 2014

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Nguyen Dang Quang
Chairman

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

Ma San Group Corporation and its subsidiaries**Notes to the interim financial statements for the six-month period ended 30 June 2014****Form B 09a – DN/HN**

These notes form an integral part of and should be read in conjunction with the accompanying interim 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 interim financial statements comprise the Company and its subsidiaries (together referred to as “the Group”).

The principal activities of the subsidiaries are described as follows:

Name	Principal activity	Percentage of economic interests at	
		30/6/2014	31/12/2013
MasanConsumerHoldings Company Limited	Investment holding	100%	100%
Orchid Consultant Company Limited	Investment holding	100%	100%
Ma San Consumer Corporation	Trading, distribution and consulting	77.3%	74.2%
Masan Food Company Limited	Food Trading	77.3%	74.2%
Ma San Industrial One Member Company Limited	Food sauce and instant noodle manufacturing	77.3%	74.2%
Viet Tien Food Technology One member Company Limited	Food sauce manufacturing	77.3%	74.2%
Ma San HD One member Company Limited	Instant noodle manufacturing	77.3%	74.2%
Ma San PQ Corporation	Food sauce manufacturing	73.1%	70.1%
Minh Viet Packaging One Member Company Limited	Packaging	77.3%	74.2%
Masan Beverage Company Limited (*)	Beverage trading and manufacturing	77.3%	-
Vinacafe Bien Hoa Joint Stock Company	Beverage manufacturing	41.1%	39.5%
Vinh Hao Mineral Water Corporation	Beverage manufacturing	49.1%	47.1%
Kronfa., JSC	Beverage manufacturing	49.1%	47.1%

Ma San Group Corporation and its subsidiaries
Notes to the interim financial statements for the six-month period ended 30 June 2014
(continued)

Form B 09a – DN/HN

Name	Principal activity	Percentage of economic interests at	
		30/6/2014	31/12/2013
Ma San Horizon Corporation	Investment holding	100%	100%
Ma San Resources Corporation	Investment holding	74.1%	75.9%
Ma San Thai Nguyen Resources Company Limited	Investment holding	74.1%	75.9%
Thai Nguyen Trading and Investment Company Limited	Investment holding	74.1%	75.9%
Nui Phao Mining Company Limited	Exploring and processing mineral	74.1%	75.9%
Masan Agri Corporation (**)	Investment holding	51%	37.9%

(*) On 28 May 2014, the Planning and Investment Department of Ho Chi Minh City issued the Business Registration Certificate No. 0312797567 approving the establishment of Masan Beverage Company Limited, the new 100% owned subsidiary of Ma San Consumer Corporation (“MSC”).

(**) In May 2014, the Company acquired 51% equity interest of Masan Agri Corporation (“Masan Agri”) from MSC for a consideration of VND1,246,496 million. Therefore, the Company’s effective interest in Masan Agri Corporation increased from 37.9% as at 31 December 2013 to 51% as at 30 June 2014.

All the subsidiaries are incorporated in Vietnam.

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

As at 30 June 2014, the Company had 31 employees (31/12/2013: 38 employees) and the Group had 6,804 employees (31/12/2013: 7,297 employees).

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Notes to the interim financial statements for the six-month period ended 30 June 2014
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2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting currency

The interim financial statements are prepared and presented in millions of Vietnam Dong (“VND million”).

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) *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.

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The consolidated statements of income, consolidated statement of cash flows and consolidated movement in owners' equity 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).

(ii) *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 recognised 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 interim financial statements from the date that control commences until the date that control ceases.

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(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 interim 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 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.

(b) *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 net related foreign exchange gain or loss is transferred to Unearned Revenue Account or Long-term Prepayment Account respectively. The net gain or loss is then amortised on a straight line basis over 5 years.

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(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

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.

(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 apply the perpetual method of accounting for inventory.

(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 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.

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(ii) Depreciation

Mining properties

Depreciation of mining properties which directly relate to the mining exploitation activities is computed on a unit-of-production method based on the reserves as approved by the Ministry of Natural Resources and Environment in a subsidiary of the Company which conduct mining activity.

Others

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	4 - 30 years
▪ leasehold improvements	3 - 5 years
▪ office equipment	3 - 10 years
▪ machinery and equipment	3 - 25 years
▪ motor vehicles	3 - 10 years

(h) Finance lease tangible fixed assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in accounting policy 2(g).

(i) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

Land use rights 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 their useful lives ranging from 40 to 50 years.

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(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 4 and 10 years.

(iii) *Brand name*

Cost of acquisition of brand name is capitalised and treated as an intangible asset.

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 ranging from 10 to 20 years.

(iv) *Customer relationships*

Customer relationships that are acquired by the Group on the acquisition of subsidiary are 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 relationships is amortised on a straight line basis over their useful lives ranging from 5 to 13 years.

(v) *Mineral water resources*

Mineral water resources that are acquired by the Group on the acquisition of subsidiary are capitalised and presented as an intangible asset.

The fair values of mineral water resources acquired in a business combination are determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral resources by comparing recent asking/transacted price of similar interests located in a similar area. In the multi-period excess earnings method, 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 mineral water resources are amortised on a straight line basis over their useful lives ranging from 10 to 19 years.

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(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 either “machinery or equipment” or “mining properties” in 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 3 years starting 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) *Mining costs*

Exploration, evaluation and mining licence costs

Exploration, evaluation and mining licence costs comprise the costs to obtain mineral exploration rights, the results of the preliminary exploration activities, direct exploration and evaluation costs, and expenditure for obtaining the mining licence. Exploration, evaluation and mining licence costs are capitalised as long as the Company’s right of tenure to the area of interest is current and active and significant exploration activities in the area of interest are continuing. Exploration, evaluation and mining licence costs that do not satisfy the above criteria are written off in the period in which they are incurred.

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For the purpose of establishing the amount of exploration, evaluation and mining licence costs to be written off or amortised, exploration, evaluation and mining licence costs are allocated specific area of interest where they were incurred; otherwise, they are allocated based on the proportion of the area of interest to the total area of interest.

Exploration, evaluation and mining licence costs are amortised on a straight-line basis over 3 years.

Land compensation cost

Land compensation costs represent the costs of bringing the land to its intended use. These costs are amortised on a straight-line basis over 3 years.

(iv) Tools and supplies and printing axles

Tools and instruments and printing axles are initially stated at cost and amortised over their useful lives of 1 to 3 years.

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 Circular 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets. Cost of tools and instruments are amortised on a straight-line basis not more than 3 years.

(v) Borrowing fees

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

(l) Goodwill

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

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. 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.

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(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.

Severance allowance

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 30 June 2014 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.

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(o) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Group and the Company's consolidated and separate interim financial positions and results of operations and the nature and extent of risk arising from financial instruments, the Group and the Company classify their financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

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

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

Held-to-maturity investments

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

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

Loans and receivables

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

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

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Available-for-sale financial assets

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

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities carried at amortised cost

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

Guarantees issued are under the category of financial liabilities at fair value through profit or loss but they are not recognised in the interim financial statements.

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

(p) Derivative financial instruments

The Group holds derivative financial instruments to hedge its exposures to the risk of raw material price fluctuation. Derivative financial instruments are recorded in the balance sheet at carrying value on the date when the derivative contracts are entered into. Realised gains or losses from derivatives are recognised as financial income or financial expenses in the statement of income.

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(q) Taxation

Income tax on the profit or loss for the period 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 period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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

(r) 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, acquisition of/disposal to minority interests and transactions involving equity instruments are recorded in “Other Reserves” in equity.

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(s) Revenue

(i) Goods sold

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. Revenue of mining assets is initially recognised at provisional amount by reference to the price of metal concentrate quoted in the London Metal Exchange. Such provisional revenue is adjusted on monthly basis and finalised when the final independent analysis of the metal concentrate content is agreed by the Group and its customers.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

(ii) Services rendered

Revenue from services rendered is recognised in the 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 as certified by the customers following the contract terms. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(t) Dividend income

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

(u) Financial income and financial expenses

(i) Financial income

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

(ii) Financial expenses

Financial expenses comprise interest expenses on borrowings, facility fees, net foreign exchange losses and realised losses from derivative financial instruments. 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.

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(v) 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.

(w) (Loss)/earnings per share

The Group presents basic and diluted (loss)/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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(x) 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 business segments.

(y) Related parties

Related parties include enterprises and individuals that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries. 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.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

(z) Share-based payments

Shares issued to employees are recorded at their par value. Redemption of such shares performed by related companies outside the Group is not recorded by the Group.

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4. Segment reporting

The Group has four (4) reportable segments, as described below, which are the Group's strategic businesses. The strategic businesses offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic businesses, the Group's Board of Management reviews internal management reports on a periodic basis.

The Group holds the following business segments through separate subsidiary groups:

- Food and beverage
- Mining

The Group also invested in and has significant influence in a joint stock bank and a group that operates feed mills and supply animal nutrition products. The Group's Board of Management considers Financial Services and Animal Nutrition as separate business segments.

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Business segments

	Food and beverage		Animal nutrition		Mining		Financial services		Total	
	From	From	From	From	From	From	From	From	From	From
	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to
	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Segment revenue	5,693,561	4,270,079	-	-	1,145,392	-	-	-	6,838,953	4,270,079
Segment gross margin	2,489,798	1,618,620	-	-	137,920	-	-	-	2,627,718	1,618,620
Segment results	772,843	739,433	104,928	65,362	(274,015)	(27,165)	(63,434)	(138,315)	540,322	639,315
Unallocated expenses									(70,662)	(111,962)
Financial income									43,638	26,335
Financial expenses									(299,141)	(62,338)
Net operating profit (include share of results of associates)									214,157	491,350
Other income									96,652	123,675
Other expenses									(74,500)	(33,745)
Income tax expense									(280,331)	(279,794)
Net (loss)/profit									(44,022)	301,486

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	Food and beverage		Animal nutrition		Mining		Financial services		Total	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Segment assets	10,546,877	12,923,825	2,177,861	2,152,932	21,858,767	20,376,937	8,541,500	8,604,935	43,125,005	44,058,629
Unallocated assets									2,346,166	2,443,512
Total assets									45,471,171	46,502,141
Segment liabilities	8,118,162	7,952,295	-	-	8,339,483	7,870,718	-	-	16,457,645	15,823,013
Unallocated liabilities									7,233,334	7,417,631
Total liabilities									23,690,979	23,240,644

	From	From	From	From	From	From	From	From	From	From
	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to	1/1/2014 to	1/1/2013 to
	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Capital expenditure	294,843	175,422	-	-	628,518	2,139,441	-	-	923,361	2,314,863
Depreciation	130,760	110,632	-	-	297,151	17,945	-	-	427,911	128,577
Amortisation	166,642	93,320	-	-	97,148	7,668	-	-	263,790	100,988

Segment assets and liabilities exclude deferred tax assets and liabilities, respectively.

Geographical segments

The Group view themselves as operating in one geographical segment which is in Vietnam since all the Group's facilities and investments are in Vietnam.

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Notes to the interim financial statements for the six-month period ended 30 June 2014
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5. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Cash on hand	1,796	3,367	169	470
Cash at banks	280,636	200,210	11,386	11,361
Cash equivalents	4,878,298	5,494,986	630,830	1,367,448
	5,160,730	5,698,563	642,385	1,379,279

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transactions dates. The term deposits are denominated in VND and earned interest at rates ranging from 5.1% to 6% per annum during the period (31/12/2013: 6% to 8% per annum for VND and 0.25% to 0.5% per annum for USD).

Cash equivalents as at 30 June 2014 included VND28,000 million (31/12/2013: VND28,000 million) pledged with banks as security for loans granted to the Group (see Note 20).

6. Accounts receivable

As at 30 June 2014, certain trade receivables of the Group were pledged with banks as security for loans granted to subsidiaries (see Note 16).

As at 30 June 2014, prepayments to suppliers amounting to VND121,289 million (31/12/2013: VND194,417 million) were related to construction in progress.

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Notes to the interim financial statements for the six-month period ended 30 June 2014
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Other receivables comprised:

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Other short-term receivables				
Non-trade receivables from related parties	142,244	142,244	3,987,758	10,734,312
Accrued interest receivable from deposits	18,518	51,906	2,636	1,250
VAT portion of foreign contractor tax	-	11,947	-	6,837
Services receivable	11,547	11,547	11,547	11,547
Others	287,576	47,608	-	-
	459,885	265,252	4,001,941	10,753,946
Other long-term receivables				
Long-term interest receivables	51,865	25,395	-	-
Long-term loans receivables	660,587	424,788	-	-
Other long-term receivables from related parties	-	-	4,265,124	2,875,015
	712,452	450,183	4,265,124	2,875,015

Other receivables included the following amounts due from related parties:

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Amounts due from Ma San Corporation – the parent company				
Non-trade – short-term	142,244	142,244	142,244	142,244
Amounts due from other related parties				
Non-trade – short-term	262,861	-	3,845,514	10,592,068
Non-trade – long-term	-	-	4,265,124	2,875,015

The short-term non-trade amounts of the Group due from Ma San Corporation was unsecured, interest-free and receivable in accordance with contract terms.

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Notes to the interim financial statements for the six-month period ended 30 June 2014
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As at 30 June 2014, the short-term non-trade receivables due from other related parties of the Company comprised of:

- (a) VND2,121,922 million relates to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND1,962,319 million and interest receivable of VND159,603 million. The loan is due in 2015 and bears interest at 12% per annum;
- (b) Facility fees of 15% per annum amounting to VND956,529 million on unsecured loan facilities amounting to USD108 million made available to a subsidiary which have not been drawn down. The facility fees are payable in 2015;
- (c) An unsecured funding agreement between the Company and a subsidiary for a principal amount of VND487,500 million. The loan is interest free and will be repayable on the maturity date in 2015;
- (d) VND221,484 million relates to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND210,000 million and interest receivable of VND11,484 million. The loan is due in 2015 and bears interest at 10% per annum;
- (e) VND23,641 million relates to interest receivable, which is due in 2015, accrued on a VND620,000 million loan extended to a subsidiary in 2013 which has been repaid in 2013; and
- (f) The remaining VND34,438 million of short-term non-trade receivables due from related parties were unsecured, interest-free and receivable in accordance with contract terms.

The long-term loan receivable of the Group represents an unsecured loan agreement between a subsidiary of the Company, Orchid Consultant Company Limited (“Orchid”), and LamKa One Member Company Limited (“LamKa”), a third party which holds 99.99% equity interest in Phu Yen Beer and Beverage Joint Stock Company (“PYBECO”), for a principal amount of VND660,587 million. The loan bears interest of 10% to 10.5% per annum and will be repayable on the maturity date in 2016. The Group has entered into a contract with the debtor to acquire equity interest in PYBECO, subject to the fulfilment of certain conditions precedent.

At 30 June 2014, the non-trade long-term amounts due from other related parties of the Company were unsecured, interest free and receivable in accordance with contract terms, and consist of:

- (a) Facility fees of 4.25% to 15% per annum amounting to VND1,177,961 million on unsecured loan facilities amounting to USD110 million and VND2,200 billion made available to a subsidiary, and VND216,893 million relates to principal drawn down and interest receivables during the period. The facility fees are payable from 2015 to 2016;
- (b) VND299,514 million relates to interest receivable, which are due in 2019, accrued on a VND2,000 billion loan extended to a subsidiary in 2011 which has been repaid in 2012;
- (c) VND2,111,776 million relates to unsecured loan agreements between the Company and its subsidiary for the principal amount of VND1,985,233 million and interest receivable of VND126,543 million. The loans are due in 2018 and bear interest rate of 12% per annum;
- (d) Unsecured loan agreements between the Company and its subsidiary for the principal amount of VND447,869 million and interest amount of VND4,444 million. The loans bear interest of 10.5% per annum and will be repayable on the maturity date in 2016 and 2017; and

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- (e) Unsecured loan agreements between the Company and its subsidiary for the principal amount of VND6,665 million and interest amount of VND2 million. The loans bear interest of 12% per annum and will be repayable on the maturity date in 2019.

7. Inventories

	Group	
	30/6/2014	31/12/2013
	VND million	VND million
Goods in transit	123,023	49,521
Raw materials	660,170	381,333
Tools and supplies	393,023	326,413
Work in progress	92,746	90,522
Finished goods	372,535	223,444
Merchandise inventories	4,085	19,840
	<hr/>	<hr/>
	1,645,582	1,091,073
Allowance for inventories	(13,813)	(20,739)
	<hr/>	<hr/>
	1,631,769	1,070,334
	<hr/>	<hr/>

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

	Group	
	From 1/1/2014	From 1/1/2013
	to 30/6/2014	to 31/12/2013
	VND million	VND million
Opening balance	20,739	11,991
Increase in allowance during the period/year	34,608	38,187
Allowance utilised during the period/year	(38,045)	(24,495)
Written back	(3,489)	(4,944)
	<hr/>	<hr/>
Closing balance	13,813	20,739
	<hr/>	<hr/>

As at 30 June 2014, certain inventories of the Group were pledged with banks as security for loans granted to subsidiaries (see Note 16).

Ma San Group Corporation and its subsidiaries

Notes to the interim financial statements for the six-month period ended 30 June 2014 (continued)

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8. Tangible fixed assets

Group

	Mining properties VND million	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	-	627,019	94,220	71,834	1,605,642	58,899	2,457,614
Additions	-	60,923	-	753	2,947	-	64,623
Transfer from construction in progress	6,002,630	2,576,392	-	11,659	7,671,451	1,258	16,263,390
Transfer to short-term prepayments	-	-	-	-	(479)	-	(479)
Transfer from/(to) long-term prepayments	-	11	-	-	(3,018)	-	(3,007)
Disposals	-	(776)	(71,680)	(4,439)	(4,479)	(2,020)	(83,394)
Written off	-	(294)	-	-	(621)	-	(915)
Reclassifications	-	(1,854)	-	668	1,186	-	-
Closing balance	6,002,630	3,261,421	22,540	80,475	9,272,629	58,137	18,697,832

Ma San Group Corporation and its subsidiaries

Notes to the interim financial statements for the six-month period ended 30 June 2014 (continued)

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	Mining properties VND million	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
Accumulated depreciation							
Opening balance	-	86,063	29,111	32,932	552,702	25,377	726,185
Charge for the period	112,620	74,581	7,643	8,505	222,683	3,786	429,818
Transfer to short-term prepayments	-	-	-	-	(97)	-	(97)
Transfer to long-term prepayments	-	-	-	-	(1,717)	-	(1,717)
Disposals	-	(750)	(19,809)	(2,206)	(3,478)	(944)	(27,187)
Written off	-	(294)	-	-	(580)	-	(874)
Reclassifications	-	106	-	653	(759)	-	-
Closing balance	112,620	159,706	16,945	39,884	768,754	28,219	1,126,128
Net book value							
Opening balance	-	540,956	65,109	38,902	1,052,940	33,522	1,731,429
Closing balance	5,890,010	3,101,715	5,595	40,591	8,503,875	29,918	17,571,704

Included in the cost of tangible fixed assets were assets costing VND131,118 million which were fully depreciated as of 30 June 2014 (31/12/2013: VND128,897 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 VND8,152 million as of 30 June 2014 (31/12/2013: VND1,547 million).

The carrying amount of temporarily idle equipment in tangible fixed assets amounted to VND46,244 million as of 30 June 2014 (31/12/2013: VND48,573 million).

As at 30 June 2014, tangible fixed assets with a carrying value of VND807,858 million (31/12/2013: VND676,017 million) were pledged with banks as security for loans granted to the subsidiaries (see Note 16 and 20).

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Company:

	Leasehold improvements VND million	Office equipment VND million	Total VND million
Cost			
Opening balance	86,778	5,787	92,565
Transfer from construction in progress	-	4,313	4,313
Disposals	(71,680)	(4,439)	(76,119)
Closing balance	15,098	5,661	20,759
Accumulated depreciation			
Opening balance	21,979	2,550	24,529
Charge for the period	7,577	1,060	8,637
Disposals	(19,809)	(2,206)	(22,015)
Closing balance	9,747	1,404	11,151
Net book value			
Opening balance	64,799	3,237	68,036
Closing balance	5,351	4,257	9,608

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9. Finance lease tangible fixed assets

Group

	Machinery and equipment VND million
Cost	
Opening balance/Closing balance	67,300
	<hr/>
Accumulated amortisation	
Opening balance	8,973
Charge for the period	6,730
	<hr/>
Closing balance	15,703
	<hr/>
Net book value	
Opening balance	58,327
Closing balance	51,597
	<hr/> <hr/>

A subsidiary of the Company leased laboratory equipments for metallurgical assay testing under a finance lease arrangement (Note 20(d)).

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Notes to the interim financial statements for the six-month period ended 30 June 2014
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10. Intangible fixed assets

Group

	Land use rights VND million	Software VND million	Brand name VND million	Customer relationships VND million	Mineral water resource VND million	Total VND million
Cost						
Opening balance	173,793	39,964	702,866	375,110	305,336	1,597,069
Additions	-	458	-	-	-	458
Transfer from construction in progress	-	268,003	-	-	-	268,003
Closing balance	173,793	308,425	702,866	375,110	305,336	1,865,530
Accumulated amortisation						
Opening balance	20,194	17,363	125,665	142,788	2,387	308,397
Charge for the period	2,475	10,506	31,159	34,159	8,651	86,950
Closing balance	22,669	27,869	156,824	176,947	11,038	395,347
Net book value						
Opening balance	153,599	22,601	577,201	232,322	302,949	1,288,672
Closing balance	151,124	280,556	546,042	198,163	294,298	1,470,183

Included in the cost of intangible fixed assets were assets costing VND8,547 million which were fully amortised as of 30 June 2014 (31/12/2013: VND7,274 million), but which are still in use.

As at 30 June 2014, land use rights with a carrying value of VND71,525 million (31/12/2013: VND72,958 million) were pledged with banks as security for loans granted to the subsidiaries (see Note 16).

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Company:

	Software VND million
Cost	
Opening balance	4,214
Additions	294
	<hr/>
Closing balance	4,508
	<hr/>
Accumulated amortisation	
Opening balance	1,149
Charge for the period	545
	<hr/>
Closing balance	1,694
	<hr/>
Net book value	
Opening balance	3,065
Closing balance	2,814
	<hr/> <hr/>

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11. Construction in progress

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 31/12/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 31/12/2013 VND million
Opening balance	20,042,933	15,317,924	10,021	71,628
Acquisition on business combination	-	1,047	-	-
Additions during the period/year	1,259,736	5,094,361	1,093	16,009
Transfer to tangible fixed assets	(16,263,390)	(340,323)	(4,313)	(74,844)
Transfer to intangible fixed assets	(268,003)	(15,097)	-	(2,161)
Transfer to short-term prepayments	(3,285)	(5,779)	-	(570)
Transfer to long-term prepayments	(2,361,891)	(9,200)	(63)	(41)
Disposals	(4,521)	-	(4,521)	-
Written off	(2,217)	-	(2,217)	-
Closing balance	2,399,362	20,042,933	-	10,021

As at 30 June 2014, construction in progress with carrying value of VND18,563 million (31/12/2013: VND176,983 million) were pledged with banks as security for loans granted to the Group's subsidiaries (see Note 16).

During the period, borrowing costs capitalised into construction in progress amounted to VND217,641 million (for the year ended 31 December 2013: VND1,117,239 million).

12. Investments

	<u>Group</u>		<u>Company</u>	
	30/6/2014 VND million	31/12/2013 VND million	30/6/2014 VND million	31/12/2013 VND million
Short-term investments				
Term deposits in banks	283,300	3,287,000	-	-
Long-term investments				
Investments in subsidiaries	-	-	5,077,610	7,422,796
Investment in associates (a)	10,719,361	10,757,867	8,932,424	8,932,424
Other long-term investments (b)	52,600	3,600	-	-
	10,771,961	10,761,467	14,010,034	16,355,220

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Term deposits at banks represented deposits with original terms to maturity of more than three months but less than twelve months from their transaction dates. The term deposits are denominated in Vietnam Dong and earned interest at rates ranging from 5.9% to 7.2 % (2013: ranging from 6% to 8%) per annum during the period.

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

	30/6/2014	31/12/2013
	VND million	VND million
Ma San Consumer Corporation (*)	-	3,591,682
MasanConsumerHoldings Company Limited	516,600	516,600
Orchid Consultant Company Limited	441,200	441,200
Ma San Horizon Corporation	2,873,314	2,873,314
Masan Agri Corporation (**)	1,246,496	-
	<hr/>	<hr/>
	5,077,610	7,422,796
	<hr/>	<hr/>

(*) In May 2014, the Company transferred the remaining equity interest of 21.39% of MSC at cost to MasanConsumerHoldings Company Limited ("MCH") for a consideration of VND3,591,682 million. Together with this transaction, the Company assigned all outstanding debts and related interest payables to MSC to MCH.

(**) From May 2014, Masan Agri became a direct subsidiary of the Company resulting from a restructuring transaction between the Company and MSC.

The following are the details of the consolidated subsidiaries as at 30 June 2014:

Name	Address
MasanConsumerHoldings Company Limited	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Orchid Consultant Company Limited	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Ma San Consumer Corporation	12 th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Masan Food Company Limited	12 th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Ma San Industrial One Member Company Limited	Lot 6, Tan Dong Hiep A Industrial Park, Di An District, Binh Duong Province, Vietnam

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Name	Address
Viet Tien Food Technology One Member Company Limited	Lot III-10-Industrial Group III, Tan Binh Industrial Park, Tan Phu District, Ho Chi Minh City, Vietnam
Ma San HD One Member Company Limited	Lot 22, Dai An Industrial Zone, Hai Duong City, Hai Duong Province, Vietnam
Ma San PQ Corporation	261 Nguyen Trung Truc, Ward 5, Duong Dong Town, Phu Quoc District, Kien Giang Province, Vietnam
Minh Viet Packaging One Member Company Limited	Lot III-12-Industrial Group III, Tan Binh Industrial Park, Tan Phu District, Ho Chi Minh City, Vietnam
Masan Beverage Company Limited	12 th Floor, Kumho Asiana Plaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
VinaCafe Bien Hoa Joint Stock Company	Bien Hoa Industrial Zone I, Bien Hoa City, Dong Nai Province, Vietnam
Vinh Hao Mineral Water Corporation	Vinh Son Hamlet, Vinh Hao Commue, Tuy Phong District, Binh Thuan Province, Vietnam
Kronfa., JSC	Km37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam
Ma San Horizon Corporation	Suite 802, 8 th Floor, Central Tower, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Ma San Resources Corporation	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Ma San Thai Nguyen Resources Company Limited	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam
Thai Nguyen Trading and Investment Company Limited	8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Nui Phao Mining Company Limited	Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam
Masan Agri Corporation	12 th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

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(a) Investment in associates

Details of the investments in associates are as follows:

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”) (*)	8,541,500	8,604,935	8,932,424	8,932,424
Vietnamese French Cattle Feed Joint Stock Company (“Proconco”) (**)	2,177,861	2,152,932	-	-
	10,719,361	10,757,867	8,932,424	8,932,424

(*) Investment in Techcombank represented investment in 30.36% (31/12/2013: 30.36%) of the effective economic interest in Techcombank as of 30 June 2014. The Group’s effective economic interest includes 15.64% through direct equity interest and 14.72% through 10 year convertible bonds issued by Techcombank which the Company has agreed to irrevocably and mandatorily convert during the conversion period of the convertible bonds, subject to regulatory and other customary approvals.

(**) The Group holds 20.4% (31/12/2013: 15.14%) of the effective equity interest in Proconco as of 30 June 2014, an increase from their holdings of 15.14% as at 31 December 2013, as a result of changes in the effective economic interest of the Company in Masan Agri, which holds a 40% direct interest in Proconco.

(b) Other long-term investments

Details of the other long-term investments are as follows:

	<u>Group</u>	
	30/6/2014	31/12/2013
	VND million	VND million
Term deposits at banks	49,000	-
Investment in Vinh Hao Seaweed Corporation	3,600	3,600
	52,600	3,600

The term deposits are denominated in Vietnam Dong, have original terms to maturity of more than twelve months from their transaction dates and earned interest at rates ranging from 7.5% to 7.7% per annum during the period.

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(c) Transactions in subsidiaries for the six-month period ended 30 June 2014 – transactions with minority interests

(i) Transactions with minority interests in MSC

On 25 January 2013, KKR Ma San Aggregator L.P, an affiliate of KKR, subscribed for new shares issued by MSC. In connection with the issuance, MSC entered into an agreement with the investor to issue additional shares based on certain valuation conditions derived from 2013 earnings. The additional shares required to be issued resulted in a decrease in the Group's equity interests as at 31 December 2013.

However, this requirement was waived by the investor in 2014 resulting in the Group's equity interests in MSC increasing back to 77.4%, resulting in the following effects:

	VND million
Shares issued not subscribed by the Group	-
Net assets increased	512,575
	<hr/>
Difference recorded in other reserves	512,575
	<hr/>

In April 2014, MCH acquired an additional 0.21% of the equity interests in MSC from minority interests for VND99,000 million in cash, resulting in the following effects:

	VND million
Cost of acquisition	(99,000)
Net assets acquired	34,467
	<hr/>
Difference recorded in other reserves	(64,533)
	<hr/>

In April 2014, MCH acquired an additional 0.11% of the equity interests in MSC from minority interests for VND54,000 million in cash, resulting in the following effects:

	VND million
Cost of acquisition	(54,000)
Net assets acquired	18,896
	<hr/>
Difference recorded in other reserves	(35,104)
	<hr/>

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In May 2014, MSC disposed investment in Masan Agri by doing an upstream transfer of Masan Agri to the Company, and at the same time, MCH acquired an additional 0.15% of the equity interests in MSC from minority interests for VND71,496 million in cash, resulting in the following effects:

	VND million
Cost of acquisition	(71,496)
Net assets acquired	16,813
Shared other reserves from the disposal of investment in Masan Agri	7,135
	<hr/>
Difference recorded in other reserves	(47,548)
	<hr/> <hr/>

In June 2014, MSC issued shares to certain employees under its employee share based payment plan after obtaining shareholders' approval at its Annual General Meeting, resulting in the following effects:

	VND million
Shares issued at par not subscribed by the Group	39,905
Net assets diluted	(74,833)
	<hr/>
Difference recorded in other reserves	(34,928)
	<hr/> <hr/>

In June 2014, MCH acquired an additional 0.01% of the equity interests in MSC from minority interests for VND6,665 million in cash, resulting in the following effects:

	VND million
Cost of acquisition	(6,665)
Net assets acquired	1,593
	<hr/>
Difference recorded in other reserves	(5,072)
	<hr/> <hr/>

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(ii) Transactions with minority interests in Ma San Resources Corporation

From February 2014 to June 2014, Ma San Resources Corporation (“MR”) issued shares to certain employees under its employee share based payment plan after obtaining shareholders’ approval at its Annual General Meeting. The Group effective interest in MR had a decrease from 75.9% to 74.1% resulting in the following effects:

	VND million
Shares issued not subscribed by the Group, net of transaction costs	24,406
Net assets diluted	(219,337)
	<hr/>
Difference recorded in other reserves	(194,931)
	<hr/>

Other reserve movements were as follows

	VND million
Balance at 1 January 2014	(8,929,770)
Increase in minority interests in MSC	325,390
Decrease in minority interests in MR	(194,931)
	<hr/>
Balance at 30 June 2014	(8,799,311)
	<hr/>

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Notes to the interim financial statements for the six-month period ended 30 June 2014
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(d) Significant transactions in subsidiaries in 2013

(i) Transactions with minority interests in MSC

On 16 January 2013, the Company acquired an additional 0.45% of the equity interests in MSC, a subsidiary, from minority interests for VND207,462 million in cash, resulting in the following effects:

	VND million
Cost of acquisition	(207,462)
Net assets acquired	48,032
	<hr/>
Difference recorded in other reserves	(159,430)
	<hr/>

On 25 January 2013, KKR Ma San Aggregator L.P, an affiliate of KKR, subscribed for new shares issued by MSC equivalent to 4.35% of its outstanding shares after such issuance for VND2,272,364 million. The dilution effects of new shares issued by MSC not subscribed by the Group were as follows:

	VND million
Shares issued not subscribed by the Group, net of transaction costs	2,204,951
Net assets diluted	(866,541)
	<hr/>
Difference recorded in other reserves	1,338,410
	<hr/>

In connection with the issuance on 25 January 2013, MSC entered into an agreement with the investor to issue additional shares based on certain valuation conditions derived from 2013 earnings. The additional shares required to be issued resulted in a decrease in the Group's equity interests in MSC as follows:

	VND million
Shares issued not subscribed by the Group	-
Net assets diluted	(512,575)
	<hr/>
Difference recorded in other reserves	(512,575)
	<hr/>

However, after 31 December 2013, this requirement was waived by the investor resulting in the Group's equity interests in MSC increasing back to 77.4%.

Within 6 years from the closing date, if MSC has not completed an initial public offering that meet certain pre-agreed requirements, the investor has the option to put all or part of its MSC shares for the Company's shares based on a pre-agreed formula.

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If the investor does not exercise its put option during the put option period, the Company has the right to call the MSC shares from the investor for a period of one year after the end of the put option period for cash or the Company's share or 50% of each at a pre-agreed valuation to the investor. For the avoidance of doubt, the call option right will cease to be available if MSC has completed an initial public offering that meet certain pre-agreed requirements.

On 18 June 2013 MSC issued shares to certain employees under its employee share based payment plan after obtaining shareholders' approval at its Annual General Meeting, resulting in the following effects:

	VND million
Shares issued at par not subscribed by the Group	19,950
Net assets diluted	(44,975)
	<hr/>
Difference recorded in other reserves	(25,025)
	<hr/>

On 26 August 2013, MSC entered into definitive agreements with Vietnam Growth Capital Pte. Ltd., ("TPG") to sell a 49% stake in Masan Agri, a subsidiary of MSC, which holds a 40% direct interest in Proconco. TPG paid a cash consideration of VND1,061,862 million to acquire the shares from MSC, resulting in the following effects:

	VND million
Cash consideration	1,061,862
Net assets diluted	(1,027,277)
	<hr/>
Difference recorded in other reserves	34,585
	<hr/>

As part of the transaction, the Company granted TPG an option to put its 49% stake in Masan Agri for the Company's shares 3 years after the closing of the transaction. The amount of shares to be issued in the event the put option is exercised will be based on the trading price of the Company's shares and an amount of shares that would allow TPG to generate a certain rate of return based on its upfront investment amount. In addition, TPG granted to the Company a call option on the 49% interest and all other interests that TPG may further acquire in Masan Agri. The call option can be exercised within 30 days after 3 years from the closing of the initial transaction, for an amount in VND equal to the purchase price plus an amount that would result in TPG achieving a certain rate of return on the aggregate of the purchase price and all TPG capital contributions.

Additionally, under certain conditions, the Company has to grant TPG an option to subscribe for shares equal in value to the greater of 25% of the initial purchase consideration or the fair value of this additional option based on a price per share of VND90,000.

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Notes to the interim financial statements for the six-month period ended 30 June 2014
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(ii) Transactions with minority interests in MR

On 25 January 2013, BI Private Equity New Market III K/S (“PENM II”) subscribed for 15,902,430 mandatorily convertible preference shares in MR for a cash consideration of VND520,709 million. The holders of these mandatorily convertible preference shares shall be paid fixed dividends ranging from 3% to 10% per annum on the principal amount and the preference shares are mandatorily convertible into ordinary shares within 4 years. The preference shares also confer onto PENM II the right to receive dividends declared to ordinary shareholders in proportion to their shareholding and are automatically converted to ordinary shares in the event of the liquidation of MR.

As part of the agreement, MR is able to exercise its right to convert or force convert the preference shares to ordinary shares according to the terms of the agreement.

Between April and June 2013, MR issued 99,182,832 ordinary shares at VND18,726 per share to MR’s existing investors amounting to VND1,857,297 million in multiple tranches. Ma San Horizon Corporation, a subsidiary of the Company, PENM II and MRC Ltd., an investment entity managed by Mount Kellett Capital Management LP, subscribed to 89,391,298 ordinary shares, 3,180,486 ordinary shares and 6,611,048 ordinary shares for cash considerations of VND1,673,941 million, VND59,558 million and VND123,798 million, respectively.

In July 2013, MR issued 29,420,151 ordinary shares at par value of VND10,000 to MRC Ltd. for a cash consideration of VND294,202 million. The private placement was part of a settlement of an equity adjustment clause from the 16 March 2011 transaction between MR and MRC Limited.

In August 2013, the Group entered into agreements to amend and exercise the call option and purchased 100% of Dragon Capital’s shares in MR for a consideration of VND899,175 million to be paid in cash.

In December 2013, MR issued shares to certain employees under its employee share based payment plan after obtaining shareholders’ approval at its Annual General Meeting. During the year, a subsidiary of the Company, Ma San Horizon Corporation purchased 8,392,857 MR shares issued under the MR employee share-based payment plan for VND123,342 million.

Overall the Group’s effective interest in MR had a net increase from 65% to 75.9% during the year due to the transactions above, resulting in the following effects:

	VND million
Shares issued not subscribed by the Group, net of transaction costs	865,745
Shares issued and subscribed by the Group, net of transaction costs	(1,614,533)
Total net assets transacted	818,972
	<hr/>
Difference recorded in other reserves	70,184
	<hr/> <hr/>

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(e) Significant transactions in subsidiaries in prior years

(i) *Transactions with minority interest in MSC*

On 7 April 2011, Kohlberg Kravis Roberts & Co. L.P. (“KKR”) through its company named MC Holdings II (Cayman) Limited subscribed for new shares issued by MSC equivalent to 10% of its outstanding shares on that date for VND3,327,552 million.

Within 6 years from the closing date, if MSC has not completed a qualified initial public offering, as defined in the agreement, the investor has the option to put its MSC shares for the Company’s shares within a certain period. If the investor does not exercise its put option during the put option period, the Company can call the MSC shares from the investor for a period of one year after the end of the put option period for cash or the Company’s shares or 50% of each at a pre-agreed valuation to the investor.

(ii) *Transactions with minority interest in MR*

On 16 March 2011, Mount Kellett Capital Management LP through its company named MRC Limited subscribed for new MR shares for a cash consideration of USD100 million, equivalent to VND2,059,120 million. The investor obtained 20% interest in MR. As part of this transaction, the Group invested VND487,500 million in MR for new ordinary shares. The Company also granted the investor an option to put its 20% ownership in MR to the Company for the Company’s shares in the event MR has not listed within 4.5 years after closing of the transaction. The amount of shares to be issued in the event the put option is exercised will be based on the trading price of the Company’s shares and an amount of shares that would allow the investor to generate a certain rate of return.

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13. Long-term prepayments

Group

	Pre-operating expenses VND million	Prepaid land costs VND million	Mining costs VND million	Printing axes VND million	Tools and supplies VND million	Borrowing fees VND million	Foreign exchange difference VND million	Others VND million	Total VND million
Opening balance	58,796	2,226	-	1,143	25,980	306,817	-	8,391	403,353
Additions	-	-	-	2,141	4,646	153,000	61,281	3,523	224,591
Transfer from construction in progress	-	2,038,509	318,950	-	4,369	-	-	63	2,361,891
Transfers from tangible fixed assets	-	-	-	-	1,290	-	-	-	1,290
Reclassify from/(to) short-term prepayment	-	-	-	-	1,995	-	-	(118)	1,877
Amortisation for the period	-	(32,519)	(39,832)	(1,570)	(12,143)	(70,261)	(4,045)	(2,265)	(162,635)
Disposals	-	-	-	-	(128)	-	-	(74)	(202)
Written off	-	-	-	-	(208)	-	-	-	(208)
							-		
Closing balance	58,796	2,008,216	279,118	1,714	25,801	389,556	57,236	9,520	2,829,957

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Company

	Borrowing fees VND million	Others VND million	Total VND million
Opening balance	52,812	499	53,311
Additions	-	38	38
Transfer from construction in progress	-	63	63
Disposals	-	(74)	(74)
Amortisation for the period	(11,088)	(209)	(11,297)
Closing balance	41,724	317	42,041

14. Deferred tax assets and liabilities

(i) *Recognised deferred tax assets and liabilities*

	Group 30/6/2014 VND million	31/12/2013 VND million
Deferred tax assets:		
Accrued sales discount	12,375	8,891
Accrued advertising and promotion expenses	110,530	57,987
Accrued transportation costs	33,952	9,486
Other accruals	18,583	9,755
Unrealised profits on intra-group transactions	21,550	1,453
Total deferred tax assets	196,990	87,572
Deferred tax liabilities:		
Construction in progress	(738,087)	(751,021)
Tangible fixed assets	(14,890)	(15,954)
Intangible fixed assets	(186,665)	(194,506)
Accrued interest income	(272,335)	(190,235)
	(1,211,977)	(1,151,716)
Total deferred tax liabilities	(1,014,987)	(1,064,144)

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(ii) Movement in temporary differences during the period

	31/12/2013	Group Recognised in income	30/6/2014
	VND million	VND million	VND million
Accrued sales discount	8,891	3,484	12,375
Accrued advertising and promotion expenses	57,987	52,543	110,530
Accrued transportation costs	9,486	24,466	33,952
Other accruals	9,755	8,828	18,583
Unrealised profit on intra-group transactions	1,453	20,097	21,550
Construction in progress	(751,021)	12,934	(738,087)
Tangible fixed assets	(15,954)	1,064	(14,890)
Intangible fixed assets	(194,506)	7,841	(186,665)
Accrued interest income	(190,235)	(82,100)	(272,335)
	(1,064,144)	49,157	(1,014,987)

(iii) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item:

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Other accruals	(1,018)	7,373	(1,018)	7,373
Tax losses	531,153	364,880	316,258	320,574
	530,135	372,253	315,240	327,947

The deductible temporary differences do not expire under current tax legislation. Tax losses expire in five years from the year of occurrence. Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

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The tax losses expire in the following years:

Year of expiry	Status of tax review	Tax losses available	
		<u>Group</u> VND million	<u>Company</u> VND million
2014	Outstanding	-	11,097
2015	Outstanding	4,410	-
2016	Outstanding	239,700	215,633
2017	Outstanding	292,564	216,405
2018	Outstanding	945,284	839,162
2019	Outstanding	1,034,067	155,239
		<hr/>	<hr/>
		2,516,025	1,437,536
		<hr/>	<hr/>

15. Goodwill

	<u>Group</u> 30/6/2014 VND million
Cost	
Opening balance/Closing balance	520,945
	<hr/>
Accumulated amortisation	
Opening balance	83,826
Amortisation for the period	26,047
	<hr/>
Closing balance	109,873
	<hr/>
Net book value	
Opening balance	437,119
Closing balance	411,072
	<hr/>

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16. Short-term borrowings and liabilities

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Short-term borrowings	1,873,585	4,245,567	-	2,123,200
Current portion of long-term borrowings (see Note 20)	376,496	2,390,343	188,100	188,100
	2,250,081	6,635,910	188,100	2,311,300

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

	Currency	Annual interest rate	<u>Group</u>		<u>Company</u>	
			30/6/2014	31/12/2013	30/6/2014	31/12/2013
			VND million	VND million	VND million	VND million
Short-term borrowings						
Secured bank loans	VND	3.6%-6%	1,282,696	2,088,838	-	-
Secured bank loans	USD	4.5%-9.91%	-	968,762	-	-
Secured bank loans	EUR	5%	-	1,080	-	-
Unsecured bank loan	VND	4%-6.2%	590,889	287,712	-	-
Unsecured loan from a subsidiary	VND	15%	-	-	-	2,123,200
Promissory Note	VND		-	899,175	-	-
			1,873,585	4,245,567	-	2,123,200

As at 30 June 2014, the bank loans were secured by the following assets of the Group:

- (i) Inventories and trade receivables with a carrying amount of USD30.5 million, equivalent to VND677,498 million (31/12/2013: USD30.5 million, equivalent to VND642,940 million).
- (ii) Fixed assets with a carrying value of VND897,946 million (31/12/2013: VND925,958 million). Part of these fixed assets with carrying value of VND859,879 million (31/12/2013: VND885,745 million) was also used as security for long-term borrowings and accordingly, included in the amount of security disclosed in Note 20.

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17. Taxes payable to State Treasury

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Corporate income tax	251,549	334,003	-	-
Value added tax	46,037	91,603	-	-
Import-export tax	8,986	3,332	-	-
Personal income tax	25,241	27,112	-	-
Other taxes	42,342	27,371	19	386
	374,155	483,421	19	386

18. Accrued expenses

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Advertising and promotion expenses	508,427	279,737	-	-
Accrued interest payable	420,593	423,814	207,093	303,400
Accruals for construction work	181,161	66,563	-	-
Transportation expenses	174,049	46,056	-	-
Bonus and 13 th month salary	135,142	198,675	-	-
Withholding tax	120,319	33,729	348	5,251
Accruals for inventories purchased	80,826	16,252	-	-
Sales discount	63,451	49,653	-	-
Consultant fee	52,010	104,365	23,667	32,476
Others	287,818	359,522	3,178	138,784
	2,023,796	1,578,366	234,286	479,911

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19. Other payables

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Other short-term payables				
Social and health insurance	4,598	155	-	155
Short-term deposits from customers	2,109	1,509	-	-
Other short-term payables to a subsidiary	-	-	-	883,284
Purchase of shares in a subsidiary	24,360	43,398	-	-
Dividends payable	15,283	902	-	-
Others	100,317	55,306	13,079	-
	146,667	101,270	13,079	883,439
Other long-term liabilities				
Long-term payables (a)	125,164	157,610	20,879	27,076
Other long-term payables to a subsidiary	-	-	-	1,725,360
Obligation to issue shares (b) (Note 24)	60,561	60,561	60,561	60,561
Long-term deposit	22,927	16,517	-	-
	208,652	234,688	81,440	1,812,997

- (a) Long-term payables of the Group and the Company amounting to VND20,879 million (31/12/2013: VND27,076 million) comprised the gross amount of interest relating to certain instruments described in Note 24 and were unsecured and payable every six months from the disbursement date of the instruments. The remaining VND104,285 million (31/12/2013: VND130,534 million) included in long-term payables of the Group is related to fixed dividends payable for mandatory convertible preference shares issued by a subsidiary in Note 12(d)(ii).
- (b) Obligation to issue shares represents the liability to issue an additional variable number of shares as noted in Note 24.

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20. Long-term borrowings and liabilities

	<u>Group</u>		<u>Company</u>	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Long-term borrowings (a)	4,030,615	8,519,274	-	6,286,800
Convertible bonds and loans (b)	988,422	1,176,522	988,422	1,176,522
Secured bonds (c)	11,500,000	4,700,000	4,700,000	4,700,000
Finance lease liabilities (d)	56,412	61,643	-	-
	16,575,449	14,457,439	5,688,422	12,163,322
Repayable within twelve months (Note 16)	(376,496)	(2,390,343)	(188,100)	(188,100)
Repayable after twelve months	16,198,953	12,067,096	5,500,322	11,975,222

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Term and conditions of outstanding long-term borrowings and liabilities are as follows:

				<u>Group</u>		<u>Company</u>		
				30/6/2014	31/12/2013	30/6/2014	31/12/2013	
	Currency	Interest rate per annum	Year of maturity	VND million	VND million	VND million	VND million	
a. Long-term borrowings								
Secured bank loans	VND	9%-10.3%	2014-2017	303,990	2,674,117	-	-	
		Libor + 3.5% -						
Secured bank loans	USD	Libor + 4.5%	2016	3,726,625	5,845,157	-	-	
Unsecured loan from a subsidiary	VND	10.5%-13.0%	2016-2018	-	-	-	6,286,800	
				4,030,615	8,519,274	-	6,286,800	
b. Convertible bonds and loans issued to:								
International Finance Corporation Jade Dragon (Mauritius) Limited	(b.1)	VND	8.0%-20.4%	2014-2016	420,462	608,562	420,462	608,562
	(b.2)	USD	2.0%-6.0%	2015	567,960	567,960	567,960	567,960
				988,422	1,176,522	988,422	1,176,522	
c. Secured bonds	VND	11%-15%	2016-2019	11,500,000	4,700,000	4,700,000	4,700,000	
d. Finance lease liability	VND	15%	2018	56,412	61,643	-	-	

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- (a) As at 30 June 2014, long-term borrowings of the Group comprised of:
- (i) VND denominated loans amounting to VND303,990 million (31/12/2013: VND390,279 million) secured over fixed assets with a carrying amount of VND859,879 million (31/12/2013: VND885,745 million) and a certain term deposit at bank with amount of VND28,000 million (31/12/2013: VND28,000 million).
 - (ii) USD175 million denominated loan from J.P Morgan amounting to VND3,726,625 million (31/12/2013: USD175 million, equivalent to VND3,689,000 million), of which USD150 million, equivalent to VND3,194,250 million was insured by Multilateral Investment Guarantee (“MIGA”), a member of the World Bank (31/12/2013: USD150 million of the loans, equivalent to VND3,162,000 million). The USD150 million and USD25 million loans will bear interest at rates of LIBOR + 3.5% and LIBOR + 4.5%, respectively, if they are guaranteed by the Company, otherwise they will bear interest at rates of LIBOR + 4.5% and LIBOR + 5.5%, respectively. The outstanding balance at 30 June 2014 is repayable in one instalment on the termination date. The facility is available for thirty-six months.

At 30 June 2014, Ma San Consumer Corporation’s investments in subsidiaries with carrying value of VND879,033 million (31/12/2013: VND879,023 million) were pledged as security for this loan.

- (b.1) This loan represented a convertible loan, with a principal of VND420,462 million (31/12/2013: VND608,562 million), entered into with International Finance Corporation (“IFC”), wherein VND38,562 million (31/12/2013: VND38,562 million) is convertible to the Company’s shares.

Among others, the agreement provides the following:

- (i) Interest is charged at 8% per annum from disbursement date to 15 April 2012 and at 20.4% per annum from 15 April 2012 to the maturity date for the non-convertible portion. Interest is charged at 20.4% per annum for the convertible portion from 15 April 2013 to 15 April 2016. The loan matures on 15 April 2016. The Group has accrued interest based on the nominal interest rates.
- (ii) IFC can exercise the option to convert VND190,000 million, at the maximum, of the principal amount and require the Company to list those converted shares. There are two available periods for conversion: the first option period is the period commencing the date falling 12 months after 11 May 2010 and ending on the date falling 36 months after 31 May 2010, the second option period is the period commencing from the date falling thirty six months after 11 May 2010 and ending on 15 April 2016. Interest shall continue to accrue and payment premium remains payable on the convertible loan if IFC does not exercise its conversion option during the first option period. IFC exercised the option to convert VND151,438 million into 3,521,803 shares issued by the Company in June 2012. At 30 June 2014, VND38,562 million remains available for conversion by IFC into 896,802 shares up to 15 April 2016. Subsequent to 30 June 2014, IFC exercised the option to convert the remaining convertible portion of VND38,562 million into 896,802 shares, IFC has fully converted the convertible portion as described above.
- (iii) The loan is guaranteed by MSC and is secured by MCH’s 14,305,183 shares in MSC.

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- (b.2) This loan from Goldman Sachs Group, Inc. through its company named Jade Dragon (Mauritius) Limited represents a USD-denominated convertible loan, with a principal amount of USD30 million.

Among others, the agreement provides the following:

- (i) The interest rate of this loan has two portions: nominal interest rate and deferred interest rate. Deferred interest is not payable if the loan is converted. During the period from 15 December 2010 to 14 December 2012 the nominal interest rate and deferred interest rate are 2% per annum and 6% per annum respectively. During the period from 15 December 2012 to 14 December 2013 the nominal interest rate and deferred interest rate are 4% per annum and 4% per annum respectively. During the period from 15 December 2013 to 14 December 2015 the nominal interest rate and deferred interest rate are 6% per annum and 2% per annum respectively. The loan matures on 14 December 2015. The nominal interest rate is compounded daily and the deferred interest rate is compounded annually. The Group has accrued interest based on the nominal interest rates.
 - (ii) The loan may be converted into shares by the lender at any time after two years from 15 December 2010 to the loan's maturity date.
 - (iii) The conversion price was determined at VND65,000 per share.
 - (iv) The Group also separately entered into an arrangement with Ma San Corporation which undertakes the risks and obligations to subscribe to and pay a cash consideration of USD30 million plus the deferred interest for 9,000,000 shares under the convertible loan in the event that the lender does not exercise the conversion option.
- (c) The secured bonds of the Company amounting to VND4,700 billion comprised the following:
- (i) VND2,200 billion bonds included VND600 billion of the bonds bear coupon of 3% per annum plus the amalgated average 12 months deposit rates of selected major banks and VND1,600 billion of the bonds bear coupon of 1% per annum plus the amalgated average 12 months deposit rates of selected major banks. The coupons are payable every six months from the disbursement date. These bonds were secured against 22.3 million convertible bonds issued by Techcombank.
 - (ii) VND2,500 billion bonds with a maturity of 3 years at an interest rate of 12.0% per annum in the first year, 12.5% per annum in the second year and 4% per annum plus the amalgated average 12 months deposit rates of selected major banks in the third year. MCH has pledged 125 million shares in MSC as security for these bonds.

The secured bonds of the Group amounting to VND11,500 billion comprise VND4,700 billion bonds as described above and the remaining VND6,800 billion bonds with a maturity of 5 years at an interest rate of 11.0% per annum in first 12 months and 4% per annum plus the amalgated average 12 months deposit rates of selected major banks in the remaining months. The bonds were secured over certain assets of a subsidiary of the Company.

During the period, the Company and the Group complied with the loan covenants on the above borrowings.

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- (d) The future minimum lease payments under non-cancellable finance leases are:

	30 June 2014			31 December 2013		
	Payments	Interest	Principal	Payments	Interest	Principal
	VND million	VND million	VND million	VND million	VND million	VND million
Within one year	18,798	7,043	11,755	20,364	8,554	11,810
Within two to five years	54,168	9,511	44,657	62,661	12,828	49,833
	72,966	16,554	56,412	83,025	21,382	61,643

21. Provision – long-term

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

	Group	
	From	From
	1/1/2014 to	1/1/2013 to
	30/6/2014	31/12/2013
	VND million	VND million
Opening balance	3,252	1,381
Provision made during the period/year	-	3,252
Provision reversed during the period/year	(550)	-
Reclassification	-	(1,381)
Closing balance	2,702	3,252

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22. Change in owners' equity

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 2013	6,872,801	7,999,167	1,721,824	(16,128)	(8,619,479)	5,925,652	13,883,837	5,820,548	19,704,385
Issuance of new shares for cash	178,608	-	-	-	-	-	178,608	-	178,608
Transactions with minority interest in MSC	-	-	-	-	1,153,955	-	1,153,955	863,484	2,017,439
Increase in minority interest from the acquisition of a subsidiary	-	-	-	-	-	-	-	116,139	116,139
Transaction with minority interest in MR	-	-	-	-	(41,028)	-	(41,028)	513,708	472,680
Foreign exchange differences in a subsidiary	-	-	-	(27,298)	-	-	(27,298)	(12,663)	(39,961)
Net profit for the period	-	-	-	-	-	136,477	136,477	165,009	301,486
Dividend paid	-	-	-	-	-	-	-	(14,926)	(14,926)
Transfer to funds	-	-	-	-	-	(15,925)	(15,925)	(16,949)	(32,874)
Balance at 30 June 2013	7,051,409	7,999,167	1,721,824	(43,426)	(7,506,552)	6,046,204	15,268,626	7,434,350	22,702,976

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	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 2014	7,349,113	9,601,627	97,703	(43,098)	(8,929,770)	6,357,394	14,432,969	8,828,528	23,261,497
Transactions with minority interest in MSC (Note(12)(c)(i))	-	-	-	-	325,390	-	325,390	(509,457)	(184,067)
Transaction with minority interest in MR (Note 12(c)(ii))	-	-	-	-	(194,931)	-	(194,931)	213,133	18,202
Foreign exchange differences in a subsidiary	-	-	-	46,213	-	-	46,213	14,682	60,895
Net (loss)/profit for the period	-	-	-	-	-	(333,330)	(333,330)	289,308	(44,022)
Dividend paid	-	-	-	-	-	-	-	(1,304,830)	(1,304,830)
Transfer to funds	-	-	-	-	-	(12,012)	(12,012)	(15,471)	(27,483)
Balance at 30 June 2014	7,349,113	9,601,627	97,703	3,115	(8,799,311)	6,012,052	14,264,299	7,515,893	21,780,192

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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 2013	6,872,801	7,999,167	1,721,824	(530,235)	(242,703)	15,820,854
Issuance of new shares for cash	178,608	-	-	-	-	178,608
Net loss for the period	-	-	-	-	(179,851)	(179,851)
Balance at 30 June 2013	7,051,409	7,999,167	1,721,824	(530,235)	(422,554)	15,819,611
Balance at 1 January 2014	7,349,113	9,601,627	97,703	(1,586,675)	(1,206,546)	14,255,222
Net profit for the period	-	-	-	-	3,015,959	3,015,959
Balance at 30 June 2014	7,349,113	9,601,627	97,703	(1,586,675)	1,809,413	17,271,181

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23. Share capital and capital surplus

The Company's authorised and issued share capital comprises:

	30/6/2014		31/12/2013	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	734,911,338	7,349,113	734,911,338	7,349,113
Issued share capital				
Ordinary shares	734,911,338	7,349,113	734,911,338	7,349,113
Capital surplus	-	9,601,627	-	9,601,627

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.

Movements in issued share capital during the period/year were as follows:

	From 1/1/2014 to 30/6/2014		From 1/1/2013 to 31/12/2013	
	Number of shares	VND million	Number of shares	VND million
Balance at beginning of the period/year	734,911,338	7,349,113	687,280,123	6,872,801
Issuance of new shares to settle debt instruments	-	-	29,770,465	297,704
Issuance of new shares for cash	-	-	17,860,750	178,608
Balance at the end of the period/year	734,911,338	7,349,113	734,911,338	7,349,113

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24. Other capital

Other capital represents the fair value of the Company's fixed number of shares to be issued at a future date.

	30/6/2014		31/12/2013	
	Number of shares	VND million	Number of shares	VND million
Parent company credit support	2,450,353	97,703	2,450,353	97,703

Movements of other capital during the period/year were as follows:

	From 1/1/2014 to 30/6/2014		From 1/1/2013 to 31/12/2013	
	Number of shares to be issued	VND million	Number of shares to be issued	VND Million
Balance at beginning of the period/year	2,450,353	97,703	31,173,935	1,721,824
Equity instruments repurchased	-	-	(28,723,582)	(1,624,121)
Balance at the end of the period/year	2,450,353	97,703	2,450,353	97,703

In 2012, the Company entered into convertible loan agreements for USD30 million (equivalent to VND624,840 million) with Mount Kellett Capital Management LP through its company named MRG Limited for a term of 4 years.

To enhance the creditworthiness of the Company and facilitate the financing transaction, the parent company also entered into arrangement with the Company and the lender in which the parent company undertakes the risks and obligations to subscribe to the Conversion Shares and directly pay the principals and deferred interests to the lender in the event that the lender do not exercise the conversion option. The parent company did not receive any consideration or other benefits in return for such undertakings on behalf of the Company.

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Among others, the agreements provide the following:

- (i) The convertible loan bear semi-annual coupons of 5% per annum in year one, 6% per annum in years two and three, and 7% per annum for the remaining term of the convertible loan. A deferred interest which would achieve an effective rate of return of 10% is payable if the conversion option is not exercised; and
- (ii) The shares to be issued on conversion (“Conversion Shares”) shall be determined based on an initial conversion price of VND85,000 per share and subject to ratchet adjustments and other terms of the definitive agreement. However, the maximum number of Conversion Shares will be 9.6 million. The mandatorily issuable minimum number of Conversion Shares is 7.5 million, which is treated as an equity instrument.

In July 2013, the Company repurchased two thirds of the convertible loan of USD30 million subscribed by MRG Limited, resulting in the maximum number of Conversion Shares being reduced to 3.2 million and the mandatorily issuable minimum number of Conversion Shares was reduced to 2.5 million as at 31 December 2013.

25. Total revenue

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

Net revenue comprised:

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Total revenue				
▪ Sales of finished goods	6,853,363	4,354,466	-	-
▪ Services and other sales	89,873	474	-	-
	<hr/> 6,943,236	<hr/> 4,354,940	<hr/> -	<hr/> -
Less sales deductions				
▪ Sales discounts	(79,787)	(70,923)	-	-
▪ Sales returns	(24,496)	(13,938)	-	-
	<hr/> (104,283)	<hr/> (84,861)	<hr/> -	<hr/> -
	<hr/> 6,838,953	<hr/> 4,270,079	<hr/> -	<hr/> -

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26. Cost of sales

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Total cost of sales				
▪ Finished goods sold	4,180,116	2,645,338	-	-
▪ Allowance for inventories	31,119	6,121	-	-
	4,211,235	2,651,459	-	-

27. Financial income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Interest income from:				
• Deposits	215,196	183,080	14,917	12,373
• Loans to subsidiaries	-	-	291,198	52,095
• Loan to third party	25,979	5,983	-	-
Facility income from subsidiaries	-	-	176,691	526,203
Foreign exchange gains	13,739	37,569	683	7,980
Dividend income	-	-	3,169,052	-
Realised gains from derivative financial instruments	17,283	-	-	-
Others	270	485	-	-
	272,467	227,117	3,652,541	598,651

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28. Financial expenses

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Interest expense on loans from:				
• Banks	266,343	62,217	-	-
• Bondholders	473,511	52,978	350,656	216,631
• Subsidiary	-	-	220,087	314,407
Facility fee expenses to a subsidiary	-	-	2,893	196,300
Foreign exchange losses	59,370	32,481	14	75
Realised losses from derivative financial instruments	37,016	-	-	-
Others	45,523	9,245	-	12,035
	881,763	156,921	573,650	739,448

29. Other income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Income from scrap sales	14,821	7,887	-	-
Proceeds on disposals of fixed assets	61,006	113	59,486	-
Import tax refund	7,845	13,350	-	-
Others	12,980	102,325	8,379	72,723
	96,652	123,675	67,865	72,723

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30. Other expenses

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Cost of scrap sales	9,750	6,296	-	-
Net book value of fixed assets and other assets disposed and written off	63,399	313	60,919	-
Others	1,351	27,136	-	-
	<hr/> 74,500	<hr/> 33,745	<hr/> 60,919	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

31. Share of profit/(loss) in associates

	<u>Group</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Share of profit in associates	373,148	263,603
Adjustment arising from purchase price allocation and goodwill amortisation	(331,654)	(336,556)
	<hr/> 41,494	<hr/> (72,953)
	<hr/> <hr/>	<hr/> <hr/>

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32. Income tax

(a) Recognised in the statement of income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Current tax expense				
Current period	336,703	296,218	-	-
Under provision in prior period	(7,215)	79	-	-
	329,488	296,297	-	-
Deferred tax expenses				
Origination and reversal of temporary differences	(49,157)	(16,503)	-	-
	(49,157)	(16,503)	-	-
Income tax expense	280,331	279,794	-	-

(b) Reconciliation of effective tax rate

	<u>Group</u>			
	From 1/1/2014 to 30/6/2014 %	VND million	From 1/1/2013 to 30/6/2013 %	VND million
Profit before tax	100%	236,309	100%	581,280
Tax at CIT rate applicable	22.00%	51,988	25.00%	145,320
Effect of different tax rates in subsidiaries	3.17%	7,486	(6.33%)	(36,813)
Tax losses utilised	(1.57%)	(3,699)	-	-
Effect of intra-group transactions	21.22%	50,146	13.68%	79,544
Non-deductible expenses	5.16%	12,198	2.48%	14,388
Effect of results of associates	(3.86%)	(9,129)	3.14%	18,238
Deferred tax assets not recognised	92.47%	218,523	10.15%	59,038
Under provision in prior periods	(3.05%)	(7,215)	0.01%	79
Effect of change in tax rate	(16.91%)	(39,967)	-	-
	118.63%	280,331	48.13%	279,794

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Company

	From 1/1/2014 to 30/6/2014		From 1/1/2013 to 30/6/2013	
	%	VND million	%	VND million
Profit/(loss) before tax	100%	3,015,959	100%	(179,851)
Tax at CIT rate applicable	22.00%	663,511	(25.00%)	(44,963)
Tax exempt income	(23.12%)	(697,191)	-	-
Non-deductible expenses	0.02%	545	0.41%	746
Deferred tax assets not recognised	1.10%	33,135	24.59%	44,217
	-	-	-	-

(c) Applicable tax rates

The Company has an obligation to pay the government corporate income tax (“CIT”) at the rate of 25% of taxable profits.

Pursuant to supplemented Corporate Income Tax law dated 19 June 2013 issued by the National Assembly, standard corporate income tax rate will be reduced from 25% to 22% from 01 January 2014 and to 20% from 01 January 2016 onwards.

The Company’s subsidiaries enjoy various tax incentives which provide some subsidiaries with further tax exemptions and reductions.

(d) Tax contingencies

The taxation laws and their application in Vietnam are subject to interpretation and change over time as well as from one tax office to another. The final tax position may be subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Vietnam that are substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, including on transfer pricing requirements and computation of corporate income tax. However, the relevant authorities may have differing interpretations and the effects could be significant.

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33. Significant transactions with related parties

In addition to related party balances and transactions disclosed in other notes to these financial statements, the Group has the following transactions with related parties during the period:

Group

Related Party	Nature of transaction	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Other related parties			
Vietnamese French Cattle Feed Joint Stock Company	Dividend income and received	80,000	-
Key management personnel	Remuneration to key management personnel (*)	19,998	24,359

(*) No board fees were paid to Board of Directors members in the six-month periods ended 30/6/2014 and 30/6/2013.

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Company

Related Party	Nature of transaction	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Subsidiaries			
Ma San Consumer Corporation	Loan received from subsidiary	735,000	1,050,000
	Interest expense on long-term loan	220,087	314,407
	Facility fee expense	2,893	196,300
	Dividend income	1,240,800	-
	Loan repaid to a subsidiary through assignment loans to another subsidiary	7,709,298	-
	Loan repaid to a subsidiary through net off dividend	1,435,702	-
	Interest repaid to a subsidiary through assignments loan to a subsidiary	2,831,626	-
	Acquisition of a subsidiary	1,246,496	-
Ma San Resources Corporation	Interest income from loan provided to a subsidiary	32,416	46,113
	Facility fee income	72,995	196,300
	Loan provided to a subsidiary	-	930,000
	Loan collected from a subsidiary	-	727,000
Nui Phao Mining Company Limited	Facility fee income	103,696	329,903
	Loan provided to a subsidiary	210,000	-
	Interest income from loan provided to a subsidiary	6,892	-
Orchid Consultant Company Limited	Interest income from loan provided to a subsidiary	24,831	5,982
	Loan provided to a subsidiary	475,657	214,494
	Collected loan from a subsidiary	452,577	-
Ma San Horizon Corporation	Interest income from loan provided to a subsidiary	225,536	-
	Loan provided to a subsidiary	932,463	-
Masanconsumerholdings Company Limited	Interest income from loan provided to a subsidiary	1,523	-
	Dividend income	1,928,252	-
	Sale of shares to a subsidiary	3,591,682	-
	Loan provided to a subsidiary	160,865	-
	Collected loan from a subsidiary	154,200	-
Key management personnel	Remuneration to key management personnel (*)	2,909	4,137

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(*) *No board fees were paid to Board of Directors members in the six-month periods ended 30/6/2014 and 30/6/2013.*

34. (Loss)/earnings per share

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share at 30 June 2014 was based on the loss attributable to ordinary shareholders of VND333,330 million (the profit for six-month period ended 30 June 2013: VND136,477 million) of the Group and a weighted average number of ordinary shares outstanding of 746,361,691 shares during the period (the six-month period ended 30 June 2013: 730,496,274 shares).

For the purpose of calculating basic (loss)/earnings per shares, shares that are issuable solely after the passage of time are treated as outstanding shares from the date that the right to the shares comes into existence calculated as follow:

(i) Net (loss)/profit attributable to ordinary shareholders

	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Net (loss)/profit attributable to ordinary shareholders	(333,330)	136,477

(ii) Weighted average number of ordinary shares

	From 1/1/2014 to 30/6/2014	From 1/1/2013 to 30/6/2013
Issued ordinary shares at the beginning of the period	734,911,338	687,280,123
Effect of shares issued for cash	-	3,042,216
Effect of shares issued solely after the passage of time	11,450,353	40,173,935
Weighted average number of ordinary shares at the end of the period	746,361,691	730,496,274

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(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share for six-month period ended 30 June 2014 was based on profit attributable to shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares.

(i) *Net (loss)/profit attributable to ordinary shareholders (diluted)*

	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 30/6/2013 VND million
Net (loss)/profit attributable to shareholders	(333,330)	136,477

Potential dilutive ordinary shares have no income effect on the net loss attributable to shareholders for the six-month period ended 30 June 2014 (from 1/1/2013 to 30/6/2013: Nil).

(ii) *Weighted average number of ordinary shares (diluted)*

	From 1/1/2014 to 30/6/2014	From 1/1/2013 to 30/6/2013
Weighted average number of ordinary shares (basic)	746,361,691	730,496,274
Effect of potential dilutive share ordinary shares (*)	-	103,917,553
Weighted average number of ordinary shares (diluted)	746,361,691	834,413,827

(*) Diluted loss per ordinary share is the same as the basic loss per ordinary share as the effect of anti-dilutive potential ordinary shares are ignored in calculating diluted loss per ordinary share.

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35. Commitments

(a) Capital expenditure

As at 30 June 2014, the following outstanding capital commitments have been approved but not provided for in the balance sheet:

	Group		Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Approved and contracted	1,178,634	1,781,158	-	-
Approved but not contracted	624,839	486,732	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,803,473	2,267,890	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

(b) Leases

The future minimum lease payments under non-cancellable operating leases were:

	Group		Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Within one year	67,663	103,267	12,344	15,795
Within two to five years	43,818	40,098	10,631	-
	<hr/>	<hr/>	<hr/>	<hr/>
	111,481	143,365	22,975	15,795
	<hr/>	<hr/>	<hr/>	<hr/>

(c) Mining right fee

In accordance with the Law on Minerals No. 60/2010/QH12 dated 17 November 2010, entities conducting mineral mining must pay fees for issuance of mineral mining rights. The Government shall provide specific regulations on the method for calculating and the rates of fees for issuance of mineral mining rights.

On 28 November 2013, the Government issued Decree No. 203/2013/ND-CP (“Decree 203”) regulating method for calculating fees and rates of fees for issuance of mineral mining rights. According to Article 7 of Decree 203, the price for calculating mining right fees should be announced by the Provincial People’s Committee.

As of 30 June 2014, the Group has not provided for the provision of the mining rights fee on the mineral reserves due to the existence of uncertainties as to the determination of the price for calculating mining right fees.

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36. Share-based payment plan

A subsidiary of the Company, MSC, has an employee share-based payment plan to award shares on assessment of performance subsequent to the year ended 31 December 2013 and upon approval of the shareholders at the Annual General Meeting. In accordance with the Resolution of Shareholders Meeting on 9 May 2014, the Shareholders resolved to issue 3,990,412 shares for employees and completed this issuance on 12 June 2014.

Another subsidiary of the Company, MR, has an employee share-based payment plan in place which periodically rewards high performing employees with shares. A total of 13,392,857 of the subsidiary's shares were issued to members of the Management in 2013. The remaining 20,866,429 of the subsidiary's shares were issued to members of the Management during the period.

37. Financial risk management

The Board of Management has overall responsibility for establishing, developing and monitoring the Group's risk management policies.

(a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group and the Company, as and when they fall due, and arises principally from the Group's trade and other receivables, deposits in banks, and guarantees issued to banks for loans granted to entities within the Group.

(i) Exposure to credit risk

The following represents the maximum credit exposure of the Group and the Company:

		<u>Group</u>		<u>Company</u>	
	Note	30/6/2014	31/12/2013	30/6/2014	31/12/2013
		VND million	VND million	VND million	VND million
Cash and cash equivalents	(ii)	5,158,934	5,695,196	642,216	1,378,809
Short-term investments	(ii)	283,300	3,287,000	-	-
Trade and other receivables	(iii)	1,891,017	1,065,085	8,327,703	13,628,961
Other long-term investments	(ii)	49,000	-	-	-
Guarantees issued	(iv)	-	-	3,726,625	4,848,400
		7,382,251	10,047,281	12,696,544	19,856,170

(*) *Trade and other receivables comprise of accounts receivable – trade and other receivables – short-term and long-term.*

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(ii) Cash and cash equivalents, short-term investments and other long-term investments

Cash and cash equivalents, short-term investments and other long-term investments are placed with financial institutions which are regulated. Investments and transactions involving derivative financial instruments are allowed only with counterparties after assessment by management. Management does not foresee any significant credit risks from these deposits nor expect these financial institutions to default.

(iii) Trade and other receivables

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

Movements of allowance for doubtful debts were as follows:

	Group	
	From 1/1/2014 to 30/6/2014 VND million	From 1/1/2013 to 31/12/2013 VND million
Opening balance	1,784	378
Increase in allowance during the period/year	479	1,493
Allowance utilised during the period/year	-	(57)
Written back	(70)	(30)
Closing balance	2,193	1,784

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The Group and the Company believe that, apart from the amount provided for above, no further allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables as of 30 June 2014. The ageing analysis of the trade and other receivables is as follows:

	<u>Group</u>				<u>Company</u>			
	30/6/2014		31/12/2013		30/6/2014		31/12/2013	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
	Gross	Impairment losses	Gross	Impairment losses	Gross	Impairment losses	Gross	Impairment losses
Not past due	1,718,938	-	1,046,732	-	8,327,703	-	13,628,961	-
Past due 0 – 30 days	163,178	-	16,472	-	-	-	-	-
Past due 31 – 180 days	9,918	(1,017)	2,715	(834)	-	-	-	-
Past due over 180 days	1,176	(1,176)	950	(950)	-	-	-	-
	1,893,210	(2,193)	1,066,869	(1,784)	8,327,703	-	13,628,961	-

(iv) Guarantees

The Company is also exposed to credit risk in connection with the guarantees it has issued to banks for loans granted to its subsidiary, MSC (see Notes 20(a)(ii)). The risk represents the loss that would be recognised on default by the lenders. To mitigate this risk, management continually monitors the performance of the subsidiary.

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(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As at 30 June 2014 and 31 December 2013, the financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

Group:

	Carrying amount VND million	Contractual cash flows VND million	Within 1 year VND million	1 – 2 years VND million	2 – 5 years VND million
30 June 2014					
Short-term borrowings	1,873,585	(1,880,561)	(1,880,561)	-	-
Accounts payable – trade	1,204,578	(1,204,578)	(1,204,578)	-	-
Payables to employees	47,938	(47,938)	(47,938)	-	-
Accrued expenses	2,023,796	(2,023,796)	(2,023,796)	-	-
Other payables, excluded bonus and welfare funds	115,895	(115,895)	(115,895)	-	-
Long-term borrowings and liabilities, excluded derivative liabilities	4,235,118	(4,873,849)	(541,509)	(318,956)	(4,013,384)
Long-term bonds/loans issued	12,488,422	(17,543,247)	(1,375,284)	(2,100,646)	(14,067,317)
	21,989,332	(27,689,864)	(7,189,561)	(2,419,602)	(18,080,701)

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	Carrying amount VND million	Contractual cash flows VND million	Within 1 year VND million	1 – 2 years VND million	2 – 5 years VND million	More than 5 years VND million
31 December 2013						
Short-term borrowings	4,245,567	(4,317,179)	(4,317,179)	-	-	-
Accounts payable – trade	942,375	(942,375)	(942,375)	-	-	-
Payables to employees	20,387	(20,387)	(20,387)	-	-	-
Accrued expenses	1,578,366	(1,578,366)	(1,578,366)	-	-	-
Other payables, excluded bonus and welfare funds	83,313	(83,313)	(83,313)	-	-	-
Long-term borrowings and liabilities, excluded derivative liabilities	8,755,044	(10,561,743)	(2,757,462)	(1,821,077)	(5,414,967)	(568,237)
Long-term bonds/loans issued	5,876,522	(7,757,035)	(638,651)	(1,464,394)	(5,653,990)	-
	21,501,574	(25,260,398)	(10,337,733)	(3,285,471)	(11,068,957)	(568,237)

Company:

	Carrying amount VND million	Contractual cash flows VND million	Within 1 year VND million	1 – 2 years VND million	2 – 5 years VND million
30 June 2014					
Accounts payable – trade	276	(276)	(276)	-	-
Accrued expenses	234,286	(234,286)	(234,286)	-	-
Other payables	13,079	(13,079)	(13,079)	-	-
Long-term borrowings and liabilities, excluded derivative liabilities	20,879	(20,879)	(11,772)	(9,107)	-
Long-term bonds/loans issued	5,688,422	(7,034,199)	(701,870)	(1,340,179)	(4,992,150)
	5,956,942	(7,302,719)	(961,283)	(1,349,286)	(4,992,150)

	Carrying amount VND million	Contractual cash flows VND million	Within 1 year VND million	1 – 2 years VND million	2 – 5 years VND million
31 December 2013					
Short-term borrowings	2,123,200	(2,325,789)	(2,325,789)	-	-
Accounts payable – trade	9,286	(9,286)	(9,286)	-	-
Other payables	883,439	(883,439)	(883,439)	-	-
Accrued expenses	479,911	(479,911)	(479,911)	-	-
Long-term borrowings and liabilities, excluded derivative liabilities	8,039,236	(11,352,419)	(886,865)	-	(10,465,554)
Long-term bonds/loans issued	5,876,522	(7,757,035)	(638,651)	(1,464,394)	(5,653,990)
	17,411,594	(22,807,879)	(5,223,941)	(1,464,394)	(16,119,544)

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It is not expected that the cash flows included in the Group and Company's maturity analysis could occur significantly earlier, or at significantly different amounts.

(c) Market risk

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

Currency risk

The Group and the Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions are primarily denominated are the United States dollar (USD), Euro (EUR).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

At 30 June 2014 and 31 December 2013, the Group and the Company had the following net exposed asset/(liability) positions:

	Group		Company
	USD	EUR	USD
30 June 2014			
Cash and cash equivalents	6,753,834	-	7,969
Trade and other receivables (*)	18,824,713	109,110	45,376,143
Other long-term receivables	-	-	23,765,672
Trade and other payables (**)	(6,760,473)	(1,145,731)	(297,534)
Long-term borrowings	(175,000,000)	-	-
Other long-term liabilities	(3,020,446)	-	(1,002,466)
	(159,202,372)	(1,036,621)	67,849,784

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	Group					Company	
	USD	AUD	EUR	SGD	THB	USD	SGD
31 December 2013							
Cash and cash equivalents	27,222,114	-	7,547	-	-	66,367,554	621
Trade and other receivables (*)	5,365,602	-	-	-	-	-	-
Other long-term receivables	-	-	-	-	-	31,635,370	-
Trade and other payables (**)	(7,827,788)	(2,203,117)	(31)	(13,733,722)	(13,733,722)	(11,464,445)	-
Short-term borrowings	(45,955,726)	-	(37,345)	-	-	(41,512,356)	-
Long-term borrowings	(277,281,875)	-	-	-	-	-	-
Other long-term liabilities	(1,300,000)	-	-	-	-	-	-
	(299,777,673)	(2,203,117)	(29,829)	(13,733,722)	(13,733,722)	45,026,123	621

(*) Trade and other receivables comprise of accounts receivable – trade and other receivables – short-term.

(**) Trade and other payables comprise of accounts payable – trade, payables to employees, accrued expenses and other short-term payables.

The following were the significant exchange rates applied by the Group and Company:

	Group		Company	
	Exchange rate as at 30/6/2014	Exchange rate as at 31/12/2013	Exchange rate as at 30/6/2014	Exchange rate as at 31/12/2013
	VND	VND	VND	VND
USD1	21,295	21,080	21,295	21,080
EUR1	28,882	28,890	-	-

Below is an analysis of the possible impact on the profit before tax of the Group and the Company by a fluctuation of the following currencies after taking into account the current level of exchange rates and the historical volatility as well as market expectations. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	Company
	Increase/(decrease) in profit before tax as at 30/6/2014	Increase/(decrease) in profit before tax as at 30/6/2014
	VND million	VND million
USD (1% strengthening)	(33,902)	14,449
EUR (5% strengthening)	(1,497)	-
	(35,399)	14,449

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	<u>Group</u> Increase/(decrease) in profit before tax as at 31/12/2013 VND million	<u>Company</u> Increase/(decrease) in loss before tax as at 31/12/2013 VND million
USD (1% strengthening)	(63,193)	(17,061)
AUD (13% weakening)	5,355	-
EUR (5% strengthening)	(43)	-
SGD (3% weakening)	(1)	(1)
THB (5% weakening)	433	-
	(57,449)	(17,062)

The opposite movement of the currencies would have the equal but opposite effect to the loss and the profit before tax of the Group and the Company at the reporting date, respectively.

Interest rate risk

The Group and the Company's exposure to changes in interest rates relates primarily to floating rate interest-bearing financial assets and financial liabilities. Interest rate risk is managed by the Group and the Company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

The Group and the Company does not hedge its exposure to changes in interest rates on interest-bearing borrowings.

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At the reporting date the interest rate profile of the Group and the Company's interest-bearing financial instruments was as follows:

	Group		Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	VND million	VND million	VND million	VND million
Fixed rate instruments				
Cash equivalents (Note 5)	4,878,298	5,494,986	630,830	1,367,448
Short-term investments (Note 12)	283,300	3,287,000	-	-
Other long-term investments (Note 12)	49,000	-	-	-
Short-term loan receivable from subsidiaries (Note 6)	-	-	2,172,319	2,172,319
Long-term loan receivable from a third party (Note 6)	660,587	424,788	-	-
Long-term loan receivable from subsidiaries (Note 6)	-	-	2,649,767	1,477,557
Loan from a subsidiary - long-term (Note 20)	-	-	-	(6,286,800)
Short-term borrowings (Note 16)	(1,335,277)	(1,956,485)	-	(2,123,200)
Long-term borrowings (Note 20)	(988,422)	(5,208,722)	(988,422)	(4,276,522)
	3,547,486	2,041,567	4,464,494	(7,669,198)
Variable rate instruments				
Cash at banks (Note 5)	280,636	200,210	11,386	11,361
Short-term borrowings (Note 16)	(538,308)	(1,389,907)	-	-
Long-term borrowings (Note 20)	(15,587,027)	(9,248,717)	(4,700,000)	(1,600,000)
	(15,844,699)	(10,438,414)	(4,688,614)	(1,588,639)

Sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have decreased the profit before tax of the Group and the Company by VND158,447 million (31/12/2013: VND104,384 million) and VND46,886 million (31/12/2013: VND15,886 million), respectively.

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(d) Estimating the fair value

Basis for determining fair values

Cash and cash equivalents, short-term investments, trade and other receivables and trade and other payables

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

Other long-term investments, other long-term receivables, short-term borrowings, long-term borrowings, guarantees issued, call and put options

The Company has not determined fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting. Their fair values of these financial instruments may differ from their carrying amounts.

(e) Carrying amount of financial assets and liabilities

The following tables summarise the carrying value of financial assets and liabilities together with carrying amounts shown on the balance sheet by Circular 210 categories:

Group:

	Note	Available for sale VND million	Fair value through profit or loss VND million	Loans and receivables VND million	Financial liabilities carried at amortised cost VND million	Total carrying amount VND million
30 June 2014						
Short-term investment	12	-	-	283,300	-	283,300
Other long-term investments	12	3,600	-	49,000	-	52,600
Trade and other receivables (*)	6	-	-	1,178,565	-	1,178,565
Other long-term receivables	6	-	-	712,452	-	712,452
Cash and cash equivalents	5	-	-	5,160,730	-	5,160,730
		3,600	-	7,384,047	-	7,387,647
Short-term borrowings	16	-	-	-	(1,873,585)	(1,873,585)
Long-term borrowings and liabilities (***)	19,20	-	(60,561)	-	(4,235,118)	(4,295,679)
Convertible bonds/loans	20	-	-	-	(12,488,422)	(12,488,422)
Trade and other payables (**)		-	-	-	(3,422,979)	(3,422,979)
		-	(60,561)	-	(22,020,104)	(22,080,665)

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	Note	Available for sale VND million	Fair value through profit or loss VND million	Loans and receivables VND million	Financial liabilities carried at amortised cost VND million	Total carrying amount VND million
31 December 2013						
Short-term investments	12	-	-	3,287,000	-	3,287,000
Other long-term investments	12	3,600	-	-	-	3,600
Trade and other receivables (*)	6	-	-	614,902	-	614,902
Other long-term receivables	6	-	-	450,183	-	450,183
Cash and cash equivalents	5	-	-	5,698,563	-	5,698,563
		3,600	-	10,050,648	-	10,054,248
Short-term borrowings	16	-	-	-	(4,245,567)	(4,245,567)
Long-term borrowings and liabilities (***)	19, 20	-	(60,561)	-	(8,755,044)	(8,815,605)
Secured bonds/loans	20	-	-	-	(5,876,522)	(5,876,522)
Trade and other payables (**)		-	-	-	(2,624,441)	(2,624,441)
		-	(60,561)	-	(21,501,574)	(21,562,135)

Company:

	Note	Fair value through profit or loss VND million	Loans and receivables VND million	Financial liabilities carried at amortised cost VND million	Total carrying amount VND million
30 June 2014					
Trade and other receivables (*)	6	-	4,062,579	-	4,062,579
Other receivables - long-term	6	-	4,265,124	-	4,265,124
Cash and cash equivalents	5	-	642,385	-	642,385
		-	8,970,088	-	8,970,088
Long-term liabilities	19	(60,561)	-	(20,879)	(81,440)
Convertible bonds/loans	20	-	-	(988,422)	(988,422)
Secured bonds	20	-	-	(4,700,000)	(4,700,000)
Trade and other payables (**)		-	-	(247,641)	(247,641)
		(60,561)	-	(5,956,942)	(6,017,503)

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	Note	Fair value through profit or loss VND million	Loans and receivables VND million	Financial liabilities carried at amortised cost VND million	Total carrying amount VND million
31 December 2013					
Trade and other receivables (*)	6	-	10,753,946	-	10,753,946
Other receivables - long-term		-	2,875,015	-	2,875,015
Cash and cash equivalents	5	-	1,379,279	-	1,379,279
		-	15,008,240	-	15,008,240
Long-term borrowings and liabilities (***)	19,20	(60,561)	-	(8,039,236)	(8,099,797)
Secured bonds/loans	20	-	-	(5,876,522)	(5,876,522)
Short-term borrowings		-	-	(2,123,200)	(2,123,200)
Trade and other payables (**)		-	-	(1,372,636)	(1,372,636)
		(60,561)	-	(17,411,594)	(17,472,155)

(*) *Trade and other receivables comprise of accounts receivable – trade and other receivables – short-term.*

(**) *Trade and other payables comprise of accounts payable – trade, payables to employees, accrued expenses and other short-term payables.*

(***) *Long-term borrowings and liabilities comprise of long-term borrowings and other long-term liabilities.*

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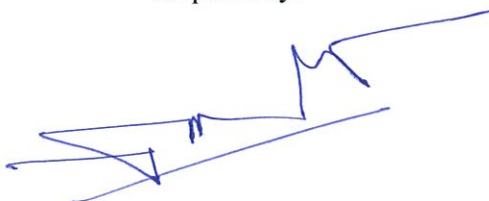
38. Post balance sheet events

Subsequent to 30 June 2014, Nui Phao Mining Company Limited (“NPM”), a subsidiary of the Company has contributed in form of assets and cash to Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC, a company incorporated by NPM and H.C Starck GmbH with total amount equivalent to USD19.13 million.

On 13 August 2014, the Group’s Board of Directors has announced for the acquisition of LamKa which holds 99.99% equity interest in PYBECO. LamKa will be held directly by Orchid, which is to be renamed as Masan Brewery Company Limited.

29 August 2014

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Nguyen Dang Quang
Chairman