



**Masan Group Corporation
(formerly known as Ma San Group
Corporation)
and its subsidiaries**

Interim Financial Statements for the six-month
period ended 30 June 2015

Masan Group Corporation
(formerly known as Ma San Group Corporation)
Corporate Information

**Business Registration
Certificate No**

0303576603

6 August 2015

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 6 August 2015. 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 |

Board of Management

| | |
|------------------------|--------------------------------|
| Dr Nguyen Dang Quang | Chief Executive Officer |
| Mr Nguyen Thieu Nam | Deputy Chief Executive Officer |
| Mr Michael Hung Nguyen | Deputy Chief Executive Officer |
| Mr Seokhee Won | Deputy Chief Executive Officer |

Registered Office

Suite 802, 8th Floor, Central Plaza
17 Le Duan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Auditors

KPMG Limited
Vietnam

The Board of Management is responsible for the preparation and fair presentation of the interim financial statements of Masan Group Corporation (formerly known as Ma San Group Corporation) (“the Company”) and its subsidiaries (collectively “the Group”) as at and for the six-month period ended 30 June 2015 in accordance with Vietnamese Accounting Standard 27 – Interim Financial Reporting, the relevant requirements of the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial 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 financial statements; and
- prepare the 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 relevant requirements of 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 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 2015, which were prepared in accordance with Vietnamese Accounting Standard 27 – Interim Financial Reporting, the relevant requirements of the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial statements.

On behalf of the Board of Directors

Nguyen Dang Quang
Chairman
Ho Chi Minh City, Vietnam

27 August 2015



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street
District 1, Ho Chi Minh City
The Socialist Republic of Vietnam

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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders

Masan Group Corporation (formerly known as Ma San Group Corporation)

We have reviewed the accompanying separate and consolidated interim financial statements of Masan Group Corporation (formerly known as Ma San Group Corporation) ("the Company") and its subsidiaries (collectively "the Group"), which comprise the separate and consolidated balance sheets as at 30 June 2015, 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 27 August 2015, as set out on pages 4 to 109. 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 2015 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 relevant requirements of the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Operating registration certificate No.: 4114000230

Review Report No: 15-01-412



Ha Vu Dinh

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

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

Ho Chi Minh City, 27 August 2015

**Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries
Balance sheets as at 30 June 2015**

Form B 01a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| | Code | Note | Group | | Company | |
|--|------|------|-------------|-----------------------------|-------------|-----------------------------|
| | | | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | | | VND million | VND million Reclassified | VND million | VND million Reclassified |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| (100 = 110 + 120 + 130 + 140 + 150) | 100 | | 21,069,797 | 16,428,327 | 975,475 | 7,247,661 |
| Cash and cash equivalents | 110 | 7 | 9,555,419 | 5,166,415 | 444,257 | 517,251 |
| Cash | 111 | | 691,216 | 302,970 | 12,407 | 9,901 |
| Cash equivalents | 112 | | 8,864,203 | 4,863,445 | 431,850 | 507,350 |
| Short-term financial investments | 120 | 8 | 2,067,123 | 4,042,212 | 11,273 | 239,614 |
| Held-to-maturity investments | 123 | | 2,067,123 | 4,042,212 | 11,273 | 239,614 |
| Accounts receivable – short-term | 130 | 9 | 3,401,451 | 5,227,550 | 445,721 | 6,420,798 |
| Accounts receivable from customers | 131 | | 1,743,992 | 4,346,998 | 18,883 | 3,072,190 |
| Prepayments to suppliers | 132 | | 972,338 | 341,231 | 134,761 | 134,636 |
| Receivables on short-term lending loans | 135 | | - | - | - | 2,172,320 |
| Other receivables | 136 | | 710,589 | 527,770 | 292,077 | 1,041,652 |
| Allowance for doubtful debts | 137 | | (26,492) | (2,064) | - | - |
| Shortage of assets awaiting for resolution | 139 | | 1,024 | 13,615 | - | - |
| Inventories | 140 | 10 | 5,620,574 | 1,604,854 | - | - |
| Inventories | 141 | | 5,651,811 | 1,627,172 | - | - |
| Allowance for inventories | 149 | | (31,237) | (22,318) | - | - |
| Other current assets | 150 | | 425,230 | 387,296 | 74,224 | 69,998 |
| Short-term prepayments | 151 | | 125,280 | 70,227 | 4,310 | 396 |
| Deductible value added tax | 152 | | 281,350 | 295,726 | 51,759 | 50,380 |
| Taxes receivables from State Treasury | 153 | | 18,600 | 21,343 | 18,155 | 19,222 |

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

Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries
Balance sheets as at 30 June 2015 (continued)

Form B 01a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | <u>Group</u> | | <u>Company</u> | |
|--|------------|----------|--------------------------|---|--------------------------|---|
| | | | 30/6/2015 VND million | 1/1/2015 VND million Reclassified | 30/6/2015 VND million | 1/1/2015 VND million Reclassified |
| Long-term assets (200 = 210 + 220 + 240 + 250 + 260) | 200 | | 50,228,852 | 36,536,773 | 22,465,220 | 17,399,699 |
| Accounts receivable – long-term | 210 | 9 | 8,286,158 | 1,447,633 | 7,938,645 | 5,025,630 |
| Accounts receivable from customers – long-term | 211 | | 18,883 | - | 18,883 | - |
| Receivables on long-term lending loans | 215 | | 6,830,337 | - | 4,169,874 | 2,283,927 |
| Other long-term receivables | 216 | | 1,436,938 | 1,447,633 | 3,749,888 | 2,741,703 |
| Fixed assets | 220 | | 24,841,010 | 20,253,476 | 6,541 | 9,443 |
| Tangible fixed assets | 221 | 11 | 18,389,404 | 18,409,913 | 4,822 | 7,172 |
| <i>Cost</i> | 222 | | 20,377,898 | 19,887,100 | 20,847 | 20,759 |
| <i>Accumulated depreciation</i> | 223 | | (1,988,494) | (1,477,187) | (16,025) | (13,587) |
| Finance lease tangible fixed assets | 224 | 12 | 38,137 | 44,867 | - | - |
| <i>Cost</i> | 225 | | 67,300 | 67,300 | - | - |
| <i>Accumulated depreciation</i> | 226 | | (29,163) | (22,433) | - | - |
| Intangible fixed assets | 227 | 13 | 6,413,469 | 1,798,696 | 1,719 | 2,271 |
| <i>Cost</i> | 228 | | 7,031,713 | 2,262,894 | 4,532 | 4,532 |
| <i>Accumulated amortisation</i> | 229 | | (618,244) | (464,198) | (2,813) | (2,261) |
| Long-term assets in progress | 240 | | 4,948,185 | 3,811,051 | - | - |
| Construction in progress | 242 | 14 | 4,948,185 | 3,811,051 | - | - |
| Long-term financial investments | 250 | 8 | 8,901,247 | 8,745,176 | 14,515,029 | 12,322,338 |
| Investments in subsidiaries | 251 | | - | - | 5,582,605 | 3,389,914 |
| Investments in associates | 252 | | 8,880,513 | 8,601,126 | 8,932,424 | 8,932,424 |
| Equity investments in other entity | 253 | | 21,646 | - | - | - |
| Allowance for diminution in the value of long-term financial investments | 254 | | (912) | - | - | - |
| Held-to-maturity investments | 255 | | - | 144,050 | - | - |
| Other long-term assets | 260 | | 3,252,252 | 2,279,437 | 5,005 | 42,288 |
| Long-term prepayments | 261 | 15 | 1,937,973 | 1,369,592 | 5,005 | 42,288 |
| Deferred tax assets | 262 | 16 | 216,400 | 117,491 | - | - |
| Goodwill | 269 | 17 | 1,097,879 | 792,354 | - | - |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 71,298,649 | 52,965,100 | 23,440,695 | 24,647,360 |

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

Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries
Balance sheets as at 30 June 2015 (continued)

Form B 01a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | <u>Group</u> | | <u>Company</u> | |
|---|------------|-----------|-------------------|-------------------|-------------------|-------------------|
| | | | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | | | VND million | VND million | VND million | VND million |
| | | | | Reclassified | | Reclassified |
| RESOURCES | | | | | | |
| LIABILITIES (300 = 310 + 330) | 300 | | 45,347,411 | 31,039,961 | 6,278,223 | 7,116,242 |
| Current liabilities | 310 | | 12,482,972 | 11,796,756 | 973,084 | 2,341,101 |
| Accounts payable to suppliers | 311 | | 2,359,794 | 999,340 | 390 | 1,451 |
| Advances from customers | 312 | | 182,830 | 35,786 | - | - |
| Taxes payable to State Treasury | 313 | 18 | 308,322 | 962,550 | - | 1,127 |
| Payables to employees | 314 | | 166,577 | 258 | - | - |
| Accrued expenses | 315 | 19 | 2,621,027 | 1,862,531 | 223,648 | 215,239 |
| Other payables | 319 | 20 | 338,568 | 1,866,738 | 181,086 | 1,555,324 |
| Short-term borrowings and liabilities | 320 | 21 | 6,466,831 | 6,042,278 | 567,960 | 567,960 |
| Bonus and welfare funds | 322 | | 39,023 | 27,275 | - | - |
| Long-term liabilities | 330 | | 32,864,439 | 19,243,205 | 5,305,139 | 4,775,141 |
| Accounts payable to suppliers – long-term | 331 | | 66,663 | - | - | - |
| Other long-term liabilities | 337 | 20 | 81,021 | 177,901 | - | 75,141 |
| Long-term borrowings and liabilities | 338 | 21 | 30,386,060 | 17,521,970 | 5,305,139 | 4,700,000 |
| Deferred tax liabilities | 341 | 16 | 1,600,537 | 932,787 | - | - |
| Provisions – long-term | 342 | 22 | 730,158 | 610,547 | - | - |
| EQUITY (400 = 410) | 400 | | 25,951,238 | 21,925,139 | 17,162,472 | 17,531,118 |
| Owner's equity | 410 | 23 | 25,951,238 | 21,925,139 | 17,162,472 | 17,531,118 |
| Share capital | 411 | 24 | 7,358,081 | 7,358,081 | 7,358,081 | 7,358,081 |
| Capital surplus | 412 | 24 | 9,631,164 | 9,631,164 | 9,631,164 | 9,631,164 |
| Other capital | 414 | 25 | (9,045,049) | (9,045,049) | (1,488,972) | (1,488,972) |
| Undistributed profits after tax | 421 | | 7,411,355 | 7,071,887 | 1,662,199 | 2,030,845 |
| Non-controlling interest | 429 | | 10,595,687 | 6,909,056 | - | - |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 71,298,649 | 52,965,100 | 23,440,695 | 24,647,360 |

27 August 2015

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Nguyễn Đăng Quang
Chairman

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

**Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries
Statements of income for the six-month period ended 30 June 2015**

Form B 02a – DN/HN

*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | <u>Group</u> | | <u>Company</u> | |
|---|-----------|-----------|---|---|---|---|
| | | | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified |
| Revenue from sales of goods and provision of services | 01 | 27 | 10,624,517 | 6,955,510 | - | - |
| Revenue deductions | 02 | 27 | 210,689 | 104,283 | - | - |
| Net revenue (10 = 01 – 02) | 10 | 27 | 10,413,828 | 6,851,227 | - | - |
| Cost of sales | 11 | 28 | 6,889,569 | 4,280,137 | - | - |
| Gross profit (20 = 10 – 11) | 20 | | 3,524,259 | 2,571,090 | - | - |
| Financial income | 21 | 29 | 551,377 | 272,467 | 357,558 | 3,652,541 |
| Financial expenses | 22 | 30 | 1,169,040 | 881,763 | 310,972 | 573,650 |
| <i>In which: Interest expense</i> | 23 | | 970,889 | 739,854 | 309,886 | 573,636 |
| Share of profit in associates | 24 | 31 | 251,781 | 41,494 | - | - |
| Selling expenses | 25 | 32 | 1,541,139 | 1,273,243 | - | - |
| General and administration expenses | 26 | 33 | 706,709 | 505,856 | 422,720 | 69,878 |
| Net operating profit/(loss) {30 = 20 + (21 - 22) + 24 - (25 + 26)} | 30 | | 910,529 | 224,189 | (376,134) | 3,009,013 |
| Other income | 31 | 34 | 23,319 | 17,048 | 7,538 | 8,379 |
| Other expenses | 32 | 35 | 24,566 | 4,928 | 50 | 1,433 |
| Results of other activities (40 = 31 - 32) | 40 | | (1,247) | 12,120 | 7,488 | 6,946 |
| Accounting profit/(loss) before tax (50 = 30 + 40) (carried forward) | 50 | | 909,282 | 236,309 | (368,646) | 3,015,959 |

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

**Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries**

Form B 02a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

| | | | <u>Group</u> | | <u>Company</u> | |
|--|------|------|---|---|---|---|
| | Code | Note | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified |
| Accounting profit/(loss) before tax (50 = 30 + 40) (brought forward) | 50 | | 909,282 | 236,309 | (368,646) | 3,015,959 |
| Income tax expense – current | 51 | 36 | 296,996 | 329,488 | - | - |
| Income tax benefit – deferred | 52 | 36 | (60,552) | (49,157) | - | - |
| Net profit/(loss) after tax (60 = 50 - 51 - 52) | 60 | | 672,838 | (44,022) | (368,646) | 3,015,959 |
| Attributable to: | | | | | | |
| Equity holders of the Company | 61 | | 363,826 | (333,330) | - | - |
| Non-controlling interest | 62 | | 309,012 | 289,308 | - | - |
| Earnings per share | | | | | | |
| Basic earnings/(loss) per share | 70 | 38 | 487 | (447) | - | - |
| Diluted earnings/(loss) per share | 71 | 38 | 484 | (447) | - | - |

27 August 2015

Prepared by:

A hand-drawn diagram showing a mountain range with a river flowing through a valley. The mountains are represented by jagged lines, and the river is a simple line flowing from left to right.

Doan Thi My Duyen
Chief Accountant

Approved by

Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Approved by: 

Nguyen Dang Quang
Chairman

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

**Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries**
Statements of cash flows for the six-month period ended 30 June 2015 (Indirect method)

Form B 03a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | | | <u>Group</u> | | <u>Company</u> | |
|---|-----------|------|---|---|---|---|
| | Code | Note | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Profit/(loss) before tax | 01 | | 909,282 | 236,309 | (368,646) | 3,015,959 |
| Adjustments for | | | | | | |
| Depreciation and amortisation | 02 | | 791,890 | 707,206 | 2,990 | 20,479 |
| Allowances and provisions | 03 | | 50,851 | 31,528 | - | - |
| Net unrealised foreign exchange | 04 | | 107,494 | 41,882 | (470) | (676) |
| Loss on disposal and written off of fixed assets and other long-term assets | 05 | | 1,798 | 2,393 | - | 1,433 |
| Interest, dividend income and related income from investing activities | 05 | | (520,428) | (241,175) | (356,836) | (3,651,858) |
| Interest expense | 06 | | 970,889 | 739,854 | 309,886 | 573,636 |
| Share of profits in associates | 07 | | (251,781) | (41,494) | - | - |
| Operating profit/(loss) before changes in working capital | 08 | | 2,059,995 | 1,476,503 | (413,076) | (41,027) |
| Change in receivables and other assets | 09 | | (50,407) | (776,323) | 288,585 | (17,894) |
| Change in inventories | 10 | | (905,572) | (592,554) | - | - |
| Change in payables and other liabilities | 11 | | 975,858 | 571,027 | 52,468 | (143,033) |
| Change in prepayments | 12 | | (15,978) | - | 9,508 | - |
| | | | 2,063,896 | 678,653 | (62,515) | (201,954) |
| Interest paid | 13 | | (870,972) | (928,343) | (303,452) | (455,897) |
| Corporate income tax paid | 14 | | (862,180) | (420,437) | - | - |
| Other payments for operating activities | 16 | | (4,835) | (51,235) | - | - |
| Net cash flows from operating activities | 20 | | 325,909 | (721,362) | (365,967) | (657,851) |

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

**Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries
Statements of cash flows for the six-month period ended 30 June 2015
(Indirect method - continued)**

Form B 03a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| | | Group | | Company | | |
|---|------|-------|---|---|---|---|
| | Code | Note | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | | (1,625,372) | (924,786) | (88) | (1,425) |
| Proceeds from disposals of fixed assets and other long-term assets | 22 | | 1,960 | 1,520 | - | - |
| Loans provided | 23 | | (8,185,723) | (235,799) | (3,196) | (1,778,985) |
| Term deposit to banks | 23 | | (22,458,166) | (12,638,951) | (11,273) | - |
| Collections on loans | 24 | | 1,355,386 | - | 79,569 | 606,777 |
| Term deposit received | 24 | | 25,154,805 | 15,593,651 | 239,614 | - |
| Payment for additions to equity interest in subsidiaries and associates | 25 | | (2,248,791) | (287,265) | (3,694,751) | - |
| Proceeds from sale of equity interest in subsidiaries | 26 | | 3,129,193 | - | 3,035,143 | - |
| Receipts of interest, dividend and related income from investing activities | 27 | | 527,519 | 329,638 | 18,953 | 547,688 |
| Net cash flows from investing activities | 30 | | (4,349,189) | 1,838,008 | (336,029) | (625,945) |

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

**Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries
Statements of cash flows for the six-month period ended 30 June 2015
(Indirect method - continued)**

Form B 03a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| | | | <u>Group</u> | | <u>Company</u> | |
|---|-----------|----------|---|---|---|---|
| | Code | Note | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Issuance of new shares in subsidiaries to non-controlling interest | 31 | | - | 108,566 | - | - |
| Proceeds from short-term and long-term borrowings | 33 | | 18,032,606 | 11,118,735 | 819,000 | 735,000 |
| Payments to settle debts to banks and other entities | 34 | | (8,989,349) | (11,418,410) | (190,000) | (188,100) |
| Payments of borrowing fees | 34 | | - | (166,760) | - | - |
| Payments of dividends to non-controlling interest of subsidiaries | 36 | | (634,865) | (1,298,323) | - | - |
| Net cash flows from financing activities | 40 | | 8,408,392 | (1,656,192) | 629,000 | 546,900 |
| Net cash flows during the period (50 = 20 + 30 + 40) | 50 | | 4,385,112 | (539,546) | (72,996) | (736,896) |
| Cash and cash equivalents at the beginning of the period | 60 | | 5,166,415 | 5,698,563 | 517,251 | 1,379,279 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 61 | | 3,892 | 1,713 | 2 | 2 |
| Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) | 70 | 7 | 9,555,419 | 5,160,730 | 444,257 | 642,385 |

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

**Masan Group Corporation (formerly known as Ma San Group Corporation)
and its subsidiaries**
Statements of cash flows for the six-month period ended 30 June 2015
(Indirect method - continued)

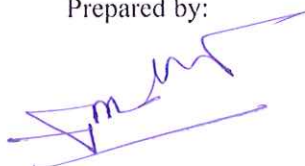
Form B 03a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

NON-CASH INVESTING AND FINANCING ACTIVITIES

| | <u>Group</u> | | <u>Company</u> | |
|--|--------------|-------------|----------------|-------------|
| | From | From | From | From |
| | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to |
| | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 |
| | VND million | VND million | VND million | VND million |
| 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 a subsidiary | - | - | - | 1,435,702 |

27 August 2015

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:





Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Nguyen Dang Quang
Chairman

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

**Masan Group Corporation (formerly known as Ma San Group Corporation)
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These notes form an integral part of and should be read in conjunction with the accompanying interim financial statements.

1. Reporting entity

(a) Ownership structure

Masan Group Corporation (formerly known as Ma San Group Corporation) (“the Company”) is a joint stock company incorporated in Vietnam.

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principal activities

The principal activity of the Company is in investment holding.

(c) Normal operating cycle

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

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(d) Group structure

As at 30 June 2015, the Group had 41 subsidiaries (1/1/2015: 22 subsidiaries).

The list of the subsidiaries and their principal activities are described as follows:

| Name | Principal activity | Address | Percentage of economic interests at | |
|--|--|---|-------------------------------------|----------|
| | | | 30/6/2015 | 1/1/2015 |
| MasanConsumerHoldings Company Limited (“MCH”) | Investment holding | Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam | 100.0% | 100.0% |
| Masan Consumer Corporation (“MSC”) (formerly known as Ma San Consumer Corporation) | Trading and distribution | 12th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam | 78.4% | 78.4% |
| Masan Food Company Limited (“MSF”) | Trading and distribution | 12th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam | 78.4% | 78.4% |
| Masan HG One Member Company Limited (i) | Convenience food manufacturing | Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam | 78.4% | - |
| Saigon Nutri Food Joint Stock Company (“SNF”) (ii) | Convenience food manufacturing | Lot K4, No.2 Street, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam | 78.4% | - |
| Ma San Industrial One Member Company Limited | Seasonings, convenience food manufacturing and packaging | Lot 6, Tan Dong Hiep A Industrial Park, Di An District, Binh Duong Province, Vietnam | 78.4% | 78.4% |

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| Name | Principal activity | Address | Percentage of economic interests at | |
|---|--|--|-------------------------------------|----------|
| | | | 30/6/2015 | 1/1/2015 |
| Viet Tien Food Technology One Member Company Limited | Seasonings manufacturing | Lot III-10-Industrial Group III, Tan Binh Industrial Park, Tan Phu District, Ho Chi Minh City, Vietnam | 78.4% | 78.4% |
| Masan HD One Member Company Limited (formerly known as Ma San HD One Member Company Limited) | Convenience food manufacturing | Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam. | 78.4% | 78.4% |
| Ma San PQ Corporation | Seasonings manufacturing | Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam. | 74.0% | 74.0% |
| Masan Beverage Company Limited | Beverage trading and manufacturing | 12th Floor, Kumho Asiana Plaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. | 78.4% | 78.4% |
| Masan ĐN One Member Company Limited | Seasonings, convenience food manufacturing and packaging | Street No. 7, Hoa Khanh Industrial Park, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City, Vietnam. | 78.4% | 78.4% |
| Masan MB One Member Company Limited | Seasonings, convenience food manufacturing and packaging | Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam. | 78.4% | 78.4% |
| VinaCafe Bien Hoa Joint Stock Company | Beverage manufacturing | Bien Hoa Industrial Zone I, Bien Hoa City, Dong Nai Province, Vietnam | 41.7% | 41.7% |
| Vinh Hao Mineral Water Corporation | Beverage manufacturing | Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam. | 50.1% | 50.1% |
| Kronfa., JSC | Beverage manufacturing | Km37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam | 50.1% | 50.1% |

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| Name | Principal activity | Address | Percentage of economic interests at | |
|---|---------------------------------|---|-------------------------------------|----------|
| | | | 30/6/2015 | 1/1/2015 |
| Masan Brewery Company Limited (“MB”) | Investment holding | Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam | 100.0% | 100.0% |
| Masan Master Brewery Company Limited (formerly known as Lamka One Member Company Limited) | Beer and beverage trading | 10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 100.0% | 100.0% |
| Masan Brewery PY One Member Company Limited (formerly known as Phu Yen Beer and Beverage., JSC) | Beer and beverage manufacturing | Hoa Hiep Industrial Park, Hoa Hiep Bac Ward, Dong Hoa District, Phu Yen Province, Vietnam | 99.9% | 99.9% |
| Masan Brewery HG One Member Company Limited (iii) | Beer and beverage manufacturing | 10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 100.0% | - |
| Masan Brewery Distribution One Member Company Limited (iv) | Beer and beverage trading | Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam | 100.0% | - |
| Masan Horizon Corporation (“MH”) (formerly Ma San Horizon Corporation) | Investment holding | Suite 802, 8th Floor, Central Tower, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 100.0% | 100.0% |

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| Name | Principal activity | Address | Percentage of economic interests at | |
|---|---|--|-------------------------------------|----------|
| | | | 30/6/2015 | 1/1/2015 |
| Ma San Resources Corporation (“MR”) | Investment holding | Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 73.7% | 74.1% |
| Ma San Thai Nguyen Resources Company Limited | Investment holding | Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam | 73.7% | 74.1% |
| Thai Nguyen Trading and Investment Company Limited | Investment holding | 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 73.7% | 74.1% |
| Nui Phao Mining Company Limited (“NPM”) | Exploring and processing mineral | Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam | 73.7% | 74.1% |
| Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC (“NPHCS”) | Deep processing of nonferrous metals and precious metals (tungsten) | Hamlet 11, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province | 37.6% | 37.8% |
| Masan Nutri-Science Company Limited (“MNS”) (formerly known as Sam Kim Company Limited) (v) | Investment holding | 6th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 100.0% | - |
| Kenji Company Limited (“Kenji”) (v) | Investment holding | 6th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 100.0% | - |
| Shika Company Limited (“Shika”) (v) | Investment holding | 6th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 99.9% | - |

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| Name | Principal activity | Address | Percentage of economic interests at | |
|--|--------------------|---|-------------------------------------|----------|
| | | | 30/6/2015 | 1/1/2015 |
| Meiji Corporation (“Meiji”) (formerly known as Masan Agri Corporation) (v) | Investment holding | 12nd Floor, Kumho Asiana Plaza Saigon Tower, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 99.9% | - |
| Agro Nutrition International Joint Stock Company (“Anco”) (v) | Animal protein | Lot A4, Street No. 2, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam | 70.0% | - |
| Aqua Nutrition International Joint Venture Co., Ltd (“Anco Vinh Long”) (v) | Animal protein | Area 4, Co Chien Industrial Park, Long Ho District, Vinh Long Province, Vietnam | 70.0% | - |
| Agro Nutrition International Binh Dinh One Member Limited Company (“Anco Binh Dinh”) (v) | Animal protein | Lot B4.06, Nhon Hoi Industrial Park (Area A), Nhon Hoi District, Quy Nhon Town, Binh Dinh Province, Vietnam | 70.0% | - |
| Agro Nutrition International Thai Nguyen Limited Company (“Anco Thai Nguyen”) (v) | Animal protein | Lot B5- B6, Trung Thanh Industrial Park, Trung Thanh District, Pho Yen Town, Thai Nguyen Province, Vietnam | 70.0% | - |
| Agro Nutrition International Tien Giang One Member Limited Company (“Anco Tien Giang”) (v) | Animal protein | Lot 22-23B, Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam | 70.0% | - |
| Agro Nutrition International Nghe An Company Limited (“Anco Nghe An”) (v) | Animal protein | C Area, Nam Can Industrial Park, South East Nghe An industrial zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam | 70.0% | - |
| Agro Nutrition International Hau Giang One Member Limited Liability Company (“Anco Hau Giang”) (v) | Animal protein | Tan Phu Thanh Industrial Park – phase 1, Chau Thanh A District, Hau Giang Province, Vietnam | 70.0% | - |

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| Name | Principal activity | Address | Percentage of economic interests at | |
|---|--------------------|---|--|----------|
| | | | 30/6/2015 | 1/1/2015 |
| Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”) (v) | Animal protein | Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam | 52.1% | - |
| Proconco Can Tho Co., Ltd. (“Proconco Can Tho”) (v) | Animal protein | Lot 13, 14 Industrial Park Tra Noc 1, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam | 52.1% | - |
| Con Co Binh Dinh Co., Ltd. (“Proconco Binh Dinh”) (v) | Animal protein | Lot A-2-5 and Lot A-2-6, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam | 52.1% | - |
| Toan Loi Manufacturing and Trading Company Limited (“Toan Loi”) (v) | Animal protein | Yen Phu Hamlet, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam | 52.1% | - |

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- (i) In June 2015, the Planning and Investment Department of Hau Giang Province issued the Business Registration Certificate No. 6300262818 approving the establishment of Masan HG One Member Company Limited, a newly incorporate 100.0% owned subsidiary of MSF. Masan HG One Member Company Limited is indirectly owned by the Company through MSF.
- (ii) In January 2015, MSF acquired 99.9% equity interest of Saigon Nutri Food Joint Stock Company from other third parties for a consideration of VND200,000 million excluding transaction costs. As a result of this transaction, SNF became a subsidiary indirectly owned by the Company through MSF.
- (iii) In February 2015, the Planning and Investment Department of Hau Giang Province issued the Business Registration Certificate No. 6300259029 approving the establishment of Masan Brewery HG One Member Company Limited, a newly incorporated 100.0% owned subsidiary of Masan Master Brewery Company Limited (formerly known as Lamka One Member Company Limited). Masan Brewery HG One Member Company Limited is indirectly owned by the Company through Masan Master Brewery Company Limited.
- (iv) In February 2015, the Planning and Investment Department of Ho Chi Minh City issued the Business Registration Certificate No. 0313132445 approving the establishment of Masan Brewery Distribution One Member Company Limited, a newly incorporated 100.0% owned subsidiary of MB. Masan Brewery Distribution One Member Company Limited is indirectly owned by the Company through MB.
- (v) In April 2015, the Company acquired 99.9% equity interest of MNS from other third parties for a consideration of VND2,192,690 million including transaction costs. MNS holds 99.9% equity interest in Kenji, 99.9% equity interest in Shika, 99.9% equity interest in Meiji, 70.0% equity interest in Anco and 52.1% equity interest in Proconco. As a result of this transaction, Kenji, Shika, Meiji, Anco and Proconco became subsidiaries indirectly owned by the Company through MNS.

Anco, a subsidiary, holds 100.0% equity interest in Anco Vinh Long, Anco Binh Dinh, Anco Thai Nguyen, Anco Tien Giang, Anco Hau Giang and Anco Nghe An. As a result of this transaction, Anco Vinh Long, Anco Binh Dinh, Anco Thai Nguyen, Anco Tien Giang, Anco Hau Giang and Anco Nghe An are indirectly owned by the Company through Anco.

Proconco, a subsidiary, holds 100.0% equity interest in Proconco Can Tho, Proconco Binh Dinh and Toan Loi. As a result of this transaction, Proconco Can Tho, Proconco Binh Dinh and Toan Loi are indirectly owned by the Company through Proconco.

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 2015 the Company had 32 employees (1/1/2015: 32 employees) and the Group had 8,972 employees (1/1/2015: 7,047 employees).

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2. Basis of preparation

(a) Statement of compliance

The interim financial statements have been prepared in accordance with Vietnamese Accounting Standards 27 – Interim Financial Reporting, the relevant requirements of 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 and presentation currency

The Company's accounting currency is Vietnam Dong ("VND").

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

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3. Adoption of new guidance on accounting system for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises (“Circular 200”). Circular 200 replaces previous guidance on Vietnamese Accounting System for enterprises under Decision No. 15/2006-QD/BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is applicable for annual accounting periods beginning on or after 1 January 2015.

On the same date of 22 December 2014, the Ministry of Finance also issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements (“Circular 202”). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance. Circular 202 is applicable for annual accounting periods beginning on or after 1 January 2015.

The Group has adopted the applicable requirements of Circular 200 and Circular 202 effective from 1 January 2015 on a prospective basis. The significant changes to the Group’s accounting policies and the effects on the consolidated financial statements, if any, are disclosed in the following notes to the financial statements.

- Basis of consolidation (note 4(a)) – gains or losses incurred on partial acquisitions or disposals that do not result in a loss or gain of control are recorded directly in undistributed profits after tax under equity. Non-controlling interest is now reclassified as part of equity;
- Recognition of foreign exchange differences (note 4(b)) – the use of different commercial exchange rates is now provided by Circular 200;
- Goodwill (note 4(l)) – goodwill recorded in the investment in equity accounted investees is now not amortised; and
- Earnings per share (note 4(w)) – profit or loss attributable to the ordinary shareholders of the Company is now determined after deducting amounts appropriated to bonus and welfare fund.

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4. 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 undistributed profits after tax under equity.

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*

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.

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Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations include 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 financial statements from the date that control commences until the date that control ceases.

(iv) *Associates (equity accounted investees)*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated financial statements using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated amortisation on the goodwill. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) *Loss of control*

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

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(vi) *Non-controlling interests*

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

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

(vii) *Transactions eliminated on consolidation*

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

(b) *Foreign currency transactions*

Transactions in currencies other than VND during the period have been translated into VND at actual rates of exchange ruling at the transaction dates. The actual rates of exchange applied to account for foreign currency transaction are determined as follows:

- Exchange rate applied to buying or selling foreign currency is the exchange rate stipulated in the currency exchange contract between the Company or its subsidiaries and the bank.
- Exchange rate applied to capital contribution transaction is the foreign currency buying rate at the transaction date quoted by the bank through which the investor transfers funds for the capital contribution.
- Exchange rate applied to recognise accounts receivable from customers, receivables on lending loans and other receivables is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiaries receive money from the customer or counterparty.
- Exchange rate applied to recognise accounts payable to suppliers and other payables is the foreign currency selling rate at the transaction date quoted by the bank through which the Company or its subsidiaries intend to make payment for the liability.
- For asset acquisitions or expenses that are settled with immediate payment, the exchange rate applied is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiaries make payment.

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

- For monetary assets (cash on hand and receivables): the foreign currency buying rate at the reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions. Cash at bank and bank deposits are retranslated using the foreign currency buying rate of the bank where the Company or its subsidiaries deposits the money or maintains those bank accounts.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions.

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

Prior to 1 January 2015, 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 the Company's and/or its subsidiaries' pre-operating stage, in which case they are recorded in the Foreign Exchange Difference Account in equity until the Company or the subsidiaries commence operations. Once the Company or the subsidiaries commence 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 five years.

Effective from 1 January 2015, as a result of Circular 200 adoption, all foreign exchange differences including those incurred during pre-operating stage are recorded in the separate and the consolidated statement of income. The unamortised balance of foreign exchange differences previously recorded in Long-term Prepayment Account as at 1 January 2015 amounting to VND3,443 million has been transferred to the consolidated statement of income for the period ended 30 June 2015. This change in accounting policy has been applied prospectively. As a result, consolidated net profit for the period ended 30 June 2015 had decreased by VND2,686 million (net of income tax effect of VND757 million).

(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.

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(d) Investments

(i) *Held to maturity investments*

Held-to-maturity investments are those that the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank, bonds and receivables on lending loans held to maturity. These investments are stated at costs less allowance for doubtful debts.

(ii) *Investments in subsidiaries and associates*

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

(iii) *Equity investments in other entity*

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

(e) Accounts receivable

Accounts receivable from customers 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 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.

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(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, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as 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.

Including in the cost of tangible assets of the Group, there are certain costs related to mining properties. They comprise mine rehabilitation assets and fair value of mineral reserves from business combination.

(ii) Depreciation

Machinery and equipment and fair value of mineral reserves from business combination directly related to mining activities

Machinery and equipment and fair value of mineral reserves from business combination which are directly related to the mining exploitation activities is depreciated over its mineral reserve on a unit-of-production basis. Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group's mining properties.

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 |

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(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 which is 5 years.

(i) Intangible fixed assets

(i) *Land use rights*

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer; and
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use right 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 19 to 50 years.

(ii) *Software*

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

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(iv) *Customer relationships*

Customer relationships that are acquired by the Group in 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 15 years.

(v) *Mineral water resources*

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

(vi) *Mining rights*

The mining rights is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 2013/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Cost of mining rights are stated at an amount equal to the present value of mining rights fee and is capitalised and treated as an intangible asset. Amortisation of mining rights fees is computed on a straight-line basis over the period of the economic life of the mine reserves.

(vii) *Mineral water resources exploitation rights*

Mineral water resources exploitation rights are stated at cost less accumulated amortisation. The initial cost of mineral water resources exploitation rights comprises expenditure on obtaining exploitation rights for mineral water resources and any directly attributable costs incurred in conjunction with securing the rights. Amortisation is computed on a straight-line basis over their useful lives ranging from 18 to 30 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, installation and commissioning stages.

Mineral assets under development comprise mineral reserve and related development costs acquired in a business combination and subsequent development expenditure. These assets are qualified 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 value as part of business combination accounting and subsequent development expenditure 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 or in long-term prepaid expenses.

(k) Long-term prepayments

(i) Mining properties

Mining properties comprise:

- Capitalised exploration, evaluation and development expenditure (including development stripping); and
- Capitalised production stripping (as described below in ‘Deferred stripping costs’).

Deferred stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore body. Stripping costs incurred in the development phase of a mine (development stripping costs) are capitalised as part of the cost of mine under construction. All capitalised development stripping included in assets under construction is transferred to mining properties.

The costs of removal of the waste material during a mine’s production phase (production stripping costs) are deferred where they give rise to future benefits:

- a) It is probable that the future economic benefits will flow to the Group;
- b) The component of the ore body for which access has been improved can be identified; and
- c) The costs incurred can be measured reliably.

Production stripping costs are allocated between the inventory produced and the production stripping asset with reference to the average life of mine strip ratio.

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The average life of mine strip ratio represents the ratio of the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine. These costs are capitalised to the production stripping assets where the current period actual stripping ratio is higher than the average life of mine strip ratio.

The development and production stripping assets are amortised over the life of the proven and probable reserves of the relevant components on a systematic basis.

(ii) *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.

(iii) *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.

(iv) *Land compensation cost*

Land compensation costs comprise 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 of 20 years.

(v) *Printing axles and tools and supplies*

Printing axles and tools and supplies 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 Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under 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.

(I) *Goodwill*

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

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Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

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

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying value of the investment.

Prior to 1 January 2015, goodwill included in the carrying amount of the investment in associates were amortised on a straight-line basis over 10 years. Effective from 1 January 2015, as a result of the adoption of Circular 202, amortisation of goodwill which is included in the carrying amount of investment in associates had ceased. This change in accounting policy has been applied prospectively.

(m) Accounts payable to suppliers and other payables

Accounts payable to suppliers and other payables are stated at their cost.

(n) Provisions

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

Mining rights

In accordance with the Law on Minerals 2010, a subsidiary of the Company has an obligation to pay the government fees for mining rights grant. The mining rights fees is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 2013/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Mining rights grant fees are recognised as intangible fixed assets.

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Mine rehabilitation

The mining, extraction and processing activities of the Group give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of the Ministry of Natural Resources and Environment (“MONRE”) and the Group’s environmental policies based on the Environment Impact Report. The timing of the actual closure and rehabilitation expenditure is dependant on the life and nature of the mine.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in mining properties and depreciated accordingly. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense recognised in financial expenses.

Closure and rehabilitation provisions are also adjusted for changes in estimates. These adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the income statement.

Sales discounts

The provision for long-term promotion program relates mainly to goods sold during the accounting period. The program would be finalised over 2 years and paid in the third year. Provision for sales discount has been provided based on actual accumulated sales and certain offered discount rate.

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 2015 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) Bonds issued

Straight bonds

At initial recognition, straight bonds are measured at cost which comprises proceed from issuance net of issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bond.

(p) 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 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.

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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.

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.

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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 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.

(q) 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 cost 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.

(r) 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.

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(s) 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.

Equity movements resulting from common-control business combination, acquisition or disposal to minority interests and transactions involving equity instruments were previously recorded in “Other reserves” in equity. This other reserves has been reclassified to other capital.

(t) 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. For sales of minerals, the sales price is usually determined on a provisional basis at the date revenue recognition and adjustments to the sales price subsequently occurs based on movements in quoted market or contractual prices up to the date of final pricing. The period between provisional invoicing and final pricing is typically between 30 and 60 days, but in some cases can be as long as 90 days. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer’s survey is within executed contractual tolerance, then sales is based on the most recently determined of product specifications.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) *Services rendered*

Revenue from services rendered is recognised in the 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.

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(u) Financial income and financial expenses

(i) Financial income

Financial income comprises dividend income, interest income from deposits and loans, interest income from subsidiaries, income from disposal of equity interests and foreign exchange gains. Dividend income is recognised when the right to receive dividend is established. Interest income is recognised as it accrues in the statement of income.

(ii) Financial expenses

Financial expenses comprise interest expenses on borrowings, interest costs, 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.

(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) Earnings per share

The Group presents basic and diluted 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.

Prior to 1 January 2015, the profit or loss attributable to the ordinary shareholders of the Company included amounts appropriated to bonus and welfare funds, if any. Effective from 1 January 2015, the profit or loss attributable to the ordinary shareholders of the Company is determined after deducting any amounts appropriated to bonus and welfare funds. This change in accounting policy has been applied prospectively.

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(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

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Group and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(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.

5. 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
- Animal protein
- Mining and processing

The Group also invested in and has significant influence in a joint stock bank. The Group's Board of Management considers Financial Services as separate business segments.

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(a) Business segments

| | Food and beverage | | Animal protein | | Mining and processing | | Financial services | | Total | |
|--------------------------|--------------------------|--------------------|-----------------------|--------------------|------------------------------|--------------------|---------------------------|--------------------|--------------------|--------------------|
| | From | From | From | From | From | From | From | From | From | From |
| | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to |
| | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 |
| | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million |
| Segment revenue | 5,881,410 | 5,705,835 | 3,331,792 | - | 1,200,626 | 1,145,392 | - | - | 10,413,828 | 6,851,227 |
| Segment gross margin | 2,527,413 | 2,433,170 | 622,054 | - | 374,792 | 137,920 | - | - | 3,524,259 | 2,571,090 |
| Segment results | 852,323 | 782,875 | 159,590 | 104,928 | (266,186) | (274,015) | 244,182 | (63,434) | 989,909 | 550,354 |
| Net unallocated expenses | | | | | | | | | (317,071) | (594,376) |
| Net profit/(loss) | | | | | | | | | 672,838 | (44,022) |

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| | Food and beverage | | Animal protein | | Mining and processing | | Financial services | | Total | |
|-------------------------|--------------------------|--------------------|-----------------------|--------------------|------------------------------|--------------------|---------------------------|--------------------|--------------------|--------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million |
| Segment assets | 24,115,018 | 15,108,276 | 12,427,294 | - | 25,387,077 | 24,199,705 | 8,601,282 | 8,357,101 | 70,530,671 | 47,665,082 |
| Unallocated assets | | | | | | | | | 767,978 | 5,300,018 |
| Total assets | | | | | | | | | 71,298,649 | 52,965,100 |
| Segment liabilities | 21,175,352 | 10,963,588 | 6,721,747 | - | 11,809,079 | 9,891,791 | - | - | 39,706,178 | 20,855,379 |
| Unallocated liabilities | | | | | | | | | 5,641,233 | 10,184,582 |
| Total liabilities | | | | | | | | | 45,347,411 | 31,039,961 |
| | | | | | | | | | | |
| | From | From | From | From | From | From | From | From | From | From |
| | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to | 1/1/2015 to | 1/1/2014 to |
| | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 | 30/6/2015 | 30/6/2014 |
| | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million |
| Capital expenditure | 484,285 | 294,843 | 70,696 | - | 890,723 | 628,518 | - | - | 1,445,704 | 923,361 |
| Depreciation | 160,299 | 130,760 | 26,877 | - | 376,645 | 297,151 | - | - | 563,821 | 427,911 |
| Amortisation | 169,296 | 166,642 | 77,008 | - | 145,354 | 97,148 | - | - | 391,658 | 263,790 |

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(b) Geographical segments

During the six-month period ended 30 June 2015 and six-month period ended 30 June 2014, the Group view themselves as operating in one geographical segment which is in Vietnam since all the Group's facilities, investments and revenue are in Vietnam.

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6. Business combination

Acquisition of Saigon Nutri Food Joint Stock Company (“SNF”)

In January 2015, Masan Food Company Limited, a subsidiary within the Group, completed the acquisition of 99.9% equity interest of SNF for a consideration of VND200,000 million, excluding transaction costs. Such acquisition resulted in the Company gaining 99.9% effective equity interest in SNF as at 30 June 2015.

The acquisition had the following effect on the Group’s assets and liabilities on acquisition date:

| | Pre-acquisition carrying amounts VND million | Fair value adjustments VND million | Recognised value on acquisition VND million |
|---|---|---|--|
| Cash and cash equivalents | 19,161 | - | 19,161 |
| Accounts receivable – short-term | 2,106 | - | 2,106 |
| Inventories | 6,575 | - | 6,575 |
| Accounts receivable – long-term | 1,359 | - | 1,359 |
| Tangible fixed assets | 11,559 | 846 | 12,405 |
| Intangible fixed assets | 93 | 40,755 | 40,848 |
| Long-term prepayments | 286 | - | 286 |
| Current liabilities | (7,763) | - | (7,763) |
| Deferred tax liabilities | - | (6,445) | (6,445) |
| Total net identifiable assets acquired | 33,376 | 35,156 | 68,532 |
| Share of net assets acquired | | | 68,532 |
| Goodwill on acquisition (Note 17) | | | 131,468 |
| Total consideration | | | 200,000 |
| Cash acquired | | | (19,161) |
| Net cash outflow | | | 180,839 |

Goodwill acquired in the acquisition is attributable mainly to synergies which management expect to realise by integrating SNF into the Group’s existing business.

Acquisition of Masan Nutri-Science Company Limited (“MNS”) (“formerly known as Sam Kim Company Limited”)

In April 2015, the Company completed the acquisition of 99.9% equity interest of Sam Kim Company Limited (former name of MNS) for a total consideration of VND2,192,690 million, including transaction costs. MNS hold 99.9% equity interest in Kenji, 99.9% equity interest in Shika, 99.9% equity interest in Meiji, 70.0% equity interest in Anco and 52.1% equity interest in Proconco. Such acquisition resulted in the Company gaining 99.9%, 99.9%, 99.9%, 70.0% and 52.1% effective equity interest in Kenji, Shika, Meiji, Anco and Proconco as at 30 June 2015, respectively.

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The fair value of the assets and liabilities of the acquired entity are just provisional amounts based on the latest available information, consistent with the recognition and measurement requirements of the relevant standard.

The acquisition had the following provisional effect on the Group's assets and liabilities on acquisition date:

| | Pre-acquisition carrying amounts VND million | Fair value adjustments VND million | Recognised value on acquisition VND million |
|---|---|---|--|
| Cash and cash equivalents | 1,869,174 | - | 1,869,174 |
| Short-term financial investments | 577,500 | - | 577,500 |
| Accounts receivable – short-term | 853,143 | - | 853,143 |
| Inventories | 3,155,172 | - | 3,155,172 |
| Other current assets | 54,863 | - | 54,863 |
| Accounts receivable – long-term | 55,337 | - | 55,337 |
| Tangible fixed assets | 865,549 | 119,599 | 985,148 |
| Intangible fixed assets | 26,168 | 4,527,073 | 4,553,241 |
| Construction in progress | 223,192 | - | 223,192 |
| Long-term financial investments | 48,340 | - | 48,340 |
| Long-term prepayments | 120,371 | - | 120,371 |
| Deferred tax assets | 74,053 | - | 74,053 |
| Goodwill | 801,810 | (801,810) | - |
| Short-term borrowings and liabilities | (682,900) | - | (682,900) |
| Other current liabilities | (1,514,282) | - | (1,514,282) |
| Long-term borrowings and liabilities | (3,645,425) | - | (3,645,425) |
| Deferred tax liabilities | - | (697,001) | (697,001) |
| Provisions – long-term | (88,269) | - | (88,269) |
| Non-controlling interest | (3,982,257) | - | (3,982,257) |
| Total net identifiable (liabilities)/assets acquired | (1,188,461) | 3,147,861 | 1,959,400 |
| Share of net assets acquired | | | 1,959,390 |
| Goodwill on acquisition (Note 17) | | | 233,300 |
| Total consideration | | | 2,192,690 |
| Cash acquired | | | (1,869,174) |
| Net cash outflow | | | 323,516 |

In 2014, MNS entered into an option agreement with Anco's non-controlling interest shareholders on (1) put option to grant Anco's non-controlling interest shareholders to sell at an agreed price the remaining 30.0% equity interest, which can be exercised in whole within 18 months period from June 2015 and (2) call option to acquire at an agreed price the remaining 30.0% equity interest of Anco, which can be exercised in whole within 24 months period from December 2016.

MNS also enter into option agreement with Anco's non-controlling interest shareholders on call option to acquire at an agreed price the whole equity interest of an existing entity or an entity which will be established by those shareholders. This option agreement can be exercised in 2016.

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7. Cash and cash equivalents

| | <u>Group</u> | | <u>Company</u> | |
|------------------|--------------------|--------------------|--------------------|--------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Cash on hand | 6,753 | 1,432 | 152 | 124 |
| Cash in banks | 670,790 | 301,538 | 12,255 | 9,777 |
| Cash in transit | 13,673 | - | - | - |
| Cash equivalents | 8,864,203 | 4,863,445 | 431,850 | 507,350 |
| | 9,555,419 | 5,166,415 | 444,257 | 517,251 |

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transactions dates.

8. Investments

| | <u>Group</u> | | <u>Company</u> | |
|--|--------------------|---------------------|--------------------|---------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| | | Reclassified | | Reclassified |
| Short-term financial investments | | | | |
| Held-to-maturity investments - short-term (a) | 2,067,123 | 4,042,212 | 11,273 | 239,614 |
| Long-term financial investments | | | | |
| Investment in subsidiaries (b) | - | - | 5,582,605 | 3,389,914 |
| Investment in associates (c) | 8,880,513 | 8,601,126 | 8,932,424 | 8,932,424 |
| Equity investments in other entity (d) | 21,646 | - | - | - |
| Allowance for diminution in the value of long-term financial investments | (912) | - | - | - |
| Held-to-maturity investments - long-term | - | 144,050 | - | - |
| | 8,901,247 | 8,745,176 | 14,515,029 | 12,322,338 |

(a) Short-term financial investments

Held-to-maturity investments - short-term represented deposits at bank with original terms to maturity of more than three months but less than twelve months from balance sheet date.

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(b) Investment in subsidiaries

Company

Details of the Company's cost of investment in subsidiaries were as follows:

| | % of equity owned | % of voting rights | 30/6/2015 | | | % of equity owned | % of voting rights | 1/1/2015 | | |
|---|-------------------------|--------------------------|-------------|--|-------------------|-------------------------|--------------------------|-------------|--|-------------------|
| | | | Cost VND | Allowance for diminution in value VND | Fair value VND | | | Cost VND | Allowance for diminution in value VND | Fair value VND |
| MasanConsumerHoldings Company Limited | 100.0% | 100.0% | 516,600 | - | (*) | 100.0% | 100.0% | 516,600 | - | (*) |
| Masan Horizon Corporation (formerly Ma San Horizon Corporation) | 100.0% | 100.0% | 2,873,314 | - | (*) | 100.0% | 100.0% | 2,873,314 | - | (*) |
| Masan Nutri-Science Company Limited (formerly known as Sam Kim Company Limited) | 99.9% | 99.9% | 2,192,691 | - | (*) | - | - | - | - | - |
| | | | <hr/> | | | | | <hr/> | | |
| | | | 5,582,605 | - | (*) | | | 3,389,914 | - | (*) |
| | | | <hr/> | | | | | <hr/> | | |

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

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(c) Investment in associates

Group

| | | | 30/6/2015 | | | | | 1/1/2015 | | |
|---|-------------------|--------------------|--|---------------------------------------|----------------|-------------------|--------------------|--|---------------------------------------|----------------|
| | % of equity owned | % of voting rights | Carrying value at equity accounted VND | Allowance for diminution in value VND | Fair value VND | % of equity owned | % of voting rights | Carrying value at equity accounted VND Reclassified | Allowance for diminution in value VND | Fair value VND |
| Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”) (*) | 19.5% | 19.5% | 8,601,283 | - | (***) | 19.5% | 19.5% | 8,357,101 | - | (***) |
| Cholimex Food Joint Stock Company (“Cholimex”) | 32.8% | 32.8% | 247,027 | - | (***) | 32.8% | 32.8% | 240,425 | - | (***) |
| Vinh Hao Spirulina Algae Corporation (“Vinh Hao Seaweed”) (formerly known as Vinh Hao Seaweed”) | 30.0% | 30.0% | 3,600 | - | (***) | 30.0% | 30.0% | 3,600 | - | (***) |
| Thuan Phat Packing Joint Stock Company (“Thuan Phat”) (**) | 25.0% | 25.0% | 7,962 | - | (***) | - | - | - | - | - |
| Loc Khang Joint Stock Company (“Loc Khang”) (**) | 26.2% | 26.2% | 5,470 | - | (***) | - | - | - | - | - |
| Abattoir Long Binh Joint Stock Company (“Abattoir”) (**) | 25.0% | 25.0% | 6,708 | - | (***) | - | - | - | - | - |
| Dong Nai Manufacture, Service and Trading Joint Stock Company (“DN Manu”) (**) | 21.3% | 21.3% | 8,463 | - | (***) | - | - | - | - | - |
| | | | <hr/> 8,880,513 | - | (***) | | | <hr/> 8,601,126 | - | (***) |

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Movements of investment in associates as at 30 June 2015 were as follows:

| | Techcombank | Cholimex | Vinh Hao | Thuan Phat | Loc Khang | Abattoir | DN Manu | Total |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | VND million | VND million | Seaweed | VND million | VND million | VND million | VND million | VND million |
| | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million |
| Opening balance – as reclassified | 8,357,101 | 240,425 | 3,600 | - | - | - | - | 8,601,126 |
| Acquisition on business combination (Note 6) (**) | - | - | - | 7,684 | 5,070 | 6,286 | 8,566 | 27,606 |
| Share in post-acquisition profit/(loss) of associates during the period | 244,182 | 6,602 | - | 278 | 400 | 422 | (103) | 251,781 |
| Closing balance | 8,601,283 | 247,027 | 3,600 | 7,962 | 5,470 | 6,708 | 8,463 | 8,880,513 |

(*) Investment in Techcombank represents investment in 30.4% (1/1/2015: 30.4%) of the effective economic interest in Techcombank as of 30 June 2015. The Group's effective economic interest includes 15.6% through direct equity interest (net of dilutive impact of convertible bonds on current equity interest of 19.5%) and 14.7% 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.

(**) In April 2015, the Company acquired 99.9% equity interest in MNS which hold 52.1% equity interest in Proconco. Proconco hold 25.0% equity interest in Thuan Phat, 25.0% equity interest in Abattoir, 21.3% equity interest in DN Manu and 26.2% equity interest in Loc Khang. As a result of this transaction, the Company has significant influence on these companies through MNS.

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

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Company

Details of the Company's cost of investment in associates were as follows:

| | % of equity owned | % of voting rights | 30/6/2015 | | | % of equity owned | % of voting rights | 1/1/2015 | | |
|-----------------|-------------------|--------------------|-----------|---------------------------------------|----------------|-------------------|--------------------|-----------|---------------------------------------|----------------|
| | | | Cost VND | Allowance for diminution in value VND | Fair value VND | | | Cost VND | Allowance for diminution in value VND | Fair value VND |
| Techcombank (*) | 19.5% | 19.5% | 8,932,424 | - | (***) | 19.5% | 19.5% | 8,932,424 | - | (***) |

(d) Equity investments in other entity

Group

Details of the Group's cost of equity investments in other entity were as follows:

| | % of equity owned | % of voting rights | 30/6/2015 | | | % of equity owned | % of voting rights | 1/1/2015 | | |
|---------------------------|-------------------|--------------------|-----------|---------------------------------------|----------------|-------------------|--------------------|----------|---------------------------------------|----------------|
| | | | Cost VND | Allowance for diminution in value VND | Fair value VND | | | Cost VND | Allowance for diminution in value VND | Fair value VND |
| PTSC Dinh Vu Port Company | 5.9% | 5.9% | 21,646 | (912) | (***) | - | - | - | - | - |

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(e) Transactions in subsidiaries for the six-month period ended 30 June 2015 – transactions with non-controlling interests

(i) Transactions with non-controlling interests in MR

During the six-month period ended 30 June 2015, MH entered into a number of agreements with MR's non-controlling interests to purchase their shares in MR, resulting in the following effects:

| | VND million |
|---|--------------------|
| Cost of acquisition, cash paid | (3,196) |
| Net assets acquired | 3,286 |
| | <hr/> |
| Differences recorded in undistributed profits after tax | 90 |
| | <hr/> |

In May 2015, MH disposed 0.61% equity interests of MR to a third party for a total consideration of VND44,050 million in cash, resulting in the following effects:

| | VND million |
|---|--------------------|
| Cash consideration | 44,050 |
| Net assets diluted | (66,709) |
| | <hr/> |
| Differences recorded in undistributed profits after tax | (22,659) |
| | <hr/> |

(f) Significant transactions in subsidiaries in prior years

In 2014, MCH granted the right to acquire the option interest in MCH worth VND525,900 to PENM III Germany GmbH & Co. Kg million at a pre-agreed valuation which can be exercised after 4 years. MCH has the ability to settle the option by delivering primary shares of MCH or secondary shares owned by the Company or other parties.

(i) Transactions with non-controlling 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 3.0% to 10.0% 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.

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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 20.0% 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 20.0% 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.

An equity adjustment clause was also included in the agreement whereby subject to certain conditions, MR has to issue additional shares to the investor.

(ii) *Transactions with non-controlling interests 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 10.0% 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 50.0% of each at a pre-agreed valuation to the investor.

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9. Accounts receivable – short-term and long-term

As at 30 June 2015, certain accounts receivable from customers of the Group were pledged with banks as security for loans granted to subsidiaries (see Note 21).

As at 30 June 2015, prepayments to suppliers of the Group amounting to VND319,523 million (1/1/2015: VND61,723 million) were related to construction in progress.

Loan receivables comprised:

| | <u>Group</u> | | <u>Company</u> | |
|--|--------------------|--------------------|--------------------|---------------------|
| | <u>30/6/2015</u> | <u>1/1/2015</u> | <u>30/6/2015</u> | <u>1/1/2015</u> |
| | <u>VND million</u> | <u>VND million</u> | <u>VND million</u> | <u>VND million</u> |
| | | | | <u>Reclassified</u> |
| Receivables on short-term lending loans | | | | |
| Receivables from subsidiaries | - | - | - | 2,172,320 |
| Receivables on long-term lending loans | | | | |
| Receivables from other loan investing activities | 6,830,337 | - | - | - |
| Receivables from subsidiaries | - | - | 4,169,874 | 2,283,927 |

The long-term loan receivables as a result of the Group's cash management operations to maximise its financial interest income on its more liquid assets are guaranteed and are secured by the future assets generated by these loans. The interest rate is 12.0% per annum matures in June 2017, unless repaid earlier. The interest is receivable on the maturity or repayment date of the related agreements, whichever earlier.

The loan receivables from subsidiaries as of 30 June 2015 were unsecured and bore interest rate ranging from 10.0% to 12.0% per annum during the period (2014: 10.0% - 12.0%). The loans mature in 2017 and 2018 (2014: 2017 and 2018) respectively. The interest is receivable on the maturity dates of the loan agreements.

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Other receivables comprised:

| | Group | | Company | |
|--|--------------------|---------------------|--------------------|---------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| | | Reclassified | | Reclassified |
| Other short-term receivables | | | | |
| Receivables from sales of claims | 256,200 | 256,200 | - | - |
| Non-trade receivables from related parties | 142,244 | 142,244 | 142,244 | 996,348 |
| Accrued interest receivable from deposits | 47,524 | 64,972 | 2,071 | 3,398 |
| Advances | 141,106 | 31,992 | - | - |
| Short-term deposits | 10,692 | 5,036 | - | - |
| Services receivable | 11,547 | 11,547 | 11,547 | 11,547 |
| Others | 101,276 | 15,779 | 136,215 | 30,359 |
| | 710,589 | 527,770 | 292,077 | 1,041,652 |
| Other long-term receivables | | | | |
| Long-term deposit | 35,279 | 59,835 | 1,939 | 9,381 |
| Long-term interest receivables from deposits | 1,984 | 4,712 | - | - |
| Other long-term receivables from related parties | - | - | 3,747,949 | 2,732,322 |
| Other long-term receivables from other loan investing activities | 13,085 | - | - | - |
| Other (*) | 1,386,590 | 1,383,086 | - | - |
| | 1,436,938 | 1,447,633 | 3,749,888 | 2,741,703 |

(*) Other represents receivables from State Treasury for the land compensation cost of the Nui Phao Mining Project at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province. The amount could be net off with annual land rental fee.

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Accounts receivable include the following amounts due from related parties:

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|---------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| | | | | Reclassified |
| Amounts due from Masan Corporation – the parent company | | | | |
| Non-trade – short-term | 142,244 | 142,244 | 142,244 | 142,244 |
| Amounts due from other related companies | | | | |
| Loans – short-term | - | - | - | 2,172,320 |
| Loans – long-term | - | - | 4,169,874 | 2,283,927 |
| Non-trade – short-term | - | - | - | 854,104 |
| Non-trade – long-term | - | - | 3,747,949 | 2,732,322 |

The short-term non-trade amounts of the Group due from Masan Corporation were unsecured, interest-free and receivable in demand.

As at 30 June 2015, the long-term loans and non-trade receivables due from other related parties of the Company comprised of:

- (a) VND2,380,089 million (1/1/2015: VND2,247,291 million) relates to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND1,962,319 million (1/1/2015: VND1,962,319 million) and interest receivable of VND417,770 million (1/1/2015: VND284,972 million). The loan is revised to be due in 2017 and earns interest at 12.0% per annum (2014: 12.0% per annum);
- (b) An unsecured funding agreement between the Company and a subsidiary for a principal amount of VND490,061 million (1/1/2015: VND487,500 million). The loan is interest free and will be repayable on the maturity date in 2018;
- (c) VND243,632 million (1/1/2015: VND232,177 million) relates to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND210,000 million (1/1/2015: VND210,000 million) and interest receivable of VND33,632 million (1/1/2015: VND22,177 million). The loan is revised to be due in 2018 and earns interest at 10.0% per annum (2014: 10.0% per annum);
- (d) VND26,477 million (1/1/2015: VND25,018 million) relates to interest receivable, which is due in 2018, accrued on a VND620,000 million loan extended to a subsidiary in 2013 which has been repaid in 2013;
- (e) VND31,877 million (1/1/2015: VND34,438 million) of long-term non-trade receivables due from related parties were unsecured, interest-free and receivable in accordance with contract terms;
- (f) VND2,015,779 million (1/1/2015: VND2,134,490 million) were related to interest costs charged on unsecured loans amounting to USD218 million and VND2,200 billion made available to a subsidiary. These interest cost are receivable from 2016 to 2018.

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- (g) VND348,102 million (1/1/2015: VND323,560 million) relates to interest receivable, which is due in 2019, accrued on a VND2,000 billion loan extended to a subsidiary in 2011 which has been repaid in 2012; and
- (h) VND2,381,806 million (1/1/2015: VND2,245,113 million) relates to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND1,997,555 million (1/1/2015: VND1,994,358 million) and interest receivable of VND384,251 million (1/1/2015: VND250,755 million). The loan is due in 2018 and earns interest at 12.0% per annum (2014: 12.0% per annum).

10. Inventories

Group

| | 30/6/2015 | | 1/1/2015 | |
|-------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|
| | Cost VND million | Allowance VND million | Cost VND million | Allowance VND million |
| Goods in transit | 808,176 | - | 64,148 | - |
| Raw materials | 2,828,880 | (27,834) | 599,438 | (8,580) |
| Tools and supplies | 608,600 | (29) | 511,941 | - |
| Work in progress | 177,109 | - | 76,624 | - |
| Finished goods | 1,150,110 | (3,045) | 366,480 | (13,701) |
| Merchandise inventories | 60,867 | (329) | 5,097 | (37) |
| Goods on consignment | 18,069 | - | 3,444 | - |
| | 5,651,811 | (31,237) | 1,627,172 | (22,318) |

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

| | Group | |
|--|---|--|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 31/12/2014 VND million |
| Opening balance | 22,318 | 20,739 |
| Increase in allowance during the period/year | 51,599 | 67,433 |
| Allowance utilised during the period/year | (42,680) | (61,739) |
| Written back | - | (3,488) |
| Disposal of a former subsidiary | - | (627) |
| Closing balance | 31,237 | 22,318 |

As at 30 June 2015, certain inventories of the Group were pledged with banks as security for loans granted to subsidiaries (see Note 21).

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11. 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 | 5,800,051 | 2,805,492 | 25,760 | 77,484 | 11,123,071 | 55,242 | 19,887,100 |
| Acquisition on business combinations (Note 6) | - | 433,163 | - | 1,597 | 491,590 | 71,203 | 997,553 |
| Additions | - | 143 | - | 123 | 2,271 | 38 | 2,575 |
| Transfer from construction in progress | - | 50,894 | - | 7,014 | 228,522 | 2,105 | 288,535 |
| Transfer to long-term prepayments | (773,759) | (63) | - | - | (9,685) | - | (783,507) |
| Disposals | - | (1,732) | - | - | (10,637) | (1,989) | (14,358) |
| Reclassifications | 1,238 | 15,592 | (38) | (3,876) | (8,446) | (4,470) | - |
| Closing balance | 5,027,530 | 3,303,489 | 25,722 | 82,342 | 11,816,686 | 122,129 | 20,377,898 |

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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 | 171,419 | 183,107 | 19,076 | 36,627 | 1,040,564 | 26,394 | 1,477,187 |
| Charge for the period | 86,567 | 82,419 | 2,357 | 6,650 | 381,525 | 6,741 | 566,259 |
| Transfer to long-term prepayments | (33,842) | - | - | - | (9,685) | - | (43,527) |
| Disposals | - | (1,154) | - | - | (8,313) | (1,958) | (11,425) |
| Reclassifications | - | (410) | (3) | (3,875) | 8,328 | (4,040) | - |
| Closing balance | 224,144 | 263,962 | 21,430 | 39,402 | 1,412,419 | 27,137 | 1,988,494 |
| Net book value | | | | | | | |
| Opening balance | 5,628,632 | 2,622,385 | 6,684 | 40,857 | 10,082,507 | 28,848 | 18,409,913 |
| Closing balance | 4,803,386 | 3,039,527 | 4,292 | 42,940 | 10,404,267 | 94,992 | 18,389,404 |

Included in the cost of tangible fixed assets were assets costing VND458,533 million which were fully depreciated as of 30 June 2015 (1/1/2015: VND131,143 million), but which are still in active use.

The carrying amount of tangible fixed assets retired from active use and held for disposal as of 30 June 2015 amounted to VND13,877 million (1/1/2015: Nil).

The carrying amount of temporarily idle equipment in tangible fixed assets amounted to VND15,240 million as of 30 June 2015 (1/1/2015: VND33,679 million).

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As at 30 June 2015, tangible fixed assets with a carrying value of VND1,340,006 million (1/1/2015: VND815,204 million) were pledged with banks as security for loans granted to the subsidiaries and VND10,702 billion (1/1/2015: VND11,698 billion) were pledged with banks as security for long-term bonds issued by a subsidiary (see Note 21).

Company

| | Leasehold improvements VND million | Office equipment VND million | Total VND million |
|---------------------------------|---|---|------------------------------|
| Cost | | | |
| Opening balance | 15,098 | 5,661 | 20,759 |
| Addition | - | 88 | 88 |
| Closing balance | 15,098 | 5,749 | 20,847 |
| Accumulated depreciation | | | |
| Opening balance | 11,353 | 2,234 | 13,587 |
| Charge for the period | 1,606 | 832 | 2,438 |
| Closing balance | 12,959 | 3,066 | 16,025 |
| Net book value | | | |
| Opening balance | 3,745 | 3,427 | 7,172 |
| Closing balance | 2,139 | 2,683 | 4,822 |

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12. Finance lease tangible fixed assets

Group

| | Machinery and equipment VND million |
|---------------------------------|--|
| Cost | |
| Opening and closing balance | 67,300 |
| Accumulated amortisation | |
| Opening balance | 22,433 |
| Charge for the period | 6,730 |
| Closing balance | 29,163 |
| Net book value | |
| Opening balance | 44,867 |
| Closing balance | 38,137 |

A subsidiary of the Company leased laboratory equipments for metallurgical assay testing under a finance lease arrangement (Note 21(d)).

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13. Intangible fixed assets

Group

| | Land use rights VND million | Software VND million | Brand name VND million | Customer relationships VND million | Mineral water resources VND million | Mining rights VND million | Mineral water resources exploitation rights VND million | Others VND million | Total VND million |
|--|-----------------------------------|-------------------------|------------------------------|--|---|---------------------------------|---|-----------------------|----------------------|
| Cost | | | | | | | | | |
| Opening balance | 170,254 | 111,350 | 712,471 | 375,110 | 305,336 | 588,373 | - | - | 2,262,894 |
| Acquisition on business combinations (Note 6) | 124,464 | 878 | 1,729,230 | 2,646,073 | - | - | - | 93,444 | 4,594,089 |
| Additions | - | - | - | - | - | - | 74,845 | - | 74,845 |
| Transfer from construction in progress | - | 133,941 | - | - | - | - | - | - | 133,941 |
| Transfer to long-term prepayments | (32,295) | (1,761) | - | - | - | - | - | - | (34,056) |
| Reclassifications | 42 | (40) | - | - | - | (2) | - | - | - |
| Closing balance | 262,465 | 244,368 | 2,441,701 | 3,021,183 | 305,336 | 588,371 | 74,845 | 93,444 | 7,031,713 |
| Accumulated amortisation | | | | | | | | | |
| Opening balance | 24,053 | 30,304 | 188,375 | 211,107 | 4,990 | 5,369 | - | - | 464,198 |
| Charge for the period | 2,795 | 8,666 | 61,711 | 65,657 | 1,302 | 15,275 | 1,084 | 3,168 | 159,658 |
| Transfer to long-term prepayments | (3,851) | (1,761) | - | - | - | - | - | - | (5,612) |
| Reclassifications | 42 | (41) | - | (1) | - | - | - | - | - |
| Closing balance | 23,039 | 37,168 | 250,086 | 276,763 | 6,292 | 20,644 | 1,084 | 3,168 | 618,244 |
| Net book value | | | | | | | | | |
| Opening balance | 146,201 | 81,046 | 524,096 | 164,003 | 300,346 | 583,004 | - | - | 1,798,696 |
| Closing balance | 239,426 | 207,200 | 2,191,615 | 2,744,420 | 299,044 | 567,727 | 73,761 | 90,276 | 6,413,469 |

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Included in the cost of intangible fixed assets were assets costing VND19,041 million which were fully amortised as of 30 June 2015 (1/1/2015: VND15,031 million), but which are still in use.

As at 30 June 2015, intangible fixed assets with a carrying value of VND631 billion (1/1/2015: VND652 billion) were pledged with banks as security for long-term bonds issued by a subsidiaries and land use rights with a carrying value of VND63,404 million (1/1/2015: VND70,093 million) were pledged with banks as security for loans granted to the Group's subsidiaries (see Note 21).

Company

| | Software VND million |
|---------------------------------|---------------------------------|
| Cost | |
| Opening and closing balance | 4,532 |
| Accumulated amortisation | |
| Opening balance | 2,261 |
| Charge for the period | 552 |
| Closing balance | 2,813 |
| Net book value | |
| Opening balance | 2,271 |
| Closing balance | 1,719 |

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14. Construction in progress

| | <u>Group</u> | | <u>Company</u> | |
|--|---|--|---|--|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 31/12/2014 VND million | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 31/12/2014 VND million |
| Opening balance | 3,811,051 | 20,042,933 | - | 10,021 |
| Acquisition on business combinations (Note 6) | 223,192 | 2,799 | - | - |
| Additions during the period/year | 1,323,075 | 3,356,972 | - | 1,093 |
| Transfer to tangible fixed assets | (288,535) | (17,154,847) | - | (4,313) |
| Transfer to intangible fixed assets | (133,941) | (67,048) | - | - |
| Transfer to short-term prepayments | (1,665) | (6,594) | - | - |
| Transfer from/(to) long-term prepayments | 15,833 | (972,598) | - | (63) |
| Disposals | (825) | (5,263) | - | (4,521) |
| Written off | - | (2,217) | - | (2,217) |
| Reimbursement of resettlement cost, transfer to other receivables | - | (1,383,086) | - | - |
| Closing balance | 4,948,185 | 3,811,051 | - | - |

As at 30 June 2015, construction in progress with carry amount of VND39,632 million were pledged with banks as security for loans granted to the Group's subsidiaries (1/1/2015: Nil) (see Note 21).

During the period, borrowing costs capitalised into construction in progress amounted to VND179,580 million (for the year ended 31 December 2014: VND412,373 million).

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15. Long-term prepayments

Group

| | Mining properties | Pre- operating expenses | Prepaid land costs | Land compensation costs | Printing axes | Tools and supplies | Borrowing fees | Foreign exchange differences | Others | Total |
|---|------------------------------|--|-------------------------------|--|--------------------------|-------------------------------|---------------------------|---|--------------------|--------------------|
| | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million |
| Opening balance | - | 284,985 | 2,171 | 632,994 | 46 | 12,434 | 386,044 | 35,927 | 14,991 | 1,369,592 |
| Additions | 57,309 | 6,780 | 2,293 | - | - | 6,839 | 142 | - | 16,907 | 90,270 |
| Acquisition on business combinations (Note 6) | - | - | 93,572 | - | - | 11,825 | - | - | 15,260 | 120,657 |
| Transfer from/(to) construction in progress | 21,625 | - | - | - | - | 5,938 | - | (43,793) | 397 | (15,833) |
| Transfers from/(to) tangible fixed assets | 793,455 | (53,475) | - | - | - | - | - | - | - | 739,980 |
| Transfers from intangible fixed assets | - | - | 28,444 | - | - | - | - | - | - | 28,444 |
| Transfer from short-term prepayments | - | - | - | - | - | 1,465 | - | - | - | 1,465 |
| Amortisation for the period | (12,712) | (62,465) | (1,637) | (16,513) | (46) | (18,040) | (45,949) | (3,528) | (5,689) | (166,579) |
| Reclassifications | - | (14,837) | - | - | - | - | (110,262) | 11,394 | 113,705 | - |
| Transfer to long-term borrowings and finance lease liabilities | - | - | - | - | - | - | (229,975) | - | - | (229,975) |
| Disposals | - | - | - | - | - | (48) | - | - | - | (48) |
| Closing balance | 859,677 | 160,988 | 124,843 | 616,481 | - | 20,413 | - | - | 155,571 | 1,937,973 |

As at 30 June 2015, certain prepaid amounts of the Group were pledged with banks as security for loans granted to subsidiaries (see Note 21)

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Company

| | Borrowing fees VND million | Others VND million | Total VND million |
|--|---------------------------------------|-------------------------------|------------------------------|
| Opening balance | 35,969 | 6,319 | 42,288 |
| Additions | - | 45 | 45 |
| Transfer to long-term borrowings and finance lease liabilities | (35,278) | - | (35,278) |
| Amortisation for the period | (691) | (1,359) | (2,050) |
| Closing balance | - | 5,005 | 5,005 |

16. Deferred tax assets and liabilities

(i) Recognised deferred tax assets and liabilities

| | 30/6/2015 VND million | Group 1/1/2015 VND million |
|--|----------------------------------|---|
| Deferred tax assets: | | |
| Accrued sales discount | 6,244 | 12,770 |
| Accrued advertising and promotion expenses | 78,523 | 71,916 |
| Accrued transportation costs | 23,686 | 19,116 |
| Other accruals | 90,940 | 9,988 |
| Unrealised profits on intra-group transactions | 7,153 | 3,701 |
| Provision for doubtful debts | 1,643 | - |
| Other long-term liabilities | 8,211 | - |
| Total deferred tax assets | 216,400 | 117,491 |
| Deferred tax liabilities: | | |
| Construction in progress | (848,592) | (730,050) |
| Tangible fixed assets | (717,143) | (19,111) |
| Intangible fixed assets | (34,802) | (183,626) |
| Total deferred tax liabilities | (1,600,537) | (932,787) |
| | (1,384,137) | (815,296) |

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(ii) Movement in temporary differences during the year

| | | Group | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 1/1/2015 | Acquisition | Recognised | 30/6/2015 |
| | VND million | on business | in income | VND million |
| | | combination | VND million | |
| | | VND million | | |
| Accrued sales discount | 12,770 | - | (6,526) | 6,244 |
| Accrued advertising and promotion expenses | 71,916 | - | 6,607 | 78,523 |
| Accrued transportation costs | 19,116 | - | 4,570 | 23,686 |
| Other accruals | 9,988 | 70,810 | 10,141 | 90,939 |
| Unrealised profit on intra-group transactions | 3,701 | 1,224 | 2,229 | 7,154 |
| Provision for doubtful debts | - | 1,643 | - | 1,643 |
| Other long-term liabilities | - | 376 | 7,835 | 8,211 |
| Construction in progress | (730,050) | - | 12,907 | (717,143) |
| Tangible fixed assets | (19,111) | (18,064) | 2,373 | (34,802) |
| Intangible fixed assets | (183,626) | (685,382) | 20,416 | (848,592) |
| | | | | |
| | (815,296) | (629,393) | 60,552 | (1,384,137) |

17. Goodwill

| | 30/6/2015 |
|--|--------------------|
| | VND million |
| Cost | |
| Opening balance | 942,834 |
| Acquisition on business combination (Note 6) | 364,768 |
| | |
| Closing balance | 1,307,602 |
| Accumulated amortisation | |
| Opening balance | 150,480 |
| Amortisation during the period | 59,243 |
| | |
| Closing balance | 209,723 |
| Net book value | |
| Opening balance | 792,354 |
| Closing balance | 1,097,879 |

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18. Taxes payable to State Treasury

| | <u>Group</u> | | <u>Company</u> | |
|-------------------------|--------------|-------------|----------------|-------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Corporate income tax | 211,452 | 736,476 | - | - |
| Value added tax | 53,694 | 78,677 | - | - |
| Natural resource taxes | - | 70,461 | - | - |
| Personal income tax | 23,129 | 32,669 | - | - |
| Special consumption tax | 14,604 | 27,451 | - | - |
| Import-export tax | 58 | 7,457 | - | - |
| Foreign contractor tax | 4,022 | - | - | - |
| Other taxes | 1,363 | 9,359 | - | 1,127 |
| | 308,322 | 962,550 | - | 1,127 |

19. Accrued expenses

| | <u>Group</u> | | <u>Company</u> | |
|---|--------------|-------------|----------------|-------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Accrued interest payable | 584,447 | 507,510 | 200,631 | 192,767 |
| Advertising and promotion expenses | 677,506 | 476,995 | - | - |
| Accruals for construction work | 164,297 | 192,614 | - | - |
| Bonus and 13 th month salary | 65,186 | 112,489 | - | - |
| Transportation expenses | 129,843 | 103,563 | - | - |
| Withholding tax | 153,503 | 79,257 | 358 | 334 |
| Natural resource taxes and fees | 129,259 | 77,125 | - | - |
| Sales discount | 144,945 | 70,622 | - | - |
| Consultant fee | 61,482 | 55,044 | 21,921 | 21,328 |
| Accruals for inventories purchased | 70,536 | 10,401 | - | - |
| Exhibition and market research expenses | 69,590 | 15,193 | - | - |
| Traditional customer support fee | 19,666 | - | - | - |
| IT services | 26,685 | - | - | - |
| Others | 324,082 | 161,718 | 738 | 810 |
| | 2,621,027 | 1,862,531 | 223,648 | 215,239 |

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20. Other payables

| | <u>Group</u> | | <u>Company</u> | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Other short-term payables | | | | |
| Social and health insurance | 10,302 | 104 | - | - |
| Short-term deposits from customers | 17,255 | 935 | 155 | 155 |
| Purchase of shares in a subsidiary and associate | - | 1,739,738 | - | 1,500,558 |
| Dividends payable | 112,902 | 54,672 | - | - |
| Obligation to issue shares (*) | 60,561 | - | 60,561 | - |
| Others | 137,548 | 71,289 | 120,370 | 54,611 |
| | 338,568 | 1,866,738 | 181,086 | 1,555,324 |
| Other long-term liabilities | | | | |
| Long-term payables | - | 93,043 | - | 14,580 |
| Obligation to issue shares (*) | - | 60,561 | - | 60,561 |
| Long-term deposits | 26,223 | 24,297 | - | - |
| Long-term dividend payable | 52,214 | - | - | - |
| Others | 2,584 | - | - | - |
| | 81,021 | 177,901 | - | 75,141 |

(*) Obligation to issue shares represents the liability to issue an additional variable number of shares as noted in Note 25.

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21. Borrowings, bonds and finance lease liabilities

| | <u>Group</u> | | <u>Company</u> | |
|---|--------------|-------------|----------------|-------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Short-term borrowings | | | | |
| Short-term borrowings (*) | 5,785,912 | 5,329,971 | - | - |
| Current portion of long-term borrowings (b)(i) | 680,919 | 712,307 | 567,960 | 567,960 |
| | 6,466,831 | 6,042,278 | 567,960 | 567,960 |
| Long-term borrowings, bonds and financial lease liabilities (**) | | | | |
| Long-term borrowings, bonds and financial lease liabilities | 31,066,979 | 18,234,277 | 5,873,099 | 5,267,960 |
| Repayable within twelve months | (680,919) | (712,307) | (567,960) | (567,960) |
| | 30,386,060 | 17,521,970 | 5,305,139 | 4,700,000 |

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(*) Short-term borrowings

| | 1/1/2015 | | Movement during the period | | | | | 30/6/2015 | |
|--|--|---|--|--------------------------------------|------------------------------------|---|---|--|---|
| | Carrying amount VND million | Amount within repayment capacity VND million | Acquisition of subsidiaries VND million | Additions VND million | Payment VND million | Unrealised foreign exchange loss VND million | Reclassifica tions from long-term borrowings VND million | Carrying amount VND million | Amount within repayment capacity VND million |
| Short-term borrowings | 5,329,971 | 5,329,971 | 682,900 | 8,462,022 | (8,713,880) | 24,899 | - | 5,785,912 | 5,785,912 |
| Current portion of long-term borrowings (b)(i) | 712,307 | 712,307 | - | - | (38,380) | - | 6,992 | 680,919 | 680,919 |
| | 6,042,278 | 6,042,278 | 682,900 | 8,462,022 | (8,752,260) | 24,899 | 6,992 | 6,466,831 | 6,466,831 |

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

| | Currency | Annual interest rate | <u>Group</u> | | <u>Company</u> | |
|------------------------------|----------|-------------------------|--------------|-------------|----------------|-------------|
| | | | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | | | VND million | VND million | VND million | VND million |
| Short-term borrowings | | | | | | |
| Secured bank loans | VND | 3.8% - 4.1% | 191,281 | - | - | - |
| Secured bank loans | USD | 7.5% | 63,680 | - | - | - |
| Secured bank loans | VND | 3.8% - 4.6% | 785,505 | 3,327,030 | - | - |
| Secured bank loans | USD | 5.3% - 5.5% | 1,313,734 | 1,035,382 | - | - |
| Unsecured bank loan | VND | 3.9% - 5.6% | 2,739,172 | - | - | - |
| Unsecured bank loan | USD | 1.4% - 3.0% | 200,563 | - | - | - |
| Unsecured bank loan | VND | 4.6% - 6.0% | 103,783 | 928,228 | - | - |
| Unsecured loan | USD | 6.0% | 364,038 | - | - | - |
| Unsecured loan | USD | 8.5% | 24,156 | 39,331 | - | - |
| | | | 5,785,912 | 5,329,971 | - | - |

As at 30 June 2015, the bank loans were secured by the following assets of the Group:

- (i) Inventories and accounts receivables from customers with a carrying amount of VND2,551,999 million (1/1/2015: USD18 million, equivalent to VND384,570 million).
- (iii) Fixed assets with a carrying value of VND1,403,410 million as of 30 June 2015 (1/1/2015: VND885,297 million). Part of these fixed assets with carrying value of VND1,371,784 million as of 30 June 2015 (1/1/2015: VND853,081 million) was also used as security for long-term borrowings and according, included in the amount of security disclosed in Note 21(**).
- (iv) 65 million shares of Ma San Resources Corporation.

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() Long-term borrowings, bonds and financial lease liabilities**

| | <u>Group</u> | | <u>Company</u> | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Long-term borrowings (a) | 4,509,606 | 4,015,513 | 629,000 | - |
| Convertible loans (b) | 567,960 | 567,960 | 567,960 | 567,960 |
| Straight bonds (c) | 25,943,589 | 13,600,000 | 4,676,139 | 4,700,000 |
| Finance lease liabilities (d) | 45,824 | 50,804 | - | - |
| | 31,066,979 | 18,234,277 | 5,873,099 | 5,267,960 |
| Repayable within twelve months | (680,919) | (712,307) | (567,960) | (567,960) |
| Repayable after twelve months | 30,386,060 | 17,521,970 | 5,305,139 | 4,700,000 |

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

| | | | | <u>Group</u> | | <u>Company</u> | |
|---|----------|--------------------------------|---------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|
| | Currency | Interest rate per annum | Year of maturity | 30/6/2015 VND million | 1/1/2015 VND million | 30/6/2015 VND million | 1/1/2015 VND million |
| a. Long-term borrowings | | | | | | | |
| Secured bank loans | VND | 9.5% | 2017 | 373,200 | - | - | - |
| Secured bank loans | VND | 6.9% - 11.0% | 2017-2020 | 312,656 | 276,637 | - | - |
| Secured bank loans | USD | Libor + 3.5% - Libor + 4.5% | 2016 | 3,823,750 | 3,738,876 | - | - |
| Unsecured loan from a subsidiary | VND | 8.0% | 2018 | - | - | 629,000 | - |
| | | | | 4,509,606 | 4,015,513 | 629,000 | - |
| b. Convertible loans | | | | | | | |
| Jade Dragon (Mauritius) Limited | USD | 2.0% - 6.0% | 2015 | 567,960 | 567,960 | 567,960 | 567,960 |
| c. Straight bonds (excluding issuance costs) | | | | | | | |
| | VND | 8.0% - 12.5% | 2016-2024 | 26,300,000 | 13,600,000 | 4,700,000 | 4,700,000 |
| d. Finance lease liability | | | | | | | |
| | VND | 14.0% | 2018 | 45,824 | 50,804 | - | - |

(a) Long-term borrowings

As at 30 June 2015, long-term borrowings of the Group comprised of:

- (i) VND denominated loans amounting to VND373,200 million were secured over 38 million shares of Ma San Resources Corporation.
- (ii) VND denominated loans amounting to VND312,656 million (1/1/2015: VND276,637 million) secured over certain fixed assets with a carrying amount of VND1,371,784 million, construction in progress of VND39,632 million and long-term prepaid expenses of VND23,106 million (1/1/2015: VND853,081 million of fixed assets).

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- (iii) USD175 million USD denominated loan from J.P Morgan amounting to VND3,823,750 million (1/1/2015: USD175 million, equivalent to VND3,738,876 million) were secured by MSC's investments in subsidiaries with carrying value of VND3,469,100 million (1/1/2015: 1,709,804 million). USD150 million, equivalent to VND3,277,500 million was insured by Multilateral Investment Guarantee, a member of the World Bank (1/1/2015: USD150 million of the loans, equivalent to VND3,204,750 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 2015 is repayable in one instalment on the termination date, which is on 15 August 2016. As of the date of issuance of these interim financial statements, these bank loans were early repaid. Please see Note 42 – Post balance sheet events for further information.

As at 30 June 2015, long-term borrowings of the Company comprised of an unsecured loan from a subsidiary amounted to VND629,000 million with a maturity of 3 years at an interest rate of 8.0% per annum.

(b) Convertible loan

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 2.0% per annum and 6.0% per annum respectively. During the period from 15 December 2012 to 14 December 2013 the nominal interest rate and deferred interest rate are 4.0% per annum and 4.0% per annum respectively. During the period from 15 December 2013 to 14 December 2015 the nominal interest rate and deferred interest rate are 6.0% per annum and 2.0% 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 Masan 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.

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(c) Straight bonds

The secured bonds of the Group amounting to VND26,300 billion (excluding issuance costs) comprised the following:

- (i) VND2,200 billion bonds included VND1,000 billion of the bonds at an interest rate of 11.0% per annum; VND1,200 billion bear coupon of 3.0% 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 4.0% 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;
- (iii) VND6,800 billion bonds with a maturity of 5 years at an interest rate of 11.0% per annum in first 12 months and 4.0% per annum plus the amalgated average 12 months deposit rates of selected major banks in the remaining months. The bonds were secured over certain fixed assets of a subsidiary of the Company;
- (iv) VND2,100 billion with a maturity of 10 years at an interest rate of 8.0% per annum in 10 years. The bonds were guaranteed by Credit Guarantee and Investment Facility and secured over 80.3 million shares of MSC;
- (v) VND9,000 billion with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and secured over 129.7 million shares of MSC; and
- (vi) VND3,700 billion with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.5% plus the amalgated average 12 months deposit rates of selected major banks in the remaining periods and secured over MNS's equity interest in Anco and Proconco.

The secured bonds of the Company amounting to VND4,700 billion comprised of (i) and (ii) as mentioned above.

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

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(d) Finance lease liability

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

| | 30 June 2015 | | | 1 January 2015 | | |
|--------------------------|---------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|
| | Payments | Interest | Principal | Payments | Interest | Principal |
| | VND million | VND million | VND million | VND million | VND million | VND million |
| Within one year | 20,364 | 5,976 | 14,388 | 20,364 | 6,788 | 13,576 |
| Within two to five years | 36,029 | 4,593 | 31,436 | 43,861 | 6,633 | 37,228 |
| | 56,393 | 10,569 | 45,824 | 64,225 | 13,421 | 50,804 |

22. Provisions – long-term

| | Group | |
|-----------------------------------|--------------------|--------------------|
| | 30/6/2015 | 1/1/2015 |
| | VND million | VND million |
| Provision for mining rights fee | 611,379 | 588,373 |
| Provision for mine rehabilitation | 20,237 | 19,485 |
| Provision for sales discount | 63,313 | - |
| Provision for severance allowance | 35,229 | 2,689 |
| | 730,158 | 610,547 |

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

| | Group | | | |
|--------------------------------------|----------------------|----------------------------|----------------------|----------------------------|
| | Mining rights | Mine rehabilitation | Sale discount | Severance allowance |
| | VND million | VND million | VND million | VND million |
| Opening balance | 588,371 | 19,487 | - | 2,689 |
| Acquisition on business combinations | - | - | 55,365 | 32,904 |
| Provision made during the period | 23,008 | 750 | 7,948 | - |
| Written back | - | - | - | (364) |
| Closing balance | 611,379 | 20,237 | 63,313 | 35,229 |

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23. 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 | Undistributed profits after tax VND million | Equity attributable to equity holders of Company VND million | Non- controlling 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 non-controlling interest in MSC | - | - | - | - | 325,390 | - | 325,390 | (509,457) | (184,067) |
| Transaction with non-controlling interest in MR | - | - | - | - | (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) |
| Appropriation to bonus and welfare 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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| | Share Capital | Capital surplus | Other capital | Other reserves | Undistributed profits after tax | Equity attributable to equity holders of Company | Non- controlling interests | Total |
|---|--------------------------|----------------------------|--------------------------|---------------------------|--|---|---|--------------------|
| | VND million | VND million | VND million | VND million | VND million | VND million | VND million | VND million |
| <i>Balance at 1 January 2015 - as previously stated</i> | 7,358,081 | 9,631,164 | 97,703 | (9,142,752) | 7,071,887 | 15,016,083 | 6,909,056 | 21,925,139 |
| <i>Reclassification</i> | - | - | (9,142,752) | 9,142,752 | - | - | - | - |
| Balance at 1 January 2015 – as reclassified | 7,358,081 | 9,631,164 | (9,045,049) | - | 7,071,887 | 15,016,083 | 6,909,056 | 21,925,139 |
| Transactions with non-controlling interest in MR (Note 8(e)) | - | - | - | - | (22,569) | (22,569) | 63,423 | 40,854 |
| Business combination in MNS (Note 6) | - | - | - | - | - | - | 3,982,267 | 3,982,267 |
| Net profit for the period | - | - | - | - | 363,826 | 363,826 | 309,012 | 672,838 |
| Dividend declared | - | - | - | - | - | - | (666,846) | (666,846) |
| Appropriation to bonus and welfare funds | - | - | - | - | (1,789) | (1,789) | (1,225) | (3,014) |
| Balance at 30 June 2015 | 7,358,081 | 9,631,164 | (9,045,049) | - | 7,411,355 | 15,355,551 | 10,595,687 | 25,951,238 |

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Company

| | Share capital VND million | Capital surplus VND million | Other capital VND million | Other reserves VND million | Undistributed profits after tax VND million | Total VND million |
|---|--------------------------------------|--|--------------------------------------|---------------------------------------|--|------------------------------|
| 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 |
| <i>Balance at 1 January 2015 – as previously stated</i> | 7,358,081 | 9,631,164 | 97,703 | (1,586,675) | 2,030,845 | 17,531,118 |
| <i>Reclassification</i> | - | - | (1,586,675) | 1,586,675 | - | - |
| Balance at 1 January 2015 – as reclassified | 7,358,081 | 9,631,164 | (1,488,972) | - | 2,030,845 | 17,531,118 |
| Net loss for the period | - | - | - | - | (368,646) | (368,646) |
| Balance at 30 June 2015 | 7,358,081 | 9,631,164 | (1,488,972) | - | 1,662,199 | 17,162,472 |

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24. Share capital and capital surplus

The Company's authorised and issued share capital comprises:

| | 30/6/2015 | | 1/1/2015 | |
|---------------------------------|-----------------------------|------------------------|-----------------------------|------------------------|
| | Number of shares | VND million | Number of shares | VND million |
| Authorised share capital | 735,808,140 | 7,358,081 | 735,808,140 | 7,358,081 |
| Issued share capital | | | | |
| Ordinary shares | 735,808,140 | 7,358,081 | 735,808,140 | 7,358,081 |
| Capital surplus | - | 9,631,164 | - | 9,631,164 |

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 year were as follows:

| | From 1/1/2015 to 30/6/2015 | | From 1/1/2014 to 31/12/2014 | |
|--|---------------------------------------|------------------------|--|------------------------|
| | Number of shares | VND million | Number of shares | VND million |
| Balance at beginning of the period/year | 735,808,140 | 7,358,081 | 734,911,338 | 7,349,113 |
| Issuance of new shares to settle debt instruments | - | - | 896,802 | 8,968 |
| Balance at the end of the period/year | 735,808,140 | 7,358,081 | 735,808,140 | 7,358,081 |

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25. Other capital

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

| | 30/6/2015 and 1/1/2015 | | | |
|-----------------------------------|-------------------------------|------------------------|-----------------------------|---|
| | Group | | Company | |
| | Number of shares | VND million | Number of shares | VND million Reclassified |
| Parent company credit support (*) | 2,450,353 | 97,703 | 2,450,353 | 97,703 |
| Other reserves reclassification | - | (9,142,752) | - | (1,586,675) |
| | 2,450,353 | (9,045,049) | 2,450,353 | (1,488,972) |

- (*) 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.

Among others, the agreements provide the following:

- (i) The convertible loan bear semi-annual coupons of 5.0% per annum in year one, 6.0% per annum in years two and three, and 7.0% per annum for the remaining term of the convertible loan. A deferred interest which would achieve an effective rate of return of 10.0% 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 1 January 2015 and 30 June 2015.

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26. Off balance sheet items

(a) Lease

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

| | <u>Group</u> | | <u>Company</u> | |
|--------------------------|---------------------|--------------------|-----------------------|--------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Within one year | 155,861 | 39,061 | 7,448 | 6,766 |
| Within two to five years | 229,663 | 38,729 | 4,194 | 7,201 |
| More than five years | 159,925 | 3,676 | - | - |
| | 545,449 | 81,466 | 11,642 | 13,967 |

(b) Capital expenditure

As at reporting date, the following outstanding capital commitments have been approved but not provided for in the balance sheet:

| | <u>Group</u> | | <u>Company</u> | |
|-----------------------------|---------------------|--------------------|-----------------------|--------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Approved and contracted | 1,165,256 | 358,541 | - | - |
| Approved but not contracted | 1,125,653 | 1,898,417 | - | - |
| | 2,290,909 | 2,256,958 | - | - |

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27. Revenue from sales of goods and provision of service

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 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| Total revenue | | | | |
| ▪ Sales of finished goods | 10,570,946 | 6,853,363 | - | - |
| ▪ Services and other sales | 53,571 | 102,147 | - | - |
| | 10,624,517 | 6,955,510 | - | - |
| Less sales deductions | | | | |
| ▪ Sales discounts | (179,462) | (79,787) | - | - |
| ▪ Sales returns | (31,227) | (24,496) | - | - |
| | (210,689) | (104,283) | - | - |
| | 10,413,828 | 6,851,227 | - | - |

28. Cost of sales

| | <u>Group</u> | | <u>Company</u> | |
|-----------------------------|---|--|---|---|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| Total cost of sales | | | | |
| ▪ Finished goods sold | 6,704,659 | 4,172,271 | - | - |
| ▪ Promotion goods | 97,034 | 66,661 | - | - |
| ▪ Services and other sales | 19,861 | 10,086 | - | - |
| ▪ Allowance for inventories | 68,015 | 31,119 | - | - |
| | 6,889,569 | 4,280,137 | - | - |

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29. Financial income

| | <u>Group</u> | | <u>Company</u> | |
|-----------------------------------|---|---|---|---|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| Interest income from: | | | | |
| • Deposits | 165,562 | 215,196 | 12,729 | 14,917 |
| • Loans to subsidiaries | - | - | 316,421 | 467,889 |
| • Other loan investing activities | 41,494 | 25,979 | 27,686 | - |
| Foreign exchange gains | 26,610 | 13,739 | 722 | 683 |
| Dividend income | - | - | - | 3,169,052 |
| Others (*) | 317,711 | 17,553 | - | - |
| | <hr/> 551,377 | <hr/> 272,467 | <hr/> 357,558 | <hr/> 3,652,541 |

(*) Included in others are income received from non-controlling interests of a subsidiary.

30. Financial expenses

| | <u>Group</u> | | <u>Company</u> | |
|---------------------------------|---|---|---|---|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| Interest expense on loans from: | | | | |
| • Banks | 162,007 | 266,343 | - | - |
| • Bondholders | 799,293 | 473,511 | 301,489 | 350,656 |
| • Subsidiary | - | - | 7,996 | 222,980 |
| • Others | 9,589 | - | 401 | - |
| Foreign exchange losses | 165,846 | 59,370 | 718 | 14 |
| Others | 32,305 | 82,539 | 368 | - |
| | <hr/> 1,169,040 | <hr/> 881,763 | <hr/> 310,972 | <hr/> 573,650 |

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31. Share of profit in associates

| | Group | |
|---|---|---|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| Share of profit in associates | 251,781 | 373,148 |
| Adjustment arising from purchase price allocation and goodwill amortisation | - | (331,654) |
| | <hr/> 251,781 | <hr/> 41,494 |

32. Selling expenses

| | Group | | Company | |
|-----------------------------------|---|--|---|---|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| Promotion and advertising expense | 826,338 | 717,826 | - | - |
| Transportation expense | 426,663 | 316,370 | - | - |
| Staff cost | 165,410 | 141,959 | - | - |
| Exhibition expense | 43,434 | 60,717 | - | - |
| Outside services | 23,843 | 2,724 | - | - |
| Other expenses | 55,451 | 33,647 | - | - |
| | <hr/> 1,541,139 | <hr/> 1,273,243 | <hr/> - | <hr/> - |

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33. General and administration expenses

| | <u>Group</u> | | <u>Company</u> | |
|--|---|---|---|---|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| Staff cost | 269,643 | 187,448 | 44,091 | 26,573 |
| Amortisation of fair value uplift of fixed assets arisen in business combination | 147,420 | 86,596 | - | - |
| Amortisation of goodwill | 59,243 | 26,047 | - | - |
| Depreciation and amortisation of fixed assets | 39,427 | 59,738 | 2,990 | 9,183 |
| Research and development | 14,022 | 16,251 | - | - |
| System lease line and IT services | 52,969 | 6,091 | - | - |
| Office rental | 14,376 | 11,057 | - | - |
| Outside services | 105,247 | 56,382 | 9,015 | 22,703 |
| Other expenses (*) | 4,362 | 56,246 | 366,624 | 11,419 |
| | 706,709 | 505,856 | 422,720 | 69,878 |

(*) Included in Other expenses of the Company is expense to a subsidiary.

34. Other income

| | <u>Group</u> | | <u>Company</u> | |
|-------------------------------------|---|--|---|--|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified |
| Gain from disposals of fixed assets | 1,960 | 1,520 | - | - |
| Others | 21,359 | 15,528 | 7,538 | 8,379 |
| | 23,319 | 17,048 | 7,538 | 8,379 |

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35. Other expenses

| | <u>Group</u> | | <u>Company</u> | |
|---|---|--|---|--|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million Reclassified |
| Loss from fixed assets, construction in progress and other assets disposed | 3,758 | 3,913 | - | 1,433 |
| Others | 20,808 | 1,015 | 50 | - |
| | 24,566 | 4,928 | 50 | 1,433 |

36. Income tax

(a) Recognised in the statement of income

| | <u>Group</u> | | <u>Company</u> | |
|--|---|---|---|---|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
| Current tax expense | | | | |
| Current year | 296,999 | 336,703 | - | - |
| Over provision in prior periods/years | (3) | (7,215) | - | - |
| | 296,996 | 329,488 | - | - |
| Deferred tax expense/(benefit) | | | | |
| Origination and reversal of temporary differences | (72,252) | (49,157) | - | - |
| Effect of change in tax rate | 11,700 | - | - | - |
| | (60,552) | (49,157) | - | - |
| Income tax expense | 236,444 | 280,331 | - | - |

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(b) Reconciliation of effective tax rate

Group

| | From 1/1/2015 to 30/6/2015 | | From 1/1/2014 to 30/6/2014 | |
|--|-----------------------------------|--------------------|-----------------------------------|--------------------|
| | % | VND million | % | VND million |
| Profit before tax | 100% | 909,282 | 100% | 236,309 |
| Tax at the Company's income tax rate | 22.00% | 200,042 | 22.00% | 51,988 |
| Effect of different tax rates in subsidiaries | (0.53%) | (4,804) | 3.17% | 7,486 |
| Effect of intra-group transactions | (0.23%) | (2,114) | 21.22% | 50,146 |
| Utilisation of unrecognised deferred tax assets on temporary differences | 0.19% | 1,736 | - | - |
| Non-deductible expenses | 8.81% | 80,093 | 5.16% | 12,198 |
| Effect of share of associates net of tax | (6.09%) | (55,392) | (3.86%) | (9,129) |
| Effect of different tax rates in temporary differences | 1.08% | 9,839 | - | - |
| Deferred tax assets not recognised | 21.66% | 196,978 | 92.47% | 218,523 |
| Tax exempt income | 0.16% | 1,417 | - | - |
| Tax incentive | (15.40%) | (140,071) | - | - |
| Over provision in prior periods/years | 0.00% | (3) | (3.05%) | (7,215) |
| Effect of change in tax rate | - | - | (16.91%) | (39,967) |
| Effect of share of profit in an associate | (0.24%) | (2,211) | - | - |
| Tax loss utilised | (5.40%) | (49,066) | (1.57%) | (3,699) |
| | 26.00% | 236,444 | 118.63% | 280,331 |

Company

| | From 1/1/2015 to 30/6/2015 | | From 1/1/2014 to 30/6/2014 | |
|------------------------------------|-----------------------------------|--------------------|-----------------------------------|--------------------|
| | % | VND million | % | VND million |
| (Loss)/profit before tax | 100% | (368,647) | 100% | 3,015,959 |
| Tax at CIT rate applicable | 22.00% | (81,102) | 22.00% | 663,511 |
| Tax exempt income | - | - | 23.12% | (697,191) |
| Non-deductible expenses | 21.53% | 79,366 | 0.02% | 545 |
| Deferred tax assets not recognised | 0.47% | 1,736 | 1.10% | 33,135 |
| | - | - | - | - |

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(c) Applicable tax rates

The Company has an obligation to pay the government corporate income tax (“CIT”) at the rate of 22% of taxable profits.

The usual income tax rate applicable to enterprises before any incentives is 22% for 2014 and 2015, and will be reduced to 20% from 2016.

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.

37. 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 | From |
|---------------------------------|--|---|---|
| | | 1/1/2015 to 30/6/2015 VND million | 1/1/2014 to 30/6/2014 VND million |
| Key management personnel | Remuneration to key management personnel (*) | 27,995 | 19,998 |

(*) *No board fees were paid to Board of Directors members for the six-month periods ended 30 June 2015 and 30 June 2014.*

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Company

| Related Party | Nature of transaction | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
|---|---|---|---|
| Subsidiaries | | | |
| Masan Consumer Holdings Company Limited | Interest income from loan provided | - | 1,523 |
| | Dividend income | - | 1,928,252 |
| | Sale of shares to a subsidiary | - | 3,591,682 |
| | Loan provided to a subsidiary | - | 160,865 |
| | Loan collected from a subsidiary | - | 154,200 |
| Masan Consumer Corporation (formerly known as Ma San Consumer Corporation) | Loans received from a subsidiary | - | 735,000 |
| | Interest expense on long-term loans | - | 222,980 |
| | Dividend income | - | 1,240,800 |
| | Loan repaid to a subsidiary through assignment of loan to another subsidiary | - | 7,709,298 |
| | Loan repaid to a subsidiary through net off dividend | - | 1,435,702 |
| | Interest repaid to a subsidiary through assignment of loan to another subsidiary | - | 2,831,626 |
| Masan Brewery Company Limited | Acquisition of a subsidiary | - | 1,246,496 |
| | Loan provided to a subsidiary | - | 475,657 |
| | Loan collected from a subsidiary | 79,569 | 452,577 |
| Masan Horizon Corporation (formerly known as Ma San Horizon Corporation) | Interest income from loan provided | 1,346 | 24,831 |
| | Loan provided to a subsidiary | 3,196 | 932,463 |
| | Interest income from loan provided | 266,295 | 225,536 |
| Ma San Resources Corporation | Interest income from loan provided | 37,457 | 105,411 |
| Nui Phao Mining Company Limited | Interest income from loan provided | - | 110,588 |
| | Loan provided to a subsidiary | 11,322 | 210,000 |
| | Financial support | 360,000 | - |
| Kenji Company Limited | Interest expense from loan provided | 7,996 | - |
| | Loans received from a subsidiary | 629,000 | - |
| Key management personnel | Remuneration to key management personnel (*) | 4,701 | 2,909 |

(*) *No board fees were paid to Board of Directors members for the six-month periods ended 30 June 2015 and 30 June 2014.*

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38. Earnings per share

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share for the period ended 30 June 2015 was based on the net profit attributable to ordinary shareholders of VND363,826 million (the net loss for six-month period ended 30 June 2014: VND333,330 million) of the Group and a weighted average number of ordinary shares outstanding of 747,258,493 shares during the period (the six-month period ended 30 June 2014: 746,361,691 shares).

For the purpose of calculating basic 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 follows:

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

| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
|---|---|---|
| Net profit/(loss) attributable to ordinary shareholders | 363,826 | (333,330) |

(ii) Weighted average number of ordinary shares

| | From 1/1/2015 to 30/6/2015 | From 1/1/2014 to 30/6/2014 |
|---|---------------------------------------|---------------------------------------|
| Issued ordinary shares at the beginning of the period | 735,808,140 | 734,911,338 |
| Effect of shares to be issued solely after the passage of time | 11,450,353 | 11,450,353 |
| Weighted average number of ordinary shares at the end of the period | 747,258,493 | 746,361,691 |

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share for the periods ended 30 June 2015 and 30 June 2014 was based on net profit/(loss) attributable to shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares.

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

| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 30/6/2014 VND million |
|--|---|---|
| Net profit/(loss) attributable to shareholders | 363,826 | (333,330) |

Potential dilutive ordinary shares have no income effect on the net profit attributable to shareholders for the six month period ended 30 June 2015 (from 1/1/2014 to 30/6/2014: Nil).

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

| | From 1/1/2015 to 30/6/2015 | From 1/1/2014 to 30/6/2014 |
|--|---------------------------------------|---------------------------------------|
| Weighted average number of ordinary shares (basic) | 747,258,493 | 746,361,691 |
| Effect of potential dilutive share ordinary shares | 4,815,038 | - |
| Weighted average number of ordinary shares (diluted) | 752,073,531 | 746,361,691 |

39. Share-based payment

The Company has an employee share-based payment plan to award shares based on the assessment of the performance of employees. The future issuance of shares under the plan has to be approved by the shareholders at Annual General Meeting.

On 13 July 2015, the Company's share capital increased from VND7,358,081 million to VND7,467,179 million with the issuance of additional 10,909,721 shares issued to employees under employee share-based payment plan.

40. Financial risk management

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

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(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 Company, as and when they fall due, and arises principally from the Group's accounts receivable from customers 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 Company:

| | | <u>Group</u> | | <u>Company</u> | |
|--|-------------|--------------------|--------------------|--------------------|--------------------|
| | Note | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | | VND million | VND million | VND million | VND million |
| Cash and cash equivalents | (ii) | 9,548,666 | 5,164,983 | 444,105 | 517,127 |
| Held to maturity investments – short-term | (ii) | 2,067,123 | 4,042,212 | 11,273 | 239,614 |
| Accounts receivable – short-term | (iii) | 1,743,992 | 4,346,998 | 18,883 | 3,072,190 |
| Other receivables – short-term | (iii) | 686,079 | 522,735 | 292,047 | 1,041,347 |
| Accounts receivable from customers – long-term | (iii) | 18,883 | - | 18,883 | - |
| Receivables on long-term lending loans | (iv) | 6,830,337 | - | 4,169,874 | 2,283,927 |
| Other receivables – long-term | (iii) | 1,399,719 | 1,397,179 | 3,747,949 | 2,732,322 |
| Held to maturity investments – long-term | (ii) | - | 144,050 | - | - |
| Guarantees issued | (v) | 100,000 | 65,884 | - | 3,738,876 |
| | | 22,394,799 | 15,684,041 | 8,703,014 | 13,625,403 |

(ii) Cash and cash equivalents, held to maturity investments – short-term and long-term

Cash and cash equivalents, held to maturity investments – short-term and long-term 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.

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(iii) *Accounts receivable from customers – short-term and long-term, other receivables – short-term and long-term*

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 accounts receivable from customers – short-term and long-term, other receivables – short-term and long-term represents the maximum credit exposure.

The Group establishes allowance for doubtful debt that represents its estimate of incurred losses in respect of accounts receivable from customers, receivables on lending loans and other receivables.

Movements of allowance for doubtful debts were as follows:

| | <u>Group</u> | |
|--|---|--|
| | From 1/1/2015 to 30/6/2015 VND million | From 1/1/2014 to 31/12/2014 VND million |
| Opening balance | 2,064 | 1,784 |
| Acquisition of a subsidiary | 24,864 | - |
| Increase in allowance during the period/year | - | 501 |
| Allowance utilised during the period/year | (52) | (151) |
| Written back | (384) | (70) |
| | <hr/> | <hr/> |
| Closing balance | 26,492 | 2,064 |
| | <hr/> | <hr/> |

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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 receivables as of 30 June 2015. The ageing analysis of the accounts receivable from customers – short-term and long-term and other receivables – short-term and long-term is as follows:

| | <u>Group</u> | | | | <u>Company</u> | | | |
|------------------------|---------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|
| | 30/6/2015 | | 1/1/2015 | | 30/6/2015 | | 1/1/2015 | |
| | Gross | Impairment | Gross | Impairment | Gross | Impairment | Gross | Impairment |
| | VND million | losses | VND million | losses | VND million | losses | VND million | losses |
| | | VND million | | VND million | | VND million | | VND million |
| Not past due | 3,749,470 | - | 6,155,593 | - | 4,079,731 | - | 6,855,545 | - |
| Past due 0 – 30 days | 69,692 | - | 126,643 | - | - | - | - | - |
| Past due 31 – 180 days | 2,006 | (99) | 38,557 | (456) | - | - | - | - |
| Past due 181– 365 days | 2,239 | (1,525) | 537 | (537) | - | - | - | - |
| Past due over 365 days | 25,266 | (24,868) | 1,071 | (1,071) | - | - | - | - |
| | 3,848,673 | (26,492) | 6,322,401 | (2,064) | 4,079,731 | - | 6,855,545 | - |

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(iv) Receivables on lending loans

The Group is exposed to credit and interest risk in connection with long-term loans which comprise a part of the Group's cash management operations to maximise its financial interest income on its more liquid assets. To mitigate the credit risk, such long-term loans are backed by pledges of collateral and financial guarantees, which the Board of Management continuously monitors.

(v) Guarantees

The Group is also exposed to credit risk in connection with the guarantees it has issued to banks for loans granted to Minh Viet Packaging One Member Limited, a third party, and the Group's subsidiaries including Ma San Industrial One Member Company Limited, Viet Tien Food Technology One Member Company Limited and Masan HD One Member Company Limited (formerly known as Ma San HD One Member Company Limited).

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 and third party.

(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 and the Company'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.

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As at 30 June 2015 and 1 January 2015, 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 | More than 5 years VND million |
|--|--|---|--|------------------------------------|------------------------------------|--|
| 30 June 2015 | | | | | | |
| Accounts payable to suppliers – short-term | 2,359,794 | (2,359,794) | (2,359,794) | - | - | - |
| Payables to employees | 166,577 | (166,577) | (166,577) | - | - | - |
| Accrued expenses – short-term | 2,621,027 | (2,621,027) | (2,621,027) | - | - | - |
| Other payables – short-term, excluded obligation to issue shares | 278,007 | (278,007) | (278,007) | - | - | - |
| Short-term borrowings | 5,785,912 | (5,901,124) | (5,901,124) | - | - | - |
| Accounts payable to suppliers – long-term | 66,663 | (66,663) | - | (66,663) | - | - |
| Other long-term liabilities | 81,021 | (81,021) | - | (81,021) | - | - |
| Long-term borrowings and liabilities | 31,423,390 | (42,250,311) | (3,344,283) | (11,178,936) | (24,869,941) | (2,857,151) |
| | 42,782,391 | (53,724,524) | (14,670,812) | (11,326,620) | (24,869,941) | (2,857,151) |
| 1 January 2015 | | | | | | |
| Accounts payable to suppliers – short-term | 999,340 | (999,340) | (999,340) | - | - | - |
| Payables to employees | 258 | (258) | (258) | - | - | - |
| Accrued expenses – short-term | 1,862,531 | (1,862,531) | (1,862,531) | - | - | - |
| Other payables – short-term | 1,866,738 | (1,866,738) | (1,866,738) | - | - | - |
| Short-term borrowings | 5,329,971 | (5,394,075) | (5,394,075) | - | - | - |
| Other long-term liabilities, excluded obligation to issue shares | 117,340 | (117,340) | - | (117,340) | - | - |
| Long-term borrowings and liabilities | 18,234,277 | (24,596,493) | (1,689,081) | (9,392,100) | (10,574,829) | (2,940,483) |
| | 28,410,455 | (34,836,775) | (11,812,023) | (9,509,440) | (10,574,829) | (2,940,483) |

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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 2015 | | | | | |
| Accounts payable to suppliers – short-term | 390 | (390) | (390) | - | - |
| Accrued expenses | 223,648 | (223,648) | (223,648) | - | - |
| Other payables – short-term, excluded obligation to issue shares | 120,525 | (120,525) | (120,525) | - | - |
| Long-term borrowings and liabilities, excluded derivative liabilities | 5,896,960 | (6,192,935) | (601,348) | (4,920,125) | (671,462) |
| | 6,241,523 | (6,537,498) | (945,911) | (4,920,125) | (671,462) |
| 1 January 2015 | | | | | |
| Accounts payable to suppliers – short-term | 1,451 | (1,451) | (1,451) | - | - |
| Accrued expenses | 215,239 | (215,239) | (215,239) | - | - |
| Other payables – short-term | 1,555,324 | (1,555,324) | (1,555,324) | - | - |
| Other long-term liabilities, excluded obligation to issue shares | 14,580 | (14,580) | - | (14,580) | - |
| Long-term borrowings and liabilities, excluded derivative liabilities | 5,267,960 | (6,263,385) | (1,166,805) | (5,096,580) | - |
| | 7,054,554 | (8,049,979) | (2,938,819) | (5,111,160) | - |

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.

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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), Australian dollar (AUD), Singapore dollar (SGD), Thai Baht (THB), and Chinese Yuan Renminbi (CNY).

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 2015 and 1 January 2015, the Group and the Company had the following net exposed asset/(liability) positions:

| | Group | | | | | | Company |
|---------------------------------|---------------|-------------|-------------|-------------|-------------|--------------|----------------|
| | USD | EUR | AUD | SGD | THB | CNY | USD |
| 30 June 2015 | | | | | | | |
| Cash and cash equivalents | 11,429,097 | 14,506 | - | 369 | - | - | 7,031 |
| Trade and other receivables (*) | 21,520,222 | - | - | - | 75,831 | - | - |
| Trade and other payables (**) | (13,162,693) | (2,351,042) | (2,614,035) | (1,955,251) | (591,310) | (10,457,633) | (347,123) |
| Short-term borrowings | (87,073,355) | - | - | - | - | - | - |
| Long-term borrowings | (175,000,000) | - | - | - | - | - | - |
| Other long-term liabilities | (1,052,930) | - | (2,383,578) | - | - | - | (700,000) |
| | (243,339,659) | (2,336,536) | (4,997,613) | (1,954,882) | (515,479) | (10,457,633) | (1,040,092) |
| 1 January 2015 | | | | | | | |
| Cash and cash equivalents | 9,141,772 | 179,401 | - | - | - | - | 7,064 |
| Trade and other receivables (*) | 18,276,662 | - | - | - | - | - | - |
| Trade and other payables (**) | (3,805,647) | (3,003,750) | (1,200,202) | (138,555) | (3,380,904) | (1,955,251) | (302,466) |
| Accrual expenses | (2,631,637) | - | - | - | - | - | - |
| Short-term borrowings | (52,283,698) | - | - | - | - | - | - |
| Long-term borrowings | (175,000,000) | - | - | - | - | - | - |
| Other long-term liabilities | - | - | - | - | - | - | (700,000) |
| | (206,302,548) | (2,824,349) | (1,200,202) | (138,555) | (3,380,904) | (1,955,251) | (995,402) |

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(*) *Trade and other receivables comprise of accounts receivable from customers – short-term and long-term, receivable on lending loans and other receivables – short-term and long-term.*

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

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

| | <u>Group</u> | | <u>Company</u> | |
|------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | Exchange rate as at 30/6/2015 VND | Exchange rate as at 1/1/2015 VND | Exchange rate as at 30/6/2015 VND | Exchange rate as at 1/1/2015 VND |
| USD1 | 21,850 | 21,365 | 21,780 | 21,365 |
| EUR1 | 24,662 | 25,702 | - | - |
| AUD1 | 16,936 | 17,291 | - | - |
| SGD1 | 16,324 | 15,974 | - | - |
| THB1 | 663 | 634 | - | - |
| CNY1 | 3,572 | 3,395 | - | - |

Below is an analysis of the possible impact on the profit before tax of the Group and profit/(loss) before tax of 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.

| | <u>Group</u> Increase/(decrease) in profit before tax as at 30/6/2015 VND million | <u>Company</u> Decrease in profit before tax as at 30/6/2015 VND million |
|------------------------|---|---|
| USD (2% strengthening) | (106,339) | (455) |
| EUR (4% weakening) | 2,305 | - |
| AUD (2% weakening) | 1,693 | - |
| SGD (2% strengthening) | (638) | - |
| THB (5% strengthening) | (17) | - |
| CNY (5% strengthening) | (1,868) | - |

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| | <u>Group</u> Increase/(decrease) in profit before tax as at 1/1/2015 VND million | <u>Company</u> Decrease in loss before tax as at 1/1/2015 VND million |
|------------------------|---|--|
| USD (1% strengthening) | (44,077) | (288) |
| EUR (11% weakening) | 7,985 | - |
| AUD (8% weakening) | 1,660 | - |
| SGD (2% weakening) | 44 | - |
| THB (1% strengthening) | (21) | - |
| CNY (2% weakening) | 133 | - |

The opposite movement of the currencies would have the equal but opposite effect to the profit/(loss) 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:

| | <u>Group</u> | | <u>Company</u> | |
|---|---------------------|---------------------|-----------------------|--------------------|
| | 30/6/2015 | 1/1/2015 | 30/6/2015 | 1/1/2015 |
| | VND million | VND million | VND million | VND million |
| Fixed rate instruments | | | | |
| Cash equivalents | 8,864,203 | 4,863,445 | 431,850 | 507,350 |
| Held to maturity investments – short-term | 2,067,123 | 4,042,212 | 11,273 | 239,614 |
| Receivables on short-term lending loans from subsidiaries | - | - | - | 2,172,320 |
| Receivables on long-term lending loans from a third party | 6,830,337 | - | - | - |
| Receivables on long-term lending loans from subsidiaries | - | - | 4,169,874 | 2,283,927 |
| Held to maturity investments – long-term | - | 144,050 | - | - |
| Short-term borrowings | (3,853,983) | (3,568,345) | - | - |
| Other payables – short-term | (52,071) | - | - | - |
| Long-term borrowings | (3,924,342) | (2,667,960) | (1,567,960) | (567,960) |
| Other long-term liabilities | (52,214) | - | - | - |
| | 9,879,053 | 2,813,402 | 3,045,037 | 4,635,251 |
| Variable rate instruments | | | | |
| Cash in banks | 670,790 | 301,538 | 12,255 | 9,777 |
| Short-term borrowings | (1,931,929) | (1,761,626) | - | - |
| Long-term borrowings | (27,499,048) | (15,566,317) | (3,745,824) | (4,700,000) |
| | (28,760,187) | (17,026,405) | (3,733,569) | (4,690,223) |

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 VND287,602 million (1/1/2015: VND170,026 million) and VND37,458 million (1/1/2015: VND46,902 million), respectively.

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(d) Estimating the fair value

Cash and cash equivalents, held to maturity investments – short-term, accounts receivable from customers – short-term, receivables on short-term lending loans, other receivables – short-term, accounts payable to suppliers – short-term and other financial liabilities

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

Accounts receivable from customers – long-term, receivables on long-term lending loans, other long-term receivables, long-term financial investments, short-term borrowings, long-term borrowings, guarantees issued, call and put options

The Group 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 the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their carrying amounts.

Guarantees received and issued are under the category of financial assets and financial liabilities at fair value through profit or loss but they are not recognised in the financial statements. Fair value of the guarantees received and issued have not been determined as information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises.

(e) Carrying amount of financial assets and liabilities

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

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Group

| | Loans and receivables VND million | Financial liabilities carried at amortised cost VND million | Total carrying amount VND million |
|--|--|--|--|
| 30 June 2015 | | | |
| Cash and cash equivalents | 9,555,419 | - | 9,555,419 |
| Held to maturity investments – short-term | 2,067,123 | - | 2,067,123 |
| Trade and other receivables – short-term (*) | 2,428,089 | - | 2,428,089 |
| Receivables on long-term lending loans | 6,830,337 | - | 6,830,337 |
| Trade and other receivables –long-term (*) | 1,455,821 | - | 1,455,821 |
| | 22,336,789 | | 22,336,789 |
| Accounts payable to suppliers – short-term | - | (2,359,794) | (2,359,794) |
| Payables to employees | - | (166,577) | (166,577) |
| Accrued expenses | - | (2,621,027) | (2,621,027) |
| Other payables – short-term | - | (338,568) | (338,568) |
| Short-term borrowings | - | (5,785,912) | (5,785,912) |
| Accounts payable to suppliers – long-term | - | (66,663) | (66,663) |
| Other long-term liabilities | - | (81,021) | (81,021) |
| Long-term borrowings and liabilities (**) | - | (31,066,979) | (31,066,979) |
| | - | (42,486,541) | (42,486,541) |

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| | Loans and receivables VND million | Financial liabilities carried at amortised cost VND million | Total carrying amount VND million |
|--|--|--|--|
| 1 January 2015 | | | |
| Cash and cash equivalents | 5,166,415 | - | 5,166,415 |
| Held to maturity investments – short-term | 4,042,212 | - | 4,042,212 |
| Trade and other receivables – short-term (*) | 4,872,704 | - | 4,872,704 |
| Other long-term receivables | 1,447,633 | - | 1,447,633 |
| Held to maturity investments – long-term | 144,050 | - | 144,050 |
| | <hr/> 15,673,014 | <hr/> - | <hr/> 15,673,014 |
| Accounts payable to suppliers – short-term | - | (999,340) | (999,340) |
| Payables to employees | - | (258) | (258) |
| Accrued expenses | - | (1,862,531) | (1,862,531) |
| Other payables – short-term | - | (1,866,738) | (1,866,738) |
| Short-term borrowings | - | (5,329,971) | (5,329,971) |
| Other long-term liabilities | - | (177,901) | (177,901) |
| Long-term borrowings and liabilities (**) | - | (18,234,277) | (18,234,277) |
| | <hr/> - | <hr/> (28,471,016) | <hr/> (28,471,016) |

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Company

| | Loans and receivables VND million | Financial liabilities carried at amortised cost VND million | Total carrying amount VND million |
|--|--|--|--|
| 30 June 2015 | | | |
| Cash and cash equivalents | 444,257 | - | 444,257 |
| Held to maturity investments – short-term | 11,273 | - | 11,273 |
| Trade and other receivables – short-term (*) | 310,960 | - | 310,960 |
| Trade and other receivables – long-term (*) | 3,768,771 | - | 3,768,771 |
| Receivables on long-term lending loans | 4,169,874 | - | 4,169,874 |
| | <hr/> 8,705,135 | <hr/> - | <hr/> 8,705,135 |
| Accounts payable to suppliers – short-term | - | (390) | (390) |
| Accrued expenses | - | (223,648) | (223,648) |
| Other payables – short-term | - | (181,086) | (181,086) |
| Long-term borrowings and liabilities (**) | - | (5,873,099) | (5,873,099) |
| | <hr/> - | <hr/> (6,278,223) | <hr/> (6,278,223) |

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| | Loans and receivables VND million | Financial liabilities carried at amortised cost VND million | Total carrying amount VND million |
|--|--|--|--|
| 1 January 2015 | | | |
| Cash and cash equivalents | 517,251 | - | 517,251 |
| Held to maturity investments – short-term | 239,614 | - | 239,614 |
| Trade and other receivables – short-term (*) | 4,113,842 | - | 4,113,842 |
| Receivables on short-term lending loans | 2,172,320 | - | 2,172,320 |
| Receivables on long-term lending loans | 2,283,927 | - | 2,283,927 |
| Other long-term receivables | 2,741,703 | - | 2,741,703 |
| | <hr/> 12,068,657 | <hr/> - | <hr/> 12,068,657 |
| Accounts payable to suppliers – short-term | - | (1,451) | (1,451) |
| Accrued expenses | - | (215,239) | (215,239) |
| Other payables – short-term | - | (1,555,324) | (1,555,324) |
| Other long-term liabilities | - | (75,141) | (75,141) |
| Long-term borrowings and liabilities | - | (5,267,960) | (5,267,960) |
| | <hr/> - | <hr/> (7,115,115) | <hr/> (7,115,115) |

(*) *Trade and other receivables comprise of accounts receivable from customers – short-term, receivables on lending loans and other receivables – short-term.*

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

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41. Corresponding figures

As described in Note 3, the Group adopted Circular 200 and Circular 202 effective from 1 January 2015. As a result, the presentation of certain financial statement captions has been changed. Certain corresponding figures as of 1 January 2015 and for the six-month period ended 30 June 2014 have been reclassified to conform to the requirements of Circular 200 and Circular 202 in respect of financial statement presentation. A comparison of the amounts previously reported and as reclassified is as follows:

(a) Balance sheets

| | <u>Group</u> | | <u>Company</u> | |
|--|-------------------|--------------------------|-------------------|--------------------------|
| | 1/1/2015 | 31/12/2014 | 1/1/2015 | 31/12/2014 |
| | (as reclassified) | (as previously reported) | (as reclassified) | (as previously reported) |
| | VND million | VND million | VND million | VND million |
| Receivables on short-term lending loans | - | - | 2,172,320 | - |
| Other receivables – short-term | 527,770 | 490,742 | 1,041,652 | 3,183,613 |
| Shortage of assets awaiting resolution | 13,615 | - | - | - |
| Other current assets | - | 50,643 | - | 30,359 |
| Receivables on long-term lending loans | - | - | 2,283,927 | - |
| Other long-term receivables | 1,447,633 | 1,387,798 | 2,741,703 | 5,016,249 |
| Investments in associates | 8,601,126 | 8,597,526 | - | - |
| Held to maturity investments – long-term | 144,050 | 147,650 | - | - |
| Other long-term assets | - | 59,835 | - | 9,381 |
| Other capital | (9,045,049) | 97,703 | (1,488,972) | 97,703 |
| Other reserves | - | (9,142,752) | - | (1,586,675) |

(b) Statements of income

| | <u>Group</u> | | <u>Company</u> | |
|------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | From 1/1/2014 to 30/6/2014 | From 1/1/2014 to 30/6/2014 | From 1/1/2014 to 30/6/2014 | From 1/1/2014 to 30/6/2014 |
| | (as reclassified) | (as previously reported) | (as reclassified) | (as previously reported) |
| | VND million | VND million | VND million | VND million |
| Total revenue | 6,955,510 | 6,943,236 | - | - |
| Cost of sales | 4,280,137 | 4,211,235 | - | - |
| Selling expenses | 1,273,243 | 1,339,903 | - | - |
| Other income | 17,048 | 96,652 | 8,379 | 67,865 |
| Other expenses | 4,928 | 74,500 | 1,433 | 60,919 |

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42. Post balance sheet events

Increase capital of the Company

On 13 July 2015, the Company's share capital increased from VND7,358,081 million to VND7,467,179 million with the issuance of additional 10,909,721 shares issued to employees.

Listing Ma San Resources Corporation ("MR")

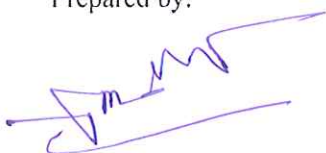
As part of Masan Resources Corporation's ("MR") preparation to have its shares listed and traded on a securities exchange, on 29 July 2015, MR received from the State Securities Commission an approval of its application dossier to register as a public company. MR has also submitted the application dossier to register its shares with Vietnam Securities Depository Center and expects to receive approval on the shares depository during the second half of 2015.

Early repayment of long-term loan

On 14 August 2015, all outstanding balance of long-term loan as at 30 June 2015 amounting to USD175 million (equivalent to VND3,823,750 million) together with its accumulated interest expenses and associated cost were paid in advance of the schedule by a subsidiary of the Company, leaving the Group free of foreign denominated long-term debt and related foreign exchange risk.

27 August 2015

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