

**Ma San Group Corporation and its  
subsidiaries**

Interim Financial Statements for the six-  
month period ended 30 June 2011

**Ma San Group Corporation  
Corporate Information**

**Business Registration Certificate No** 0303576603

20 October 2010

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

**Board of Management**

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

**Registered Office**

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

**Auditors**

KPMG Limited  
Vietnam

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

The Board of Management is responsible for preparing the interim financial statements of Ma San Group Corporation (“the Company”) and its subsidiaries (collectively “the Group”) as at and for the six-month period ended 30 June 2011 in accordance with Vietnamese Accounting Standard 27 *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements. In preparing those interim financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the 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 Group and to ensure that the accounting records comply with the requirements of Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


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

## APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

I, Nguyen Dang Quang, being the Chairman of the Board of Management and on behalf of the Board of Management, 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 2011, which were prepared in accordance with Vietnamese Accounting Standard 27 *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements.

On behalf of the Board of Management



  
\_\_\_\_\_  
Nguyen Dang Quang  
Chairman  
Ho Chi Minh City, Vietnam  
15 August 2011



**KPMG Limited**  
 10<sup>th</sup> Floor, Sun Wah Tower  
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 The Socialist Republic of Vietnam

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## REVIEW REPORT

### To the Shareholders Ma San Group Corporation

#### Scope

We have reviewed the accompanying interim financial statements of Ma San Group Corporation (“the Company”) and its subsidiaries (collectively “the Group”) which comprise the separate and consolidated balance sheets as at 30 June 2011 and the related separate and consolidated statements of income, changes in equity and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s management on 15 August 2011. 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 the Vietnamese Standard on Auditing 910 on Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to 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.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate and consolidated financial statements do not give a true and fair view of the financial positions of the Company and the Group as of 30 June 2011 and the results of their operations and their cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements.

#### KPMG Limited

Vietnam  
 Investment Certificate No: 011043000345  
 Review Report No: 11-01-309



Chang Hung Chun  
 CPA No. N0863/KTV  
 Deputy General Director

Ha Vu Dinh  
 CPA No. 0414/KTV

Ho Chi Minh City, 15 August 2011

**Ma San Group Corporation and its subsidiaries**  
**Balance sheets at 30 June 2011**

	Code	Note	<u>Group</u>		<u>Company</u>	
			30/6/2011	31/12/2010	30/6/2011	31/12/2010
			VND million	VND million	VND million	VND million
<b>ASSETS</b>						
<b>Current assets</b>	<b>100</b>		<b>9,048,962</b>	<b>4,626,838</b>	<b>2,692,147</b>	<b>1,636,159</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>7,230,076</b>	<b>3,394,575</b>	<b>1,233,428</b>	<b>1,037,261</b>
Cash	111		667,056	1,155,118	31,512	1,037,261
Cash equivalents	112		6,563,020	2,239,457	1,201,916	-
<b>Short-term investments</b>	<b>120</b>	<b>11</b>	<b>747,500</b>	<b>490,000</b>	<b>700,000</b>	-
<b>Accounts receivable</b>	<b>130</b>	<b>5</b>	<b>535,104</b>	<b>314,209</b>	<b>745,167</b>	<b>592,463</b>
Accounts receivable - trade	131		80,965	64,125	-	-
Prepayments to suppliers	132		164,824	83,966	1,432	4,692
Other receivables	135		290,299	166,823	743,735	587,771
Allowance for doubtful debts	139		(984)	(705)	-	-
<b>Inventories</b>	<b>140</b>	<b>6</b>	<b>462,340</b>	<b>290,200</b>	-	-
Inventories	141		476,878	296,547	-	-
Allowance for inventories	149		(14,538)	(6,347)	-	-
<b>Other current assets</b>	<b>150</b>		<b>73,942</b>	<b>137,854</b>	<b>13,552</b>	<b>6,435</b>
Short-term prepayments	151		14,877	10,131	1,845	262
Deductible value added tax	152		50,096	118,872	11,328	5,877
Other current assets	158		8,969	8,851	379	296

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

**Ma San Group Corporation and its subsidiaries**  
**Balance sheets at 30 June 2011 (continued)**

	Code	Note	<u>Group</u>		<u>Company</u>	
			30/6/2011	31/12/2010	30/6/2011	31/12/2010
			VND million	VND million	VND million	VND million
<b>Long-term assets</b>	<b>200</b>		<b>17,822,486</b>	<b>16,502,700</b>	<b>19,514,084</b>	<b>18,672,990</b>
<b>Fixed assets</b>	<b>220</b>		<b>8,699,355</b>	<b>8,261,999</b>	<b>12,284</b>	<b>2,039</b>
Tangible fixed assets	221	7	578,662	561,229	12,092	251
<i>Cost</i>	222		848,137	777,268	12,596	269
<i>Accumulated depreciation</i>	223		(269,475)	(216,039)	(504)	(18)
Finance lease tangible fixed assets	224	8	-	11,686	-	-
<i>Cost</i>	225		-	16,871	-	-
<i>Accumulated depreciation</i>	226		-	(5,185)	-	-
Intangible fixed assets	227	9	73,459	72,564	192	219
<i>Cost</i>	228		88,915	85,882	234	234
<i>Accumulated amortisation</i>	229		(15,456)	(13,318)	(42)	(15)
Construction in progress	230	10	8,047,234	7,616,520	-	1,569
<b>Long-term investments</b>	<b>250</b>	<b>11</b>	<b>8,971,585</b>	<b>8,099,909</b>	<b>19,490,421</b>	<b>18,661,978</b>
Investments in subsidiaries	251		-	-	10,557,997	10,557,997
Investments in an associate	252		8,971,585	8,099,909	8,932,424	8,103,981
<b>Other long-term assets</b>	<b>260</b>		<b>151,546</b>	<b>140,792</b>	<b>11,379</b>	<b>8,973</b>
Long-term prepayments	261	12	78,393	70,771	8,912	8,730
Deferred tax assets	262	13	46,709	49,154	-	-
Other long-term assets	268		23,169	17,295	2,467	243
Goodwill	269	14	3,275	3,572	-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>26,871,448</b>	<b>21,129,538</b>	<b>22,206,231</b>	<b>20,309,149</b>

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

**Ma San Group Corporation and its subsidiaries**  
**Balance sheets at 30 June 2011 (continued)**


	Code	Note	Group		Company	
			30/6/2011	31/12/2010	30/6/2011	31/12/2010
			VND million	VND million	VND million	VND million
<b>RESOURCES</b>						
<b>LIABILITIES</b>	<b>300</b>		<b>7,697,788</b>	<b>8,981,050</b>	<b>4,326,345</b>	<b>3,138,393</b>
<b>Current liabilities</b>	<b>310</b>		<b>1,661,912</b>	<b>3,224,917</b>	<b>2,317,805</b>	<b>1,180,433</b>
Short-term borrowings and liabilities	311	15	609,862	1,124,674	2,000,000	-
Accounts payable – trade	312		321,154	443,583	8,308	20,728
Advances from customers	313		26,643	7,997	-	-
Taxes payable to State Treasury	314	16	154,395	152,842	2,929	1,360
Payables to employees	315		24,506	5,395	-	27
Accrued expenses	316	17	530,488	502,838	306,542	175,667
Other payables	319	18	2,838	987,588	26	982,651
Bonus and welfare funds	323		(7,974)	-	-	-
<b>Long-term borrowings and liabilities</b>	<b>330</b>		<b>6,035,876</b>	<b>5,756,133</b>	<b>2,008,540</b>	<b>1,957,960</b>
Long-term borrowings and liabilities	334	19	5,280,635	5,000,560	2,008,540	1,957,960
Deferred tax liabilities	335	13	751,021	751,021	-	-
Provision for severance allowance	336	20	4,220	4,552	-	-
<b>EQUITY</b>	<b>400</b>		<b>14,624,701</b>	<b>10,623,685</b>	<b>17,879,886</b>	<b>17,170,756</b>
<b>Owner's equity</b>	<b>410</b>		<b>14,624,701</b>	<b>10,623,685</b>	<b>17,879,886</b>	<b>17,170,756</b>
Share capital	411	21	5,152,723	5,152,723	5,152,723	5,152,723
Capital surplus	412	21	2,166,136	2,166,136	2,166,136	2,166,136
Other capital	413	22	10,462,804	9,651,713	10,462,804	9,651,713
Foreign exchange differences	416		(15,580)	3,189	-	-
Other reserves	418	11	(6,506,321)	(9,062,082)	-	-
Retained profits	420		3,364,939	2,712,006	98,223	200,184
<b>MINORITY INTERESTS</b>	<b>439</b>		<b>4,548,959</b>	<b>1,524,803</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>26,871,448</b>	<b>21,129,538</b>	<b>22,206,231</b>	<b>20,309,149</b>

Prepared by:

*Lahal*

Ta Thi Thuy Trang  
*Chief Accountant*

Approved by:

*Eric*  
  
*Nguyen Dang Quang*  
*Chairman*

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

**Ma San Group Corporation and its subsidiaries**  
**Statements of income for the six-month period ended 30 June 2011**

	Code	Note	<u>Group</u>		<u>Company</u>	
			From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 30/6/2010 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 30/6/2010 VND million
<b>Total revenue</b>	<b>01</b>	<b>23</b>	<b>2,878,255</b>	<b>2,122,054</b>	-	-
<b>Less sales deductions</b>	<b>02</b>	<b>23</b>	<b>(39,629)</b>	<b>(42,837)</b>	-	-
<b>Net sales</b>	<b>10</b>	<b>23</b>	<b>2,838,626</b>	<b>2,079,217</b>	-	-
<b>Cost of sales</b>	<b>11</b>	<b>24</b>	<b>(1,658,410)</b>	<b>(1,226,483)</b>	-	-
<b>Gross profit</b>	<b>20</b>		<b>1,180,216</b>	<b>852,734</b>	-	-
Financial income	21	25	469,904	136,382	178,296	76,093
Financial expenses	22	26	(194,764)	(96,674)	(215,280)	(46,675)
Selling expenses	24		(384,890)	(374,228)	-	-
General and administration expenses	25		(141,499)	(58,028)	(64,946)	(6,230)
<b>Net operating profit/(loss)</b>	<b>30</b>		<b>928,967</b>	<b>460,186</b>	<b>(101,930)</b>	<b>23,188</b>
<b>Results of other activities</b>	<b>40</b>					
Other income	31	27	7,165	5,785	-	-
Other expenses	32	28	(8,122)	(8,469)	(31)	-
<b>Share of profit in an associate</b>	<b>41</b>	<b>29</b>	<b>43,233</b>	<b>21,937</b>	-	-
<b>Profit/(loss) before tax</b>	<b>50</b>		<b>971,243</b>	<b>479,439</b>	<b>(101,961)</b>	<b>23,188</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>30</b>	<b>(144,870)</b>	<b>(39,240)</b>	-	-
<b>Income tax (expense)/benefit – deferred</b>	<b>52</b>	<b>30</b>	<b>(2,445)</b>	<b>5,076</b>	-	-
<b>Net profit/(loss)</b>	<b>60</b>		<b>823,928</b>	<b>445,275</b>	<b>(101,961)</b>	<b>23,188</b>
<b>Attributable to:</b>						
Minority interests	61		170,995	108,806	-	-
Equity holders of the Company	62		652,933	336,469	-	-

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



**Ma San Group Corporation and its subsidiaries**  
**Statements of income for the six-month period ended 30 June 2011 (continued)**

	Code	Note	Group	
			From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 30/6/2010 VND million
<b>Earnings per share</b>				
Basic earnings per share in VND	70	33	976	693
Diluted earnings per share in VND	70	33	859	652

Prepared by:

*Lahal*

Ta Thi Thuy Trang  
 Chief Accountant

Approved by:

*Eric*



*Nguyen Dang Quang*

Nguyen Dang Quang  
 Chairman

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

**Ma San Group Corporation and its subsidiaries**  
**Consolidated statement of changes in equity for the six-month period ended 30 June 2011**

**Group**

	<b>Share capital VND million</b>	<b>Capital surplus VND million</b>	<b>Other Reserves VND million</b>	<b>Bonus and welfare funds VND million</b>	<b>Retained profits VND million</b>	<b>Equity attributable to equity holders of Company VND million</b>	<b>Minority interests VND million</b>	<b>Total VND million</b>
<b>Balance at 1 January 2010</b>	4,853,998	1,421,817	(1,947,256)	(1,178)	434,707	4,762,088	307,451	5,069,539
Net profit for the period	-	-	-	-	336,469	336,469	108,806	445,275
Appropriation to bonus and welfare funds	-	-	-	3,669	(3,669)	-	-	-
Utilisation of bonus and welfare funds	-	-	-	(2,491)	-	(2,491)	(933)	(3,424)
<b>Balance at 30 June 2010</b>	<b>4,853,998</b>	<b>1,421,817</b>	<b>(1,947,256)</b>	<b>-</b>	<b>767,507</b>	<b>5,096,066</b>	<b>415,324</b>	<b>5,511,390</b>

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**Ma San Group Corporation and its subsidiaries**  
**Consolidated statement of changes in equity for the six-month period ended 30 June 2011 (continued)**

	Share capital	Capital surplus	Other capital	Foreign exchange differences	Other reserves	Bonus and welfare funds	Retained profits	Equity attributable to equity holders of Company	Minority interests	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<b>Balance at 1 January 2011</b>	5,152,723	2,166,136	9,651,713	3,189	(9,062,082)	-	2,712,006	10,623,685	1,524,803	12,148,488
Issuance of equity instruments (Note 11)	-	-	811,091	-	-	-	-	811,091	-	811,091
Increase in minority interest from share capital issued by subsidiaries (Note 11)	-	-	-	-	2,555,761	-	-	2,555,761	2,857,054	5,412,815
Unrealised exchange differences in a subsidiary	-	-	-	(18,769)	-	-	-	(18,769)	(3,893)	(22,662)
Net profit for the period	-	-	-	-	-	-	652,933	652,933	170,995	823,928
<b>Balance at 30 June 2011</b>	<b>5,152,723</b>	<b>2,166,136</b>	<b>10,462,804</b>	<b>(15,580)</b>	<b>(6,506,321)</b>	<b>-</b>	<b>3,364,939</b>	<b>14,624,701</b>	<b>4,548,959</b>	<b>19,173,660</b>

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

**Ma San Group Corporation and its subsidiaries**  
**Separate statement of changes in equity for the six-month period ended 30 June 2011**

<u>Company</u>	Share capital VND million	Capital surplus VND million	Other capital VND million	Retained profits VND million	Total VND million
<b>Balance at 1 January 2010</b>	4,853,998	1,421,817	-	176,047	6,451,862
Net profit for the period	-	-	-	23,188	23,188
<b>Balance at 30 June 2010</b>	4,853,998	1,421,817	-	199,235	6,475,050
<b>Balance at 1 January 2011</b>	5,152,723	2,166,136	9,651,713	200,184	17,170,756
Net loss for the period	-	-	-	(101,961)	(101,961)
Issuance of equity instrument (Note 11)	-	-	811,091	-	811,091
<b>Balance at 30 June 2011</b>	5,152,723	2,166,136	10,462,804	98,223	17,879,886

Prepared by:

*Lahal*

Ta Thi Thuy Trang  
 Chief Accountant

Approved by: *Eric*



Nguyen Dang Quang  
 Chairman

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

**Ma San Group Corporation and its subsidiaries**  
**Statements of cash flows for the six-month period ended 30 June 2011**

	Code	Note	<u>Group</u>		<u>Company</u>	
			From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
			VND million	VND million	VND million	VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Profit/(loss) before tax</b>	<b>01</b>		971,243	479,439	(101,961)	23,188
<b>Adjustments for</b>						
Depreciation and amortisation	02		55,396	50,671	1,811	-
Allowances and provisions	03		25,861	(12,729)	-	-
Unrealised foreign exchange differences	04		28,690	-	28,690	-
Loss on disposal of fixed assets and other long-term assets	05		9	803	-	-
Write-off of fixed assets	05		188	-	-	-
Interest income	05		(451,468)	(130,875)	(167,837)	(75,847)
Interest expense	06		159,688	86,654	182,673	46,675
Share of profit in associate	07		(43,233)	(21,937)	-	-
<b>Operating profit/(loss) before changes in working capital</b>	<b>08</b>		<b>746,374</b>	<b>452,026</b>	<b>(56,624)</b>	<b>(5,984)</b>
Change in receivables and other assets	09		7,135	(41,758)	(23,418)	(25,664)
Change in inventories	10		(197,722)	(103,928)	-	-
Change in payables and other liabilities	11		(163,704)	1,980	(19,136)	3,412
			<b>392,083</b>	<b>308,320</b>	<b>(99,178)</b>	<b>(28,236)</b>
Interest paid	13		(114,965)	(39,812)	(23,507)	-
Corporate income tax paid	14		(115,710)	(66,290)	-	-
Other payments for operating activities	16		(10,122)	(3,424)	-	-
<b>Net cash generated from/(used in) operating activities</b>	<b>20</b>		<b>151,286</b>	<b>198,794</b>	<b>(122,685)</b>	<b>(28,236)</b>

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

**Ma San Group Corporation and its subsidiaries**  
**Statements of cash flows for the six-month period ended 30 June 2011 (continued)**

	Code	Note	<u>Group</u>		<u>Company</u>	
			From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
			VND million	VND million	VND million	VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments for additions to fixed assets and other long-term assets	21		(535,252)	(179,917)	(12,237)	-
Proceeds from disposals of fixed assets and other long-term assets	22		-	2,433	-	-
Loans provided to parent company	23		(715,000)	(75,500)	-	-
Collection on loans provided to parent company	23		715,000	40,500	-	-
Loans provided to subsidiaries	23		-	-	(136,840)	-
Collection on loans provided to subsidiaries	23		-	-	97,651	-
Term deposit to banks	24		(18,212,710)	(1,640,471)	-	-
Term deposit received	24		18,655,210	1,605,471	-	-
Payments for investments in bonds	25		(700,000)	-	(700,000)	-
Payments for investments in other entities	25		-	-	-	(336)
Payment for investment in an associate	26		(1,000,000)	-	(1,000,000)	-
Receipts of interest	27		333,862	81,290	48,388	14,586
<b>Net cash (used in)/generated from investing activities</b>	<b>30</b>		<b>(1,458,890)</b>	<b>(166,194)</b>	<b>(1,703,038)</b>	<b>14,250</b>

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

**Ma San Group Corporation and its subsidiaries**  
**Statements of cash flows for the six-month period ended 30 June 2011 (continued)**

	Code	Note	<u>Group</u>		<u>Company</u>	
			From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
			VND million	VND million	VND million	VND million
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from minority interest capital contribution to subsidiaries	31		5,412,815	-	-	-
Proceeds from short-term and long-term borrowings	33		877,300	609,932	2,000,000	-
Payments to settle debts to parent company	34		(211,796)	-	-	-
Payments to settle debts to subsidiary	34		-	-	-	-
Payments to settle debts to banks and other entities	34		(957,114)	(786,041)	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>40</b>		<b>5,121,205</b>	<b>(176,109)</b>	<b>2,000,000</b>	<b>-</b>
<b>Net cash flows during the period</b>	<b>50</b>		<b>3,813,601</b>	<b>(143,509)</b>	<b>174,277</b>	<b>(13,986)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>		<b>3,394,575</b>	<b>1,123,616</b>	<b>1,037,261</b>	<b>364,265</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>		<b>21,900</b>	<b>-</b>	<b>21,890</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>70</b>	<b>4</b>	<b>7,230,076</b>	<b>980,107</b>	<b>1,233,428</b>	<b>350,279</b>

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

**Ma San Group Corporation and its subsidiaries**  
**Statements of cash flows for the six-month period ended 30 June 2011 (continued)**

**NON-CASH INVESTING AND FINANCING ACTIVITIES**

	<u>Group</u>		<u>Company</u>	
	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 30/6/2010 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 30/6/2010 VND million
Cost of investments acquired by issuing equity instruments	811,091	-	811,091	-
Capital to subsidiaries contributed by waiving receivable	487,500	-	-	-

Prepared by:

*Lahal*

Ta Thi Thuy Trang  
*Chief Accountant*

Approved by:

*ERIC*  
  
*Nguyen Dang Quang*  
*Chairman*

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



**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

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

**1. Reporting entity**

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

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

The principal activities of the subsidiaries are described as follows:

Name	Principal activity	Percentage of economic interests at	
		30/6/2011	31/12/2010
Hoa Bang Lang Consultant Company Limited	Investment holding	100%	100%
Orchid Consultant Company Limited	Investment holding	100%	100%
Gerbera Consultant Company Limited	Investment holding	100%	(*) 100%
Dahlia Company Limited	Investment holding	100%	(*) 100%
Thai Nguyen Trading and Investment Company Limited	Investment holding	100%	100%
Ma San Consumer Corporation (formerly known as Ma San Food Corporation)	Trading and distribution	76.5%	86.6%
Masan Industrial Corporation	Food sauce and instant noodle manufacturing	76.5%	86.6%
Hoa Sen Food Technology Joint Stock Company	Food manufacturing	-	- (**)
Viet Tien Food Technology Joint Stock Company	Food sauce manufacturing	76.5%	86.6%
Ma San HD Joint Stock Company	Food sauce and instant noodle manufacturing	76.5%	86.6%
Ma San PQ Corporation	Food sauce manufacturing	72.3%	81.8%

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

Name	Principal activity	Percentage of economic interests at	
		30/6/2011	31/12/2010
Minh Viet Packaging Joint Stock Company	Packaging	76.5%	86.6%
Ma San Horizon Corporation	Investment holding	100%	100%
Masan Resources Corporation	Investment holding	65%	80%
Ma San Thai Nguyen Resources Company Limited	Investment holding	65%	80%
Nui Phao Mining Company Limited	Exploring and processing mineral	65%	80%

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

(\*\*) In May 2010, Hoa Sen Food Technology Joint Stock Company has been merged into Masan Industrial Corporation and has ceased to exist.

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 2011, the Company had 36 employees (31/12/2010: 25 employees) and the Group had 5,532 employees (31/12/2010: 5,284 employees).

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**2. Summary of significant accounting policies**

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

**(a) Basis of interim financial statement preparation**

**(i) *General basis of accounting***

The interim financial statements, expressed in Vietnam Dong rounded to the nearest million (“VND million”), have been prepared in accordance with Vietnamese Accounting Standard 27 *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements. These interim financial statements should be read in conjunction with the separate and consolidated financial statements of the Company for the year ended 31 December 2010.

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

**(ii) *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.

**(iii) *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.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**(iv) *Minority interests***

On the acquisition of minority interest after obtaining control or disposal to a minority interest in a subsidiary without loss of control, the difference between the cost of acquisition or proceeds on disposal and the book carrying amount of net assets acquired or disposed at the date of exchange is recorded directly in equity.

**(v) *Transactions eliminated on consolidation***

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

**(b) *Fiscal year***

The fiscal year of the Company is from 1 January to 31 December.

**(c) *Adoption of Circular No. 210/2009/TT-BTC of the Ministry of Finance on presentation and disclosures of financial instruments***

Effective from 1 January 2011, the Group adopted the requirements of Circular No. 210/2009/TT-BTC of the Ministry of Finance on presentation and disclosures of financial instruments ("Circular 210") prospectively. The adoption of Circular 210 did not have a material effect on the measurement or presentation of financial instruments in the interim financial statements. The interim financial statements disclosures specified in Circular 210 are not required for corresponding figures due to the prospective application.

**(d) *Foreign currency transactions***

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

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

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**(e) 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.

**(f) Investments**

Investments in term deposits and debt instruments; investments in equity instruments of entities over which the Group and the Company have no control or significant influence; and investments in subsidiaries and associates in the separate financial statements are stated at cost. Allowance is made for reductions in investment values which in the opinion of the management are not temporary. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**(g) Accounts receivable**

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

**(h) Inventories**

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

The Group apply the perpetual method of accounting for inventory.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**(i) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

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

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

**(k) Intangible fixed assets**

**(i) Land use rights**

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

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**(ii) Software**

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

**(iii) Brand name**

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

**(l) Construction in progress**

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

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

**(m) Long-term prepayments**

**(i) Pre-operating expenses**

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

**(ii) Prepaid land costs**

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

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**(iii) Tools and supplies**

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

**(iv) Borrowing fees**

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

**(n) Goodwill**

Goodwill arises on acquisition of subsidiaries, associates and joint ventures from third parties. The cost of 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 acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Goodwill is measured at cost less accumulated amortisation. Goodwill is amortised over 10 years. In respect of equity accounted investee, the carrying amount of goodwill is included in the carrying value of the investment.

**(o) Trade and other payables**

Trade and other payables are stated at their cost.

**(p) 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.

**(q) Taxation**

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

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



**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

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

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

**(r) Equity**

**(i) *Share capital and capital surplus***

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

**(ii) *Other capital***

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

**(iii) *Other reserves***

Equity movements resulting from common-control business combination and acquisition of/disposal to minority interest are recorded in Other Reserves in equity.

**(s) Revenue**

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**(t) Financial income and financial expenses**

**(i) *Financial income***

Financial income comprises interest income from deposits and loans, dividend income, gain on the disposal of long-term investments and foreign exchange gains. Interest income is recognised as it accrues in the statement of income. Dividend income is recognised when the right to receive payment is established.

**(ii) *Financial expenses***

Financial expenses comprise interest expenses on borrowings and foreign exchange losses. Borrowing costs are recognised as an expense in the year in which they are incurred on a nominal basis, 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.

**(u) 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.

**(v) 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 year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise conversion and other options.

**(w) Segment reporting**

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

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**(x) Related parties**

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

**(y) 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.

**(z) Off balance sheet items**

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these financial statements.

**3. Segment reporting by business**

The Group has three (3) 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
- Mining

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

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**Business segments**

	Food and sauce		Mining	Financial services		Total	
	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 30/6/2010 VND million		From 1/1/2011 to 30/6/2011 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 30/6/2010 VND million	From 1/1/2011 to 30/6/2011 VND million
Segment revenue	2,838,626	2,079,217	-	-	-	2,838,626	2,079,217
Segment gross margin	1,180,216	852,734	-	-	-	1,180,216	852,734
Segment results	729,924	426,713	(11,144)	43,233	21,937	762,013	448,650
Unallocated expenses						(64,953)	(6,235)
Financial income						469,904	136,382
Financial expenses						(194,764)	(96,674)
Net operating profit (include share of profit in associate)						972,200	482,123
Other income						7,165	5,785
Other expenses						(8,122)	(8,469)
Income tax expense						(147,315)	(34,164)
Net profit						823,928	445,275

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

	Food and sauce		Mining		Financial services		Total	
	30/06/2011 VND million	31/12/2010 VND million	30/06/2011 VND million	31/12/2010 VND million	30/06/2011 VND million	31/12/2010 VND million	30/06/2011 VND million	31/12/2010 VND million
Segment assets	6,003,300	4,323,096	9,683,052	7,505,579	8,971,585	8,099,909	24,657,937	19,928,584
Unallocated assets							2,213,511	1,200,954
<b>Total assets</b>							<b>26,871,448</b>	<b>21,129,538</b>
Segment liabilities	1,512,279	1,953,995	3,937,127	4,363,552	-	-	5,449,406	6,317,547
Unallocated liabilities							2,248,382	2,663,503
<b>Total liabilities</b>							<b>7,697,788</b>	<b>8,981,050</b>
	<b>2011 VND million</b>	<b>2010 VND million</b>	<b>2011 VND million</b>	<b>2010 VND million</b>	<b>2011 VND million</b>	<b>2010 VND million</b>	<b>2011 VND million</b>	<b>2010 VND million</b>
Capital expenditures	163,763	179,917	358,791	-	-	-	522,554	179,917
Unallocated capital expenditures							12,698	-
<b>Total capital expenditures</b>							<b>535,252</b>	<b>179,917</b>
Depreciation	46,968	42,729	1,136	-	-	-	48,104	42,729
Amortisation of intangible fixed assets	1,846	1,500	310	-	-	-	2,156	1,500
Unallocated depreciation and amortisation							5,136	6,442
<b>Total depreciation and amortisation</b>							<b>55,396</b>	<b>50,671</b>

Segment assets exclude deferred tax assets.

### **Geographical segments**

The Group operates in one geographical segment which is in Vietnam.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

**4. Cash and cash equivalents**

	<u>Group</u>		<u>Company</u>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Cash on hand	980	1,448	409	59
Cash in bank	666,076	1,153,670	31,103	1,037,202
Cash equivalents	6,563,020	2,239,457	1,201,916	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,230,076	3,394,575	1,233,428	1,037,261
	<hr/>	<hr/>	<hr/>	<hr/>

Cash and cash equivalents at 30 June 2011 of the Group and the Company included amounts denominated in currencies other than VND amounting to VND268,750 million (31/12/2010: VND532,095 million) and VND267,692 million (31/12/2010: VND527,493 million), respectively.

**5. Accounts receivable**

As at 30 June 2011, certain trade receivables of the Group were pledged with banks as security for loans granted to Masan Consumer Corporation, Minh Viet Packaging Joint Stock Company, Viet Tien Food Technology Joint Stock Company and Masan Industrial Corporation (see Note 15).

Other receivables comprised:

	<u>Group</u>		<u>Company</u>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Non-trade receivables from related companies	189,805	109,623	696,129	586,710
Accrued interest receivable from:				
• Deposits	52,089	38,159	2,976	521
• Investments in bonds	29,775	-	29,775	-
Others	18,630	19,041	14,855	540
	<hr/>	<hr/>	<hr/>	<hr/>
	290,299	166,823	743,735	587,771
	<hr/>	<hr/>	<hr/>	<hr/>

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

Non-trade receivables from related companies consist of:

	<u>Group</u>		<u>Company</u>	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
	VND million	VND million	VND million	VND million
<b>Amounts due from Ma San Corporation</b>				
<b>- parent company</b>				
Non-trade	187,005	109,561	166,995	109,561
<b>Amounts due from other related companies</b>				
Non-trade	2,800	62	529,134	477,149
	<hr/>	<hr/>	<hr/>	<hr/>
	189,805	109,623	696,129	586,710
	<hr/>	<hr/>	<hr/>	<hr/>

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

At 30 June 2011, the non-trade amounts due from other related companies of the Company consist mainly of an unsecured loan, which bore interest at 15% per annum until 16 March 2011 and was receivable on demand.

Movements of allowance for doubtful debts were as follows:

	<u>Group</u>	<u>Company</u>
	From	From
	1/1/2011 to	1/1/2011 to
	30/6/2011	30/6/2011
	VND million	VND million
Opening balance	705	-
Increase in allowance during the period	279	-
	<hr/>	<hr/>
Closing balance	984	-
	<hr/>	<hr/>

The Group's exposure to credit risk in relation to receivables is mainly influenced by the individual characteristics of each debtor. In response to the risk, the respective management teams of the Group has established a credit policy under which each new debtor is analysed individually for creditworthiness. No collateral is collected from the debtor.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

Based on historic default rates, the Group believes that, apart from the amount provided at 30 June 2011, no further allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables as of 30 June 2011. The ageing analysis of the trade and other receivables prior to allowance is as follows:

	<b>30/6/2011</b> <b>VND million</b>
Not past due	342,015
Past due 0 – 30 days	21,263
Past due 31 – 180 days	7,986
	<hr/>
	371,264
	<hr/> <hr/>

**6. Inventories**

	<u>Group</u>		<u>Company</u>	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
	VND million	VND million	VND million	VND million
Goods in transit	2,096	40,210	-	-
Raw materials	249,871	143,566	-	-
Tools and supplies	836	392	-	-
Work in progress	70,468	54,965	-	-
Finished goods	153,607	57,414	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	476,878	296,547	-	-
Allowance for inventories	(14,538)	(6,347)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	462,340	290,200	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

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

	<u>Group</u> <u>From</u> <u>1/1/2011 to</u> <u>30/6/2011</u> <u>VND million</u>	<u>Company</u> <u>From</u> <u>1/1/2011 to</u> <u>30/6/2011</u> <u>VND million</u>
Opening balance	6,347	-
Increase in allowance during the period	26,747	-
Allowance utilised during the period	(17,391)	-
Written back	(1,165)	-
	<hr/>	<hr/>
Closing balance	14,538	-
	<hr/> <hr/>	<hr/> <hr/>

As at 30 June 2011, certain inventories of the Group were pledged with banks as security for loans granted Masan Consumer Corporation, Minh Viet Packaging Joint Stock Company, Viet Tien Food Technology and Masan Industrial Corporation (see Note 15).

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

**7. Tangible fixed assets**

**Group**

	<b>Buildings and structures</b>	<b>Leasehold improvements</b>	<b>Office equipment</b>	<b>Machinery and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
<b>Cost</b>						
Opening balance	182,597	6,648	23,026	547,103	17,894	777,268
Additions	651	9,941	3,130	2,394	701	16,817
Transfers from construction in progress	5,200	1,569	-	30,761	-	37,530
Transfer from finance lease tangible fixed assets	-	-	-	16,871	-	16,871
Disposals	-	-	(55)	-	(294)	(349)
Closing balance	188,448	18,158	26,101	597,129	18,301	848,137
<b>Accumulated depreciation</b>						
Opening balance	23,567	2,168	9,061	170,584	10,659	216,039
Charge for the period	5,424	1,452	3,222	36,516	1,510	48,124
Transfer from finance leased tangible fixed assets	-	-	-	5,652	-	5,652
Disposals	-	-	(46)	-	(294)	(340)
Closing balance	28,991	3,620	12,237	212,752	11,875	269,475
<b>Net book value</b>						
Opening balance	159,030	4,480	13,965	376,519	7,235	561,229
Closing balance	159,457	14,538	13,864	384,377	6,426	578,662

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

Included in the cost of tangible fixed assets were assets costing VND21,504 million which were fully depreciated as of 30 June 2011 (31/12/2010: VND17,205 million), but which are still in active use.

The carrying amount of tangible fixed assets retired from active use and held for disposal amounted to VND11,365 million as of 30 June 2011 (31/12/2010: VND11,365 million).

The carrying amount of temporarily idle equipment in tangible fixed assets amounted to VND3,281 million as of 30 June 2011 (31/12/2010: VND28,107 million).

As at 30 June 2011, tangible fixed assets with a carrying value of VND301,806 million (31/12/2010: VND209,065 million) were pledged with banks as security for loans granted to the Group.

**8. Finance lease tangible fixed assets**

**Group**

	<b>Machinery and equipment VND million</b>
<b>Cost</b>	
Opening balance	16,871
Transfer to tangible fixed assets	(16,871)
Closing balance	-
<b>Accumulated depreciation</b>	
Opening balance	5,185
Charge for the period	467
Transfer to tangible fixed assets	(5,652)
Closing balance	-
<b>Net book value</b>	
Opening balance	11,686
Closing balance	-

Certain production equipment were leased by Masan Industrial Corporation under various finance lease agreements with Vietcombank Finance Lease Company, Ho Chi Minh City Branch. During the period, Masan Industrial Corporation acquired these tangible fixed assets and accordingly, reclassified them to tangible fixed assets.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

**9. Intangible fixed assets**

**Group**

	<b>Land use rights</b>	<b>Software</b>	<b>Brand name</b>	<b>Total</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
<b>Cost</b>				
Opening balance	77,611	7,525	746	85,882
Additions	-	3,422	-	3,422
Transfer to long term prepayments	-	-	(201)	(201)
Written-off	(188)	-	-	(188)
Closing balance	77,423	10,947	545	88,915
<b>Accumulated amortisation</b>				
Opening balance	10,066	2,934	318	13,318
Transfer to long term prepayments	-	-	(18)	(18)
Amortisation for the period	846	1,310	-	2,156
Closing balance	10,912	4,244	300	15,456
<b>Net book value</b>				
Opening balance	67,545	4,591	428	72,564
Closing balance	66,511	6,703	245	73,459

As at 30 June 2011, land use rights with a carrying value of VND55,819 million (31/12/2010: VND32,742 million) were pledged with banks as security for loans granted to the Group.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**10. Construction in progress**

	<u>Group</u>		<u>Company</u>	
	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 31/12/2010 VND million	From 1/1/2011 to 30/6/2011 VND million	From 1/1/2010 to 31/12/2010 VND million
Opening balance	7,616,520	52,916	1,569	-
Acquisition on business combination	-	7,016,200	-	-
Additions during the period/year	468,244	660,865	-	1,569
Transfer to tangible fixed assets	(37,530)	(113,261)	(1,569)	-
Transfer to intangible fixed assets	-	(200)	-	-
Closing balance	8,047,234	7,616,520	-	1,569

During the period, borrowing costs capitalised into construction in progress amounted to VND17,687 million (2010: VND3,463 million).

**11. Investments**

	<u>Group</u>		<u>Company</u>	
	30/6/2011 VND million	31/12/2010 VND million	30/6/2011 VND million	31/12/2010 VND million
<b>Long-term investments</b>				
Investments in subsidiaries	-	-	10,557,997	10,557,997
Investment in an associate (a)	8,971,585	8,099,909	8,932,424	8,103,981
	8,971,585	8,099,909	19,490,421	18,661,978
<b>Short-term investments</b>				
Short-term investments in bonds (b)	700,000	-	700,000	-
Term deposits to banks (b)	47,500	490,000	-	-
	747,500	490,000	700,000	-

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

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

	<b>30/06/2011</b>	<b>31/12/2010</b>
	<b>VND million</b>	<b>VND million</b>
Ma San Consumer Corporation	8,400,824	8,400,824
Hoa Bang Lang Consultant Company Limited	516,600	516,600
Orchid Consultant Company Limited	441,200	441,200
Masan Horizon Corporation	1,199,373	1,199,373
	<hr/>	<hr/>
	10,557,997	10,557,997
	<hr/>	<hr/>

**(a) Investment in Techcombank's convertible subordinated bonds**

Investment in an associate represents investment in 30.84% effective equity interest of Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") as of 30 June 2011.

On 10 January 2011, the Company entered into an agreement to acquire an additional 2,834,402 bonds issued by Techcombank from other bondholders and has agreed to irrevocably and mandatorily convert those bonds into shares. The Company also entered into a swap agreement to receive cash in 18 months from the agreement date, of up to VND234,357 million depending on the performance of Techcombank in the year 2011. The amount receivable under this swap was a contingent asset and no value had been recorded as it was not virtually certain of receipt. The purchase consideration included cash of VND17,352 million for the swap and an agreement to issue 10,814,545 new ordinary shares of the Company, valued at VND811,091 million, issuable within the period of 18 months commencing on 10 January 2011. As a result of these agreements, the Group will not receive cash repayments of the principal and the interest of the bonds but the Group is effectively entitled to a share of net assets of Techcombank as represented by these instruments. As a result, the Company's total economic interest in Techcombank has increased from 28.94% at 31 December 2010 to 30.84% at 30 June 2011.

**(b) Short-term investments**

Term deposits to banks represent deposits with original terms to maturity of more than three months from their transaction dates. The term deposits are denominated in Vietnam Dong and earned interest at 14% per annum during the period (2010: 11%).

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

The Group has the intention and ability to hold the investment in debt instruments to their maturity. The carrying amount of the debt instruments represent the maximum credit exposure. At 30 June 2011, the fair value of the investments in bonds approximate their carrying values.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**(c) Transactions in subsidiaries**

On 7 April 2011, an investor subscribed for new shares issued by Masan Consumer Corporation (MSC) equivalent to 10% of its outstanding shares after such issuance for VND3,327,552 million.

In connection with this issuance, the Company entered into an agreement with the investor wherein if the equity valuation of MSC based on a multiple of 16 times 2011 earnings does not meet the agreed initial entry valuation of MSC, the Company will transfer a certain number of MSC shares to the investor to achieve an effective entry valuation of 16 times 2011 earnings. In addition, if the 2011-2013 growth rate of MSC's earnings is below the agreed internal return rate at 20% in VND or 15% in USD at the Company's discretion, the Company will also transfer a certain number of MSC shares to the investor.

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

The dilution effects of new shares issued by MSC not subscribed by the Group were as follows:

	<b>VND million</b>
Shares issued not subscribed by the Group	3,327,552
Net assets diluted	(975,063)
	<hr/>
Difference recorded in other reserves	2,352,489
	<hr/>

In addition, MSC issued shares to certain employees, resulting in the following effects:

	<b>VND million</b>
Shares issued at par not subscribed by the Group	26,143
Net assets diluted	(95,632)
	<hr/>
Difference recorded in other reserves	(69,489)
	<hr/>

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

On 16 March 2011, an investor subscribed for new Ma San Resources Corporation (“MR”) shares for a cash consideration of USD100 million, equivalent to VND2,059,120 million. The investor obtained 20% interest in MR. As part of this transaction, the Group invested VND487,500 million in MR for new ordinary shares, overall resulting in the dilution of the Group’s interest in MR from 80% to 65%. The Company also granted the investor an option to put its 20% ownership in MR to the Company for the Company’s shares in the event MR is not listed on an internationally recognized exchange within 4.5 years after the closing of the transaction. The amount of shares to be issued in the event the put option is exercised will be based on the trading price of the Company’s shares and an amount of shares that would allow the investor to generate a 15% annual internal rate of return, based on the USD invested amount.

The dilution effects of new shares issued by MR not subscribed by the Group were as follows:

	<b>VND million</b>
Shares issued not subscribed by the Group	2,059,120
Net assets diluted	(1,786,359)
	<hr/>
Difference recorded in other reserves	272,761
	<hr/> <hr/>

**Other reserve movements were as follows**

	<b>VND million</b>
<b>Balance at 1 January 2011</b>	<b>(9,062,082)</b>
Increase in minority interests in MSC	2,283,000
Increase in minority interests in MR	272,761
	<hr/>
<b>Balance at 30 June 2011</b>	<b>(6,506,321)</b>
	<hr/> <hr/>

**(d) Swap agreements entered into in 2010**

- (i) MSC swap agreement** – As part of acquiring additional 16% economic interest in MSC in 2010, the Company entered into a swap agreement with the seller. The swap agreement allows the Company to receive up to VND2,609,503 million in cash in 3.5 years based on the performance of MSC from year 2011 to 2013. The amount receivable on the swap varies according to MSC’s profit. The amount receivable in the swap agreement was computed based on 13 times 2011 projected earnings of MSC, kept within a range of VND1,538 billion to VND2,000 billion and increased to 15 times in the event MSC’s earnings grow by 30% or more annually in 2011 and 2012. The amount receivable under this swap is a contingent asset and no value has been recorded as it is not virtually certain of receipt.



**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

- (ii) **Techcombank swap agreement** - as part of acquiring additional 9.05% economic interest in Techcombank in 2010, the Company entered into a swap agreement with the seller. The amount receivable on the swap is up to VND1,116,217 million in 18 months from 31 December 2010 and vary according to Techcombank's profit. The amount in the swap agreement was computed based on approximately 11 times projected earnings of Techcombank, kept within a range of VND1,818 billion to VND2,727 billion. The amount receivable under this swap is a contingent asset and no value has been recorded as it is not virtually certain of receipt.

**12. Long-term prepayments**

**Group**

	<b>Pre- operating expenses VND million</b>	<b>Prepaid land costs VND million</b>	<b>Tools and supplies VND million</b>	<b>Borrowing fees VND million</b>	<b>Others VND million</b>	<b>Total VND million</b>
Opening balance	56,796	2,401	2,641	8,730	203	70,771
Additions	-	-	1,325	-	10,466	11,791
Transfer from Intangible fixed assets	-	-	-	-	183	183
Amortisation for the period	-	(30)	(1,549)	(1,005)	(1,768)	(4,352)
Closing balance	56,796	2,371	2,417	7,725	9,084	78,393

**Company**

	<b>Borrowing fees VND million</b>	<b>Others VND million</b>	<b>Total VND million</b>
Opening balance	8,730	-	8,730
Additions	-	1,479	1,479
Amortisation for the period	(1,005)	(292)	(1,297)
Closing balance	7,725	1,187	8,912

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

**13. Deferred tax assets and liabilities**

*(i) Recognised deferred tax assets and liabilities*

	<u>Group</u>		<u>Company</u>	
	<u>30/6/2011</u>	<u>31/12/2010</u>	<u>30/6/2011</u>	<u>31/12/2010</u>
	VND million	VND million	VND million	VND million
<b>Deferred tax assets:</b>				
Accrued advertising and promotion expenses	17,708	20,037	-	-
Other accruals	1,951	2,094	-	-
Accrued transportation costs	7,798	6,328	-	-
Accrued sales discount	6,374	12,841	-	-
Tax loss carry-forwards	-	4,737	-	-
Unrealised profit	12,878	3,117	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	46,709	49,154	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Deferred tax liabilities:</b>				
Construction in progress	(751,021)	(751,021)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

*(ii) Unrecognised deferred tax assets*

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

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2011</u>	<u>31/12/2010</u>	<u>30/06/2011</u>	<u>31/12/2010</u>
	VND million	VND million	VND million	VND million
Other accruals	-	205	-	-
Tax losses	32,720	7,150	26,258	893
	<hr/>	<hr/>	<hr/>	<hr/>
	32,720	7,355	26,258	893
	<hr/>	<hr/>	<hr/>	<hr/>

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

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**14. Goodwill**

	<b>VND million</b>
<b>Cost</b>	
Opening balance/closing balance	5,954
	<hr/>
<b>Accumulated amortisation</b>	
Opening balance	2,382
Amortisation for the period	297
	<hr/>
Closing balance	2,679
	<hr/>
<b>Net book value</b>	
Opening balance	3,572
Closing balance	3,275
	<hr/> <hr/>

**15. Short-term borrowings and liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Short-term borrowings	527,135	1,084,303	2,000,000	-
Current portion of long-term borrowings (see Note 19)	82,727	40,371	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	609,862	1,124,674	2,000,000	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

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

	Currency	Nominal Interest rate	<u>Group</u>		<u>Company</u>	
			30/6/2011 VND million	31/12/2010 VND million	30/6/2011 VND million	31/12/2010 VND million
<b>Short-term borrowings</b>						
Loans from Vietcombank						
Loan 1	VND	12.2%-19.1%	115,800	312,313	-	-
Loan 1	USD	5.6%-6.0%	-	8,580	-	-
Loan 2	VND	12.2%-19.0%	25,348	63,084	-	-
Loan 2	USD	5.5%-5.6%	-	6,462	-	-
Loan 3	VND	14.8%-19.5%	154,361	167,357	-	-
Loan 4	VND	12.2%-19%	6,352	28,162	-	-
Loan 4	USD	5.6%	-	17,531	-	-
Loan 5	VND	17.6%-19.5%	14,476	-	-	-
Loan 6	VND	12.0%-16.2%	6,863	9,122	-	-
Loans from HSBC						
Loan 1	VND	17.0%	15,035	-	-	-
Loan 1	USD	4.5%-5.3%	10,533	1,731	-	-
Loan 2	VND	12.3%-17.0%	90,402	22,904	-	-
Loan 2	USD	5.1%-5.2%	-	9,207	-	-
Loan 3	VND	17.0%	20,839	-	-	-
Loan 4	VND	15.0%-17.0%	8,806	-	-	-
Loan 4	USD	4.5%	2,613	-	-	-
Loans from Vietinbank						
Loan 1	VND	17.0%-17.5%	-	18,576	-	-
Loan 2	VND	15.5%-17.5%	-	143,340	-	-
Loan from ANZ Bank	VND	14.5%-18.7%	26,551	31,603	-	-
Loan from Sacombank	USD	7.19%	-	9,672	-	-
Loan from VRICL	VND	0.0% -15.0%	29,156	28,980	-	-
Loan from parent company	USD	15.0%	-	205,679	-	-
Loan from a subsidiary	VND	15.0%	-	-	2,000,000	-
			527,135	1,084,303	2,000,000	-

The bank loans are secured over certain trade receivables and inventories with a carrying amount of VND391,742 million (31/12/2010: VND528,100 million) and fixed assets with a carrying value of VND201,058 million (31/12/2010: VND72,093 million). Part of these fixed assets with carrying value of VND137,491 million was also used as security for long term borrowings and accordingly, included in the amount of security disclosed in Note 19.

As of 30 June 2011, the Company's loan from a subsidiary is unsecured and payable in accordance with contract terms.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

**16. Taxes payable to State Treasury**

	<u>Group</u>		<u>Company</u>	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
	VND million	VND million	VND million	VND million
Corporate income tax	133,292	104,132	5	5
Value added tax	11,870	25,378	-	-
Import-export tax	525	1,292	-	-
Other taxes	8,708	22,040	2,924	1,355
	154,395	152,842	2,929	1,360

**17. Accrued expenses**

	<u>Group</u>		<u>Company</u>	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
	VND million	VND million	VND million	VND million
Accrued interest payable	205,951	146,578	280,725	141,569
Accrued withholding tax payable	23,041	15,367	22,278	14,805
Advertising and promotion expenses	131,376	192,374	-	-
Transportation expenses	31,948	25,516	-	-
Provision for sales return	28,478	-	-	-
Sales discount	25,494	51,362	-	-
Bonus and 13 <sup>th</sup> month salary	10,214	18,163	-	712
Others	73,986	53,478	3,539	18,581
	530,488	502,838	306,542	175,667

**18. Other payables**

As of 31 December 2010, other payables in the Group's consolidated balance sheet and the Company's separate balance sheet consisted mainly of payables related to the acquisition of Techcombank bonds of VND982,648 million, which was paid on 24 March 2011.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
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**19. Long-term borrowings and liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Long-term borrowings (a)	499,058	222,233	-	-
Promissory notes (b)	2,855,764	2,855,764	-	-
Convertible bonds and loans (c)	2,008,540	1,957,960	2,008,540	1,957,960
Finance lease liabilities	-	4,974	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5,363,362	5,040,931	2,008,540	1,957,960
Repayable within twelve months	(82,727)	(40,371)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Repayable after twelve months	5,280,635	5,000,560	2,008,540	1,957,960
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

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

	Note	Currency	Nominal Interest rate	Year of maturity	<u>Group</u>		<u>Company</u>	
					30/06/2011	31/12/2010	30/06/2011	31/12/2010
					VND million	VND million	VND million	VND million
<b>a. Long-term borrowings</b>								
Loans from Vietcombank								
Loan 1		VND	15.8%-21.0%	2012-2013	11,200	14,000	-	-
Loan 2		USD	7.0%-8.2%	2012-2013	857	1,073	-	-
Loan 3		VND	14.8%-17.6%	2012-2014	24,500	28,000	-	-
Loan 4		VND	16.4%-21.0%	2012-2014	5,850	6,750	-	-
Loan 5		VND	16.4%-21.0%	2012-2014	10,633	12,393	-	-
Loan 6		VND	14.8%-17.6%	2012-2015	172,179	86,337	-	-
Loan 7		VND	17.0%-20.5%	2012-2014	83,839	45,814	-	-
Loan 7		USD	7.3%-7.8%	2011	-	14,949	-	-
Loan from ACB Bank								
			6-month SIBOR plus					
Loan 1		USD	1.9%	2011	-	5,616	-	-
Loan 2		USD	7.6%	2011	-	7,301	-	-
Loan from VDB		VND	9.6%	2013	190,000	-	-	-
					499,058	222,233	-	-
<b>b. Promissory notes</b>								
(b)		VND		2016-2017	2,855,764	2,855,764	-	-
<b>c. Convertible bonds and loans issued to:</b>								
TPG International Finance Corporation (Mauritius) Limited	(c.1)	VND	15%	2012	630,000	630,000	630,000	630,000
Jade Dragon (Mauritius) Limited	(c.2)	VND	8.0%-20.4%	2014-2016	760,000	760,000	760,000	760,000
	(c.3)	USD	8%	2015	618,540	567,960	618,540	567,960
					2,008,540	1,957,960	2,008,540	1,957,960

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

- (a) The long-term borrowings with Vietcombank and ACB bank were secured over certain fixed assets with a carrying amount of VND294,057 million (31/12/2010: VND169,714 million). The long-term loan with VDB was drawn down by a subsidiary and was secured by the subsidiary's tangible fixed assets and construction to be formed in the future with a total estimated value of VND8,339,281 million.
- (b) Promissory notes are payable on 23 September 2016 and 23 September 2017 for VND237,980 million and VND2,617,784 million, respectively, in relation to the acquisition of Nui Phao Mining Company Limited ("NPV") from a foreign investor and its affiliates (collectively, the "majority vendor") in 2010. These promissory notes were issued as consideration for the acquisition of NPV.

In addition to the promissory notes above, the Group has issued several instruments as part of the cost of acquisition. Below are the financial details and key commercial terms of the instruments issued. These instruments have not been recognized in the interim financial statements.

- (i) **Company primary share option** - the Company granted the majority vendor an option to purchase VND1,962,320 million worth of the Company shares at a price of VND65,915 per share, equaling 29,770,465 shares of the Company. The option can be exercised in cash or by extinguishing the promissory notes issued by Masan Horizon Corporation to the majority vendor, at the discretion of the majority vendor. The majority vendor shall have the right to exercise the option for the period commencing on the third anniversary following 23 September 2010 until the fifth anniversary. The Company is able to require conversion anytime after the Company's share price reaches VND65,915 for 15 consecutive days, upon which the Company can either pay the promissory notes issued to the majority vendor or require the majority vendor to exercise the option.
- ii) **MR ownership adjustment** - the Group has entered into an agreement with the majority vendor in which the Group will give the majority vendor up to 15% of its interest in MR if the prices of tungsten-related products or commodities increase above the agreed set of ranges. In return, the majority vendor will give the Group up to 5% of its interest in MR if the prices of tungsten-related products or commodities decrease below the agreed set of ranges. The option can be exercised at no cost during the 15 days following the availability of NPV's audited financial statements for the year after the year that NPV produces more than 300,000 metric ton units of contained tungsten trioxide. Any potential adjustment in the shareholding of MR will be included in the call option and put options as described below, without any adjustments to the cost of the exercise prices of such options.



**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

- (iii) **MR call and put options** – the majority vendor retained 20% of the ownership in MR after the transaction and has granted the Group a call option to purchase 100% of its shares in MR in cash within three years of the option date. The exercise prices are defined on a quarterly basis over the three year period and ranged from VND1,164,320 million to VND1,710,000 million. In return, the Company has granted the majority vendor a put option to put 100% of its shares in MR for the primary shares of the Company based on a valuation of VND1,710,000 million during the period of one month after the lapse of the above three year period at VND65,915 per share.
- (c.1) The long-term bonds issued to TPG consist of (i) three convertible bonds, with a principal of VND180,000 million each, entered into with TPG Star Masan, Limited, TPG Star Masan II, Limited and TPG Star Masan III, Limited (collectively “TPG”); and (ii) a convertible bond with a principal of VND90,000 million entered into with TPG Star Masan, Limited.
- Among others the agreements provide the following:
- (i) Interest is charged at 15% per annum, compounded annually and payable on redemption of the bond. Interest is not payable if the conversion option is exercised. The bonds mature on 10 November 2012.
- (ii) The bonds may be converted into 30,922,285 shares to be issued by the Company from 1 April 2011 to the bond’s maturity date at the option of the bondholders. However, at any time after the audited consolidated financial statements for the year ended 31 December 2010 have been provided to the bondholders, and the trading price of the Company’s listed shares exceeds 200% of the applicable conversion price for a continuous period of 90 trading days, the Company has the option to require the bonds to be converted into shares at that conversion price.
- (iii) Where there are rights issue, the bondholder is entitled to the same rights, on the same terms, as if it were the person entitled to those rights. If this is not possible, the bondholder shall be paid an amount equivalent to the fair value of those rights.
- (iv) The bonds are secured by the Company’s 4,410,000 shares of Ma San Consumer Corporation.
- (c.2) This loan represents a convertible loan, with a principal of VND760,000 million, entered into with International Finance Corporation (“IFC”), wherein VND190,000 million is convertible to the Company’s shares.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

Among others the agreement provides for the following:

- (i) Interest is charged at 8% per annum from disbursement date to 15 April 2012 and at 20.4% per annum from 15 April 2012 to the maturity date for the convertible portion. Interest is charged at 20.4% per annum for the non-convertible portion from 15 April 2013 to 15 April 2016. The loan matures on 15 April 2016. The Group has accrued interest based on the nominal interest rates. If effective interest rate was applied, additional interest expense of VND50,228 million would have been recorded.
  - (ii) IFC can exercise the option to convert VND190 billion, at the maximum, of the principal amount and require the Company to list those converted shares. There are two available period for conversion: the first option period is the period commencing the date falling 12 months after 11 May 2010 and ending on the date falling 36 months after 31 May 2010, the second option period is the period commencing from the date falling thirty six months after 11 May 2010 and ending on 15 April 2016. Interest shall continue to accrue and payment premium remains payable on the convertible loan if IFC does not exercise its conversion option during the first option period.
  - (iii) The conversion price was determined on a multiple of the Group's 2010 earnings and adjusted for any dilution, as defined in the agreement and subject to an external calculating agent's confirmation.
  - (iv) Ma San Consumer Corporation guarantees this loan. The loan is secured by the Company's 2,800,000 shares in Ma San Consumer Corporation.
- (c.3) This loan represents a USD-denominated convertible loan, with a principal amount of USD30 million.

Among others, the agreement provides the following:

- (i) The interest rate of this loan has two portions: nominal interest rate and deferred interest rate. Deferred interest is not payable if the loan is converted. During the period from 15 December 2010 to 14 December 2012 the nominal interest rate and deferred interest rate are 2% per annum and 6% per annum respectively. During the period from 15 December 2012 to 14 December 2013 the nominal interest rate and deferred interest rate are 4% per annum and 4% per annum respectively. During the period from 15 December 2013 to 14 December 2015 the nominal interest rate and deferred interest rate are 6% per annum and 2% per annum respectively. The loan matures on 14 December 2015. The nominal interest rate is compounded daily and the deferred interest rate is compounded annually.
- (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.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

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

As at 30 June 2011, the non current portion of financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

	<b>Carrying amount VND million</b>	<b>Contractual cash flows VND million</b>	<b>Within 1 year VND million</b>	<b>1 – 2 years VND million</b>	<b>2 – 5 years VND million</b>	<b>More than 5 years VND million</b>
Long-term borrowings	416,331	(582,518)	(60,340)	(213,520)	(308,658)	-
Promissory notes	2,855,764	(2,855,764)	-	-	-	(2,855,764)
Convertible bonds and loans	2,008,540	(3,108,833)	(58,827)	(1,134,037)	(1,915,969)	-
	<b>5,280,635</b>	<b>(6,547,115)</b>	<b>(119,167)</b>	<b>(1,347,557)</b>	<b>(2,224,627)</b>	<b>(2,855,764)</b>

As at 30 June 2011, VND226,331 million of the long-term borrowings obtained by the Group was at variable interest rate. A change of 100 basis points in interest rates would have increased or decreased the profit after tax of the Group by VND1,920 million.

As at 30 June 2011, the fair value of long-term liabilities based on present value of future principal and interest cash flows, discounted at the market rate of interest at 30 June 2011 are as follows:

	<b>30/6/2011</b>	
	<b>Carrying amount VND million</b>	<b>Fair value VND million</b>
Long-term borrowings	416,331	416,331
Promissory notes	2,855,764	1,114,860
Convertible bonds and loans	2,008,540	2,090,583

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**20. Provision for severance allowance**

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

	<u>Group</u> <u>From</u> <u>1/1/2011 to</u> <u>30/6/2011</u> <u>VND million</u>	<u>Company</u> <u>From</u> <u>1/1/2011 to</u> <u>30/6/2011</u> <u>VND million</u>
Opening balance	4,552	-
Provision used during the period	(332)	-
Closing balance	<hr/> 4,220	<hr/> -

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

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2008 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

For the six-month period ended 30 June 2011, the Group contributed VND671 million (2010: VND592 million) and the Company contributed VND18 million (2010: VND23 million) to the unemployment insurance fund and the amounts were recorded as part of labour and staff costs in the consolidated and separate statements of income.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

**21. Share capital and capital surplus**

The Company's authorised and issued share capital comprise:

	30/06/2011		31/12/2010	
	Number of shares	VND million	Number of shares	VND million
<b>Authorised share capital</b>	515,272,269	5,152,723	515,272,269	5,152,723
<b>Issued share capital</b>				
Ordinary shares	515,272,269	5,152,723	515,272,269	5,152,723
<b>Capital surplus</b>	-	2,166,136	-	2,166,136

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

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

**22. Other capital**

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

	Date of issue	Number of shares
Acquisition of 16% economic interest in MSC	24 June 2014	88,411,350
Acquisition of 15% economic interest in NPV	15 October 2012	22,629,310
Acquisition of 2,834,402 convertible bonds in Techcombank	10 July 2012	10,814,545
Acquisition of 13,500,000 convertible bonds in Techcombank	30 June 2012	32,538,500

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June**  
**2011 (continued)**

**23. Total revenue**

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

Net sales comprised:

	<u>Group</u>		<u>Company</u>	
	<b>From 1/1/2011 to 30/6/2011</b>	<b>From 1/1/2010 to 30/6/2010</b>	<b>From 1/1/2011 to 30/6/2011</b>	<b>From 1/1/2010 to 30/6/2010</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Total revenue				
▪ Sales of finished goods	2,870,531	2,117,565	-	-
▪ Services and other sales	7,724	4,489	-	-
Less sales deductions				
▪ Sales discounts	(12,459)	(42,837)	-	-
▪ Sales returns	(27,170)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,838,626	2,079,217	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**24. Cost of sales**

	<u>Group</u>		<u>Company</u>	
	<b>From 1/1/2011 to 30/6/2011</b>	<b>From 1/1/2010 to 30/6/2010</b>	<b>From 1/1/2011 to 30/6/2011</b>	<b>From 1/1/2010 to 30/6/2010</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Total cost of sales				
▪ Finished goods sold	1,604,350	1,239,318	-	-
▪ Allowance for returned goods	28,478	-	-	-
▪ Allowance for inventories	25,582	(12,835)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,658,410	1,226,483	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

**25. Financial income**

	<u>Group</u>		<u>Company</u>	
	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
	VND million	VND million	VND million	VND million
Interest income from:				
• Deposits	347,792	77,582	50,386	29,090
• Loans to individuals	-	2,219	-	-
• Loans to a subsidiary	-	-	13,775	-
• Loans to Viet Capital Securities Joint Stock Company	-	3,771	-	-
• Loan to parent company	20,010	-	20,010	-
• Recharge to parent company	53,891	47,303	53,891	46,675
• Investments in bonds	29,775	-	29,775	-
Foreign exchange gains	10,459	1,543	10,459	246
Others	7,977	3,964	-	82
	<hr/>	<hr/>	<hr/>	<hr/>
	469,904	136,382	178,296	76,093
	<hr/>	<hr/>	<hr/>	<hr/>

**26. Financial expenses**

	<u>Group</u>		<u>Company</u>	
	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
	VND million	VND million	VND million	VND million
Interest expense on loans from:				
• Banks	77,244	39,979	-	-
• Bondholders	82,444	46,675	82,444	46,675
• Subsidiary	-	-	100,229	-
Foreign exchange losses	31,159	9,979	28,690	-
Others	3,917	41	3,917	-
	<hr/>	<hr/>	<hr/>	<hr/>
	194,764	96,674	215,280	46,675
	<hr/>	<hr/>	<hr/>	<hr/>

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**27. Other income**

	<u>Group</u>		<u>Company</u>	
	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
	VND million	VND million	VND million	VND million
Income from scrap sales	6,279	3,060	-	-
Proceeds on disposals of fixed assets	-	2,433	-	-
Others	886	292	-	-
	7,165	5,785	-	-

**28. Other expenses**

	<u>Group</u>		<u>Company</u>	
	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
	VND million	VND million	VND million	VND million
Cost of scrap sales	7,133	3,704	-	-
Net book value of disposed fixed assets	9	3,237	-	-
Others	980	1,528	31	-
	8,122	8,469	31	-

**29. Share of profit in associate**

	<u>Group</u>		<u>Company</u>	
	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
	VND million	VND million	VND million	VND million
Share of profit in associate	331,376	148,913	-	-
Amortisation of goodwill	(288,143)	(126,976)	-	-
	43,233	21,937	-	-



**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**30. Income tax**

**(a) Recognised in the statement of income**

	<u>Group</u>		<u>Company</u>	
	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010
	VND million	VND million	VND million	VND million
<b>Current tax expense</b>				
Current period	142,257	39,133	-	-
Under provision in prior period	2,613	107	-	-
	144,870	39,240	-	-
<b>Deferred tax expenses/(income)</b>				
Origination and reversal of temporary differences	(2,292)	3	-	-
Tax losses utilised/(recognised)	4,737	(5,079)	-	-
	2,445	(5,076)	-	-
Income tax expense	147,315	34,164	-	-

**(b) Reconciliation of effective tax rate**

	<u>Group</u>			
	From 1/1/2011 to 30/6/2011	From 1/1/2010 to 30/6/2010		
	%	VND million	%	VND million
Profit before tax		971,243		479,439
Tax at CIT rate applicable	25.00%	242,811	25.00%	119,860
Effect of different tax rates in subsidiaries	(12.40%)	(120,463)	(16.87%)	(80,870)
Non-deductible expenses	0.87%	8,408	0.57%	2,718
Tax exempt income	(1.15%)	(11,190)	(1.20%)	(5,751)
Deferred tax assets not recognised	2.61%	25,365	0.90%	4,299
Under provision in prior years	0.27%	2,613	0.02%	107
Tax loss utilised	(0.01%)	(229)	(1.29%)	(6,199)
	15.17%	147,315	7.13%	34,164

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**Company**

	From 1/1/2011 to 30/6/2011		From 1/1/2010 to 30/6/2010	
	%	VND million	%	VND million
(Loss)/profit before tax		(101,961)		23,188
Tax at CIT rate applicable	(25.00%)	(25,490)	25.00%	5,797
Non-deductible expenses	00.12%	125	-	1
Deferred tax assets not recognised	24.88%	25,365	1.73%	401
Tax loss utilised	-	-	(26.73%)	(6,199)
	-	-	-	-

**(c) Applicable tax rates**

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

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.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**31. 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**

<b>Related Party</b>	<b>Nature of transaction</b>	<b>From 1/1/2011 to 30/6/2011 VND million</b>	<b>From 1/1/2010 to 30/6/2010 VND million</b>
<b>Parent Company</b>			
Ma San Corporation	Interest and tax shared by parent company	60,522	52,216
	Expenses shared by parent company	1,801	6,230
	Loan provided to parent company	715,000	75,500
	Interest income from loan to parent company	20,010	-
	Interest on loan from parent company capitalised in construction in progress	13,855	-
<b>Other related parties</b>			
Masan Information and Technology Company	Purchase service	5,857	-
Masan Property Corporation	Service charge	5,489	-
	Prepayment for services purchased	2,799	-
<b>Board of Management members</b>	Remuneration to the members of Board of Management	21,808	272

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**

**Company**

<b>Related Party</b>	<b>Nature of transaction</b>	<b>From 1/1/2011 to 30/6/2011 VND million</b>	<b>From 1/1/2010 to 30/6/2010 VND million</b>
<b>Parent Company</b>			
Ma San Corporation	Interest and tax shared by parent company	60,522	51,588
	Expenses shared by parent company	1,801	6,230
	Loan provided to parent company	715,000	-
	Interest income from loan to parent company	20,010	-
<b>Subsidiaries</b>			
Ma San Consumer Corporation	Loan received from subsidiary	2,715,000	-
	Interest expense on loan	100,229	-
Ma San Horizon Corporation	Loan provided to a subsidiary	136,840	-
Ma San Resources Corporation	Interest income from loan provided to a subsidiary	13,775	-
<b>Board of Management members</b>	Remuneration to the members of Board of Management	2,437	83

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**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**32. Commitments**

**(a) Capital expenditure**

As at 30 June 2011, the following outstanding capital commitments have been approved but not provided for in the balance sheet:

	<u>Group</u>		<u>Company</u>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Approved and contracted	1,207,390	78,881	-	-
Approved but not contracted	326,869	639,581	-	-
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	1,534,259	718,462	-	-
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**(b) Leases**

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

	<u>Group</u>		<u>Company</u>	
	<b>30/6/2011</b>	<b>31/12/2010</b>	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Within one year	40,871	36,057	8,142	1,570
Within two to five years	57,627	49,274	11,511	870
More than five years	34,604	35,653	-	-
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	133,102	120,984	19,653	2,440
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**33. Earnings per share**

**(a) Basic earnings per share**

The calculation of basic earnings per share at 30 June 2011 was based on the profit attributable to ordinary shareholders of VND652,933 million (2010: VND336,469 million) of the Group and a weighted average number of ordinary shares outstanding of 668,945,004 shares during the period (2010: 485,399,820 shares), calculated as follows:

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.

**(i) Net profit attributable to ordinary shareholders**

	<b>From 1/1/2011 to 30/6/2011 VND million</b>	<b>From 1/1/2010 to 30/6/2010 VND million</b>
Net profit attributable to ordinary shareholders	652,933	336,469

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

	<b>30/6/2011</b>	<b>30/6/2010</b>
Issued ordinary shares at the beginning of the period	658,851,428	485,399,820
Effect of shares issued during the period	10,093,576	-
Weighted average number of ordinary shares at the end of the period	668,945,004	485,399,820

**(b) Diluted earnings per share**

The calculation of diluted earnings per share for six-month period ended 30 June 2011 was based on profit attributable to shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares.

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

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

	<b>From 1/1/2011 to 30/6/2011 VND million</b>	<b>From 1/1/2010 to 30/6/2010 VND million</b>
Net profit attributable to shareholders (basic)	652,933	336,469
Adjustment of profit attributable to minority interest in a subsidiary	5,443	-
Profit attributable to ordinary shareholders (diluted)	658,376	336,469

The diluted net profit attributable to shareholders took into account income effect of potential dilutive ordinary shares.

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

	<b>From 1/1/2011 to 30/6/2011</b>	<b>From 1/1/2010 to 30/6/2010</b>
Weighted average number of ordinary shares (basic)	668,945,004	485,399,820
Effect of potential ordinary shares	97,187,355	30,922,285
Weighted average number of ordinary shares (diluted)	766,132,359	516,322,105

**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

**34. Share based payment plan**

Prior to 1 January 2011, certain employees and key management personnel were granted the rights to subscribe for a subsidiary's shares at par, which cease if the employment is terminated. The shares vest on a monthly basis. From 1 January 2011, the shares were not issued monthly and were issued periodically after shareholders' approval.

The number of the subsidiary's shares issued to certain employees for services rendered were as follows:

	<b>From 1/1/2011 to 30/6/2011</b>	<b>From 1/1/2010 to 30/6/2010</b>
Employees	318,314	568,847
Members of the Board of Directors (excluded from employees numbers)	2,296,066	48,210

At 30 June 2011, the above subsidiary also has a commitment to issue 62,446 shares to employees for services rendered from April to June 2011.

The Group entered into an Employee Share Option Plan ("ESOP") on 9 October 2009. The exercise price is VND23,463 per share and the number of options granted is based on a percentage of outstanding shares at time of exercise. The number of options at 30 June 2011 is for 33,483,299 shares, including options on shares that are issuable solely after the passage of time. The exercisable periods of the ESOP are within 3 and 6 years from the option agreement date. There is no service condition attached to the options. The option expires upon the earlier of the expiry of the option exercise period or full exercise of the options.

**35. Net assets/liabilities in foreign currencies**

At 30 June 2011, the Group had the following net exposed liability position:

	<b>USD</b>
Cash and cash equivalents	13,034,730
Accounts receivable – trade	491,172
Accounts payable – trade	(4,615,638)
Short-term borrowings and liabilities	(741,862)
Long-term borrowings and liabilities	(30,044,000)
Other monetary liabilities	(51,568)
	<hr/>
	(21,927,166)
	<hr/> <hr/>



**Ma San Group Corporation and its subsidiaries**  
**Notes to the interim financial statements for the six-month period ended 30 June 2011**  
**(continued)**

The Group 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, primarily the US Dollars (USD).

The Group's policy is to ensure that its net foreign exchange exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. The followings are the significant exchange rates applied by the Group:

	Exchange rate as at	
	30/6/2011	31/12/2010
USD	20,618	18,932

The strengthening or weakening of the VND against USD by 10% would have increased or decreased profit after tax by VND38,351 million. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

Prepared by:

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*Chief Accountant*

Approved by:

*Nguyễn Đăng Quang*



Nguyễn Đăng Quang  
*Chairman*