



**Masan Group Corporation
and its subsidiaries**

Consolidated Interim Financial Statements
for the six-month period ended 30 June 2021



Masan Group Corporation Corporate Information

Enterprise Registration Certificate No.

0303576603

18 November 2004

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 17 June 2021. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Dr Nguyen Dang Quang	Chairman
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Nam	Member
Mr Woncheol Park	Member
Mr Nguyen Doan Hung	Member
Mr David Tan Wei Ming	Member
Ms Nguyen Thi Thu Ha	Member

(from 1 April 2021)

Board of Management

Mr Danny Le	Chief Executive Officer
Mr Nguyen Thieu Nam	Deputy Chief Executive Officer
Mr Michael Hung Nguyen	Deputy Chief Executive Officer

Legal Representative

Dr Nguyen Dang Quang	Chairman
Mr Danny Le	Chief Executive Officer

Registered Office

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

Auditor

KPMG Limited
Vietnam

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

The Board of Management of Masan Group Corporation (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the six-month period ended 30 June 2021.

The Company’s Board of Management is responsible for the preparation and fair presentation of the consolidated interim financial statements as at and for the six-month period ended 30 June 2021 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In preparing those consolidated interim financial statements, the Company’s 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 consolidated interim financial statements; and
- prepare the consolidated interim financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

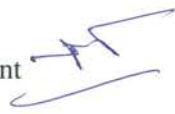
The Company’s Board of Management is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and to ensure that the accounting records comply with the requirements of Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. 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 Company’s Board of Management confirms that they have complied with the above requirements in preparing these consolidated interim financial statements.

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We do hereby approve the accompanying consolidated interim financial statements of the Group as at and for the six-month period ended 30 June 2021, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Management



Danny Le

Chief Executive Officer

Ho Chi Minh City, Vietnam
20 August 2021



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Shareholders Masan Group Corporation

We have reviewed the accompanying consolidated interim financial statements of Masan Group Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at 30 June 2021, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 20 August 2021, as set out on pages 5 to 85.

Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Masan Group Corporation and its subsidiaries as at 30 June 2021 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 21-01-00241-21-2



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2018-007-1
Deputy General Director

Nguyen Thuy Ninh
Practicing Auditor Registration
Certificate No. 4623-2018-007-1

Ho Chi Minh City, 20 August 2021



Masan Group Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2021

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

	Code	Note	30/6/2021 VND million	1/1/2021 VND million
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		34,398,733	29,760,685
Cash and cash equivalents	110	7	11,544,161	7,721,442
Cash	111		1,430,531	1,930,142
Cash equivalents	112		10,113,630	5,791,300
Short-term financial investments	120	8	437,650	447,250
Held-to-maturity investments	123		437,650	447,250
Accounts receivable – short-term	130	9	7,534,983	7,051,442
Accounts receivable from customers	131		2,494,264	2,061,915
Prepayments to suppliers	132		520,098	606,656
Receivable on short-term lending loans	135		1,140,000	1,140,000
Other short-term receivables	136		3,466,864	3,350,727
Allowance for doubtful debts	137		(86,243)	(107,856)
Inventories	140	10	13,007,276	12,497,917
Inventories	141		13,138,760	12,730,397
Allowance for inventories	149		(131,484)	(232,480)
Other current assets	150		1,874,663	2,042,634
Short-term prepaid expenses	151		434,077	303,201
Deductible value added tax	152		1,370,852	1,663,346
Taxes receivable from State Treasury	153	18(a)	69,734	76,087

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

Masan Group Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2021 (continued)

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

	Code	Note	30/6/2021 VND million	1/1/2021 VND million
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		86,298,169	85,975,877
Accounts receivable – long-term	210	9	1,571,446	1,592,008
Other long-term receivables	216		1,571,446	1,592,008
Fixed assets	220		48,437,761	49,582,187
Tangible fixed assets	221	11	33,179,631	34,321,764
Cost	222		51,126,353	50,777,648
Accumulated depreciation	223		(17,946,722)	(16,455,884)
Finance lease tangible fixed assets	224		367,849	22,278
Cost	225		437,611	90,061
Accumulated depreciation	226		(69,762)	(67,783)
Intangible fixed assets	227	12	14,890,281	15,238,145
Cost	228		19,724,729	19,594,216
Accumulated amortisation	229		(4,834,448)	(4,356,071)
Investment property	230	13	12,014	14,518
Cost	231		18,628	18,628
Accumulated depreciation	232		(6,614)	(4,110)
Long-term work in progress	240		2,946,002	2,274,759
Construction in progress	242	14	2,946,002	2,274,759
Long-term financial investments	250	8	22,649,697	20,353,099
Investments in associates	252		22,615,821	20,320,738
Equity investments in other entities	253		30,589	30,589
Allowance for diminution in value of long-term financial investments	254		(4,113)	(5,628)
Held-to-maturity investments	255		7,400	7,400
Other long-term assets	260		10,681,249	12,159,306
Long-term prepaid expenses	261	15	6,255,403	6,533,670
Deferred tax assets	262	16	846,169	1,794,136
Goodwill	269	17	3,579,677	3,831,500
TOTAL ASSETS (270 = 100 + 200)	270		120,696,902	115,736,562

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

Masan Group Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2021 (continued)

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

	Code	Note	30/6/2021 VND million	1/1/2021 VND million
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		89,260,191	90,706,283
Current liabilities	310		38,124,851	38,874,663
Accounts payable to suppliers – short-term	311		6,927,568	6,832,649
Advances from customers	312		319,013	1,074,932
Taxes payable to State Treasury	313	18(b)	925,755	941,302
Payables to employees	314		309,891	239,074
Accrued expenses	315	19	4,547,824	4,705,417
Unearned revenue	318		20,827	20,706
Other short-term payables	319	20	4,302,184	2,472,126
Short-term borrowings, bonds and finance lease liabilities	320	21(a)	20,712,056	22,545,046
Provisions – short-term	321		16,720	6,517
Bonus and welfare funds	322		43,013	36,894
Long-term liabilities	330		51,135,340	51,831,620
Accounts payable to suppliers – long-term	331		25,556	27,668
Other long-term payables	337	20	187,468	180,397
Long-term borrowings, bonds and finance lease liabilities	338	21(b)	40,407,355	39,466,043
Deferred tax liabilities	341	16	3,602,722	4,651,174
Provisions – long-term	342	22	6,912,239	7,506,338

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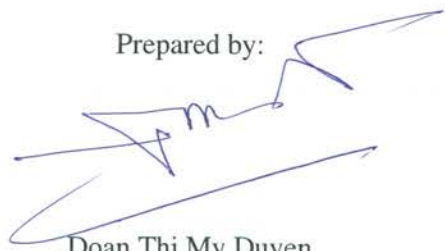
Masan Group Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2021 (continued)

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

	Code	Note	30/6/2021 VND million	1/1/2021 VND million
EQUITY (400 = 410)	400		31,436,711	25,030,279
Owners' equity	410	23	31,436,711	25,030,279
Share capital	411	24	11,805,347	11,746,832
Capital surplus	412	24	11,084,247	11,084,297
Other capital	414		(8,563,690)	(8,563,690)
Foreign exchange differences	417		(227,141)	(226,972)
Other equity funds	420		(31,086)	(284,952)
Undistributed profits after tax	421		7,278,838	2,182,124
- Undistributed profits after tax brought forward	421a		2,179,083	27,383,610
- Profit after tax for the current period/ (loss after tax for the prior year)	421b		5,099,755	(25,201,486)
Non-controlling interests	429		10,090,196	9,092,640
TOTAL RESOURCES (440 = 300 + 400)	440		120,696,902	115,736,562

20 August 2021

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:





Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Danny Le
Chief Executive Officer

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

Masan Group Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2021

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

	Code	Note	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Revenue from sale of goods and provision of services	01	27	41,898,125	36,153,823
Revenue deductions	02	27	701,970	749,854
Net revenue (10 = 01 - 02)	10	27	41,196,155	35,403,969
Cost of sales	11	28	32,034,788	27,547,870
Gross profit (20 = 10 - 11)	20		9,161,367	7,856,099
Financial income	21	29	461,686	1,094,900
Financial expenses	22	30	2,779,440	1,859,168
<i>In which: Interest expense</i>	23		<i>2,374,012</i>	<i>1,541,167</i>
Share of profit in associates	24	8(b)	1,970,953	1,132,218
Selling expenses	25	31	5,397,136	6,313,488
General and administration expenses	26	32	1,810,338	1,670,810
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		1,607,092	239,751
Other income	31	33	192,291	87,061
Other expenses	32	34	170,467	75,672
Results of other activities (40 = 31 - 32)	40		21,824	11,389
Accounting profit before tax (50 = 30 + 40) (carried forward to next page)	50		1,628,916	251,140

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

Masan Group Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2021
(continued)

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

	Code	Note	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Accounting profit before tax (50 = 30 + 40) (brought forward from previous page)	50		1,628,916	251,140
Income tax expense – current	51	35	403,101	470,587
Income tax benefit – deferred	52	35	(170,378)	(57,502)
Net profit/(loss) after tax (60 = 50 - 51 - 52)	60		1,396,193	(161,945)
Attributable to:				
Equity holders of the Company	61		978,613	117,254
Non-controlling interests	62		417,580	(279,199)
Earnings per share				
Basic earnings per share (VND)	70	37	833	100

20 August 2021

Prepared by:


Doan Thi My Duyen
Chief Accountant

Approved by:


Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer


Danny Le
Chief Executive Officer



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

Masan Group Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2021
(Indirect method)

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

	Code	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	1,628,916	251,140
Adjustments for			
Depreciation and amortisation	02	2,363,248	2,110,970
Allowances and provisions	03	(50,945)	278,738
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(6,225)	2,371
Profits from investing activities	05	(2,246,322)	(1,666,227)
Interest expense and other financial expenses	06	2,580,389	1,636,364
Operating profit before changes in working capital	08	4,269,061	2,613,356
Change in receivables and other assets	09	(190,738)	91,910
Change in inventories	10	(441,155)	(625,920)
Change in payables and other liabilities	11	679,788	(136,815)
Change in prepaid expenses	12	136,924	10,374
Change in trading securities	13	-	472,134
		4,453,880	2,425,039
Interest paid	14	(2,389,646)	(1,800,081)
Corporate income tax paid	15	(529,971)	(392,350)
Other payments for operating activities	17	(2,662)	(716)
Net cash flows from operating activities	20	1,531,601	231,892
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(1,318,750)	(1,160,487)
Proceeds from disposals of fixed assets and other long-term assets	22	7,658	7,246
Payments for granting loans and term deposits	23	(1,142,800)	(1,927,300)
Receipts from collecting loans and term deposits	24	1,152,400	889,967
Payments for investments	25	(2,207,788)	(28,695,028)
Business combination, net of cash acquired	25	-	(1,563,677)
Proceeds from disposals of investments	26	5,939,233	10,500,000
Receipts of interest and dividends	27	166,295	573,368
Net cash flows from investing activities	30	2,596,248	(21,375,911)

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

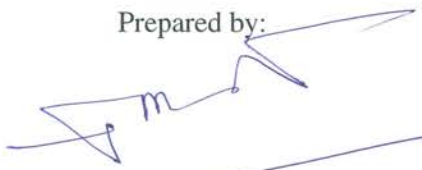
Masan Group Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2021
(Indirect method – continued)

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

	Code	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of new shares and equity issued to non-controlling interests	31	9,231,209	17,167
Payments for share redemptions	32	(8,029,617)	-
Proceeds from borrowings and bonds	33	25,584,016	45,363,758
Payments to settle borrowings and bonds	34	(26,891,793)	(26,311,429)
Payments to settle finance lease liabilities	35	(3,333)	-
Payments of dividends to the Company's shareholders and to non-controlling interests of subsidiaries	36	(195,782)	(30,002)
Net cash flows from financing activities	40	(305,300)	19,039,494
Net cash flows during the period (50 = 20 + 30 + 40)	50	3,822,549	(2,104,525)
Cash and cash equivalents at beginning of the period	60	7,721,442	6,800,528
Effect of exchange rate fluctuations	61	170	(492)
Cash and cash equivalents at end of the period (70 = 50 + 60 + 61)	70	11,544,161	4,695,511

20 August 2021

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:




Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Danny Le

Chief Executive Officer

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

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2021

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

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

1. Reporting entity

(a) Ownership structure

Masan Group Corporation (“the Company”) is a joint stock company incorporated in Vietnam.

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

(b) Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associates are as follows:

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

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

Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
Direct subsidiaries						
1	Masan Horizon Company Limited (“MH”)		Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
2	Masan MEATLife Corporation (“MML”)		Investment holding, animal protein trading	10 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	87.9%	87.9%
3	The SHERPA Company Limited (“SHERPA”)		Investment holding	10 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
Indirect subsidiaries						
1	The CrownX Corporation (“CrownX”)		Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	84.9%	84.8%
2	MasanConsumerHoldings Company Limited (“MCH”)		Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	72.7%	72.7%
3	Masan Brewery Company Limited (“MB”)	(i)	Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	48.5%	48.5%
4	Masan Master Brewer Company Limited (“MMBr”)	(i)	Beer and beverage trading	10 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	48.5%	48.5%
5	Masan Brewery PY One Member Company Limited (“MBPY”)	(i)	Beer and beverage manufacturing	Hoa Hiep Industrial Park, Hoa Hiep Bac Ward, Dong Hoa District, Phu Yen Province, Vietnam	48.5%	48.5%

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

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

Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
6	Masan Brewery HG One Member Company Limited (“MBHG”)	(i)	Beer and beverage manufacturing	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	48.5%	48.5%
7	Masan Brewery Distribution One Member Company Limited (“MBD”)	(i)	Beer and beverage trading	10 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	48.5%	48.5%
8	Masan Brewery MB Company Limited (“MBMB”)	(i)	Beer and beverage manufacturing	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam	48.5%	48.5%
9	Masan Consumer Corporation (“MSC”)	(i)	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	68.9%
10	Masan Consumer (Thailand) Limited (“MTH”)	(i)	Trading and distribution	No. 83, 4 th Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand	68.9%	68.9%
11	Masan Food Company Limited (“MSF”)	(i)	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	68.9%
12	Masan Industrial One Member Company Limited (“MSI”)	(i)	Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An City, Binh Duong Province, Vietnam	68.9%	68.9%
13	Viet Tien Food Technology One Member Company Limited (“VTF”)	(i)	Seasonings manufacturing	Lot III-10-Industrial Group III, Tan Binh Industrial Park, Tan Phu District, Ho Chi Minh City, Vietnam	68.9%	68.9%

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

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

Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
14	Masan HD One Member Company Limited (“MHD”)	(i)	Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Vietnam	68.9%	68.9%
15	Masan PQ Corporation (“MPQ”)	(i)	Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam	68.9%	68.9%
16	Nam Ngu Phu Quoc One Member Company Limited (“NPQ”)	(i)	Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam	68.9%	68.9%
17	Masan HN Company Limited (“HNF”)	(i)	Convenience food manufacturing	Lot CN-08 and CN-14, Dong Van IV Industrial Zone, Dai Cuong Commue, Kim Bang District, Ha Nam Province, Vietnam.	68.9%	68.9%
18	Masan Long An Company Limited (“MLA”)	(i)	Seasonings, convenience food manufacturing and packaging	Hamlet 2, Thanh Hoa Commune, Ben Luc District, Long An Province, Vietnam	68.9%	68.9%
19	VinaCafé Bien Hoa Joint Stock Company (“VCF”)	(i)	Beverage manufacturing and trading	Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam	68.1%	68.0%
20	Café De Nam Joint Stock Company (“CDN”)	(i)	Beverage trading and manufacturing	Lot C.I.III-3+5+7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam	66.6%	57.8%



Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2021 (continued)

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Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
21	Vinh Hao Mineral Water Corporation (“VHC”)	(i)	Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam	62.1%	62.1%
22	Kronfa., JSC (“KRP”)	(i)	Beverage manufacturing	Km 37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam	62.1%	62.1%
23	Masan Beverage Company Limited (“MSB”)	(i)	Beverage trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	68.9%
24	Masan MB One Member Company Limited (“MMB”)	(i)	Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park, Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam	68.9%	68.9%
25	Masan HG One Member Company Limited (“MHG”)	(i)	Convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	68.9%	68.9%
26	Masan Jinju Joint Stock Company (“MSJ”)	(i)	Convenience food manufacturing and trading	Factory F5, Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An City, Binh Duong Province, Vietnam	51.7%	51.6%
27	Quang Ninh Mineral Water Corporation (“QNW”)	(i)	Beverage manufacturing and trading	Group 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam	45.4%	45.3%

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Number	Name	Note	Principal activities	Address	Percentage of economic interests at	
					30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
28	Masan HPC Company Limited (“HPC”)	(i)	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	68.9%
29	Net Detergent Joint Stock Company (“NET”)	(i)	Homecare products manufacturing and trading	D4 Street, Loc An-Binh Son Industrial Park, Binh Son Ward, Long Thanh District, Dong Nai Province, Vietnam	36.0%	36.0%
30	Masan Innovation Company Limited (“INV”)	(i)	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	68.9%
31	Hi-Fresh Company Limited (“HIF”)	(i)	Trading and distribution	8 th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	68.9%
32	VCM Services and Trading Development Joint Stock Company (“VCM”)		Investment holding	6 th Floor, International Center, 17 Ngo Quyen Street, Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam	71.3%	80.1%
33	Vincommerce General Commercial Services Joint Stock Company (“VinCommerce”)	(ii)	Consumer retail	5 th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	71.3%	80.1%
34	Vineco Agricultural Investment Development and Production Limited Liability Company (“VinEco”)	(ii)	Agriculture	7 Bang Lang 1 Street, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Ha Noi City, Vietnam	71.3%	80.1%

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Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
35	VinEco – Tam Dao Agricultural Investment Development and Production Limited Liability Company (“VinEco Tam Dao”)	(ii)	Agriculture	Co Quan Hamlet, Gia Khanh Commune, Binh Xuyen District, Vinh Phuc Province, Vietnam	63.5%	71.3%
36	Dong Nai – VinEco Agricultural Company Limited (“VinEco Dong Nai”)	(ii)	Agriculture	Km 13, National Road 51, Long Khanh Hamlet, Tam Phuoc Commune, Bien Hoa City, Dong Nai Province, Vietnam	55.3%	62.1%
37	Masan High-Tech Materials Corporation (“MHT”)	(v)	Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	86.4%
38	Masan Thai Nguyen Resources Company Limited (“MRTN”)	(iii)	Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	86.4%
39	Thai Nguyen Trading and Investment Company Limited (“TNTT”)	(iii)	Investment holding	8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	86.4%
40	Nui Phao Mining Company Ltd (“NPM”)	(iii)	Exploring and processing mineral	Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	86.4%	86.4%
41	Masan Tungsten Limited Liability Company (“MTC”)	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	Hamlet 11, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	86.4%	86.4%

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Number	Name	Note	Principal activities	Address	Percentage of economic interests at	
					30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
42	H.C. Starck Holding (Germany) GmbH (“HCS”)	(iii)	Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	86.4%
43	ChemiLytics Beteiligungs GmbH	(iii)	Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	86.4%
44	H.C. Starck GmbH	(iii)	Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	86.4%
45	Chemische Fabriken Oker und Braunschweig AG	(iii)	Producing chemicals for manufacturing of paper and additives for the absorptive materials industry	Im Schleeke 78-91, 38642 Goslar, Germany	86.4%	86.4%
46	H.C. Starck Infrastructure GmbH & Co. KG	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	Landsberger Str. 98, 80339 Munich, Germany	86.4%	86.4%
47	ChemiLytics GmbH & Co. KG	(iii)	Chemical analysis and physical measurement data	Im Schleeke 78-91, 38642 Goslar, Germany	86.4%	86.4%
48	H.C. Starck Tungsten GmbH	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	Landsberger Str. 98, 80339 Munich, Germany	86.4%	86.4%
49	H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd.	(iii)	Tungsten trading and distribution	Room 301, 69 Yonghong Road, Minhang District, Shanghai, China	86.4%	86.4%
50	H.C. Starck Canada Inc.	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	933 Vidal Street South, P.O. Box 3098, Samia, Ontario, N7T 8H8, Canada	86.4%	86.4%



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Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
51	H.C. Starck Tungsten GK	(iii)	Tungsten trading and distribution	2-20, Kaigan 1-chome, Minato-ku, Tokyo, Japan	86.4%	86.4%
52	H.C. Starck Tungsten LLC	(iii)	Tungsten trading and distribution	45 Industrial Place, Newton, MA 02461-1951, the United States of America	86.4%	86.4%
53	H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co. Ltd.	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	Shuixi Nonferrous and Metallurgical Industrial Base, Zhanggong District, Ganzhou, Jiangxi Province, People's Republic of China	51.8%	51.8%
54	Mapleleaf Company Limited ("MPL")	(v)	Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
55	Masan Blue Corporation ("MBL")	(v)	Trading and distribution	8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.8%	99.8%
56	Blue Tek Vietnam Joint Stock Company ("Blue Tek")	(v)	Software publishing	8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	50.9%	50.9%
57	MNS Feed Company Limited ("MNS Feed")	(iv)	Investment holding	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.9%	87.9%

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Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
58	MNS Feed Tien Giang Company Limited (“MNS Feed Tien Giang”)	(iv)	Animal protein	Lot 22-23B, Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam	87.9%	87.9%
59	MNS Feed Nghe An Company Limited (“MNS Feed Nghe An”)	(iv)	Animal protein	C Area, Nam Cam Industrial Park, Dong Nam Nghe An Industrial Zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam	87.9%	87.9%
60	MNS Feed Hau Giang Company Limited (“MNS Feed Hau Giang”)	(iv)	Animal protein	Street No. 4, Tan Phu Thanh Industrial Park – Phase 1, Tan Phu Thanh Commune, Chau Thanh A District, Hau Giang Province, Vietnam	87.9%	87.9%
61	MNS Feed Thai Nguyen Company Limited (“MNS Feed Thai Nguyen”)	(iv)	Animal protein	Lot B5-B6, Trung Thanh Industrial Park, Trung Thanh District, Pho Yen Town, Thai Nguyen Province, Vietnam	87.9%	87.9%
62	MNS Feed Vinh Long Company Limited (“MNS Feed Vinh Long”)	(iv)	Animal protein	Area 4, Co Chien Industrial Park, Long Ho District, Vinh Long Province, Vietnam	87.9%	87.9%
63	Agro Nutrition International Joint Stock Company (“ANCO”)	(iv)	Animal protein	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.8%	87.8%
64	Agro Nutrition International Binh Dinh One Member Limited Company (“ANCO Binh Dinh”)	(iv)	Animal protein	Lot B4.06, Nhon Hoi Industrial Park (Area A), Nhon Hoi District, Quy Nhon Town, Binh Dinh Province, Vietnam	87.8%	87.8%
65	Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”)	(iv)	Animal protein	Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam	66.0%	66.0%

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Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
66	Proconco Can Tho One Member Company Limited ("Proconco Can Tho")	(iv)	Animal protein	Lot 13 and Lot 14, Tra Noc 1 Industrial Park, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam	66.0%	66.0%
67	ConCo Binh Dinh Co., Ltd. ("Proconco Binh Dinh")	(iv)	Animal protein	Lot A-2-5 and Lot A-2-6, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam	66.0%	66.0%
68	Proconco Hung Yen Trading and Production Co., Ltd. ("Proconco Hung Yen")	(iv)	Animal protein	Yen Phu Hamlet, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	66.0%	66.0%
69	MNS Meat Company Limited ("MNS Meat")	(iv)	Investment holding	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.9%	87.9%
70	MNS Farm Company Limited ("MNS Farm")	(iv)	Investment holding	10 th Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	87.9%	87.9%
71	MNS Farm Nghe An Company Limited ("MNF Nghe An")	(iv)	Swine breeding and trading	Con Son Village, Ha Son Commune, Quy Hop District, Nghe An Province, Vietnam	87.9%	87.9%
72	MNS Meat Processing Company Limited ("MNS Meat Processing")	(iv)	Investment holding	10 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	87.9%	87.9%

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Number	Name	Note	Principal activities	Address	Percentage of economic interests at	
					30/6/2021	1/1/2021
<i>Indirect subsidiaries</i>						
73	MNS Meat Ha Nam Company Limited (“MNS Meat Ha Nam”)	(iv)	Meat processing and trading	Lot CN-02, Dong Van IV Industrial Park, Dai Cuong Village, Kim Bang District, Ha Nam Province, Vietnam	87.9%	87.9%
74	MEATDeli Sai Gon Company Limited (“MEAT Deli Sai Gon”)	(iv)	Meat processing and trading	Lot 2 Street No. 15, Lot 3-5-7 Street No. 17, Lot 2 Street No. 17, Lot 9 Street No. 19, Tan Duc Industrial Park, Huu Thanh Ward, Duc Hoa District, Long An Province, Vietnam	87.9%	87.9%
75	3F Viet Joint Stock Company (“3F Viet”)	(iv)	Chicken breeding and trading	68 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	44.8%	44.8%
76	3F Viet Food Company Limited (“3F Viet Food”)	(iv)	Meat processing and trading	Kien An Hamlet, An Lap Ward, Dau Tieng District, Binh Duong Province, Vietnam	44.8%	44.8%



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Number	Name	Note	Principal activities	Address	Percentage of economic interests at 30/6/2021	1/1/2021
Direct associate						
1	Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”)		Banking	Techcombank Tower, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Note 8(b)	
Indirect associates						
1	Cholimex Food Joint Stock Company (“Cholimex”)	(vi)	Seasonings manufacturing and trading	Lot C40 – 43/1, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.8%	32.8%
2	Thuan Phat Packing Joint Stock Company (“Thuan Phat”)	(vii)	Packaging manufacturing	Tan Bien Ward, Bien Hoa City, Dong Nai Province, Vietnam	25.0%	25.0%
3	Abattoir Long Binh Joint Stock Company (“Abattoir”)	(vii)	Animal processing	Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	25.0%	25.0%
4	Vissan Joint Stock Company (“Vissan”)	(vii)	Food manufacturing and retailing	420 No Trang Long Street, Ward 13, Binh Thanh District, Ho Chi Minh City, Vietnam	24.9%	24.9%
5	Jiangwu H.C. Starck Tungsten Products Co., Ltd. (“Jiangwu”)	(viii)	Deep processing of nonferrous metals and precious metals Tungsten)	Shuixi Nonferrous and Metallurgical Industrial Base, Zhanggong District, Ganzhou, Jiangxi Province, People’s Republic of China	30.0%	30.0%
6	Phuc Long Heritage Corporation (“Phuc Long”)	(ix)/ (a)	Food retailing	42/24 - 42/26 Street No. 643, Ta Quang Buu, Ward 4, District 8, Ho Chi Minh City, Vietnam	20.0%	-

(a) On 29 May 2021, SHERPA, a direct subsidiary of the Company acquired 20% equity interests in Phuc Long Heritage Corporation for total consideration of VND345,600 million.

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The percentage of economic interests for subsidiaries represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries, which is determined based on percentage of equity owned (directly and indirectly) in the subsidiaries, except for other arrangements (if any). The percentage of economic interests for associates represents the direct percentage of economic interests of the Company and its subsidiaries in the associates.

- (i) These entities are direct and indirect subsidiaries of MCH.
- (ii) These entities are direct and indirect subsidiaries of VCM.
- (iii) These entities are direct and indirect subsidiaries of MHT.
- (iv) These entities are direct and indirect subsidiaries of MML.
- (v) These entities are direct and indirect subsidiaries of MH.
- (vi) This entity is an indirect associate of MCH.
- (vii) These entities are indirect associates of MML.
- (viii) This entity is an indirect associate of MHT.
- (ix) This entity is a direct associate of SHERPA.

Except for transactions with non-controlling interests as disclosed in Note 8(c) and acquisition of Phuc Long, there were no other changes in the composition of the Group since the end of the last accounting period which affect the Group's consolidated interim financial statements for the six-month period ended 30 June 2021.

As at 30 June 2021, the Group had 32,151 employees (1/1/2021: 34,938 employees).

(c) Normal operating cycle

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

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

(b) Basis of measurement

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

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(c) Accounting period

The annual accounting period of the Group is from 1 January to 31 December. These consolidated interim financial statements are prepared for the six-month period ended 30 June 2021.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"). The consolidated interim financial statements are prepared and presented in millions of Vietnam Dong ("VND million").

3. Significant accounting policies

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

The accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest consolidated annual financial statements.

(a) Basis of consolidation

(i) Common-control business combination

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard No. 11 *Business Combination* and in selecting its accounting policy with respect to such transaction, the Group has considered Vietnamese Accounting Standard No. 01 *Framework* and Vietnamese Accounting Standard No. 21 *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Any difference between the cost of acquisition and net assets acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in undistributed profits after tax under equity.

The consolidated statements of income and cash flows include the results of operations of the combining companies from the acquisition date.

(ii) Non-common control business combination

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

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Cost of a business combination (cost of the acquisition) is the aggregate amount of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in the acquisition in exchange for control of the acquiree and any costs directly attributable to the business combination. Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed in a business combination are recognised at fair value at the acquisition date.

Any goodwill that arises representing the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is recognised in consolidated balance sheet, then amortised through to the consolidated statement of income (see Note 3(1)). When the excess is negative (gain from bargain purchase), it is recognised in the consolidated statement of income for the current period after a reassessment has been performed to ensure that the measurement of identifiable assets acquired, liabilities and contingent liabilities assumed and the cost of the business combination appropriately reflects consideration of all available information as of the acquisition date.

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

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

(iv) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated interim financial statements using the equity method (equity accounted investees). They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated interim financial statements include the Group's share of the profit or loss 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. The carrying amount of investments in equity accounted investees is also adjusted for the alterations in the investor's proportionate interest in the investees arising from changes in the investee's equity that have not been included in the consolidated statement of income (such as foreign exchange translation differences, etc.). 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.

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Gain or loss on disposal of interest in an associate without losing significant influence, including through dilution of interest (deemed disposal) in the associate, is recognised in the consolidated statement of income.

(v) *Non-controlling interests (“NCI”)*

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

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in undistributed profits after tax under equity, except where such difference arises from a transaction that is contractually linked to an issuance of shares or capital contribution at a premium or surplus in which case the difference is recorded in other capital.

(vi) *Transactions eliminated on consolidation*

Intra-group transactions, balances, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements. However, foreign currency difference arising on intra-group monetary items, whether short-term or long-term are recorded in the consolidated statement of income. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the associate.

(b) *Foreign currency*

(i) *Foreign currency transactions*

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

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the rates at the end of the accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

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

(ii) *Foreign operations*

For the purpose of presenting the consolidated interim financial statements, the financial information of foreign operations are translated to VND as follows:

- Assets and liabilities including goodwill and fair value adjustments arising on acquisition, are translated to VND at the account transfer buying rate (for assets) and the account transfer selling rate (for liabilities) at the end of the accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions;

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- Revenue, income, expenses and cash flows of foreign operations are translated to VND at exchange rates at which approximate actual exchange rates ruling on the dates of transactions; and
- Capital is translated to VND at historical exchange rate. Accumulated losses/retained profits, funds and reserves are derived from the translated net profit/loss and movements from which they were appropriated.

Foreign currency differences arising from the translation of foreign operations' financial statements to VND are recognised in the consolidated balance sheet under the caption "Foreign exchange differences" in equity. When the foreign currency differences relate to a foreign operation that is consolidated but not wholly owned, accumulated foreign exchange differences arising from translation are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

(c) Cash and cash equivalents

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

(d) Investments

(i) Trading securities

Trading securities are bonds held by the Group for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less interest income for the period before investment acquisition date and allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(ii) Held-to-maturity investments

Held-to-maturity investments are those that the management of the Company or its subsidiaries has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks and loans receivable held to maturity. These investments are stated at costs less allowance for doubtful debts.

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(iii) Equity investment in other entities

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

(e) Accounts receivable

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

Factoring

Depending on market conditions and liquidity requirements, the Group enters into factoring agreements to transfer accounts receivable from customers. For factoring transactions, the Group assesses whether accounts receivable from customers can be derecognised in their entirety or not, basing on the extent to which it retains the risks and rewards of ownership of the accounts receivable from customers.

If the Group:

- transfers substantially all the risks and rewards of ownership of the receivables, the Group derecognises the receivables and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer;
- retains substantially all the risks and rewards of ownership of the receivables, the Group continues to recognise the receivables;
- neither transfers nor retains substantially all the risks and rewards of ownership of the receivables, the Group determines whether it has retained control. If the Group does not retain control, it derecognises the receivables and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains control, it continues to recognise the receivables to the extent of its continuing involvement in the receivables.

The extent of continuing involvement in the transferred assets is the extent to which it is exposed to changes in the value of the transferred assets, which is the lower of the carrying amount of assets and the maximum amount of the consideration that the Group could be required to pay ("the guarantee amount").

When the Group continues to recognise an asset to the extent of its continuing involvement, the Group also recognises an associated liability. The associated liability is initially measured at the guarantee amount plus the fair value of the guarantee. Subsequently the initial fair value of the guarantee is recognised in the consolidated statement of income on a time proportion basis.

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(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets. In situations where the self-constructed tangible assets have been completed and are put into used but their cost is not finalised, their historical cost will be recorded to provisional cost using temporarily estimated value and they shall be adjusted with the difference after the finalised cost are approved.

Mining properties comprise mine rehabilitation assets and fair value of mineral reserves from business combination. Tangible fixed assets also comprise fair value of other assets from business combination.

(ii) Depreciation

Machinery and equipment directly related to mineral processing activities and fair value of mineral reserve from business combination

Machinery and equipment which are directly related to mineral processing activities and fair value of mineral reserves from business combination are depreciated on a unit-of-production method with the depreciation bases calculated using the proved and probable mineral reserve and a portion of resources expected to be converted into reserves.

Effective from 1 January 2021, NPM, an indirect subsidiary of the Company updated its estimates of mineral reserves and resources, using (i) the result of mining specialist's technical assessments on mineral reserve inside Nui Phao project area; (ii) a portion of mineral resources expected to be converted into reserves; and (iii) further mineral resource which can be reprocessed from NPM's oxide tails cell ("OTC").

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group's mining properties. The estimated remaining ore as at 1 January 2021 which tangible fixed assets are depreciated on a unit-of-production basis are as follows:

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	1/1/2021	1/1/2021	
	Before change	After change	Increased by
	Tonnes of ore	Tonnes of ore	Tonnes of ore
Machinery and equipment relating to mineral processing activities	43,460,522	48,903,873	5,443,351
Machinery and equipment relating to mineral processing activities and to be used in OTC retreatment	43,460,522	64,223,873	20,763,351
Fair value of mineral reserves from business combination	43,460,522	64,223,873	20,763,351

The effect of change in depreciation rate on the depreciation charge for the current period was to decrease the depreciation charge by VND105 billion.

Machinery and equipment directly related to mineral production activities

Machinery and equipment which are directly related to the deep processing of tungsten products of MTC are depreciated over its estimated useful lives on a unit-of-production basis. The estimated total production quantity output which tangible fixed assets are depreciated on a unit-of-production basis are as follows:

	As at 30/6/2021	As at 1/1/2021
	Tonnes of tungsten	Tonnes of tungsten
ST plant	171,865	171,865
APT plant	166,990	166,990

Others

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

	As at 30/6/2021	As at 1/1/2021
Buildings and structures	4 – 50 years	4 – 50 years
Leasehold improvements	3 – 5 years	3 – 5 years
Machinery and equipment	2 – 25 years	2 – 25 years
Office equipment and others	3 – 22 years	3 – 22 years
Motor vehicles	3 – 25 years	3 – 25 years
Other mining assets	26 years	19 years

Construction assets which are completed and put into use before finalising construction costs are stated at provisional cost. On the date the construction costs are finalised and approved, provisional cost shall be adjusted to finalised cost and accumulated depreciation shall not be adjusted. The subsequent depreciation charge is determined as the approved value minus the accumulated depreciation made for the period up to the approval of finalisation of fixed assets divided by the remaining depreciation period of the fixed assets according to relevant regulations.

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(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

Land use rights with indefinite term are stated at cost and are not amortised. Land use rights with definite term are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over their estimated useful lives ranging from 10 to 50 years. Fair value of land use right acquired in a business combination is determined using direct comparison method by comparing recent asking/transacted price of similar properties in a similar area.

(ii) Software

Costs of software comprise:

- cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over a period ranging from 2 to 10 years; and
- cost incurred during actual software development phase when the following conditions are met:
 - respective costs are attributable directly to the software development stage;
 - there is well-founded expectation – verifiable by program designs, models, or the like that the development activities to be capitalised will be finalised successfully and thus the intention to complete the development project should be given;
 - the Group will be able to implement and use the software after its development;
 - adequate technical, financial and personnel resources should be available to complete the software development successfully; and
 - the Group is able to measure expenditure attributable to the software development project reliably.

Self-developed software are amortised on a straight-line basis over period of up to 4 years starting from the date on which the respective modules are completed.

(iii) Brand name

Brand names that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of brand names is amortised on a straight-line basis over the estimated useful lives ranging from 9 to 30 years.

The fair value of brand name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned.

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(iv) Customer relationships

Customer relationships that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of customer relationships is amortised on a straight-line basis over the estimated useful lives ranging from 5 to 36 years.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

(v) Mining rights

The mining rights is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with the Decree No. 203/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Cost of mining rights is stated at an amount equal to the present value of mining rights fee and was capitalised and treated as an intangible fixed asset. Amortisation of mining rights fees is computed on a straight-line basis over the period of 15 years which is the economic life of the mine reserves.

(vi) Mineral water resources

Mineral water resources that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of mineral water resources is amortised on a straight-line basis over the estimated useful lives ranging from 10 to 37 years.

Fair values of mineral water resources acquired in a business combination are determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral resources by comparing recent asking/transacted price of similar interests located in a similar area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

(vii) Mineral water resources exploitation rights

Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible fixed asset. Amortisation is computed on a straight-line basis over the estimated useful lives ranging from 4 to 30 years.

(viii) Technology

Technology that is acquired by the Group in the acquisition of subsidiary is capitalised and presented as an intangible fixed asset. The fair value of technology is amortised on a straight-line basis over the estimated useful lives ranging from 5 to 31 years.

The fair value of technology acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

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(ix) Development costs

Development costs comprise:

- Expenditure on the Group's development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads. Other development expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of income as an expense as incurred. Capitalised development costs are stated at cost less accumulated amortisation, which is provided on a straight-line basis over the estimated useful lives ranging from 3 to 16 years; and
- Development activities that are acquired by the Group in the acquisition of subsidiary is capitalised and presented as an intangible fixed asset. The fair value of development activities acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of development activities is amortised on a straight-line basis over the estimated useful live of 16 years.

(i) Investment property

(i) Cost

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

(ii) Depreciation

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

- buildings 20 – 25 years
- infrastructures 5 – 20 years

(j) Construction in progress

Construction in progress represents the costs of swine breeders, costs of construction, machinery and equipment which have not been fully completed or installed and mineral assets under development. No depreciation is provided for construction in progress during the period of breeding the swines, construction, installation and commissioning stages.

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Mineral assets under development comprise mineral reserve and related development costs acquired in a business combination and subsequent development expenditure. These assets are qualified for capitalisation when the mineral reserve to which they relate is proven to be commercially and technically viable. They are initially recognised at their fair value as part of business combination accounting and subsequent development expenditure are capitalised, net of proceeds from the sale of ore extracted during the development phase. On completion of development, defined as the time when saleable materials begin to be extracted from the mine, all assets are reclassified to either “machinery or equipment” or “other mining assets” in tangible fixed assets or in long-term prepaid expenses.

(k) Long-term prepaid expenses

(i) Other mining costs

In accordance with the Official Letter No. 12727/BTC-TCDN dated 14 September 2015 from the Ministry of Finance which provides guidance that mining related costs could be recognised as long-term prepaid expenses under non-current assets.

Other mining costs comprise of:

- Exploration, evaluation and development expenditure (including development stripping); and
- Production stripping (as described below in “Deferred stripping costs”).

Deferred stripping costs

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

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

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

Production stripping costs are allocated between inventory and long-term prepaid expenses in accordance with the life of mine strip ratio of the identified components of the ore bodies.

The life of mine strip ratio represents the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine of the identified components of the ore bodies. These costs are recognised as long-term prepaid expenses where the current period actual stripping ratio is higher than the average life of mine strip ratio.

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The development and production stripping costs are amortised over time to extract the mineral reserves and mineral resources expected to be converted to mineral reserves of the relevant components on a systematic basis. During the period, NPM, an indirect subsidiary of the Company, has updated its estimate of mineral reserves and resources which serve as basis for calculation and amortisation of development and production stripping costs. The revision was based on the result of mining specialist technical assessments on mineral reserve inside Nui Phao project area and the portion of resources expected to be converted into reserves as disclosed in Note 3(g)(ii).

(ii) *Prepaid land costs*

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the terms of the leases ranging from 35 to 50 years.

(iii) *Land compensation costs*

Land compensation costs comprise costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the terms of the leases.

(iv) *Printing axles, tools and supplies*

Tools and supplies include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation.

Printing axles, tools and supplies are initially stated at cost and amortised on a straight-line basis over their useful lives ranging from over 1 to 3 years.

(v) *Goodwill from equitisation*

Goodwill generated from state-owned enterprise's equitisation is recognised as long-term prepaid expenses. Goodwill generated from state-owned enterprise's equitisation includes brand name value and potential development value. Brand name value is determined on the basis of actual costs incurred for creation and protection of trademarks, trade name in the course of the enterprise's operation for the period of five years before the valuation date (including establishment costs and expenditures on training, advertising and promotional activities incurred to promote and introduce the enterprise and its products and website costs). Potential development value is evaluated on the basis of profitability of the enterprise in the future taking into account the enterprise's profit ratio and interest rates of 5-year government bonds. Goodwill generated from the state-owned enterprise equitisation is amortised on a straight-line basis over ten years starting from the date of conversion from a state-owned enterprise into a joint stock company (date of first business registration certificate for a joint stock company).

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(vi) Swine breeders

Swine breeders is recognised as long-term prepaid expenses and amortised on a straight-line basis over their expected useful lives ranging over 1 to 3 years. The amortisation of breeders that directly relates to farming of livestock in work in progress are capitalised as part of the cost of work in progress.

(vii) Other long-term prepaid expenses

Other long-term prepaid expenses include pre-operating expenses and other prepaid expenses which are stated at costs and amortised on a straight-line basis over their expected useful lives.

(l) Goodwill

Goodwill arises on acquisition of subsidiaries and associates in non-common control acquisition. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

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

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

(m) Accounts payable

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

(n) Provisions

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

(i) Mining rights fee

In accordance with the Law on Minerals 2010, a subsidiary of the Company has an obligation to pay the government fees for mining rights grant. Mining rights is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights which is defined under the prices to calculate the resource royalty in accordance with the law on resource royalty at the time of determining the charge for granting mining rights which are:

- Decree No. 203/2013/ND-CP dated 28 November 2013 (“Decree 203”), Decree No. 158/2016/ND-CP dated 29 November 2016 (“Decree 158/2016”) and Circular No. 38/2017/TT-BTNMT dated 16 October 2017 (“Circular 38”) until 15 September 2019; and
- Decree No. 67/2019/ND-CP dated 31 July 2019 (“Decree 67”) from 15 September 2019.

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The prices to calculate the resource royalty is announced by the provincial People's Committee. The conversion method is based on various parameters of the conversion coefficient under guidelines of Circular 38 and/or Decree 67.

(ii) Mine rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; site and land rehabilitation. The extent of work requires and the associated costs are dependent on the requirements of Ministry of Natural Resources and Environment (“MONRE”) and the Group's environmental policies based on the Environment Impact Report.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation proportional to the degree of influence on the environment existing at the end of the accounting period.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting dates and the cost is charged to the consolidated statement of income. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent on the life of the mine. Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a constructive obligation.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset if the related obligations for closure and rehabilitation are unavoidable to the construction of the asset. The capitalised cost of closure and rehabilitation activities is recognised in other mining assets and depreciated accordingly. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense recognised in financial expenses.

Closure and rehabilitation provisions will also be adjusted for changes in estimates. These adjustments will be accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the consolidated income statement. Changes to the capitalised cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

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(iii) Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

(iv) Pensions

Pensions are retirement benefits and are classified as either defined contribution plans or defined benefit plans.

Under a defined contribution plan, the Group pays fixed contributions into a separate fund. The amount of an employee’s future retirement benefit is only based on the contributions paid and the income earned from the investment. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees’ services in the current and prior periods. The Group’s contributions are to be recognised as expenses in the period in which they are incurred.

Under a defined benefit plan, employees will receive a defined amount of pension benefit on retirement, usually dependent on one or more factors such as age, years of service and compensation. The provision to be recognised for a defined benefit plan is calculated as the present value of the defined benefit obligations at the end of the accounting period. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting estimated future cashflow using interest rates of high-quality AA-corporation bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximation to the terms of the related pension liability. The Group determines the net interest expense on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the accounting period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of income. The remeasurement of defined benefit obligation involves estimation of future cashflow, employee turnover, mortality and future increase in salaries.

Gain or loss arising from remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses and the relevant deferred tax are recognised in equity under the caption “Other equity funds” in accordance with a ruling from the Ministry of Finance.

(o) Bonds issued

Straight bonds

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

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(p) Taxation

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

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

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

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

(q) Equity

(i) Share capital and capital surplus

Share capital is stated at par value. Excess of issuance price over par value of shares issued is recognised as capital surplus. Incremental costs directly attributable to the issuance of shares, net of tax effects, are recognised as a deduction from capital surplus.

(ii) Other capital

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

(r) Revenue

(i) Goods sold

Revenue from sale of goods is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer.

For sales of minerals, the sales price is usually determined on a provisional basis at the date of revenue recognition. Adjustments to the sales price subsequently occurs based on movements in quoted market or contractual prices up to the date of final pricing. The period between provisional invoicing and final pricing is typically between 30 and 60 days, but in some cases can be as long as 90 days to 180 days. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer's survey is within executed contractual tolerance, then sale is based on the most recently determined product specifications.

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

(ii) Services rendered

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

(s) Financial income and financial expenses

(i) Financial income

Financial income comprises interest income from deposits, bonds, loans receivable, gains on disposals of investments and foreign exchange gains. Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(ii) Financial expenses

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

(t) Leases

(i) Leases assets

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

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(g).

Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated balance sheet.

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(ii) Leases payments

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

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(u) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare funds for the accounting period) of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(v) 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 and secondary formats for segment reporting are based on business segments and geographical segments, respectively.

(w) Related parties

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

(x) Employee stock ownership plans

Shares issued to employees based on the employee stock ownership plans are issued at par value.



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(y) Comparative information

Comparative information in these consolidated interim financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current period consolidated interim financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these consolidated interim financial statements is not intended to present the Group's consolidated financial position, results of operations or cash flows for the prior period.

Comparative information were derived from the balances and amounts reported in the Group's consolidated annual financial statements for the year ended 31 December 2020 and the Group's consolidated interim financial statements for the six-month period ended 30 June 2020.

4. Seasonality of operations

The Group's branded consumer products and consumer retails segment are subject to seasonal fluctuations. Total revenue of these segments typically increases in the fourth quarter of each year as increase in consumer demand in the months leading up to the Tet (Lunar New Year) holidays, which occur during the first quarter of each year. Accordingly, the Group typically increases the production of consumer products and also increases advertising and promotional efforts in the fourth quarter of each year to boost the sales during the period leading to the festive season.

5. Changes in accounting estimates

In preparing these consolidated interim financial statements, the Board of Management of the Company and its subsidiaries has made several accounting estimates. Actual results may differ from those estimates. There were no other significant changes in basis of accounting estimates compared to those made in the most recent consolidated annual financial statements or those made in the same interim period of the prior year except for the estimations of depreciation rate for tangible fixed assets relating to mineral processing activities as disclosed in Note 3(g)(ii).

6. Segment reporting

The Group has five reportable segments, as described below, which are the Group's strategic businesses. The strategic businesses offer different products, are managed separately because they require different technology and marketing strategies. For each of the strategic businesses, the management of the Company or its subsidiaries reviews internal management reports on a periodic basis.

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

- Branded consumer products
- MEATLife: integrated meat products
- High-tech materials
- Consumer retail
- Others: financial services and others

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(a) Business segments

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Total	
	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Segment revenue	10,998,727	10,249,469	9,634,873	7,196,135	6,107,011	2,572,249	14,455,544	15,386,116	-	-	41,196,155	35,403,969
Segment gross margin	4,552,709	4,114,321	1,308,237	1,195,073	800,541	114,200	2,499,880	2,432,505	-	-	9,161,367	7,856,099
Segment results	1,705,431	1,381,627	288,598	88,500	(82,740)	(392,773)	(981,918)	(2,314,713)	1,952,844	1,132,103	2,882,215	(105,256)
Net unallocated expenses											(1,486,022)	(56,689)
Net profit/(loss)											1,396,193	(161,945)

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	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Total	
	30/6/2021 VND million	1/1/2021 VND million	30/6/2021 VND million	1/1/2021 VND million	30/6/2021 VND million	1/1/2021 VND million	30/6/2021 VND million	1/1/2021 VND million	30/6/2021 VND million	1/1/2021 VND million	30/6/2021 VND million	1/1/2021 VND million
Segment assets	19,323,016	18,243,868	18,185,423	18,126,855	38,865,561	39,020,014	20,960,454	21,709,258	19,682,414	17,729,569	117,016,868	114,829,564
Unallocated assets											3,680,034	906,998
Total assets											120,696,902	115,736,562
Segment liabilities												
Unallocated liabilities	11,475,596	11,738,539	10,000,483	9,509,060	25,284,087	25,901,313	13,579,061	14,248,831	-	-	60,339,227	61,397,743
Total liabilities											28,920,964	29,308,540
											89,260,191	90,706,283
Capital expenditure												
Unallocated capital expenditure	540,085	466,262	281,071	219,634	412,750	246,003	80,814	226,876	-	-	1,314,720	1,158,775
Depreciation												
Unallocated depreciation	356,804	325,066	254,641	221,863	685,096	560,218	332,070	371,772	4,030	1,712	4,030	1,712
Amortisation												
Unallocated amortisation	173,849	164,691	194,030	199,865	239,412	122,570	620,531	717,146	2,700	1,765	2,700	1,765
									902	202	902	202

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(b) Geographical segments

Based on the geographical location of customers and assets, which is located in Vietnam (“Domestic”) or countries other than Vietnam (“Overseas”), the Group holds following geographical segments through separate subsidiary groups:

	Domestic		Overseas		Total	
	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Segment revenue	34,579,465	32,332,191	6,616,690	3,071,778	41,196,155	35,403,969



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7. Cash and cash equivalents

	30/6/2021	1/1/2021
	VND million	VND million
Cash on hand	96,488	103,598
Cash at banks	1,311,954	1,804,062
Cash in transit	22,089	22,482
Cash equivalents	10,113,630	5,791,300
	<hr/>	<hr/>
Cash and cash equivalents in the consolidated statement of cash flows	11,544,161	7,721,442
	<hr/>	<hr/>

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

As at 30 June 2021, cash at bank with carrying value of VND74,950 million (1/1/2021: VND115,396 million) were pledged with banks as security for loans granted to the Group (Note 21).

8. Investments

	30/6/2021	1/1/2021
	VND million	VND million
Short-term financial investments		
Held-to-maturity investments (a)	437,650	447,250
	<hr/>	<hr/>
Long-term financial investments		
Investments in associates (b)	22,615,821	20,320,738
Equity investments in other entities	30,589	30,589
Allowance for diminution in value of long-term financial investments	(4,113)	(5,628)
Held-to-maturity investments (a)	7,400	7,400
	<hr/>	<hr/>
	22,649,697	20,353,099
	<hr/>	<hr/>

(a) Held-to-maturity investments

Held-to-maturity investments – short-term represented term deposits in VND at banks with original terms to maturity of more than three months and less than 12 months from their transaction dates. As at 30 June 2021, term deposits with carrying value of VND1,400 million (1/1/2021: VND12,900 million) were pledged with banks as security for subsidiaries' performance obligations under certain purchase agreements.

Held-to-maturity investments – long-term represented term deposits in VND at banks with the remaining term to maturity of more than 12 months from balance sheet date.

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(b) Investments in associates

	30/6/2021			1/1/2021			
	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million	Fair value VND million
▪ Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”) (**)	19.9%	19.9%	19,682,414	19.9%	19.9%	17,729,570	23,672,458
▪ Cholimex Food Joint Stock Company (“Cholimex”)	32.8%	32.8%	249,392	32.8%	32.8%	249,392	(*)
▪ Thuan Phat Packing Joint Stock Company (“Thuan Phat”)	25.0%	25.0%	4,140	25.0%	25.0%	4,289	(*)
▪ Abattoir Long Binh Joint Stock Company (“Abattoir”)	25.0%	25.0%	6,466	25.0%	25.0%	6,770	(*)
▪ Vissan Joint Stock Company (“Vissan”)	24.9%	24.9%	2,135,490	24.9%	24.9%	2,135,490	(*)
▪ Jiangwu H.C. Starck Tungsten Products Co., Ltd. (China) (“Jiangwu”)	30.0%	30.0%	192,319	30.0%	30.0%	195,227	(*)
▪ Phuc Long Heritage Corporation (“Phuc Long”)	20.0%	20.0%	345,600	-	-	-	-
			<u>22,615,821</u>			<u>20,320,738</u>	

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Movements of investments in associates during the period were as follows:

	Techcombank	Cholimex	Thuan Phat	Abattoir	Vissan	Jiangwu	Phuc Long	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	17,729,570	249,392	4,289	6,770	2,135,490	195,227	-	20,320,738
Additions	-	-	-	-	-	-	345,600	345,600
Share of post-acquisition profit/(loss) of associates during the period	1,952,844	13,296	(149)	296	-	4,666	-	1,970,953
Dividends declared	-	(13,296)	-	(600)	-	-	-	(13,896)
Currency translation differences	-	-	-	-	-	(7,574)	-	(7,574)
Closing balance	19,682,414	249,392	4,140	6,466	2,135,490	192,319	345,600	22,615,821

(*) The Group has not determined the fair values of investments in associates for disclosure in the consolidated interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these equity investments may differ from their carrying value.

For the disclosure purpose, the fair values of investments in Techcombank as at 30 June 2021 and 1 January 2021 were determined by reference to the quoted prices at these respective dates on Ho Chi Minh City Stock Exchange.

(**) The Group has 19.9% direct equity holding and 1.5% economic interest in Techcombank that is subject to a forward sale agreement (1/1/2021: 21.4%). The forward transaction has not been completed and is subject to the terms of the agreement.

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

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Opening balance	5,628	8,442
Allowance made during the period	-	2,381
Written back during the period	(1,515)	-
Closing balance	4,113	10,823

(c) Transactions with non-controlling interests in subsidiaries for the six-month period ended 30 June 2021

(i) Transactions with non-controlling interests in CrownX

The Company's economic interests in CrownX increased from 84.8% to 84.9% as a result of the following transactions:

- In June 2021, CrownX issued 4,278,260 ordinary shares, equivalent to 5.5% equity interests in CrownX to Investors as mentioned below for consideration of VND8,799,985 million, resulting in the following effects:

	VND million
Consideration received from shares issued not subscribed by the Group, net of transaction costs	8,799,985
Proportionate carrying amount of net assets diluted	(2,296,255)
Difference recorded as an increase in undistributed profits after tax	6,503,730

In connection with the above transactions, on 17 May 2021, the Group and CrownX entered into an agreement with Alibaba.Com Singapore E-Commerce Private Limited, Thunbergia Pte. Limited and Credit Suisse AG, Singapore Branch (collectively referred to as "Investors") pursuant to which the Group undertake with the Investors that they shall use best effort to procure an initial public offering ("IPO") of the shares of CrownX by 11 June 2026 (which may be extended for a maximum of one year at the discretion of the Group) (the "IPO Deadline"). In the event that CrownX fails to achieve the IPO on the agreed conditions, each of the Investors will have an option to require SHERPA, the parent company of CrownX or its nominee, to purchase the shares subscribed by such Investor in this round at the agreed price in the agreement. This option shall be exercisable after the IPO Deadline and remain exercisable until the date that is 9 years and one month from the closing date – ie: 11 June 2021. It can only be exercised once with respect to all of the aforementioned shares.

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- On 29 June 2021, SHERPA acquired 534,783 ordinary shares, equivalent to 0.68% equity interests in CrownX for consideration of VND1,147,087 million, resulting in the following effects:

	VND million
Consideration transferred	(1,147,087)
Proportionate carrying amount of net assets acquired	148,026
	(999,061)

- On 30 June 2021, CrownX repurchased 3,743,482 of its ordinary shares, equivalent to 4.79% equity interests for consideration of VND8,029,617 million, resulting in the following effects:

	VND million
Consideration transferred	(8,029,617)
Proportionate carrying amount of net assets acquired	2,099,264
	(5,930,353)

(ii) Transactions with non-controlling interests in CDN

The Company's economic interests in CDN increased from 57.8% to 66.6% as a result of the following transactions:

- In January 2021, CDN issued 17,000,000 ordinary shares, equivalent to 12.77% equity interests to VCF for consideration of VND170,000 million, resulting in the following effects:

	VND million
Proportionate carrying amount of net assets acquired/difference recorded as a decrease in undistributed profits after tax	(11,935)

- Transactions with non-controlling interests in CrownX as mentioned in Note 8(d)(i).

(ii) Transactions with non-controlling interests in VCM

The Company's economic interests in VCM decreased from 80.1% to 71.3% as a result of the following transactions:

- In April 2021, SHERPA acquired a total of 1.2% equity interests in VCM;
- Thereafter, in April 2021, SHERPA disposed all of its equity interests in VCM, equivalent to 10.28% equity interests;
- In June 2021, VCM issued 8,752,760 ordinary shares, equivalent to 0.13% equity interests to CrownX for consideration of VND789,998 million; and
- Transactions with non-controlling interests in CrownX as mentioned in Note 8(d)(i).

As a result of above transactions, the Group's undistributed profits after tax increased by VND4,488,230 million.

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(d) Significant transactions with non-controlling interests in subsidiaries in prior years

(i) Transactions with non-controlling interests in MCH

Pursuant to an agreement between Singha Asia Holdings Pte. Ltd. (“Singha”) and MCH, Singha has the right to pay a second subscription amount of USD450 million in exchange for an additional 10.7% equity interests in MCH. The second subscription has not been made as of the date of issuance of these consolidated interim financial statements.

(ii) Transactions with non-controlling interests in MHT

Pursuant to an agreement between Mitsubishi Materials Corporation (“MMC”) and MHT, MHT granted a put option to MMC. In the event that (i) MHT and MMC (or their affiliate) fail to establish a joint operation of midstream tungsten business within 18 months after closing date of this transaction or (ii) if there is a change in control in MHT, MMC will have an irrevocable right to request MHT or its nominee to purchase 109,915,542 MHT’s shares that MHT issued on 26 October 2020 at the amount equal to consideration of VND2,094,331 million less the aggregate of any proceeds received by the Investor from disposing MHT’s shares, dividends and distributions paid by MHT subject to customary adjustments from dilutive events. The deadline to take actions necessary to effect the close the put option is 18 months from the date that MHT receives put option exercise notice from MMC. The exercise of the put option will be subject to approval of Board of Directors, shareholders and Vietnamese regulators. The put option has not been exercised as of the date of issuance of these consolidated interim financial statements.

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

As at 30 June 2021 and 1 January 2021, a part of short-term receivables was pledged with banks as security for loans granted to a subsidiary (Note 21).

As at 30 June 2021, prepayments to suppliers of the Group amounting to VND233,207 million (1/1/2021: VND344,157 million) were related to fixed assets.

(a) Receivable on short-term lending loans

Receivable on short-term lending loans granted to third parties were unsecured, earned interest rate at 6.5% per annum and are mature in 2021 (1/1/2021: 6.5%).

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(b) Other receivables

Other receivables comprised of:

	30/6/2021	1/1/2021
	VND million	VND million
Other short-term receivables		
Short-term deposits (*)	2,825,021	2,841,337
Interest income receivable	270,813	143,548
Advances to employees	24,868	18,975
Others	346,162	346,867
	<hr/>	<hr/>
	3,466,864	3,350,727
Other long-term receivables		
Long-term deposits	336,829	357,616
Others (**)	1,234,617	1,234,392
	<hr/>	<hr/>
	1,571,446	1,592,008
	<hr/>	<hr/>

(*) Included in short-term deposits was VND2,750,000 million of deposits paid to third parties for the investments (1/1/2021: VND2,750,000 million).

(**) Included in other long-term receivables was VND1,220,645 million of receivables from State Treasury for the land compensation cost of Nui Phao Mining Project at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province (1/1/2021: VND1,234,392 million). The amount could be netted off with annual land rental fee of future years.

Movements of the allowance for doubtful debts during the period were as follows:

	From 1/1/2021	From 1/1/2020
	to 30/6/2021	to 30/6/2020
	VND million	VND million
Opening balance	107,856	105,744
Allowance made during the period	2,861	1,887
Written back during the period	(24,474)	(15,257)
	<hr/>	<hr/>
Closing balance	86,243	92,374
	<hr/>	<hr/>

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10. Inventories

	30/6/2021		1/1/2021	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Goods in transit	709,466	-	620,516	-
Raw materials	3,543,233	(17,260)	3,316,920	(8,145)
Tools and supplies	1,076,330	(16,780)	1,042,761	(33,515)
Work in progress	1,460,706	(14,342)	1,321,341	(43,269)
Finished goods	3,669,645	(62,975)	3,163,599	(132,213)
Merchandise inventories	2,420,835	(20,127)	3,211,214	(15,338)
Goods on consignment	258,545	-	54,046	-
	13,138,760	(131,484)	12,730,397	(232,480)

As at 30 June 2021 and 1 January 2021, a part of inventories was pledged with banks as security for loans granted to a subsidiary (Note 21).

Included in inventories as at 30 June 2021 was VND60,673 million (1/1/2021: VND34,993 million) of slow-moving inventories.

Included in inventories as at 30 June 2021 was VND119,608 million of work in progress and finished goods, VND65,019 million of merchandise inventories (1/1/2021: VND291,208 million of work in progress, VND76,240 million of merchandise inventories and VND1,507,389 million of finished goods) carried at net realisable value.

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

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Opening balance	232,480	68,810
Increases from business combination	-	62,903
Allowance made during the period	80,984	338,925
Allowance utilised during the period	(32,792)	(36,915)
Written back during the period	(149,188)	(16,351)
Closing balance	131,484	417,372

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11. Tangible fixed assets

	Buildings and structures VND million	Leasehold improvements VND million	Machinery and equipment VND million	Office equipment and others VND million	Motor vehicles VND million	Other mining assets VND million	Total VND million
Cost							
Opening balance	17,797,784	93,148	27,355,934	239,043	195,812	5,095,927	50,777,648
Additions	3,130	-	76,023	3,428	4,208	-	86,789
Transfers from construction in progress	155,258	-	294,679	15,876	4,743	-	470,556
Transfers to long-term prepaid expenses	-	-	(5,928)	(16)	-	-	(5,944)
Transfers to intangible fixed assets	-	-	-	(23,217)	-	-	(23,217)
Disposals/Written off	(9,034)	(248)	(43,619)	(591)	(4,298)	-	(57,790)
Currency translation differences	(57,278)	-	(64,411)	-	-	-	(121,689)
Closing balance	17,889,860	92,900	27,612,678	234,523	200,465	5,095,927	51,126,353
Accumulated depreciation							
Opening balance	3,518,651	82,040	11,239,569	212,293	63,333	1,339,998	16,455,884
Charge for the period	494,504	3,340	1,013,755	27,368	13,340	77,025	1,629,332
Transfers to long-term prepaid expenses	-	-	(1,739)	(16)	-	-	(1,755)
Transfers to intangible fixed assets	-	-	-	(19,154)	-	-	(19,154)
Disposals/Written off	(4,471)	(248)	(37,011)	(434)	(4,179)	-	(46,343)
Reclassifications	(23,419)	-	19,521	-	3,898	-	-
Currency translation differences	(32,907)	-	(38,365)	30	-	-	(71,242)
Closing balance	3,952,358	85,132	12,195,730	220,087	76,392	1,417,023	17,946,722
Net book value							
Opening balance	14,279,133	11,108	16,116,365	26,750	132,479	3,755,929	34,321,764
Closing balance	13,937,502	7,768	15,416,948	14,436	124,073	3,678,904	33,179,631

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Included in tangible fixed assets were assets costing VND2,648,478 million which were fully depreciated as at 30 June 2021 (1/1/2021: VND2,220,364 million), but are still in active use.

The net book value of temporarily idle tangible fixed assets amounted to VND67,448 million as at 30 June 2021 (1/1/2021: VND38,254 million).

As at 30 June 2021, tangible fixed assets with net book value of VND14,785,028 million (1/1/2021: VND15,048,524 million) were pledged with banks as security for loans granted to and bonds issued by the subsidiaries (Note 21).

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12. Intangible fixed assets

	Land use rights VND million	Software VND million	Brand name VND million	Customer relationships VND million	Mining rights VND million	Mineral water resources VND million	Mineral water resources exploitation rights VND million	Technology VND million	Development costs VND million	Others VND million	Total VND million
Opening balance	4,017,955	981,908	4,076,431	6,412,892	588,373	412,698	72,122	2,215,021	790,331	26,485	19,594,216
Additions	-	3,232	-	-	204,284	-	888	37,155	-	-	245,559
Transfers from long-term prepaid expenses	-	1,210	-	-	-	-	-	-	-	-	1,210
Transfers from tangible fixed assets	-	23,217	-	-	-	-	-	-	-	-	23,217
Written off	-	(1,247)	-	-	-	-	-	-	-	-	(1,247)
Currency translation differences	(2,195)	(6,716)	(40,348)	(8,286)	-	-	-	(55,656)	(24,696)	(329)	(138,226)
Closing balance	4,015,760	1,001,604	4,036,083	6,404,606	792,657	412,698	73,010	2,196,520	765,635	26,156	19,724,729
Accumulated amortisation											
Opening balance	194,227	663,269	1,099,152	1,257,754	188,669	117,268	23,973	713,511	95,019	3,229	4,356,071
Charge for the period	71,522	54,094	111,056	132,573	23,532	10,967	1,648	48,351	22,923	944	477,610
Transfers from long-term prepaid expenses	-	48	-	-	-	-	-	-	-	-	48
Transfers from tangible fixed assets	-	19,154	-	-	-	-	-	-	-	-	19,154
Written off	-	(922)	-	-	-	-	-	-	-	-	(922)
Currency translation differences	-	(9,065)	(1,670)	(239)	-	-	-	(2,786)	(3,706)	(47)	(17,513)
Closing balance	265,749	726,578	1,208,538	1,390,088	212,201	128,235	25,621	759,076	114,236	4,126	4,834,448
Net book value											
Opening balance	3,823,728	318,639	2,977,279	5,155,138	399,704	295,430	48,149	1,501,510	695,312	23,256	15,238,145
Closing balance	3,750,011	275,026	2,827,545	5,014,518	580,456	284,463	47,389	1,437,444	651,399	22,030	14,890,281

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Included in intangible fixed assets were assets costing VND627,978 million which were fully amortised as of 30 June 2021 (1/1/2021: VND621,642 million), but are still in active use.

As at 30 June 2021, intangible fixed assets with carrying value of VND609,728 million (1/1/2021: VND434,986 million) were pledged with banks as security for loans granted to subsidiaries (Note 21).

13. Investment property

	Buildings VND million	Infrastructures VND million	Total VND million
Cost			
Opening balance and closing balance	18,016	612	18,628
Accumulated depreciation			
Opening balance	4,049	61	4,110
Charge for the period	2,473	31	2,504
Closing balance	6,522	92	6,614
Net book value			
Opening balance	13,967	551	14,518
Closing balance	11,494	520	12,014

The fair value of investment property held to earn rental has not been determined as there is no active market for such property.



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14. Construction in progress

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Opening balance	2,274,759	3,278,972
Additions	1,167,955	1,487,533
Increases from business combination	-	111,084
Transfers to tangible fixed assets	(470,556)	(1,409,960)
Transfers to intangible fixed assets	-	(10,038)
Transfers to long-term prepaid expenses	(22,264)	(109,442)
Written off	(180)	-
Currency translation differences	(3,712)	(3,827)
Closing balance	2,946,002	3,344,322

As at 30 June 2021, construction in progress with carrying value of VND1,614,439 million (1/1/2021: VND1,340,472 million) were pledged with banks as security for loans granted to the subsidiaries (Note 21).

During the period, borrowing costs amounting to VND12,359 million were capitalised into construction in progress (the six-month period ended 30 June 2020: borrowing costs and amortisation of land use rights capitalised into construction in progress amounting to VND36,343 million and VND9,672 million, respectively).

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15. Long-term prepaid expenses

	Other mining costs VND million	Prepaid land costs VND million	Land compensation costs VND million	Printing axles, tools and supplies VND million	Goodwill from equitisation VND million	Swine breeders VND million	Others VND million	Total VND million
Opening balance	1,527,265	1,641,475	994,085	982,483	15,673	59,004	1,313,685	6,533,670
Additions	120,364	-	-	90,433	-	-	31,728	242,525
Transfers to short-term prepaid expenses	-	-	-	(70)	-	-	-	(70)
Transfers from long-term receivables	-	-	13,747	-	-	-	-	13,747
Transfers from tangible fixed assets	-	-	-	4,189	-	-	-	4,189
Transfers to intangible fixed assets	-	-	-	(1,162)	-	-	-	(1,162)
Transfers (to)/from construction in progress	-	(4,287)	-	13,292	-	13,722	(463)	22,264
Amortisation for the period	(59,376)	(20,091)	(27,979)	(243,117)	(1,567)	(16,731)	(173,646)	(542,507)
Disposals/Written off	-	-	-	(4,464)	-	(12,682)	(104)	(17,250)
Reclassifications	-	107	-	(247)	-	-	140	-
Currency translation differences	-	-	-	(3)	-	-	-	(3)
Closing balance	1,588,253	1,617,204	979,853	841,334	14,106	43,313	1,171,340	6,255,403

As at 30 June 2021, prepaid land costs, swine breeders and tools and supplies with carrying value of VND570,688 million (1/1/2021: VND561,866 million) were pledged with banks as security for loans granted to the subsidiaries (Note 21).

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16. Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

	30/6/2021	1/1/2021
	VND million	VND million
Deferred tax assets:		
Accrued expenses and provisions (*)	(69,486)	58,764
Remeasurement of the net defined benefit liability (**)	1,129,325	1,490,456
Unrealised profits on intra-group transactions	24,242	21,322
Tax losses carried forward	244,935	202,507
Tangible fixed assets (*)	(500,888)	1,041
Others	18,041	20,046
Total deferred tax assets	846,169	1,794,136
Deferred tax liabilities:		
Tangible fixed assets	(765,141)	(1,348,088)
Intangible fixed assets	(2,713,502)	(2,820,805)
Investment property	(457)	(800)
Unrealised losses on intra-group transactions	(29,905)	(45,054)
Short-term prepaid expenses	(635)	(1,396)
Accrued expenses and provisions	(93,082)	(435,031)
Total deferred tax liabilities	(3,602,722)	(4,651,174)
Net deferred tax liabilities	(2,756,553)	(2,857,038)

(b) Movements of temporary differences during the period

	1/1/2021	Recognised	Recognised	30/6/2021
	VND million	in income	in equity	VND million
		VND million	VND million	
Accrued expenses and provisions	(376,267)	216,935	(3,236)	(162,568)
Remeasurement of the net defined benefit liability (*)	1,490,456	(213,535)	(147,596)	1,129,325
Unrealised profits/(losses) on intra-group transactions	(23,732)	18,069	-	(5,663)
Tax losses carried forward	202,507	39,607	2,821	244,935
Tangible fixed assets	(1,347,047)	38,129	42,889	(1,266,029)
Intangible fixed assets	(2,820,805)	72,074	35,229	(2,713,502)
Investment property	(800)	343	-	(457)
Short-term prepaid expenses	(1,396)	761	-	(635)
Others	20,046	(2,005)	-	18,041
	(2,857,038)	170,378	(69,893)	(2,756,553)

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- (*) Deferred tax assets and liabilities include items mainly arose from HCS and its subsidiaries. These items were presented on a net basis because the subsidiaries have a legally enforceable right to net off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authorities on the same taxable entities.
- (**) Deferred tax recognised in equity also included the relevant deferred tax of the remeasurement of the net defined benefit liability - provision for pensions. As disclosed in Note 3(n), these amounts are recognised in equity under the caption “Other equity funds” in accordance with a ruling from the Ministry of Finance.

17. Goodwill

	VND million
Cost	
Opening balance and closing balance	5,027,526
Accumulated amortisation	
Opening balance	1,196,026
Amortisation for the period	251,823
Closing balance	1,447,849
Net book value	
Opening balance	3,831,500
Closing balance	3,579,677

18. Taxes

(a) Taxes receivable from State Treasury

	30/6/2021	1/1/2021
	VND million	VND million
Corporate income tax	60,063	66,518
Personal income tax	817	261
Other taxes	8,854	9,308
	69,734	76,087

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(b) Taxes payable to State Treasury

	1/1/2021	Incurred	Paid	Net-off/ Reclassified	30/6/2021
	VND million	VND million	VND million	VND million	VND million
Value added tax	155,859	4,043,663	(572,249)	(3,384,663)	242,610
Special consumption tax	58,171	265,119	(277,773)	-	45,517
Import-export tax	36	139,274	(139,197)	(113)	-
Corporate income tax	659,918	403,101	(529,971)	(135,553)	397,495
Personal income tax	33,211	240,865	(203,700)	(39,004)	31,372
Other taxes	34,107	372,069	(397,200)	199,785	208,761
	941,302	5,464,091	(2,120,090)	(3,359,548)	925,755

19. Accrued expenses

	30/6/2021	1/1/2021
	VND million	VND million
Interest expense	987,486	910,860
Operation costs	709,235	360,013
Advertising and promotion expenses	491,869	757,608
Bonus and 13 th month salary	364,595	632,890
Construction work	285,422	369,207
Sales discounts and sales support	256,017	415,411
Logistic expenses	255,799	286,640
Purchases not yet received invoices	201,044	173,670
Natural resource taxes and fees	92,896	25,767
Exhibition and market expenses	84,161	68,902
Information and technology expenses	29,409	15,006
Consultant fees	2,580	42,429
Others	787,311	647,014
	4,547,824	4,705,417

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20. Other payables

	30/6/2021	1/1/2021
	VND million	VND million
Short-term		
Payable for purchasing shares in CrownX	2,284,899	2,300,000
Payable to domestic banks under letter of credit arrangements (*)	1,631,706	-
Trade union fees, social, health and unemployment insurance	22,433	23,800
Short-term deposits received	13,373	14,357
Dividends payable	12,669	39,968
Others	337,104	94,001
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	4,302,184	2,472,126
Long-term		
Long-term deposits received	30,294	27,894
Others	157,174	152,503
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	187,468	180,397
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(*) These were payables to domestic banks under letter of credit arrangements. The outstanding balances bore fixed fees at rates ranging from 6% to 6.3% per annum over the deferred payment period ranging from 4 to 6 months and were secured by 110 million shares of MHT. In the event that, the Group misses payment when the term is due, these payables will be converted to borrowings. Movements of these payables during the period were as follows:

	From 1/1/2021	From 1/1/2020
	to 30/6/2021	to 30/6/2020
	VND million	VND million
Opening balance	-	-
Additions	2,475,106	1,389,726
Payments	(843,400)	-
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Closing balance	1,631,706	1,389,726
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21. Borrowings, bonds and finance lease liabilities

	30/6/2021 VND million	1/1/2021 VND million
Short-term borrowings, bonds and finance lease liabilities (a)		
Short-term borrowings	16,758,236	18,829,506
Current portion of long-term borrowings, bonds and finance lease liabilities	3,953,820	3,715,540
	<u>20,712,056</u>	<u>22,545,046</u>
Long-term borrowings, bonds and finance lease liabilities (b)		
Long-term borrowings, bonds and finance lease liabilities	44,361,175	43,181,583
Repayable within twelve months	(3,953,820)	(3,715,540)
	<u>40,407,355</u>	<u>39,466,043</u>

(a) Short-term borrowings, bonds and finance lease liabilities

	1/1/2021 Carrying amounts/ Amounts within repayment capacity VND million	Movements during the period			30/6/2021 Carrying amounts/ Amounts within repayment capacity VND million
		Additions VND million	Repayments VND million	Revaluation VND million	
Short-term borrowings	18,829,506	24,516,286	(26,587,609)	53	16,758,236
Current portion of long-term borrowings, bonds and finance lease liabilities	3,715,540	502,453	(264,173)	-	3,953,820
	<u>22,545,046</u>	<u>25,018,739</u>	<u>(26,851,782)</u>	<u>53</u>	<u>20,712,056</u>

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

	Currency	Annual interest rate	30/6/2021 VND million	1/1/2021 VND million
Secured bank loans	VND	2.1% – 8.7%	4,516,491	6,560,992
Secured bank loans	USD	3.0% – 5.5%	1,858,500	1,671,948
Unsecured bank loans	VND	1.9% – 5.5%	8,131,702	8,338,156
Unsecured bank loans	USD	1.6% – 3.7%	666,497	668,410
Unsecured loans from third parties	VND	6.5%	1,585,046	1,590,000
			<u>16,758,236</u>	<u>18,829,506</u>

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The bank loans were secured by the following assets of the Group:

- (i) 249 million shares of Masan High-Tech Materials Corporation (1/1/2021: 210 million shares);
- (ii) 215 million shares of Masan MEATLife Corporation (1/1/2021: 215 million shares);
- (iii) 14.6 million shares of Vincommerce General Commercial Services Joint Stock Company (1/1/2021: 14.6 million shares);
- (iv) fixed assets of a subsidiary with carrying value of VND14,846 million (1/1/2021: VND14,927 million);
- (v) a part of inventories and short-term receivables of a subsidiary;
- (vi) current bank accounts with carrying value of VND30,245 million (1/1/2021: VND67,735 million); and
- (vii) corporate guarantee of the Company, MasanConsumerHoldings Company Limited, Masan Consumer Corporation and Masan MEATLife Corporation.

(b) Long-term borrowings, bonds and finance lease liabilities

	30/6/2021	1/1/2021
	VND million	VND million
Long-term borrowings	8,148,238	8,081,895
Straight bonds	35,857,749	35,088,757
Finance lease liabilities	355,188	10,931
	44,361,175	43,181,583

Terms and conditions of outstanding long-term borrowings, bonds and finance lease liabilities were as follows:

	Currency	Annual interest rate	Year of maturity	30/6/2021	1/1/2021
				VND million	VND million
Long-term borrowings (*)					
Secured bank loans	VND	3.85% – 11.0%	2021 – 2028	3,525,238	3,443,895
Secured bank loans	USD	3.61%	2022 – 2023	4,623,000	4,638,000
				8,148,238	8,081,895
Straight bonds (**)					
(including issuance costs)	VND	7.08% – 10.9%	2021 – 2025	35,857,749	35,088,757
Finance lease liabilities (***)					
	VND	7.3% – 10.5%	2021 – 2023	355,188	10,931

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(*) Long-term borrowings

The bank loans were secured by the following assets of the Group:

- (i) fixed assets of subsidiaries with carrying value of VND4,294,910 million (1/1/2021: VND4,213,513 million);
- (ii) construction in progress of subsidiaries with carrying value of VND132,228 million (1/1/2021: VND90,728 million);
- (iii) long-term prepaid expenses of subsidiaries with carrying value of VND570,688 million (1/1/2021: VND551,455 million);
- (iv) cash in banks with carrying value of VND44,705 million (1/1/2021: VND47,661 million);
- (v) 15% contributed capital of MasanConsumerHoldings Company Limited held by The CrownX Corporation, an indirect subsidiary, and all related benefits; and
- (vi) corporate guarantee by the Company, Masan Consumer Corporation, Masan MEATLife Corporation and The CrownX Corporation.

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

() Straight bonds**

The carrying value of the issued bonds comprised the followings:

	30/6/2021	1/1/2021
	VND million	VND million
Straight bonds	36,382,248	35,700,805
Unamortised bond issuance costs	(524,499)	(612,048)
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	35,857,749	35,088,757
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- (i) VND2,100 billion (1/1/2021: VND2,100 billion) bonds with a maturity of 10 years (2024) at an interest rate of 8.0% per annum in 10 years. The bonds were guaranteed by Credit Guarantee and Investment Facility and secured over 75.7 million shares (1/1/2021: 75.7 million shares) of MSC;
- (ii) VND1,300 billion (1/1/2021: VND1,300 billion) bonds with a maturity of 5 years (2021) at an interest rate of 7.0% per annum in the first year and 1.5% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 10.53% contributed capital of MNS Feed and 99.99% contributed capital of MNS Meat (1/1/2021: 10.53% contributed capital of MNS Feed);
- (iii) VND700 billion (1/1/2021: VND700 billion) bonds with a maturity of 5 years (2021) at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 14.4 million shares of Proconco and 17.1 million shares of ANCO (1/1/2021: 14.4 million shares of Proconco).

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- (iv) VND500 billion (1/1/2021: VND500 billion) bonds with a maturity of 5 years (2023) at an interest rate of 10.0% per annum in the first year and 3.25% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 51.6 million shares (1/1/2021: 51.6 million shares) of MHT;
- (v) VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2021) at an interest rate of 9.8% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by certain long-term assets of NPM (1/1/2021: the bonds were guaranteed by certain long-term assets of NPM);
- (vi) VND1,500 billion (1/1/2021: VND1,500 billion) bonds with a maturity of 5 years (2023) at an interest rate of 10.0% per annum in the first year and 3.25% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by certain long-term assets of NPM (1/1/2021: 154.8 million shares of MHT);
- (vii) VND500 billion (1/1/2021: VND500 billion) bonds with a maturity of 5 years (2024) at an interest rate of 10.2% per annum in the first year and 3.3% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 55.6 million shares (1/1/2021: 55.6 million shares) of MHT;
- (viii) VND300 billion (1/1/2021: VND300 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 31.1 million shares (1/1/2021: 31.1 million shares) of MHT;
- (ix) VND200 billion (1/1/2021: VND200 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 20.8 million shares (1/1/2021: 20.8 million shares) of MHT;
- (x) VND500 billion (1/1/2021: VND500 billion) bonds with a maturity of 5 years (2024) at an interest rate of 10.2% per annum in the first year and 3.3% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured by certain long-term assets of NPM (1/1/2021: 55.5 million shares of MHT and certain long-term assets of NPM);
- (xi) VND100 billion (1/1/2021: VND100 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 10.7 million shares (1/1/2021: 13.4 million shares) of MHT;
- (xii) VND190 billion (1/1/2021: VND190 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by certain long-term assets of NPM (1/1/2021: 25.4 million shares and certain long-term assets of NPM);

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- (xiii) VND210 billion (1/1/2021: VND210 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 22.3 million shares (1/1/2021: 27.2 million shares) of MHT;
- (xiv) VND1,600 billion (1/1/2021: VND1,600 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and certain long-term assets of NPM;
- (xv) VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and certain long-term assets of NPM;
- (xvi) VND700 billion (1/1/2021: VND700 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were guaranteed by the Company and certain long-term assets of NPM;
- (xvii) VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 107.9 million shares (1/1/2021: 136 million shares) of MHT;
- (xviii) VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 107.9 million shares (1/1/2021: 136 million shares) of MHT;
- (xix) VND1,500 billion (1/1/2021: VND1,500 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xx) VND3,000 billion (1/1/2021: VND3,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxi) VND7,000 billion (1/1/2021: VND7,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 9.3% per annum in the first year and 2.5% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxii) VND4,000 billion (1/1/2021: VND4,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 4% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured. As at 30 June 2021, VND1,307 billion of the issued bonds were owned by the Company's subsidiaries and eliminated in the consolidated interim financial statements;

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- (xxiii) VND600 billion (1/1/2021: VND600 billion) bonds with a maturity of 3 years (2023) at an interest rate of 9.8% per annum in the first year and 3.8% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxiv) VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 9.9% per annum in the first year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxv) VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 4% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxvi) VND3,000 billion (1/1/2021: VND3,000 billion) bonds with a maturity of 5 years (2025) at an interest rate of 9.9% per annum in the first year, 10.9% per annum in the second year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 181 million shares (1/1/2021: 181 million shares) of VinCommerce. The bonds were also guaranteed by the Company;
- (xxvii) VND1,500 billion (1/1/2021: VND200 billion) bonds with a maturity of 5 years (2025 and 2026) at an interest rate of 9.2% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 150 million shares (1/1/2021: 150 million shares) of VinCommerce and 38 million shares (1/1/2021: 38 million shares) of MML. The bonds were also guaranteed by the Company;
- (xxviii) VND500 billion bonds with a maturity of 3 years (2024) at an interest rate of 10% per annum in the first year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured. As at 30 June 2021, VND470 billion of the issued bonds were owned by the Company's subsidiaries and eliminated in the consolidated interim financial statements;
- (xxix) VND500 billion bonds with a maturity of 3 years (2024) at an interest rate of 9.9% per annum in the first year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured. As at 30 June 2021, VND241 billion of the issued bonds were owned by the Company's subsidiaries and eliminated in the consolidated interim financial statements; and
- (xxx) VND400 billion bonds with a maturity of 3 years (2024) at an interest rate of 10% per annum in the first year and 4% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured.

As at 30 June 2021, the associate of the Group held VND482,057 million (1/1/2021: VND652,458 million) of the issued bonds.

During the period, the Group complied with the covenants on the above bonds.

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(*) Finance lease liabilities**

The future minimum lease payments, including the principal and interest, under non-cancellable finance leases are:

	30/6/2021 VND million	1/1/2021 VND million
Within 1 year	52,553	6,902
From two to five years	190,633	4,895
More than five years	399,840	-
	643,026	11,797

22. Provisions – long-term

	30/6/2021 VND million	1/1/2021 VND million
Mining rights fee	563,824	390,248
Mine rehabilitation	106,251	103,801
Severance allowance	46,321	48,962
Pensions	6,195,843	6,963,327
	6,912,239	7,506,338

Movements of provisions during the period were as follows:

	Mining rights fee VND million	Mine rehabilitation VND million	Severance allowance VND million	Pensions VND million	Total VND million
Opening balance	390,248	103,801	48,962	6,963,327	7,506,338
Provision made during the period	210,150	2,450	223	23,733	236,556
Remeasurement of the net defined benefit liability (*)	-	-	-	(428,930)	(428,930)
Written back during the period	-	-	(2,088)	-	(2,088)
Provision utilised during the period	(36,574)	-	(776)	(123,345)	(160,695)
Currency translation differences	-	-	-	(238,942)	(238,942)
Closing balance	563,824	106,251	46,321	6,195,843	6,912,239

(*) As disclosed in Note 3(n), the remeasurement of the net defined benefit liability – provision for pensions and the relevant deferred tax are recognised in equity under the caption “Other equity funds” in accordance with a ruling from the Ministry of Finance.

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23. Changes in owners' equity

	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Undistributed profits after tax VND million	Equity attributable to equity holders of the Company VND million	Non- controlling interests VND million	Total VND million
Balance as at 1 January 2020	11,689,464	11,084,357	(8,563,690)	11,033	28,558,952	42,780,116	9,108,291	51,888,407
Capital contribution in subsidiaries by non-controlling interests	-	-	-	-	-	-	17,167	17,167
Transactions with non-controlling interests	-	-	-	-	(19,553,819)	(19,553,819)	(1,041,209)	(20,595,028)
Business combination	-	-	-	-	-	-	293,404	293,404
Net profit for the period	-	-	-	-	117,254	117,254	(279,199)	(161,945)
Dividends declared by subsidiaries	-	-	-	-	-	-	(2,139)	(2,139)
Appropriation to bonus and welfare funds	-	-	-	-	(642)	(642)	(1,180)	(1,822)
Currency translation differences	-	-	-	(219,636)	-	(219,636)	(12,575)	(232,211)
Others	-	-	-	-	19,519	19,519	(7,069)	12,450
Balance as at 30 June 2020	11,689,464	11,084,357	(8,563,690)	(208,603)	9,141,264	23,142,792	8,075,491	31,218,283

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	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Other equity funds VND million	Undistributed profits after tax VND million	Equity attributable to equity holders of the Company VND million	Non-controlling interests VND million	Total VND million
Balance as at 1 January 2021	11,746,832	11,084,297	(8,563,690)	(226,972)	(284,952)	2,182,124	15,937,639	9,092,640	25,030,279
Issuance of new shares	58,515	(50)	-	-	-	-	58,465	-	58,465
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	4,121,142	4,121,142	714,249	4,835,391
Dividends declared by subsidiaries	-	-	-	-	-	978,613	978,613	417,580	1,396,193
Appropriation to bonus and welfare funds	-	-	-	-	-	-	-	(168,483)	(168,483)
Currency translation differences	-	-	-	-	-	(3,041)	(3,041)	(4,964)	(8,005)
Remeasurement of the net defined benefit liability, net of tax	-	-	-	(169)	-	-	(169)	(809)	(978)
Balance as at 30 June 2021	11,805,347	11,084,247	(8,563,690)	(227,141)	(31,086)	7,278,838	21,346,515	10,090,196	31,436,711

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24. Share capital and capital surplus

The Company's authorised and issued share capital comprises of:

	30/6/2021		1/1/2021	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital				
Ordinary shares	1,180,534,692	11,805,347	1,174,683,246	11,746,832
Issued share capital				
Ordinary shares	1,180,534,692	11,805,347	1,174,683,246	11,746,832
Capital surplus	-	11,084,247	-	11,084,297

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 2018, the Company signed an agreement to grant SK Investment Vina I Pte. Ltd. ("SK"), a shareholder, a put option. In the event that the Company and SK fail to materialise the value creation and synergies from this partnership or disagree on the strategic directions of the Company, SK will have an irrevocable option to request the Company or its nominee to purchase all the Company's 109,899,932 shares acquired on 2 October 2018 ("the Closing Date") at the amount equal to VND100,000 per share adjusted by the aggregate dividends and distributions in shares distributed by the Company and other customary adjustments from share split or combination or similar events. This option shall be exercisable after the 5th year from the Closing Date and remain exercisable until the 6th year from the Closing Date. It can only be exercised once with respect to all above shares and will lapse if SK sells any of them.

Movements of share capital during the period were as follows:

	From 1/1/2021 to 30/6/2021		From 1/1/2020 to 30/6/2020	
	Number of shares	VND million	Number of shares	VND million
Opening balance	1,174,683,246	11,746,832	1,168,946,447	11,689,464
Issuance of new shares for cash (Note 25)	5,851,446	58,515	-	-
Closing balance	1,180,534,692	11,805,347	1,168,946,447	11,689,464

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25. Employee stock ownership plans

The Group has employee stock ownership plans (ESOP) based on the assessment of employees' performance. The issuance of shares under the plan has to be approved by the shareholders at AGM.

In June 2021, the Company issued 5,851,446 shares to employees at par for cash.

26. Off balance sheet items

(a) Lease commitments

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

	30/6/2021	1/1/2021
	VND million	VND million
Within 1 year	1,724,330	2,030,535
Within 2 to 5 years	3,437,089	3,758,008
More than 5 years	1,666,518	2,023,820
	<hr/>	<hr/>
	6,827,937	7,812,363
	<hr/>	<hr/>

(b) Capital expenditure

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

	30/6/2021	1/1/2021
	VND million	VND million
Approved and contracted	523,231	1,047,690
Approved but not contracted	1,191,184	1,094,316
	<hr/>	<hr/>
	1,714,415	2,142,006
	<hr/>	<hr/>

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(c) Foreign currencies

	30/6/2021		1/1/2021	
	Original currency	VND million equivalent	Original currency	VND million equivalent
USD	10,579,828	242,428	12,988,342	298,544
EUR	3,746,201	101,391	10,166,623	285,438
JPY	354,382,671	72,578	149,538,241	33,005
THB	56,515,392	39,448	77,731,377	58,299
CNY	7,526,472	26,358	10,586,983	36,747
CAD	800,775	14,651	763,489	13,650
		496,854		725,683

27. Revenue from sale of goods and provision of services

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

Net revenue comprised of:

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Total revenue		
▪ Sales of goods and others	41,898,125	36,153,823
Less revenue deductions		
▪ Sale discounts	654,288	715,386
▪ Sale returns	47,682	34,468
	701,970	749,854
	41,196,155	35,403,969

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28. Cost of sales

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Total cost of sales		
▪ Goods sold and other sales	32,102,992	27,287,162
▪ Allowance for inventories	(68,204)	260,708
	<hr/> 32,034,788	<hr/> 27,547,870

29. Financial income

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Interest income from:		
▪ Deposits	221,935	512,359
▪ Other investing activities	57,728	62,802
Foreign exchange gains	153,944	84,613
Others	28,079	435,126
	<hr/> 461,686	<hr/> 1,094,900

30. Financial expenses

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Interest expense to:		
▪ Banks	630,594	552,590
▪ Bondholders and others	1,743,418	988,577
Bond and borrowing issuance costs	206,377	95,197
UPAS letter of credit fees	31,152	16,746
Foreign exchange losses	64,076	100,564
Others	103,823	105,494
	<hr/> 2,779,440	<hr/> 1,859,168

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31. Selling expenses

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Promotion and advertising expenses	1,286,870	1,252,077
Logistic expense	550,893	498,111
Staff costs	1,470,414	1,879,480
Exhibition expense	119,647	88,861
Outside services	1,035,767	1,895,670
Others	933,545	699,289
	<hr/> 5,397,136	<hr/> 6,313,488

32. General and administration expenses

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Staff costs	681,064	508,816
Amortisation of fair value uplift of investment properties and fixed assets arising in business combination	185,953	358,011
Amortisation of goodwill	251,823	241,439
Depreciation and amortisation	147,005	87,009
Research and development expenses	21,331	13,776
System lease line and IT services	52,579	27,319
Office rental	196,239	64,256
Outside services	133,038	187,358
Others	141,306	182,826
	<hr/> 1,810,338	<hr/> 1,670,810

33. Other income

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Support income from suppliers	69,284	35,856
Gains from disposal of fixed assets	5,104	3,863
Others	117,903	47,342
	<hr/> 192,291	<hr/> 87,061

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34. Other expenses

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Losses from disposal of fixed assets		
Donation	8,884	45,015
Others	65,000	-
	96,583	30,657
	<hr/>	<hr/>
	170,467	75,672
	<hr/>	<hr/>

35. Income tax

(a) Recognised in the consolidated statement of income

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Current tax expense		
Current period	410,911	476,388
Over provision in prior periods	(7,810)	(5,801)
	<hr/>	<hr/>
	403,101	470,587
Deferred tax benefit		
Origination and reversal of temporary differences	(120,592)	(57,502)
Recognition of previously unrecognised temporary differences	(49,277)	-
Effect of change in tax rate	(509)	-
	<hr/>	<hr/>
	(170,378)	(57,502)
	<hr/>	<hr/>
Income tax expense	232,723	413,085
	<hr/>	<hr/>

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(b) Reconciliation of effective tax rate

	From 1/1/2021 to 30/6/2021		From 1/1/2020 to 30/6/2020	
	%	VND million	%	VND million
Accounting profit before tax	100%	1,628,916	100.0%	251,140
Tax at the Company's income tax rate	20.0%	325,783	20.0%	50,228
Effect of different tax rates in subsidiaries	(12.3%)	(199,621)	(46.5%)	(116,864)
Effect of consolidation transactions	(3.3%)	(53,064)	12.0%	30,089
Non-deductible expenses	0.9%	15,065	21.9%	54,965
Effect of share of profits in associates net of tax	(24.2%)	(394,191)	(90.2%)	(226,490)
Unrecognised deferred tax assets	38.2%	622,402	251.1%	630,724
Over provision in prior periods	(0.5%)	(7,810)	(2.3%)	(5,801)
Tax losses utilised	(1.6%)	(26,055)	(1.5%)	(3,766)
Recognition of previously unrecognised temporary differences	(3.0%)	(49,277)	-	-
Effect of change in tax rate	(0.0%)	(509)	-	-
	14.2%	232,723	164.5%	413,085

(c) Applicable tax rates

Under the prevailing corporate income tax law, the Company has an obligation to pay corporate income tax to the government at usual income tax rate of 20% 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 some countries where the Company and its subsidiaries operate 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 for the Company and its subsidiaries. Management believes that the Group has adequately provided for tax liabilities based on its interpretation of tax legislation, including on transfer pricing requirements, tax incentive requirements and computation of corporate income tax. However, the relevant authorities may have differing interpretations and the effects could be significant.

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36. Significant transactions with related parties

In addition to related party balances disclosed in other notes to these consolidated interim financial statements, the Group had the following significant transactions with its related parties in accordance with Vietnamese Accounting Standards during the period:

Related party	Nature of transaction	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Associates			
Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries	Loans received	1,226,970	1,999,472
	Loans repaid	1,031,780	876,331
	Bond issued (acting as agent) (*)	1,400,000	12,217,065
	Bonds issuance fees	38,210	371,900
	Sales of trading securities	2,205,450	1,250,000
	Purchases of trading securities	4,299,200	-
	Interest expense	119,065	89,289
Other related parties			
Key management personnel	Remuneration to key management personnel (**)	99,134	105,855

As at and for the six-month period ended 30 June 2021 and 2020, the Company and its subsidiaries have current and term deposit accounts and loan and payable balances with Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries at normal commercial terms.

(*) The bonds were sold to broader set of investors according to issuance agreement.

(**) No board fees were paid to the Board of Directors' members of the Company for the six-month period ended 30 June 2021 and 2020.

37. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2021 was based on the net profit attributable to ordinary shareholders of the Company of VND978,613 million (for the six-month period ended 30 June 2020: VND117,254 million) and a weighted average number of ordinary shares outstanding of 1,175,459,128 shares during the period (for the six-month period ended 30 June 2020: 1,168,946,447 shares), calculated as follows:

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(i) *Net profit attributable to ordinary shareholders*

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Net profit attributable to ordinary shareholders	978,613	117,254

(ii) *Weighted average number of ordinary shares*

	From 1/1/2021 to 30/6/2021	From 1/1/2020 to 30/6/2020
Issued ordinary shares at the beginning of the period	1,174,683,246	1,168,946,447
Effect of shares issued for cash	775,882	-
Weighted average number of ordinary shares for the period	1,175,459,128	1,168,946,447

38. Non-cash investing activities

	From 1/1/2021 to 30/6/2021 VND million	From 1/1/2020 to 30/6/2020 VND million
Acquisition of fixed assets and interest expense capitalised into construction in progress not yet paid	620,407	451,332



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39. Post balance sheet events

On 16 July 2021, the Company distributed the advance dividends for 2021 amounting to VND1,121,503 million to shareholders.

In July 2021, the Board of Directors of Masan MEATLife Corporation, a direct subsidiary, approved the plan for the issuance of 273,600 shares at par value to its employees under employees stock ownership plan (“ESOP”) after obtaining shareholders’ approval at the Annual General Meeting of Shareholders in April 2021. As at the issuance date of this consolidated interim financial statements, this issuance has not been completed.

In August 2021, the Board of Directors of Masan Consumer Corporation, an indirect subsidiary, approved the plan for the reissuance of 7,087,938 treasury shares at VND70,000 per share to its employees under employees stock ownership plan (“ESOP”) after obtaining shareholders’ approval at the Annual General Meeting of Shareholders in April 2021. As at the issuance date of this consolidated interim financial statements, the reissuance of its treasury shares has not been completed.

20 August 2021

Prepared by:



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Approved by:



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