



**Masan Group Corporation  
and its subsidiaries**

Consolidated Financial Statements for the year ended  
31 December 2019



## Masan Group Corporation Corporate Information

### Business Registration Certificate No.

0303576603

17 July 2019

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 17 July 2019. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

### Board of Directors

Dr Nguyen Dang Quang	Chairman
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Nam	Member
Mr Woncheol Park	Member (from 24 April 2019)
Mr Nguyen Doan Hung	Member (from 24 April 2019)
Mr David Tan Wei Ming	Member (from 24 April 2019)
Mr Lars Kjaer	Member (until 23 April 2019)
Mr Dominic Edward Salter Price	Member (until 23 April 2019)

### Board of Management

Dr Nguyen Dang Quang	Chief Executive Officer
Mr Nguyen Thieu Nam	Deputy Chief Executive Officer
Mr Michael Hung Nguyen	Deputy Chief Executive Officer
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer

### Legal representative

Dr Nguyen Dang Quang	Chairman
	Chief Executive Officer

### Registered Office

Suite 802, 8<sup>th</sup> 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 FINANCIAL STATEMENTS

The Board of Management of Masan Group Corporation ("the Company") presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2019.

The Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements as at and for the year ended 31 December 2019 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In preparing those consolidated financial statements, the Board of Management is required to:

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

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

## APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We do hereby approve the accompanying consolidated financial statements of the Group as at and for the year ended 31 December 2019, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

On behalf of the Board of Management



Dr Nguyễn Đăng Quang  
Chairman  
Chief Executive Officer

Ho Chi Minh City, Vietnam  
20 March 2020



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders Masan Group Corporation**

We have audited the accompanying consolidated 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 31 December 2019, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 20 March 2020, as set out on pages 5 to 83.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





## Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Masan Group Corporation and its subsidiaries as at 31 December 2019 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.



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Ha Vu Dinh  
Practicing Auditor Registration  
Certificate No. 0414-2018-007-1  
Deputy General Director

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Chang Hung Chun  
Practicing Auditor Registration  
Certificate No. 0863-2018-007-1

Ho Chi Minh City, 20 March 2020

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019**

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

	Code	Note	31/12/2019 VND million	1/1/2019 VND million
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>24,261,892</b>	<b>12,499,618</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>6</b>	<b>6,800,528</b>	<b>4,585,889</b>
Cash	111		1,928,070	513,597
Cash equivalents	112		4,872,458	4,072,292
<b>Short-term financial investments</b>	<b>120</b>	<b>7</b>	<b>784,454</b>	<b>375,848</b>
Trading securities	121		472,134	-
Held-to-maturity investments	123		312,320	375,848
<b>Accounts receivable – short-term</b>	<b>130</b>	<b>8</b>	<b>5,417,776</b>	<b>2,412,555</b>
Accounts receivable from customers	131		1,240,531	1,523,385
Prepayments to suppliers	132		1,528,648	707,242
Other short-term receivables	136		2,754,341	288,063
Allowance for doubtful debts	137		(105,744)	(106,135)
<b>Inventories</b>	<b>140</b>	<b>9</b>	<b>9,621,821</b>	<b>4,333,191</b>
Inventories	141		9,690,631	4,389,589
Allowance for inventories	149		(68,810)	(56,398)
<b>Other current assets</b>	<b>150</b>		<b>1,637,313</b>	<b>792,135</b>
Short-term prepaid expenses	151		261,425	94,291
Deductible value added tax	152		1,352,367	674,894
Taxes receivable from State Treasury	153	16(a)	23,521	22,950

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019 (continued)**

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

	Code	Note	31/12/2019 VND million	1/1/2019 VND million
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 250 + 260)	<b>200</b>		<b>73,035,359</b>	<b>52,078,995</b>
<b>Accounts receivable – long-term</b>	<b>210</b>	<b>8</b>	<b>1,599,646</b>	<b>1,377,124</b>
Other long-term receivables	216		1,599,646	1,377,124
<b>Fixed assets</b>	<b>220</b>		<b>40,791,699</b>	<b>29,203,764</b>
Tangible fixed assets	221	10	29,170,881	23,798,207
Cost	222		39,248,028	31,906,656
Accumulated depreciation	223		(10,077,147)	(8,108,449)
Finance lease tangible fixed assets	224		-	-
Cost	225		67,300	67,300
Accumulated depreciation	226		(67,300)	(67,300)
Intangible fixed assets	227	11	11,620,818	5,405,557
Cost	228		14,777,843	8,015,798
Accumulated amortisation	229		(3,157,025)	(2,610,241)
<b>Long-term work in progress</b>	<b>240</b>		<b>3,278,972</b>	<b>2,171,342</b>
Construction in progress	242	12	3,278,972	2,171,342
<b>Long-term financial investments</b>	<b>250</b>	<b>7</b>	<b>17,505,857</b>	<b>15,347,915</b>
Investments in associates	252		17,492,653	15,328,811
Equity investments in other entities	253		21,646	21,646
Allowance for diminution in the value of long-term financial investments	254		(8,442)	(8,442)
Held-to-maturity investments	255		-	5,900
<b>Other long-term assets</b>	<b>260</b>		<b>9,859,185</b>	<b>3,978,850</b>
Long-term prepaid expenses	261	13	5,633,114	3,164,050
Deferred tax assets	262	14	240,643	295,261
Goodwill	269	15	3,985,428	519,539
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>97,297,251</b>	<b>64,578,613</b>

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019 (continued)**

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

	Code	Note	31/12/2019 VND million	1/1/2019 VND million
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>45,408,844</b>	<b>30,498,935</b>
<b>Current liabilities</b>	<b>310</b>		<b>30,492,191</b>	<b>15,795,515</b>
Accounts payable to suppliers	311		5,635,395	2,668,610
Advances from customers	312		1,178,905	334,553
Taxes payable to State Treasury	313	16(b)	770,004	429,861
Payables to employees	314		291,683	300
Accrued expenses	315	17	4,110,502	2,791,050
Unearned revenue – short-term	318		12,050	-
Other short-term payables	319	18	122,557	296,413
Short-term borrowings and bonds	320	19	18,340,185	9,243,779
Bonus and welfare funds	322		30,910	30,949
<b>Long-term liabilities</b>	<b>330</b>		<b>14,916,653</b>	<b>14,703,420</b>
Accounts payable to suppliers	331		31,013	36,330
Other long-term payables	337	18	180,939	23,804
Long-term borrowings and bonds	338	19	11,675,842	12,751,649
Deferred tax liabilities	341	14	2,455,415	1,351,446
Provisions	342	20	573,444	540,191

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



**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019 (continued)**

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

	Code	Note	31/12/2019 VND million	1/1/2019 VND million
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>51,888,407</b>	<b>34,079,678</b>
<b>Owners' equity</b>	<b>410</b>	<b>21</b>	<b>51,888,407</b>	<b>34,079,678</b>
Share capital	411	22	11,689,464	11,631,495
Capital surplus	412	22	11,084,357	11,084,417
Other capital	414		(8,563,690)	(9,426,958)
Foreign exchange differences	417		11,033	4,402
Undistributed profits after tax	421		28,558,952	16,193,388
- Undistributed profits after tax brought forward	421a		15,330,120	12,350,048
- Net profit for the current year	421b		13,228,832	3,843,340
Non-controlling interests	429		9,108,291	4,592,934
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>97,297,251</b>	<b>64,578,613</b>

20 March 2020

Prepared by:



Doan Thi My Duyen  
Chief Accountant

Approved by:



Michael Hung Nguyen  
Deputy Chief Executive Officer  
Chief Financial Officer




Dr Nguyen Dang Quang  
Chairman  
Chief Executive Officer

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of income for the year ended 31 December 2019**

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

	Code	Note	2019 VND million	2018 VND million
Revenue from sale of goods	01	25	38,818,747	39,378,747
Revenue deductions	02	25	1,464,660	1,191,130
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>25</b>	<b>37,354,087</b>	<b>38,187,617</b>
Cost of sales	11	26	26,412,939	26,306,208
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>10,941,148</b>	<b>11,881,409</b>
Financial income	21	27	1,188,183	1,901,793
Financial expenses	22	28	2,200,562	3,090,914
<i>In which: Interest expense</i>	23		1,866,015	2,667,531
Share of profit in associates	24		2,182,410	1,914,340
Selling expenses	25	29	3,994,895	4,314,253
General and administration expenses	26	30	2,103,408	2,015,388
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>6,012,876</b>	<b>6,276,987</b>
Other income	31	31	1,325,350	14,708
Other expenses	32		233,136	47,871
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>1,092,214</b>	<b>(33,163)</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40) (carried forward)</b>	<b>50</b>		<b>7,105,090</b>	<b>6,243,824</b>

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

Masan Group Corporation and its subsidiaries

Consolidated statement of income for the year ended 31 December 2019 (continued)

Form B 02 – DN/HN

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

	Code	Note	2019 VND million	2018 VND million
Accounting profit before tax (50 = 30 + 40) (brought forward)	50		7,105,090	6,243,824
Income tax expense – current	51	32	790,583	726,692
Income tax benefit – deferred	52	32	(50,108)	(104,373)
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>6,364,615</b>	<b>5,621,505</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		5,557,571	4,916,497
Non-controlling interests	62		807,044	705,008
<b>Earnings per share</b>				
Basic earnings per share (VND)	70	34	4,766	4,561

20 March 2020

Prepared by:



Doan Thi My Duyen  
Chief Accountant

Approved by:



Michael Hung Nguyen  
Deputy Chief Executive Officer  
Chief Financial Officer




Dr. Nguyen Dang Quang  
Chairman  
Chief Executive Officer

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2019**  
**(Indirect method)**

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

	Code	Note	2019 VND million	2018 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Accounting profit before tax	01		7,105,090	6,243,824
Adjustments for				
Depreciation and amortisation	02		2,748,584	2,705,218
Allowances and provisions	03		109,550	123,092
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(6,566)	8,859
Profits from investing activities	05		(2,404,958)	(3,738,917)
Interest expense and other financial expenses	06		2,010,975	2,888,368
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>9,562,675</b>	<b>8,230,444</b>
Increase in receivables and other assets	09		(74,463)	(734,186)
Increase in inventories	10		(1,629,376)	(76,765)
Increase in payables and other liabilities	11		195,972	610,042
Decrease/(increase) in prepaid expenses	12		15,002	(86,037)
Increase in trading securities	13		(472,134)	-
			<b>7,597,676</b>	<b>7,943,498</b>
Interest paid	14		(1,887,876)	(2,869,402)
Corporate income tax paid	15		(600,760)	(675,981)
Other payments for operating activities	17		(4,915)	(6,986)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>5,104,125</b>	<b>4,391,129</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(4,162,595)	(2,638,466)
Proceeds from arbitration settlement	21		984,162	-
Proceeds from disposals of fixed assets and other long-term assets	22		38,533	10,232
Payments for granting loans and term deposits	23		(1,164,820)	(1,659,260)
Receipts from collecting loans and term deposits	24		1,234,248	2,013,981
Payments for investments	25		(4,109,212)	(2,308,579)
Business combination, net of cash combined	25	5	644,123	-
Proceeds from disposals of investments	26		212,130	379,736
Receipts of interest, dividends and others	27		311,989	335,756
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(6,011,442)</b>	<b>(3,866,600)</b>

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



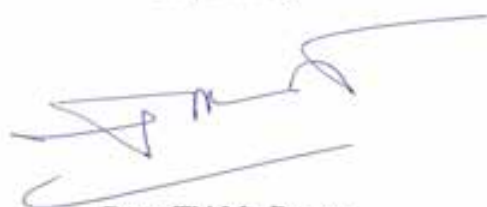
**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2019**  
**(Indirect method – continued)**

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

	Code	Note	2019 VND million	2018 VND million
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of new shares, reissue treasury shares and equity issued to non-controlling interests	31		271,362	10,927,861
Proceeds from borrowings and bonds	33		30,211,372	23,643,380
Payments to settle borrowings and bonds	34		(26,975,387)	(36,614,844)
Payments to settle finance lease liabilities	35		-	(9,026)
Payments of dividends to non-controlling interests of subsidiaries	36		(390,445)	(1,304,374)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>3,116,902</b>	<b>(3,357,003)</b>
<b>Net cash flows during the year (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>2,209,585</b>	<b>(2,832,474)</b>
Cash and cash equivalents at the beginning of the year	60		4,585,889	7,417,111
Effect of exchange rate fluctuations	61		5,054	1,252
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>6</b>	<b>6,800,528</b>	<b>4,585,889</b>

20 March 2020

Prepared by:



Doan Thi My Duyen  
Chief Accountant

Approved by:




Michael Hung Nguyen  
Deputy Chief Executive Officer  
Chief Financial Officer

Dr Nguyen Dang Quang  
Chairman  
Chief Executive Officer

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



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**

**Form B 09 – 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 financial statements.

**1. Reporting entity**

**(a) Ownership structure**

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

The consolidated 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 described as follows:

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

Form B 09 – DN/HN

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

**Subsidiaries**

<b>Number</b>	<b>Name</b>	<b>Principal activity</b>	<b>Address</b>	<b>Percentage of economic interests at 31/12/2019</b>	<b>1/1/2019</b>
<b>Direct subsidiaries</b>					
1	Masan Consumer Holdings Company Limited ("MCH")	Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	60.0%	85.7%
2	Masan Horizon Company Limited ("MH")	Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
3	Masan MEATLife Corporation (formerly known as Masan Nutri-Science Corporation) ("MML")	Investment holding	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	87.3%	80.8%
4	VCM Services and Trading Development Joint Stock Company ("VCM") (a)	Investment holding	7 Bang Lang 1 Street, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Ha Noi City, Vietnam	58.6%	-
<b>Indirect subsidiaries</b>					
1	Masan Brewery Company Limited ("MB")	(i) Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	40.0%	57.1%
2	Masan Master Brewer Company Limited ("MMBr")	(i) Beer and beverage trading	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	40.0%	57.1%

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

Number	Name	Principal activity	Address	Percentage of economic interests at 31/12/2019	1/1/2019
3	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	40.0%	57.1%
4	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	40.0%	57.1%
5	Masan Brewery Distribution One Member Company Limited ("MBD")	(i) Beer and beverage trading	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	40.0%	57.1%
6	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	40.0%	57.1%
7	Masan Consumer Corporation ("MSC")	(i) Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	56.8%	81.5%
8	Masan Consumer (Thailand) Limited ("MTH")	(i) Trading and distribution	No. 83, 4 <sup>th</sup> Floor, Annuaay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand	56.8%	81.5%
9	Masan Food Company Limited ("MSF")	(i) Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	56.8%	81.5%



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

Number	Name	Principal activity	Address	Percentage of economic interests at 31/12/2019	1/1/2019
10	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 Town, Binh Duong Province, Vietnam	56.8%	81.5%
11	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	56.8%	81.5%
12	Masan HD One Member Company Limited ("MHD")	(i) Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Vietnam	56.8%	81.5%
13	Masan PQ Corporation ("MPQ")	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam	56.8%	81.5%
14	Nam Ngu Phu Quoc One Member Company Limited ("NPQ")	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam	56.8%	81.5%
15	Masan Long An Company Limited ("MLA") (b)	(i) Seasonings, convenience food manufacturing and packaging	Hamlet 2, Thanh Hoa Commune, Ben Luc District, Long An Province, Vietnam	56.8%	-
16	VinaCafé Bien Hoa Joint Stock Company ("VCF")	(i) Beverage manufacturing and trading	Bien Hoa Industrial Zone I, Bien Hoa City, Dong Nai Province, Vietnam	55.9%	80.3%

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

<b>Number</b>	<b>Name</b>	<b>Principal activity</b>	<b>Address</b>	<b>Percentage of economic interests at 31/12/2019</b>	<b>1/1/2019</b>
17	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	47.5%	68.3%
18	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	50.3%	72.2%
19	Kronfa., JSC ("KRP")	(i) Beverage manufacturing	Km 37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam	50.3%	72.2%
20	Masan Beverage Company Limited ("MSB")	(i) Beverage trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	56.8%	81.5%
21	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	56.8%	81.5%
22	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	56.8%	81.5%
23	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 Town, Binh Duong Province, Vietnam	42.6%	61.2%



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

Form B 09 – DN/HN

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

<b>Number</b>	<b>Name</b>	<b>Principal activity</b>	<b>Address</b>	<b>Percentage of economic interests at 31/12/2019</b>	<b>1/1/2019</b>
24	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	37.4%	53.7%
25	Masan HPC Company Limited ("HPC") (c)	(i) Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	56.8%	-
26	Mapleleaf Company Limited ("MPL")	(ii) Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
27	Masan Blue Corporation ("MBL") (d)	(ii) Trading and distribution	8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.8%	-
28	Masan Resources Corporation ("MSR")	(ii) Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	96.0%	96.0%
29	Masan Thai Nguyen Resources Company Limited ("MRTN")	(ii) Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	96.0%	96.0%
30	Thai Nguyen Trading and Investment Company Limited ("TNTT")	(ii) Investment holding	8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	96.0%	96.0%

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

<b>Number</b>	<b>Name</b>	<b>Principal activity</b>	<b>Address</b>	<b>Percentage of economic interests at 31/12/2019</b>	<b>1/1/2019</b>
31	Núi Phao Mining Company Ltd ("NPM")	(ii) Exploring and processing mineral	Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	96.0%	96.0%
32	Masan Tungsten Limited Liability Company ("MTC")	(ii) Deep processing of nonferrous metals and precious metals (tungsten)	Hamlet 11, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	96.0%	96.0%
33	MNS Feed Company Limited ("MNS Feed")	(iii) Animal protein	Lot A4, Street No. 2, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.3%	80.8%
34	Agro Nutrition International Joint Stock Company ("ANCO")	(iii) Animal protein	Lot A4, Street No. 2, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.3%	80.8%
35	MNS Feed Vinh Long Company Limited ("MNS Feed Vinh Long")	(iii) Animal protein	Area 4, Co Chien Industrial Park, Long Ho District, Vinh Long Province, Vietnam	87.3%	80.8%
36	Agro Nutrition International Binh Dinh One Member Limited Company ("ANCO Binh Dinh")	(iii) Animal protein	Lot B4.06, Nhon Hoi Industrial Park (Area A), Nhon Hoi District, Quy Nhon Town, Binh Dinh Province, Vietnam	87.3%	80.8%
37	MNS Feed Thai Nguyen Company Limited ("MNS Feed Thai Nguyen")	(iii) Animal protein	Lot B5-B6, Trung Thanh Industrial Park, Trung Thanh District, Pho Yen Town, Thai Nguyen Province, Vietnam	87.3%	80.8%
38	MNS Feed Tien Giang Company Limited ("MNS Feed Tien Giang")	(iii) Animal protein	Lot 22-23B, Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam	87.3%	80.8%

**Masan Group Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

<b>Number</b>	<b>Name</b>	<b>Principal activity</b>	<b>Address</b>	<b>Percentage of economic interests at 31/12/2019</b>	<b>1/1/2019</b>
39	MNS Feed Nghe An Company Limited ("MNS Feed Nghe An")	(iii) Animal protein	C Area, Nam Cam Industrial Park, Dong Nam Nghe An Industrial Zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam	87.3%	80.8%
40	MNS Feed Hau Giang Company Limited ("MNS Feed Hau Giang")	(iii) Animal protein	Street No. 4, Tan Phu Thanh Industrial Park – Phase 1, Tan Phu Thanh Commune, Chau Thanh A District, Hau Giang Province, Vietnam	87.3%	80.8%
41	MNS Meat Company Limited ("MNS Meat")	(iii) Animal protein	Lot A4, Street No. 2, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.3%	80.8%
42	MNS Farm Nghe An Company Limited ("MNF (NA)")	(iii) Breeding swine	Con Son Village, Ha Son Commune, Quy Hop District, Nghe An Province, Vietnam	87.3%	80.8%
43	MNS Farm Company Limited ("MNS Farm")	(iii) Investment holding	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	87.3%	80.8%
44	MNS Meat Processing Company Limited ("MNS Meat Processing")	(iii) Investment holding	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	87.3%	80.8%
45	MNS Meat Ha Nam Company Limited ("MNS Meat Ha Nam")	(iii) Meat processing	Lot CN-02, Dong Van IV Industrial Park, Dai Cuong Village, Kim Bang District, Ha Nam Province, Vietnam	87.3%	80.8%

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

<b>Number</b>	<b>Name</b>	<b>Principal activity</b>	<b>Address</b>	<b>Percentage of economic interests at 31/12/2019</b>	<b>1/1/2019</b>
46	MNS Meat Sai Gon Company Limited ("MNS Meat Sai Gon") (e)	(iii) Meat processing	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	87.3%	-
47	Vietnamese – French Cattle Feed Joint Stock Company ("Proconco")	(iii) Animal protein	Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam	65.6%	60.7%
48	Proconco Can Tho One Member Company Limited ("Proconco Can Tho")	(iii) Animal protein	Lot 13 and Lot 14, Industrial Park Tra Noc 1, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam	65.6%	60.7%
49	ConCo Binh Dinh Co., Ltd. ("Proconco Binh Dinh")	(iii) 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	65.6%	60.7%
50	Proconco Hung Yen Trading and Production Co., Ltd. (formerly known as Proconco Hung Yen Manufacturing and Trading Company Limited) ("Proconco Hung Yen")	(iii) Animal protein	Yen Phu Hamlet, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	65.6%	60.7%
51	Vincommerce General Commercial Services Joint Stock Company ("VinCommerce")	(iv) Trading and distribution	72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	58.6%	-



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

Number	Name	Principal activity	Address	Percentage of economic interests at 31/12/2019	1/1/2019
52	Vineco Agricultural Investment Development and Production Limited Liability Company ("VinEco")	(iv) Agriculture	7 Bang Lang 1 Road, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Ha Noi City, Vietnam	58.6%	-
53	VinEco – Tam Dao Agricultural Investment Development and Production Limited Liability Company ("VinEco Tam Dao")	(iv) Agriculture	Co Quan Hamlet, Gia Khanh Commune, Binh Xuyen District, Vinh Phuc Province, Vietnam	52.2%	-
54	Dong Nai – VinEco Agricultural Company Limited ("VinEco Dong Nai")	(iv) Agriculture	Km 13, National Road 51, Long Khanh Hamlet, Tam Phuoc Commune, Bien Hoa City, Dong Nai Province, Vietnam	45.4%	-



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

**Associates**

Number	Name	Principal activity	Percentage of economic interests at 31/12/2019	1/1/2019
<i>Direct associate</i>				
1	Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”)	Banking	(f)	(f)
<i>Indirect associates</i>				
1	Cholimex Food Joint Stock Company (“Cholimex”)	Seasonings manufacturing and trading	32.8%	32.8%
2	Thuan Phat Packing Joint Stock Company (“Thuan Phat”)	Packing manufacturing	25.0%	25.0%
3	Abattoir Long Binh Joint Stock Company (“Abattoir”)	Animal protein	25.0%	25.0%
4	Dong Nai Producing Trading Service Joint Stock Company (“Donatraco”)	Animal protein	21.3%	21.3%
5	Vissan Joint Stock Company (“Vissan”)	Food manufacturing and retailing	24.9%	24.9%

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

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

The percentage of economic interests for subsidiaries represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries. The percentage of economic interests for associates represents the direct percentage of economic interests of the Company, its directly or indirectly owned subsidiaries in the associates.

- (a) For VCM, see Note 5.
- (b) Masan Long An Company Limited (“MLA”) was established under the Enterprise Registration Certificate No. 1101905952 dated 23 January 2019 issued by the Department of Planning and Investment of Long An Province. As at the date of issuance of these consolidated financial statements, MLA has not yet started its operations.
- (c) Masan HPC Company Limited (“HPC”) was established under the Enterprise Registration Certificate No. 0316076125 dated 20 December 2019 issued by the Department of Planning and Investment of Ho Chi Minh City. As at the date of issuance of these consolidated financial statements, HPC has not yet started its operations.
- (d) Masan Blue Corporation (“MBL”) was established under the Enterprise Registration Certificate No. 0315864557 dated 23 August 2019 issued by the Department of Planning and Investment of Ho Chi Minh City.
- (e) MNS Meat Sai Gon Company Limited (“MNS Meat Sai Gon”) was established under the Enterprise Registration Certificate No. 0315583531 dated 26 March 2019 issued by the Department of Planning and Investment of Long An Province. As at the date of issuance of these consolidated financial statements, MNS Meat Sai Gon has not yet started its operations.
- (f) For Techcombank, see Note 7(c).

As at 31 December 2019, the Group had 40,610 employees (1/1/2019: 9,135 employees).

**(c) Normal operating cycle**

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

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**2. Basis of preparation**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

The consolidated 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.

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

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

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

**(e) Corresponding figures**

The corresponding figures as at 1 January 2019 were brought forward from the audited figures as at 31 December 2018.

**3. Summary of significant accounting policies**

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

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(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 as if the group structure had been in existence from the Controlling Shareholders’ perspective throughout the entire periods presented or where the companies were incorporated at a date later than the beginning of the earliest period presented, for the period from the date of incorporation to the end of the relevant reporting periods.

**(ii) Non-common control business combination**

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

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

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

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(iii) Subsidiaries**

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

**(iv) Associates (equity accounted investees)**

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

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 income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. 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.



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(b) Foreign currency**

**(i) Foreign currency transactions**

Transactions in currencies other than VND during the year 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 annual 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**

All assets and liabilities of foreign operations are translated to VND at the rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions. Capital is translated to VND at historical exchange rate. Accumulated losses are derived from the translated net loss from which they were appropriated. Revenue, income and expenses, and cash flows during the year of foreign operations are translated to VND at the exchange rates which approximate actual exchange rates ruling on the date of transactions.

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.

**(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 has been determined if no allowance had been recognised.

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(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. These investments are stated at costs less allowance for doubtful debts.

**(iii) Equity investments 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 investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the 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.

**(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.

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(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 year 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.

**(ii) Depreciation**

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

Machinery and equipment and fair value of mineral reserves from business combination which are directly related to mining activities are depreciated over the estimated mineral reserve on a unit-of-production basis. Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group's mining properties. The estimated total production quantity output which tangible fixed assets are depreciated on a unit-of-production basis are as follows:

	<b>As at 31/12/2019</b>	<b>As at 1/1/2019</b>
ST plant	171,865 tonnes of tungsten	125,140 tonnes of tungsten
APT plant	166,990 tonnes of tungsten	120,265 tonnes of tungsten

*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:

▪ mining properties	15 – 20 years
▪ buildings and structures	4 – 50 years
▪ leasehold improvements	3 – 5 years
▪ office equipment	3 – 15 years
▪ machinery and equipment	2 – 25 years
▪ motor vehicles	3 – 15 years

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

During the year, MTC, a subsidiary of the Company, revised the estimated total production quantity output for ST and APT plants and the estimated useful lives of the relevant fixed assets to more accurately reflect the total production quantity output and the useful lives of these assets.

The effect on the depreciation charge for the current year was to decrease the depreciation charge by VND33,123 million.

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.

**(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; and
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use right certificate issued by competent authority.

Land use rights 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 useful lives ranging from 10 to 50 years.

**(ii) Software**

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 3 to 10 years.

**(iii) Brand name**

Cost of acquiring a brand name is capitalised and treated as an intangible fixed asset.

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 their useful lives ranging from 10 to 20 years.



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

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.

**(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 their useful lives ranging from 5 to 20 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) 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 their 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/transaction 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.

**(vi) Mining rights**

The mining rights is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with the Decree No. 203/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Cost of mining rights was 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.

**(vii) 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 their useful lives over 5 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.



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(viii) 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 their useful lives ranging from 9 to 30 years.

**(i) Construction in progress**

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

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

**(j) 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:

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

- 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 inventories and long-term prepaid expenses in accordance with the life of mine strip ratio.

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. 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.

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

**(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 term of the leases 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 term of the lease.

**(iv) *Printing axles and tools and supplies***

Printing axles and tools and supplies are initially stated at cost and amortised over their useful lives from over 1 to 3 years.

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. Cost of tools and supplies is amortised on a straight-line basis not more than 3 years.



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(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).

**(vi) Swine breeders**

Cost of swine breeders is recognised as long-term prepaid expenses and amortised on a straight-line basis over a period ranging from 2 to 3 years. The amortisation cost of breeders that directly relates to farming of swine are capitalised as part 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 their costs and are amortised on a straight-line basis over a period ranging from over 1 to 23 years.

**(k) 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. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition a subsidiary is written down to recoverable amount 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.

**(l) Trade and other payables**

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



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(m) Provisions**

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

***Mining rights***

In accordance with the Law on Minerals 2010, a subsidiary of the Company has an obligation to pay the government fees for mining rights grant. The mining rights fee is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights in accordance with:

- Decree No. 203/2013/ND-CP dated 28 November 2013 (“Decree 203”), Decree No. 158/2016/ND-CP dated 29 November 2016 (“Decree 158”) 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.

Mining rights fee 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. 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.

***Mine rehabilitation***

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

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

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

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

***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 annual 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.

**(n) 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.

**(o) Taxation**

Income tax on the profit or loss for the year 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 year, using tax rates enacted at the end of the annual accounting period and any adjustment to tax payable in respect of previous years.

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

**(p) Equity**

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

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issuance of shares, net of tax effects. Such costs are recognised as a deduction from capital surplus. The difference between proceeds from the issuance of shares over the par value is recorded in capital surplus.



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(ii) Other capital**

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

**(iii) Repurchase and reissue of ordinary shares (treasury shares)**

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are reissued subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within capital surplus.

**(q) Revenue**

***Goods sold***

Revenue from sale of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. For sales of minerals, the sales price is usually determined on a provisional basis at the date 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. 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.

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.

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

**(i) Financial income**

Financial income comprises interest income from deposits, bonds and loans, 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.

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(ii) Financial expenses**

Financial expenses comprise interest expense on borrowings and bonds, interest costs and foreign exchange losses. Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of 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.

**(s) Operating lease 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.

**(t) 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 year. 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.

**(u) 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.

**(v) 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.

**(w) Share-based payments**

Shares issued to employees at par value subscription price are recorded at their par value.



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

#### **4. Segment reporting**

The Group has five reportable segments, as described below, which are the Group's strategic businesses. The strategic businesses offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic businesses, the Board of 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:

- Food and beverage
- MEATLife: breeding swine, animal protein and food manufacturing
- Mining and processing
- Consumer retail
- Others: financial services and others

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

**(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.

	Food and beverage		MEATLIFE		Mining and Processing		Consumer retail		Others		Total	
	2019 VND million	2018 VND million	2019 VND million	2018 VND million	2019 VND million	2018 VND million	2019 VND million	2018 VND million	2019 VND million	2018 VND million	2019 VND million	2018 VND million
Segment revenue	18,845,240	17,345,752	13,798,751	13,976,854	4,710,096	6,865,011	-	-	-	-	37,354,087	38,187,617
Segment gross margin	7,890,154	7,571,676	2,265,603	2,096,950	785,391	2,212,783	-	-	-	-	10,941,148	11,881,409
Segment results	3,209,262	2,720,425	330,157	182,733	626,056	879,607	-	-	2,164,742	1,895,025	6,330,217	5,677,790
Net unallocated income/(expenses)											34,398	(56,285)
Net profit											6,364,615	5,621,505

**Masan Group Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

	Food and beverage		MEATLife		Mining and Processing		Consumer retail		Others		Total	
	31/12/2019 VND million	1/1/2019 VND million	31/12/2019 VND million	1/1/2019 VND million	31/12/2019 VND million	1/1/2019 VND million	31/12/2019 VND million	1/1/2019 VND million	31/12/2019 VND million	1/1/2019 VND million	31/12/2019 VND million	1/1/2019 VND million
Segment assets	11,219,229	10,673,223	15,004,817	13,121,985	28,080,203	26,804,958	24,652,861	-	15,083,325	12,918,583	94,040,435	63,518,749
Unallocated assets											3,256,816	1,059,864
<b>Total assets</b>											<b>97,297,251</b>	<b>64,578,613</b>
Segment liabilities	8,243,672	6,343,517	7,207,140	5,629,300	14,910,485	13,174,819	11,177,887	-	-	-	41,539,184	25,147,636
Unallocated liabilities											3,869,660	5,351,299
<b>Total liabilities</b>											<b>45,408,844</b>	<b>30,498,935</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Capital expenditure	1,150,203	477,605	2,117,084	1,075,988	890,587	1,076,471	-	-	-	-	4,157,874	2,630,064
Unallocated capital expenditure									4,721	8,402	4,721	8,402
Depreciation	598,289	598,560	371,612	292,107	1,115,653	1,144,280	-	-	-	-	2,085,554	2,034,947
Unallocated depreciation									3,005	1,749	3,005	1,749
Amortisation	298,059	298,444	440,189	430,458	224,557	204,947	-	-	-	-	962,805	933,849
Unallocated amortisation									338	45,047	338	45,047

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

**(b) Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which is located in Vietnam (“Domestic”) or countries other than Vietnam (“Overseas”). Segment assets and capital expenditure are not presented since the location of assets and production is mostly in Vietnam.

	Domestic		Overseas		Total	
	2019	2018	2019	2018	2019	2018
	VND million	VND million	VND million	VND million	VND million	VND million
Segment revenue	32,182,168	31,872,793	5,171,919	6,314,824	37,354,087	38,187,617



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**5. Business combination**

On 31 December 2019, the Company received 83.7% of the total outstanding shares of VCM and issued options to receive 30.0% shares of a combined company to the sellers. The combined company will be a subsidiary of the Company, and the combined company will hold shares/capital contributions of and control both VCM and MCH. As a result of this transaction, the Company has a 58.6% economic interest in VCM and 60.0% economic interest in MCH.

The business combination had the following effect on the Group's assets and liabilities on the business combination date:

	<b>Pre-business combination carrying amounts VND million</b>	<b>Fair value adjustments VND million</b>	<b>Recognised value on business combination VND million</b>
Cash and cash equivalents	644,123	-	644,123
Accounts receivable – short-term	891,761	-	891,761
Inventories	3,721,679	-	3,721,679
Other current assets	451,590	-	451,590
Other long-term receivables	254,737	-	254,737
Tangible fixed assets – net	4,879,835	447,618	5,327,453
Intangible fixed assets – net	190,742	6,557,918	6,748,660
Construction in progress	624,069	-	624,069
Long-term prepaid expenses	2,410,417	-	2,410,417
Goodwill	1,476,708	(1,476,708)	-
Accounts payable to suppliers	(3,355,584)	-	(3,355,584)
Accrued expenses	(1,479,933)	-	(1,479,933)
Short-term borrowings	(3,608,763)	-	(3,608,763)
Other current liabilities	(418,496)	-	(418,496)
Long-term borrowings	(1,106,416)	-	(1,106,416)
Deferred tax liabilities	-	(1,208,695)	(1,208,695)
Non-controlling interests	(103,192)	(530,913)	(634,105)
<b>Total net identifiable assets from business combination</b>	<b>5,473,277</b>	<b>3,789,220</b>	<b>9,262,497</b>
Share of net assets from business combination			5,428,705
Goodwill on business combination (Note 15)			3,578,372
<b>Total consideration</b>			<b>9,007,077</b>
Fair value of the option			(8,987,556)
Transaction costs			(19,521)
<b>Cash increase from business combination</b>			<b>644,123</b>

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(b) Held-to-maturity investments**

Held-to-maturity investments – short-term represented term deposits at banks with remaining terms to maturity of less than twelve months from the reporting date.

Held-to-maturity investments – long-term represented term deposits at banks with remaining terms to maturity of more than twelve months from the reporting date.

**Masan Group Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

Form B 09 – DN/HN

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

**(c) Investments in associates**

	31/12/2019		1/1/2019	
	% 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") (**)	20.0%	20.0%	15,083,325	17,697,967
Cholimex Food Joint Stock Company ("Cholimex")	32.8%	32.8%	249,392	(*)
Thuan Phat Packing Joint Stock Company ("Thuan Phat")	25.0%	25.0%	4,925	(*)
Abattoir Long Binh Joint Stock Company ("Abattoir")	25.0%	25.0%	6,709	(*)
Dong Nai Producing Trading Services Joint Stock Company ("Donatraco")	21.3%	21.3%	12,812	(*)
Vissan Joint Stock Company ("Vissan")	24.9%	24.9%	2,135,490	(*)
			17,492,653	(*)
			15,328,811	(*)

**Masan Group Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

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

	<b>Techcombank VND million</b>	<b>Cholimex VND million</b>	<b>Thuan Phat VND million</b>	<b>Abattoir VND million</b>	<b>Donatraco VND million</b>	<b>Vissan VND million</b>	<b>Total VND million</b>
Opening balance	12,918,583	249,392	7,893	6,752	10,701	2,135,490	15,328,811
Share in post-acquisition profit/(loss) of associates during the year	2,164,742	7,978	(2,968)	457	2,111	10,090	2,182,410
Dividends declared	-	(7,978)	-	(500)	-	(10,090)	(18,568)
<b>Closing balance</b>	<b>15,083,325</b>	<b>249,392</b>	<b>4,925</b>	<b>6,709</b>	<b>12,812</b>	<b>2,135,490</b>	<b>17,492,653</b>

(\*) The Group has not determined the fair values of the equity investments for disclosure in the consolidated 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 the equity investments may differ from their carrying amounts.

The fair values of investment in Techcombank as at 31 December 2019 and 1 January 2019 were determined by reference to the quoted prices at these respective dates on Ho Chi Minh City Stock Exchange.

(\*\*) The Group has 20% direct equity holding and 1.5% economic interest in Techcombank that is subject to a forward sale agreement (1/1/2019: 21.5%). The forward transaction has not been completed and is subject to the terms of the agreement.



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

**(d) Equity investments in other entities**

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

	31/12/2019		1/1/2019		Fair value VND million
	% of equity owned	% of voting rights	Fair value VND million	Allowance for diminution in value VND million	
Dinh Vu Petroleum Service Port Joint Stock Company (formerly known as PTSC Dinh Vu Port Company)	5.4%	5.4%	21,646	(8,442)	21,646
			(*)		(8,442)

(\*) The Group has not determined the fair value of the equity investment for disclosure in the consolidated 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 value of the equity investment may differ from its carrying amount.

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

	2019 VND million	2018 VND million
Opening balance	8,442	4,918
Increase in allowance during the year	-	3,524
Closing balance	8,442	8,442



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(e) Transactions in subsidiaries for the year ended 31 December 2019 – transactions with non-controlling interests**

**(i) Transactions with non-controlling interests in MCH**

In July 2019, MSC issued shares to certain employees under its employee share based payment plan after obtaining shareholders' approval at its Annual General Meeting, resulting in the following effects:

	<b>VND million</b>
Shares issued at par not subscribed by the Group, net of transaction costs	213,453
Net assets diluted	(79,068)
	134,385

Differences recorded in undistributed profits after tax

In December 2019, the Company received 83.7% of the total outstanding shares of VCM and issued options to receive 30.0% shares of a combined company to the sellers. The combined company will be a subsidiary of the Company, and the combined company will hold shares/capital contributions of and control both VCM and MCH. As the result of this transaction, the Company's equity interest in MCH has decreased from 85.7% to 60.0%, resulting in the following effects:

	<b>VND million</b>
Consideration	8,987,556
Net assets diluted	75,686
	9,063,242

Differences recorded in undistributed profits after tax

**(ii) Transactions with non-controlling interests in MML**

In March and July 2019, the Company acquired a total of 0.4% equity interests in MML for a total consideration of VND162,830 million. As a result of this transaction, the Company's equity interest in MML has increased from 80.8% to 81.2%, resulting in the following effects:

	<b>VND million</b>
Consideration paid	(162,830)
Net assets acquired	20,278
	(142,552)

Differences recorded in undistributed profits after tax

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

In July, August, September and October 2019, the Company sold a total of 1.9% equity interests in MML for a total consideration of VND212,130 million. As a result of this transaction, the Company's equity interest in MML has decreased from 81.2% to 79.3%, resulting in the following effects:

	<b>VND million</b>
Consideration received	212,130
Net assets diluted	(107,842)
	104,288
Differences recorded in undistributed profits after tax	104,288

In October and December 2019, MH, a subsidiary of the Company, acquired a total of 8% equity interests in MML for a total consideration of VND1,937,856 million. As a result of this transaction, the Company's equity interest in MML has increased from 79.3% to 87.3%, resulting in the following effects:

	<b>VND million</b>
Consideration paid	(1,937,856)
Net assets acquired	457,932
	(1,479,924)
Differences recorded in undistributed profits after tax	(1,479,924)

**(f) Significant transactions in subsidiaries in prior years**

***Transaction with non-controlling interests in MCH***

Pursuant to 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 interest in MCH. The second subscription amount has not been made as of the date of issuance of these consolidated financial statements.

**8. Accounts receivable – short-term and long-term**

As at 31 December 2019, a part of short-term receivables of an indirect subsidiary was pledged with banks as security for loans granted to that subsidiary (Note 19).

As at 31 December 2019, prepayments to suppliers of the Group amounting to VND809,608 million (1/1/2019: VND402,785 million) were related to construction in progress.

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

Other receivables comprised of:

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND million</b>	<b>VND million</b>
<b>Other short-term receivables</b>		
Short-term deposits (*)	2,315,774	16,090
Accrued interest receivable from deposits and other loan investing activities	26,950	34,874
Advances	25,358	2,548
Services receivable	-	142,244
Others	386,259	92,307
	<hr/>	<hr/>
	<b>2,754,341</b>	<b>288,063</b>
<b>Other long-term receivables</b>		
Long-term deposits	349,646	73,370
Others (**)	1,250,000	1,303,754
	<hr/>	<hr/>
	<b>1,599,646</b>	<b>1,377,124</b>

(\*) Included in short-term deposits was VND2,000,000 million of deposits paid to third parties for the investments in business cooperation contracts.

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

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

	<b>2019</b>	<b>2018</b>
	<b>VND million</b>	<b>VND million</b>
Opening balance	106,135	116,647
Increase in allowance during the year	13,515	8,586
Allowance utilised during the year	(5,926)	(6,863)
Written back	(7,980)	(12,235)
	<hr/>	<hr/>
Closing balance	<b>105,744</b>	<b>106,135</b>

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**9. Inventories**

	31/12/2019		1/1/2019	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Goods in transit	260,850	-	402,381	-
Raw materials	1,685,210	(14,260)	1,528,618	(20,788)
Tools and supplies	874,450	(24,319)	719,031	(25,919)
Work in progress	451,471	-	286,469	-
Finished goods	2,036,450	(30,231)	1,419,285	(9,691)
Merchandise inventories	4,245,347	-	22,566	-
Goods on consignment	136,853	-	11,239	-
	<b>9,690,631</b>	<b>(68,810)</b>	<b>4,389,589</b>	<b>(56,398)</b>

As at 31 December 2019, certain inventories of the Group were pledged with banks as security for loans granted to subsidiaries (Note 19).

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

	2019 VND million	2018 VND million
Opening balance	56,398	14,455
Increase in allowance during the year	72,439	79,777
Allowance utilised during the year	(50,013)	(34,600)
Written back	(10,014)	(3,234)
	<b>68,810</b>	<b>56,398</b>

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

**10. Tangible fixed assets**

Cost	Mining	Buildings	Leasehold	Office	Machinery and	Motor	Total
	properties	and structures	improvements	equipment	equipment	vehicles	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	5,026,292	8,402,718	90,493	148,333	18,140,112	98,708	31,906,656
Additions	69,635	43,583	178	3,232	21,033	3,762	141,423
Increases from business combination (Note 5)	-	3,275,840	-	71,823	1,937,291	42,499	5,327,453
Transfers from construction in progress	-	1,760,436	-	43,810	1,242,839	26,171	3,073,256
Transfers to long-term prepaid expenses	-	(88)	-	(63)	(361)	(59)	(571)
Disposals	-	(60,100)	-	(791)	(79,951)	(14,436)	(155,278)
Written off	-	(25,321)	(3,181)	(2,466)	(29,781)	-	(60,749)
Adjustment based on arbitration settlement (Note 36)	-	(90,599)	-	-	(893,563)	-	(984,162)
Reclassifications	-	158	-	-	(158)	-	-
Closing balance	5,095,927	13,306,627	87,490	263,878	20,337,461	156,645	39,248,028



**Masan Group Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

	<b>Mining properties and structures VND million</b>	<b>Buildings and structures improvements VND million</b>	<b>Leasehold improvements VND million</b>	<b>Office equipment VND million</b>	<b>Machinery and equipment VND million</b>	<b>Motor vehicles VND million</b>	<b>Total VND million</b>
<b>Accumulated depreciation</b>							
Opening balance	921,462	1,525,182	58,972	93,517	5,461,186	48,130	8,108,449
Charge for the year	205,869	506,778	12,967	18,276	1,326,863	17,806	2,088,559
Transfers to long-term prepaid expenses	-	(88)	-	(63)	(196)	(1)	(348)
Disposals	-	(22,748)	-	(754)	(67,396)	(13,674)	(104,572)
Written off	-	(1,373)	(3,181)	(2,466)	(7,921)	-	(14,941)
Closing balance	1,127,331	2,007,751	68,758	108,510	6,712,536	52,261	10,077,147
<b>Net book value</b>							
Opening balance	4,104,830	6,877,536	31,521	54,816	12,678,926	50,578	23,798,207
Closing balance	3,968,596	11,298,876	18,732	155,368	13,624,925	104,384	29,170,881

Included in tangible fixed assets were assets costing VND1,742,379 million which were fully depreciated as of 31 December 2019 (1/1/2019: VND1,071,631 million), but are still in active use.

The carrying amount of temporarily idle equipment in tangible fixed assets amounted to VND4,311 million as of 31 December 2019 (1/1/2019: VND1,765 million).

As at 31 December 2019, tangible fixed assets with carrying value of VND3,602,299 million (1/1/2019: VND1,597,215 million) were pledged with banks as security for loans granted to the subsidiaries and VND10,976,925 million (1/1/2019: VND12,361,085 million) were pledged with banks as security for long-term bonds issued by a subsidiary (Note 19).

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 2022/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**11. Intangible fixed assets**

	Land use rights VND million	Software VND million	Brand name VND million	Customer relationships VND million	Mineral water resources VND million	Mining rights VND million	Technology VND million	Mineral water resources exploitation rights VND million	Total VND million
<b>Cost</b>									
Opening balance	332,769	450,578	2,413,459	3,074,214	412,698	588,373	669,433	74,274	8,015,798
Additions	-	1,878	1,439	-	-	-	-	614	3,931
Increases from business combination (Note 5)	3,613,370	169,290	-	2,966,000	-	-	-	-	6,748,660
Transfers from construction in progress	-	12,406	-	-	-	-	-	-	12,406
Written off	-	(186)	-	-	-	-	-	-	(186)
Others	-	-	-	-	-	-	-	(2,766)	(2,766)
Closing balance	3,946,139	633,966	2,414,898	6,040,214	412,698	588,373	669,433	72,122	14,777,843
<b>Accumulated amortisation</b>									
Opening balance	56,074	207,542	762,690	858,626	73,398	127,569	506,526	17,816	2,610,241
Charge for the year	10,054	56,061	151,417	143,838	21,935	30,550	130,243	3,444	547,542
Written off	-	(183)	-	-	-	-	-	-	(183)
Others	-	-	-	-	-	-	-	(575)	(575)
Closing balance	66,128	263,420	914,107	1,002,464	95,333	158,119	636,769	20,685	3,157,025
<b>Net book value</b>									
Opening balance	276,695	243,036	1,650,769	2,215,588	339,300	460,804	162,907	56,458	5,405,557
Closing balance	3,880,011	370,546	1,500,791	5,037,750	317,365	430,254	32,664	51,437	11,620,818

Included in intangible fixed assets were assets costing VND54,182 million which were fully amortised as of 31 December 2019 (1/1/2019: VND34,893 million), but are still in active use.

As at 31 December 2019, intangible fixed assets with carrying value of VND465,011 million (1/1/2019: VND498,533 million) were pledged with banks as security for long-term bonds issued by a subsidiary (Note 19).

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**12. Construction in progress**

	2019 VND million	2018 VND million
Opening balance	2,171,342	1,838,001
Additions during the year	3,644,056	2,396,998
Increases from business combination (Note 5)	624,069	-
Transfers to tangible fixed assets	(3,073,256)	(2,031,131)
Transfers to intangible fixed assets	(12,406)	(2,456)
Transfers to long-term prepaid expenses	(72,887)	(29,279)
Written off	(346)	(791)
Disposals	(1,600)	-
	<hr/>	<hr/>
Closing balance	3,278,972	2,171,342
	<hr/>	<hr/>

As at 31 December 2019, construction in progress with carrying value of VND1,829,165 million (1/1/2019: VND1,799,047 million) were pledged with banks as security for long-term loans and bonds of the Company's subsidiaries (Note 19).

During the year, trial-run expense, borrowing costs and amortisation of land use rights capitalised into construction in progress amounting to VND100,075 million, VND117,394 million and VND1,164 million, respectively (2018: VND5,915 million, VND748,358 million and VND1,130 million, respectively).

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

**13. Long-term prepaid expenses**

	Other mining costs	Prepaid land costs	Land compensation costs	Printing axes, tools and supplies	Goodwill from equitisation	Swine breeders	Others	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	1,428,326	458,075	1,031,623	65,095	21,941	57,697	101,293	3,164,050
Additions	175,641	4,556	-	35,045	-	67,202	69,199	351,643
Increases from business combination (Note 5)	-	454,878	-	1,301,741	-	-	653,798	2,410,417
Transfers from long-term receivables	-	-	49,060	-	-	-	-	49,060
Transfers from tangible fixed assets	-	-	-	193	-	-	30	223
Transfers from construction in progress	-	3,871	-	52,237	-	-	16,779	72,887
Transfers (to)/from short-term prepaid expenses	-	-	-	(349)	-	-	682	333
Amortisation for the year	(98,688)	(10,768)	(73,906)	(56,108)	(3,134)	(29,701)	(36,041)	(308,346)
Written off	-	-	-	(1,269)	-	(19,194)	(914)	(21,377)
Disposals	-	(85,825)	-	(13)	-	-	-	(85,838)
Reclassifications	-	(396)	-	(2)	-	-	-	-
Currency translation differences	-	-	-	62	-	-	398	62
Closing balance	1,505,279	824,391	1,006,777	1,396,632	18,807	76,004	805,224	5,633,114

As at 31 December 2019, prepaid land costs, swine breeders and tools and supplies with carrying value of VND225,779 million (1/1/2019: VND88,754 million) were pledged with banks as security for loans granted to the Company's subsidiaries (Note 19).



Masan Group Corporation and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019  
(continued)

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

**14. Deferred tax assets and liabilities**

*(i) Recognised deferred tax assets and liabilities*

	31/12/2019 VND million	1/1/2019 VND million
Deferred tax assets:		
Accrued expenses and provisions	185,051	234,274
Unrealised profits on intra-group transactions	23,707	20,933
Tax losses carried forward	30,527	38,380
Tangible fixed assets	1,358	1,674
<b>Total deferred tax assets</b>	<b>240,643</b>	<b>295,261</b>
Deferred tax liabilities:		
Tangible fixed assets	(678,218)	(639,785)
Intangible fixed assets	(1,773,297)	(711,661)
Unrealised losses on intra-group transactions	(3,900)	-
<b>Total deferred tax liabilities</b>	<b>(2,455,415)</b>	<b>(1,351,446)</b>
<b>Net deferred tax liabilities</b>	<b>(2,214,772)</b>	<b>(1,056,185)</b>

*(ii) Movements of temporary differences during the year*

	1/1/2019 VND million	Increases from business combination (Note 5) VND million	Recognised in consolidated statement of income VND million	31/12/2019 VND million
Accrued expenses and provisions	234,274	-	(49,223)	185,051
Unrealised profits on intra-group transactions	20,933	-	(1,126)	19,807
Tax losses carried forward	38,380	-	(7,853)	30,527
Tangible fixed assets	(638,111)	(76,708)	37,959	(676,860)
Intangible fixed assets	(711,661)	(1,131,987)	70,351	(1,773,297)
	<b>(1,056,185)</b>	<b>(1,208,695)</b>	<b>50,108</b>	<b>(2,214,772)</b>

Masan Group Corporation and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019  
(continued)

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

**15. Goodwill**

	<b>VND million</b>
<b>Cost</b>	
Opening balance	1,115,851
Additions (Note 5)	3,578,372
	4,694,223
<b>Closing balance</b>	
	4,694,223
<b>Accumulated amortisation</b>	
Opening balance	596,312
Amortisation during the year	112,483
	708,795
<b>Closing balance</b>	
	708,795
<b>Net book value</b>	
Opening balance	519,539
Closing balance	3,985,428
	3,985,428

**16. Taxes**

**(a) Taxes receivable from State Treasury**

	<b>31/12/2019 VND million</b>	<b>1/1/2019 VND million</b>
Corporate income tax	13,545	11,496
Other taxes	9,976	11,454
	23,521	22,950
	23,521	22,950

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(b) Taxes payable to State Treasury**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND million</b>	<b>VND million</b>
Value added tax	149,782	92,151
Special consumption tax	21,366	12,206
Corporate income tax	463,143	272,640
Personal income tax	131,358	49,273
Import-export tax	125	623
Other taxes	4,230	2,968
	770,004	429,861

Movements of taxes payable to State Treasury during the year were as follows:

	1/1/2019	Increases from business combination	Incurred	Paid	Net-off/ Reclassified	31/12/2019
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Value added tax	92,151	-	4,085,252	(1,082,061)	(2,945,560)	149,782
Special consumption tax	12,206	-	207,047	(197,887)	-	21,366
Corporate income tax	272,640	-	790,583	(600,760)	680	463,143
Personal income tax	49,273	48,395	343,821	(310,131)	-	131,358
Import-export tax	623	-	358,938	(359,436)	-	125
Other taxes	2,968	338	606,576	(605,372)	(280)	4,230
	429,861	48,733	6,392,217	(3,155,647)	(2,945,160)	770,004

Masan Group Corporation and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019  
(continued)

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

**17. Accrued expenses**

	31/12/2019 VND million	1/1/2019 VND million
Accrual for construction work	989,525	110,873
Bonus and 13 <sup>th</sup> month salary	585,768	420,873
Advertising and promotion expenses	493,501	699,938
Interest expense	466,583	423,557
Sales discounts and customer support fee	385,443	400,892
Logistic expense	273,755	121,386
Consultant fee	126,172	10,754
Purchases not yet received invoices	108,698	87,051
Natural resource taxes and fees	71,039	10,034
Exhibition and market expenses	35,839	57,612
Information and technology expenses	19,671	24,223
Others	554,508	423,857
	4,110,502	2,791,050

**18. Other payables**

	31/12/2019 VND million	1/1/2019 VND million
<b>Short-term</b>		
Trade union fees, social, health and unemployment insurance	44,769	11,927
Short-term deposits received	14,558	4,897
Dividends payable	32,495	29,123
Others	30,735	250,466
	122,557	296,413
<b>Long-term</b>		
Long-term deposits received	23,977	21,802
Others	156,962	2,002
	180,939	23,804



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**19. Borrowings and bonds**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND million</b>	<b>VND million</b>
<b>Short-term borrowings and bonds (*)</b>		
Short-term borrowings	13,286,330	6,132,408
Current portion of long-term borrowings and bonds	5,053,855	3,111,371
	18,340,185	9,243,779
 <b>Long-term borrowings and bonds (**)</b>		
Long-term borrowings and bonds	16,729,697	15,863,020
Repayable within twelve months	(5,053,855)	(3,111,371)
	11,675,842	12,751,649

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

	Movements during the year					
	1/1/2019	Increases from business combination (Note 5) VND million	Additions VND million	Repayments VND million	Unrealised foreign exchange gains VND million	31/12/2019
(*) Short-term borrowings and bonds	Carrying amounts and amounts within repayment capacity VND million				Carrying amounts and amounts within repayment capacity VND million	
Short-term borrowings	6,132,408	3,575,757	27,324,045	(23,733,617)	(12,263)	13,286,330
Current portion of long-term borrowings and bonds	3,111,371	33,006	5,020,849	(3,111,371)	-	5,053,855
	9,243,779	3,608,763	32,344,894	(26,844,988)	(12,263)	18,340,185

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

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

	Currency	Annual interest rate	31/12/2019 VND million	1/1/2019 VND million
Secured bank loans	VND	5.5% - 9.6%	5,123,566	999,614
Secured bank loans	USD	3.3% - 6.3%	1,260,626	1,658,760
Unsecured bank loans	VND	4.3% - 6.5%	6,172,138	3,474,034
Unsecured loans from third parties	VND	9.0%	730,000	-
			13,286,330	6,132,408

As at 31 December 2019 and 1 January 2019, the bank loans were secured by the following assets of the Group:

- (i) 220 million shares of MSR (1/1/2019: 200 million shares);
- (ii) a part of shares of Vinhomes Joint Stock Company (1/1/2019: nil);
- (iii) a part of shares of Vincom Retail Joint Stock Company (1/1/2019: nil);
- (iv) fixed assets with carrying value of VND770,931 million; and
- (v) a part of inventories and short-term receivables of an indirect subsidiary.

**(\*\*) Long-term borrowings and bonds**

	31/12/2019 VND million	1/1/2019 VND million
Long-term borrowings (a)	2,908,420	841,621
Straight bonds (b)	13,821,277	15,021,399
	16,729,697	15,863,020

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

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

	Currency	Annual interest rate	Year of maturity	31/12/2019 VND million	1/1/2019 VND million
<b>a. Long-term borrowings</b>					
Secured bank loans	VND	7.6% - 10.8%	2021 - 2027	2,608,420	841,621
Unsecured loans from third parties	VND	9.0%	2021	300,000	-
				2,908,420	841,621
<b>b. Straight bonds</b>					
(including issuance costs)	VND	8.0% - 10.0%	2020 - 2024	13,821,277	15,021,399

**(a) Long-term borrowings**

As at 31 December 2019, long-term borrowings of the Group were secured over certain fixed assets, certain construction in progress and long-term prepaid expenses with carrying value of VND2,831,368 million (1/1/2019: VND1,597,215 million) (Note 10), VND217,136 million (1/1/2019: VND401,870 million) (Note 12) and VND225,779 million (1/1/2019: VND88,754 million) (Note 13), respectively.

**(b) Straight bonds**

The carrying amount of the bonds comprised the following:

	31/12/2019 VND million	1/1/2019 VND million
Straight bonds	13,950,000	15,200,010
Unamortised bond issuance costs	(128,723)	(178,611)
	13,821,277	15,021,399

- (i) VND2,100 billion (1/1/2019: 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 59.3 million shares (1/1/2019: 59.3 million shares) of MSC;
- (ii) VND1,300 billion (1/1/2019: 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 17.1 million shares (1/1/2019: 4.1 million shares) of ANCO and 24.64% share capital of MNS Feed (1/1/2019: nil);



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

- (iii) VND700 billion (1/1/2019: 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 (1/1/2019: 14.4 million shares) of Proconco;
- (iv) VND3,600 billion (1/1/2019: VND5,600 billion) bonds with a maturity of 5 years (2020) 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 certain fixed assets and construction in progress with total carrying value of VND13,053,965 million (1/1/2019: VND14,256,795 million) of indirect subsidiaries of the Company;
- (v) VND1,000 billion (1/1/2019: VND1,000 billion) bonds with a maturity of 2 years (2020) at an interest rate of 9.5% per annum. The bonds were secured over 103.3 million shares (1/1/2019: 93.8 million shares) of MSR;
- (vi) VND500 billion (1/1/2019: 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 (1/1/2019: 47 million shares) of MSR;
- (vii) VND1,000 billion (1/1/2019: 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 secured over 104.7 million shares (1/1/2019: 95.2 million shares) of MSR. As at 31 December 2019, VND250 billion bonds (1/1/2019: nil) were owned by the Company and eliminated in the consolidated financial statements;
- (viii) VND1,500 billion (1/1/2019: 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 secured over 154.8 million shares (1/1/2019: 140.8 million shares) of MSR;
- (ix) VND500 billion (1/1/2019: nil) 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 (1/1/2019: nil) of MSR. As at 31 December 2019, these bonds were owned by the Company and eliminated in the consolidated financial statements;
- (x) VND300 billion (1/1/2019: nil) bonds with a maturity of 3 years (2022) at an interest rate of 10% 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 33.3 million shares (1/1/2019: nil) of MSR;
- (xi) VND200 billion (1/1/2019: nil) bonds with a maturity of 3 years (2022) at an interest rate of 10% 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 22.2 million shares (1/1/2019: nil) of MSR;

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

- (xii) VND500 billion (1/1/2019: nil) 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 (1/1/2019: nil) of MSR. As at 31 December 2019, these bonds were owned by the Company and eliminated in the consolidated financial statements;
- (xiii) VND100 billion (1/1/2019: nil) bonds with a maturity of 3 years (2022) at an interest rate of 10% 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 by a number of MSR's shares which will be finalised before 31 March 2020 (1/1/2019: nil);
- (xiv) VND190 billion (1/1/2019: nil) bonds with a maturity of 3 years (2022) at an interest rate of 10% 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 by a number of MSR's shares which will be finalised before 31 March 2020 (1/1/2019: nil);
- (xv) VND210 billion (1/1/2019: nil) bonds with a maturity of 3 years (2022) at an interest rate of 10% 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 114.9 million shares (1/1/2019: nil) of MSR; and
- (xvi) VND1,500 billion (1/1/2019: nil) bonds with a maturity of 3 years (2022) at an interest rate of 10% 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.

As at 31 December 2019, the associates of the Group held VND216,617 million (1/1/2019: VND1,006,117 million) of the issued bonds.

During the year, the Group complied with the loan covenants on the above borrowings and bonds.

## 20. Provisions

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND million</b>	<b>VND million</b>
Provision for mining rights fee	430,392	466,446
Provision for mine rehabilitation	99,122	26,218
Provision for severance allowance	43,930	47,527
	573,444	540,191

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

Movements of provisions during the year were as follows:

	<b>Mining rights fee VND million</b>	<b>Mine rehabilitation VND million</b>	<b>Severance allowance VND million</b>	<b>Total VND million</b>
Opening balance	466,446	26,218	47,527	540,191
Provision made during the year	37,092	72,904	2,917	112,913
Provision used during the year	(3,511)	-	(4,826)	(8,337)
Provision written back during the year	(69,635)	-	(1,688)	(71,323)
<b>Closing balance</b>	<b>430,392</b>	<b>99,122</b>	<b>43,930</b>	<b>573,444</b>

Masan Group Corporation and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)

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

21. Changes in owners' equity

	Share capital VND million	Capital surplus VND million	Other capital VND million	Treasury shares VND million	Foreign exchange differences VND million	Undistributed profits after tax of the Company VND million	Equity attributable to equity holders of the Company VND million	Non-controlling interests VND million	Total VND million
<b>Balance as at 1 January 2018</b>	11,573,740	6,855,539	(9,426,958)	(6,518,087)	2,431	12,350,048	14,836,713	5,388,482	20,225,195
Issuance of new shares	57,755	(50)	-	-	-	-	57,705	-	57,705
Reissue of treasury shares	-	4,228,928	-	6,518,087	-	-	10,747,015	-	10,747,015
Transactions with NCI	-	-	-	-	-	(938,994)	(938,994)	(861,098)	(1,800,092)
Net profit for the year	-	-	-	-	-	4,916,497	4,916,497	705,008	5,621,505
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(774,097)	(774,097)
Currency translation differences	-	-	-	-	1,971	-	1,971	476	2,447
Others	-	-	-	-	-	(134,163)	(134,163)	134,163	-
<b>Balance as at 31 December 2018</b>	11,631,495	11,084,417	(9,426,958)	-	4,402	16,193,388	29,486,744	4,592,934	34,079,678



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019 (continued)**

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

	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
<b>Balance as at 1 January 2019</b>	11,631,495	11,084,417	(9,426,958)	4,402	16,193,388	29,486,744	4,592,934	34,079,678
Issuance of new shares	57,969	(60)	-	-	-	57,909	-	57,909
Transactions with NCI (Note 7)	-	-	-	-	7,679,439	7,679,439	(366,986)	7,312,453
Business combination (Note 5)	-	-	-	-	-	-	4,467,897	4,467,897
Net profit for the year	-	-	-	-	5,557,571	5,557,571	807,044	6,364,615
Dividends declared by subsidiaries	-	-	-	-	-	-	(393,817)	(393,817)
Share dividend declared by a subsidiary	-	-	863,268	-	(863,268)	-	-	-
Currency translation differences	-	-	-	6,631	-	6,631	1,561	8,192
Others	-	-	-	-	(8,178)	(8,178)	(342)	(8,520)
<b>Balance as at 31 December 2019</b>	11,689,464	11,084,357	(8,563,690)	11,033	28,558,952	42,780,116	9,108,291	51,888,407

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**22. Share capital and capital surplus**

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

	31/12/2019		1/1/2019	
	Number of shares	VND million	Number of shares	VND million
<b>Authorised share capital</b>	1,168,946,447	11,689,464	1,163,149,548	11,631,495
<b>Issued share capital</b>				
Ordinary shares	1,168,946,447	11,689,464	1,163,149,548	11,631,495
<b>Capital surplus</b>	-	11,084,357	-	11,084,417

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

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 less the aggregate dividends and distributions paid by the Company, subject to customary adjustments from dilutive events. This option shall be exercisable after the 5<sup>th</sup> year from the Closing Date and remain exercisable until the 6<sup>th</sup> 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.

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

Movements of share capital during the year were as follows:

	<b>2019</b>		<b>2018</b>	
	Number of shares	VND million	Number of shares	VND million
Balance at beginning of the year	1,163,149,548	11,631,495	1,157,373,974	11,573,740
Issuance of new shares at par for cash	5,796,899	57,969	5,775,574	57,755
Balance at end of the year	1,168,946,447	11,689,464	1,163,149,548	11,631,495

### **23. Share-based payment**

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

In June 2019, the Company issued 5,796,899 shares to employees at par for cash.

### **24. Off balance sheet items**

#### **(a) Lease commitments (when the Group is the lessee)**

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

	<b>31/12/2019</b>	<b>1/1/2019</b>
	VND million	VND million
Within 1 year	1,770,763	158,303
Within 2 to 5 years	4,944,618	136,125
More than 5 years	3,382,643	179,760
	<u>10,098,024</u>	<u>474,188</u>

Masan Group Corporation and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019  
(continued)

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

**(b) Lease receivables (when the Group is the lessor)**

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

	31/12/2019 VND million	1/1/2019 VND million
Within 1 year	55,737	-
Within 2 to 5 years	105,416	-
	<hr/>	
	161,153	-
	<hr/>	

**(c) Capital expenditure**

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

	31/12/2019 VND million	1/1/2019 VND million
Approved and contracted	975,182	1,797,246
Approved but not contracted	1,062,454	1,299,287
	<hr/>	
	2,037,636	3,096,533
	<hr/>	

**(d) Foreign currencies**

	31/12/2019		1/1/2019	
	Original currency	VND million equivalent	Original currency	VND million equivalent
USD	33,100,265	764,947	11,209,880	260,861
EUR	-	-	314	9
SGD	-	-	334	5
THB	64,860,758	48,775	83,683,037	58,076
		<hr/>		
		813,722		<hr/>
				318,951
		<hr/>		<hr/>





**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(e) Final sales pricing adjustment**

As disclosed in Note 3(q), a subsidiary of the Company had the following commitments under sales contract to adjust the sales price of its product sold based on future quoted market price at the London Metal Bulletin (“LMB”) at the agreed final pricing date. The revenue on provisionally priced sales is initially recognised based on the estimated fair value of the total consideration receivable at the date of transaction. Revenue will be adjusted at the final pricing date subsequent to the year end. Such adjustments are treated as changes in estimates due to the absence of a mechanism to reliably estimate future LMB quoted prices at the date of transaction.

Total revenue for the year ended 31 December 2019 that have been recognised on a provisional basis is VND301 billion (2018: VND384 billion).

**25. Revenue from sale of goods**

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

Net revenue comprised of:

	2019 VND million	2018 VND million
Total revenue		
▪ Sales of finished goods and others	38,818,747	39,378,747
Less revenue deductions		
▪ Sales discounts	1,408,827	1,144,682
▪ Sales returns	55,833	46,448
	1,464,660	1,191,130
	37,354,087	38,187,617

**26. Cost of sales**

	2019 VND million	2018 VND million
Total cost of sales		
▪ Finished goods sold and other sales	26,350,514	26,229,665
▪ Allowance for inventories	62,425	76,543
	26,412,939	26,306,208
	26,412,939	26,306,208

Masan Group Corporation and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019  
(continued)

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

## 27. Financial income

	2019 VND million	2018 VND million
Interest income from:		
• Deposits	244,110	313,391
• Other loan investing activities	41,185	11,173
Settlement of past interest expense from the arbitration settlement (Note 36)	809,725	-
Foreign exchange gains	91,520	65,835
Gain from deemed disposal on dilution in an associate and others	1,643	1,511,394
	1,188,183	1,901,793

## 28. Financial expenses

	2019 VND million	2018 VND million
Interest expense on loans/bonds from:		
• Banks	953,398	383,009
• Bondholders and others	912,617	2,284,522
Bond issuance costs	144,960	220,837
Foreign exchange losses	61,118	91,752
Others	128,469	110,794
	2,200,562	3,090,914

## 29. Selling expenses

	2019 VND million	2018 VND million
Promotion and advertising expenses	2,004,770	2,414,846
Logistic expense	833,357	803,314
Staff costs	653,505	607,162
Exhibition expense	170,318	162,304
Outside services	48,590	39,234
Others	284,355	287,393
	3,994,895	4,314,253

Masan Group Corporation and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019  
(continued)

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

**30. General and administration expenses**

	<b>2019</b> <b>VND million</b>	<b>2018</b> <b>VND million</b>
Staff costs	780,621	765,809
Amortisation of fair value uplift of fixed assets arising in business combination	507,265	513,827
Amortisation of goodwill	112,483	112,482
Depreciation and amortisation	101,591	97,430
Research and development expenses	26,878	15,437
System lease line and IT services	73,065	89,089
Office rental	89,169	79,298
Outside services	121,525	95,886
Others	290,811	246,130
	<hr/> 2,103,408	<hr/> 2,015,388 <hr/>

**31. Other income**

	<b>2019</b> <b>VND million</b>	<b>2018</b> <b>VND million</b>
Income from arbitration settlement (Note 36)	1,212,835	-
Others	112,515	14,708
	<hr/> 1,325,350	<hr/> 14,708 <hr/>

Masan Group Corporation and its subsidiaries  
Notes to the consolidated financial statements for the year ended 31 December 2019  
(continued)

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

## 32. Income tax

### (a) Recognised in the consolidated statement of income

	2019 VND million	2018 VND million
<b>Current tax expense</b>		
Current year	854,707	726,873
Over provision in prior years	(64,124)	(181)
	<hr/> 790,583	<hr/> 726,692
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(51,794)	(104,373)
Write down of deferred tax recognised	1,686	-
	<hr/> (50,108)	<hr/> (104,373)
Income tax expense	<hr/> 740,475	<hr/> 622,319

### (b) Reconciliation of effective tax rate

	2019	2018		2018
	%	VND million	%	VND million
Accounting profit before tax	100.0%	7,105,090	100.0%	6,243,824
Tax at the Company's income tax rate	20.0%	1,421,018	20.0%	1,248,765
Effect of different tax rates in subsidiaries	(6.1%)	(432,624)	(7.7%)	(483,689)
Effect of consolidation transactions	(1.0%)	(74,277)	(3.2%)	(197,822)
Non-deductible expenses	1.0%	78,498	0.6%	36,319
Effect of share of profits in associates net of tax	(6.1%)	(436,482)	(6.1%)	(382,868)
Unrecognised deferred tax assets	3.8%	270,940	6.5%	406,446
Over provision in prior years	(0.9%)	(64,124)	-	(181)
Tax losses utilised	(0.3%)	(24,160)	(0.1%)	(4,651)
Write down of deferred tax recognised	-	1,686	-	-
	<hr/> 10.4%	<hr/> 740,475	<hr/> 10.0%	<hr/> 622,319



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(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 corporate income tax rate of 20%.

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

**(d) Tax contingencies**

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

**33. Significant transactions with related parties**

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

Related party	Nature of transaction	2019 VND million	2018 VND million
<b>Associates</b>			
Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries	Loans received	1,367,341	1,651,044
	Loans repaid	1,498,588	1,406,719
	Bonds issued (acting as an agent) (*)	3,500,000	3,800,000
	Bonds repurchased (acting as an agent)	3,000,000	885,204
	Purchases of trading securities	2,004,711	2,016,734
	Sales of trading securities	754,711	504,274
	Interest expense	95,527	122,123
<b>Other related parties</b>			
Key management personnel	Remuneration to key management personnel	151,832	148,983
A member of a subsidiary's Members' Council	Sales of goods to a related party of this member	-	720,924
	Purchase goods from a related party of this member (**)	725,042	-

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

As at and for the year ended 31 December 2019, the Company and its subsidiaries have current and term deposit accounts at and agency transactions with Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries at normal trading terms.

- (\*) The bonds are listed and sold to a broader set of investors pursuant to an arrangement agreement.
- (\*\*) In 2018, NPM, a subsidiary, has sold goods to a related party of a member of its Members' Council and subsequently in 2019, NPM has purchased such goods from such related party. The transaction was approved by the Members' Council of NPM on 25 March 2019.

### 34. Earnings per share

#### (a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2019 was based on the net profit attributable to ordinary shareholders of VND5,557,571 million (2018: VND4,916,497 million) of the Company and a weighted average number of ordinary shares outstanding of 1,166,167,112 shares during the year (2018: 1,077,880,214 shares), calculated as follows:

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

	<b>2019</b>	<b>2018</b>
	<b>VND million</b>	<b>VND million</b>
Net profit attributable to ordinary shareholders	5,557,571	4,916,497

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

	<b>2019</b>	<b>2018</b>
Issued ordinary shares at the beginning of the year	1,163,149,548	1,047,474,042
Effect of shares issued for cash	3,017,564	3,006,463
Effect of treasury shares reissued	-	27,399,709
Weighted average number of ordinary shares during the year	1,166,167,112	1,077,880,214

#### (b) Diluted earnings per share

The Company has no dilutive potential ordinary shares.

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
(continued)

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

**35. Non-cash investing activities**

	<b>2019</b>	<b>2018</b>
	<b>VND million</b>	<b>VND million</b>
Cost of construction not yet paid	447,364	412,138
Depreciation and amortisation capitalised into construction in progress	-	1,389
	-	-

**36. Other disclosures**

**(i) Claims against Jacobs E&C Australia PTY Limited (“Jacobs”)**

On 28 March 2019, a panel of three arbitrators appointed by the Singapore International Arbitration Center (the “Arbitral Tribunal”) has awarded NPM, a subsidiary of the Company, a partial final award as compensation for E&C Australia Pty Ltd (“Jacobs”)’s conduct (“Partial Final Award”). The case concerns the circumstances of the entry into and the performance of an engineering and procurement services agreement which was executed by NPM and Jacobs in 2011 for engineering, procurement and construction management of NPM’s mineral processing plant in Thai Nguyen Province, Vietnam.

In addition to the Partial Final Award, the Arbitral Tribunal also had claims before it in relation to interest and cost.

In August 2019, NPM and Jacobs settled the international arbitration case for USD130 million. Jacobs paid to NPM in September 2019. As part of the settlement, NPM has unconditionally waived its right to the Partial Final Award and all claims and actions in relation to the international arbitration case.

The compensation received by NPM had been treated in accordance with the nature of the compensation as follows:

- reduction of fixed assets costs (due to over payments for over claims of construction related costs or other construction or rectification costs that should not be incurred in the first place);
- financial income; and
- other income.

**(ii) Agreement to acquire the tungsten business**

On 17 September 2019, MTC signed an agreement to acquire the tungsten business of H.C Starck Group GmbH (“HCS”). HCS is a leading manufacturer of high-tech tungsten metal powders and carbides (midstream tungsten products) with global operation and modern automated manufacturing processes. The agreement is undergoing certain regulatory approvals and the acquisition shall be executed once the legal procedures are completed.

**37. Post balance sheet events**

Subsequent to year end, MCH, a subsidiary of the Company, acquired 0.32% equity interests in MSC for a total consideration of VND162,964 million. As a result of this transaction, the Company’s equity interest in MSC has increased from 56.8% to 57.0%.

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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

Subsequent to year end, MH, a subsidiary of the Company, acquired 1.2% equity interests in MML for a total consideration of VND300,002 million. As a result of this transaction, the Company's equity interest in MML has increased from 87.3% to 88.5%.

Subsequent to year end, HPC, a subsidiary indirectly owned by the Company, successfully acquired 11,703,630 shares (equivalents to 52.25% equity interests) of Net Detergent Joint Stock Company ("NET") which is one of the local home care manufacturers. Such transaction resulted in NET became a subsidiary indirectly owned by the Company.

Subsequent to year end, the Company issued VND3,000 billion bonds with a maturity of 3 years 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.

There has been no other significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

20 March 2020

Prepared by:



Doan Thi My Duyen  
Chief Accountant

Approved by:



Michael Hung Nguyen  
Deputy Chief Executive Officer  
Chief Financial Officer

Dr. Nguyen Dang Quang  
Chairman  
Chief Executive Officer



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